

Witan Pacific
Investment Trust plc

Half Year Report

2016

A broader view of the entire Asia Pacific region



Witan Pacific investment trust

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PREMIUM



Key information

The Company aims to provide shareholders with capital and income growth from a diversified portfolio of investments in the Asia Pacific region.

Strategy

- Employ an active multi-manager approach with the aim of adding value and diversifying risk
- Appoint portfolio managers to access the wide range of opportunities in the Asia Pacific region, seeking capital return and income growth
- Aim to outperform the Company's benchmark, the MSCI All Country Asia Pacific Index in sterling terms
- Aim to increase the dividend per share ahead of UK inflation rates
- Buy back shares when the Company's shares are standing at a substantial and anomalous discount to their Net Asset Value ("NAV")
- Control costs seeking to maintain ongoing charges (excluding performance fees) of less than 1% per annum

Why choose Witan Pacific Investment Trust?

- The only UK investment trust with a strategic focus across the entire Asia Pacific region, including Japan, Australia and India – investing in companies operating across this increasingly interdependent region
- A multi-manager strategy – three experienced active portfolio managers with established track records employing different approaches, resulting in distinctive portfolios
- The combination of portfolio managers offers a portfolio of stocks reflecting their best ideas, independent of index weightings
- Investment performance – 0.7% per annum outperformance¹ of the benchmark since the introduction of the multi-manager approach in 2005 and outperformance² in 8 of the 11 financial years since that introduction³
- Growing income – twice yearly dividend payments to shareholders and the aim of dividend growth in real terms
- Governance by an experienced, independent Board of Directors

¹ Source: Morningstar. Average p.a. NAV total return including dividends reinvested.

² Source: Morningstar. NAV total return outperformance of the benchmark includes dividends reinvested.

³ The Witan Pacific Investment Trust plc financial year ends 31 January. Investors are reminded that past performance is not a guide to future performance and the value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested.

Financial summary

Key data

	31 July 2016	31 January 2016	% change
NAV per share	315.40p	259.27p	↑ 21.6%
Share price	273.00p	231.00p	↑ 18.2%
Discount	13.4%	10.9%	

Cumulative performance (Total Return)

	6 months	1 year	3 years	5 years
NAV per share*	22.8%	16.1%	21.7%	38.5%
Share price*	19.5%	13.7%	17.8%	39.3%
Benchmark**	22.0%	16.1%	27.8%	41.8%

Income

	31 July 2016	31 July 2015	% change
Revenue return per share	3.01p	2.84p	↑ 6.0%
Interim dividend per share	2.20p	2.15p	↑ 2.3%

Ongoing charges (6 months)

	31 July 2016	31 July 2015
Excluding performance fees	0.53%	0.52%
Including performance fees	0.54%	0.52%

* Source: Morningstar/Witan Investment Services. Total returns include dividends reinvested.

** Source: Morningstar. The benchmark for Witan Pacific Investment Trust plc is the MSCI All Country Asia Pacific Index.

Long-term performance analysis

Total returns since inception of multi-manager structure 31 May 2005

	Cumulative return	Annualised return
NAV per share*	176.8%	9.5%
Share price*	173.8%	9.4%
Benchmark*	155.2%	8.8%

10 year dividend record



* Source: Morningstar/Witan Investment Services. Total returns include dividends reinvested.

Interim dividend only.



Performance and investment approach

The period from 31 January 2016 to 31 July 2016 saw a sharp rise in Witan Pacific's NAV per share: from 259.27p per share to 315.40p. The NAV return per share of 22.8% (capital and income combined) compares with the total return provided by the benchmark of 22%.

Following the ups and downs of the last financial year, during which the NAV total return per share declined by 5.6%, this is encouraging news. We are also pleased to be able to increase our dividend per share at the interim stage by 2.3%. The share price total return was not quite as strong as the benchmark return, however, as the discount which stood at 10.9% at the end of January (on a particularly volatile day) increased to 13.4% at the end of July. There was some volatility in the discounts of many of the trusts investing in the Asian region over the six month period.

It is worth looking in a bit more detail at this rather startling performance: such moves are unusual. In January and February, the region's stock markets were suffering from considerable uncertainty arising from fears of a very sharp slow down in the Chinese economy. From a low point in mid-February, most of the markets in the region (except for Japan's) recovered somewhat over the next few months, and that recovery has continued into the current half year so far. The recovery saw particularly strong performances from the Philippine, Thai and Hong Kong markets, and from commodity and telecoms stocks in sector terms. However, in local currency terms, the Japanese market fell by 7%.

Currency effects were unusually significant given the sharp decline in sterling following the results of the UK referendum on membership of the European Union, and given local currency strength as well. The yen rose by some 25%, transforming a negative return to local investors in the Japanese market into a 17% return to a sterling investor. In aggregate, currency provided considerably more than half the returns from the region as a whole, but some of the individual markets, such as the Philippines and Thailand, provided returns to local investors of over 20%, and recovery in sentiment towards China resulted in returns of around 13% to local investors in China and just under 18% to investors in Hong Kong.

Performance analysis

We were pleased to see a continuation of the outperformance of the last two years into the first half of the current financial year. Aberdeen and Matthews both focus on stocks rather than on currencies or macro-economics and therefore can find themselves at variance with markets driven by big-picture influences in the short term. There was some evidence of this as the portfolio underperformed in the market recoveries of March and July. However, overall, Aberdeen outperformed strongly over the first six months of the financial year, following a prolonged period of underperformance. Their portfolio provided a return (before fees) of some 27%, compared with the benchmark's 22%. Mining shares (including Rio Tinto and BHP Billiton) which are owned by Aberdeen rallied after a long period of poor

SUMMARY

- NAV total return of 22.8%, compared with benchmark 22.0%
 - Share price total return of 19.5%
 - Outperformed in 8 out of the 11 financial years since becoming multi-manager in May 2005
 - Interim dividend increased by 2.3% to 2.20p
-

performance. Elsewhere, OCBC, Keyence, Shin-Etsu Chemical and Singapore Technical Engineering also made a notable contribution to Aberdeen's performance. Matthews performed more or less in line over the six month period, having performed very well in relative terms in 2015/16. Gavekal underperformed in relative terms, having outperformed in 2015/16's falling markets.

Your Board continues to review its managers carefully and to monitor the combined portfolio which results from their individual activities. We note that there have been no significant changes in the overall positioning of the portfolio, which remains underweight relative to its benchmark in Japanese and Australian equities and overweight in relative terms to Chinese and Hong Kong stocks. It should be noted that these positions are the result generally of individual stock decisions by Aberdeen and Matthews, although Gavekal took a "top down" view to sell their Japanese holdings ahead of the period end. The portfolio as a whole has an emphasis on consumer goods and telecoms, and holds less financial stocks than in the benchmark and is particularly underweight in Japanese and Australian financial companies.

In terms of the size of the companies in which we invest, your Company has tended to have a bias away from the very largest companies in the region (again avoiding the Australian financial companies) as your portfolio managers have found more attractive opportunities in medium sized and smaller companies. Approximately 27% of the combined portfolio is in companies with a market capitalisation of less than £6.5bn.

We have also amended the figures we present to show the portfolio's geographical allocation to China and Hong Kong as a single entity rather than separately, as previously recorded. An increasing number of Chinese companies (or companies with significant operations in China) are now domiciled and/or listed in Hong Kong and this makes the separation between China and Hong Kong less appropriate. The new China/Hong Kong categorisation therefore includes all portfolio companies which are incorporated in either country as well as Yum! Brands and Qualcomm which, while incorporated in the US, draw a significant proportion of their revenue from the region. Matthews and Aberdeen have both asked us for permission to invest in Chinese "A" shares, which are Chinese domiciled shares quoted in renminbi and listed on the Shanghai and Shenzhen exchanges. After discussion with them and with our custodian, we have granted permission. We would not expect the overall proportion of the portfolio to be invested in Chinese "A" shares to be significant, but the setback in that market has provided some interesting opportunities which we believe our managers are well placed to explore, as they do other opportunities across the region.

The Board

We have continued to make sure we have succession plans in place and we have recruited and refreshed the Board regularly in recent years. I have been a Director of Witan Pacific for more than 12 years, and will retire from the Board and as Chair at the AGM next year. I am pleased to say that Susan Platts-Martin will take over from me as Chair at that point. We are likely to recruit an additional Board member between now and then, on the basis of our analysis of the skills, knowledge and experience required to add value for shareholders.

Dividend

The underlying dividend growth from the companies in which Witan Pacific invests has been reasonably robust over the period and the impact of currencies has been mildly positive, in contrast to recent years. Our managers believe at this stage that dividend growth will continue at reasonable levels over the next year or so, and we therefore consider it appropriate to increase the interim dividend by slightly more than UK inflation as measured by the Consumer Prices Index.

Discount

We have continued to buy back shares when the discount at which they stand is at an anomalous and substantial level and have bought back some 478,331 shares over the period, which has added approximately £200,000 of value for shareholders. We have increased the authority given to Witan Investment Services to implement our buyback. We have also extended our marketing activity and are working on a relaunch of the website and rebranding of the Trust's image. We do look very closely at the level of our discount relative to its own history and to other investment companies. It is currently not far adrift from those of other companies in the region but we would hope to see the trend continuing to improve as the merits of the pan regional approach, the reach we can offer through our portfolio managers, and the relatively reduced volatility we provide through diversification are seen to offer value in the hands of shareholders.

Outlook

Markets across the world have been strong so far in 2016. This is perhaps surprising in the face of lacklustre economic growth, weak corporate earnings and political uncertainties ranging from the UK's "Brexit" referendum to the forthcoming US Presidential election. For UK investors, the weakness of sterling has flattered results to some extent, but there has been more enthusiasm for the Asian region than for a while.

Asian markets had been under some pressure for several years before 2016 and, whilst uncertainties remain over the Chinese economy's transition to a slower growth rate, regional valuations appear to have reached a point where investors were willing to look for glimmers of hope rather than already discounted faults. Japan, in contrast, has been weak in local terms with the strong yen a double-edged sword – weighing on profit forecasts while boosting returns for foreign investors.

Part of the reason for such startling equity returns relates to the global decline in both short and long-term interest rates, which has made the relative valuations of equities look more attractive by comparison. At some stage, the decline in yields, which has reached extreme levels, will start to reverse and those investments borne aloft by abundant liquidity rather than their own intrinsic merits may prove vulnerable. In the succinct words of Warren Buffett, “Only when the tide goes out do you discover who has been swimming naked.” Our managers’ focus on long-term opportunity, management, valuation and business fundamentals is intended to deliver returns which are not unduly sensitive to shorter-term currents. At the same time, the development of inter-regional economic activity continues and the range of investment opportunities across the region remains of considerable interest.



Sarah Bates

Chairman

28 September 2016

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Portfolio information

Manager performance for the half year ended 31 July 2016 and from appointment to 31 July 2016

	Appointment date	Managed assets		Performance		Annualised performance*	
		£m	% [#]	manager %	benchmark %	manager %	benchmark %
Aberdeen	31 May 2005	86.6	42.4	+27.0	+22.0	+11.0	+8.8
Matthews	30 April 2012	96.1	47.0	+21.5	+22.0	+13.5	+10.0
Gavekal [†]	24 April 2012	21.7	10.6	+18.6	+22.0	+10.5	+10.2

Manager performance figures are gross of fees.

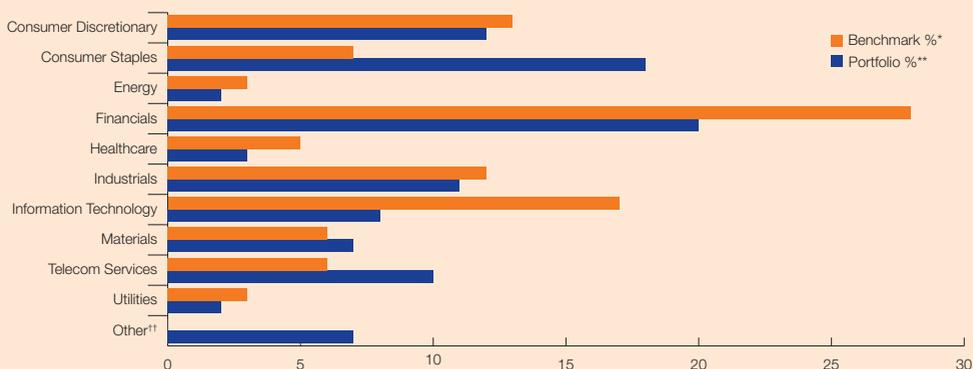
Excluding cash balances held centrally by Witan Pacific.

[†] Returns are adjusted for 1.5% annual management fee charged within the UCITS OEIC, of which 0.75% is rebated to the Company directly outside the fund.

* Since appointment.

Source: BNP Paribas.

The Company's equity portfolio by sector analysis as at 31 July 2016[†]

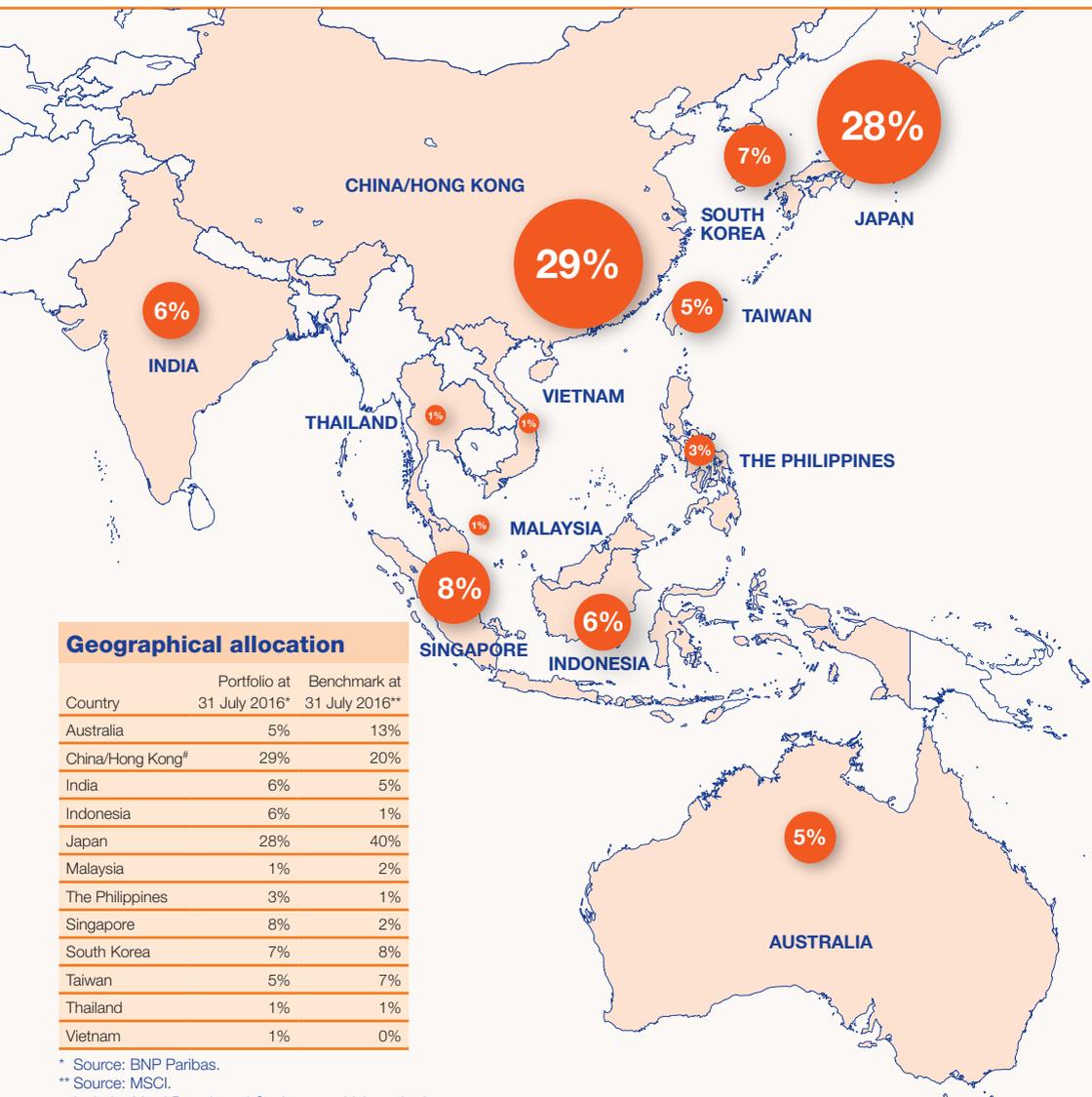


* Source: MSCI (please see note on page 25).

** Source: BNP Paribas.

[†] On a look through basis for Gavekal.

^{††} Other includes 4% for Aberdeen Global Indian Equity Fund (UCITS) and 3% of fixed income bonds within the Gavekal Asian Opportunities Fund (UCITS).



Geographical allocation

Country	Portfolio at 31 July 2016*	Benchmark at 31 July 2016**
Australia	5%	13%
China/Hong Kong#	29%	20%
India	6%	5%
Indonesia	6%	1%
Japan	28%	40%
Malaysia	1%	2%
The Philippines	3%	1%
Singapore	8%	2%
South Korea	7%	8%
Taiwan	5%	7%
Thailand	1%	1%
Vietnam	1%	0%

* Source: BNP Paribas.

** Source: MSCI.

Includes Yum! Brands and Qualcomm which are both incorporated in the US.

Top twenty investments

as at 31 July 2016

This period	Last period*	Company	Country	% of total investments	Value £'000
1	(1)	Gavekal Asian Opportunities Fund (UCITS)	Asia Pacific	10.8	21,676
2	(2)	Aberdeen Global Indian Equity Fund (UCITS)	India	3.7	7,526
3	(3)	Japan Tobacco	Japan	2.9	5,895
4	(4)	AIA Group	China/Hong Kong	2.6	5,144
5	(5)	Taiwan Semiconductor Manufacturing	Taiwan	2.3	4,559
6	(6)	China Mobile	China/Hong Kong	2.2	4,445
7	(-)	MintH Group	China/Hong Kong	1.9	3,861
8	(19)	Seven & I Holdings	Japan	1.8	3,566
9	(14)	Samsung Electronics	South Korea	1.6	3,210
10	(15)	Singapore Technologies Engineering	Singapore	1.6	3,189
11	(18)	Shin-Etsu Chemical	Japan	1.5	2,949
12	(9)	Shenzhou International	China/Hong Kong	1.5	2,910
13	(8)	Bridgestone Corporation	Japan	1.4	2,902
14	(11)	Oversea-Chinese Banking Corporation	Singapore	1.4	2,836
15	(17)	NTT Docomo	Japan	1.4	2,802
16	(10)	Hoya	Japan	1.3	2,708
17	(-)	KT&G Corporation	South Korea	1.3	2,663
18	(12)	LG Chemical	South Korea	1.3	2,648
19	(16)	BGF Retail	South Korea	1.2	2,481
20	(20)	Swire Pacific	China/Hong Kong	1.2	2,438
Totals				44.9	90,408

* The figures in brackets denote their position within the top 20 at the previous year end. The country shown is the country of incorporation.

The value of the twenty largest holdings represents 44.9% (31 January 2016: 46.5%) of the Company's total investments. The full portfolio listing is published monthly (with a 3 month lag) on the Company's website.

Condensed statement of comprehensive income

for the half year ended 31 July 2016

	Notes	(Unaudited) Half year ended 31 July 2016			(Unaudited) Half year ended 31 July 2015			(Audited) Year ended 31 January 2016		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss		–	36,307	36,307	–	(2,079)	(2,079)	–	(13,038)	(13,038)
Exchange losses		–	(87)	(87)	–	(79)	(79)	–	(123)	(123)
Investment income	2	3,052	–	3,052	2,917	–	2,917	4,782	–	4,782
Management fees	3	(476)	–	(476)	(420)	–	(420)	(834)	–	(834)
Performance fees	3	–	(7)	(7)	–	(3)	(3)	–	–	–
Other expenses		(364)	(20)	(384)	(444)	(19)	(463)	(807)	(35)	(842)
Net return/(loss) before finance charges and taxation		2,212	36,193	38,405	2,053	(2,180)	(127)	3,141	(13,196)	(10,055)
Finance charges		–	–	–	–	–	–	–	–	–
Net return/(loss) on ordinary activities before taxation		2,212	36,193	38,405	2,053	(2,180)	(127)	3,141	(13,196)	(10,055)
Taxation on ordinary activities		(243)	–	(243)	(183)	–	(183)	(305)	–	(305)
Net return/(loss) on ordinary activities after taxation		1,969	36,193	38,162	1,870	(2,180)	(310)	2,836	(13,196)	(10,360)
Return/(loss) per Ordinary share – pence	5	3.01	55.27	58.28	2.84	(3.31)	(0.47)	4.31	(20.03)	(15.72)

All revenue and capital items in the above statement derive from continuing operations. The total columns of this statement represent the profit and loss account of the Company. The revenue return and capital columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

The Company had no other comprehensive income, recognised gains or losses other than those disclosed in this statement.

There is no material difference between the net return/(loss) on ordinary activities before taxation and the net return/(loss) for the financial periods stated above and their historical costs equivalents.

Condensed statement of changes in equity

for the half year ended 31 July 2016

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Half year ended 31 July 2016 (unaudited)						
At 31 January 2016	16,486	5	41,085	101,926	10,886	170,388
Net return on ordinary activities after taxation	-	-	-	36,193	1,969	38,162
Dividends paid in respect of year ended 31 January 2016	-	-	-	-	(1,636)	(1,636)
Purchase of own shares	-	-	-	(1,147)	-	(1,147)
At 31 July 2016	16,486	5	41,085	136,972	11,219	205,767
Half year ended 31 July 2015 (unaudited)						
At 31 January 2015	16,486	5	41,085	115,636	11,068	184,280
Net (loss)/return on ordinary activities after taxation	-	-	-	(2,180)	1,870	(310)
Dividends paid in respect of year ended 31 January 2015	-	-	-	-	(1,615)	(1,615)
Purchase of own shares	-	-	-	(55)	-	(55)
At 31 July 2015	16,486	5	41,085	113,401	11,323	182,300
Year ended 31 January 2016 (audited)						
At 31 January 2015	16,486	5	41,085	115,636	11,068	184,280
Net (loss)/return on ordinary activities after taxation	-	-	-	(13,196)	2,836	(10,360)
Dividends paid in respect of year ended 31 January 2015	-	-	-	-	(1,615)	(1,615)
Dividends paid in respect of year ended 31 January 2016	-	-	-	-	(1,416)	(1,416)
Refund of unclaimed dividends	-	-	-	-	13	13
Purchase of own shares	-	-	-	(514)	-	(514)
At 31 January 2016	16,486	5	41,085	101,926	10,886	170,388

Condensed statement of financial position

at 31 July 2016

	Notes	(Unaudited) 31 July 2016 £'000	(Unaudited) 31 July 2015 £'000	(Audited) 31 January 2016 £'000
Fixed assets				
Investments held at fair value through profit or loss		201,502	177,481	166,251
Current assets				
Debtors		464	717	737
Cash at bank and in hand		5,107	4,634	5,412
		5,571	5,351	6,149
Creditors				
Amounts falling due within one year		(1,299)	(529)	(2,012)
		(1,299)	(529)	(2,012)
Net current assets				
		4,272	4,822	4,137
Total assets less current liabilities				
Provisions for liabilities and charges	6	(7)	(3)	–
Net assets				
		205,767	182,300	170,388
Capital and reserves				
Called up share capital	7	16,486	16,486	16,486
Share premium account		5	5	5
Capital redemption reserve		41,085	41,085	41,085
Capital reserves		136,972	113,401	101,926
Revenue reserve		11,219	11,323	10,886
Total shareholders' funds				
		205,767	182,300	170,388
Net Asset Value per Ordinary share – pence				
	8	315.40	276.54	259.27

Notes to the financial statements

for the half year ended 31 July 2016

1 Accounting policies

(a) Basis of preparation

The condensed financial statements have been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting) and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted.

The interim financial statements have been prepared using the same accounting policies as the preceding annual financial statements.

(b) Valuation of investments

All investments have been designated upon initial recognition as fair value through profit or loss. This is done because all investments are considered to form part of a group of financial assets which is evaluated on a fair value basis, in accordance with the Company's documented investment strategy, and information about the grouping is provided internally on that basis.

Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are measured initially at fair value. Subsequent to initial recognition, investments are valued at fair value through profit or loss.

Listed investments have been designated by the Board as held at fair value through profit or loss and accordingly are valued at fair value, deemed to be bid market prices for quoted investments. Investments in Level 2 consist of unlisted reportable funds within the portfolio, Gavekal Asian Opportunities UCITS and Aberdeen Global Indian Equity UCITS. These are priced daily using their Net Asset Value, which is the fair value.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as "Gains or losses on investments held at fair value through profit or loss". Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of purchase. All purchases and sales are accounted for on a trade date basis.

2 Income

	(Unaudited) Half year ended 31 July 2016 £'000	(Unaudited) Half year ended 31 July 2015 £'000	(Audited) Year ended 31 January 2016 £'000
Income from investments held at fair value through profit or loss:			
Overseas dividends	2,782	2,377	4,076
UK dividends	166	168	363
Scrip dividends	103	369	334
Other income:			
Bank interest	1	3	6
Underwriting commission	-	-	3
Total income	3,052	2,917	4,782

3 Transactions with the Managers

On 27 May 2005, the Company appointed Witan Investment Services Limited as Executive Manager and Aberdeen Asset Managers Limited and Nomura Asset Management U.K. Limited as portfolio managers. In April 2012, the Company appointed Matthews International Capital Management LLC and Gavekal Capital Limited to replace Nomura. Each Management Agreement can be terminated at one month's notice in writing. Each portfolio manager is entitled to a base management fee, at rates between 0.20% and 0.75% per annum, calculated according to the value of the assets under their management; Aberdeen is also entitled to a performance fee based on relative outperformance against the MSCI AC Asia Pacific Index (sterling adjusted total return). The performance fee is calculated according to investment performance over a three year rolling period and is payable at a rate of 15% of the calculated outperformance relative to the benchmark (subject to a cap).

The provisions included in the Statement of Comprehensive Income at 31 July 2016 are calculated on the actual performance of Aberdeen relative to the benchmark index. The provision assumes that both the benchmark index remains unchanged and that Aberdeen's assets under management perform in line with the benchmark index to 31 May 2017, being the date the next performance period ends. In addition, provisions have been made for the performance periods ending 31 May 2018 and 31 May 2019, on the assumption that Aberdeen performs in line with the benchmark to each period end. The total of these provisions amounts to £7,000.

3 Transactions with the Managers (continued)

	(Unaudited) Half year ended 31 July 2016 £'000	(Unaudited) Half year ended 31 July 2015 £'000	(Audited) Year ended 31 January 2016 £'000
Charged to the revenue return:			
Management fee*	547	496	980
Management fee rebates†	(71)	(76)	(146)
Total management fees	476	420	834
Charged to the capital return:			
Performance fees	7	3	–

* The management fee stated above includes fees paid to Witan Investment Services Limited of £115,000 (six months to 31 July 2015: £117,000 and full year to 31 January 2016: £224,000).

† The figure relates to a rebate of management fees associated with the Gavekal Asian Opportunities UCITS Fund.

4 Dividends per Ordinary share

An interim dividend of 2.20p per Ordinary share (2016: 2.15p) will be paid on 24 October 2016 to shareholders on the register on 14 October 2016.

5 Return/(loss) per Ordinary share

The total return per Ordinary share is based on the net gain attributable to the Ordinary shares of £38,162,000 (half year ended 31 July 2015: net loss of £310,000; year ended 31 January 2016: net loss of £10,360,000) and on 65,484,870 Ordinary shares (half year ended 31 July 2015: 65,933,041; year ended 31 January 2016: 65,891,245) being the weighted average number of shares in issue during the period.

	(Unaudited) Half year ended 31 July 2016	(Unaudited) Half year ended 31 July 2015	(Audited) Year ended 31 January 2016
Revenue return (£'000)	1,969	1,870	2,836
Capital return/(loss) (£'000)	36,193	(2,180)	(13,196)
Total return/(loss) (£'000)	38,162	(310)	(10,360)
Weighted average number of Ordinary shares in issue during the period	65,484,870	65,933,041	65,891,245
Revenue return per Ordinary share – pence	3.01	2.84	4.31
Capital return/(loss) per Ordinary share – pence	55.27	(3.31)	(20.03)
Total return/(loss) per Ordinary share – pence	58.28	(0.47)	(15.72)

6 Provision for liabilities and charges

This represents the estimated performance fees payable for the 3 year performance fee periods ending 31 May 2017, 31 May 2018 and 31 May 2019. This accrual is based on actual performance to 31 July 2016 and the assumption that Aberdeen performs in line with the benchmark from 31 July 2016 to the end of each fee period. Changes in the level of accrual for future performance periods could arise for one of the three principal reasons: a change in the degree of relative performance, the time elapsed (since this would increase the proportion of the rolling three-year performance period to which the performance calculation would be applied) or the termination of Aberdeen's contract.

7 Share capital

During the half year ended 31 July 2016, 478,331 Ordinary shares were repurchased and held in treasury, at a total cost of £1,147,000 (31 July 2015: 22,478 Ordinary shares were repurchased and held in treasury at a total cost of £55,000 and in the year ended 31 January 2016, 224,978 Ordinary shares were purchased to be held in treasury at a cost of £514,000).

As at 31 July 2016 there were 65,944,000 Ordinary shares of 25p in issue of which 703,309 were held in treasury. Subsequent to 31 July 2016, a further 90,040 Ordinary shares were repurchased and held in treasury, at a total cost of £255,000. As at 27 September 2016, there were 65,944,000 Ordinary shares of 25p in issue of which 793,349 were held in treasury.

8 Net Asset Value per Ordinary share

Net asset value per Ordinary share is based on 65,240,691 Ordinary shares of 25p each in issue as at 31 July 2016 excluding shares held in treasury (31 July 2015: 65,921,522 and 31 January 2016: 65,719,022).

9 Fair value hierarchy

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs in making the measurements. The Company has early adopted Amendments to FRS 102 – Fair value hierarchy disclosures issued by the Financial Reporting Council in March 2016. The fair value hierarchy shall have the following classifications:

- Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

The financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 31 July 2016					
Financial assets and financial liabilities at fair value through profit or loss					
Equity investments	(a)	172,301	29,201	–	201,502
Net fair value		172,301	29,201	–	201,502

	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 31 January 2016					
Financial assets and financial liabilities at fair value through profit or loss					
Equity investments	(a)	141,375	24,876	–	166,251
Net fair value		141,375	24,876	–	166,251

9 Fair value hierarchy (continued)

The valuation techniques used by the Company are explained in the accounting policies in note 1(b).

There were no transfers during the year between Level 1 and Level 2.

(a) Quoted equities and preference shares

The fair value of the Company's investments in quoted equities and preference shares has been determined by reference to their quoted bid prices at the reporting date. Quoted equities and preference shares included in Fair Value Level 1 are actively traded on recognised stock exchanges.

Investments classified as Level 2 are Gavekal Asian Opportunities Fund and Aberdeen Global Indian Equity Fund.

10 Results

The results for the half years ended 31 July 2016 and 31 July 2015, which are unaudited and were not reviewed by the auditors, constitute non-statutory accounts within the meaning of Section 435 of the Companies Act 2006. The latest published accounts which have been delivered to the Registrar of Companies are for the year ended 31 January 2016, the report of the Auditor thereon was unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. The comparative figures for the year ended 31 January 2016 have been extracted from those accounts.

Regulatory disclosures

Related party transactions disclosures

During the period to 31 July 2016, related party transactions included dividends paid to Directors in respect of their shareholdings in the Company. Details of Directors' share holdings and remuneration may be found in the Directors' Remuneration Report on pages 39 to 42 of the Company's Annual Report for the year ended 31 January 2016. The report is available on the Company's website at www.witanpacific.com.

There have been no other related party transactions.

Principal risks and uncertainties

The Directors have considered the principal risks and uncertainties affecting the Company's position. The principal risks faced by the Company for the remaining six months of the financial year include financial risks relating to markets, liquidity and credit. Market risk includes market price risk, currency risk and interest rate risk. Other risk categories include those relating to investment strategy, investment management resources, regulatory requirements, operational structure and the external economic and financial environment. These risks and the way in which they are managed are described in more detail in the Annual Report for the year ended 31 January 2016 in the corporate review and in the notes to the financial statements. The risks faced by the Company have not changed significantly over the first six months of 2016 and are not expected to change materially in the remaining six months. The report is available on the Company's website at www.witanpacific.com.

Going concern

The financial statements continue to be prepared on a going concern basis. The approach used for the Annual Report is applied, including proper consideration of financial and cash flow forecasts and it is believed that the Company has adequate financial resources to continue to operate for the foreseeable future.

Responsibility statement of the Directors

in respect of the Half Year Report for the six months ended 31 July 2016

The Directors confirm, to the best of their knowledge, that this condensed set of financial statements has been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting) and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the interim management report (which comprises the Chairman's statement, regulatory disclosures and portfolio information) includes a fair review of the information required by Rules 4.2.7 R and 4.2.8 R of the Disclosure Guidance and Transparency Rules of the United Kingdom Financial Conduct Authority.

The names and functions of the Directors of Witan Pacific Investment Trust plc are as listed on page 28 of this report.

This Half Year Report was approved by the Board on 28 September 2016 and the above responsibility statement was signed on its behalf by:



Sarah Bates

Chairman

28 September 2016

Information for shareholders

Shareholder communications

Website

The Company's website is www.witanpacific.com. The website provides visitors with a comprehensive range of performance statistics, Company information and literature downloads. The Company's profile is also available on third party websites such as www.trustnet.com and www.morningstar.co.uk

Annual and Half Year Reports

Copies of the Annual and Half Year Report may be obtained by calling 0800 082 8180.

Share Price and Net Asset Value Information

The Company's Ordinary shares of 25p each are quoted on the London Stock Exchange:

SEDOL number: 0365602

ISIN number: GB0003656021

EPIC code: WPC

The codes above may be required to access trading information relating to the Company on the internet.

Share Price Listings

The Company's share price is listed daily in selected national newspapers including the Financial Times, The Times and The Daily Telegraph.

Electronic Communications with the Company (E-communications)

Shareholders and Witan Wisdom scheme members now have the opportunity to be notified by e-mail when the Witan Pacific Annual Report and Accounts, Half Year Report and other formal communications are available on the Company's website instead of receiving printed copies by post. This reduces the costs to the Company as well as having an environmental benefit in the reduction of paper, printing, energy and water usage.

If you have not already elected to receive E-communications from the Company and now wish to do so please contact one of the following depending on whether you hold shares in your own name (see 1. below) or hold shares through the Witan Wisdom scheme (see 2. below):

1. Shareholders who hold shares in their own name should contact:

Computershare Investor Services PLC
The Pavilions, Bridgwater Road, Bristol BS99 6ZY
www.investorcentre.co.uk/ecomms
web.queries@computershare.co.uk
0370 707 1410

and should have to hand their Shareholder Reference Number.

2. Investors who hold shares through the Witan Wisdom Scheme should contact:

Witan Wisdom
PO Box 10550 Chelmsford CM99 2BA
Email: wisdom@ifdsgroup.co.uk
0800 082 8180

and should have to hand their Witan Wisdom Account Number.

Association of Investment Companies

The Company is a member of the Association of Investment Companies www.theaic.co.uk

Financial Calendar

Year End	31 January
Annual results	April
Half Year results	September
Annual General Meeting	June
Dividends paid	June & October

2016 Interim dividend timetable

The interim dividend for the period ended 31 July 2016 is 2.20p per share.

Ex-dividend date	13 October 2016
Record date	14 October 2016
Payment date	24 October 2016

Company Registration

Company registration number 91798

Enquiries

Witan Wisdom Saving Plans
0800 082 8180
wisdom@ifdsgroup.co.uk

Company Secretary
Capita Company Secretarial Services Limited
01392 477666

Warning to Shareholders – Share Fraud Scams

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based ‘brokers’ who are very persistent and persuasive and who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments.

Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non-existent, or are offered an inflated price for shares they own. These calls come from fraudsters operating in ‘boiler rooms’ that are mostly based abroad.

While high profits are promised, those who buy or sell shares in this way usually lose their money.

The Financial Conduct Authority (“FCA”) has found most share fraud victims are experienced investors who lose an average of £20,000, with around £20m lost in the UK each year.

If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should take these steps before handing over any money:

1. Get the name of the person and organisation contacting you.
2. Check the Financial Services Register at www.fca.org.uk/register to ensure they are authorised.
3. Use the details on the Financial Services Register to contact the firm.
4. If there are no contact details on the Register or you are told they are out of date, call the FCA Consumer Helpline on 0800 111 6768.
5. Search the FCA list of unauthorised firms and individuals with whom you should avoid any business dealings.
6. Remember: If it sounds too good to be true, it probably is!

If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme (“FSCS”) if things go wrong.

Report a Scam

If you are approached about a share scam you should tell the FCA using the share fraud reporting form at www.fca.org.uk/consumers/scams, where you can find out about the latest investment scams. You can also call the Consumer Helpline on 0800 111 6768.

If you have already paid money to share fraudsters you should contact Action Fraud on 0300 123 2040.

Details of any share dealing facilities that the Company endorses will be included in Company mailings.

Please note that it is very unlikely that either the Company or the Company's Registrar, Computershare Investor Services PLC, would make unsolicited telephone calls to shareholders. Any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'. If you are in any doubt about an unsolicited phone call, please call either the Company Secretary or the Registrar at the numbers provided at the back of this Half Year Report.

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How to invest

There are a variety of ways to invest in Witan Pacific however this will largely depend upon whether you would like financial advice or are happy to make your own investment decisions.

For those investors who would like advice:

Private Client Stockbrokers

Investors with a large lump sum to invest may want to contact a private client stockbroker. They will manage a portfolio of shares on behalf of a private investor and will offer a personalised service to meet an individual's particular needs. A list of private client stockbrokers is available from the Wealth Management Association at www.thewma.co.uk

Financial Advisers

For investors looking to find a financial adviser, please visit www.unbiased.co.uk

Financial Advisers who wish to purchase Witan Pacific for their clients can also do so via a growing number of platforms that offer investment trusts including Alliance Trust Savings, Ascentric, Nucleus, Raymond James, Seven IM and Transact.

For those investors who are happy to make their own investment decisions:

Online Stockbroking Services

There are a number of real time execution only stockbroker services which allow private investors to trade online for themselves, manage a portfolio and buy UK listed shares. Online stockbroking services that are already popular with Witan Pacific shareholders include Alliance Trust Savings, Barclays Stockbrokers, Halifax Share Dealing, Hargreaves Lansdown, Selftrade and TD Waterhouse.

Witan Wisdom

Witan Wisdom, the savings scheme offered by Witan Investment Services Limited, offers two different savings wrappers that enable investors to access Witan Pacific:

- The **Witan Wisdom ISA** is a stocks and shares ISA that enables investors to buy Witan Pacific shares within a tax efficient wrapper. Investors have an annual ISA allowance of up to £15,240 for the 2016/17 tax year. The minimum lump sum investment on opening a Witan Wisdom ISA is £2,000 and £500 to top-up thereafter, with the regular savings minimum being £100 per month or per quarter. Investors can also transfer existing ISAs to Witan Wisdom while retaining their tax efficient wrapper during and after transfer subject to a minimum transfer value of £2,000.
- The **Witan Wisdom Share Plan** is a straightforward, low-cost savings scheme. The minimum lump sum investment on opening a Witan Wisdom Share Plan is £1,000 and £500 to top-up thereafter, with the regular savings minimum being £50 per month or quarter. There is no maximum. Accounts can also be held jointly, or designated to a child.

- Brochures and applications for all of the Witan Wisdom products are available by calling 0800 082 8180 or online via www.witanpacific.com. If you would prefer to write to request further information, the address details can be found on page 23.
- Shareholders who hold their investment via Witan Wisdom are charged a flat annual fee of £30+VAT* for both the Witan Wisdom Share Plan and ISA. There is no charge, other than government stamp duty, for regular savings or dividend reinvestment. Lump sum dealing is charged at a flat rate of £15 plus government stamp duty.

Witan Pacific Investment Trust plc is an equity investment. Investors are reminded that past performance is not a guide to future performance and the value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested. Please note that tax assumptions may change if the law changes, and the value of tax relief (if any) will depend upon your individual circumstances. Investors should consult their own tax advisers in order to understand any applicable tax consequences. Issued and approved by Witan Investment Services Limited. Witan Investment Services Limited of 14 Queen Anne's Gate, London SW1H 9AA is registered in England number 5272533. Witan Investment Services Limited provides investment products and services and is authorised and regulated by the Financial Conduct Authority. We may record telephone calls for our mutual protection and to improve customer service.

* increases in line with inflation (UK Consumer Price Index) every 3 years compounded. In accordance with this policy, there will be an adjustment in line with inflation applied to the Annual Management Fee with effect from 6 April 2017.

Directors and advisers

Directors

Sarah Bates
Chairman

Dermot McMeekin
*Senior Independent Director and Chairman of the
Nomination and Remuneration Committee*

Andrew Robson *Independent Director and
Chairman of the Audit and Management
Engagement Committee*

Diane Seymour-Williams *Independent Director*

Susan Platts-Martin *Independent Director*

All the Directors are members of both the Audit and
Management Engagement Committee and of the
Nomination and Remuneration Committee.

Executive Manager

Witan Investment Services Limited
14 Queen Anne's Gate
London SW1H 9AA

Investment Managers

Aberdeen Asset Managers Limited
10 Queen's Terrace
Aberdeen AB10 1YG

Matthews International Capital Management, LLC
Four Embarcadero Center, Suite 550,
San Francisco, USA

Gavekal Capital Limited
Suite 3101, Central Plaza,
18 Harbour Road, Wanchai, Hong Kong

Company Secretary and Registered Office

Capita Company Secretarial Services Limited
1st Floor
40 Dukes Place
London EC3A 7NH

Fund Accountants and Administrator

BNP Paribas Securities Services
10 Harewood Avenue
London NW1 6AA

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Custodian and Bankers

JPMorgan Chase Bank, N.A.
125 London Wall
London EC2Y 5AJ

The Royal Bank of Scotland plc
7th Floor
135 Bishopsgate
London EC2M 3UR

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

Telephone: 0370 707 1410

Facsimile: 0370 703 6101

*Calls from landlines are typically charged up to
9p per minute; calls from mobiles typically cost
between 3p and 40p per minute.*

Email: web.queries@computershare.co.uk

Website: www.computershare.com

Witan Wisdom Scheme

Witan Wisdom
PO Box 10550
Chelmsford CM99 2BA
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Email: wisdom@ifdsgroup.co.uk

Broker

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25 Bank Street
Canary Wharf
London E14 5JP

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