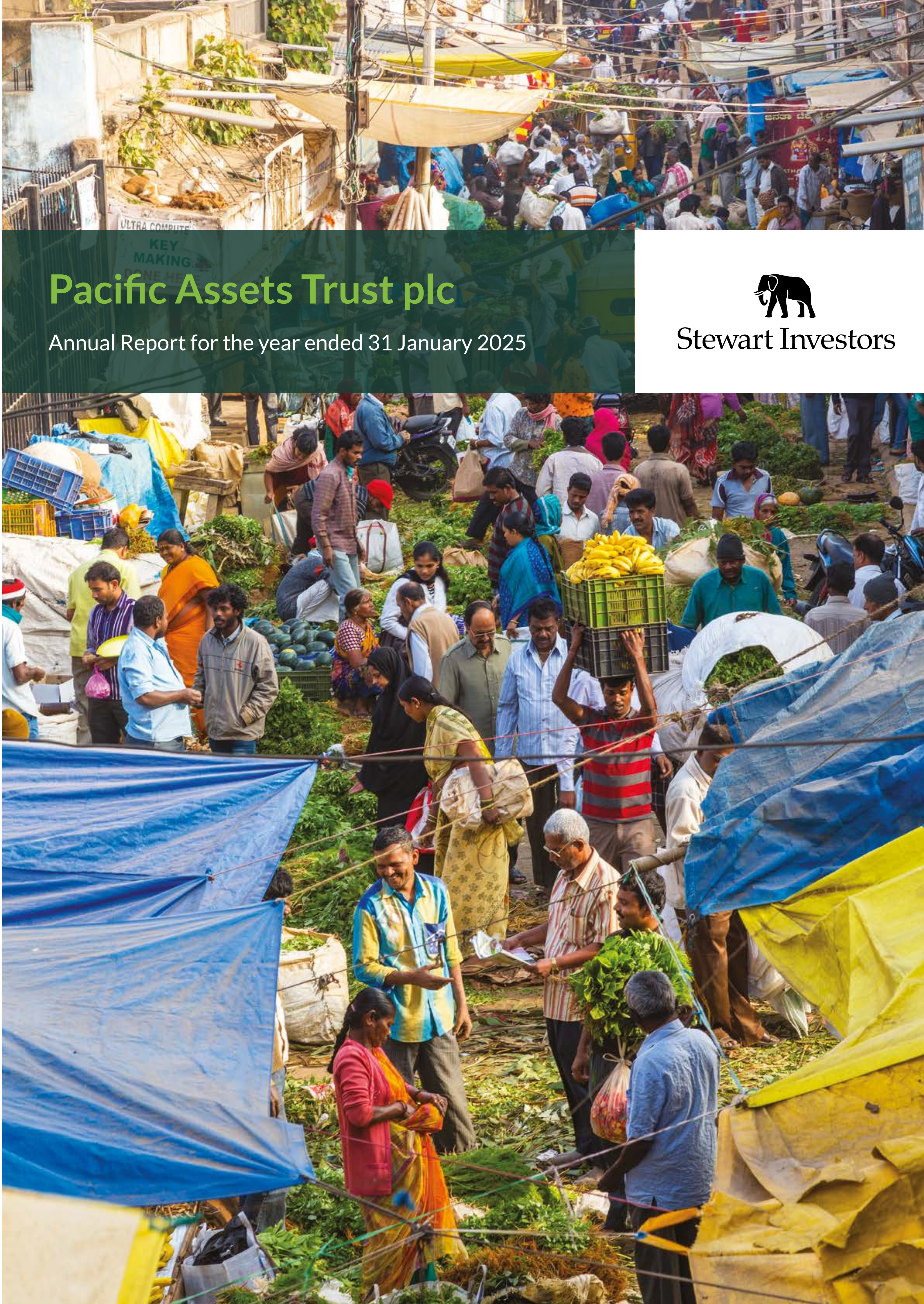
Pacific Assets Trust plc

Annual Report for the year ended 31 January 2025

Stewart Investors



Pacific Assets Trust plc Annual Report for the year ended 31 January 2025

Contents

Financial Highlights

9.7%

Net asset value per share total return*^

(2024: (1.3)%)

3.7%

Share price total return*^

(2024: (1.9)%)

8.8%

UK Consumer Price Index ("CPI") + 6%†

(2024: 10.4%)

22.3%

MSCI All Country Asia ex Japan Index (total return sterling adjusted)*

(2024: (10.5)%)

11.5%

Average discount of share price to net asset value per share during the year*^

(2024: 6.4%)

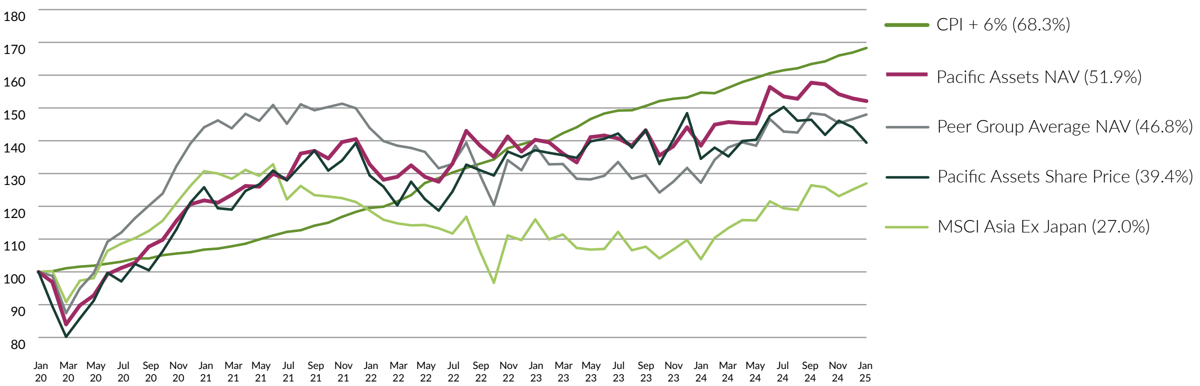
1.1%

Ongoing charges[1]^

(2024: 1.1%)

[1] Source: Frostrow Capital LLP
* Source: Morningstar
† The Company's Performance Objective (See Glossary beginning on page 80).
^ Alternative Performance Measure (See Glossary beginning on page 80).

Net Asset Value Per Share Total Return for the Five Years to 31 January 2025



Source: Morningstar
Rebased to 100 as at 31 January 2020

Key Information

Pacific Assets Trust plc (the "Company") aims to achieve long-term capital growth through investment in selected companies in the Asia Pacific region and the Indian sub-continent, but excluding Japan, Australia and New Zealand (the "Asia Pacific Region"). Up to a maximum of 20% of the Company's total assets (at the time of investment) may be invested in companies incorporated and/or listed outside the Asia Pacific Region (as defined above); at least 25% of their economic activities (at the time of investment) are within the Asia Pacific Region with this proportion being expected to grow significantly over the long term.

Management

Stewart Investors have been the Company's Portfolio Manager since 1 July 2010. They adopt a sustainable investment strategy when selecting the investments that make up the Company's portfolio. They are an autonomous investment group operating through the regulatory licences of First Sentier Investors (UK) IM Limited, which is the legal entity appointed as the Company's Portfolio Manager. Their ultimate owner is the Mitsubishi UFJ Trust and Banking Corporation.

Frostrow Capital LLP is the Company's Alternative Investment Fund Manager ("AIFM").

Investment Aims

Stewart Investors aim to generate strong long-term, risk-adjusted returns by investing in the shares of high-quality companies that are particularly well positioned to contribute to, and benefit from, sustainable development in the Asia Pacific Region. They define high-quality companies as those they believe have exceptional management teams and cultures, enduring franchises with strong market positions and reputations, and sound financials with low debt, sustainable margins and free cash flow. Sustainability is fully integrated into the management of risk and return. The team seeks to improve sustainable outcomes by investing in companies contributing to solutions, engaging and voting for positive change and avoiding businesses linked to harmful solutions.

Investment Philosophy

The foundations of Stewart Investors' investment philosophy and approach remain largely unchanged since 1988 and since their first dedicated sustainability strategy was launched in 2005.

The Stewart Investors investment philosophy is summarised below:

- They are stewards. They believe their role is to allocate society's capital to productive uses, in accordance with their Hippocratic Oath[1].
- They are long-term investors. Their time horizon is measured in years, not weeks, and they value companies accordingly.
- They invest only in companies they believe are contributing to a more sustainable future. They engage constructively as owners to help companies on their sustainability journeys.
- They invest only in high-quality companies. They invest in companies with exceptional cultures, strong franchises and resilient financials.
- They believe capital preservation is important for capital growth. They define risk as the permanent loss of client capital.

[1] https://www.stewartinvestors.com/all/about-us/our-hippocratic-oath.html

Company Performance

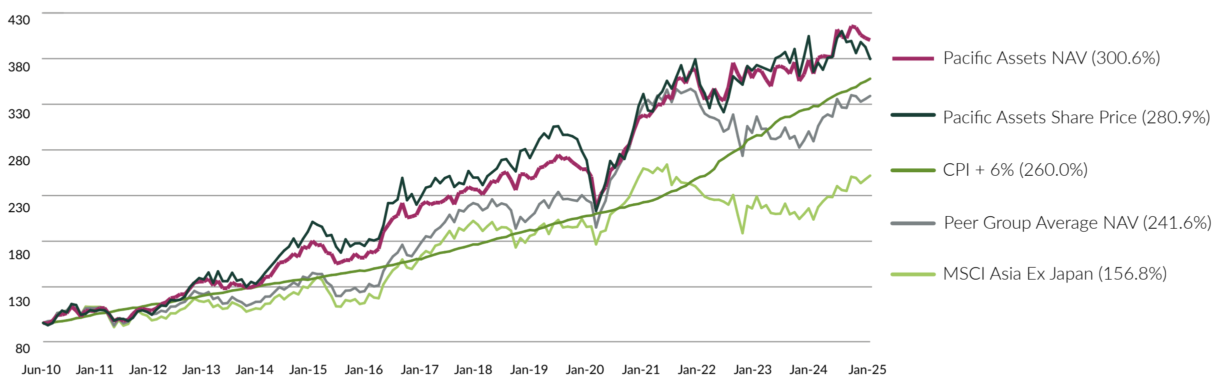
Performance Summary

	As at 31 January 2025	As at 31 January 2024
Shareholders' funds	£503.4m	£464.8m
Market capitalisation	£431.7m	£422.1m

Performance	One year to 31 January 2025	One year to 31 January 2024
Net asset value per share total return[1 2]	9.7%	(1.3)%
Share price total return[1 2]	3.7%	(1.9)%
CPI +6%[3]	8.8%	10.4%
MSCI All Country Asia ex Japan Index total return, sterling adjusted[1]	22.3%	(10.5)%
Average discount of share price to net asset value per share[1 2]	11.5%	6.4%
Ongoing charges[2]	1.1%	1.1%
Revenue return per share[4]	5.4p	4.3p
Dividend per share	4.9p	4.0p

[1] Source: Morningstar
[2] Alternative Performance Measure (see Glossary beginning on page 80).
[3] The Company's Performance Objective (see Glossary beginning on page 80).
[4] See Glossary beginning on page 80.

Total Return since 30 June 2010
(the date of appointment of Stewart Investors as the Portfolio Manager)



Source: Morningstar
Rebased to 100 as at 30 June 2010

Company Performance continued

Performance Assessment

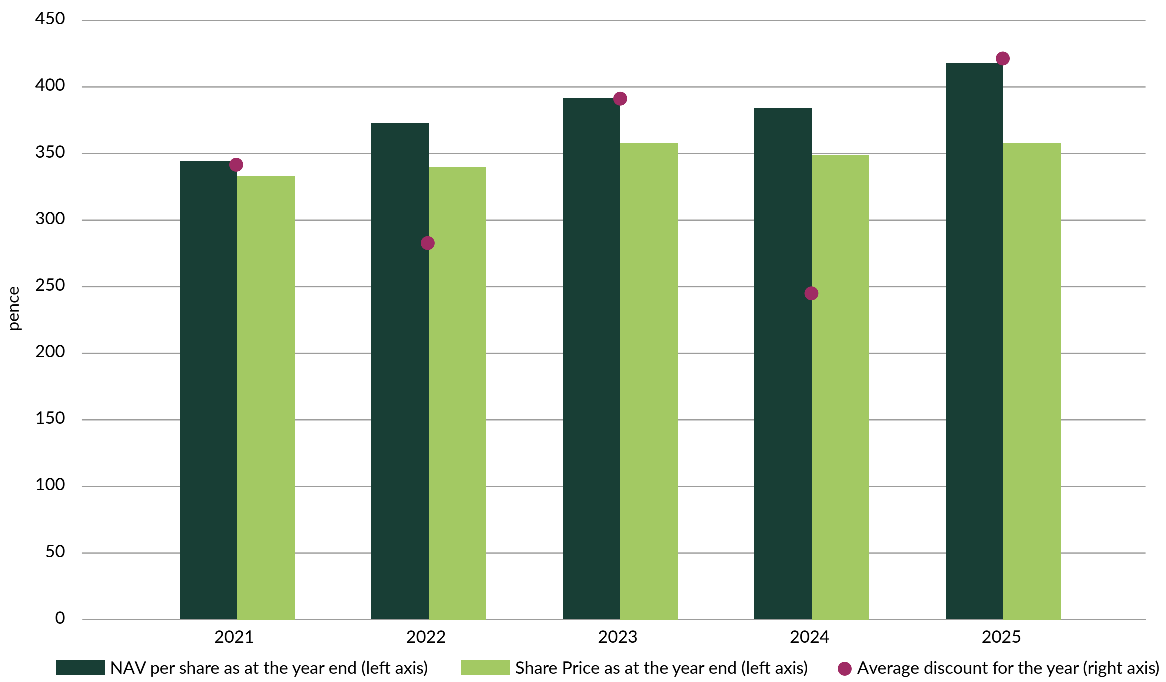
The Company's performance objective, against which the Portfolio Manager's performance is measured, is to provide shareholders with a net asset value total return in excess of the UK Consumer Price Index ("CPI") plus 6%, calculated on an annual basis and measured over three to five years. The Board also monitors the Company's performance against its peer group. An analysis of performance and the Board's approach to monitoring it can be found below and in the Chair's Statement beginning on page 6; further information can be found in the Portfolio Manager's Review beginning on page 12 and details of the Key Performance Indicators begin on page 24.

Peer Group NAV per Share Total Return

	1 Year £	Rank	3 years £	Rank	5 years £	Rank
Pacific Assets Trust	**109.7**	**6**	**114.4**	**1**	**151.9**	**3**
Schroder Asian Total Return	119.4	3	114.3	2	159.3	2
Schroder Asia Pacific	121.7	1	105.3	3	139.4	4
Pacific Horizon	113.5	5	92.5	5	198.5	1
iShares MSCI Asia ex Jpn ETF	120.8	2	102.2	4	120.9	5
Asia Dragon^	117.7	4	90.0	6	110.7	6
Peer Group Average	**117.1**		**103.1**		**146.8**	
CPI + 6%†	**108.8**		**140.9**		**168.3**	
MSCI AC Asia ex Japan	**122.3**		**107.0**		**127.0**	

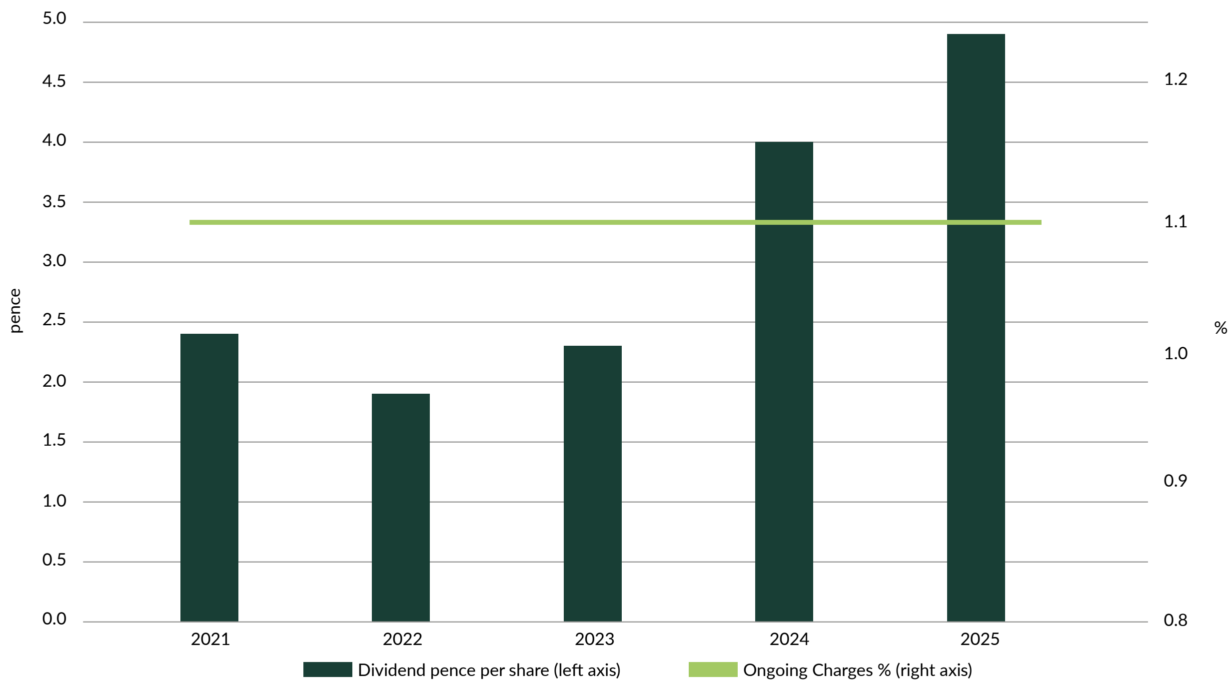
Source: Morningstar. Figures show the current value of £100 invested at the start of the period.
^Asia Dragon Trust plc entered into members' voluntary liquidation on 13 February 2025.
† The Company's Performance Objective (see Glossary beginning on page 80).

Five Year Record - Net Asset Value Per Share, Share Price and Discount



Source: Morningstar. Data for Pacific Assets Trust plc as at 31 January.

Five Year Record – Dividend and Costs



Source: Frostrow Capital LLP. Data for Pacific Assets Trust plc as at 31 January.

Chair's Statement

Introduction and Results

I am pleased to present this Annual Report for the year ended 31 January 2025. The Company's net asset value total return for the year was 9.7% (2024: -1.3%), exceeding the performance objective of UK CPI + 6% which was 8.8% (2024: 10.4%).

While this is a good absolute return, which is the Company's primary objective, the Company lagged the MSCI AC Asia ex Japan Index total return of 22.3%, and the Company's bespoke peer group of four other trusts and an exchange traded fund. The year presented a number of challenges, in particular a strong market rally in China driven by stimulus measures and weaker performance in Indian equities towards the end of the year. Our portfolio is relatively underweight in China and overweight in India and so these conditions were not conducive to performance.

This performance is characteristic of Stewart Investors' investment strategy, which typically leads the Company to underperform in sharply rising markets but has historically preserved capital during times of market stress; a particularly pertinent quality for investors to keep in mind today as global markets enter an increasingly volatile period. Capital preservation remains the Portfolio Manager's primary focus and shareholders may recall that the Company's performance in a weak market in 2023 was the best of the peer group, when overweight positioning in India and underweight allocation to China contributed to outperformance.

The Board also notes that, over the longer periods against which we assess investment return, the Company's performance is the best within the peer group over three years and third over five years. We have not done so well, however, against the long-term performance objective: over the last five years, our annualised NAV total return of 8.7% is behind the UK CPI + 6% figure of 11.0%, reflecting the period of persistently high inflation in Western economies during that time.

Despite these headwinds, Stewart Investors remain optimistic about the prospects for finding high-quality companies with strong growth prospects in the Asia Pacific Region. One of the year's key developments was our increasing exposure to China and Hong Kong, as our Portfolio Manager has been able to identify a greater number of strong businesses, with attractive valuations, in those jurisdictions.

The downturn in the Indian market, and the increasing fund flows into China, continued to affect the Company's performance after the year end. The Company has also been impacted by the significant volatility caused by President Trump's tariff announcements, along with the rest of the market. However, SI's bottom-up approach to stock picking and long-term view ensures they stay focused on identifying high-quality, resilient companies, rather than simply following market trends. As you will read in their review, beginning on page 12, they continue to find good opportunities in India, as well as other markets.

The top two contributors to performance were, once again, Indian companies: Mahindra & Mahindra and CG Power and Industrial Solutions continue to be excellent investments for the Company. We note that Taiwanese companies also performed well, with four of the top ten contributors based in Taiwan. By contrast, South Korean companies performed poorly and the Portfolio Manager has sold Koh Young Technology, one of the top two detractors from performance.

Further analysis of the Company's performance can be found in the Portfolio Manager's Review beginning on page 12.

Share price performance

The Company's shares traded at an average discount to the net asset value per share of 11.5% through the 12-month period to the end of January (2024: 6.4%). In line with the investment trust sector generally, the discount widened during the financial year to close at 14.4% (2024: 9.2%) and this is reflected in the Company's share price total return of 3.7%, which fell short of the net asset value total return.

During the year, the Company repurchased 370,000 shares, at a total cost of £1.4 million, and at an average discount of 14.0%. The Company has continued to buy back shares since the year end and, at the time of writing, had repurchased a further 1,855,000 shares, at a cost of £6.3 million, at an average discount of 13.0%. The Board continues to carefully weigh up the circumstances in which the Company should buy back shares in the market. We have been conscious that share buybacks have their drawbacks and are not always effective but we are prepared to take action when the discount widens materially.

Buybacks are an immediate way of addressing the share rating but the Board continues to believe that a combination of effective marketing and good performance offers the potential to improve the Company's rating on a more sustained basis. Accordingly, the Sales, Marketing and Communications Committee, working together with the Portfolio Manager, has continued to develop and oversee the marketing and promotional strategy for the Company. During the year, the Board appointed Kepler Partners LLP to produce research on and provide PR services to the Company. We hope that this will be effective in increasing demand for the Company's shares.

Investment Policy

Shareholders will be aware that the definition of 'Asia Pacific Region' in the Company's investment objective currently excludes Australia, New Zealand and Japan. The Board reviews the Company's investment objective and policy at every Board meeting and reviews the Company's strategy annually. This year, following discussions with our AIFM and our Portfolio Manager, it was agreed to propose to shareholders that we broaden the Company's investable universe by permitting investment in Australia and New Zealand. We also considered permitting investment in Japan but understand that many investors prefer to invest in that country on a standalone basis.

While there are a number of high-quality companies in Australia and New Zealand that Stewart Investors believe to be attractive, these companies are currently highly valued and consequently the proposed change is unlikely to result in many immediate new purchases and will not entail a material rebalancing of the portfolio. Nevertheless, this is considered to be a material change to the investment policy and therefore it will be put to shareholders at the forthcoming annual general meeting ("AGM"). Further information can be found on pages 101 to 108 of this report.

Dividend

The Company generated a revenue return of 5.3p per share during the year (2024: 4.3p per share) and, as a result, the Board recommends to shareholders the payment of a final dividend to ensure the Company complies with the investment trust rules regarding distributable income.

Subject to shareholder approval at the AGM, a final dividend of 4.9p per share will be paid on 11 July 2025 to shareholders on the register on 13 June 2025. The associated ex-dividend date will be 12 June 2025.

The Board

During the year, and as previously announced, we were very pleased to appoint June Ang as a non-executive director with effect from 26 September 2024.
In addition, Nandita Sahgal became Chair of the Audit Committee as planned.

Having served on the Board for just over nine years now, Sian Hansen will retire at the AGM in July. On behalf of the Board, I would like to express our gratitude to Sian for her outstanding contribution to the Company during her tenure as a non-executive director. Sian's insight, sound judgement and unwavering commitment have been invaluable in guiding the Company through key challenges. We will miss her presence on the Board and wish her the very best for the future.

Following Sian's retirement, June Ang will take over as Chair of the Engagement and Remuneration Committee.

Management

David Gait has ably led the Company's investment management team since Stewart Investors' appointment 15 years ago, with Douglas Ledingham as the co-manager for almost seven years. It has been agreed that, with effect from 1st July 2025, David will hand over the lead portfolio manager role to Douglas whilst continuing to play an integral role as co-portfolio manager (as well as head of the investment team at Stewart Investors). This swapping of roles is a natural evolution in the management of the Company and reflects Stewart Investors' focus on team development and long-term succession planning. There are also practical advantages of having the lead manager based in the UK, to facilitate the opportunity for more regular and direct engagement with the Board and shareholders. This initiative by Stewart Investors has the full backing of the Board and we are confident that this will be a seamless transition, ensuring both the continuity of the investment strategy and depth of experience.

The Annual General Meeting

After holding our AGM in Edinburgh last year, this year the AGM will return to London. The AGM will be held at 12 noon on Tuesday, 1 July 2025, at the offices of Stewart Investors, Finsbury Circus House, 15 Finsbury Circus, London, EC2M 7EB.

As well as the formal proceedings, there will be an opportunity for shareholders to meet the Board and the Portfolio Manager, and to receive an update on the Company's performance and its key investments.

The meeting, including the Portfolio Manager's presentation, will again be live streamed by Investor Meet Company for the benefit of those shareholders who are unable to attend in person. Shareholders joining the meeting remotely will not be able to speak or vote but will be able to submit questions via the platform and vote in advance of the meeting in the usual way. Full details of how to participate this way are set out on page 99.

I encourage all shareholders to exercise their right to vote at the AGM. The Board strongly encourages shareholders to register their votes online in advance (information on how to vote can be found on page 99). Registering your vote in advance will not restrict shareholders from attending and voting at the meeting in person should they wish to do so. The Board recommends that shareholders vote in favour of all the resolutions set out in the Notice of AGM, beginning on page 101, as the directors intend to do ourselves.

Outlook

The outlook for the Asia Pacific Region, has become more uncertain following renewed trade tensions, in particular between the United States and China, prompted by the recent tariff announcements from the Trump administration. While the region had been expected to see modest economic growth supported by easing inflation and proactive monetary policies, the re-emergence of a trade war poses fresh challenges to supply chains, investor sentiment, and export-led growth.

While long-term opportunities persist—particularly in areas aligned with sustainable development—our Portfolio Manager's investment approach will need to account for heightened geopolitical risk and potential market dislocations. Their focus will continue to be on selecting high-quality companies with strong fundamentals, resilient balance sheets, and capable management teams that can navigate volatility and adapt to a more fragmented global trade environment.

Our Portfolio Manager's long-term investment horizon, careful risk management, and commitment to engaging actively with portfolio companies remain their key strengths. The Board continues to believe their approach is well-suited to delivering sustainable value for shareholders, even in a more complex and fast-evolving regional landscape.

Andrew Impey
Chair
29 April 2025

Investment Portfolio

as at 31 January 2025

Company	Country	Sector	Value £'000	% Total Assets
Mahindra & Mahindra	India	Consumer Discretionary	30,390	6.0%
Oversea-Chinese Banking Corporation	Singapore	Financials	19,998	3.9%
Voltronic Power Technology	Taiwan	Industrials	18,120	3.6%
Cholamandalam Financial	India	Financials	17,380	3.4%
Tube Investments of India	India	Consumer Discretionary	16,259	3.2%
Midea	China	Consumer Discretionary	16,217	3.2%
Taiwan Semiconductor Manufacturing	Taiwan	Information Technology	15,574	3.1%
CG Power & Industrial Solutions	India	Industrials	15,218	3.0%
Shenzhen Inovance Technology	China	Industrials	15,164	3.0%
MediaTek	Taiwan	Information Technology	13,870	2.7%
Top 10 Investments			**178,190**	**35.1%**
Hoya	Japan	Health Care	12,639	2.5%
Samsung Electronics	South Korea	Information Technology	12,486	2.4%
Ayala	Philippines	Industrials	12,398	2.4%
Techtronic Industries	Hong Kong	Industrials	12,116	2.4%
Info Edge India	India	Communication Services	11,591	2.3%
Triveni Turbine	India	Industrials	11,391	2.2%
Airtac International	Taiwan	Industrials	10,568	2.1%
Shanthi Gears	India	Industrials	10,174	2.0%
Bank OCBC	Indonesia	Financials	9,867	1.9%
HDFC Bank	India	Financials	9,400	1.8%
Top 20 Investments			**290,820**	**57.1%**
ELGI Equipments	India	Industrials	9,231	1.8%
Delta Electronics	Taiwan	Information Technology	8,896	1.7%
Samsung Biologics	South Korea	Health Care	8,371	1.6%
Marico	India	Consumer Staples	8,051	1.6%
Philippine Seven	Philippines	Consumer Staples	7,853	1.5%
Dongguan Yiheda Automation	China	Industrials	7,796	1.5%
Tata Communications	India	Communication Services	7,367	1.4%
Sheng Siong Group	Singapore	Consumer Staples	7,287	1.4%
Advantech	Taiwan	Information Technology	6,941	1.4%
DFI Retail	Hong Kong	Consumer Staples	6,508	1.3%
Top 30 Investments			**369,121**	**72.3%**

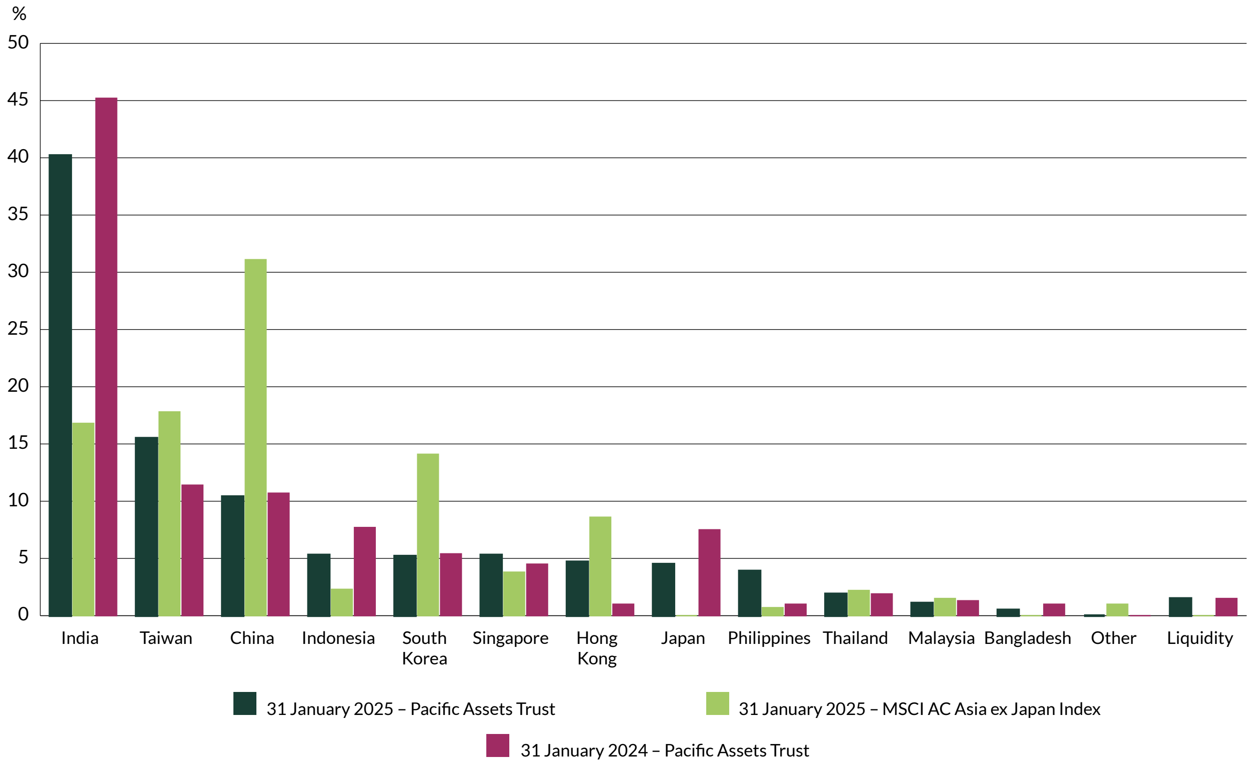
Investment Portfolio continued

Company	Country	Sector	Value £'000	% Total Assets
Selamat Sempurna	Indonesia	Consumer Discretionary	6,491	1.3%
Naver	South Korea	Communication Services	6,204	1.2%
Tech Mahindra	India	Information Technology	6,068	1.2%
Vitasoy International Holdings	Hong Kong	Consumer Staples	5,811	1.1%
Tata Consumer Products	India	Consumer Staples	5,747	1.1%
Vitrox	Malaysia	Information Technology	5,585	1.1%
Unicharm	Japan	Consumer Staples	5,306	1.0%
Kasikornbank	Thailand	Financials	5,163	1.0%
Kalbe Farma	Indonesia	Health Care	4,947	1.0%
Tata Consultancy Services	India	Information Technology	4,610	0.9%
Top 40 Investments			**425,053**	**83.2%**
Humanica	Thailand	Industrials	4,532	0.9%
Chroma ATE	Taiwan	Information Technology	4,509	0.9%
Aavas Financiers	India	Financials	4,493	0.9%
Godrej Consumer Products	India	Consumer Staples	4,366	0.9%
Dr. Reddy's Laboratories	India	Health Care	4,358	0.9%
Cyient	India	Information Technology	3,957	0.8%
Zhejiang Supor	China	Consumer Discretionary	3,898	0.8%
Dabur India	India	Consumer Staples	3,867	0.8%
Dr. Lal PathLabs	India	Health Care	3,766	0.7%
MANI	Japan	Health Care	3,563	0.7%
Top 50 Investments			**466,362**	**91.5%**
Glodon Company	China	Information Technology	3,443	0.7%
Blue Dart Express	India	Industrials	3,317	0.6%
Sundaram Finance	India	Financials	3,315	0.6%
Industri Jamu dan Farmasi Sido Muncul	Indonesia	Consumer Staples	3,070	0.6%
Hangzhou Robam	China	Consumer Discretionary	3,042	0.6%
Tarsons Products	India	Health Care	3,006	0.6%
Unicharm Indonesia	Indonesia	Consumer Staples	2,878	0.6%
Marico Bangladesh	Bangladesh	Consumer Staples	2,693	0.5%
Syngene International	India	Health Care	2,420	0.5%
ICICI Lombard General Insurance	India	Financials	2,400	0.5%
Esab India	India	Industrials	2,276	0.4%
Bajaj Auto	India	Consumer Discretionary	2,137	0.4%
Centre Testing International Group	China	Industrials	2,092	0.4%
Yifeng Pharmacy Chain	China	Consumer Staples	2,053	0.4%
Silergy	Taiwan	Information Technology	1,971	0.4%
Bajaj Holdings & Investment	India	Financials	1,939	0.4%
Tokyo Electron	Japan	Information Technology	1,770	0.3%
Bajaj Housing Finance	India	Financials	19	0.0%
Total Investments			**510,203**	**100.0%**

Portfolio Distribution

Geographical Analysis

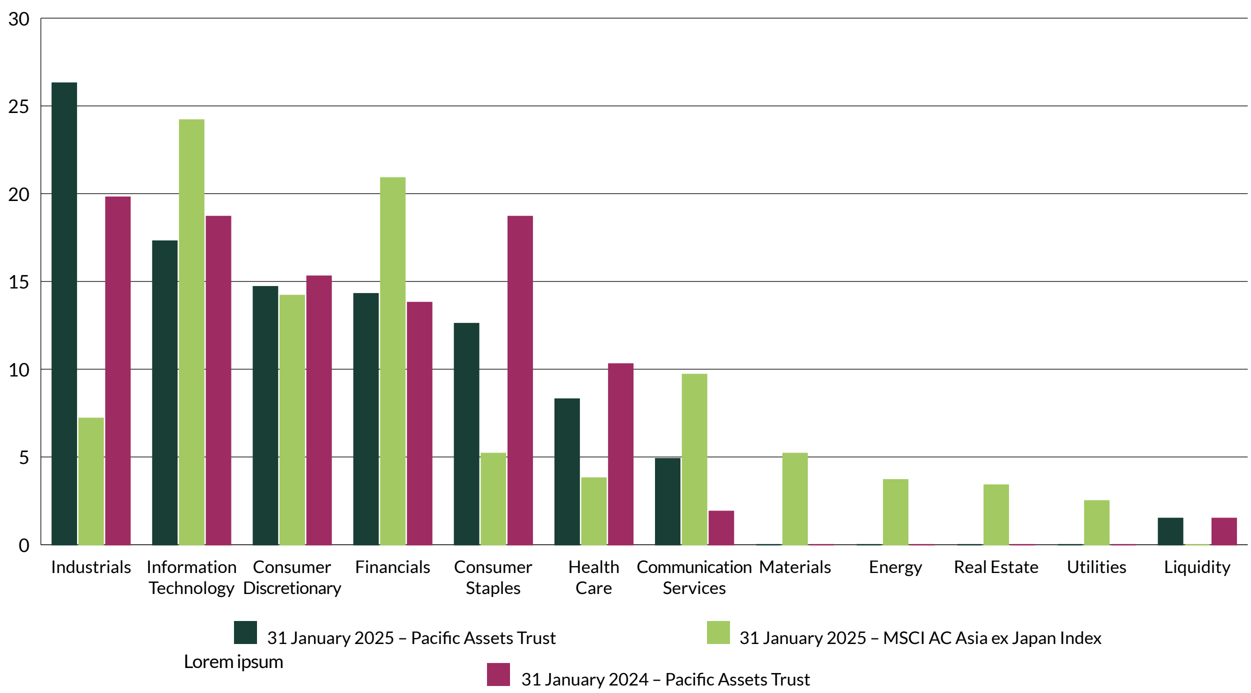
Geographic Exposure as at 31 January 2025



Source: Frostrow Capital LLP

Sector Analysis

Sector Exposure as at 31 January 2025



Source: Frostrow Capital LLP

Portfolio Manager's Review

Over the year to 31 January 2025, the net asset value of the Company returned 9.7%. As a reference, the MSCI AC Asia ex Japan Index (the 'Index') return was 22.3% over the same period.

The performance was in keeping with the characteristic outcome of our investment philosophy. Historically, we trail rapidly rising markets but preserve capital better than others when markets are weak.

During the period, the Chinese government announced a stimulus package that resulted in a large and swift appreciation from the market as a whole and lower quality companies which are financially strained in particular. We do not invest in lower quality companies. This, along with some weakness in Indian equities towards the end of the year, created a challenging environment for performance.

More specific details on performance are in the Contributors and Detractors sections.

Investing in China and India

Over the last decade critics of the Company's management have, from time to time, focused on a 'failure to allocate' capital to China. Typically, this criticism is greatest after a rapid appreciation in Chinese equity prices following a change in government policy or economic stimulus. Generally, the criticism ebbs as the China rally fades. We have experienced this at least three times over the years. It should be noted that a historic 'failure to allocate' to China has been beneficial for shareholders. Moreover, this criticism is increasingly unfounded.

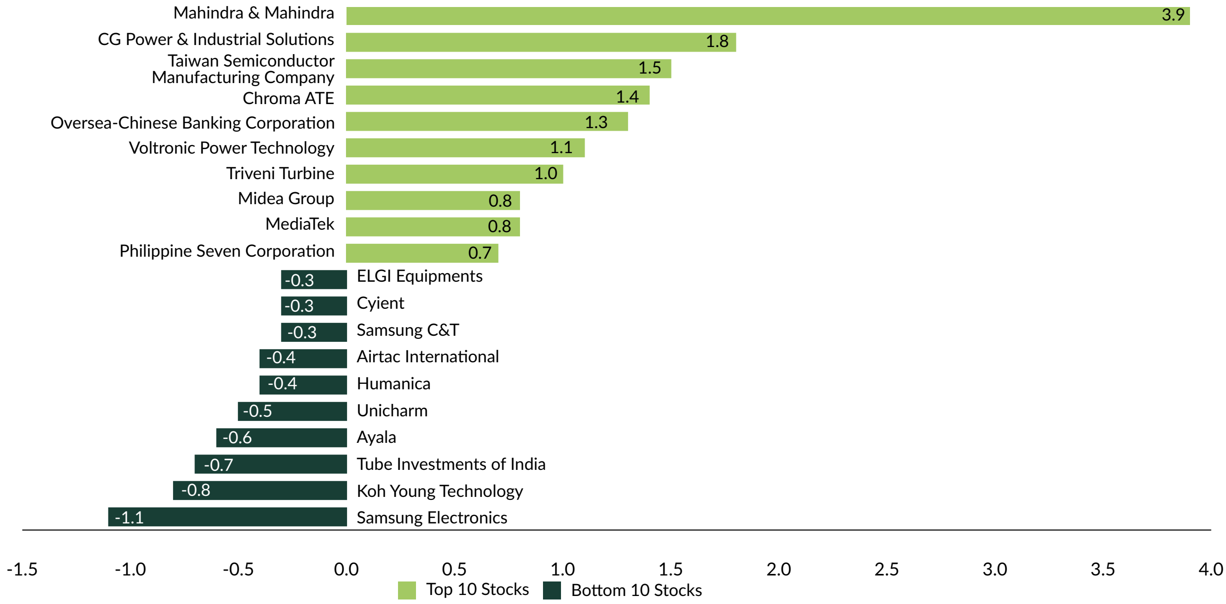
Today, the Company is invested in a greater number of high-quality Chinese businesses than ever before. As little as five years ago the Company invested in only one company in China, or 0.6% of shareholder funds. As at the end of this period the Company is invested in eight Chinese companies which amount to 10.4% of shareholder funds. This is a considerable change over a short period of time. Moreover, this understated the true position in China. When the Company's geographic outcome by revenue is considered, the 'allocation to China' is almost double that amount. Companies such as **Vitasoy** (Hong Kong: Consumer Staples), **AirTAC International** (Taiwan: Industrials), **Silergy** (Taiwan: Information Technology) and **Unicharm** (Japan: Consumer Staples) all have substantial businesses and revenues from China.

The reason we are finding more investments in China is due to attractive valuations not a decrease in our quality standards. High quality people, franchises and financials exist in China, and at attractive valuations. It is valuation which explains why we have been trimming some investments in India and adding to some high-quality companies in China. Despite the contrasting economic fortunes, we are finding new exciting investments in both China and India. This is because we invest in companies not countries. **Dongguan Yiheda Automation** (China: Industrials) and **Sundaram Finance** (India: Financials) are two of the latest investments.

Dongguan Yiheda Automation is a one-stop supply chain solution for factory automation across China. Last year they shipped 3.3 million items with an average price of USD$3.50. This is not a robot company, it supplies essential items to manufacturing companies, that need to automate, in a timely and cost-effective manner. The ageing population and falling workforce combined with the low penetration of automation in China are compelling long-term tailwinds here.

We first met the company in 2021 and noted high-quality owner/founder/manager stewards who exhibited intentions to build a strong franchise in the long term rather than a speedy enrichment programme. The market capitalisation after the initial public offering ("IPO") in 2021 peaked around US$6 billion on a price-earnings ratio of over 100 times. After studying and meeting the company we recognised that it was vulnerable to cyclical end demand. This has impacted the rating severely, even though the absolute amount of net income has grown every year since listing. Today, the company has $179 million of net cash on the balance sheet and makes cyclically depressed gross margins of 35%[1]. We recently invested in Dongguan Yiheda when the market capitalisation was two-thirds off peak levels and the price earnings ratio was in the low twenties.

Contribution by investment for the year ended 31 January 2025
Top 10 contributors to and detractors from absolute performance (%)



Dongguan Yiheda may have to continue to endure some cyclical challenges but the long-term opportunity for growth is extremely attractive.

A recent visit to Chennai in the state of Tamil Nadu reacquainted us with Sundaram Finance, an extremely high-quality non-banking financial company. Sundaram Finance is a deposit-taking institution that has been trusted by over three generations of savers. The company proudly showcases its charter – the Sundaram Way[2] - on the wall of each meeting room. The Sundaram Way consists of nine idioms and each is compelling but it was the final idiom that resonated most: *"to know that we are not merely the holders of people's money; but more importantly the custodians of their trust"*.

Trust is key in finance – not only for deposit taking but also to lend or invest. We met the new managing director of this family-owned franchise, Rajiv Lochan. His curriculum vitae of experience was as impressive as his humility and competence. Rajiv trained at American Express before becoming a partner at McKinsey for 12 years. After a brief stint running a newspaper, he answered the call of his family friends to step up and run Sundaram Finance. Under his guidance we are confident that Rajiv will increase the growth part of the firm's holy trinity: *'quality, profitability and growth'*. Such is his personal commitment to the organisation and the scale of the under-penetration of financial services that we were able to enjoy conversations about how the firm may look in 2040. It is this sort of meeting that makes the head and tummy ache of travel in India so rewarding, and the outlook for the Company's investments so bright.

China requires four rather than three golden rules

We have four golden rules when investing in China, compared with our normal three. First, the company must meet our quality requirements of management, franchise and financials. A growing number of listed Chinese companies are meeting these requirements. Second, they must be well positioned to contribute to China's sustainable development. On this, we are particularly well aligned with the Chinese Government in almost all aspects of sustainable development. Sustainability talk is cheap, but very few countries have walked the walk as purposefully or far as China in terms of reorientating development toward a genuine sustainable path. Human rights risk is the clear and present exception. We try to navigate this challenge with an approach based on individual companies. Third, valuations must be attractive. The prolonged sell-off in Chinese assets has brought many companies back to attractive levels. We believe despite the recent bounce-from-the-bottom, valuations are still reasonable, particularly when factoring in a recovery in earnings.

Our fourth "China-specific" golden rule is the need to form a view on the Chinese Government's "allowable return" for a particular company. This tries to capture the idea that in China, returns can erode not just with new capital and competition entering a market, but with a change of strategic view by the Chinese Government. In other words, all Chinese companies are actively regulated by the Chinese Government, whether they sell

[1] Stewart Investors, Bloomberg 24 February 2025

[2] https://www.sundaramfinance.in/sundaram-way

soy sauce, build toll roads or connect small businesses with consumers via online shopping platforms. Over the past decade or so, the Chinese Government appears to have taken a much more proactive approach to allowable return, built on their goals and ambitions. Great companies are not just tolerated by Beijing but embraced and encouraged as part of the development solution, but excess returns are only acceptable to facilitate national development. In order to earn extended supernormal returns in China, not only must companies have sound business fundamentals, they must also be operating in the "build-out" phase of industries of national importance, as decided by the government. The Chinese Government has been notably transparent in spelling out just what these industries are, with clear long-term development plans reaching out to 2035 and beyond.

Investing in a world of "allowable" or "capped" returns comes with challenges of its own and we are still learning. Long-term sustainable development alignment is a critical first step, but looking through a "toll-road" lens is also helpful. By this we mean, so long as new roads need to be built, toll-road companies are usually allowed to generate attractive returns well in excess of their cost of capital in order to reinvest in new roads. This cycle usually comes to an abrupt end once the last roadbuilding project is in sight. We are trying to apply this lens not just to our Chinese companies but more broadly. Where China leads, other countries often follow.

Contributors

During the year under review, the Company's material ownership of Indian companies, especially those with exposure to capital spending and industrial growth, was a key contributor to performance.

Mahindra & Mahindra
(India: Consumer Discretionary)

Contribution: 3.9%

Mahindra & Mahindra have leadership positions in farm equipment, utility SUVs, information technology and financial services in India. It is the world's largest tractor company by volume. Since Dr Anish Shah was appointed as group CEO and Managing Director, replacing the Chairman, Mr Anand Mahindra, the group has enjoyed superior decisions on capital allocation and improved operating metrics at key subsidiaries. Dr Shah, previously of GE Capital, is an excellent example of the powerful returns that can be derived from the combination of professional management within family-owned companies.

CG Power & Industrial Solutions
(India: Industrials)

Contribution: 1.8%

CG Power is the leading manufacturer of motors in India with a high-quality franchise and fantastic long-term avenues for growth. Historically the quality of stewardship was poor at CG Power but this changed when **Tube Investments** (India: Consumer Discretionary) took control of the company, at a low valuation, after a scandal with creditors. The company invested quickly after Tube Investments took control and has benefited from strong investment returns as high-quality stewardship maximises the opportunities of this high quality, but previously badly run, franchise.

Taiwan Semiconductor Manufacturing Company
(Taiwan: Information Technology)

Contribution: 1.5%

TSMC is the world's largest independent semiconductor foundry. It benefits from economies of scale, engineering expertise, leading-edge technology, excellent operational execution and high levels of trust from clients. It continues to benefit from strong demand and positive sentiment regarding the long-term benefits of AI to semiconductor demand. It has delivered strong results.

Detractors

During the year under review the most significant detractors were technology companies operating in South Korea.

Samsung Electronics
(South Korea: Information Technology)

Contribution: -1.1%

Improving governance of the Samsung Chaebol meant the Company was able to invest in this franchise for which we have the utmost respect. Samsung has progressed from bankruptcy in 1997 to a world-renowned brand capable of spending tens of billions of US dollars a year on capital expenditure. Samsung Electronics has suffered over the year as it failed to compete with Hynix (South Korea: Information Technology), Micron (US: Information Technology) and TSMC in the manufacturing of semiconductors which enable growth in artificial intelligence. It is our contention that this is a short-term challenge rather than a fundamental weakness in the manufacturing capabilities of Samsung Electronics. We have been able to build the majority of our position at valuations last seen during previous fiscal crises. History teaches us that Samsung are formidable competitors with the human and financial capital to compete successfully.

Koh Young Technology
(South Korea: Information Technology)
Contribution: -0.8%

Koh Young manufactures and develops 3D measurement and inspection devices which detect accuracy and reliability in various machines. The Company was invested in Koh Young for many years but our concerns about the quality of the franchise were raised when we, accompanied by the Pacific Assets Trust Board, toured their plant in Seoul in November 2022. Since then, operating metrics were patchy, and our concerns grew on learning about higher-than-normal staff turnover. We have sold the holding.

Tube Investments
(India: Consumer Discretionary)
Contribution: -0.7%

Tube Investments is a manufacturer of precision-engineered metal-formed products and India's largest bicycle maker. The founding Murugappa family are the largest shareholders. It saw its share price increase significantly over the last five years but short-term declines in the share price at the end of the reporting period have given back some of these gains. It fell following slower than expected growth in the core business but it is important that this is seen in the context of its longer term evolution.

Significant transactions

Over the course of the year, the portfolio turnover of the Company was 24.7%. This is higher than the previous year (18.3%) and is an outcome of finding a greater number of new ideas. Furthermore we have been strict this year on cutting smaller holdings in the tail of the portfolio. New ideas were driven by attractive valuations given how much investor despondency there is within the region.

New investments

During the year the Company made new investments in **MediaTek** (Taiwan: Information Technology), **Ayala** (Philippines: Industrials), **Techtronic Industries** (Hong Kong: Industrials), **Info Edge** (India: Communication Services), **Dongguan Yiheda Automation**, **DFI Retail** (Hong Kong: Consumer Staples), **Naver** (South Korea: Communication Services), **MANI** (Japan: Health Care), **Blue Dart Express** (India: Industrials) and **Sundaram Finance**.

Additions

The comparative weakness in many companies, particularly in China, allowed us to add to **Midea** (China: Consumer Discretionary) and **Shenzhen Inovance Technology** (China: Industrials). We also added to **Kasikornbank** (Thailand: Financials).

Reductions

As mentioned, most of the reductions were either to control position size or because of valuation concerns in India. We reduced **Mahindra & Mahindra**, **CG Power** and **Marico** (India: Consumer Staples). We also reduced companies where the valuation appeared to incorporate excess enthusiasm for the benefit to earnings of artificial intelligence. In this regard, we trimmed **Chroma ATE** (Taiwan: Information Technology) and **Tokyo Electron** (Japan: Information Technology).

Disposals

We also identified deteriorating quality and/or found better investments elsewhere. Accordingly the Company sold out of Koh Young Technology, Kotak Mahindra Bank (India: Financials), Advanced Energy Solution, (Taiwan: Industrials), Amoy Diagnostics (China: Health Care), RBL Bank (India: Financials), Telekom Indonesia (Indonesia, Communication Services), Unilever Indonesia (Indonesia: Consumer Staples), IndiaMART (India: Industrials), WuXi Biologics (China: Health Care), Samsung C&T (South Korea: Industrials), Pigeon (Japan: Consumer Staples), Kingmed Diagnostics (China: Health Care), Pentamaster (Malaysia: Information Technology), DBH Finance (Bangladesh: Financials) and lastly Vinda International (China: Consumer Staples) after it was acquired by a trade buyer.

Looking forward

Given the number of attractively valued companies in Asia at present it's hard not to get excited about future returns. As always, there are plenty of things that could go wrong at any time. Political risk is rising in almost every Asian country, with impeachments, International Criminal Court arrests and attempted coups a growing feature in the region. If the US economy falters and global demand falls, Asian economies will all be impacted, to differing degrees. Asia's technology hub, built around Taiwan, South Korea and China, is particularly vulnerable. Elsewhere, India remains largely isolated from the global economy, while the Philippines would receive a significant economic boost from falling oil prices. Very recently we have seen dramatic share price moves as Asia markets caught up with US-imposed tariff announcements and subsequent global share price movements. Fortunately an outcome of our investment philosophy means our companies are both financially strong and comparatively isolated from sales to the USA. Predicting these events is beyond us though. Fortunately, most of our Asian companies have very long memories and the scar tissue from multiple previous crises from which to learn and adapt. We hope they are set up not just to sail in fair weather but to navigate safely through unpredictable political and economic storms which could appear at any time. Ultimately, the key attraction lies in the opportunity to invest in such companies in Asia.

Stewart Investors
Portfolio Manager
29 April 2025

The Company's Environmental, Social & Governance Policy

The Board believes that consideration of environmental, social and governance issues within the Company's operations is of importance to shareholders and other stakeholders, not least because long-term returns are much more likely to be generated by companies that have embedded corporate governance strengths, and which respect the environment and the society in which they operate. The Board believes that this investment approach is readily applicable in the markets in Asia in which the Company invests.

As the Company delegates the management of the portfolio to Stewart Investors, the Board has chosen to adopt and endorse their approach to integrating sustainability into portfolio construction and investee company engagement. Accordingly, the Company seeks to achieve long-term capital appreciation by investing in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental sustainable outcomes.

Stewart Investors' approach is described in detail in the following section. As part of this focus on sustainability, the Board expects sustainability and ESG concerns to be a key topic of engagement with investee companies. The Company expects to maintain, through its Portfolio Manager, a continuous constructive dialogue with the owners and the managers of the companies where it owns shares. Such a relationship is enhanced by the long-term nature of the investment inherent in the Portfolio Manager's investment approach.

In the same way as the Board expects the Portfolio Manager to challenge investee companies on their sustainability and ESG credentials, the Board will also assess the Company's principal service providers. The Board asks for assurances that a service provider has taken the necessary steps to mitigate any material negative environmental impact their operations might have, to ensure that their internal governance is compliant with expected high standards, and that they strive to avoid negative social impacts resulting from their activities.

Similarly, the Board itself strives to uphold the highest ESG standards. The Board's operations mainly consist of governance-related matters, where it is important to the Directors to be at the forefront of best practice.

A corporate governance report for the year, beginning on page 36, forms part of this Annual Report. A description of how the Directors have taken the interests of key stakeholders into account in their decision-making is included on pages 30 and 31.

As best practice, regulation and disclosure are constantly evolving in this area both for the Company and for the companies in which it invests, the Board regularly discusses sustainability, including ESG policy and practice, with the Portfolio Manager, encouraging where possible further enhancements in both the policy and in reporting to shareholders.

On behalf of the Board

Andrew Impey
Chair
29 April 2025

Stewart Investors' Approach to Sustainable Investing

Sustainability is core to Stewart Investors' investment philosophy and integrated into our investment process. We do not have a separate team that looks at sustainability – every investment team member analyses the sustainability positioning of a business, and is also responsible for engaging and voting activities.

Stewart Investors only invest in high-quality companies that contribute to, and benefit from, sustainable development. We define development as sustainable if it furthers human development and has an ecological footprint that respects planetary boundaries. All members of the investment team sign the Stewart Investors Hippocratic Oath[1], pledging to uphold the principles of stewardship.

Many commentators consider that sustainability and ESG investing are currently out of fashion. This can only be the case if sustainability and ESG are being used as an aid to market funds. It cannot be the case if you have a consistent investment philosophy which considers sustainability as an important long-term investment consideration. We have always approached sustainability as a means to mitigate risks and as a driver of investment returns. Integrating sustainability into our analysis is a natural extension of having a long-term investment horizon; the sustainability headwinds and tailwinds that affect companies are different from the shorter-term risks that businesses face.

Our consideration of sustainability is holistic; it includes ESG but is more than ESG. We consider financial sustainability – conservatism around the balance sheet, for example – and stewardship by management – the treatment of all stakeholders through a crisis, for example – to be as essential to the sustainability positioning of a company as the product or service the company sells.

When assessing a company's sustainability we ask ourselves the following questions:

- **Products and services** – Do the products and services make a valuable contribution to sustainable development?
- **Context** – Can the company benefit from sustainability tailwinds and navigate headwinds?
- **Company ethos** – Do the culture and values embody sustainability and continuous improvement?
- **Operational impact** – Is the company trying to reduce impacts from its operations?

In addition, we assess the contribution of the Company's investments to positive social and environmental outcomes by reference to two frameworks described below.

Positive social outcomes – Human Development Pillars

Stewart Investors assesses positive social outcomes by reference to the human development pillars below. We have developed these human development pillars by reference to, amongst other things, the UN Human Development Index.

- **Health and well-being** – improved access to and affordability of nutrition, healthcare and hygiene, water and sanitation
- **Physical infrastructure** – improved access to and affordability of energy and housing
- **Economic welfare** – safe employment offering a living wage and opportunities for advancement, access to finance and improved standards of living
- **Opportunity and empowerment** – improved access to and affordability of education and information technology

Further information about how we use the human development pillars is available on our website[2].

[1] https://www.stewartinvestors.com/uk/en/private-investor/how-we-invest/sustainable-investing/our-hippocratic-oath.html
[2] https://www.stewartinvestors.com/uk/en/private-investor/how-we-invest/our-approach/human-development-pillars.html

Sustainability and ESG continued

Positive environmental outcomes – Project Drawdown climate solutions

Stewart Investors assesses positive environmental outcomes by reference to the climate solutions developed by Project Drawdown[3], a non-profit organisation that has mapped, measured and modelled over 90 different climate solutions that it believes will contribute to reaching drawdown – i.e. the point in the future when emissions stop increasing and start to decline.

Below is a list of climate solution categories together with corresponding examples we believe lead to positive environmental outcomes:

> **Food system** – sustainable farming, food production and distribution of food-related products and services

> **Energy** – adoption of renewable energy and other clean energy and related technologies

> **Circular economy and industries** – improved efficiency, reduced waste, and new business models for closing resource loops in linear value chains and production processes

> **Human development** – advancement of human rights and education that drive environmental conservation and sustainable use of resources

> **Transport** – efficient transport technologies and growth in fossil fuel-free transportation options

> **Buildings** – products and services which reduce the environmental footprint of the built environment, including energy efficiency, electrification, improved design, and use of alternative materials

> **Water** – less energy-intensive methods for treating, transporting and heating water

> **Conservation and restoration** – supporting deforestation-free and environmentally regenerative supply chains, operations and end-of-life impacts

Further information about how we use the Project Drawdown climate solutions is available on our website[4].

Assessment

In assessing whether a company "contributes to and benefits from" sustainable development, we will consider whether:

1. there is either a direct[5] or enabling[6] link between the activities of the company and the achievement of a positive social or environmental outcome;
2. any contribution to positive social or environmental outcomes has resulted from revenue or growth drivers inherent in the company's business model, strategic initiatives that are backed by research and development or capital expenditure, or from the company's strong culture and sense of stewardship e.g. for equity and diversity; and
3. the company recognises potential negative social or environmental outcomes associated with its product or services and works towards minimising such outcomes, e.g. a company that sells affordable nutritious food products in plastic packaging, but is investigating alternative packaging options.

We avoid companies that do not contribute to sustainable development and engage with companies to improve sustainability outcomes.

We have established a materiality threshold for harmful or controversial activities at 5% of revenues (0% for tobacco production and controversial weapons). We explicitly seek to invest in companies that are making a positive contribution to society. Full details of the activities and practices we find inconsistent with our investment philosophy are available on our website[7].

Stewart Investors employ the services of an external ESG research provider, Sustainalytics, to provide a quarterly check on the Company to ensure investee companies meet global norms for best practices and raise no exceptions against our thresholds for harmful activities. We also receive controversy reporting from RepRisk.

[3] Any reference to **Project Drawdown** is to describe the publicly available materials utilised by Stewart Investors in formulating its sustainability analysis framework. It is not intended to be, and should not be, read as constituting or implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors framework. For the list of Project Drawdown climate solutions please go to https://drawdown.org/solutions/table-of-solutions.

[4] https://www.stewartinvestors.com/uk/en/private-investor/how-we-invest/our-approach/climate-solutions.html

[5] A **direct link** would arise where the goods an entity produces or the services it provides are the primary means through which the positive social or environmental outcome can be achieved (e.g. solar panel manufacturers or installers).

[6] An **enabling link** would arise if the goods a company produces or services it provides enable other companies to contribute towards the achievement of the positive social or environmental outcome (e.g. manufacturers of critical components that are used as inputs in the manufacture of solar panels).

[7] https://www.stewartinvestors.com/uk/en/private-investor/insights/our-position-on-harmful-and-controversial-products-and-services.html

Issues such as climate change, biodiversity and water, human rights and modern slavery, and diversity and inclusion are integrated into our investment selection and engagement and voting processes. Our approach to climate change is explained in detail in our TCFD Climate Report[8] and the Pacific Assets Trust Annual Review[9]. Our approach to biodiversity and water is reflected in our selection of companies that mitigate their impact on the natural environment or provide services/products that improve efficiencies. We have engaged on a number of related issues such as palm oil, deforestation, plastic waste and the use of harmful chemicals. Human rights and modern slavery are a risk throughout the supply chain of our investee companies. Our approach is to focus on quality companies that treat their employees well and manage the risks in their supply chain effectively. Where we identify problems, we engage. Our recent collaborative engagement on conflict minerals in the semi- conductor supply chain is a good example of this. We will provide updates on these issues, amongst others, in our quarterly shareholder updates.

Transparency

As part of our focus on improved transparency, we have developed a Portfolio Explorer tool[10] which provides the contribution that each investee company makes to climate solutions and human development, as well as the investment rationale, Sustainable Development Goals, key risks, and areas for improvement. The company holdings information is updated on a quarterly basis.

UK Sustainability Disclosure Requirements

The Company does not have a sustainable investment label under the UK Sustainability Disclosure Requirements as it does not have a specific and measurable non-financial sustainability objective, nor related key performance indicators which apply to all companies in the form currently required for such a label. Stewart Investors believes that companies can contribute to sustainable development in different ways and these contributions can be assessed by reference to measures and methods which are suitable for each company. Stewart Investors has produced a consumer facing disclosure which summarises the key sustainability characteristics of the Company. The disclosure can be found on the Company's website [11].

EU Sustainable Finance Disclosure Regulation

The Board has been advised that the Company's existing disclosures are sufficient for maintaining the Company's classification under Article 9 of the EU Sustainable Finance Disclosure Regulation ("SFDR"). Stewart Investors' report on how the Company has met its sustainable investment objective, in accordance with the requirements of the SFDR, is appended to this Annual Report and begins on page 82.

[8] https://www.stewartinvestors.com/content/dam/pacific-assets/trust-information/PAC-TCFD-report.pdf
[9] https://www.stewartinvestors.com/content/dam/pacific-assets/trust-information/PAC-TCFD-report.pdf
[10] https://www.stewartinvestors.com/uk/en/private-investor/our-strategies/pacific-assets-trust.html?tabs-anchor=Pacific%20Assets%25Trust&active-tab=Portfolio%20Explorer
[11] https://www.stewartinvestors.com/content/dam/pacific-assets/trust-information/PAC-sdr-cfd.pdf

Sustainability and ESG continued

Case Study – Voltronic

Website:
www.voltronicpower.com

Company profile:
Uninterruptable power systems and solar inverters. Headquartered in Taiwan.

Stewardship:
Entrepreneur. Founder and Chairman, Hsieh Juor-Ming is a substantial shareholder.

What we like:

- Although Voltronic was founded in 2008, we have known and backed the steward, Alex Hsieh, in his previous successful ventures.
- The franchise is predicated on efficient manufacturing and customer trust.
- There is continued growth from branded owners outsourcing an increasing portion of the design and manufacturing process to Voltronic.
- Uninterruptable power systems (UPS) provide a continuous and stable current to electronic equipment at times of power outage or abnormal grid power levels. In a world increasingly dependent on electric equipment for sustainable development, UPS help keep industries productive, energy systems powered, medical equipment responsive and technology functioning.

Risks:
We believe risks to the company include lower cost competition from China and economic cyclicality.

Areas to improve:
We would like the company to be more ambitious with their circular economy practices. We recently commissioned a research report with the title "Circular Economy in the Industrial Goods Sector" and have shared this with Voltronic as a vehicle for further discussion.

How the company is contributing to environmental outcomes
Voltronic Power is a leading design and manufacturing service (DMS) for UPS, power converters, automatic voltage regulators, solar photovoltaic (PV) inverters and inverters for electric vehicle (EV) chargers. All Voltronic products have energy efficiency benefits and their PV inverter has energy efficiency and renewable energy benefits. Energy efficiencies increase as revenues grow. Voltronic has calculated that their products reduced carbon emissions by 1,002,145 tonnes in 2022 and by 879,447 tonnes in 2023. PV inverters are an important component of solar energy systems and energy storage. Their InfiniSolar hybrid inverter, for example, improves storage and energy efficiency for public utilities, workplaces and homes. The company produced around 6,700 UPS, 539,000 PV inverters, 5,000 energy storage systems and 2,000 EV chargers in 2022.

How the company is contributing to social outcomes:
UPS help keep industries productive, energy systems powered, medical equipment responsive and technology functioning. UPS products are in demand globally and across industries and are essential for electronic products and equipment rooms. Voltronic's UPS products account for 60-70% of revenues and their c.500 clients include the IT communication industry, home appliance industry, medical equipment industry, individual users, mass transportation equipment and electrical equipment. c.30-40% of revenues are in power converters, automatic voltage regulators, solar PV inverters, energy storage systems and EV chargers.

Relevant Sustainable Development Goals ("SDGs"):
SDG No. 7 – Affordable and Clean Energy
UPS and solar PV inverters are critical for the renewable energy transition. They have calculated that their combined products reduced carbon emissions by 1,002,145 tonnes in 2022 and by 879,447 tonnes in 2023.

SDG No. 12 – Responsible consumption and production
All Voltronic products have energy efficiency benefits, and their PV inverter has energy efficiency and renewable energy benefits. Energy efficiencies increase as revenues grow. The Company's products have a reuse or recycle ratio of >80% at the end of their lives. In 2022, they recycled products in aggregation of 1,102,080 kilowatt via consumption power feedback units and in 2023 this figure was 1,523,325 kilowatts.

Thematic Engagement Update – Conflict Minerals

Stewart Investors are progressing with a collaborative engagement initiative on conflict minerals (tantalum, tin, tungsten, gold and cobalt) in the semiconductor supply chain. These minerals are vital materials for the semiconductor industry. Poor traceability along complex supply chains can lead to the inadvertent financing of armed conflict and the abuse of human rights.

The initiative was supported in November 2021 by 160 signatories representing US$6.59 trillion of assets under management. In 2022 Stewart Investors wrote to 29 companies encouraging them to develop and invest in traceability technology, to increase transparency/ reporting from mine to product, to collaborate to improve industry practices, to impose/ enforce harsher sanctions on non-compliance and to reduce demand for new materials by improving recycling.

As part of the engagement, we have engaged with industry and civil bodies. We attended the Responsible Minerals Initiative ("RMI") annual conference in 2022, and understand we are the first investor known to have done so. In 2023, we were the first investor to speak at the Responsible Business Alliance ("RBA") and RMI's Annual Conference in Santa Clara, California on the positive role of capital and we hosted a closed-door workshop, endorsed by the RMI, with 16 leading electronic companies. Stewart Investors commissioned Kumi Consulting Ltd (Kumi) to deepen our knowledge, contacts and engagements with companies, trade bodies and organisations like the OECD, and with their help developed engagement guidelines for initiative supporters, and other investors, to improve their interactions with companies.

Members of the RMI debated, over a number of months, whether they should allow investors to join their trade body. There were some initial reservations, however a number of company representatives and steering committee members of the RMI and RBA Board Liaison have been strong supporters.

There is a growing feeling amongst RMI members that investors could bring a new and constructive perspective to help influence improvements along mineral supply chains. Representatives of the companies and other RMI members believe: "there is a big role for investors, they have a different point of leverage".

We are delighted that the RMI has taken the significant step of allowing investors to become members of their trade body which was one of our main objectives in 2023. We became the inaugural member of the RMI Investor Network in 2024.

In May 2024 we attended the OECD Forum on Responsible Mineral Supply Chains in Paris. We met with industry bodies, a variety of downstream companies such as Intel and BMW, and a selection of NGOs. This has helped deepen our understanding of the ongoing challenges and opportunities, particularly in the aftermath of the passing of ramped up European legislation including The EU Corporate Sustainability Due Diligence Directive 2024 and Battery Regulation, and the German Supply Chain Law.

We have strengthened our relationship with another leading industry association - IRMA - The Initiative for Responsible Mining Assurance - and in October 2024 became the first investment manager to join their newly introduced finance sector membership. We published the following article in 2024 summarising our engagement work so far: https://www.stewartinvestors.com/all/insights/conflict-minerals-power-of-collaborative-engagement.html.

We continued to engage with existing and potential investee companies on the topic, promoting the RMI and IRMA to those who are not yet paid members, and raise awareness of the issue through discussions with clients and fellow investors.

Stewart Investors
Portfolio Manager
29 April 2025

Business Review

The Strategic Report, set out on pages 1 to 32, contains a review of the Company's business model and strategy, an analysis of its performance during the financial year and its future developments as well as details of the principal risks and challenges it faces. Its purpose is to inform shareholders and help them to assess how the Directors have performed their duty to promote the success of the Company.

The Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report. Such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Business Model

The Company is an externally managed investment trust and its shares are admitted to the closed-ended investment funds category of the FCA's Official List and to trading on the main market of the London Stock Exchange.

The purpose of the Company is to achieve long-term growth in its shareholders' capital by providing a vehicle for investors to gain exposure to a portfolio of companies in the Asia Pacific region and the Indian sub-continent, but excluding Japan, Australia and New Zealand, through a single investment.

The Company's strategy is to create value for shareholders by addressing its investment objective.

As an externally managed investment trust, all of the Company's day-to-day management and administrative functions are outsourced to service providers. As a result, the Company has no executive directors, employees or internal operations.

The Company is an Alternative Investment Fund ("AIF") pursuant to the Alternative Investment Fund Managers Regulations and the EU AIFM Directive. The Company employs Frostrow Capital LLP ("Frostrow") as its Alternative Investment Fund Manager ("AIFM") and they provide corporate management, risk management, company secretarial and administrative services. The Company employs Stewart Investors as its Portfolio Manager (see page 45 for further information).

The Board remains responsible for all aspects of the Company's affairs, including setting the parameters for monitoring the investment strategy and the review of investment performance and policy. It also has responsibility for all strategic policy issues, including share issuance and buybacks, share price and discount/premium monitoring, corporate governance matters, dividends and gearing.

Further information on the Board's role and the topics it discusses with the Portfolio Manager is provided in the Corporate Governance report beginning on page 36.

Investment Objective and Policy

The Company aims to achieve long-term capital growth through investment in selected companies in the Asia Pacific region and the Indian sub-continent, but excluding Japan, Australia and New Zealand (the "Asia Pacific Region"). Up to a maximum of 20% of the Company's total assets (at the time of investment) may be invested in companies incorporated and/or listed outside the Asia Pacific Region (as defined above); at least 25% of their economic activities (at the time of investment) are within the Asia Pacific Region with this proportion being expected to grow significantly over the long term.

The Company invests in companies which Stewart Investors believe will be able to generate long-term growth for shareholders.

The Company invests principally in listed equities although it is able to invest in other securities, including preference shares, debt instruments, convertible securities and warrants. In addition, the Company may invest in open and closed-ended investment funds and companies.

The Company is only able to invest in unlisted securities with the Board's prior approval. It is the current intention that such investments are limited to those which are expected to be listed on a stock exchange or which cease to be listed and the Company decides to continue to hold or is required to do so.

Risk is diversified by investing in different countries, sectors and stocks within the Asia Pacific Region. No more than 45% of the Company's total assets (at the time of investment) may be invested in any single jurisdiction.

If the proportion of the Company's total assets invested in a single jurisdiction exceeds 49% at any time, the AIFM and the Portfolio Manager will, as soon as reasonably practicable, seek to re-balance the Company's portfolio below this threshold.

No single investment may exceed 7.5% of the Company's total assets at the time of investment. This limit is reviewed from time to time by the Board and may be revised as appropriate.

No more than 10% of the Company's total assets may be invested in other listed closed-ended investment companies unless such investment companies themselves have published investment policies to invest no more than 15% of their total assets in other closed-ended investment companies, in which case the limit is 15%.

When deemed appropriate, the Company may borrow for investment purposes up to the equivalent of 10% of the net asset value of the Company at the time of drawdown of such borrowing.

The use of derivatives is permitted with prior Board approval and within agreed limits. However, Stewart Investors are unlikely to use derivatives as they do not form part of their investment strategy.

Proposed Change to Investment Policy

As noted in the Chair's Statement on page 7, the definition of 'Asia Pacific Region' in the Company's investment objective currently excludes Australia, New Zealand and Japan. The Board is proposing to broaden the Company's investable universe by removing the exclusion of Australia and New Zealand from the definition of 'Asia Pacific Region' in the investment objective.

Accordingly, an ordinary resolution to approve this amendment to the investment objective is included in the Notice of AGM, beginning on page 101, and the full text of the proposed new investment policy can be found in the explanatory notes on pages 106 and 107. For the avoidance of doubt, the amendment of the investment objective is the only proposed change to the Company's investment policy. The proposed amendment has been approved in principle by the Financial Conduct Authority in accordance with the requirements of the Listing Rules.

Performance Measurement

The Board measures Stewart Investors' performance against a performance objective, which is to provide shareholders with a net asset value total return in excess of the UK Consumer Price Index ("CPI") plus 6% (calculated on an annual basis) measured over three to five years (the "Performance Objective"). The Board also monitors the Company's performance against its peer group (see page 4 for details). Please refer to the Chair's Statement beginning on page 6 and the Glossary on page 80 for further information.

Dividend Policy

It is the Company's policy to pursue capital growth for shareholders with income being a secondary consideration. This reflects that the Portfolio Manager is frequently drawn to companies whose future growth profile is more important than the generation of dividend income for shareholders.

The Company complies with the United Kingdom's investment trust rules which require investment trusts to retain no more than 15% of their distributable income each year. The Company's dividend policy is that the Company will pay a dividend as a minimum to maintain investment trust status.

The Board

At the date of this report, the Board of the Company comprises Andrew Impey (Chair), Nandita Sahgal (Chair of the Audit Committee), Sian Hansen (Chair of the Engagement and Remuneration Committee), Robert Talbut, (the Senior Independent Director) Edward Troughton (the Chair of the Sales, Marketing and Communications Committee) and June Ang. All of these Directors are non-executive, independent Directors. They all served throughout the year except for June Ang who joined the Board with effect from 26 September 2024.

Further information on the Directors can be found on pages 34 and 35 and information on the Board's diversity can be found in the Corporate Governance Report on pages 42 and 43.

Business Review continued

Key Performance Indicators ("KPIs")

The Board of Directors reviews performance against the following KPIs, which are unchanged from the prior year.

- NAV total return against the Performance Objective*^
- NAV per share total return against the peer group*^
- Average discount/premium of share price to NAV per share over the year^
- Ongoing charges ratio^

* Calculated on an annual basis and measured over three to five years.
^ Alternative Performance Measure (see Glossary beginning on page 80).

NAV per share total return – Performance Objective

The Directors regard the Company's net asset value total return as being the overall measure of value generated by the Portfolio Manager over the long term. Total return reflects both the net asset value growth of the Company and the dividends paid to shareholders. The performance objective of the Company is inflation (represented by the Consumer Price Index) plus 6%, measured over three to five years. The 6% represents what the Board considers to be a reasonable premium on investors' capital, which investing in the faster growing Asian economies ought to provide over time. The Performance Objective is designed to reflect that the Portfolio Manager's approach does not consider index composition when building and monitoring the portfolio.

During the year under review, the NAV per share total return was 9.7% outperforming the Performance Objective by 0.9% (2024: NAV per share total return of 1.3%, underperforming the Performance Objective by 11.7%). Over the past three years, the annualised NAV per share total return was 4.6%, underperforming the Performance Objective by 7.5%. Over five years, the annualised NAV per share total return was 8.7%, underperforming the Performance Objective by 2.3% per annum.

A full description of performance during the year under review is contained in the Portfolio Manager's Review beginning on page 12.

NAV total return – peer group

The Board also monitors the Company's performance against its peer group of four other investment trusts with similar investment mandates and one exchange traded fund.

Over the one, three and five years ended 31 January 2025, the Company ranked 6th, 1st and 3rd, respectively, in its peer group. The Company's performance is discussed in the Chair's Statement beginning on page 6; further information can be found in the Portfolio Manager's Review beginning on page 12.

Average discount/premium of share price to NAV per share

The Board believes that the principal drivers of an investment trust's share price discount or premium over the long term are investment performance and a proactive marketing strategy. However, there can be volatility in the discount or premium during the year. Therefore, the Board takes powers each year to buy back and issue shares with a view to limiting the volatility of the share price discount or premium, in normal market conditions.

During the year under review no new shares were issued by the Company. The Company's share price discount to the NAV per share was wider this year, in comparison with last year. As a result, the Company repurchased 370,000 shares during the year, at a total cost of £1.4 million, and at an average discount of 14.0%. The Board keeps the level of the discount under close review. Please refer to the Chair's Statement and pages 30 and 31 for further information regarding how the Board addressed this issue during the year.

Average discount of share price to NAV per share*^ during the year ended

31 January 2025	31 January 2024
11.5%	6.4%
Peer group average discount 10.8%	Peer group average discount 9.3%

* Source: Morningstar.
^ Alternative Performance Measure (see Glossary beginning on page 80).

Ongoing charges ratio

Ongoing charges represent the costs that the Company can reasonably expect to pay from one year to the next, under normal circumstances. The Board continues to be conscious of expenses and seeks to maintain a sensible balance between high quality service and costs.

The Board therefore considers the ongoing charges ratio to be a KPI and reviews the figure both in absolute terms and in relation to the Company's peers.

Ongoing charges ratio^

31 January 2025	31 January 2024
1.1%	**1.1%**
Peer group average **0.9%**	Peer group average **0.9%**

^ Alternative Performance Measure (see Glossary beginning on page 80).

The Board believes that the Company's relatively low turnover, and the absence of any costs associated with gearing, will mean that the Company's overall running costs – should these costs be factored into the calculation – are not necessarily as high as some other investment vehicles. It should also be noted that the Company does not have a performance fee. Performance fees are not included in the peer group average ongoing charges ratio.

Risk Management

The Board is responsible for managing the risks faced by the Company. Through delegation to the Audit Committee, the Board has established procedures to manage risk, to review the Company's internal control framework and to establish the level and nature of the principal risks the Company is prepared to accept in order to achieve its long-term strategic objective. The Board, meeting as the Audit Committee, has carried out a robust assessment of the principal and emerging risks facing the Company with the assistance of the AIFM. A process has been established to identify and assess risks, their likelihood and the possible severity of their impact.

These principal risks are set out on the following pages with a high-level summary of their management through mitigation and arrows to indicate any change in assessment during the year. The risks faced by the Company have been categorised under three headings as follows:

- Investment and financial risks
- Strategic risks
- Operational risks

Business Review continued

A summary of these risks and their mitigation is set out below:

Principal Risks and Uncertainties	Mitigation	Change in risk assessment over the last financial year

Investment and Financial Risks

Market and Foreign Exchange Risk ↑

The Company's portfolio is exposed to fluctuations in market prices (from both individual security prices and foreign exchange rates) in the regions and sectors in which it invests. Emerging markets in the Asia Pacific region, in which the portfolio companies operate, are expected to be more volatile than developed markets.

To an extent, this risk is accepted as being inherent to the Company's activities. However, the Board has set limits in the investment policy which ensure that the portfolio is diversified, reducing the risks associated with individual stocks and markets. Compliance with the investment objective and policy limits is monitored daily by Frostrow and Stewart Investors and reported to the Board monthly. Stewart Investors report at each Board meeting on the performance of the Company's portfolio, including the impact of wider market trends and events.

As part of its review of the viability of the Company, the Board also considers the sensitivity of the Company to changes in market prices and foreign exchange rates (see note 14 beginning on page 75), how the portfolio would perform during a market crisis, and the ability of the Company to liquidate its portfolio if the need arose. Further details are included in the Going Concern and Viability Statements on page 29.

In light of the material effect that recent geopolitical events have had on global markets and the volatility of certain markets that the Company invests in, during the year the Board increased the market risk rating.

Investment Performance ↔

Investment performance may not achieve the Company's investment objective. Stewart Investors' investment strategy and approach is expected to lead to performance that will deviate from that of both market indices and other investment companies investing in the Asia Pacific Region.

To manage this risk, the Board:

- reviews and challenges reports from Stewart Investors, which cover portfolio composition, asset allocation, concentration and performance at each Board meeting;
- reviews investment performance over the long term against the Company's performance objective and peer group;
- monitors Stewart Investors' performance against set KPIs; and
- formally reviews Stewart Investors' appointment, including their performance, service levels and contractual arrangements, each year.

Principal Risks and Uncertainties	Mitigation	Change in assessment of risk over the last financial year

Strategic Risks

Geopolitical Risk ↔

Geopolitical events may have an adverse impact on the Company's performance by causing exchange rate volatility, changes in tax or regulatory environments, a reduced investment universe and/or a fall in market prices.

The Board regularly discusses global geopolitical issues and general economic conditions and developments.

Political changes in recent years, particularly in the US and Asia Pacific region and more recently in the Middle East, as well as Ukraine and Eastern Europe, have increased uncertainty and volatility in financial markets. The Board discusses such developments and how they may impact decision making with Stewart Investors.

The Board's discussions with the Portfolio Manager often focus on geopolitical themes or trends that affect social and environmental sustainability, for example conflict minerals and water scarcity. These are often subjects on which the Portfolio Manager engages with investee companies.

↔ No change ↑ Increased ↓ Decreased

Principal Risks and Uncertainties	Mitigation	Change in risk assessment over the last financial year
Climate Change Risk		No change
The Board is cognisant of risks arising from climate change and the impact climate change events could have on portfolio companies and their operations, as well as on service providers to the Company.	The Board regularly reviews global environmental, geopolitical and economic developments with the Portfolio Manager and the implications of these risks and events on portfolio construction and the Company's operations. Given Stewart Investors' focus on sustainability as set out on pages 17 to 21, the Board considers the portfolio to be relatively well positioned in this regard.	
Black Swan Risk		No change
A significant unpredictable event (e.g. a pandemic/war/closure of a major shipping route) could lead to increased market volatility, and in a worst-case scenario, major global trade and supply chain breakdown resulting in significant volatility/declines in market prices. The Company's service providers and their operational systems may also be affected.	The Board monitors emerging risks and the robustness of Stewart Investors' and other service providers' business continuity plans. Stewart Investors' investment approach includes a focus on sustainability and stewardship, which emphasises quality investments with strong balance sheets, a proven track record in previous crises, and the protection of shareholders' funds, leaving them relatively well positioned to deal with unforeseen events. All of the Company's service providers are required to have business continuity / disaster recovery policies and test them at least annually. Service providers provide updates on contingency plans for coping with major disruption to their operations.	
Key Persons Risk		No change
There is a risk that the team responsible for managing the Company's portfolio may leave their employment or may be prevented from undertaking their duties.	The Board manages this risk by: > receiving regular reports from the Portfolio Manager, including any significant changes in the make-up of the portfolio management team; > meeting the wider team supporting the designated lead manager, at both Board meetings and at the Portfolio Manager's offices; and > delegating to the Engagement & Remuneration Committee responsibility to perform an annual review of the service received from the Portfolio Manager, including, *inter alia*, the team supporting the lead manager and their succession planning.	
Share Price Risk		Increased
The Company is exposed to the risk, particularly if the investment strategy and approach are unsuccessful, that the Company underperforms its peer group, fails to achieve its Performance Objective and becomes unattractive to shareholders, resulting in a widening of the share price discount to the NAV per share.	In managing this risk the Board: > reviews the Company's investment objective and policy, and Stewart Investors' investment approach, in relation to investment performance, market and economic conditions and the performance of the Company's peers; > regularly discusses the Company's future development and strategy; > undertakes a regular review of the level of the share price discount/premium to the NAV per share and considers ways in which share price performance may be enhanced, including the effectiveness of marketing, share issuance and share buybacks, where appropriate; and > reviews an analysis of the shareholder register at each Board meeting and is kept informed of shareholder sentiment. Noting recent developments in the investment trust sector, including widening share price discounts, and action taken by activist investors and arbitrageurs, the Board considered that this risk had increased during the year.	

No change   Increased   Decreased

Business Review continued

Principal Risks and Uncertainties	Mitigation	Change in risk assessment over the last financial year
Operational Risk		
Operational Risk		◄►
As an externally managed investment trust, the Company is reliant on the systems of its service providers for dealing, trade processing, administration, financial and other functions. If such systems were to fail or be disrupted (including, for example, as a result of cyber-crime or a pandemic) this could lead to a failure to comply with applicable laws, regulations and governance requirements and/or to a financial loss. Credit risk arising from the use of counterparties forms part of this risk. If a counterparty were to fail, the Company could be adversely affected through either delay in settlement or loss of assets.	To manage these risks the Board: > periodically visits all key service providers to gain a better understanding of their control environment, and the processes in place to mitigate any disruptive events; > receives a monthly report from Frostrow, which includes, *inter alia*, confirmation of compliance with applicable laws and regulations; > reviews internal control reports and key policies of its service providers, including disaster recover procedures and business continuity plans; > maintains a risk matrix with details of the risks to which the Company is exposed, the approach to managing those risks, the key controls relied upon and the frequency of the controls operation; > receives updates on pending changes to the regulatory and legal environment and progress towards the Company's compliance with such changes; > has considered the increased risk of cyber-attacks and received reports and assurance from its service providers regarding the information security controls in place; > has reviewed the arrangements (including sub-custodial arrangements) and services provided by the Custodian to ensure that the security of the Company's custodial assets is maintained; and > reviews Stewart Investors' approved list of counterparties, the process for monitoring and adding to the approved counterparty list, and the Company's use of those counterparties. Under the terms of the contract with J.P. Morgan Chase Bank, the Company's investments are required to be segregated from J.P. Morgan Chase Bank's own assets. Further information on credit risk and other financial risks can be found in note 14 beginning on page 75.	

Emerging Risks

Emerging risks are discussed as part of the risk review process. During the year the Board identified the following emerging risks:

1. As well as offering investment opportunities, the development and exploitation of technological breakthroughs, such as artificial intelligence, may challenge and damage the addressable market, revenue and operations of portfolio companies to the extent that they no longer offer the promise of returns consistent with the Company's investment objective.
2. The risk that increasing water scarcity will affect economic development, potentially leading to mass migration and political conflict in the Asia Pacific Region. This is a particular threat in India, where a high proportion of the Company's assets are invested, and which the UN identifies as one of the most water-stressed countries in the world.
3. The continued rise of misinformation is contributing to the perceived decay of political and social norms, and the diminishing role of generally accepted truth and reason. This trend has encouraged mistrust in democratic institutions and public discourse and the success in many countries of more extreme political parties. Businesses and brands can be drawn into such debates which may have uncertain direct or indirect consequences for portfolio companies.
4. Heightened geopolitical tensions and assertive state behaviour are increasing the risk of state-backed armed conflicts. Governments may leverage military capabilities to advance strategic interests, potentially engaging in proxy wars or direct military confrontations. This emerging risk could lead to regional instability, disrupted supply chains and trade flows, regulatory unpredictability, significant market volatility and adverse impacts on economic growth.

Going Concern

The Company's portfolio, investment activity, the Company's cash balances and revenue forecasts, and the trends and factors likely to affect the Company's performance are reviewed and discussed at each Board meeting. The Board has considered a detailed assessment of the Company's ability to meet its liabilities as they fall due, including stress tests which modelled the effects of substantial falls in portfolio valuations and liquidity constraints on the Company's NAV, cash flows and expenses. Further details of the stress tests and scenarios considered can be found in the Audit Committee Report beginning on page 51 and Notes 1 and 14 to the financial statements. Based on the information available to the Directors at the date of this report, the conclusions drawn in the Viability Statement (including the results of the stress tests undertaken) below and the Company's cash balances, the Directors are satisfied that the Company has adequate financial resources to continue in operation for at least the next 12 months from the date of signing this report and that, accordingly, it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Viability Statement

The Directors have carefully assessed the Company's financial position and prospects as well as the principal risks facing the Company and have formed a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five financial years. The Board has chosen a five year horizon in view of the long-term outlook adopted by the Portfolio Manager when making investment decisions.

To make this assessment and in reaching this conclusion, the Audit Committee has considered the Company's financial position and its ability to liquidate its portfolio and meet its liabilities as they fall due and notes the following:

- The portfolio is comprised of investments traded on major international stock exchanges. Based on historic analysis, it is estimated that approximately 72% of the current portfolio could be liquidated within two weeks (based on current market volumes with 20% participation);
- The Audit Committee has considered the viability of the Company under various scenarios, including periods of acute stock market and economic volatility. In view of the results of these stress tests, the Board has concluded that it would expect to be able to ensure the financial stability of the Company through the benefits of having a diversified portfolio of listed and realisable assets. Further details of the stress tests can be found in Note 1 to the financial statements;
- With an ongoing charges ratio of 1.1%, the expenses of the Company are predictable and modest in comparison with the assets and there are no capital commitments currently foreseen which would alter that position;
- The Board has considered the Company's average cash balance over the past three years and noted that the Company has consistently retained levels of cash that are significantly higher than its annual operating expenses;
- The Company has no employees, only non-executive Directors. Consequently it does not have redundancy or other employment related liabilities or responsibilities; and
- The closed ended nature of the Company means that, unlike open ended funds, it does not need to realise investments when shareholders wish to sell their shares.

The Directors, as well as considering the potential impact of the principal risks and various severe but plausible downside scenarios, have also made the following assumptions in considering the Company's longer-term viability:

- There will continue to be demand for investment trusts;
- The Portfolio Manager will continue to adopt a long-term view when making investments, and anticipated holding periods will be at least five years;
- The Company invests in the securities of listed companies traded on international stock exchanges to which investors will wish to continue to have exposure;
- Regulation will not increase to a level that makes running the Company uneconomical; and
- The performance of the Company will continue to be satisfactory.

Business Review continued

Stakeholder Interests and Board Decision-Making (Section 172 of the Companies Act 2006)

The following disclosure, which is required by the Companies Act 2006 and the AIC Code of Corporate Governance, describes how the Directors have had regard to the views of the Company's stakeholders in their decision-making.

Stakeholder Group	How the Board has engaged with the Company's Stakeholders
Investors	The Board's key mechanisms of engagement with investors include: > The Annual General Meeting > The Company's website which hosts reports, articles and insights, and monthly fact sheets > One-to-one investor meetings > Group meetings with professional investors > The Annual and Half yearly Reports The Portfolio Manager and the Company's broker, on behalf of the Board, completed a programme of investor relations throughout the year, reporting to the Board on the feedback received. In addition, the Chair was (and remains) available to engage with the Company's shareholders.
Portfolio Manager	The Board met regularly with Stewart Investors (the Portfolio Manager) throughout the year, both formally at quarterly Board meetings and informally, as required. The Board engaged with the portfolio management team, discussing the Company's overall performance and strategy, as well as developments in individual portfolio companies and wider macroeconomic developments. The Board periodically visits different countries and investee companies in the Asia Pacific Region with the Portfolio Manager, to gain first-hand insight into the Portfolio Manager's investment process and engagement with portfolio companies. The Board considers these visits to be an important part of their oversight of the Portfolio Manager. This year, the Board accompanied the Portfolio Manager to meetings with portfolio companies in Mumbai, India, engaging with representatives from portfolio companies and potential investee companies.
Other Service Providers	The Board met regularly with Frostrow (the AIFM), representatives of which attend every quarterly Board meeting to provide updates on risk management, accounting, administration, corporate governance and regulatory matters. The Board, meeting as the Engagement and Remuneration Committee, reviewed the performance of all the Company's service providers, receiving feedback from Frostrow in their capacity as AIFM and Company Secretary. The AIFM, which is responsible for the day-to-day operational management of the Company, meets and interacts with the other service providers including the Depositary, the Custodian and the Registrar, on behalf of the Board, on a daily basis. This can be through email, one-to-one meetings and/or regular written reporting. The Audit Committee met with BDO LLP to review the audit plan for the year, agree their remuneration, review the outcome of the annual audit and to assess the quality and effectiveness of the audit process. Please refer to the Audit Committee Report beginning on page 51 for further information.
Portfolio Companies	The Board supports and endorses the Portfolio Manager's approach to responsible and sustainable investing. The Board has delegated authority to Stewart Investors, as Portfolio Manager, to engage with the companies held in the portfolio and to vote the shares owned by the Company. The Board reviews the Portfolio Manager's voting and engagement reports, and any exceptions to the Portfolio Manager's position statement on harmful and controversial products, services or practices. As mentioned above, the Board periodically visits different countries and investee companies in the Asia Pacific Region with the Portfolio Manager and during the year, the Board engaged directly with representatives from companies based in Mumbai, India.

As an externally managed investment trust, the Company has no employees, customers, operations or premises. Therefore, the Company's key stakeholders (other than its shareholders) are considered to be its service providers, including its Portfolio Manager. The need to foster good business relationships with service providers and maintain a reputation for high standards of business conduct are central to the Directors' decision-making as the Board of an externally managed investment trust.

Key Areas of Engagement	Main decisions and actions taken
> Ongoing dialogue with shareholders concerning the strategy of the Company, performance and the portfolio. > Share price performance. > The Portfolio Manager's approach to sustainable development and investment.	The Board and the Portfolio Manager provided updates on performance via RNS, the Company's website and the usual financial reports and monthly fact sheets. The Board continued to monitor share price movements closely, both in absolute terms and in relation to the Company's peer group. As the discount widened during the year, the Board. initiated a limited buyback programme. As a result, 370,000 shares were bought back during the year. No shares were issued at a premium to the net asset value per share during the year. The Board, meeting as the Sales, Marketing and Communications Committee, also continued its work to improve the visibility of the Company and the Portfolio Manager's sustainability credentials, in particular to retail investors. Further information is provided in the Chair's Statement beginning on page 6.
> Portfolio composition, performance, outlook and business updates. > Matters relating to sustainability, including the sustainability credentials of the portfolio companies, and regulatory developments affecting the Company itself. > The promotion and marketing strategy of the Company. > The terms and conditions of the Portfolio Management Agreement.	The Board agreed that high standards of research and decision-making have been maintained and the Portfolio Manager's strategy has been implemented consistently, leading to good returns over the past year and over longer periods. The Board considered that accompanying the Portfolio Manager to meetings with portfolio companies in India was a useful part of this assessment. The Board concluded that it was in the interests of shareholders for Stewart Investors to continue in their role as Portfolio Manager on the same terms and conditions. Further information is provided on page 46. The Sales, Marketing and Communications Committee continued to work with the Portfolio Manager on improving the marketing strategy of the Company. Further information is provided in the Chair's Statement beginning on page 6. The Board considered and subsequently approved (subject to shareholder approval) a proposal from Stewart Investors to widen the investment policy to include investment in Australia and New Zealand. Further information is provided in the Chair's Statement and the Notice of AGM. The Portfolio Management Agreement was restated and amended to reflect the Portfolio Manager's governance framework for complying with the FCA's Consumer Duty and to reflect the Portfolio Manager's responsibility for marketing the Company. The amendments were not considered to be material.
> The quality of service provision and the terms and conditions under which service providers are engaged. > The assessment of the effectiveness of the audit and the Auditor's reappointment. > The terms and conditions under which the Auditor is engaged.	The Board concluded that it was in the interests of shareholders for Frostrow to continue in their role as AIFM on the same terms and conditions. See pages 46 and 47 for further details. The Board agreed that the Company's other service providers continued to perform satisfactorily and should continue in their roles. The Board approved the Audit Committee's recommendation to propose to shareholders that BDO LLP be re-appointed as the Company's auditor for a further year. Please refer to the Audit Committee Report beginning on page 51 and the Notice of AGM beginning on page 101 for further information.
> Business and investment plans. > ESG and sustainability matters.	Investment decisions are made at the discretion of the Portfolio Manager, however the Board values the opportunity to engage directly with representatives from portfolio companies. Direct engagement enhances the Directors' understanding of the relevant companies, as well as their understanding of the Portfolio Manager's investment process.

Business Review continued

Social, Human Rights and Environmental Matters

As an externally managed investment trust, the Company does not have any employees or maintain any premises, nor does it undertake any manufacturing or other physical operations itself. All its operational functions are outsourced to third party service providers. Therefore the Company has no material, direct impact on the environment or any particular community and, as a result, the Company itself has no environmental, human rights, social or community policies.

The Portfolio Manager engages with the Company's underlying investee companies in relation to their corporate governance practices and the development of their policies on social, community and environmental matters. The Portfolio Manager (under their parent, legal entity name, First Sentier Investors) is a Tier 1 signatory to the UN Principles of Responsible Investment, an investor signatory of Climate Action 100+ and an investor member of the Institutional Investors Group on Climate Change.

Integrity and Business Ethics

The Board is committed to carrying out the Company's business in an honest and fair manner with a zero-tolerance approach to bribery, tax evasion and corruption. As such, policies and procedures are in place to prevent this and can be found on the Company's website. In carrying out the Company's activities, the Board aims to conduct itself responsibly, ethically and fairly, including in relation to social and human rights issues.

Taskforce for Climate-Related Financial Disclosures ("TCFD")

The Company notes the TCFD recommendations on climate-related financial disclosures. The Company is an investment trust and, as such, it is exempt from the Listing Rules requirement to report against the TCFD framework.

Stewart Investors is committed to reporting annually on its progress against its climate change objectives which are set out in its climate change statement[10]. This reporting is modelled on TCFD recommendations to the degree it is relevant to their activities and to support shareholders with their reporting requirements.

Stewart Investors have signed up to the Net Zero Asset Managers Initiative. They published their first climate report[11] in 2022 which provides details about their plan; this will be updated annually. They are engaging with their investee companies to set ambitious targets and have credible action plans to achieve net zero by 2050. They are targeting outcomes that are aligned with their commitment to the Net Zero Asset Managers Initiative and prioritising engagement with companies that have inadequate disclosures and targets, and/or rising emissions.

Climate reporting, at both the Stewart Investors[12] and Pacific Assets Trust[13] level, is available via the Company's website.

Performance and Future Developments

A review of the Company's performance over the year and the outlook for the Company can be found in the Chair's Statement beginning on page 6 and in the Portfolio Manager's Review beginning on page 12.

The Company's overall strategy remains unchanged.

By order of the Board

Frostrow Capital LLP
Company Secretary
29 April 2025

[10] https://www.stewartinvestors.com/uk/en/private-investor/insights/climate-change-statement.html
[11] https://www.stewartinvestors.com/content/dam/pacific-assets/trust-information/climate-report/Climate-Report-2021.pdf
[12] https://www.stewartinvestors.com/all/insights/annual-report-2023.html
[13] https://www.stewartinvestors.com/content/dam/pacific-assets/trust-information/PAC-TCFD-report.pdf
https://www.stewartinvestors.com/content/dam/stewartinvestors/pdf/annual-report-2023/pac/pac-annual-review-2023.pdf

Governance

In this section

Board of Directors

Andrew Impey
Independent Non-Executive Chair

Joined the Board in 2022

Andrew is Chair of the Nominations Committee

Shareholding in the Company: 20,000

Skills and Experience

Andrew has over 34 years' experience in institutional investment management and wealth management. He has been lead manager on a broad range of funds including a sovereign wealth mandate, unit trusts and several investment trusts. He was previously a consultant at Rathbones Investment Management, a partner of Albion Capital Group, joint managing director at OLIM Limited and Chief Investment Officer at Singer & Friedlander.

Andrew's wide investment experience allows him to engage knowledgeably with the Portfolio Manager. He also brings current knowledge of the industry and in corporate governance and strategy.

He is a charity trustee and on a number of investment committees including the HMS Victory Preservation Company.

Other Appointments

Andrew is a non-executive director of Blackrock Greater Europe Investment Trust plc.

Standing for re-election

Yes

Sian Hansen
Independent Non-Executive Director

Joined the Board in 2015

Sian is Chair of the Engagement & Remuneration Committee

Shareholding in the Company: 15,880

Skills and Experience

Previously Sian was Chief Operating Officer of C|T Group, an Executive Director of the Legatum Institute and before that, Managing Director of the UK think tank Policy Exchange. Earlier in her career, Sian was a senior equity analyst and Co-Director of Sales for Asian Emerging Markets at Société Générale.

Sian enhances the Board's knowledge of sustainability, enabling meaningful debates with the Portfolio Manager to take place. As a thought leader in political and other forums, she brings a valuable perspective on geo-political matters.

Other Appointments

Sian is a non-executive director of Worldwide Healthcare Trust PLC.

Standing for re-election

No

Robert Talbut
Independent Non-Executive Director

Joined the Board in 2016

Robert is the Senior Independent Director

Shareholding in the Company: 9,611

Skills and Experience

Robert was formerly a director and Chief Investment Officer at Royal London Asset Management Limited.

His ongoing knowledge of the asset management industry and the strategic challenges it faces is useful in many board debates. His understanding of today's corporate governance best practice and the matters that a Board must confront, helps to ensure that the Company is run in accordance with best practice.

Given his wide-ranging board and sector experience Robert is well positioned to bring alternative perspectives on issues that may arise.

Other Appointments

Robert is a non-executive director of JP Morgan American Investment Trust plc.

Standing for re-election

Yes

Edward Troughton
Independent Non-Executive Director

Joined the Board in 2019

Edward is Chair of the Sales, Marketing and Communications Committee

Shareholding in the Company: 18,357

Skills and Experience
Edward has been in the investment industry for over 35 years, starting his career with Barings Asset Management as an Asian equity portfolio manager. He spent the rest of his career after that in business development and marketing. He managed NatWest Investment Management's office in Hong Kong for five years. For seven years, he was with BlackRock where at one stage, as Managing Director, he ran their Asian regional office out of Hong Kong. Latterly he was Managing Director at Alliance Trust Investments and a Partner at Oldfield Partners where he was Head of Global Client Relations and Business Development, and a member of the Management Committee.

Edward's experience in the investment sector and first-hand knowledge of living and working in Asia enables the Board to engage authoritatively with the Portfolio Manager on their investment strategy. His knowledge of business development and marketing within the UK wealth sector is also extremely useful as the Board looks to widen the Company's overall appeal and shareholder base.

Other Appointments
None.

Standing for re-election
Yes

Nandita Sahgal FCA
Independent Non-Executive Director

Joined the Board in 2024

Nandita is Chair of the Audit Committee

Shareholding in the Company: 1,426

Skills and Experience
Nandita is the Senior Independent Director and Chair of the Audit Committee at the UK India Business Council. Previously, she was a Managing Director, Infrastructure Asset Management at ThomasLloyd Group Ltd. She has over 25 years' emerging markets experience working in asset management, equity capital markets and M&A at ThomasLloyd Group, Insinger de Beaufort and Seymour Pierce.

Prior to joining ThomasLloyd, Nandita was Chief Executive Officer at IL&FS Global Financial Services (UK) Ltd., the UK subsidiary of the investment banking arm of IL&FS. She holds a Bachelors in Economics and Business from The University of Edinburgh, is a Fellow of the Institute of Chartered Accountants in England and Wales and a Member of the Chartered Institute for Securities and Investment.

Other Appointments
Nandita is a non-executive director of Murray Income Trust Plc.

Standing for re-election
Yes

June Ang
Independent Non-Executive Director

Joined the Board in 2024

Shareholding in the Company: 10,000

Skills and Experience
June was the Managing Director, and later a non-executive director, of PEAL Capital Partners. Previously she was Head of Investor Relations at Crake Asset Management LLP. Ms Ang has over 30 years of experience in financial markets and has a deep knowledge of emerging markets, particularly Asia. She spent two decades in Asian Equities and headed up the Asian Equity sales desk at HSBC for 12 years. As a Managing Director, she was directly accountable for financial performance, and responsible for strong risk management, regulatory and governance oversight and an in-depth understanding of asset management. She has held senior roles at Goldman Sachs, Citigroup and UBS, serving UK, European and Middle Eastern clients. Ms Ang has also worked in hedge funds and private equity and so has insight and expertise that spans public and private markets.

Other Appointments
None.

Standing for election
Yes

Corporate Governance

The Board and Committees

Responsibility for effective governance lies with the Board whose role is to promote the long-term success of the Company. The governance framework of the Company reflects the fact that as an externally managed investment company it has no employees and outsources portfolio management to Stewart Investors and risk management, corporate management, company secretarial and administrative services to Frostrow Capital LLP. The Board generates value for shareholders through its oversight of the service providers and management of the costs associated with running the Company.

The Board

Chair – Andrew Impey
Senior Independent Director – Robert Talbut
Four additional non-executive Directors, all considered independent.

Key responsibilities:

- to provide leadership and set the strategy, values and standards of the Company within a framework of effective controls which enable risk to be assessed and managed;
- to ensure that a robust corporate governance framework is implemented; and
- to challenge constructively and scrutinise the performance of all third-party service providers.

Audit Committee

Chair
Nandita Sahgal FCA

All Independent Directors

Key responsibilities:

- to review the Company's financial reports;
- to oversee the risk and control environment; and
- to have primary responsibility for the relationship with the Company's external auditor, to review their independence and performance, and to determine their remuneration.

Engagement & Remuneration Committee

Chair
Sian Hansen

All Independent Directors

Key responsibilities:

- to review the contracts, performance and remuneration of the Company's principal service providers;
- to set the Directors' remuneration policy; and
- to review the terms and conditions of the Directors' appointments.

Nomination Committee

Chair
Andrew Impey

All Independent Directors

Key responsibilities:

- to review the Board's structure and composition; and
- to make recommendations for any changes or new appointments.

Sales, Marketing and Communications Committee

Chair
Edward Troughton

All Independent Directors

Key responsibilities:

- to develop and oversee a marketing and promotional strategy for the Company in conjunction with the Portfolio Manager; and
- to review the marketing activities taken by and on behalf of the Company by third parties.

Copies of the full terms of reference, which clearly define the responsibilities of each Committee, can be obtained from the Company Secretary and will be available for inspection on the day of the Annual General Meeting. They can also be found on the Company's website at www.pacific-assets.co.uk.

Internal Controls Structure

The Board has a responsibility for establishing and assessing internal controls to ensure the Company operates effectively, efficiently and within the risk appetites set by the Board. As the Company relies on third-party service providers for all of its operations, it obtains regular reports from these counterparties on the nature and effectiveness of controls within these organisations.

The Company's principal service providers are the Portfolio Manager, Stewart Investors, the AIFM, Company Secretary and administrator, Frostrow Capital, the custodian and depositary, JP Morgan and the registrar, Equiniti Group. The Board receives regular reporting on compliance with the control environment and assesses the effectiveness of the internal controls through review of the assurance reports from each of these organisations.

In addition, the Company retains a number of secondary providers who report regularly to the Board. These include the Company's legal advisers and the corporate stockbroker.

The Engagement and Remuneration Committee formally evaluates the performance and service delivery of all third-party service providers at least annually and the Audit Committee evaluates the performance of the Company's external auditor annually, following the completion of the annual audit process.

Board of Directors
Entirely independent and non-executive

Sub-committees:
- Audit Committee
- Engagement & Remuneration Committee
- Nomination Committee
- Sales, Marketing and Communications Committee

Principal third-party service providers

The Directors
- receive regular reporting at meetings;
- review the assurance report produced by each organisation;
- receive additional reporting on the control environment from each of the principal third party service providers; and
- formally evaluate their performance on an annual basis.

Frostrow Capital LLP
(AIFM, Company Secretary, Fund Administrator)

Reporting
- Balance sheet
- Liquidity and gearing
- Income forecasts
- Portfolio valuation
- Portfolio transactions
- Investment limits and restrictions (monthly)
- Compliance with investment policy and guidelines (monthly)
- Compliance report (semi-annually)
- Internal Controls Report (annually)

Stewart Investors
(Portfolio Management)

Reporting
- Portfolio performance update at each meeting
- Compliance Report (semi-annually)
- Internal Controls Report (annually)
- Presentations on subjects of interest e.g. Risk Management, Investment Compliance (as required)

JP Morgan
(Depositary and Custodian)

Reporting
- Depositary's Report (semi-annually)
- Internal Controls Report (annually)
- Presentations on subjects of interest e.g. cyber security (as required)

Equiniti Group
(Registrar)

Reporting
- Internal Controls Report (annually)
- Presentations on subjects of interest e.g. cyber security (as required)

Secondary third-party service providers

The Directors
- receive regular reporting on their activities at meetings; and
- formally evaluate their performance on an annual basis.

Dickson Minto LLP
(Legal Adviser)

Investec Bank PLC
(Corporate Broker)

Corporate Governance continued

Corporate Governance Statement

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance published in February 2019 (the "AIC Code"). The AIC Code addresses all the principles set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional provisions on issues that are of specific relevance to the Company.

In January 2024 the FRC published a revised UK Corporate Governance Code which applies to financial years beginning on or after 1 January 2025. The AIC published a revised Code of Corporate Governance in August 2024, which applies with effect from the same date. The 2018 UK Code and the 2019 AIC Code apply until this time.

The Board considers that reporting against the principles and provisions of the AIC Code (which has been endorsed by the Financial Reporting Council) will provide better information to shareholders. By reporting against the AIC Code, the Company meets its obligations under the UK Code (and associated disclosure requirements under paragraph 6.6.6 of the UK Listing Rules) and as such does not need to report further on issues contained in the UK Code which are irrelevant to the Company as an externally managed investment company, including the provisions relating to the role of the chief executive, executive directors' remuneration and the internal audit function.

The AIC Code is available on the AIC's website www.theaic.co.uk and the UK Code can be viewed on the Financial Reporting Council website www.frc.org.uk. The AIC Code includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

The Company has complied with the principles and provisions of the AIC Code.

This Corporate Governance report on pages 36 to 43 forms part of the Report of the Directors on pages 44 to 48.

Board Leadership and Purpose

Purpose and Strategy

The purpose and strategy of the Company are described in the Strategic Report on page 22.

Strategy issues and all material operational matters are considered at Board meetings.

Board Culture

The Board aims to capture differences of opinion, unique vantage points and areas of expertise. The Chair encourages open debate to foster a supportive and co-operative approach. Strategic decisions are discussed openly and constructively. The Board aims to be open and transparent with shareholders and other stakeholders, and for the Company to conduct itself responsibly, ethically and fairly in its relationships with service providers.

Shareholder Relations

Representatives of Stewart Investors and Investec Bank plc, the Company's corporate stockbroker, met regularly with institutional shareholders and private client asset managers to discuss investment strategy, any issues or concerns and, if applicable, corporate governance matters. Reports on investor sentiment and the feedback from investor meetings were discussed with the Directors at the following Sales, Marketing and Communications Committee and Board meetings.

Shareholder Communications

The Directors welcome the views of all shareholders and place considerable importance on communications with them. Shareholders wishing to communicate with the Chair, or any other member of the Board, may do so by writing to the Company Secretary at the offices of Frostrow Capital LLP (25 Southampton Buildings, London WC2A 1AL). Shareholders are encouraged to attend the AGM, where they are given the opportunity to question the Chair, the Board and representatives of Stewart Investors. In addition, Stewart Investors make a presentation to shareholders covering the investment performance and strategy of the Company at the AGM. Further details of this year's AGM are provided in the Chair's Statement beginning on page 6 and in the Notice of AGM beginning on page 101.

Significant Holdings and Voting Rights

Details of the shareholders with substantial interests in the Company's shares, the Directors' authorities to issue and repurchase the Company's shares, and the voting rights of the shares are set out in the Report of the Directors on pages 44 to 48.

Conflicts of Interest

Company directors have a statutory obligation to avoid a situation in which they (and connected persons) have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. In line with the Companies Act 2006, the Board has the power to authorise any potential conflicts of interest that may arise and impose such limits or conditions as it thinks fit. A register of interests and potential conflicts is maintained and is reviewed at every Board meeting. No conflicts of interest arose during the year under review.

Division of Responsibilities

Responsibilities of the Chair and the SID

The Chair's primary role is to provide leadership to the Board, assuming responsibility for its overall effectiveness in directing the Company. The Chair is responsible for:

- taking the chair at general meetings and Board meetings, conducting meetings effectively and ensuring all Directors are involved in discussions and decision-making;
- setting the agenda for Board meetings and ensuring the Directors receive accurate, timely and clear information for decision-making;
- taking a leading role in determining the Board's composition and structure;
- overseeing the induction of new directors and the development of the Board as a whole;
- leading the annual board evaluation process and assessing the contribution of individual Directors;
- supporting and also challenging the Portfolio Manager (and other suppliers) where necessary;
- ensuring effective communications with shareholders and, where appropriate, stakeholders; and
- engaging with shareholders to ensure that the Board has a clear understanding of shareholder views.

The Senior Independent Director ("SID") serves as a sounding board for the Chair and acts as an intermediary for the other Directors and the shareholders. The SID is responsible for:

- working closely with the Chair and providing support;
- leading the annual assessment of the performance of the Chair;
- holding meetings with the other non-executive Directors without the Chair being present, on such occasions as necessary;
- carrying out succession planning for the Chair's role;
- working with the Chair, other Directors and shareholders to resolve major issues; and
- being available to shareholders and other Directors to address any concerns or issues they feel have not been adequately dealt with through the usual channels of communication (i.e. through the Chair or the Portfolio Manager).

Director Independence

The Board consists of six non-executive Directors, each of whom is independent of Stewart Investors. Each of the Directors, including the Chair, was independent on appointment and all of the Directors seeking election or re-election at the forthcoming AGM continue to be independent when assessed against the circumstances set out in Provision 13 of the AIC Code. The Board carefully considers these guidelines but believes that independence is evidenced by an individual being independent of mind, character and judgement. The Board considers that all of the Directors are independent and there are no relationships or circumstances which are likely to impair or could appear to impair their judgement.

Directors' Other Commitments

Directors wishing to accept a new appointment obtain approval from the Chair before doing so. Following the annual Board evaluation, the Board considers that all Directors have sufficient time to discharge their duties.

Board Meetings

The Board met formally four times during the year. The primary focus at regular Board meetings was the review of investment performance and associated matters, including asset allocation, marketing/investor relations, peer group information and industry issues. The Board reviewed key investment and financial data, revenue and expense projections, analyses of asset allocation, transactions, customised performance metrics and performance comparisons, share price and net asset value performance. The Board's approach to addressing the Portfolio Manager's and the Company's share price performance during the year is described in the Chair's Statement beginning on page 6.

The Board is responsible for setting the Company's corporate strategy and reviewed the continued appropriateness of the Company's investment objective, investment strategy and investment restrictions at each meeting.

Corporate Governance continued

Matters Reserved for Decision by the Board
The Board has adopted a schedule of matters reserved for its decision. This includes, *inter alia*, the following:

- Decisions relating to the strategic objectives and overall management of the Company, including the appointment or removal of the Portfolio Manager and other service providers, establishing the investment objectives, strategy and performance comparators, the permitted types or categories of investments, the proportion of assets that may be invested in them, and the markets in which transactions may be undertaken.
- Requirements under the Companies Act 2006, including approval of the half yearly and annual financial statements, recommendation of the final dividend (if any), declaration of any interim dividends, the appointment or removal of the Company Secretary, and determining the policy on share issuance and buybacks.
- Matters relating to certain Stock Exchange requirements and announcements, the Company's internal controls, and the Company's corporate governance structure, policies and procedures.
- Matters relating to the Board and Board committees, including the terms of reference and membership of the committees, and the appointment of directors (including the Chair and the SID).

Day-to-day portfolio management is delegated to Stewart Investors and operational management is delegated to Frostrow.

The Board takes responsibility for the content of communications regarding major corporate issues, even if Stewart Investors or Frostrow acts as spokesman. The Board was kept informed of relevant promotional material that was issued by Stewart Investors.

Board Committees
The Board has established four sub committees, as set out on page 36.

The Audit Committee Report begins on page 51.

The work of the Engagement and Remuneration Committee is described in the Directors' Remuneration Report beginning on page 56 and in the Report of the Directors on pages 46 and 47.

The work of the Nomination Committee is described in the 'Composition, Succession and Evaluation' section of this Corporate Governance report.

The Sales, Marketing and Communications Committee worked with the Portfolio Manager throughout the year to develop and enhance the Company's marketing strategy. The Committee reviewed Stewart Investors' marketing activities, including feedback from investor meetings, and continued working with the Portfolio Manager to improve the Company's website, branding, social media and public relations strategies. On the recommendation of the Committee, the Board appointed Kepler Partners LLP to provide paid-for research and PR services to the Company. Further information is provided in the Chair's Statement.

The Committee chairs welcome the views of shareholders on any of the matters within their respective remits. Shareholders can contact the Committee chairs through the Company Secretary whose details are provided on page 109.

Relationship with the Portfolio Manager
Representatives from Stewart Investors were in attendance at each Board meeting to provide updates and address questions on specific matters.

The Engagement and Remuneration Committee evaluated Stewart Investors' performance and suitability as well as reviewing the terms of the Portfolio Management Agreement. The outcome of this year's review is described on pages 46 and 47.

Relationship with Other Service Providers
Representatives from Frostrow were in attendance at each Board meeting to address questions on the Company's operations, administration and governance requirements. The Engagement and Remuneration Committee monitored and evaluated all of the Company's other service providers, including Frostrow, and also the Depositary, the Custodian, the Registrar and the Broker. The Committee concluded that all the service providers were performing well and should be retained on their existing terms and conditions.

Stewardship and the Exercise of Voting Powers
The Board and the Portfolio Manager support the UK Stewardship Code, which sets out the principles of effective stewardship by institutional asset owners and asset managers. Stewart Investors (under their legal parent entity name, First Sentier Investors) is a Tier 1 signatory to the UK Stewardship Code. First Sentier Investors produce an annual Responsible Investment and Stewardship Report which is published on their website www.firstsentierinvestors.com/UK/en/private/responsible-investment/responsible-investment-resource-centre.html.

The Board has delegated authority to Stewart Investors (as Portfolio Manager) to engage with companies held in the portfolio and to vote the shares owned by the Company.

Stewart Investors have a strong commitment to effective stewardship and their approach, including their consideration of environmental, social and governance issues, is set out in the Strategic Report and in their Stewardship and Corporate Engagement policy which can be found on their website www.stewartinvestors.com. During the year, the Board reviewed reports from Stewart Investors on their voting and engagement and is supportive of their approach.

Independent Professional Advice
The Board has formalised arrangements under which the Directors, in the furtherance of their duties, may seek independent professional advice at the Company's expense. No such advice was sought during the year.

Company Secretary
The Directors have access to the advice and services of a specialist investment trust company secretary, Frostrow Capital LLP, which is responsible for advising the Board on all governance matters. The Company Secretary ensures governance procedures are followed and that the Company complies with applicable statutory and regulatory requirements.

Composition, Succession and Evaluation

Board Evaluation
During the year an internal review of the Board, its committees and individual Directors (including each Director's independence) was carried out by the Board, in the form of electronic performance evaluation questionnaires. The overall process and individual performance assessments were led by the Chair. The review of the Chair's performance was led by the Senior Independent Director.

The review concluded that the Board worked in a collegiate, efficient and effective manner, and there were no material weaknesses or concerns identified.

The Board's composition, diversity and succession plans were reviewed. It was noted that a recruitment process would be initiated later in the year, ahead of the anticipated retirement of Robert Talbut in 2026.

All Directors submit themselves for election and annual re-election thereafter by shareholders (unless they intend to retire from the Board). The particular contribution of each individual Director is summarised on pages 34 and 35. Following the evaluation process, the Board recommends that shareholders vote in favour of the Directors' election/re-election at the forthcoming AGM.

The number of scheduled Board and Committee meetings held during the year and the number of meetings attended by each Director is set out below:

Number of meetings	Board (4)	Audit Committee (3)	Engagement & Remuneration Committee (1)	Nomination Committee (1)	Sales, Marketing & Communications Committee (4)
Andrew Impey	4	3	1	1	4
Charlotta Ginman[1]	2	1	0	1	2
Sian Hansen	4	3	1	1	4
Robert Talbut	4	3	1	1	4
Edward Troughton	4	3	1	1	4
Nandita Sahgal	4	3	1	1	4
June Ang[2]	2	2	1	0	2

[1] Retired from the Board on 9 July 2024.

[2] Appointed to the Board on 26 September 2024.

Other ad hoc meetings of the Board and Committees were held in connection with specific events as and when necessary.

Succession Planning

The Nomination Committee considered the structure of the Board, recognising the need for progressive refreshment. During the year, the Board appointed June Ang as a non-executive Director, ahead of the planned retirement of Sian Hansen at the forthcoming AGM. Please refer to the Chair's Statement beginning on page 6 for further information.

The Board has an approved succession planning policy to ensure that (i) there is a formal, rigorous and transparent procedure for the appointment of new directors; and (ii) the Board is comprised of members who collectively display the necessary balance of professional skills, experience, length of service and industry knowledge. The policy is reviewed annually and at such other times as circumstances may require.

Policy on the Tenure of the Chair and other Non-Executive Directors

The tenure of each independent, non-executive director, including the Chair, is not ordinarily expected to exceed nine years. It should be noted that, in practice, the date of departure from the Board may be the date of the AGM following this anniversary. However, the Board has agreed that the tenure of the Chair may be extended provided such an extension is conducive to the Board's overall orderly succession. The Board believes that this more flexible approach to the tenure of the Chair is appropriate in the context of the regulatory rules that apply to investment companies, which ensure that the chair remains independent after appointment, while being consistent with the need for regular refreshment and diversity.

Appointments to the Board

The Nomination Committee considers annually the skills possessed by the Directors and identifies any skill shortages to be filled by new directors. The rules governing the appointment and replacement of directors are set out in the Company's Articles of Association and the aforementioned succession planning policy. Where the Board appoints a new director during the year, that director will stand for election by shareholders at the next AGM. The minimum number of directors is two and the maximum is seven. When considering new appointments, the Board endeavours to ensure that it has the capabilities required to be effective and oversee the Company's strategic priorities. This will include an appropriate range, balance and diversity of skills, experience and knowledge. The Company is committed to ensuring that any vacancies arising are filled by the best qualified candidates.

During the year, June Ang was appointed to the Board. The Board engaged the services of a specialist executive search firm, Sapphire Partners, to assist with the search process. Sapphire Partners sourced and prepared a diverse long list of potential candidates for consideration by the Nomination Committee. The Nomination Committee then selected a short list of candidates to interview. Following the interviews, a recommendation was made to the Board that Ms Ang be appointed as a Director. Sapphire Partners has no other connection with the Company.

Board Diversity

The Board supports the principle of boardroom diversity, of which gender and ethnicity are two important aspects.

The Company's policy is that the Board and its committees should be comprised of directors with a diverse range of skills, knowledge and experience and that appointments to the Board should be made on merit, against objective criteria, including diversity in its broadest sense. The objective of the policy is to ensure there is a broad range of approaches, backgrounds, skills, knowledge and experience represented on the Board. To this end, achieving a diversity of perspectives and backgrounds on the Board is a key consideration in any director search process. The Board encourages any recruitment agencies it engages to find a diverse range of candidates that meet the criteria agreed for each appointment and, from the shortlist, aims to ensure that a diverse range of candidates is brought forward for interview.

The Directors have noted that the last recruitment agency engaged by the Board, Sapphire Partners, is a signatory of The Enhanced Voluntary Code of Conduct for Executive Search Firms. This code of conduct recognises the best recruitment practice that has led to measurable success in increasing gender equality in boardrooms.

The FCA's Listing Rules require companies to report against the following diversity targets:

a) At least 40% of individuals on the board are women;

b) At least one of the senior board positions is held by a woman; and

c) At least one individual on the board is from a minority ethnic background.

In accordance with the Listing Rules, the Board has provided the following information in relation to its diversity as at the year end.

	Number of Board Members	Percentage of the Board	Number of Senior Positions on the Board*
Men	3	50%	Not applicable *
Women	3	50%	– see note
Not specified/prefer not to say^	–	–	

^ Directors were also given the opportunity to indicate if there was an 'other category' they wished to specify.

	Number of Board Members	Percentage of the Board	Number of Senior Positions on the Board*
White British or other White (including minority-white groups)	4	67%	
Mixed/Multiple Ethnic Groups	–	–	
Asian/Asian British	1	17%	Not applicable *
Black/African/Caribbean/Black British	–	–	– see note
Other ethnic group	1	17%	
Not specified/prefer not to say	–	–	

* The Listing Rules define 'senior board positions' as the roles of Chair, SID, CEO and CFO. This column is inapplicable as the Company is externally managed and does not have executive management functions, specifically it does not have a CEO or CFO. The Chair of the Board and the SID are currently both men. However, the Company considers that chairing the permanent sub-committees of the Board are senior roles in an investment company context. Of the four permanent sub-committees of the Board, two are chaired by women: the Audit Committee and the Engagement and Remuneration Committee.

The information above was obtained by asking the Directors to complete a multiple choice form with the options in the tables set out above. The form asked the Directors to indicate how they should be categorised for the purposes of these disclosures.

As an externally managed investment company, the Company does not have the positions of CEO or CFO and therefore, as permitted by the Listing Rules, it has not reported against the second target as it is not applicable. As shown in the tables, the Company had met both the first and third targets at the year end.

Audit, Risk and Internal Control

The Statement of Directors' Responsibilities on pages 49 and 50 describes the Directors' responsibility for preparing this report.

The Audit Committee Report, beginning on page 51, explains the work undertaken to allow the Directors to make this statement and to apply the going concern basis of accounting. It also sets out the main roles and responsibilities and the work of the Audit Committee throughout the year, and describes the Directors' review of the Company's risk management and internal control systems.

A description of the principal risks facing the Company and an explanation of how they are being managed is provided in the Strategic Report on pages 25 to 28.

The Board's assessment of the Company's longer-term viability is set out in the Strategic Report on page 29.

Remuneration

The Directors' Remuneration Report beginning on page 56 sets out the levels of remuneration for each Director and explains how Directors' remuneration is determined.

Frostrow Capital LLP
Company Secretary
29 April 2025

Report of the Directors

The Directors present this Annual Report on the affairs of the Company together with the audited financial statements and the Independent Auditor's Report for the year ended 31 January 2025.

Business and Status of the Company

The Company is registered as a public limited company in Scotland (Registered Number SC091052) and is an investment company within the terms of Section 833 of the Companies Act 2006 (the "Act"). Its shares are admitted to the closed-ended investment funds category of the FCA's Official List and to trading on the main market of the London Stock Exchange, which is a regulated market as defined in Section 1173 of the Act.

The Company has been accepted as an investment trust under Section 1158 of the Corporation Taxes Act 2010 and Part 2 Chapter 1 of Statutory Instrument 2011/2999. This approval relates to accounting periods commencing on or after 1 February 2012. The Directors are of the opinion that the Company has conducted its affairs so as to be able to retain such approval.

It is the Directors' intention that the Company should continue to manage its affairs so as to be a qualifying investment for inclusion in the stocks and shares components of an Individual Savings Account ("ISA") and Junior ISA.

The Company is a member of the Association of Investment Companies.

Alternative Performance Measures

The financial statements (on pages 66 to 79) set out the required statutory reporting measures of the Company's financial performance. In addition, the Board assesses the Company's performance against a range of criteria which are viewed as particularly relevant for investment trusts. These measures are summarised on page 1 and explained in greater detail in the Strategic Report, under the heading 'Key Performance Indicators' on pages 24 and 25. The Directors believe that these measures enhance the comparability of information between reporting periods and aid investors in understanding the Company's performance.

The measures used for the year under review have remained consistent with the prior year.

Definitions of the terms used and the basis of their calculation are set out in the Glossary beginning on page 80.

Annual General Meeting

THE FOLLOWING INFORMATION TO BE DISCUSSED AT THE FORTHCOMING ANNUAL GENERAL MEETING IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended). If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents, including the form of proxy, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Resolutions relating to the following items of business will be proposed at the Annual General Meeting to be held on 1 July 2025.

Resolution 11 Approval of the proposed, amended Investment Policy

Resolution 12 Authority to allot shares

Resolution 13 Authority to disapply pre-emption rights

Resolution 14 Authority to buy back shares

Resolution 15 Authority to hold General Meetings (other than the AGM) on at least 14 clear days' notice

The full text of the resolutions can be found in the Notice of Annual General Meeting on pages 101 and 102. Explanatory notes regarding the resolutions can be found on pages 106 to 108.

Results and Dividend

The results attributable to shareholders for the year are shown on page 66. Details of the Company's dividend record can be found on page 5 and the dividend policy is outlined in the Strategic Report on page 23.

A final dividend of 4.9p per ordinary share has been proposed and, subject to shareholder approval, will be paid on 11 July 2025 to shareholders on the register on 13 June 2025. The associated ex-dividend date is 12 June 2025.

Capital Structure

As at 31 January 2025, there were 120,588,386 ordinary shares of 12.5p each ("shares") in issue (2024: 120,958,386). All shares rank equally for dividends and distributions. Each shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every share held. Details of the substantial shareholders in the Company are listed on page 47.

At the start of the year under review, the Directors had shareholder authority to issue up to 12,095,838 shares on a non-pre-emptive basis and to buy back up to 18,131,662 shares in the market. At the Company's annual general meeting held on Tuesday, 9 July 2024, these authorities expired and new authorities to allot up to 12,095,838 shares (representing 10% of the Company's issued share capital) on a non-pre-emptive basis and to buy back up to 18,131,662 shares (representing 14.99% of the Company's issued share capital) were granted.

During the year, no new shares were issued (2024: nil). 370,000 shares were repurchased and then cancelled during the year (2024: nil) and there are no shares held in Treasury.

The powers to issue or buy back the Company's shares require the relevant resolution to be passed by shareholders. Proposals for the renewal of the Board's authorities to issue and buy back shares are detailed in the Notice of AGM beginning on page 101.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no restrictions on voting rights; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a successful takeover bid.

Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances, debtors and creditors which arise directly from its operations such as sales and purchases awaiting settlement, and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 14 to the financial statements, beginning on page 75.

Principal Service Providers

Portfolio Manager

The Company's investment portfolio has been managed by Stewart Investors since 1 July 2010. Stewart Investors are engaged under the terms of a Portfolio Management Agreement (the "PMA") effective from 24 March 2025, which replaced two previous agreements.

Under the terms of the PMA, Stewart Investors provide, *inter alia*, the following services:

- seeking out and evaluating investment opportunities;
- recommending the manner by which cash should be invested, divested, retained or realised;
- advising on how rights conferred by the investments should be exercised;
- analysing the performance of investments made;
- advising the Company in relation to trends, market movements and other matters which may affect the investment objective and policy of the Company; and
- marketing and investor relations services.

The PMA is terminable by six months' notice. Stewart Investors complied with the terms of the PMA dated 30 April 2021 throughout the year to 31 January 2025. Stewart Investors are entitled to a fee, paid quarterly, of 0.85% of the Company's net assets.

Alternative Investment Fund Manager

Frostrow Capital LLP acts as the AIFM. It is an independent provider of services to the investment companies sector.

The Board resolved to appoint Frostrow Capital LLP as the Company's AIFM with effect from 30 April 2021 on the terms and subject to the conditions of the alternative investment fund management agreement between the Company and Frostrow (the "AIFM Agreement"). The AIFM Agreement assigns to Frostrow overall responsibility to manage the Company, subject to the supervision, review and control of the Board, and ensures that the relationship between the Company and

Report of the Directors continued

Frostrow is compliant with the requirements of the AIFMD. Frostrow, under the terms of the AIFM Agreement provides, *inter alia*, the following services:

> risk management services;
> administrative and secretarial services;
> advice and guidance in respect of corporate governance requirements;
> maintenance of the Company's accounting records;
> preparation and dispatch of the annual and half yearly reports; and
> ensuring compliance with applicable tax, legal and regulatory requirements.

Under the AIFM Agreement, Frostrow receives a fixed fee of £75,000 per annum plus 0.11% per annum of net assets up to £250 million, plus 0.075% per annum of net assets in excess of £250 million .

The AIFM Agreement is terminable on six months' notice given by either party.

Further details of the fees payable to Stewart Investors and Frostrow Capital LLP during the year are set out in note 3 to the financial statements on page 70.

Depositary and Custodian

The Board resolved to appoint J.P. Morgan Europe Limited (the "Depositary") as the Company's depositary in accordance with the AIFMD on the terms and subject to the conditions of the depositary agreement between the Company, Frostrow and the Depositary (the "Depositary Agreement"), with effect from 30 April 2021.

The Depositary provides the following services, *inter alia*, under its agreement with the Company:

> safekeeping and custody of the Company's custodial investments and cash;
> processing of transactions; and
> foreign exchange services.

The Depositary must take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Investment Funds Sourcebook, the AIFMD and the Company's Articles of Association.

Under the terms of the Depositary Agreement, the Depositary is entitled to receive an annual fee of the higher of £30,000 or 0.015% of the net assets of the Company up to £150 million, 0.0125% of the net assets in excess of £150 million and up to £300 million, 0.01% of the net assets in excess of £300 million and up to £500 million and 0.005% of the net assets in excess of £500 million.

The Depositary has delegated the custody and safekeeping of the Company's assets to JPMorgan Chase Bank N.A., London branch under a Global Custody Agreement. Custody fees are charged according to the jurisdiction in which the holdings are based. Variable transaction fees are also chargeable.

The notice period on the Depositary Agreement is 90 days if terminated by the Company and 120 days if terminated by the Depositary.

Portfolio Manager and AIFM Evaluation and Re-Appointment

The review of the performance of Stewart Investors as Portfolio Manager and Frostrow Capital LLP as AIFM is a continuous process carried out by the Board and the Engagement and Remuneration Committee (the "ERC"), with a formal evaluation being undertaken each year. As part of this process the Board monitors the services provided by Stewart Investors and Frostrow and receives regular reports and views from them. The Board also receives comprehensive performance measurement reports to enable it to determine whether or not the Performance Objective set by the Board has been met.

The ERC formally reviewed the appointment of Stewart Investors in January 2025 with a recommendation being made to the Board to continue their appointment on the existing terms.

The Board believes the continuing appointment of Stewart Investors, under the terms described earlier in this report, is in the interests of shareholders. In coming to this decision the Board took into consideration the following reasons:

> the terms of the Portfolio Management Agreement, in particular the level and method of remuneration and the notice period, and the comparable arrangements of a group of the Company's peers; and
> the quality and depth of experience of the Stewart Investors team and the level of performance of the portfolio in absolute terms and also by reference to the Performance Objective and the Company's peer group over the medium to longer term.

The ERC also formally reviewed Frostrow's appointment in January 2025 with a formal recommendation being made to the Board. The Board believes the continuing appointment of Frostrow Capital LLP, under the terms described earlier in this report, is in the interests of shareholders. In coming to this decision, the Board took into consideration the quality and depth of experience of the management, administrative and company secretarial team that Frostrow allocates to the Company.

Directors

Directors' and Officers' Liability Insurance Cover

Directors' and officers' liability insurance cover was maintained by the Board during the year ended 31 January 2025 and to the date of this report. It is intended that this cover will continue throughout the year ending 31 January 2026 and subsequent years.

Directors' Indemnities

As at the date of this report, a deed of indemnity has been entered into by the Company and each of its Directors under which the Company has agreed to indemnify each Director, to the extent permitted by law, in respect of certain liabilities as a result of carrying out his or her role as a Director of the Company. Each Director is indemnified against the costs of defending any criminal or civil proceedings or any claim by the Company or a regulator as they are incurred provided that where the defence is unsuccessful the Director must repay those defence costs to the Company. The indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006.

A copy of each deed of indemnity is available for inspection at Frostrow's offices during normal business hours and will be available for inspection at the AGM.

Articles of Association

Amendment of the Company's Articles of Association requires a special resolution to be passed by shareholders.

The Directors have not proposed any changes to the Articles of Association this year.

Substantial Interests in Share Capital

As at 31 January 2025 the Company had been notified of the following substantial interests in the Company's voting rights:

	Number of shares held	% held
Evelyn Partners	14,520,035	12.0
Rathbones	12,374,668	10.2
Brewin Dolphin (Ireland)	11,332,765	9.4
Charles Stanley	6,038,409	4.9

These disclosures reflect those shareholders that have notified the Company of a substantial interest in its shares when they have crossed certain thresholds and may not reflect their current holdings. The table does not reflect the full range of investors in the Company. The shareholder register is principally comprised of private wealth managers and retail investors who own their shares through a variety of online platforms. A profile of the Company's ownership is shown on page 99.

After the year end, on 4 February 2025, EQ Investors notified the Company that they held 4,099,121 shares (3.4%) in the Company. At the date of this report, there had been no other substantial interests or changes to substantial interests notified to the Company.

Beneficial Owners of Shares – Information Rights

The beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under Section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the Company's registrar, Equiniti, or to the Company directly.

Modern Slavery Act 2015

The Company does not provide goods or services in the normal course of business, and as a financial investment vehicle, does not have customers. Therefore, the Directors do not consider that the Company is required to make a statement under the Modern Slavery Act 2015 in relation to slavery or human trafficking. The Company's suppliers are typically professional advisers and the Company's supply chains are considered to be low risk in this regard.

Anti-Bribery and Corruption Policy

The Board has adopted a zero tolerance approach to instances of bribery and corruption. Accordingly, it expressly prohibits any Director or associated persons when acting on behalf of the Company, from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private, in the United Kingdom or abroad to secure any improper benefit for themselves or for the Company.

The Board applies the same standards to its service providers in their activities for the Company.

A copy of the Company's Anti Bribery and Corruption Policy can be found on its website at www.pacific-assets.co.uk. The policy is reviewed annually by the Audit Committee.

Prevention of the Facilitation of Tax Evasion

In response to the implementation of the Criminal Finances Act 2017, the Board adopted a zero-tolerance approach to the criminal facilitation of tax evasion. A copy of the Company's policy on preventing the facilitation of tax evasion can be found on the Company's website www.pacific-assets.co.uk. The policy is reviewed annually by the Audit Committee.

Global Greenhouse Gas Emissions

The Company is an investment trust, with no employees or premises, nor has it any financial or operational control of the assets it owns. It has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Reports and Directors' Reports) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, including those within the Company's underlying investment portfolio. The Company consumed less than 40,000 kWh of energy during the year and therefore is exempt from the disclosures required under the Streamlined Energy and Carbon Reporting criteria.

Political Donations

The Company has not made and does not intend to make any political donations.

Corporate Governance

The Corporate Governance report, which includes the Company's corporate governance policies and forms part of the Report of the Directors, is set out on pages 36 to 43.

Common Reporting Standard ("CRS")

CRS is a global standard for the automatic exchange of information commissioned by the Organisation for Economic Cooperation and Development and incorporated into UK law by the International Tax Compliance Regulations 2015. CRS requires the Company to provide certain additional details to HMRC in relation to certain shareholders. The reporting obligation began in 2016 and is an annual requirement. The Registrar, Equiniti, has been engaged to collate such information and file the reports with HMRC on behalf of the Company.

UK Sanctions

The Board has made due diligence enquiries of the service providers that process the Company's shareholder data, to ensure the Company's compliance with the UK sanctions regime. The relevant service providers have confirmed that they check the Company's shareholder data against the UK sanctions list on a daily basis. At the date of this report, no sanctioned individuals had been identified on the Company's shareholder register. The Board notes that stockbrokers and execution-only platforms also carry out their own due diligence.

By order of the Board

Frostrow Capital LLP
Company Secretary
29 April 2025

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

> select suitable accounting policies and then apply them consistently;

> make judgements and accounting estimates that are reasonable and prudent;

> state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

> prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and

> prepare a directors' report, a strategic report and a directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and financial statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement which comply with that law and those regulations.

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on the Company's website, which is maintained by the Portfolio Manager. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of Information to the Auditor

The Directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she might reasonably be expected to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Responsibility Statement of the Directors in respect of the Annual Financial Report

We confirm that to the best of our knowledge:

> the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and the return of the Company for the year ended 31 January 2025; and

> the Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

Andrew Impey
Chair
29 April 2025

Audit Committee Report

Introduction from the Chair

As Chair of the Audit Committee, I am pleased to present my first Audit Committee Report, for the year ended 31 January 2025, to shareholders.

Composition

The Committee comprises all of the Company's independent non-executive Directors. As a result, the Committee comprises the whole Board. The Committee believes it is appropriate for the Chair of the Board to be a member of the Audit Committee on account of his relevant sector experience.

The experience of the Committee members can be assessed from the Directors' biographies set out on pages 34 and 35 but we consider that we have recent and relevant financial experience and that the Committee as a whole has competence relevant to the investment trust sector.

Role and Responsibilities

A comprehensive description of the Committee's role, its duties and responsibilities, can be found in its terms of reference, which are available on the Company's website www.pacific-assets.co.uk.

Significant Matters Considered by the Audit Committee During the Year

Significant Reporting Matter	How the matter was addressed
Valuation of Investments	The Audit Committee received assurance that the valuation of assets had been carried out in accordance with the adopted accounting policies set out in note 8 on page 74.
Existence and Ownership of Investments	The Committee received assurance that all investment holdings and cash/deposit balances had been agreed by Frostrow to an independent confirmation from the Custodian or relevant bank, throughout the year. The Committee reviewed the internal controls reports of Frostrow, Stewart Investors and JP Morgan.

Significant Reporting Matter	How the matter was addressed
Annual Report and Financial Statements	The Board asked the Audit Committee to confirm that, in its opinion, the Annual Report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's financial position, performance, business model and strategy. In doing so, the Committee considered: > the comprehensive control framework around the production of the Annual Report, including the process in place to verify the factual content; > the detailed levels of review that were undertaken in the production process, by Frostrow and by the Committee; and > the internal control environment as operated by Stewart Investors (the Portfolio Manager), Frostrow (the AIFM), JP Morgan (the Custodian and Depositary) and other service providers.

Other Reporting Matters

Audit Regulation

The Committee has not had to consider any new audit regulations in the past year. It has, however, taken note of reporting guidance and thematic reviews published by the FRC and determined how to apply any relevant best practice to the Company's reporting. The Committee also reviews the outcomes of the FRC's annual Audit Quality Reviews and discusses the findings with our Auditor.

The Committee has reviewed an analysis prepared by the Company Secretary assessing the Company's policies, processes, guidelines and reporting against the Minimum Standard for Audit Committees published by the FRC and the revised AIC Corporate Governance Code. The Minimum Standard applies to the Company on a comply or explain basis as it is included by reference in the new AIC Corporate Governance Code. The Committee seeks to comply with the Standard as far as it is appropriate for an investment company to do so. As a result of the review, a number of minor updates were made to the Company's audit tender guidelines, the Committee's terms of reference, and the annual audit effectiveness questionnaire completed by the Auditor, the AIFM and the Committee.

Recognition of Revenue from Investments

Frostrow confirmed to the Committee, as in previous years, that all dividends received had been accounted for correctly. It was noted that there was an appropriate segregation of duties between Frostrow and JP Morgan.

Accounting Policies

The Committee ensured that the accounting policies set out in the notes to the financial statements were applied consistently throughout the year. In light of there being no unusual transactions during the year or other possible reasons, there were no changes to these policies.

Going Concern

The Audit Committee, at the request of the Board, considered the ability of the Company to adopt the going concern basis for the preparation of the financial statements. Having reviewed the Company's financial position, the Committee is satisfied that it is appropriate for the Board to prepare the financial statements for the year ended 31 January 2025 on a going concern basis.

The Committee's review of the Company's financial position included consideration of the cash position; the diversification of the portfolio; and an analysis of portfolio liquidity, which estimated liquidation c.72% of the portfolio within two weeks (based on current market volumes with 20% participation). Stress testing was also conducted as described below. Further information is provided on page 69.

Viability Statement

The Committee considered, again on behalf of the Board, the longer-term viability of the Company in connection with the Board's statement in the Strategic Report (see page 29). The Committee reviewed the Company's financial position (including its cash flows and liquidity position), the principal risks and uncertainties and the results of stress tests.

The stress tests modelled the impact of one or more of the principal risks occurring. The tests assumed substantial falls in the Company's NAV and reductions in the liquidity of the portfolio and then modelled the effect this would have on the Company's expenses and the Company's ability to meet its liabilities as they fell due. Further details of the stress tests and the scenarios considered are provided in note 1 to the financial statements. Based on the results of these tests the Committee concluded it was reasonable for the Board to expect that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five financial years.

Internal Controls and Risk Management

The Board is ultimately responsible for the Company's risk management and internal control systems and for reviewing their effectiveness. Operational responsibility is delegated to the Audit Committee.

A description of the principal risks facing the Company and an explanation of how they are managed is provided in the Strategic Report on pages 25 to 28. The Directors have a robust process for identifying, evaluating and managing the risks faced by the Company, including emerging risks, which are recorded in a risk schedule. The Committee reviewed the risk schedule at each of its three meetings during the year. One of the Committee meetings was a dedicated meeting to evaluate the Company's risks, identify emerging risks, and discuss the Board's approach to monitoring and managing them. The Audit Committee, on behalf of the Board, assessed the likelihood of occurrence and the possible impact of each risk. The Committee then recorded the mitigating controls in place.

As an externally managed investment trust, the Company is reliant on the operational systems of its service providers and this is reflected in the Company's internal controls structure, which is summarised on page 37. The Company's internal controls are designed to manage and mitigate against financial, investment, reporting, compliance and governance risks. As such, the controls aim to ensure that, *inter alia*:

- The assets of the Company are safeguarded;
- Proper accounting records are kept;
- The Company's financial information is reliable and clearly communicated to shareholders;
- There is an effective governance and oversight system in place;
- The Portfolio Manager complies with the Company's investment policy; and
- The Company complies with all legal and regulatory requirements.

Internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve the Company's strategic objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board and the Committee monitored the Company's risk management and internal control framework throughout the year through the review of reports from the principal service providers, as set out on page 37. The principal service providers each provided a letter confirming that there had been no material changes in their internal controls between the date of their internal controls report and the date of this report.

To supplement this annual review, the Committee periodically carries out due diligence visits to the offices of the Company's principal service providers. During the year, members of the Committee visited the offices of JP Morgan in Bournemouth, where the agenda covered network management, risk management, cyber security, business resilience, trade and tax services. The Committee also visited the offices of Stewart Investors in Edinburgh to gain a better understanding of their risk management, investment compliance and information security functions. The Committee is planning to visit the offices of Equiniti, the Company's registrar, and Frostrow, the AIFM, in due course.

Following its annual review of the internal controls environment, the Committee concluded that there were no significant control weaknesses or other issues that were required to be brought to the attention of the Board; there were no changes to the Company's risk management processes during the year and no significant failings or weaknesses in the internal controls framework were identified.

Accordingly, the Committee is satisfied that appropriate systems have been in place for the year under review and up to the date of approval of this report.

Half Year Report

The Committee reviewed the Half Year Report including the unaudited financial statements, to ensure that the accounting policies were consistent with those applied in the annual financial statements and that the report met the requirements of the FCA's Disclosure Guidance and Transparency Rules.

Audit Committee Report continued

Depositary
During the year, the Committee reviewed reports from the Depositary on their regulatory oversight and due diligence duties. Nothing material was brought to the attention of the Committee; no breaches or pricing errors were reported during the year.

Investment Trust Status
The Committee sought and received confirmation from Frostrow that the Company continues to comply with Section 1158 of the Corporation Tax Act 2010, so that its status as an investment trust is maintained.

Withholding Tax
The Committee monitored the reclamation of withholding tax, receiving updates from Frostrow on the process and the appointment of specialist local agents. In the year under review, Grant Thornton LLP provided services to the Company as tax agents in Taiwan, Ernst & Young in India and S.F. Ahmed & Co. in Bangladesh.

Taxation
As an investment trust, the Company is generally not subject to UK tax on capital gains. However Indian capital gains tax arises on the sale of Indian securities (see note 5 to the financial statements on page 71 for further information). The Committee has been monitoring the provision for Indian capital gains tax arising on the unrealised gains on Indian securities, which has increased to £13,645,000 as at 31 January 2025 (2024: £11,206,000), receiving regular updates on the position. A local tax specialist (Ernst & Young LLP) has been appointed to ensure that tax returns and any tax due are calculated accurately and in line with the relevant legislation.

Internal Audit
The Committee considered whether there was a need for the Company to have an internal audit function. As the Company delegates its day-to-day operations to third parties and has no employees, the Committee concluded that there was no such need.

Other Activities During the Year
In addition to carrying out its principal duties, the Committee also reviewed:

- the Committee's terms of reference;
- the Company's policy on the engagement of the external auditor for non-audit services;
- the Company's policy on former employees of the Company's Auditor, Portfolio Manager or AIFM joining the Board;
- compliance reports submitted by Frostrow and Stewart Investors;
- Stewart Investors' list of approved brokers, commission rates and the amount of commission paid by the Company throughout the year;
- the Company's anti-bribery and corruption policy;
- the Company's commitment to the prevention of the criminal facilitation of tax evasion; and
- the Company's audit tender guidelines.

External Auditor
Appointment and Tenure
BDO LLP ("BDO") was the Auditor for the financial year and this was their fifth audit of the Company.

Peter Smith was the audit partner for the financial year under review and he has been the audit partner since BDO's initial engagement. Accordingly, this was Mr Smith's final audit of the Company as audit partner and he will be succeeded by Mr Jamie Smith.

As a public company listed on the London Stock Exchange, the Company is subject to mandatory auditor rotation requirements. Based on these requirements, another tender process will be conducted no later than 2030. The Committee will, however, continue to consider annually the need to go to tender for audit quality, remuneration or independence reasons.

The Audit
The Committee reviewed BDO's audit plan on 26 September 2024. The review considered, *inter alia*, the scope of the audit, the level of materiality, the audit risks identified by BDO, the Auditor's approach to testing the portfolio, and pertinent regulatory developments. No modifications were required to the audit approach. The Committee met with BDO on 26 March 2025 to discuss the progress of the audit and the draft Annual Report. The Committee then met BDO on 16 April 2025 to review formally the outcome of the audit.

The Auditor was provided with an opportunity to meet with the Committee without the AIFM or the Portfolio Manager being present. No concerns were raised by the Auditor or the Audit Committee in relation to the service provided by the AIFM, the Portfolio Manager, or any other third-party service provider. There were no material or significant adverse matters brought to the Audit Committee's attention in respect of the 2025 audit, which should be brought to shareholders' attention.

Remuneration
The Committee approved a fee of £48,000 for the audit of the year ended 31 January 2025 (2024: £45,800). This represents an increase of 4.8% compared with the previous year's fee.

Independence and Effectiveness

The Committee evaluated the independence of the Auditor and the effectiveness of the external audit. In order to fulfil this responsibility, the Committee reviewed:

- the senior audit personnel in the audit plan, in order to ensure that there were sufficient, suitably experienced staff with knowledge of the investment trust sector working on the audit;
- the steps the Auditor takes to ensure its independence and objectivity;
- the statement by the Auditor that they remain independent within the meaning of the relevant regulations and their professional standards;
- the audit quality review results published by the FRC and BDO's response to the findings;
- the extent of any non-audit services provided by the Auditor (there were none during the year under review);
- the Company's policy on former employees of the Auditor (and other service providers) joining the Board;
- the Auditor's fulfilment of the agreed audit plan, including their ability to communicate with management and to resolve any issues promptly and satisfactorily;
- the presentation of the audit findings including, in particular, the Auditor's commentary on the Company's system of internal controls and the audit partner's response to questions from the Committee; and
- feedback from BDO and Frostrow as the AIFM and Company Secretary on their working relationship.

The Committee is satisfied with the Auditor's independence and the effectiveness of the audit and the audit partner has confirmed BDO's willingness to continue to act as Auditor for the forthcoming financial year. Therefore the Committee recommended to the Board, and the Board subsequently resolved, that it be recommended to shareholders that BDO be reappointed as the Company's external auditor for another year. BDO's re-appointment is subject to shareholder approval at the next AGM to be held in July and details can be found in the Notice of AGM beginning on page 101.

Non-Audit Services

BDO LLP did not carry out any non-audit work during the year. Pursuant to the Company's non-audit services policy, the Committee is required to approve the engagement of the Auditor for any non-audit work. A copy of the Company's non-audit services policy can be found on the Company's website at www.pacific-assets.co.uk.

Effectiveness of the Committee

The Committee's performance over the past year was reviewed as part of the annual Board evaluation. The evaluation considered the composition of the Committee and the efficacy of Committee meetings, as well as assessing the Committee's role in monitoring and overseeing the Company's financial reporting and accounting, risk management and internal controls, compliance with corporate governance regulations and the assessment of the external audit.

I am pleased to confirm that the evaluation result was positive and no matters of concern or requirements for change were highlighted.

Nandita Sahgal FCA
Chair of the Audit Committee
29 April 2025

Directors' Remuneration Report

Statement from the Chair

As Chair of the Engagement and Remuneration Committee, I am pleased to present the Directors' Remuneration Report to shareholders. The Directors' Remuneration Report is subject to an annual advisory vote and therefore an ordinary resolution for the approval of this report will be put to shareholders at the Company's forthcoming Annual General Meeting.

The law requires the Auditor to audit certain disclosures in this report. Where disclosures have been audited, they are indicated as such and the audit opinion is included in the Auditor's report to shareholders on pages 51 to 55.

The Engagement & Remuneration Committee considers the framework for the remuneration of the Directors. It reviews the ongoing appropriateness of the Company's remuneration policy and the individual remuneration of Directors by reference to the activities of the Company and in comparison with other companies of a similar structure and size. This is in line with the AIC Code.

The simple fee structure reflects the non-executive nature of the Board, which itself reflects the Company's business model as an externally managed investment trust. Accordingly, statutory requirements relating to executive directors' and employees' pay do not apply.

The Engagement & Remuneration Committee met once during the year and approved a small increase in the level of fees paid to the Directors, to take effect from 1 February 2025. The fees for the current year and the annual percentage change in directors' fee rates over the past five years are shown in the table below.

Directors' Fees

The Directors as at the date of this report received the fees listed in the table on page 57. These exclude employer's national insurance contributions, if applicable. No other forms of remuneration were received by the Directors and so fees represent the total remuneration of each Director.

No communications have been received from shareholders regarding Directors' remuneration and no remuneration consultants were engaged during the year.

The Company's Articles of Association provide that Directors are entitled to be reimbursed for reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings.

Under HMRC guidance, travel expenses and other out of pocket expenses may be considered as taxable benefits for the Directors. Where expenses reimbursed to the Directors are classed as taxable under HMRC guidance, they are shown in the taxable expenses column of the Directors' remuneration table below and include the associated tax liability settled by the Company.

Annual Percentage Change in Directors' Remuneration

Board Role	2026 Fee Level (per annum) (projected)	2025 Fee Level (per annum)	2024 Fee Level (per annum)	2023 Fee Level (per annum)	2022 Fee Level (per annum)
Chair	£48,000 +3.2%	£46,500 +5.7%	£44,000 +4.8%	£42,000 +3.7%	£40,500 +6.6%
Audit Chair	£41,200 +3.0%	£40,000 +8.1%	£37,000 +5.7%	£35,000 +4.5%	£33,500 +8.1%
Senior Independent Director[1]	£36,000 +2.9%	£35,000 –	N/A –	N/A –	N/A –
Director	£34,500 +3.0%	£33,500 +6.3%	£31,500 +5.0%	£30,000 +3.4%	£29,000 +7.4%

[1]An additional fee was awarded to the Senior Independent Director with effect from 1 February 2024.

Directors' Remuneration for the Year (audited)

The Directors who served in the year received the following remuneration:

	Date of Appointment to the Board	Fixed Fees 2025 £	Taxable Expenses 2025 £	Total Remun-eration 2025 £	Fixed Fees 2024 £	Taxable Expenses 2024 £	Total Remun-eration 2024 £
Andrew Impey[1]	1 August 2022	46,500	–	**46,500**	39,833	–	39,833
June Ang	26 September 2024	11,553	–	**11,553**	–	–	–
Sian Hansen	3 August 2015	33,500	–	**33,500**	31,500	–	31,500
Robert Talbut	23 September 2016	35,000	100	**35,100**	31,500	270	31,770
Edward Troughton	18 December 2019	33,500	–	**33,500**	31,500	–	31,500
Nandita Sahgal	1 January 2024	37,323	–	**37,323**	2,625	–	2,625
James Williams[2]	1 October 2013	–	–	**–**	14,667	239	14,906
Charlotta Ginman[3]	9 October 2014	17,742	–	**17,742**	37,000	–	37,000
		215,118	**100**	**215,218**	188,625	509	189,134

[1] Appointed as Chair of the Board on 1 June 2023.

[2] Retired from the Board on 31 May 2023.

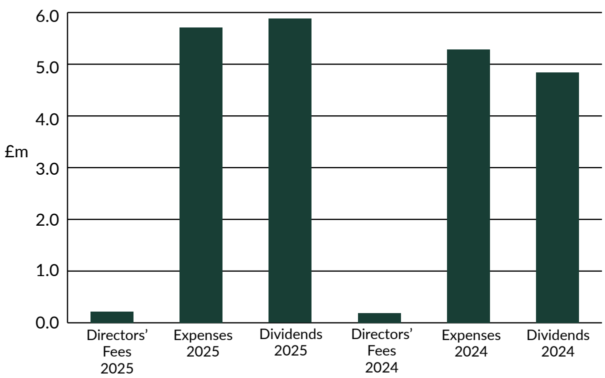
[3] Retired from the Board on 9 July 2024.

Loss of Office

Directors do not have service contracts with the Company but are engaged under letters of appointment. These specifically exclude any entitlement to compensation upon leaving office for whatever reason.

Relative Cost of Directors' Remuneration

The bar chart below shows the comparative cost of Directors' fees compared with the level of dividend distribution and Company expenses for the years ended 31 January 2024 and 2025.



Directors' Interests in Shares (audited)

The Directors' interests in the share capital of the Company at the year end are shown in the table below:

		Number of shares held 31 January 2025	31 January 2024
Andrew Impey	Beneficial	17,000	17,000
Sian Hansen	Beneficial	15,880	15,880
Robert Talbut	Beneficial	9,611	9,611
Edward Troughton	Beneficial	18,357	18,357
Nandita Sahgal	Beneficial	1,426	–
June Ang	–	–	–

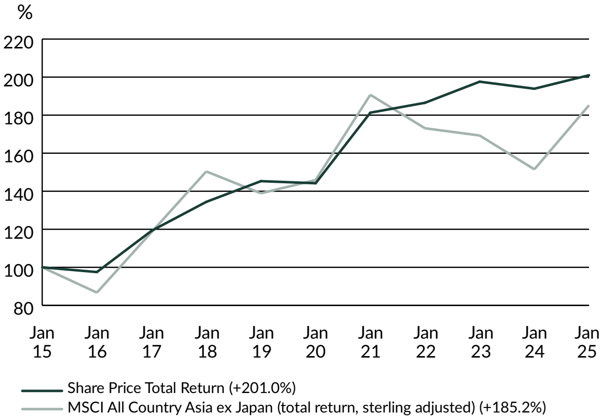
After the year end, Andrew Impey purchased a further 3,000 shares in the Company on 5 February 2025 and June Ang purchased 10,000 shares in the Company on 19 February 2025.

The Directors are not required to own shares in the Company.

At the year end, members of the Stewart Investors team held, in aggregate, 575,878 shares in the Company.

Directors' Remuneration Report continued

Total Shareholder Return for the Ten Years to 31 January 2025



Source: Morningstar
Rebased to 100 as at 31 January 2015

In accordance with statutory reporting requirements, the Directors' Remuneration Report is required to compare the Company's share price total return with that of a market index. The Board has identified the MSCI All Country Asia ex Japan Index measured on a total return, sterling adjusted basis as a suitable comparator for the Company's performance.

Approval

A resolution to approve the Directors' Remuneration Report for the year ended 31 January 2024 was put to shareholders at the AGM held on 9 July 2024. Of the proxy votes cast, 99.87% were in favour and 0.13% were against.

A resolution to approve the Directors' Remuneration Policy was last put to shareholders at the AGM held on 3 July 2023. Of the proxy votes cast, 99.84% were in favour and 0.16% were against.

Directors' Remuneration Policy

The Remuneration Policy provides that fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors. Remuneration should be sufficient to enable candidates of a high calibre to be recruited. Directors are remunerated in the form of fees payable monthly in arrears, paid to the Director personally. There are no long-term incentive schemes, bonuses, share option schemes or pension arrangements and the fees are not specifically related to the Directors' performance, either individually or collectively. The Company does not have any employees.

None of the Directors has a service contract. The terms of their appointment provide that Directors shall be subject to election at the first AGM after their appointment and to annual re-election thereafter. The terms also provide that a Director may be removed without notice and that compensation will not be due on leaving office.

The Directors' Remuneration Policy is subject to a binding shareholder vote every three years. It was last approved at the AGM held in 2023 and it is therefore expected that it will next be recommended to shareholders at the AGM in 2026. There were no changes to the Remuneration Policy during the year and no changes are proposed for the year ending 31 January 2026. If, however, the Directors propose to vary the Remuneration Policy, shareholder approval for the new policy will be sought at a general meeting. The Committee and the Board review the Remuneration Policy annually to ensure that it remains appropriate.

Limit on Directors' Remuneration

The remuneration for the non-executive Directors is determined within the limits set out in the Company's Articles of Association. The present limit is £300,000 in aggregate per annum.

Sian Hansen

Chair of the Engagement & Remuneration Committee
29 April 2025

Independent Auditor's Report

to the Members of Pacific Assets Trust plc

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Pacific Assets Trust plc (the "Company") for the year ended 31 January 2025 which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position, and notes to the financial statements, including a summary of principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit Committee.

Independence

Following the recommendation of the Audit Committee, we were appointed by the Board of Directors on 17 November 2020 to audit the financial statements for the year ended 31 January 2021 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is five years, covering the years ended 31 January 2021 to 31 January 2025. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the Directors' method of assessing the Company's ability to continue as a going concern in light of economic and market conditions by reviewing the information used by the Directors in completing their assessment;
- Assessing the projected management fees for the year to check that it was in line with the net asset value and the projected market growth forecasts for the following year;
- Assessing the appropriateness of the Directors' assumptions and judgements made in both their base case and stress tested forecasts, including consideration of the available cash resources relative to forecast expenditure and commitments;
- Challenging the Directors' assumptions and judgements made in their forecasts including performing an independent analysis of the liquidity of the portfolio, which underpins the ability of the Company to meet liabilities as they fall due; and
- Performing a review of the Directors' stress testing on the investment portfolio for reasonability.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

		2025	2024
Key Audit Matters	Valuation and ownership of quoted investments	✓	✓
Materiality	*Company financial statements as a whole* £5.04m (2024: £4.64m) based on 1% (2024: 1%) of net assets.		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter		How the scope of our audit addressed the Key Audit Matter
Valuation and ownership of quoted investments (Note 8 to the financial statements)	The investment portfolio at the year-end comprised of quoted equity investments held at fair value through profit or loss. We considered the valuation and ownership of the quoted investments to be a significant audit area as investments represent the most significant balance in the financial statements and underpins the principal activity of the entity. There is a risk that the bid price used as a proxy for fair value of investments held at the reporting date is inappropriate. There is an element of judgement regarding whether there is an active market for securities and therefore the appropriate classification in the fair value hierarchy.	We responded to this matter by testing the valuation and ownership of the whole portfolio of investments. We performed the following procedures: > Confirmed that the year-end bid price was used by agreeing to externally quoted prices; > Recalculated the valuation of investments held at the reporting date by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share; > Assessed the appropriateness of the classification in the fair value hierarchy with reference to trading volume on relevant exchanges; and > Assessed whether there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings.

Key Audit Matter		How the scope of our audit addressed the Key Audit Matter
Valuation and ownership of quoted investments cont.	Given the significance of investments on the Statement of Financial Position, it is necessary to ensure that the Company has appropriate title over investments. For these reasons and given the materiality of the balance in relation to the financial statements, we considered this to be a Key Audit Matter.	To test for ownership of investments, we obtained direct confirmation of the units held per investment from the custodian. **Key observations:** Based on our procedures performed, we did not identify any matters to suggest that the valuation and ownership of the quoted equity investments were inappropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	
	2025 £m	2024 £m
Materiality	5.04	4.64
Basis for determining materiality	1% of Net assets	
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
Performance materiality	3.78	3.48
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Independent Auditor's Report continued

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £250,000 (2024: £232,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements, or our knowledge obtained during the audit.

Going concern and longer-term viability

> The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 29; and

> The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 29.

Other Code provisions

> Directors' statement on fair, balanced and understandable set out on page 52;

> Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 25;

> The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 53; and

> The section describing the work of the Audit Committee set out on pages 51 to 55.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit:

> the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

> the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

Directors' remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

In our opinion, based on the work undertaken in the course of the audit the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in this information.

In our opinion, based on the work undertaken in the course of the audit information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the Company.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

> adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

> the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or

> certain disclosures of Directors' remuneration specified by law are not made; or

> we have not received all the information and explanations we require for our audit.

Responsibilities of Directors
As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations
Based on:

> Our understanding of the Company and the industry in which it operates;

> Discussion with the Alternative Investment Fund Manager, Administrator and Those Charged With Governance;

> Review of any legal correspondences; and

> Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Companies Act 2006, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, Financial Reporting Standard 102, and the Company's qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

> Agreement of the financial statement disclosures to underlying supporting documentation;

> Enquiries of the Alternative Investment Fund Manager and Those Charged With Governance relating to the existence of any non-compliance with laws and regulations;

> Reviewing minutes of meeting of Those Charged With Governance throughout the period for evidence of instances of non-compliance with laws and regulations; and

> Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust Status. This included a review of other qualitative factors and ensuring compliance with these.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with the Alternative Investment Fund Manager and Those Charged With Governance regarding any known or suspected instances of fraud;
- Review of minutes of meeting of Those Charged With Governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Based on our risk assessment, we considered the areas most susceptible to be management override of controls.

Our procedures in respect of the above included:

- In addressing the risk of management override of controls, we:
  - Performed a review of estimates and judgements applied by management in the valuation of investments, the allocation of dividend income between revenue and capital and the appropriateness of the provision for Indian capital gains tax to assess their appropriateness and the existence of any systematic bias;
  - Considered the opportunity and incentive to manipulate accounting entries and target tested relevant adjustments made in the period end financial reporting process;
  - Reviewed for significant transactions outside normal course of business;
  - Incorporated an element of unpredictability in the nature, timing and extent of audit procedures; and
  - Performed a review of unadjusted audit differences, if any, for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were deemed to have the appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Smith (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK
29 April 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements

In this section

Income Statement

for the year ended 31 January 2025

		Year ended 31 January 2025			Year ended 31 January 2024		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	8	–	49,989	49,989	–	(2,018)	(2,018)
Exchange differences		–	(414)	(414)	–	(642)	(642)
Income	2	9,687	–	9,687	7,861	–	7,861
Portfolio management and AIFM fees	3	(1,211)	(3,634)	(4,845)	(1,123)	(3,369)	(4,492)
Other expenses	4	(863)	–	(863)	(795)	–	(795)
Return/(loss) before taxation		**7,613**	**45,941**	**53,554**	**5,943**	**(6,029)**	**(86)**
Taxation	5	(1,049)	(7,684)	(8,733)	(772)	(5,203)	(5,975)
Return/(loss) after taxation		**6,564**	**38,257**	**44,821**	**5,171**	**(11,232)**	**(6,061)**
Return/(loss) per share (p)	**7**	**5.4**	**31.7**	**37.1**	**4.3**	**(9.3)**	**(5.0)**

The Total column of this statement represents the Company's Income Statement. The Revenue and Capital columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the Income Statement derive from continuing operations.

The Company had no recognised gains or losses other than those shown above and therefore no separate Statement of Other Comprehensive Income has been presented.

The accompanying notes on pages 69 to 79 are an integral part of these statements.

Statement of Changes in Equity

for the year ended 31 January 2025

	Note	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 31 January 2023		**15,120**	**8,811**	**1,648**	**14,572**	**426,502**	**7,009**	**473,662**
(Loss)/return after taxation		–	–	–	–	(11,232)	5,171	(6,061)
Ordinary dividends paid	6	–	–	–	–	–	(2,782)	(2,782)
At 31 January 2024		**15,120**	**8,811**	**1,648**	**14,572**	**415,270**	**9,398**	**464,819**
Return after taxation		–	–	–	–	38,257	6,564	44,821
Repurchase of own shares for cancellation		(46)	–	46	–	(1,361)	–	(1,361)
Ordinary dividends paid	6	–	–	–	–	–	(4,838)	(4,838)
At 31 January 2025		**15,074**	**8,811**	**1,694**	**14,572**	**452,166**	**11,124**	**503,441**

The accompanying notes on pages 69 to 79 are an integral part of these statements.

Statement of Financial Position

as at 31 January 2025

	Notes	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Fixed assets					
Investments	8		510,203		470,109
Current assets					
Debtors	9	1,252		1,032	
Cash		8,028		6,191	
		9,280		7,223	
Creditors (amounts falling due within one year)	10	(2,397)		(1,307)	
Net current assets			**6,883**		**5,916**
Total assets less current liabilities			**517,086**		**476,025**
Creditors (amounts falling due after one year)					
Provision for liabilities	11		(13,645)		(11,206)
Net assets			**503,441**		**464,819**
Capital and reserves					
Called up share capital	12		15,074		15,120
Share premium account			8,811		8,811
Capital redemption reserve	15		1,694		1,648
Special reserve	15		14,572		14,572
Capital reserve	15		452,166		415,270
Revenue reserve	15		11,124		9,398
Equity shareholders' funds			**503,441**		**464,819**
Net asset value per Ordinary Share (p)	13		**417.5p**		**384.3p**

The financial statements on pages 66 to 79 were approved and authorised for issue by the Board of Directors on 29 April 2025 and signed on its behalf by:

Andrew Impey
Chair

The accompanying notes on pages 69 to 79 are an integral part of these statements.

Pacific Assets Trust Public Limited Company – Company Registration Number: SC091052 (Registered in Scotland)

Notes to the Financial Statements

1. Accounting Policies

A summary of the principal accounting policies adopted is set out below or as appropriate within the relevant note to the financial statements.

(a) Basis of Accounting

These financial statements have been prepared under UK Company Law, FRS 102 'The Financial Reporting Standard applicable in the UK and Ireland', and in accordance with guidelines set out in the Statement of Recommended Practice ("SORP"), published in July 2022, for Investment Trust Companies and Venture Capital Trusts issued by the Association of Investment Companies, the historical cost convention, as modified by the valuation of investments at fair value through profit or loss.

The Company has taken advantage of the exemption from preparing a Cash Flow Statement under FRS 102, as it is an investment fund whose investments are substantially highly liquid, carried at fair (market) value and provides a statement of changes in equity.

The Board is of the opinion that the Company is engaged in a single segment of business, namely investing in accordance with the Investment Objective, and consequently no segmental analysis is provided.

Going concern

The Directors are required to make an assessment of the Company's ability to continue as a going concern and have concluded that the Company has adequate resources to continue in operational existence for at least 12 months from the date these financial statements were approved.

In making this assessment, the Directors have considered a wide variety of emerging and current risks to the Company, as well as the mitigation strategies that are in place. The Board has also reviewed stress-testing and scenario analyses prepared by the AIFM. The stress tests and scenario analyses considered the effect of various downturns, based on historic bear markets, on the asset value and expenses of the Company. The tests modelled the impact of decreases of up to and over 80% on the value of the investment portfolio and decreases in current market liquidity of up to 80%.

These tests are carried out as an arithmetic exercise, which can apply equally to any set of circumstances in which asset value and income are significantly impaired. It was concluded that even in an extreme downside scenario, the Company would be able to continue to meet its liabilities as they fell due. Whilst the economic future is uncertain, the opinion of the Directors is that there is no foreseeable downside scenario that would threaten the Company's ability to continue to meet its liabilities as they fall due.

Based on the information available to the Directors at the time of this report, including the results of the stress tests and scenario analyses, and having taken account of the liquidity of the investment portfolio, the Company's cash flow and borrowing position (the Company is not currently geared), the Directors are satisfied that the Company has adequate financial resources to continue in operation for at least 12 months from the date of signing these financial statements and that, accordingly, it is appropriate to adopt the going concern basis.

Significant Judgement

There is one significant judgement involved in the presentation of the Company's accounts, being the judgement on the functional currency of the Company.

The Company's investments are made in foreign currencies, however the Board considers the Company's functional currency to be sterling. In arriving at this conclusion, the Board considered that the shares of the Company are listed on the London Stock Exchange, it is incorporated in the United Kingdom and pays dividends and expenses in sterling.

Notes to the Financial Statements continued

Presentation of the Income Statement
In order to reflect better the activities of an investment trust company and in accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The net revenue return is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 1158 of the Corporation Tax Act 2010.

(b) Foreign Currencies
Transactions denominated in foreign currencies are translated into sterling at the exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the Statement of Financial Position. Profits or losses on the translation of foreign currency balances, whether realised or unrealised, are taken to the capital or revenue column of the Income Statement, depending on whether the gain or loss is of a capital or revenue nature.

All values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

(c) Cash
Cash is defined as cash at bank and money market funds that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

2. Income

	2025 £'000	2024 £'000
Overseas dividends	9,469	7,701
Interest income	218	160
	9,687	**7,861**

Dividends receivable are recognised on the ex-dividend date. Where no ex-dividend date is quoted, dividends are recognised when the Company's right to receive payment is established. Overseas dividends are gross of withholding tax.

Where the Company has elected to receive its dividends in the form of additional shares rather than cash the amount of cash foregone is recognised in the revenue column with any excess above this recognised in the capital column.

3. Portfolio Management and AIFM Fees

	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Portfolio management fee – Stewart Investors	1,075	3,227	4,302	996	2,989	3,985
AIFM fee – Frostrow	136	407	543	127	380	507
	1,211	**3,634**	**4,845**	**1,123**	**3,369**	**4,492**

Frostrow's AIFM fee is for risk management, corporate management, company secretarial and administrative services. Further information regarding Stewart Investors and Frostrow's fees can be found on pages 45 and 46.

All expenses and interest are accounted for on an accruals basis. Expenses and interest are charged to the Income Statement as revenue items except where incurred in connection with the maintenance or enhancement of the value of the Company's assets and taking account of the expected long-term returns, when they are split as follows:

> Portfolio Management and AIFM fees payable have been allocated 25% to revenue and 75% to capital.

> Transaction costs incurred on the purchase and sale of investments are taken to the Income Statement as a capital item, within gains on investments held at fair value through profit or loss.

4. Other Expenses

	2025 £'000	2024 £'000
Directors' fees	215	189
Employers NIC on directors' remuneration	16	15
Auditor's remuneration for annual audit	48	46
Depository fees	70	57
Custody fees	195	175
Registrar fees	28	25
Broker retainer	45	38
Listing fees	25	24
Legal and professional fees	26	41
Other expenses	195	185
Total expenses	**863**	**795**

For accounting policy, see note 3 on the prior page.

5. Taxation

(a) Analysis of Charge in the Year

		2025			2024	
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Overseas taxation	1,224	–	1,224	985	-	985
Indian capital gains tax charge	(175)	7,684	7,509	(213)	5,203	4,990
	1,049	**7,684**	**8,733**	**772**	**5,203**	**5,975**

Overseas tax arose as a result of irrecoverable withholding tax on overseas dividends and Indian capital gains tax.

As an investment trust, the Company is generally not subject to UK tax on capital gains. However, Indian capital gains tax arises on capital gains on the sale of Indian securities at a rate of 20% on short-term capital gains (defined as those where the security was held for less than a year) and 12.5% on long-term capital gains. £2,439,000 (2024: £1,456,000) of the charge arose on unrealised long-term capital gains on securities still held and is included in deferred taxation on unrealised capital gains on Indian securities as set out in note 11 on page 75. £5,070,000 (2024: £3,534,000) of the charge relates to capital gains tax paid on disposals during the year.

Notes to the Financial Statements continued

(b) Reconciliation of Tax Charge

The UK corporation tax rate was 19% until 31 March 2023 and 25% from 1 April 2023, giving an effective rate of 25.0% for the year (2024: 24.0%). The tax assessed for the year is lower than the corporation tax rate. The differences are explained below.

The differences are explained below:

	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000
Total return on ordinary activities before tax	7,613	45,941	53,554	5,943	(6,029)	(86)
Corporation tax charged at 25.0% (2024: 24.0%)	1,903	11,486	13,389	1,428	(1,449)	(21)
Effects of:						
(Gains)/losses on investment not subject to UK corporation tax	–	(12,291)	(12,291)	-	485	485
Non-taxable exchange differences	–	(103)	(103)	-	154	154
Unutilised management expenses	464	908	1,372	422	810	1,232
Income not subject to corporation tax	(2,367)	–	(2,367)	(1,850)	-	(1,850)
Indian capital gains tax charge (see note 5a)	(175)	7,684	7,509	(213)	5,203	4,990
Overseas taxation	1,224	–	1,224	985	-	985
Tax charge for the year	**1,049**	**7,684**	**8,733**	**772**	**5,203**	**5,975**

As at 31 January 2025 the Company had unutilised management expenses and other reliefs for taxation purposes of £68,461,000 (2024: £62,974,000). It is not anticipated that these will be utilised in the foreseeable future and as such no related deferred tax asset has been recognised.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue as set out in this note. The standard rate of corporation tax is applied to taxable net revenue. Any adjustment resulting from relief for overseas tax is allocated to the revenue reserve.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more, or right to pay less, tax in future have occurred at the Statement of Financial Position date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods. Deferred tax is measured without discounting and based on enacted tax rates. Due to the Company's status as an investment trust, and the intention to meet the conditions required to obtain approval under Section 1158 of the Corporation Tax Act 2010, the Company has not provided for deferred UK tax on any capital gains and losses arising on the revaluation or disposal of investments.

Deferred tax has been provided for on capital gains arising on Indian securities as noted in 5(a) above.

6. Dividends

Amounts recognised as distributable to shareholders for the year ended 31 January 2025, were as follows:

	2025 £'000	2024 £'000
Final dividend paid for the year ended 31 January 2024 of 4.0p per share	4,838	–
Final dividend paid for the year ended 31 January 2023 of 2.3p per share	–	2,782

In respect of the year ended 31 January 2025, a final dividend of 4.9p per share has been proposed and will be reflected in the Annual Report for the year ending 31 January 2026. Details of the ex-dividend and payment dates are provided on page 45.

The Board's current policy is to pay dividends only out of revenue reserves. Therefore the amount available for distribution as at 31 January 2025 is £11,124,000 (2024: £9,398,000).

The dividends payable in respect of both the current and the previous financial year, which meet the requirements of Section 1158 CTA 2010, are set out below:

	2025 £'000	2024 £'000
Revenue available for distribution by way of dividend for the year	6,564	5,171
Final dividend of 4.9p per share (2024: final dividend of 4.0p)	(5,818)	(4,838)
Transfer to revenue reserves	**746**	**333**

Dividends paid by the Company on its shares are recognised in the financial statements in the year in which they are paid and are shown in the Statement of Changes in Equity.

7. Return per Share

The return per share is as follows:

		2025			2024	
	Revenue pence	Capital pence	Total pence	Revenue pence	Capital pence	Total pence
Basic	5.4	31.7	37.1	4.3p	(9.3)p	(5.0)p

The total return per share is based on the total return attributable to shareholders of £44,821,000 (2024: loss of £6,061,000).

The revenue return per share is based on the net revenue return attributable to shareholders of £6,564,000 (2024: £5,171,000).

The capital return per share is based on the net capital return attributable to shareholders of £38,257,000 (2024: loss of £11,232,000).

The total return, revenue return and the capital return per share are based on the weighted average number of shares in issue during the year of 120,899,602 (2024: 120,958,386).

The calculations of the returns per Ordinary Share have been carried out in accordance with IAS 33 Earnings per Share.

8. Investments

	2025 £'000	2024 £'000
Investments		
Opening cost	352,944	320,883
Opening investment holding gains	117,165	153,516
Opening Valuation	**470,109**	**474,399**
Purchases at cost	123,228	84,889
Disposal proceeds	(133,123)	(87,161)
Gains/(losses) on investments	49,989	(2,018)
Valuation at end of year	**510,203**	**470,109**
Cost at 31 January	372,632	352,944
Investment holding gains at 31 January	137,571	117,165
Valuation at 31 January	**510,203**	**470,109**

The Company received £133,123,000 (2024: £87,161,000) from investments sold in the year. The book cost of these investments when they were purchased was £103,540,000 (2024: £52,828,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

During the year the Company incurred transaction costs on purchases of £155,000 (2024: £110,000) and transaction costs on sales of £263,000 (2024: £169,000).

Valuation of Investments

Investments are measured initially and at subsequent reporting dates at fair value. Purchases and sales are recognised on the trade date when a contract exists whose terms require delivery within the time frame established by the market concerned. For quoted securities fair value is either bid price or last traded price, depending on the convention of the exchange on which the investment is listed. Changes in fair value and gains or losses on disposal are included in the Income Statement as a capital item.

In addition, for financial reporting purposes, fair value measurements are categorised into a fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 – Quoted prices in active markets.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data), either directly or indirectly.

Level 3 – Inputs are unobservable (i.e. for which market data is unavailable).

All investments are in equity shares and have been classified as Level 1 (2023: All Level 1).

9. Debtors

	2025 £'000	2024 £'000
Amounts due from brokers	1,008	746
Accrued income	179	279
Other debtors	65	7
	1,252	**1,032**

10. Creditors: Amounts Falling Due Within One Year

	2025 £'000	2024 £'000
Amounts due to brokers	781	–
Portfolio management fee – Stewart Investors	1,081	1,002
AIFM fee – Frostrow	135	128
Other creditors	400	177
	2,397	**1,307**

11. Provisions for Liabilities

	2025 £'000	2024 £'000
Deferred taxation on unrealised capital gains on Indian securities	13,645	11,206

See note 5 for further details and accounting policy.

12. Share Capital

	2025 £'000	2024 £'000
Allotted and fully paid:		
120,588,386 Ordinary shares of 12.5p each (2024: 120,958,386)	15,074	15,120

During the current and prior year, no Ordinary shares were issued. 370,000 (2024: Nil) Ordinary shares were bought back for cancellation.

The capital of the Company is managed in accordance with its investment policy which is detailed in the Strategic Report on pages 22 and 23.

The Company does not have any externally imposed capital requirements.

13. Net Asset Value Per Share

The net asset value per share of 417.5 p (2024: 384.3p) is calculated on net assets of £503,441,000 (2024: £464,819,000) divided by 120,588,386 (2024: 120,958,386) shares, being the number of shares in issue at the year end.

14. Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances, and debtors and creditors that arise directly from its operations. As an investment trust, the Company holds an investment portfolio of financial assets in pursuit of its investment objective.

Fixed asset investments (see note 8 on page 74) are valued at fair value in accordance with the Company's accounting policies. The fair value of all other financial assets and liabilities is represented by their carrying value in the Statement of Financial Position shown on page 68.

The main risks that the Company faces arising from its financial instruments are:

(i) market risk, including:
- other price risk, being the risk that the value of investments will fluctuate as a result of changes in market prices;
- interest rate risk, being the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates;
- foreign currency risk, being the risk that the value of financial assets and liabilities will fluctuate because of movements in currency rates;

(ii) credit risk, being the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company; and

(iii) liquidity risk, being the risk that the Company will not be able to meet its liabilities when they fall due. This may arise should the Company not be able to liquidate its investments. Under normal market trading volumes, the majority of the investment portfolio could be realised within a week.

Other price risk

The management of other price risk is part of the portfolio management process and is typical of equity investment. The investment portfolio is managed with an awareness of the effects of adverse price movements through detailed and continuing analysis with an objective of maximising overall returns to shareholders. Further information on how the investment portfolio is managed is set out on page 2. Although it is the Company's current policy not to use derivatives they may be used from time to time, with prior Board approval, to hedge specific market risk or gain exposure to a specific market.

If the investment portfolio valuation rose or fell by 10% at 31 January, the impact on the net asset value would have been £51.0 million (2024: £46.3 million). The calculations are based on the investment portfolio valuation as at the respective Statement of Financial Position dates and are not necessarily representative of the year as a whole.

Interest rate risk

Floating rate

When the Company retains cash balances the majority of the cash is held in overnight call accounts. The benchmark rate which determines the interest payments received on cash balances is the bank base rate for the relevant currency for each deposit.

Foreign currency risk

The Company invests in overseas securities and holds foreign currency cash balances which give rise to currency risks. Foreign currency risks are managed alongside other market risks as part of the management of the investment portfolio. It is currently not the Company's policy to hedge this risk on a continuing basis but it can do so from time to time.

Foreign currency exposure:

		2025				2024		
	Investments £'000	Cash £'000	Debtors £'000	Creditors/ Provisions £'000	Investments £'000	Cash £'000	Debtors £'000	Creditors/ Provisions £'000
Indian rupee	208,458	437	1,061	(13,942)	218,067	2,063	783	(11,206)
New Taiwanese dollar	80,473	–	–	–	51,623	5	–	–
Chinese renminbi	53,787	–	–	–	43,006	–	–	–
Singapore dollar	27,286	485	–	–	21,562	688	–	–
Indonesian rupiah	27,224	–	15	–	36,489	–	–	–
Korean won	27,060	–	74	–	25,379	–	95	–
Japanese yen	23,279	–	29	–	37,707	–	106	–
Philippine peso	20,251	–	–	(484)	4,688	–	–	–
Hong Kong dollar	17,927	–	–	–	13,173	–	–	–
Thai baht	9,672	–	–	–	9,471	–	–	–
US dollar	6,508	434	–	–	–	464	–	–
Malaysian ringgit	5,585	–	–	–	4,586	–	–	–
Bangladesh taka	2,693	–	–	–	4,358	–	–	–
Euro	–	8	–	–	–	2	–	–
Total	**510,203**	**1,364**	**1,179**	**(14,426)**	**470,109**	**3,222**	**984**	**(11,206)**

At 31 January 2025 the Company had £7,096,000 of sterling cash balances (2024: £2,969,000).

During the year sterling weakened 1.1% (2024: strengthened by 7.5%) against all of the currencies in the investment portfolio (weighted for exposure at 31 January). If the value of sterling had strengthened against each of the currencies in the portfolio by 10%, the impact on the net asset value would have been negative £46.4 million

(2024: negative £43.3 million). If the value of sterling had weakened against each of the currencies in the investment portfolio by 10%, the impact on the net asset value would have been positive £56.7 million (2024: positive £52.9 million). The calculations are based on the investment portfolio valuation and cash balances as at the year end and are not necessarily representative of the year as a whole.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Portfolio Manager has in place a monitoring procedure in respect of counterparty risk which is reviewed on an ongoing basis. The carrying amounts of financial assets best represents the maximum credit risk exposure at the Statement of Financial Position date, and the main exposure to credit risk is via the Custodian which is responsible for the safeguarding of the Company's investments and cash balances.

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	2025 £'000	2024 £'000
Cash	8,028	6,191
Debtors	1,252	1,032
	9,280	7,223

All the assets of the Company which are traded on a recognised exchange are held by J.P. Morgan Chase Bank, the Custodian. Bankruptcy or insolvency of the Custodian may cause the Company's rights with respect to securities held by the Custodian to be delayed or limited. The Board monitors the Company's risk as described in the Strategic Report on pages 25 to 28.

The credit risk on cash is controlled through the use of counterparties or banks with high credit ratings (rated AA or higher), assigned by international credit rating agencies. Cash is currently held at JP Morgan Chase Bank. Bankruptcy or insolvency of such financial institutions may cause the Company's ability to access cash placed on deposit to be delayed, limited or lost.

Liquidity risk

The Company's liquidity risk is managed on an ongoing basis by the Portfolio Manager. Substantially all of the Company's portfolio would be realisable within two weeks under normal market conditions. There may be circumstances where market liquidity is lower than normal. Stress tests have been performed to understand how long the portfolio would take to realise in such situations. The Board is comfortable that in such a situation the Company would be able to meet its liabilities as they fall due.

Capital management policies and procedures

The Company's capital management objectives are to ensure that it will be able to continue as a going concern and to maximise the return to its equity shareholders.

The Company's policy on gearing and leverage is set out on page 23. The Company had no gearing or leverage during the current or prior year.

The capital structure of the Company consists of the equity share capital, retained earnings and other reserves as shown in the Statement of Financial Position on page 68.

The Board, with the assistance of the AIFM and the Portfolio Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This includes a review of:

- the need to buy back equity shares, either for cancellation or to hold in treasury, in light of any share price discount to net asset value per share in accordance with the Company's share buy back policy;
- the need for new issues of equity shares, including issues from treasury; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the prior year.

15. Reserves

Capital redemption reserve

This reserve arose when ordinary shares were redeemed by the Company and subsequently cancelled, at which point the amount equal to the par value of the ordinary share capital was transferred from the ordinary share capital to the Capital Redemption Reserve.

Special reserve

The Special Reserve arose following court approval in February 1999 to transfer £24.2 million from the share premium account.

Capital reserve

The following are accounted for in this reserve: gains and losses on the disposal of investments; changes in the fair value of investments; and expenses and finance costs, together with the related taxation effect, charged to capital in accordance with note 5 on page 71. Any gains in the fair value of investments that are not readily convertible to cash are treated as unrealised gains in the capital reserve.

Revenue reserve

The Revenue Reserve reflects all income and expenses that are recognised in the revenue column of the Income Statement.

Distributable reserves

The Revenue, Special and Capital Reserves are distributable. It is the Board's current policy to pay dividends only from the revenue reserve.

16. Related Party Transactions and Transactions with the Managers

The following are considered to be related parties:

- Frostrow Capital LLP (under the Listing Rules only)
- Stewart Investors (under the Listing Rules only)
- The Directors of the Company.

Details of the relationship between the Company and Frostrow Capital LLP, the Company's AIFM, are disclosed on pages 45 and 46. During the year ended 31 January 2025, Frostrow earned £543,000 (2024: £507,000) in respect of company management fees, of which £135,000 (2024: £128,000) was outstanding at the year end.

The Company employs Stewart Investors as its Portfolio Manager. Details of this arrangement are disclosed on page 45. During the year ended 31 January 2025, Stewart Investors earned £4,302,000 (2024: £3,985,000) in respect of portfolio management fees, of which £1,081,000 (2024: £1,002,000) was outstanding at the year end.

All material related party transactions have been disclosed in notes 3 and 4 on pages 70 and 71. Details of the remuneration and the shareholdings of all Directors can be found on page 57.

Further Information

In this section

Glossary of Terms and Alternative Performance Measures (unaudited)

Absolute Performance
Absolute performance is the percentage (%) rise or fall in the share price of the investment over the stated period. Relative performance, on the other hand, is the difference between the absolute return and the performance of the market (or other similar investments), which is gauged by a benchmark, or index such as the MSCI AC Asia ex Japan Index.

AIFMD
The Alternative Investment Fund Managers Directive (the 'Directive') is a European Union Directive that entered into force on 22 July 2013. The Directive, which was retained in UK law following the withdrawal of the UK from the European Union, regulates fund managers that manage alternative investment funds (including investment trusts).

Where an entity falls within the scope of the Directive, it must appoint a single Alternative Investment Fund Manager ('AIFM'). The core functions of an AIFM are portfolio and risk management. An AIFM can delegate one but not both of these functions. The entity must also appoint an independent depositary whose duties include the following: safeguarding and verification of the ownership of assets; monitoring cashflows; and ensuring that appropriate valuations are applied to the entity's assets.

Average Discount
The average share price for the period divided by the average net asset value for the period minus 1.

	2025 pence	2024 pence
Average share price for the year	369.1	363.1
Average net asset value for the year	417.3	388.0
Average Discount	11.5%	6.4%

Bottom-Up Approach
An investment approach that focuses on the analysis of individual stocks rather than the significance of macroeconomic factors.

Discount or Premium
A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

Gearing
The term used to describe the process of borrowing money for investment purposes. The expectation is that the returns on the investments purchased will exceed the finance costs associated with those borrowings.

There are several methods of calculating gearing and the following has been selected:

Total assets less current liabilities (before deducting any prior charges) minus cash/cash equivalents divided by shareholders' funds, expressed as a percentage.

Net Asset Value ("NAV")
The value of the Company's assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV is also described as "shareholders' funds" per share. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand for and supply of the shares.

NAV Per Share Total Return
The total return on an investment over a specified period assuming dividends paid to shareholders were reinvested at net asset value per share at the time the shares were quoted ex-dividend. This is a way of measuring investment management performance of investment trusts which is not affected by movements in discounts or premiums.

NAV Total Return	31 January 2025 p	31 January 2024 p
Opening NAV	384.3	391.6
Increase/(decrease) in NAV	37.2	(5.0)
Dividend paid	(4.0)	(2.3)
Closing NAV	**417.5**	**384.3**
Increase/(decrease) in NAV	**9.7%**	**(1.3)%**
Impact of reinvested dividends	0.0%	0.0%
NAV Total Return	**9.7%**	**(1.3)%**

Ongoing Charges

Ongoing charges are calculated by taking the Company's annualised operating expenses as a proportion of the average daily net asset value of the Company over the year. The costs of buying and selling investments are excluded, as are interest costs, taxation, cost of buying back or issuing ordinary shares and other non-recurring costs.

	31 January 2025 £'000	31 January 2024 £'000
Operating expenses[1]	5,708	5,287
Average net assets during the year	504,629	469,515
Ongoing charges	**1.1%**	**1.1%**

[1] See notes 3 and 4 on pages 70 and 71.

Performance Objective

The Company's performance objective, against which the Portfolio Manager's performance is measured, is to provide shareholders with a net asset value total return in excess of the UK Consumer Price Index ("CPI") plus 6% (calculated on an annual basis) measured over three to five years. The Consumer Price Index is published by the UK Office for National Statistics and represents inflation. The additional 6% is a fixed element to represent what the Board considers to be a reasonable premium on investors' capital which investing in the faster-growing Asian economies ought to provide over time. The performance objective is designed to reflect that the Portfolio Manager's approach does not consider index composition when investing.

	Total Return (annualised)		
	Share Price (%)	NAV (%)	CPI + 6% (%)
One year to 31 January 2025	3.7	9.7	8.8
Three years to 31 January 2025	2.5	4.6	12.1
Five years to 31 January 2025	6.9	8.7	11.0

Portfolio Turnover

Portfolio turnover is a measure of how quickly securities in a fund are either bought or sold by the fund's managers, over a given period of time. The rate of turnover is important for potential investors to consider, as funds that have a high rate will also have higher fees to reflect the turnover costs.

It is calculated as the average of the purchases and sales for the year divided by the average net assets for the year.

Revenue Return per Share

The revenue return per share is calculated by taking the return on ordinary activities after taxation and dividing it by the weighted average number of shares in issue during the year (see note 7 on page 73 for further information).

Share Price Total Return

The total return on an investment over a specified period assuming dividends paid to shareholders were reinvested in the Company's shares at the share price at the time the shares were quoted ex-dividend.

Share Price Total Return	31 January 2025 p	31 January 2024 p
Opening share price	349.0	358.0
Increase/(decrease) in share price	13.0	(6.7)
Dividend paid	(4.0)	(2.3)
Closing share price	**358.0**	**349.0**
Increase/(decrease) in share price	**3.7%**	**(1.9)%**
Impact of reinvested dividends	0.0%	0.0%
Share Price Total Return	**3.7%**	**(1.9)%**

Volatility

A measure of the range of possible returns for a given security or market index.

Sustainable Finance Disclosure Regulation (“SFDR”) Report (unaudited)

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name:	**Legal entity identifier:**
Pacific Assets Trust plc	2138008U8QPGAESFYA48

Sustainable investment objective

Did this financial product have a sustainable investment objective?	
●● ✖ **Yes**	●○ ☐ **No**
✖ It made **sustainable investments with an environmental objective: 67%** ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ✖ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
✖ It made **sustainable investments with a social objective: 100%**	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.

To what extent was the sustainable investment objective of this financial product met?

The Company’s investment objective is to achieve long-term capital growth through investment in selected companies in the Asia Pacific region and the Indian sub-continent, but excluding Japan, Australia and New Zealand (the “Asia Pacific Region”). Because the Portfolio Manager adopts a sustainable investment strategy in selecting the investments that make up the Company’s portfolio, the Company only invests in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, while many also contribute to positive environmental outcomes. The contribution to sustainable development is assessed under two frameworks, social and environmental.

Positive social outcomes

The Portfolio Manager assesses positive social outcomes by reference to the below human development pillars. Stewart Investors has developed these human development pillars by reference to, amongst other things, the UN Human Development Index.

- **Health and well–being** – improved access to and affordability of nutrition, health care, hygiene, water and sanitation,
- **Physical infrastructure** – improved access to and affordability of energy and housing,
- **Economic welfare** – safe employment offering a living wage and opportunities for advancement, access to finance and improved standards of living,
- **Opportunity and empowerment** – improved access to and affordability of education and information technology.

As at 31 December 2024, the Company held **69** companies. **All companies (100%)** were contributing to at least one **human development pillar** and, in total, were making **193 contributions** to the pillars.

Further information about how the Portfolio Manager uses the human development pillars is available on the Portfolio Manager's website – stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars

Positive environmental outcomes

The Portfolio Manager assesses positive environmental outcomes by reference to the climate solutions developed by Project Drawdown, a non-profit organisation that has mapped, measured and modelled over 90 different solutions that it believes will contribute to reaching 'drawdown', – i.e. the future point in time when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline.

Below is a list of the climate solutions captured in eight broader categories together with corresponding examples that the Portfolio Manager believes lead to positive environmental outcomes:

- **Food system** – sustainable farming, food production and the distribution of products and services,
- **Energy** – adoption of renewable energy and other clean energy and related technologies,
- **Circular economy and industries** – improved efficiency, reduced waste, and new business models for closing resource loops in linear value chains and production processes,
- **Human development** – advancement of human rights and education that drive environmental conservation and sustainable use of resources,
- **Transport** – efficient transport technologies and growth in fossil fuel-free transportation options,

- **Buildings** – products and services which reduce the environmental footprint of the built environment, including energy efficiency, electrification, improved design, and use of alternative materials,
- **Water** – less energy-intensive methods for treating, transporting and heating water
- **Conservation and restoration** – supporting deforestation-free and environmentally regenerative supply chains, operations and end-of-life impacts.

As at 31 December 2023, the Company held **69** companies. **46 companies (67%)** were contributing to **climate change solutions.** These companies were contributing to **41** different solutions and, in total, were making **148 contributions** to the solutions.

Assessment

In assessing whether a company "contributes to and benefits from" sustainable development, the Portfolio Manager will consider whether:

1. there is either a direct or enabling link between the activities of the company and the achievement of a positive social or environmental outcome;
2. the company can benefit from any contribution to positive social or environmental outcomes through revenue or growth drivers inherent in the company's business model, strategic initiatives that are backed by research and development or capital expenditure, or from the company's strong culture and sense of stewardship e.g. for equity and diversity; and
3. the company recognises potential negative social or environmental outcomes associated with its product or services and works towards minimising such outcomes, e.g. a company that sells affordable nutritious food products in plastic packaging but is investigating alternative packaging options.

Notes:
Any reference to **Project Drawdown** is to describe the publicly available materials utilised by Stewart Investors in formulating its sustainability analysis. It is not intended to be, and should not be, read as constituting or implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors sustainability assessment framework.

A **direct link** would arise where the goods an entity produces or the services it provides are the primary means through which the positive social or environmental outcome can be achieved (e.g. solar panel manufacturers or installers).

An **enabling link** would arise if the goods a company produces or services it provides enable other companies to contribute towards the achievement of the positive social or environmental outcome (e.g. manufacturers of critical components that are used as inputs in the manufacture of solar panels).

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

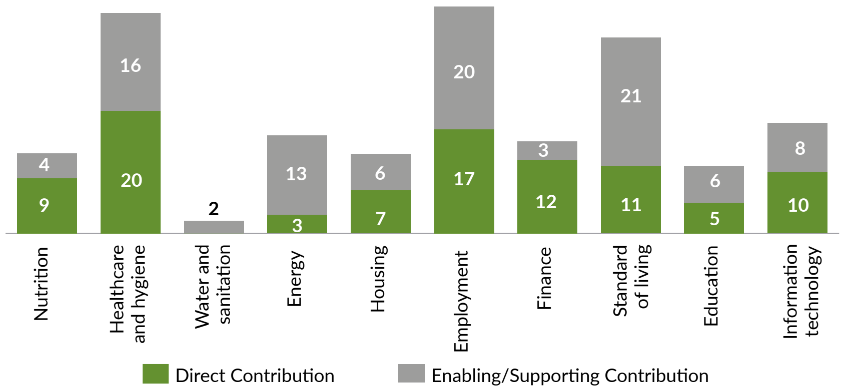
> How did the sustainability indicators perform?

The Portfolio Manager's Portfolio Explorer tool provides the contribution that each company makes to climate solutions, human development and the Sustainable Development Goals, as well as the investment rationale, key risks and areas for improvement. Click on the link below to access the tool.

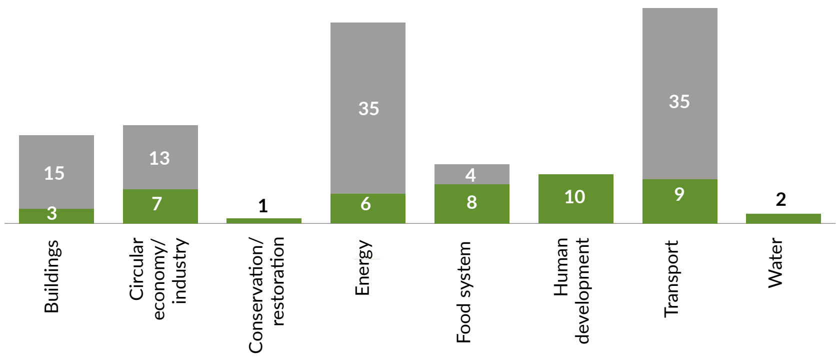
stewartinvestors.com/uk/en/private-investor/our-strategies/pacific-assets-trust.html?tabs-anchor=Pacific%20Assets%Trust&active-tab=Portfolio%20Explorer

The social and environmental outcomes for the Company as of 31 December 2024 are provided in the charts below.

Human development pillars
(number of companies contributing to each pillar)



Climate change solutions
(number of companies contributing to each solution)



Notes: Direct Contribution - directly attributable to products, services or practices provided by that company. Enabling/Supporting Contribution - supported or made possible by products or technologies provided by that company.

> ...and compared to previous periods?

Changes in the sustainability outcomes for the Company year-on-year are related to bottom-up changes in the portfolio and/or changes in the sustainability profile of individual investee companies.

The social and environmental outcomes for the Company for previous periods are provided in the tables below.

Sustainable Finance Disclosure Regulation ("SFDR") Report (unaudited) continued

Positive social outcomes

Human development pillars	Contribution	31-Dec-2023	31-Dec-2022	31-Dec-2021
No. of companies (%)	–	67 (100%)	63 (100%)	63 (100%)
Total no. of contributions	–	190	174	173
Nutrition	Direct	10	10	7
	Enabling/Supporting	4	3	3
Healthcare and hygiene	Direct	22	19	18
	Enabling/Supporting	17	12	12
Water and sanitation	Direct	–	–	–
	Enabling/Supporting	2	2	2
Energy	Direct	4	4	4
	Enabling/Supporting	10	6	6
Housing	Direct	4	6	5
	Enabling/Supporting	7	7	7
Employment	Direct	21	23	26
	Enabling/Supporting	15	10	12
Finance	Direct	10	9	8
	Enabling/Supporting	2	3	4
Standard of living	Direct	9	8	8
	Enabling/Supporting	29	29	28
Education	Direct	6	5	5
	Enabling/Supporting	5	6	5
Information technology	Direct	9	9	10
	Enabling/Supporting	4	3	3

Positive environmental outcomes

Climate solutions	Contribution	31-Dec-2023	31-Dec-2022	31-Dec-2021
No. of companies (%)	–	42 (63%)	38 (60%)	38 (60%)
No. of different solutions	–	40	33	32
Total no. of solutions	–	134	111	105
Buildings	Direct	3	3	3
	Enabling/Supporting	15	15	12
	Indirect	n/a	n/a	1
Circular economy/ industry	Direct	7	7	3
	Enabling/Supporting	12	9	-
	Indirect	n/a	n/a	1
Conservation/ restoration	Direct	1	1	–
	Enabling/Supporting	1	2	–
	Indirect	n/a	n/a	2
Energy	Direct	6	6	4
	Enabling/Supporting	27	19	15
	Indirect	n/a	n/a	5
Food system	Direct	9	7	6
	Enabling/Supporting	4	4	4
	Indirect	n/a	n/a	–
Human development	Direct	11	9	7
	Enabling/Supporting	1	–	–
	Indirect	n/a	n/a	–
Transport	Direct	8	5	5
	Enabling/Supporting	26	21	25
	Indirect	n/a	n/a	10
Water	Direct	2	2	2
	Enabling/Supporting	1	1	–
	Indirect	n/a	n/a	–

During 2022 and following feedback from clients, the Portfolio Manager removed the Indirect Contribution from their climate solutions measures.

Indirect Contribution – providing generic products or services to companies making direct or enabling contributions or making operational decisions which have a material contribution.

In 2022, Project Drawdown added 11 new climate solutions to their framework. The Portfolio Manager considered these new solutions for their 2022 reporting measures. More detail on these changes are available on the Portfolio Manager's website:

stewartinvestors.com/all/insights/climate-solutions-update

Sustainable Finance Disclosure Regulation ("SFDR") Report (unaudited) continued

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti‐corruption and anti‐bribery matters.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

The Company only invests in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, and may also contribute to positive environmental outcomes.

The Company's exposure to harmful or controversial products, services or practices is monitored on at least a quarterly basis. For harmful products and services which are revenue-generating, the Portfolio Manager applies a 5% revenue threshold (controversial weapons and tobacco production are 0%). In other areas where harmful or controversial activities are not attributable to revenue (for example, employee or supply chain issues) the Portfolio Manager uses internal analysis and research from external providers to monitor and assess companies.

Where any material exposure to these harmful activities is found, the Portfolio Manager will:

- review the company research and investment case, noting the response where they believe it is adequate,
- engage with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- exit the Company's position in the company where engagement has been unsuccessful, or where part of a pattern of behaviour raises concerns regarding the quality and integrity of the company's management. If an investment is held in a company that has material exposure to harmful products and services, this will be disclosed on the Stewart Investors website, and the reasons for the exception and for maintaining the holding explained. Exceptions may occur if a company is winding down a legacy commercial activity (in which case the company will be engaged and encouraged to cease the commercial activity concerned), or where the company is not increasing capital expenditure or if a company is only indirectly exposed to a harmful industry or activity, for example, a company making safety products for a wide range of industries may also have customers in the fossil fuel or defence industries.

The Portfolio Manager's position on harmful and controversial products and services and investment exclusions is available on the Stewart Investors website:

stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services

How were the indicators for adverse impacts on sustainability factors taken into account?

Adverse impact indicators relevant to each Company investee company are taken into account through the Portfolio Manager's bottom-up research, company engagement, adherence to their position statement on harmful and controversial products and services, Group-wide exclusion policies and third-party research providers.

The Portfolio Manager meets and liaises with companies on an on-going basis and is continuously assessing their sustainability credentials and quality. Where the Portfolio Manager has identified changes to a company's quality or sustainability positioning through either meetings, ongoing monitoring and reviewing their annual reports, the Portfolio Manager will re-evaluate the investment case.

In addition, the Company portfolio is assessed on an ongoing basis by external service providers including controversy monitoring, product involvement, carbon footprints and other impact measures, and breaches of social norms.

The Principal Adverse Impacts (as prescribed under the SFDR) are incorporated into the Portfolio Manager's company analysis, team discussion and engagement programme. Every investment in the portfolio must do no significant harm, based on the adverse impact indicator assessment. It is possible that an investor does no significant harm but still have some adverse sustainability impacts. In those cases, the Portfolio Manager shall engage with the company either directly or as part of collaborations with other investment institutions.

Depending on the nature of the issue and the response by the company, the Portfolio Manager's actions can range from:

- reviewing the company research and investment case, noting the response where they believe it is adequate,
- engaging with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- Where engagement has been unsuccessful or where the harmful activities are part of a pattern of behaviour that raises concerns regarding the quality and integrity of the company's management, the Portfolio Manager will not invest or will exit the Company's position in the company in an orderly manner, having regard to the best interests of shareholders.

The Portfolio Manager includes product level data on Principal Adverse Impact (PAI) indicators in the question below.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?
The Company's sustainable investments are aligned with these Guidelines and Principles.

The Portfolio Manager continually monitors the companies owned to understand any changes to the strategies. The Company's portfolio is assessed quarterly by an external service provider for compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, UN global norms and exposure to high-risk sectors. The Portfolio Manager also receives regular updates from a controversy monitoring service. Where issues are raised by these services, the Portfolio Manager will review and consider as part of the investment analysis and depending on the detail may engage with the company in question, and if necessary will divest to ensure the portfolio continues to meet the principles which sit at the heart of the investment philosophy.

During the reporting period the below holdings of the Company flagged against the Portfolio Manager's policy.

ESAB India
Activity exposure >5% revenue: Supporting Oil & Gas

Reason for exception/holding: The company provides welding and cutting equipment and systems for a variety of industries including shipbuilding and wind energy.

The company's parent released its inaugural sustainability report in 2023, coinciding with its first year as an independent corporation, and does not yet directly report revenue by market segment. The external research provider estimates that revenues from products and services supporting oil and gas accounted for 7.5% of ESAB India's overall revenue in FY2023. The Portfolio Manager met with the parent company and based on their analysis of the company's product portfolio within the wider industry believe the exposure to products and services supporting oil and gas within the India business will be lower than the external estimate. They also believe exposure to oil and gas will continue to fall in the coming years as the economy transitions further away from fossil fuels, and the company continues to focus on growing sales in renewable energy.

Tata Consultancy Services (TCS)
UN Global Compact Principle 2 (Breach): Businesses should make sure that they are not complicit in human rights abuses.

Reason for exception/holding: TCS has no direct involvement in nuclear weapons or energy, however the external research provider considers the company to be involved because its parent company, Tata Sons, owns greater than 50% of TCS.

Tata Sons involvement is due to its ownership of Tata Advanced Systems which acquired Tata Power's Strategic Engineering Division. This division provides control systems for the Indian Navy's nuclear missile submarines.

As India has not signed the Treaty on the Non-Proliferation of Nuclear Weapons, the external data provider considers Tata Sons and by extension TCS to be in support of the nuclear weapons programme of India. The Portfolio Manager disagrees with this assessment and does not see anything in the activities or conduct of the company to question its sustainability positioning or the investment case.

Triveni Turbines
Activity exposure >5% revenue: Supporting Nuclear Power

Reason for exception/holding: The company designs and manufactures steam turbines, with a focus on renewable, efficient industrial heat and power solutions.

Revenues derived from products and services supporting nuclear power accounted for an estimated 5% of the company's overall revenue in FY2023, according to the external research provider.

Nuclear power exposure for supporting products and services was added by the external research provider in early 2024 and the Portfolio Manager contacted the company directly to check the 5% revenue estimate provided. Given their nuclear power exposure is related to servicing old steam turbines within the industry, the company estimates around 1% of revenue to be a more accurate reflection of their exposure.

How did this financial product consider principal adverse impacts on sustainability factors?

In addition to the detail described above, the Portfolio Manager has set a materiality threshold of 5% of revenue for direct involvement in companies materially involved in the exploration, production or generation of fossil fuel energy and a threshold of 0% for controversial weapons. Portfolio companies are checked against the thresholds each quarter by an external third-party research platform.

The below table sets out the PAI indicators for the Company.

Indicators	Metrics	2024	2023	2022
Exposure	(EUR m)	631	576	533
1. GHG Emissions	Scope 1 (tCO2eq)	2,740	3,640	3,302
	Scope 2 (tCO2eq)	18,184	13,753	14,848
	Scope 3 (tCO2eq)	248,290	289,038	437,464
	Total Emissions Scope 1+2 (tCO2eq)	20,925	17,393	18,150
	Total Emissions Scope 1+2+3 (tCO2eq)	269,214	306,432	455,614
2. Carbon Footprint	Total Emissions Scope 1+2 (tCO2eq/EURm)	33	30	34
	Total Emissions Scope 1+2+3 (tCO2eq/EURm)	427	532	854

Indicators	Metrics	2024	2023	2022
3. GHG Intensity of Investee Companies	Scope 1+2 (tCO2eq/EURm)	66	72	75
	Scope 1+2+3 (tCO2eq/EURm)	1,759	1,899	2,413
4. Exposure to companies active in the fossil fuel sector	(% involvement)	1%	0%	0%
5. Share of Non-Renewable Energy Consumption and Production	Non-Renewable Energy Consumption (%)	83%	85%	84%
	Non-Renewable Energy Production (%)	7%	30%	35%
6. Energy consumption intensity per high impact sector	Agriculture, Forestry & Fishing (GWh/EURm)	no data	no data	no data
	Construction (GWh/EURm)	no data	no data	no data
	Electricity, Gas, Steam & Air Conditioning Supply (GWh/EURm)	no data	no data	no data
	Manufacturing (GWh/EURm)	0.16	0.12	0.12
	Mining & Quarrying (GWh/EURm)	no data	no data	no data
	Real Estate Activities (GWh/EURm)	no data	no data	no data
	Transportation & Storage (GWh/EURm)	insufficient data	no data	no data
	Water Supply, Sewerage, Waste Remediation (GWh/EURm)	no data	no data	no data
	Trade & Repair of Automobiles (GWh/EURm)	insufficient data	insufficient data	insufficient data
7. Activities Negatively Affecting Biodiversity Areas	(% involvement)	0%	0%	0%
8. Emissions to Water	(t/EURm)	no data	no data	insufficient data
9. Hazardous waste ratio	(t/EURm)	107	63	37
10. Violations of UNGC and OECD Guidelines for Multinational Enterprises	Watch (% involvement)	0%	1%	0%
	Breach (% involvement)	1%	2%	2%
11. Lack of Processes & Compliance Mechanisms to Monitor Compliance with UNGC and OECD guidelines	(% involvement)	66%	68%	81%
12. Unadjusted Gender Pay Gap	% of Male Gross Hourly Rate	insufficient data	no data	insufficient data
13. Board Gender Diversity	% of Female Board Members	21%	21%	19%
14. Exposure to Controversial Weapons	(% involvement)	0%	0%	0%

Sustainable Finance Disclosure Regulation ("SFDR") Report (unaudited) continued

Voluntary indicators	Metrics	2024	2023	2022
Water Usage and Recycling	% Water Withdrawal	48%	58%	n/a
	Recycling & Reuse (cubic metres)	32,869,497	27,003,346	n/a
Number of Identified Cases of Severe Human Rights Issues & Incidents	Weighted number of incidents	0.1	0.1	n/a

The SFDR PAI methodology for fossil fuel sector exposure considers Oil & Gas Production, Thermal Coal Extraction and Thermal Coal Supporting Products/Services. The fossil fuel exposure % shown in the table above is for Samsung C&T which was held for part of the reporting period. **Samsung C&T** is a holding company with direct operating businesses in construction and trade, plus high-value holdings in health and electronics. The third-party data provider estimates that the company derives c.1% of revenue from one of its subsidiaries which is involved in oil and gas exploration, development, and production.

Notes: PAI data is sourced from third-party ESG data providers. Limitations to the data provided from third parties will stem from their coverage and methodologies and from limited disclosures by issuer companies. Where data is not available, third-party providers may use estimation models or proxy indicators. Methodologies used by data providers may include an element of subjectivity. Whilst data is collected on an ongoing basis, in this rapidly evolving environment, data can become outdated within a short time period. Data for certain metrics may be based on limited data across the portfolio companies.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1 February 2024 to 31 January 2025.

What were the top investments of this financial product?
The average* largest 15 holdings over the reporting period were:

Largest investments	Sector	% assets	Country
Mahindra & Mahindra	Consumer Discretionary	6.0	India
CG Power	Industrials	4.2	India
Tube Investments	Consumer Discretionary	4.2	India
OCBC	Financials	3.3	Singapore
Voltronic Power	Industrials	3.2	Taiwan
Samsung Electronics	Information Technology	3.2	South Korea
Cholamandalam Financial	Financials	2.9	India
Midea	Consumer Discretionary	2.9	China
Inovance	Industrials	2.5	China
TSMC	Information Technology	2.5	Taiwan
Hoya	Health Care	2.5	Japan
Shanthi Gears	Industrials	2.3	India
Elgi Equipments	Industrials	2.1	India
HDFC Bank	Financials	2.1	India
Marico	Consumer Staples	2.0	India

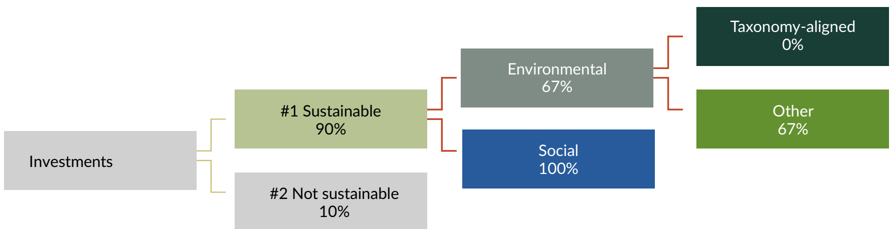
* Average based on month end holdings over the year under review.

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

> What was the asset allocation?

The Company invested at least 90% of its Net Asset Value in companies that are positioned to contribute to, and benefit from, sustainable development. Sustainable development is based on the Portfolio Manager's own philosophy explained in the Investor Disclosure Document.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.

Sustainable Finance Disclosure Regulation ("SFDR") Report (unaudited) continued

To comply, with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or lower-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

> **In which economic sectors were the investments made?**

The average* holdings over the reporting period in each Global Industry Classification Standard (GICs) sector was:

Sector	% Assets
Industrials	25.1
Information Technology	18.8
Consumer Discretionary	15.8
Consumer Staples	14.0
Financials	13.3
Health Care	9.0
Communication Services	2.9
Energy	–
Materials	–
Real Estate	–
Utilities	
Cash and cash equivalents	1.1

* Average based on month end holdings over the year under review.

The Company has no direct holdings in companies materially involved in the exploration, production or generation of fossil fuel energy.

The Portfolio Manager checks investee companies (via a third-party research platform and on a quarterly basis) for any revenues derived from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels. They disclose any companies above their material threshold (5% of revenues) on their website.

> Taxonomy-aligned activities are expressed as a share of:
> **turnover** reflecting the share of revenue from green activities of investee companies.
> **capital expenditure** ("CapEx") showing the green investments made by investee companies, e.g. for a transition to a green economy.
> **operational expenditure** ("OpEx") reflecting green operational activities of investee companies.

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy[1]?

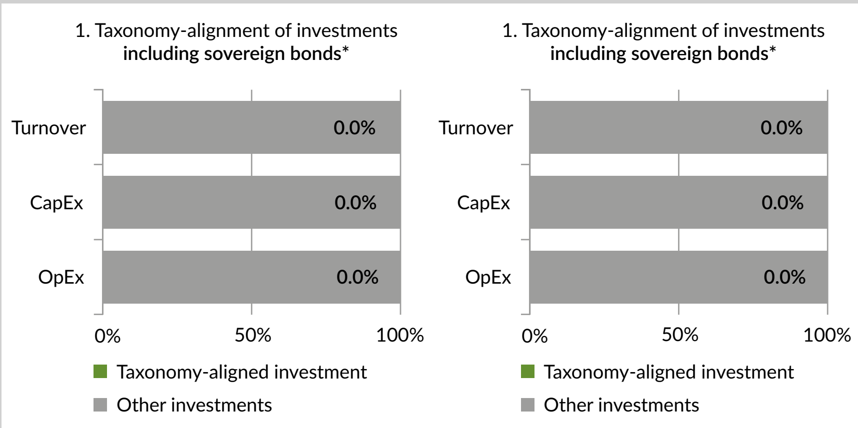
> **Did the financial product invest in fossil gas and/or nuclear energy related activities?**

☐ Yes

☐ In fossil gas ☐ In nuclear energy

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



% figures represent taxonomy-aligned investments
*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

> **What was the share of investments made in transitional and enabling activities?**
> The reported share of investments made in transitional and enabling activities for the Company is **0%**.

> **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**
> The percentage of investments aligned with the EU Taxonomy for the previous reference period was **0%**.

[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory notes in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
The Company does not actively target EU Taxonomy-aligned assets.

As of 31 December 2024, the Company held **69** companies. Based on reported turnover data, there was no alignment with the EU taxonomy from any of these companies.

What was the share of socially sustainable investments?
All companies in the Company were aligned to socially sustainable investments as defined by the Portfolio Manager's human development pillars.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?
The "#2 Not sustainable" assets are cash and near-cash assets held pending investment, to meet liquidity requirements, or assets held in order to allow efficient operational exit of positions. Cash is held by the depositary.

What actions have been taken to attain the sustainable investment objective during the reference period?
No company is perfect and engagement and voting are key responsibilities for the Portfolio Manager as long-term shareholders. They believe that engagement is a means to mitigate business risks, protect against potential headwinds and improve sustainability outcomes. Engagement is fully integrated into the responsibilities of the Portfolio Manager as it contributes invaluable insights into their understanding of each company.

During the calendar year 2024, the Portfolio Manager met with **71%** of investee companies.

All engagement starts with bottom-up analysis, with responsibility shared across the investment team. Over the period and across their funds, the Portfolio Manager engaged on topics such as:

> **Pollution, natural resource degradation, biodiversity and climate change** – packaging, plastic pellets, deforestation, sustainability of supply chains (soy, palm oil and coffee), fossil fuel versus renewables, water, waste and energy efficiency,

> **Aligned remuneration and incentives** – living wage, gender pay gap and complexity of incentives,

> **Animal testing/welfare** – animal testing exposure,

> **Human rights and modern slavery** – conflict minerals in the supply chains of semiconductors, trafficking, forced labour and child labour in the Asia Pacific region and public health,

> **Diversity, equity and inclusion** – diversity, particularly gender, in senior management and on boards,

> **Addictive products** – indirect exposure to tobacco, chemicals, gaming, adult entertainment, and sugar content in food,

> **Governance** – corporate strategy and legal structure.

In 2024 the Portfolio Manager engaged with **49%** of investee companies on the following topics -

- Environmental issues 30%
- Social issues 25%
- Governance issues 46%

Engagements may relate to one or multiple environmental, social or governance issues.

Proxy voting is an extension of the Portfolio Manager's engagement activities. It is not outsourced to an external provider or separate proxy voting/engagement team. The Portfolio Manager considers each proxy vote individually and on its own merits in the context of their knowledge about that particular company. A breakdown of voting activity for the Company is detailed below.

Voting activity:	1 January 2024 to 31 December 2024
Number of companies that held voting meetings	70
Number of meetings to vote at	116
Total proposals to vote on	719
Number of votes against management proposals	18
Number of votes abstained from voting	2
Number of shareholder proposals to vote on	0
Number of shareholder proposals voted against	0
Number of shareholder proposals abstained from voting	0

Voting rationales: 1 January 2024 to 31 December 2024

Company	Proposal	No. of proposals	Voting decision
Glodon Philippine Seven Shanthi Gears Sheng Siong Unilever Indonesia Vitasoy ViTrox Yifeng Pharmacy Chain Zhejiang Supor	Appointment of auditor	9	Against management recommendation
	Rationale **The auditor has been in place for over ten years and the companies have given no information on intended rotation which the Portfolio Manager believes is important for ensuring a fresh perspective on the accounts.**		
Humanica Public Kasikornbank Philippine Seven	Transaction of business	3	Against management recommendation
	Rationale **The company did not provide enough information about the proposals and the Portfolio Manager wanted to avoid giving them unrestricted decision-making power without sufficient clarity.**		

Sustainable Finance Disclosure Regulation ("SFDR") Report (unaudited) continued

Voting rationales:		1 January 2024 to 31 December 2024	
Company	**Proposal**	**No. of proposals**	**Voting decision**
Amoy Diagnostics	Amendments to work systems for independent directors	2	Abstained from voting
	Rationale **The company did not provide sufficient information on the proposed amendments**		
Midea	Adjustment of the guarantee for controlled subsidiaries assets pool business	4	Against management recommendation
	Employee stock ownership plan		
	Rationale **On the guarantee for controlled subsidiaries assets pool business, the Portfolio Manager found the guarantee amount to be excessive. On the proposed employee stock ownership plan, the Portfolio Manager believed that non-executive director involvement could lead to a conflict of interest.**		
Pentamaster	Authority to issue shares without pre-emptive rights	1	Against management recommendation
	Rationale **The company proposed to dis-apply pre-emption rights on the issue of shares representing up to 20% of the issued share capital. The Portfolio Manager felt that the proposed authority was excessive.**		
Samsung Electronics	Director election	1	Against management recommendation
	Rationale **The Portfolio Manager would have preferred more independent, non-family associated directors.**		

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

How did this financial product perform compared to the reference sustainable benchmark?

A sustainable benchmark has not been designated to compare the performance for the Company.

> **How did the reference benchmark differ from a broad market index?**
Not applicable.

> **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**
Not applicable.

> **How did this financial product perform compared with the reference benchmark?**
Not applicable.

> **How did this financial product perform compared with the broad market index?**
Not applicable.

Shareholder Information

Financial Calendar

31 January	Financial Year End
April/May	Final Results Announced
July	Annual General Meeting
July	Dividend Payable
31 July	Half Year End
September	Half Year Results Announced

Annual General Meeting

The Annual General Meeting of Pacific Assets Trust plc will be held at the offices of Stewart Investors, Finsbury Circus House, 15 Finsbury Circus, London, EC2M 7EB on Tuesday, 1 July 2025 at 12 noon. Please refer to the Chair's Statement beginning on page 6 for details of this year's arrangements.

In order to ensure that shareholders are able to follow the proceedings of the AGM without attending in person, the Company will provide access online via the Investor Meet Company platform. Please note that shareholders will not be able to vote online at the AGM via the platform and are therefore requested to submit their votes via proxy, as early as possible. Shareholders are invited to submit any questions for the Board to consider. Questions can be submitted ahead of the AGM via the Investor Meet Company platform up until 9am the day before the AGM or submitted at any time during the AGM itself. Shareholders who wish to attend the AGM remotely should register for the event in advance by using the following link:

https://www.investormeetcompany.com/pacific-assets-trust-plc/register-investor

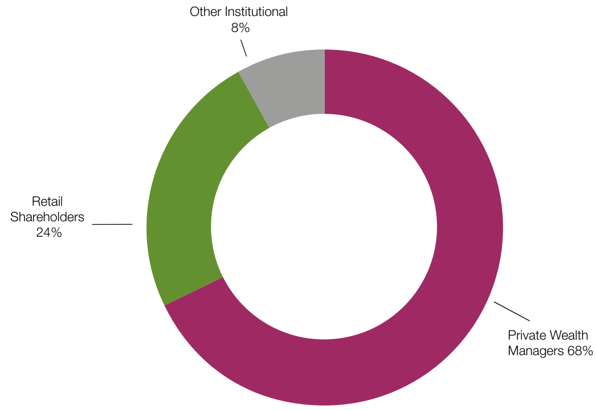
How to Vote

If you hold your shares directly you will have received a paper proxy form or voting instruction card. For this year's Annual General Meeting you should ensure that this is returned to the Registrar, Equiniti, before 12 noon on 27 June 2025. Alternatively, you can vote online at www.shareview.co.uk. Shareholders will require their Shareholder Reference Number, which can be found on the personalised proxy form or voting instruction card, to access this service. Before a proxy can be appointed, shareholders will be asked to agree to the terms and conditions for electronic proxy appointment. The use of the electronic proxy appointment service offered through Equiniti Limited, the Company's registrar, is entirely voluntary.

If you hold your shares via an investment platform or a nominee, you should contact them to inquire about arrangements to vote.

Profile of the Company's Ownership

% of shares held at 31 January 2025



Source: Richard Davies Investor Relations

Change of Address

Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to the Registrar, Equiniti Limited, under the signature of the registered holder.

Daily Net Asset Value

The daily net asset value of the Company's shares can be obtained on the Company's website at www.pacific-assets.co.uk and is published daily via the London Stock Exchange.

Dividend

A final dividend is paid annually following approval at the Annual General Meeting. Shareholders who wish to have dividends paid directly into a bank account, rather than by cheque posted to their registered address, can complete a mandate form for the purpose. Mandates may be obtained from the Registrar, Equiniti Limited, on request.

Share Prices

The Company's shares are listed on the London Stock Exchange under 'Investment Companies'. The price is given daily in the Financial Times and other newspapers.

How to Invest

Retail Investors advised by IFAs

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers ("IFAs") in the UK to ordinary retail investors in accordance with the Financial Conduct Authority ("FCA") rules in relation to non-mainstream investment products and intends to continue to do so. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Equiniti – Share Dealing Service

An internet and telephone dealing service is available through the Company's registrar, Equiniti. This provides a simple way for UK shareholders of Pacific Assets Trust plc to buy or sell the Company's shares. For full details and terms and conditions simply log onto www.shareview.co.uk/dealing or call 03456 037037 between 8.00am and 4.30pm Monday to Friday. This service is only available to shareholders of Pacific Assets Trust plc who hold shares in their own name, with a UK registered address and who are aged 18 and over.

Shareview Dealing is provided by Equiniti Financial Services Limited which has issued and approved the preceding paragraph. Equiniti Financial Services Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA is registered in England and Wales with number 6208699. Equiniti Financial Services Limited is authorised and regulated by the Financial Conduct Authority.

Investment Platforms

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are a number of investment platforms that offer these facilities. The following is a list of some of them, which is not comprehensive and does not constitute any form of recommendation:

AJ Bell Youinvest	www.youinvest.co.uk/
Barclays Stockbrokers	www.smartinvestor.barclays.co.uk/
Bestinvest	www.bestinvest.co.uk/
Charles Stanley Direct	www.charles-stanley-direct.co.uk/
Halifax Share Dealing	www.halifaxsharedealing-online.co.uk
Hargreaves Lansdown	www.hl.co.uk/
HSBC	www.hsbc.co.uk/investments/products-and-services/invest-direct/
iDealing	www.idealing.com/
Interactive Investor	www.ii.co.uk/
IWEB	www.iweb-sharedealing.co.uk/
Saxo Capital Markets	www.home.saxo
Tillit	www.tillitinvest.com/
WealthClub	www.wealthclub.co.uk

Risk warnings

Past performance is no guarantee of future performance. The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stock markets in which the Company invests and by the supply and demand for the Company's shares. As the shares in an investment trust are traded on a stock market, the share price will fluctuate in accordance with the supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons investors may not get back the original amount invested. Although the Company's shares are denominated in sterling, it may invest in stocks and shares which are denominated in currencies other than sterling and to the extent they do so, they may be affected by movements in exchange rates. As a result the value of your investment may rise or fall with movements in exchange rates. Investors should note that tax rates and reliefs may change at any time in the future. The value of ISA tax advantages will depend on personal circumstances. The favourable tax treatments of ISAs may not be maintained.

The Company's investor disclosure document can be found on the website: https://www.stewartinvestors.com/content/dam/pacific-assets/trust-information/PAC-Investor-Disclosure-Document.pdf

Notice of the Annual General Meeting

Notice is hereby given that the Annual General Meeting of Pacific Assets Trust Public Limited Company (the "Company") will be held at the offices of Stewart Investors, Finsbury Circus House, 15 Finsbury Circus, London, EC2M 7EB on Tuesday, 1 July 2025 at 12 noon for the following purposes:

Ordinary Resolutions

To consider and, if thought fit, pass the following as Ordinary Resolutions:

1. That the Report of the Directors and the financial statements for the year ended 31 January 2025 together with the Report of the Auditor thereon be received.
2. That the Directors' Remuneration Report for the year ended 31 January 2025 (other than the part containing the Directors' Remuneration Policy) be received and approved.
3. That a final dividend for the year ended 31 January 2025 of 4.9p per share be declared.
4. That Ms J L Y Ang be elected as a Director.
5. That Mr A M Impey be re-elected as a Director.
6. That Ms N Sahgal be re-elected as a Director.
7. That Mr R E Talbut be re-elected as a Director.
8. That Mr E T A Troughton be re-elected as a Director.
9. That BDO LLP be re-appointed as Auditor to hold office from the conclusion of the meeting to the conclusion of the next Annual General Meeting at which accounts are laid.
10. That the Audit Committee be authorised to determine BDO LLP's remuneration.

Investment Policy

11. That the proposed amended investment policy set out on pages 106 and 107 of the Annual Report for the year ended 31 January 2025, a copy of which has been produced to the meeting and signed by the Chair for the purposes of identification, be and is hereby approved and adopted as the investment policy of the Company with immediate effect in substitution for, and to the exclusion of, all previous investment policies of the Company.

Authority to Allot Shares

12. That, in substitution for all existing authorities (but without prejudice to the exercise of any such authority prior to the passing of this resolution), the Board of Directors of the Company (the "Board") be and it is hereby generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £1,484,167 (or if changed, the number representing 10% of the issued share capital of the Company (excluding any shares held in treasury) immediately prior to the passing of this resolution) on such terms as the Board may determine provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2026 or on the date which is 15 months after the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company may before such expiry make an offer or enter into an agreement which would or might require shares to be allotted, or rights to subscribe for or to convert securities into shares to be granted, after such expiry and the Board may allot shares or grant such rights in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired.

Special Resolutions

To consider and, if thought fit, pass the following as Special Resolutions.

Disapplication of Pre-emption Rights

13. That, in substitution for all existing powers (but without prejudice to the exercise of any such power prior to the passing of this resolution) and subject to the passing of resolution 12 proposed at the Annual General Meeting of the Company convened for 1 July 2025 ("Resolution 12"), the Board be and it is hereby

Notice of the Annual General Meeting continued

generally empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the "Act") to allot, or make offers or agreements to allot, equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred on them by such Resolution 12 , and/or by way of a sale of treasury shares for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to: the allotment of equity securities and the sale of treasury shares up to an aggregate nominal amount of £1,484,167 (or if changed, the number representing 10% of the issued share capital of the Company (excluding any shares held in treasury) immediately prior to the passing of this resolution) and shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2026 or on the date which is 15 months after the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company may before such expiry make an offer or enter into an agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Board may allot equity securities or sell treasury shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Authority to Repurchase Shares

14. That, in substitution for all existing authorities (but without prejudice to the exercise of any such authority prior to the passing of this resolution), the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the "Act") to make one or more market purchases (within the meaning of section 693(4) of the Act) of its ordinary shares of 12.5 pence each in the capital of the Company ("Ordinary Shares") either for cancellation or for retention as treasury shares for future reissue, resale, transfer or cancellation on such terms and in such manner as the board of directors may determine provided that:

    (i) the maximum aggregate number of Ordinary Shares which may be purchased is 17,798,134 or, if lower, the number representing 14.99% of the issued share capital of the Company (excluding Ordinary Shares held in treasury) immediately prior to the passing of this resolution;

    (ii) the minimum price which may be paid for an Ordinary Share is 12.5 pence (exclusive of associated expenses);

    (iii) the maximum price which may be paid for an Ordinary Share (exclusive of associated expenses) shall not be more than the higher of: (a) an amount equal to 105% of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five dealing days immediately preceding the day on which the Ordinary Share is purchased; and (b) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange for an Ordinary Share at the time the purchase is carried out; and

    (iv) this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2026 or on the date which is 15 months after the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company may, before such expiry, enter into a contract to purchase Ordinary Shares under such authority which will or may be completed or executed wholly or partly after such expiry and may make a purchase of Ordinary Shares pursuant to any such contract.

General Meetings

15. That any General Meeting of the Company (other than the Annual General Meeting of the Company) may be called by not less than 14 clear days' notice in accordance with the provisions of the Articles of Association of the Company provided that the authority shall expire on the conclusion of the next Annual General Meeting of the Company to be held in 2026.

By order of the Board

Registered office
16 Charlotte Square
Edinburgh
EH2 4DF

Frostrow Capital LLP
Company Secretary
29 April 2025

Notes

1. If you wish to attend the Annual General Meeting in person, you should arrive at the venue for the Annual General Meeting in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity to the Company's registrar, Equiniti Limited (the "Registrar"), prior to being admitted to the Annual General Meeting.

2. Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the Annual General Meeting. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent a member. To be validly appointed a proxy must be appointed using the procedures set out in these notes and in the notes to the accompanying proxy form.

   If members wish their proxy to speak on their behalf at the meeting, members will need to appoint their own choice of proxy (not the chair of the Annual General Meeting) and give their instructions directly to them.

   Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). If a member wishes to appoint more than one proxy, they should contact the Registrar on +44 (0)371 384 2466. Lines are open between 8.30 am and 5.30 pm, Monday to Friday (excluding public holidays in England and Wales).

   A member may instruct their proxy to abstain from voting on any resolution to be considered at the meeting by marking the abstain option when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "for" or "against" the resolution.

   The appointment of a proxy will not prevent a member from attending the Annual General Meeting and voting in person if he or she wishes.

   A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 9 overleaf.

3. A proxy form or voting instruction card for use in connection with the Annual General Meeting has been sent to shareholders on the shareholder register at the date of this notice. To be valid any proxy form or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand by the Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA no later than 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting.

   If you do not have a proxy form and believe that you should have one, or you require additional proxy forms, please contact the Registrar on +44 (0)371 384 2466. Other service providers' costs may vary. Lines are open between 8.30 am and 5.30 pm, Monday to Friday (excluding public holidays in England and Wales).

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the following website: www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must in order to be valid, be transmitted so as to be received by the Registrar (ID RA19) no later 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

Notice of the Annual General Meeting continued

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12.00 noon on 27 June 2025 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

6. In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

7. Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).

8. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at 6.30 p.m. on 27 June 2025 (or, if the Annual General Meeting is adjourned, at 6.30 p.m. on the day two working days prior to the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.

9. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

10. Information regarding the Annual General Meeting, including information required by section 311A of the 2006 Act, and a copy of this notice of Annual General Meeting, is available from www.pacific-assets.co.uk.

11. Members should note that it is possible that, pursuant to requests made by members of the Company under, and meeting the threshold requirements in, section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

12. As at 28 April 2025 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 118,733,386 ordinary shares carrying one vote each (and no shares were held in Treasury). Accordingly, the total voting rights in the Company at 28 April 2025 were 118,733,386 votes.
13. Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the chair of the Annual General Meeting as her/she proxy will need to ensure that both he/she, and his/her proxy, comply with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.
14. Under section 319A of the Act, the Company must cause to be answered any question relating to the business being dealt with at the Annual General Meeting put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

    Members who have any queries about the Annual General Meeting should contact Frostrow Capital LLP, the Company Secretary, at 25 Southampton Buildings, London WC2A 1AL or info@frostrow.com.

    Members may not use any electronic address provided in this notice or in any related documents (including the accompanying proxy form) to communicate with the Company for any purpose other than those expressly stated.
15. The following documents will be available for inspection at the offices of Frostrow Capital LLP, 25 Southampton Buildings, London WC2A 1AL during normal business hours on any weekday (Saturdays, Sundays and English public holidays excepted) from the date of this notice and at the venue of the Annual General Meeting from 9.45 a.m. on the day of the Annual General Meeting until the conclusion of the Annual General Meeting:

    15.1 copies of the Directors' letters of appointment; and

    15.2 copies of the Directors' deeds of indemnity.
16. Under section 338 and section 338A of the Act, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authenticated by the person or persons making it, must be received by the Company not later than 19 May 2025, being the date six clear weeks before the meeting, and (in the case of a matter to be included on the business only) must be accompanied by a statement setting out the grounds for the request.
17. In accordance with the Articles, the Company may impose restrictions on shareholders wishing to attend the AGM. Such restrictions may include limiting the number of shareholders permitted to attend the AGM in person. Other restrictions may be imposed as the chair of the meeting may specify in order to ensure the safety of those attending the AGM.
18. In order to ensure that shareholders are able to follow the proceedings of the Annual General Meeting without attending in person, the Company will provide access online via the Investor Meet Company platform. However, please note that shareholders will not be able to vote online at the Annual General Meeting via the platform and are therefore requested to submit their votes via proxy, as early as possible. Shareholders are invited to submit any questions for the Board to consider. Questions can be submitted ahead of the Annual General Meeting via the Investor Meet Company Platform up until 9am the day before the Annual General Meeting or submitted at any time during the Annual General Meeting itself. Shareholders that wish to attend the Annual General Meeting remotely should register for the event in advance by using the following link:

    https://www.investormeetcompany.com/pacific-assets-trust-plc/register-investor

Explanatory Notes to the Resolutions

Resolution 1 – To receive the Report of the Directors and the Financial Statements

The Report of the Directors and the financial statements for the year ended 31 January 2025 will be presented to the AGM. These accounts accompany this Notice of Meeting and shareholders will be given an opportunity to ask questions at the meeting.

Resolution 2 – Remuneration Report

It is mandatory for all listed companies to put their report on Directors' remuneration to an advisory shareholder vote every year and their remuneration policy to a binding shareholder vote every three years. As shareholders approved the Remuneration Policy last year, it is anticipated that the Remuneration Policy will next be put to shareholders at the AGM in 2026.

The Directors' Remuneration Report is set out in full on pages 56 to 58.

Resolution 3 – Declaration of a Final Dividend for the year ended 31 January 2025

Resolution 3 seeks shareholder approval for the declaration of a final dividend of 4.9p per share for the year ended 31 January 2025.

Resolutions 4 to 8 – Election and Re-election of Directors

Resolutions 4 to 8 deal with the election/re-election of each Director. Biographies of each of the Directors and details of their specific contribution to the Board can be found on pages 34 and 35.

The Board has confirmed, following a performance review, that the Directors standing for election and re-election continue to perform effectively.

Resolutions 9 and 10 – Re-appointment of Auditor and the determination of its remuneration

Resolutions 9 and 10 relate to the re-appointment of BDO LLP as the Company's independent Auditor to hold office until the next AGM and also authorise the Audit Committee to set their remuneration.

Resolution 11 – Investment Policy

The definition of 'Asia Pacific Region' in the Company's investment objective currently excludes the countries of Australia, New Zealand and Japan. The Board is proposing to broaden the Company's investable universe by removing the exclusion of Australia and New Zealand from the definition of 'Asia Pacific Region' in the Investment objective. The deletion of this exclusion is the only proposed change to the Company's investment policy.

The proposed amendment has been approved in principle by the Financial Conduct Authority in accordance with the requirements of the Listing Rules. Please refer to the Chair's Statement beginning on page 6 for further information. Any future material changes to the Company's investment policy will also require the prior approval of both the FCA and shareholders. The full text of the proposed amended Investment Policy is set out below:

Proposed Investment Policy

The Company aims to achieve long-term capital growth through investment in selected companies in the Asia Pacific region and the Indian sub-continent, excluding Japan (the "Asia Pacific Region").

Up to a maximum of 20% of the Company's total assets (at the time of investment) may be invested in companies incorporated and/or listed outside the Asia Pacific Region (as defined above); at least 25% of their economic activities (at the time of investment) are within the Asia Pacific Region with this proportion being expected to grow significantly over the long term.

The Company invests in companies which Stewart Investors believe will be able to generate long-term growth for shareholders.

The Company invests principally in listed equities although it is able to invest in other securities, including preference shares, debt instruments, convertible securities and warrants. In addition, the Company may invest in open and closed-ended investment funds and companies.

The Company is only able to invest in unlisted securities with the Board's prior approval. It is the current intention that such investments are limited to those which are expected to be listed on a stock exchange or which cease to be listed and the Company decides to continue to hold or is required to do so.

Risk is diversified by investing in different countries, sectors and stocks within the Asia Pacific Region.

No more than 45% of the Company's total assets (at the time of investment) may be invested in any single jurisdiction. If the proportion of the Company's total assets invested in a single jurisdiction exceeds 49% at any time, the AIFM and the Portfolio Manager should, as soon as reasonably practicable, seek to re-balance the Company's portfolio below this threshold.

No single investment may exceed 7.5% of the Company's total assets at the time of investment. This limit is reviewed from time to time by the Board and may be revised as appropriate.

No more than 10% of the Company's total assets may be invested in other listed closed-ended investment companies unless such investment companies themselves have published investment policies to invest no more than 15% of their total assets in other closed-ended investment companies, in which case the limit is 15%.

When deemed appropriate, the Company may borrow for investment purposes up to the equivalent of 10% of the net asset value of the Company at the time of drawdown of such borrowing.

The use of derivatives is permitted with prior Board approval and within agreed limits. However, Stewart Investors are unlikely to use derivatives as they do not form part of their investment strategy.

Resolutions 12 and 13 – Issue of Shares

Resolution 12 in the Notice of Annual General Meeting will renew the authority to allot share capital up to an aggregate nominal amount of £1,484,167 (equivalent to 11,873,338 shares or 10% of the Company's existing issued share capital on 28 April 2025, being the nearest practicable date prior to the signing of this Report or, if changed, the number representing 10% of the issued share capital of the Company immediately prior to the passing of this resolution). Such authority will expire on the date of the next AGM or after a period of 15 months from the date of the passing of the resolution, whichever is earlier. This means that the authority will have to be renewed at the next AGM.

When shares are to be allotted for cash, Section 561 of the Companies Act 2006 provides that existing shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing shareholders. Resolution 13 will, if passed, give the Directors power to allot for cash equity securities up to 10% of the Company's existing share capital on 28 April 2025, or, if changed, the number representing 10% of the issued share capital of the Company immediately prior to the passing of this resolution as if Section 551 of the Act does not apply. This is the same nominal amount of share capital which the Directors are seeking the authority to allot pursuant to Resolution 12. This authority will also expire on the date of the next AGM or after a period of 15 months, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

The Directors intend to use the authority given by Resolutions 12 and 13 to allot shares and disapply pre-emption rights only in circumstances where this will be clearly beneficial to shareholders as a whole. The issue proceeds would be available for investment in line with the Company's investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

Shares will only be issued at a premium to the Company's cum income net asset value per share at the time of issue.

Resolution 14 – Repurchase of Shares

The Directors wish to renew the authority given by shareholders at the previous AGM. The principal aim of a share buy back facility is to enhance shareholder value by acquiring shares at a discount to net asset value, as and when the Directors consider this to be appropriate. The purchase of shares, when they are trading at a discount to the net asset value per share, should result in an increase in the net asset value per share for the remaining shareholders. This authority, if conferred, will only be exercised if to do so would result in an increase in the net asset value per share for the remaining shareholders and if it is in the best interests of shareholders generally. Any purchase of shares will be made within guidelines established from time to time by the Board. It is proposed to seek shareholder authority to renew this facility for another year at the AGM.

Under the current Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of (i) 105% of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The minimum price which may be paid is 12.5p per share. Shares which are purchased under this authority may be cancelled or held in treasury.

Explanatory Notes to the Resolutions continued

Special Resolution 14 in the Notice of AGM will renew the authority to purchase in the market a maximum of 14.99% of shares in issue on 28 April 2025, being the nearest practicable date prior to the signing of this Report (amounting to 17,798,134 shares or, if less, the number representing 14.99% of the issued share capital of the Company immediately prior to the passing of this resolution). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of passing of the resolution, whichever is earlier. This means that the authority will have to be renewed at the next AGM or earlier if the authority has been exhausted.

Resolution 15 – General Meetings

Special Resolution 15 seeks shareholder approval for the Company to hold General Meetings (other than the AGM) on at least 14 clear days' notice. The Company will only use this shorter notice period where it is merited by the purpose of the meeting.

Recommendation

The Board considers that the resolutions detailed above are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to the shareholders that they vote in favour of the above resolutions to be proposed at the forthcoming AGM as the Directors intend to do in respect of their own beneficial holdings totalling 75,274 shares.

How to Vote

Please submit your votes by proxy using one of the following methods:

- Electronically using: www.shareview.co.uk;
- Submitting a paper proxy form;
- CREST members may use the CREST electronic proxy appointment service;
- Institutional investors may also be able to appoint a proxy electronically via the Proxymity Platform www.proxymity.io; or
- If you hold your shares through a nominee or investment platform, please contact them to enquire about voting arrangements.

Company Information

Directors

J L Y Ang
S E Hansen[1]
A M Impey (Chair)[2]
N Sahgal FCA[3]
R E Talbut[4]
E T A Troughton[5]

[1] Chair of the Engagement & Remuneration Committee
[2] Chair of the Nominations Committee
[3] Chair of the Audit Committee
[4] Senior Independent Director
[5] Chair of the Sales, Marketing and Communications Committee

Registered Office

16 Charlotte Square
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Company Registration Number
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The Company was incorporated in Scotland on 21 December 1984.

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Authorised and regulated by the Financial Conduct Authority.

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For deaf and speech impaired customers, we welcome calls via Relay UK. Please see www.relayuk.bt.com for more information.

* Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales).

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting your shareholder reference number. Registered shareholders can obtain further details of their holdings on the internet by visiting www.shareview.co.uk

Broker

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Solicitors

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Identification Codes

Shares:	SEDOL:	0667438
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	Bloomberg:	PAC LN
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