PERSONAL ASSETS TRUST PLC

INTERIM REPORT FOR THE SIX MONTHS ENDED 31 OCTOBER 2011

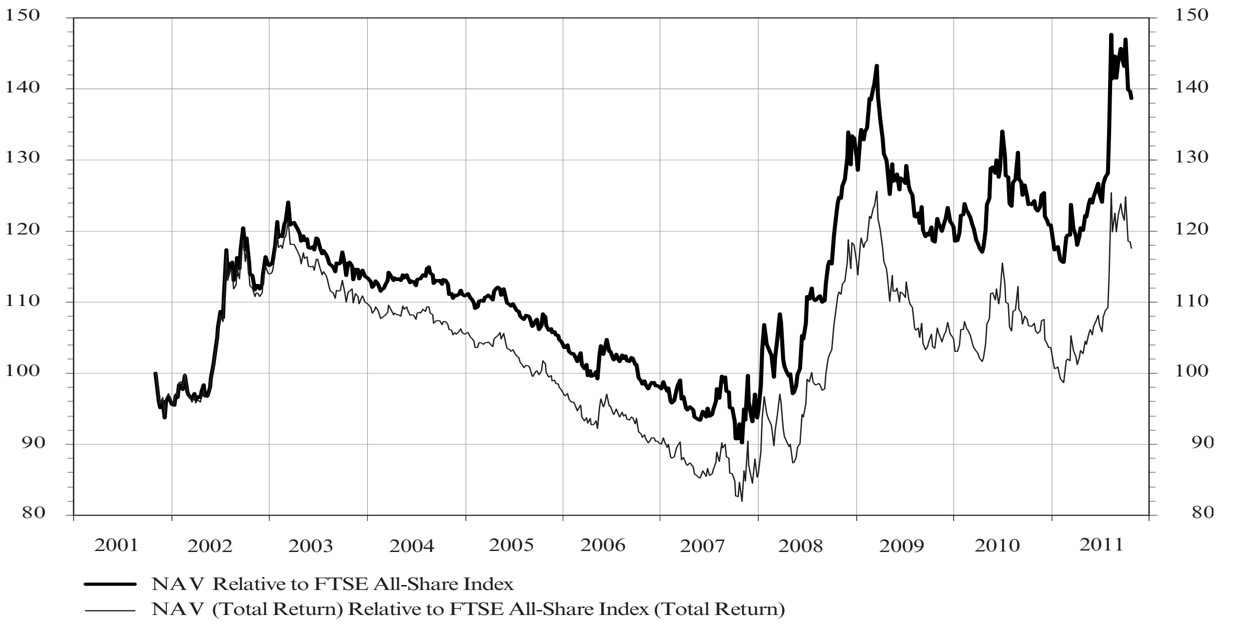
KEY FEATURES

	As at 31 October 2011	As at 31 October 2010	As at 30 April 2011
Market Capitalisation	**£393.4m**	£266.7m	£313.2m
Shareholders' Funds	**£383.9m**	£263.3m	£310.0m
Shares Outstanding	**1,168,186**	869,322	984,803
Effective Liquidity	**50.4%**[(1)]	43.0%[(2)]	45.4%[(3)]
Share Price	**£336.80**	£306.75	£318.00
NAV per Share	**£328.67**	£302.82	£314.78
FTSE All-Share Index	**2,860.86**	2,936.15	3,155.03
Premium to NAV	**2.5%**	1.3%	1.0%
Earnings per Share	**£2.22**	£2.50	£5.68
Dividend per Share	**£2.75**	£2.70	£5.40

Effective liquidity includes holding in physical gold bullion of: [(1)] 12.9%; [(2)] 12.2%; and [(3)] 13.8%.

PERFORMANCE 2001 – 2011

Performance Relative to FTSE All-Share Index



FINANCIAL SUMMARY

- Personal Assets Trust (''PAT'') is an independent investment trust run expressly for private investors.
- The Company's investment policy is to protect and increase (*in that order*) the value of shareholders' funds per share over the long term and to earn as high a total return as is compatible with a risk equivalent to that of the FTSE All-Share Index.
- Over the six months to 31 October 2011 PAT's net asset value per share (''NAV'') rose by 4.4% to £328.67 compared to a fall of 9.3% in our comparator, the FTSE All-Share Index. PAT's share price rose by £18.80 to £336.80 over the same period, being a premium of 2.5% to the Company's NAV at that date.
- Over the three years to 31 October 2011 (this being the traditional timespan over which the Board has measured performance) the NAV rose by 47.6% compared to the FTSE All-Share Index's rise of 31.0%. This outperformance of 12.7% is equivalent to 4.1% per annum over the three year period.
- We continue to believe that in present circumstances it is appropriate to maintain a substantial margin of liquidity. At 31 October 2011 PAT had effective liquidity of 37.5% of shareholders' funds (50.4% including the 12.9% in gold, which the Board regards as being part of PAT's liquidity).
- Over the six months PAT's shares continued to trade close to NAV. We issued 183,383 Ordinary shares (adding £60.0 million of new capital) at a small premium to satisfy continuing demand for the Company's shares.
- Dividends are paid in July, October, January and April of each year. The first interim dividend of £1.35 per Ordinary share was paid to shareholders on 22 July 2011 and the second interim dividend of £1.40 was paid on 21 October 2011. It is the Directors' policy never to cut the dividend rate. Accordingly, the third and fourth interim dividends for the year ended 30 April 2012, expected to be paid in January and April 2012, will be at least £1.40 per share and the total dividend for the year will be not less than £5.55, representing an increase of at least 2.8% compared to the previous year. The Directors intend that, insofar as circumstances permit, the dividend paid by the Company will continue to grow in real terms over the longer term.
- On 11 October 2011 PAT became a constituent of the FTSE 250 Index.

PORTFOLIO DISTRIBUTION AS AT 31 OCTOBER 2011

	Valuation £'000	Shareholders' funds %
UK equities	85,627	22.3
US equities	75,209	19.6
Swiss equities	13,689	3.6
Canadian equities	8,312	2.1
Australian equities	7,690	2.0
Gold	49,408	12.9
Government bonds (USA, Singapore and UK)	134,740	35.1
Net current assets	9,273	2.4
Shareholders' funds	**383,948**	**100.0**

PORTFOLIO AS AT 31 OCTOBER 2011

Investment	**Country**	**Sector**	**Valuation £'000**	**Shareholders' funds %**
Gold	–	Gold	49,408	12.9
British American Tobacco	UK	Tobacco	17,828	4.6
Nestlé	Switzerland	Food Producer	13,689	3.6
Coca-Cola	USA	Beverages	13,633	3.6
Microsoft	USA	Software	12,534	3.3
GlaxoSmithKline	UK	Pharmaceuticals	10,566	2.8
Philip Morris International	USA	Tobacco	10,513	2.7
Diageo	UK	Beverages	10,134	2.6
Centrica	UK	Utility	9,997	2.6
Newmont Mining	USA	Mining	9,600	2.5
Tesco	UK	Food Retailer	9,337	2.4
Johnson & Johnson	USA	Pharmaceuticals	8,917	2.3
Vodafone	UK	Telecommunications	8,617	2.3
Imperial Oil	Canada	Oil Producer	8,312	2.1
Unilever	UK	Food Producer	8,115	2.1
Colgate Palmolive	USA	Personal Products	7,922	2.1
Newcrest Mining	Australia	Mining	7,690	2.0
Berkshire Hathaway	USA	Insurance	6,953	1.8
Sage Group	UK	Technology	6,425	1.7
Becton Dickinson	USA	Pharmaceuticals	5,137	1.3
Greggs	UK	Food Retailer	4,608	1.2
Total investments (excluding government bonds)			**239,935**	**62.5**
Government bonds				
US TIPS 1.375% 15/07/18	USA	Government Bond	71,171	18.5
US TIPS 1.125% 15/07/21	USA	Government Bond	10,124	2.6
US TIPS 0.5% 15/04/15	USA	Government Bond	5,732	1.5
Singapore T-BILL 11/11/11	Singapore	Government Bond	12,374	3.2
Singapore T-BILL 24/11/11	Singapore	Government Bond	9,403	2.5
Singapore T-BILL 18/11/11	Singapore	Government Bond	5,940	1.6
UK T-BILL 14/11/11	UK	Government Bond	14,998	3.9
UK T-BILL 28/11/11	UK	Government Bond	4,998	1.3
Total government bonds			**134,740**	**35.1**
Net current assets			**9,273**	**2.4**
Shareholders' funds			**383,948**	**100.0**

INTERIM MANAGEMENT REPORT

Markets often take the occasional piece of negative news in their stride but investors can only put up with so much bad news. So it proved over the six months since our 30 April 2011 year end. Europe's problems are well known. Combine them with the US fiscal problem, exacerbated by partisan politicians happy to take the Federal debt ceiling negotiations to the limit, and it was too much to keep investor confidence from sagging early in the summer. The subsequent Standard & Poor's downgrade of US Federal creditworthiness from 'AAA' and mounting evidence of a weakening economy on both sides of the Atlantic were further bruising blows.

Volatility returned to markets later in the summer, which made conditions even more challenging than usual. Liquidity was low and much of the action was a function of index buying *via* either index futures or Exchange Traded Funds. In August and September the FTSE 100 Index swung by more than 3% on ten out of the 44 trading days. Meanwhile, in the currency markets the 'race to debase' took a turn for the worse when in September the Swiss National Bank capped the Franc at 1.20 Euros, reducing the number of safe currencies by one and adding lustre to the only currency central bankers can't print. Then, in October, the Bank of England decided on a further £75bn of Quantitative Easing ('QE'), making £275bn in total so far. This was a bizarre decision in the light of September's 20-year high in the Retail Price Index at 5.6%. The inflation target of 2% has become an embarrassment and the prospect of putting QE into reverse lacks credibility. Are we now sleepwalking towards further debasement and far greater levels of inflation – the cruellest tax of all? With no indexation or taper relief to mitigate the impact of capital gains tax, private investors are more vulnerable than ever to rising nominal prices.

The Bank of England's decision to print more money and the announcement that France and Germany will *'deal with'* the Euro crisis buoyed stock markets in October, but while investors are under the impression that politicians can wave a magic wand and solve the fiscal difficulties of the Euro area, the opposite is true. The powers that be are frustrating the abilities of rational, long term investors to allocate capital correctly. Central bankers' determination to stop asset prices (whether property, bonds or stocks) from falling to their natural level only delays the longed-for end of the bear market. Markets are no longer free but constantly subject to government intervention. Adam Smith's invisible hand of the market has been replaced by the clunking fist of the state. This has been most apparent in the re-regulation of banks, but the fingers of government intrusion are worming their way into additional areas of economic activity. Our prognosis may sound gloomy, but our industry is irresponsibly over-optimistic – as longsuffering investors know to their cost. We, instead, think about risk at least as much as about possible returns.

The urge to generate short term performance breeds impatience. While investors can be seduced by the prospect of a recovery play, often with an exciting new management team, such stocks more often than not over-promise and under-deliver. By contrast, quality stocks are systematically undervalued. In December 2000, BAT had a market capitalisation of £11bn. Since then it has given loyal shareholders £15.2bn back in dividends and share buybacks and today is valued at £57bn. During the last six months we added to our holdings in Centrica, Microsoft, Newcrest Mining, Becton Dickinson and Philip Morris and took a new holding in Imperial Oil of Canada. As £60m of new capital was subscribed during the period, however, we were content to increase our liquidity from 45% to 50% and we began to purchase Singapore Government T-Bills in order to diversify our liquidity and currency exposure.

In this report we are required to describe risks and uncertainties for the remaining six months of the year. To the extent that the Company is 50% invested in equities it is at risk of loss from adverse movements in share prices. The Company has exposure to the US Dollar (which is unhedged except for the holding of US Treasury Inflation Protected Securities ("TIPS")), the Australian Dollar, the Canadian Dollar, the Singapore Dollar and the Swiss Franc; adverse exchange rate movements may therefore affect us. A fall in the gold price (in Sterling terms) is a further risk. The Board considers that there is a negligible risk of default by its bankers. The Company's largest investment is in US TIPS, our US Dollar exposure to which is fully hedged. The Board considers there to be a negligible risk that the US government will default on its obligations and believes that the risk of a lack of liquidity in the market for US Treasury securities does not arise. *(As we remarked here at the same time last year, more can always be printed . . .)*

Sebastian Lyon, Investment Adviser

On behalf of the Board, Robin J Angus, Executive Director

CONDENSED GROUP INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31 OCTOBER 2011

	(Unaudited) Six months ended 31 October 2011		
	Revenue Return £'000	**Capital Return £'000**	**Total £'000**
Investment income	**3,264**	**–**	**3,264**
Other operating income	**97**	**–**	**97**
Gains on investments held at fair value through profit or loss	**–**	**18,334**	**18,334**
Losses on derivatives held at fair value through profit or loss	**–**	**–**	**–**
Foreign exchange (losses)/gains	**–**	**(3,061)**	**(3,061)**
Total income	**3,361**	**15,273**	**18,634**
Expenses	**(947)**	**(773)**	**(1,720)**
Profit before taxation	**2,414**	**14,500**	**16,914**
Taxation	**(75)**	**–**	**(75)**
Profit for the period	**2,339**	**14,500**	**16,839**
Earnings per share (weighted average shares in issue)	**£2.22**	**£13.79**	**£16.01**
(period end shares in issue)	**£2.00**	**–**	**–**

The column of this statement headed **'Total'** represents the Group's Income Statement, prepared in accordance with International Financial Reporting Standards. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

The Group does not have any income or expense that is not included in the profit for the period, and therefore the 'profit for the period' is also the 'total comprehensive income for the period'.

1. The condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and the accounting policies set out in the statutory accounts of the Group for the year ended 30 April 2011. The condensed financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Group for the year ended 30 April 2011, which were prepared under full IFRS requirements, to the extent that they have been adopted by the European Union.

2. The return per Ordinary share figure is based on the net profit for the six months of £16,839,000 (six months ended 31 October 2010: net profit of £15,692,000; year ended 30 April 2011: net profit of £29,437,000) and on 1,051,450 (six months ended 31 October 2010: 833,908; year ended 30 April 2011: 880,589) Ordinary shares, being the weighted average number of Ordinary shares in issue during the respective periods.

	(Unaudited) Six months ended 31 October 2010			(Audited) Year ended 30 April 2011	
Revenue Return	Capital Return	Total	Revenue Return	Capital Return	Total
£'000	£'000	£'000	£'000	£'000	£'000
2,877	–	2,877	6,744	–	6,744
52	–	52	150	–	150
–	10,939	10,939	–	18,050	18,050
–	(1,673)	(1,673)	–	(1,673)	(1,673)
–	4,836	4,836	–	9,176	9,176
2,929	14,102	17,031	6,894	25,553	32,447
(772)	(503)	(1,275)	(1,742)	(1,120)	(2,862)
2,157	13,599	15,756	5,152	24,433	29,585
(71)	7	(64)	(148)	–	(148)
2,086	13,606	15,692	5,004	24,433	29,437
£2.50	£16.32	£18.82	£5.68	£27.75	£33.43
£2.40	–	–	£5.08	–	–

3. In respect of the year ending 30 April 2012 the Board has declared a first interim dividend of £1.35 per Ordinary share, which was paid on 22 July 2011, and a second interim dividend of £1.40 per Ordinary share, which was paid on 21 October 2011. In respect of the year ended 30 April 2011 the Board declared two interim dividends of £2.70 per Ordinary share. This gave a total dividend for the year ended 30 April 2011 of £5.40 per Ordinary share.

4. At 31 October 2011 there were 1,168,186 Ordinary shares in issue (31 October 2010: 869,322; 30 April 2011: 984,803). During the six months ended 31 October 2011 the Company issued 183,383 Ordinary shares.

5. These are not full statutory accounts in terms of Section 434 of the Companies Act 2006 and are unaudited. Statutory accounts for the year ended 30 April 2011, which received an unqualified audit report and which did not contain a statement under Section 498 of the Companies Act 2006, have been lodged with the Registrar of Companies. No full statutory accounts in respect of any period after 30 April 2011 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

CONDENSED GROUP BALANCE SHEET

FOR THE SIX MONTHS ENDED 31 OCTOBER 2011

	(Unaudited) 31 October 2011 £'000	(Unaudited) 31 October 2010 £'000	(Audited) 30 April 2011 £'000
Non current assets			
Investments held at fair value through profit or loss	**374,675**	254,949	291,598
Current assets	**9,273**	8,302	18,402
Net assets	**383,948**	263,251	310,000
Total equity	**383,948**	263,251	310,000
Net asset value per Ordinary share	**£328.67**	£302.82	£314.78

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 OCTOBER 2011

	(Unaudited) Six months ended 31 October 2011 £'000	(Unaudited) Six months ended 31 October 2010 £'000	(Audited) Year ended 30 April 2011 £'000
Opening equity shareholders' funds	**310,000**	233,785	233,785
Profit for the period	**16,839**	15,692	29,437
Ordinary dividends paid	**(2,903)**	(2,296)	(4,898)
Issue of Ordinary shares	**60,012**	16,070	51,676
Closing equity shareholders' funds	**383,948**	263,251	310,000

CONDENSED GROUP CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 OCTOBER 2011

	(Unaudited) Six months ended 31 October 2011 £'000	(Unaudited) Six months ended 31 October 2010 £'000	(Audited) Year ended 30 April 2011 £'000
Net cash inflow from operating activities	**2,179**	1,824	2,874
Net cash outflow from investing activities	**(64,429)**	(14,356)	(49,471)
Net cash outflow before financing activities	**(62,250)**	(12,532)	(46,597)
Net cash inflow from financing activities	**57,728**	12,582	44,838
Net (decrease)/increase in cash and cash equivalents	**(4,522)**	50	(1,759)
Cash and cash equivalents at the start of the period	**11,399**	6,391	6,391
Realised (losses)/gains on foreign currency	**(1,474)**	3,260	6,767
Cash and cash equivalents at the end of the period	**5,403**	9,701	11,399

Statement of Principal Risks and Uncertainties

The Board believes that the principal risks to shareholders, which it seeks to mitigate through continual review of its investments and through shareholder communication, are events or developments which can affect the general level of share prices, including, for instance, inflation or deflation, economic recessions and movements in interest rates and currencies.

Other risks faced, and the way in which they are managed, are described in more detail under the heading Principal Risks and Risk Management within the Business Review in the Company's Annual Report for the year ended 30 April 2011.

The Company's principal risks and uncertainties have not changed since the date of the Annual Report and are not expected to change for the remaining six months of the Company's financial year.

Related Party Transactions

During the period the Company paid £15,000 for the rental of the Executive Office to Rushbrook & Co LLP, of which Frank Rushbrook is a partner. The notice period on the lease is six months.

Directors' Responsibility Statement in Respect of the Interim Report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU;
- the Interim Management Report includes a fair review of the information required by the Disclosure and Transparency Rules ('DTR') 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
- the Statement of Principal Risks and Uncertainties shown above is a fair review of the information required by DTR 4.2.7R; *and*
- the condensed financial statements include a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during the period, and any changes in the related party transactions described in the last Annual Report that could do so.

On behalf of the Board,

Hamish N Buchan, Chairman

24 November 2011

Corporate Information

Board of Directors

Hamish Buchan (Chairman)
Robin Angus
Martin Hamilton-Sharp
Gordon Neilly
Stuart Paul
Frank Rushbrook

Executive Office

Robin Angus (Executive Director)
Steven Budge
Steven Cowie
Steven Davidson
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