PERSONAL ASSETS TRUST PLC

INTERIM REPORT
FOR THE SIX MONTHS ENDED
31 OCTOBER 2013

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.
- Over the six months to 31 October 2013 PAT's net asset value per share ("NAV") fell by 4.9% to £334.75 compared to a rise of 5.8% in our comparator, the FTSE All-Share Index. PAT's share price fell by £20.40 to £336.60 over the same period, being a premium of 0.6% to the Company's NAV at that date.
- Over the three years to 31 October 2013 the NAV rose by 10.5% compared to the FTSE All-Share Index's rise of 22.1%. This underperformance of 9.5% is equivalent to 3.3% 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 2013 PAT had effective liquidity of 48.5% of shareholders' funds (59.8% including the holding of 11.3% in gold bullion, 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 59,573 Ordinary shares (adding £20.7 million of new capital) at a small premium to satisfy continuing demand for the Company's shares and bought back 1,825 Ordinary shares at a small discount.
- Dividends are paid in July, October, January and April of each year. The first interim dividend of £1.40 per Ordinary share was paid to shareholders on 19 July 2013 and the second interim dividend of £1.40 was paid on 18 October 2013. A third interim dividend of £1.40 per Ordinary share and a fourth interim dividend of £1.40 per Ordinary share will be paid in January and April 2014 respectively, making a total for the year of £5.60 per Ordinary share. Thereafter, the Board will review the level of the dividend.

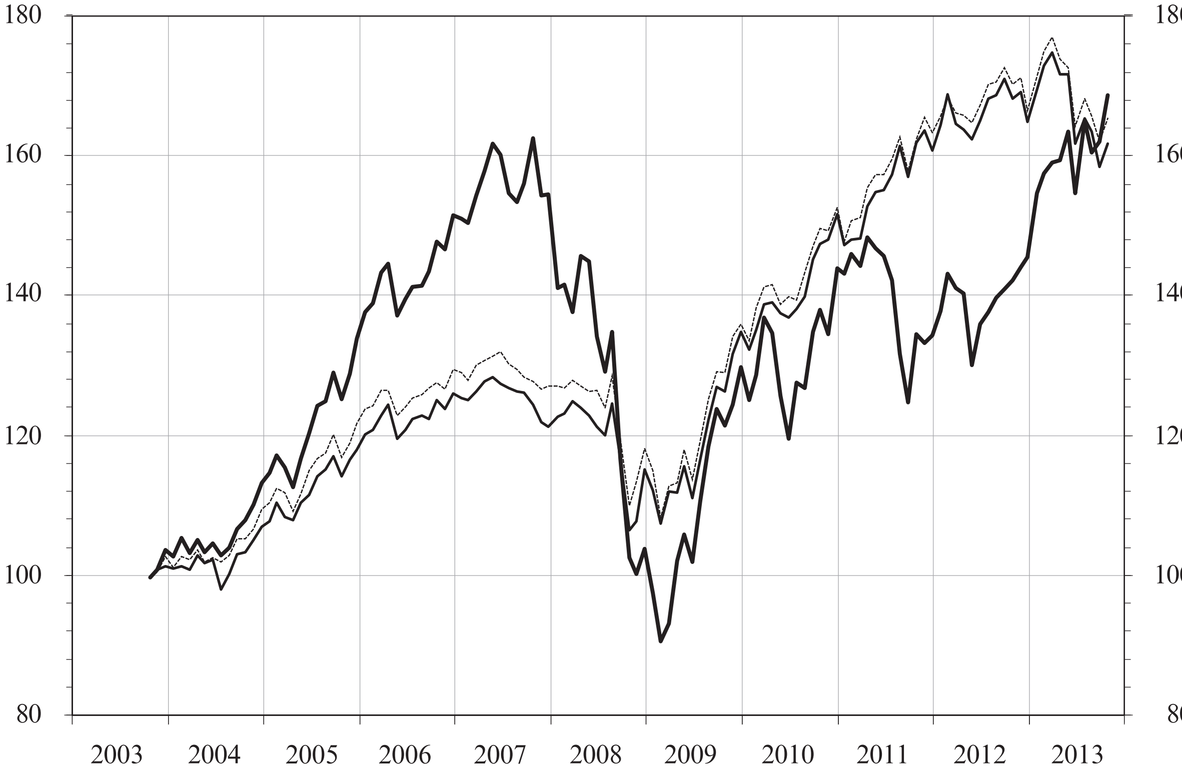
KEY FEATURES

	As at 31 October 2013	As at 31 October 2012	As at 30 April 2013
Market Capitalisation	**£586.9m**	£546.3m	£601.9m
Shareholders' Funds	**£583.7m**	£538.0m	£593.2m
Shares Outstanding	**1,743,649**	1,560,986	1,685,901
Effective Liquidity	**59.8%**(1)	50.8%(2)	56.5(3)
Share Price	**£336.60**	£350.00	£357.00
NAV per Share	**£334.75**	£344.67	£351.89
FTSE All-Share Index	**3,585.32**	3,024.40	3,390.18
Premium to NAV	**0.6%**	1.5%	1.5%
Earnings per Share	**£2.39**	£2.00	£5.69
Dividend per Share	**£2.80**	£2.80	£5.60

Effective liquidity includes holding in gold of: (1) 11.3%; (2) 13.9%; and (3) 12.2%.

PERFORMANCE 2003-2013

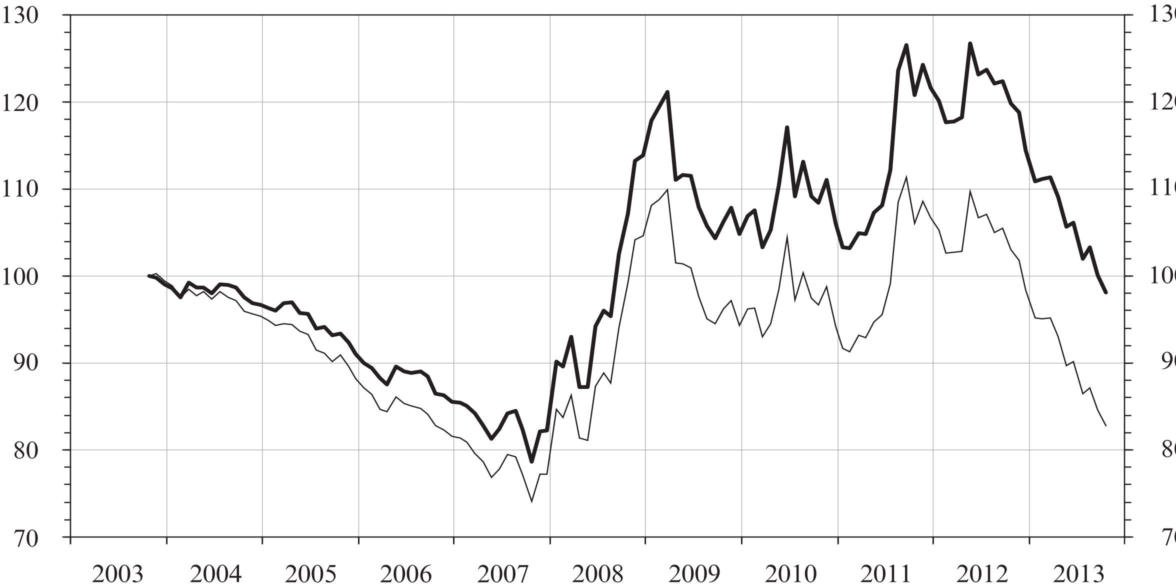
Share Price and NAV in £ versus FTSE All-Share Index



Share Price Index
Net Asset Value Index
FTSE All-Share Index

Source: Thomson Reuters Datastream

Performance Relative to FTSE All-Share Index



NAV Relative to FTSE All-Share Index
NAV (Total Return) Relative to FTSE All-Share Index (Total Return)

Source: Thomson Reuters Datastream

PORTFOLIO AS AT 31 OCTOBER 2013

Holding	Country	Equity Sector	Valuation 31 October 2013 £'000	Shareholders' funds %
US TIPS	USA	–	115,862	19.8
Gold Bullion	–	–	66,126	11.3
UK Treasury Bills	UK	–	46,488	8.0
Singapore Treasury Bills	Singapore	–	45,613	7.8
UK Index-Linked Gilts	UK	–	26,343	4.5
British American Tobacco	UK	Tobacco	24,241	4.1
Nestlé	Switzerland	Food Producer	21,305	3.6
Imperial Oil	Canada	Oil & Gas	17,787	3.0
Microsoft	USA	Software	17,344	3.0
GlaxoSmithKline	UK	Pharmaceuticals	16,923	2.9
Coca-Cola	USA	Beverages	15,891	2.7
Becton Dickinson	USA	Pharmaceuticals	14,749	2.5
Philip Morris International	USA	Tobacco	13,517	2.3
Sage Group	UK	Technology	13,459	2.3
Altria	USA	Tobacco	12,003	2.1
Colgate Palmolive	USA	Personal Products	11,421	2.0
Berkshire Hathaway	USA	Insurance	10,336	1.8
Dr Pepper Snapple	USA	Beverages	9,925	1.7
Unilever	UK	Food Producer	9,818	1.7
Newmont Mining	USA	Mining	8,498	1.5
Diageo	UK	Beverages	5,762	1.0
Greggs	UK	Food	4,140	0.7
Newcrest Mining	Australia	Mining	3,884	0.7
Agnico Eagle Mines	Canada	Mining	3,493	0.6
Total investments			**534,928**	**91.6**
Net current assets			**48,754**	**8.4**
Shareholders' funds			**583,682**	**100.0**

GEOGRAPHIC ANALYSIS OF EQUITY INVESTMENTS AS AT 31 OCTOBER 2013

	Valuation 31 October 2013 £'000	Equity investments %
USA equities	113,684	48.5
UK equities	74,343	31.7
Swiss equities	21,305	9.1
Canadian equities	21,280	9.1
Australian equities	3,884	1.6
Total equity investments	**234,496**	**100.0**

INVESTMENT ADVISER'S REPORT

Over the half year to 31 October 2013 the net asset value per share ("NAV") of Personal Assets Trust ("PAT") fell by 4.9%, while our comparator the FTSE All-Share Index ("FTSE"), rose by 5.8%.

Our short term performance was disappointing. Having made good progress in generating positive returns until the summer of 2012, we failed to capture the more recent upside in stock markets. Performance was negatively affected by weakness in index-linked bonds and gold, lacklustre performance from some stocks and the drag from holding cash in a rising market. Despite subdued economic and corporate profits growth compared to previous cycles, stocks have in our view been driven up unjustifiably on a wave of QE-led liquidity. Two years ago US GDP growth for 2013 was forecast by the Federal Reserve to be 2.5% but is now expected to come in at 1.6%. Similarly, in the UK the Office of Budget Responsibility forecast 2.9% growth for 2013 but it is now expected to be a meagre 1.4%. Furthermore, despite policy makers' desperate attempts to encourage consumers to take on more leverage, existing high debt levels are likely to constrain future growth.

A number of our stocks tracked sideways over the past year or so, Coca-Cola, BAT and Unilever to name but three. This is not to say that these strong franchises have deteriorated, but because for the time being there is greater enthusiasm for higher risk, recovery-related sectors such as airlines, autos, banks and house builders. Such sectors hold little appeal for us as long term investors because they have a history of creating little value over the cycle. We hope, instead, for opportunities to add to our existing holdings at more attractive valuations.

Recent weakness in the price of gold has been unwelcome, but just because an insurance policy does not pay out for one year in thirteen it does not mean we should not hold it. The opportunity cost of holding gold is now low. Negative *real* interest rates are here to stay. Beggar-my-neighbour policies, reminiscent of the 1930s, instigated by central banks to keep their currencies competitive will lead to an on-going debasement of paper currencies. The rigging of financial markets by central banks will not end well. Gold, therefore, is not a short term trade but long term portfolio insurance.

Portfolio turnover was minimal during the six month period. Share price weakness enabled us to acquire one new holding, Dr Pepper Snapple Group. The origins of the soft drinks company go back to 1885, one year before Coca-Cola. We have a preference for businesses with longevity and strong brands that sell necessities or small luxuries that generate consistent cash returns. Management has a history of rewarding shareholders via healthy dividends and share buybacks.

Contrarian investment is always a challenge. Back in 2009 and 2010 we found a number of outstanding investment opportunities which we felt confident would generate good long term returns. Today's investment landscape is more like a barren desert, with only very select opportunities available. As stock markets race to new all-time highs we become ever more sceptical and cautious. Driving up valuations also drives up risk. The proportion of stocks bought with borrowed money on the NYSE has hit all-time highs and the number of new issues coming to the market, especially from private equity, is reminiscent of 1999 or 2007.

By not permitting markets to function properly, central banks are sowing the seeds of the next crisis. Try as they may, they cannot rig the markets for ever; and finding a way to escape from the unconventional policy that has prevailed since 2009 will prove challenging. Central banks are in a trap of their own making. Fed Chairman Ben Bernanke's merest hint of a wish to 'taper' QE in June sent bond and equity markets into a spin, exposing the vulnerability of all asset markets to a halt in monetary stimulus. Credibility is hard won and easily lost. Like Goethe's Sorcerer's Apprentice, central banks risk losing control of the excess liquidity, ultimately leading to currency crises and higher levels of inflation. We need to prepare for such an eventuality, even though others are partying like it's 1999.

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 2013

		(Unaudited) Six months ended 31 October 2013	
	Revenue Return £'000	**Capital Return £'000**	**Total £'000**
Investment income	**5,569**	**–**	**5,569**
Other operating income	**174**	**–**	**174**
(Losses)/gains on investments held at fair value through profit or loss	**–**	**(33,081)**	**(33,081)**
Foreign exchange gains/(losses)	**–**	**5,439**	**5,439**
Total income	**5,743**	**(27,642)**	**(21,899)**
Expenses	**(1,356)**	**(1,284)**	**(2,640)**
Profit before taxation	**4,387**	**(28,926)**	**(24,539)**
Taxation	**(250)**	**–**	**(250)**
(Loss)/profit for the period	**4,137**	**(28,926)**	**(24,789)**
Earnings per share	**£2.39**	**(£16.73)**	**(£14.34)**

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 loss or profit for the period other than expenses of £43,000 charged directly to the Share Premium account in respect of the issue of the Company's Shares in the year ended 30 April 2013. Accordingly the 'loss or profit for the period' is also the 'total comprehensive income for the period'.

(Unaudited) Six months ended 31 October 2012			(Audited) Year ended 30 April 2013		
Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
4,212	–	4,212	11,695	–	11,695
179	–	179	309	–	309
–	14,888	14,888	–	31,804	31,804
–	(730)	(730)	–	(6,629)	(6,629)
4,391	14,158	18,549	12,004	25,175	37,179
(1,236)	(1,162)	(2,398)	(2,612)	(2,448)	(5,060)
3,155	12,996	16,151	9,392	22,727	32,119
(220)	–	(220)	(590)	–	(590)
2,935	12,996	15,931	8,802	22,727	31,529
£2.00	£8.84	£10.84	£5.69	£14.70	£20.39

Condensed Group Balance Sheet

As at 31 October 2013

	(Unaudited) 31 October 2013 £'000	(Unaudited) 31 October 2012 £'000	(Audited) 30 April 2013 £'000
Non current assets			
Investments held at fair value through profit or loss	**534,928**	532,376	576,744
Net current assets	**48,754**	5,641	16,501
Net assets	**583,682**	538,017	593,245
Total equity	**583,682**	538,017	593,245
Net asset value per Ordinary share	**£334.75**	£344.67	£351.89

Condensed Group Statement of Changes in Equity

For the six months ended 31 October 2013

	(Unaudited) Six months ended 31 October 2013 £'000	(Unaudited) Six months ended 31 October 2012 £'000	(Audited) Year ended 30 April 2013 £'000
Opening equity shareholders' funds	**593,245**	463,473	463,473
(Loss)/profit for the period	**(24,789)**	15,931	31,529
Ordinary dividends paid	**(4,842)**	(4,107)	(8,631)
Issue of Ordinary shares	**20,678**	62,720	106,874
Buy-back of Ordinary shares	**(610)**	–	–
Closing equity shareholders' funds	**583,682**	538,017	593,245

CONDENSED GROUP CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 OCTOBER 2013

	(Unaudited) Six months ended 31 October 2013 £'000	(Unaudited) Six months ended 31 October 2012 £'000	(Audited) Year ended 30 April 2013 £'000
Net cash inflow from operating activities	**2,332**	2,577	4,333
Net cash inflow/(outflow) from investing activities	**16,810**	(63,172)	(90,444)
Net cash inflow/(outflow) before financing activities	**19,142**	(60,595)	(86,111)
Net cash inflow from financing activities	**16,454**	58,473	97,986
Net increase/(decrease) in cash and cash equivalents	**35,596**	(2,122)	11,875
Cash and cash equivalents at the start of the period	**9,306**	5,535	5,535
Realised gains/(losses) on foreign currency	**11,018**	3,923	(8,104)
Cash and cash equivalents at the end of the period	**55,920**	7,336	9,306

NOTES

1. The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standard ('IFRS') IAS 34 'Interim Financial Reporting' and, except as described below, the accounting policies set out in the statutory accounts of the Group for the year ended 30 April 2013. The condensed consolidated financial statements do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 April 2013, which were prepared under full IFRS requirements.

   The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013. The following changes in accounting standards are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 30 April 2014.

   - Presentation of Items of Other Comprehensive Income (Amendments to IAS 1 'Presentation of Financial Statements'). The amendments to IAS 1 change the grouping of items presented in Other Comprehensive Income in its Consolidated Statement of Comprehensive Income. Items that could be reclassified to profit or loss at a future point in time are now required to be presented separately from items that will never be reclassified. The amendment has no impact on the recognised assets, liabilities and comprehensive income of the Group.

   - IFRS 13 'Fair Value Measurement' (2011). IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. In particular, it unifies the definition of fair value as the price at which an ordinary transaction to sell an asset or to transfer a liability would take place between investor participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 'Financial Instruments: Disclosures'. Some of these disclosures are specifically required in interim financial statements for financial instruments; accordingly, the Group has included additional disclosures in this regard (see note 6). The change has no significant impact on the measurement of the Group's assets and liabilities.

2. The return per Ordinary share figure is based on the net loss for the six months of £24,789,000 (six months ended 31 October 2012: net profit of £15,931,000; year ended 30 April 2013: net profit of £31,529,000) and on 1,728,586 (six months ended 31 October 2012: 1,469,780; year ended 30 April 2013: 1,546,313) Ordinary shares, being the weighted average number of Ordinary shares in issue during the respective periods.

3. In respect of the year ending 30 April 2014 the Board has declared a first interim dividend of £1.40 per Ordinary share, which was paid on 19 July 2013, and a second interim dividend of £1.40 per Ordinary share, which was paid on 18 October 2013. In respect of the year ended 30 April 2013 the Board declared four interim dividends of £1.40 per Ordinary share. This gave a total dividend for the year ended 30 April 2013 of £5.60 per Ordinary share.

4. At 31 October 2013 there were 1,743,649 Ordinary shares in issue (31 October 2012: 1,560,986; 30 April 2013: 1,685,901). During the six months ended 31 October 2013 the Company issued 59,573 Ordinary shares and bought back 1,825 Ordinary shares to be held in treasury for future re-issue.

5. The Board has considered the requirements of IFRS 8 'Operating Segments'. The Board is of the view that the Group is engaged in a single segment of business, being that of investing in equity shares, fixed interest securities and other investments, and that therefore the Group has only a single operating segment.

6. The Group held the following categories of financial instruments as at 31 October 2013:

	Level 1 **£'000**
Investments	534,928
Current assets	846
Total	535,774

The above table provides an analysis of investments based on the fair value hierarchy described below and which reflects the reliability and significance of the information used to measure their fair value. The levels are determined by the lowest (that is the least reliable or least independently observable) level of impact that is significant to the fair value measurement for the individual investment in its entirety as follows:

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments the fair value of which is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique the variables of which include only data from observable markets.

Level 3 reflects financial instruments the fair value of which is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

There were no transfers of investments between levels in the period ended 31 October 2013.

The following table summarises the Group's Level 1 investments that were accounted for at fair value in the period to 31 October 2013.

	Group (Level 1) £'000
Opening book cost	486,743
Opening fair value adjustment	96,427
Opening valuation	583,170
Movement in the year:	
Purchases at cost	264,602
Effective yield adjustment	911
Sales – proceeds	(274,603)
– gains on sales	4,504
Increase in fair value adjustment	(42,810)
Closing valuation at 31 October 2013	535,774
Closing book cost	482,157
Closing fair value adjustment	53,617
Closing valuation at 31 October 2013	535,774

Other aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 April 2013.

NOTES (continued)

The fair value of the group's financial assets and liabilities as at 31 October 2013 was not materially different from their carrying values in the financial statements.

7. 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 2013, 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 2013 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

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 2013.

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

21 November 2013

Corporate Information

Board of Directors

Hamish Buchan (Chairman)
Robin Angus
Gordon Neilly
Stuart Paul
Frank Rushbrook

Executive Office

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

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ISIN:	GB0006827546
Bloomberg:	PNL LN
EPIC:	PNL

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