

**PERSONAL  
ASSETS  
TRUST PLC**

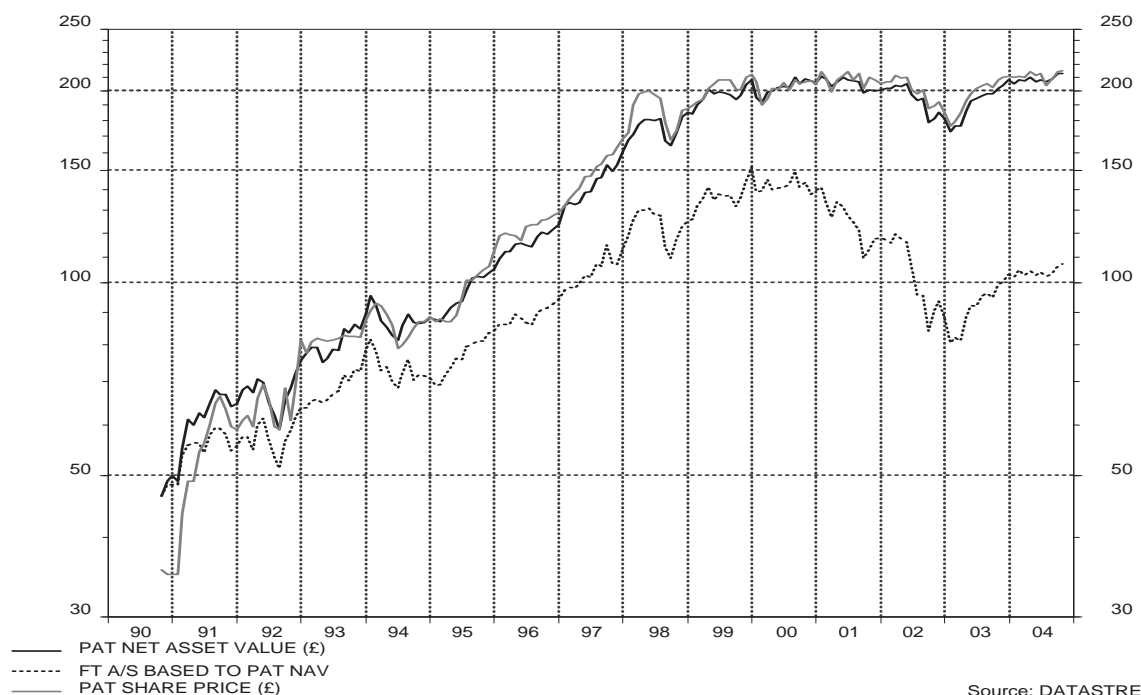
**Interim Report for  
the six months ended  
31 October 2004**

## PERSONAL ASSETS TRUST PLC

### Interim Results (unaudited) for six months to 31 October 2004

- Personal Assets Trust plc (“PAT”) is an independently managed investment trust run for private investors.
- Over the six months to 31 October 2004 PAT’s net asset value per share (“NAV”) rose by 1.5% to £213.41 compared to a rise of 2.7% in our benchmark, the FTSE All-Share Index. PAT’s share price rose by £1.00 to £215.50 over the same period, representing a premium of 1.0% to the Company’s NAV at that date.
- The Board measures PAT’s performance over rolling three-year periods. Over the three years to 31 October 2004 the NAV rose by 6.4% compared to the FTSE All-Share Index’s fall of 4.8%, equivalent to an outperformance of 3.8% per annum.
- During the period PAT continued to use FTSE 100 Futures to manage its exposure to the UK equity market. While the unaudited Group Balance Sheet (*see opposite*) shows that PAT’s holdings of cash and bonds amounted to 61% of shareholders’ funds at 31 October 2004, the FTSE 100 Futures we held at that date reduced our effective liquidity to the Board’s desired level of 33% (30 April 2004: 30%). The Board believes that equity markets are still overvalued. Our current level of liquidity reflects the Board’s stated aim of protecting the value of shareholders’ funds pending a future investment in equities.
- Over the six months PAT’s shares continued to trade close to NAV. We issued 11,780 new ordinary shares (raising just under £2.5 million of new capital) at a small premium to satisfy continuing demand for the Company’s shares, principally through its zero-charge Investment Plans. At 31 October 2004, 45% of the Company’s share capital was held in these plans. The Company also bought 2,500 ordinary shares for cancellation during the period.
- Earnings for the period were £1.10 per share (2003: £1.99). Earnings for the first six months should not be taken as a guide for the full year.
- The first interim dividend of £1.60 per ordinary share, announced on 14 October 2004 (2003: £1.50), was paid to shareholders on 19 November 2004.

#### Personal Assets Performance against FTSE All-Share



**Group Balance Sheet  
(unaudited)**

	<b>31 October 2004 <u>£'000</u></b>	31 October 2003 <u>£'000</u>	30 April 2004 <u>£'000</u>
<b>Investments</b>			
Equities	<b>53,873</b>	36,287	54,160
Fixed interest	<b>68,326</b>	38,351	73,078
Other investments (Standard Life Sterling Fund)	<b><u>10,190</u></b>	<u>15,825</u>	<u>5,073</u>
	<b>132,389</b>	90,463	132,311
Net current assets	<b><u>6,439</u></b>	<u>31,972</u>	<u>2,459</u>
Net assets	<b><u>138,828</u></b>	<u>122,435</u>	<u>134,770</u>
Ordinary shareholders' funds	<b><u>138,828</u></b>	<u>122,435</u>	<u>134,770</u>
<b>Net asset value per share</b>	<b>£213.41</b>	£202.34	£210.17

Shares in issue at 31 October 2004 were 650,533 (31 October 2003: 605,084, 30 April 2004: 641,253).

**Portfolio Valuation**

	Percentage of Fund	31 October 2004 <u>£'000</u>	Purchases/ (Sales) <u>£'000</u>	30 April 2004 <u>£'000</u>
Royal Bank of Scotland	5.9%	8,197	85	8,550
BP	5.5%	7,702	–	7,118
HBOS	4.6%	6,383	–	6,392
Shell Transport & Trading	4.0%	5,617	–	5,096
Barclays	3.8%	5,214	–	4,983
GlaxoSmithKline	3.1%	4,244	–	4,318
Scottish & Newcastle	2.4%	3,307	–	3,368
BT Group	1.6%	2,229	–	2,142
Rentokil Initial	1.1%	1,550	–	1,880
British Assets Trust	1.1%	1,541	–	1,530
Other holdings (11)	5.6%	7,839	–	8,783
Exposure to FTSE 100 Future	28.1%	38,966	–	38,251
<b>Total equity exposure</b>	<b>66.8%</b>	<b>92,789</b>	<b>85</b>	<b>92,411</b>
Canadian 0% 01 December 2004	49.2%	68,326		
Liability to FTSE 100 Future	(27.7)%	(38,472)		
Standard Life Sterling Fund	7.3%	10,190		
Net current assets	4.4%	5,995		
<b>Net liquidity</b>	<b>33.2%</b>	<b>46,039</b>		
<b>Ordinary shareholders' funds</b>	<b>100.0%</b>	<b>138,828</b>		

## Group Statement of Total Return (unaudited) (Incorporating the Revenue Account)

	For the six months to 31 October 2004			For the six months to 31 October 2003			For the year to 30 April 2004		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	-	814	814	-	2,061	2,061	-	3,355	3,355
Gains on derivative arrangements	-	841	841	-	4,111	4,111	-	6,013	6,013
Exchange differences	-	1,159	1,159	-	2,810	2,810	-	4,393	4,393
Income	1,184	-	1,184	1,685	-	1,685	3,358	12	3,370
Expenses	(440)	(435)	(875)	(328)	(322)	(650)	(729)	(696)	(1,425)
<b>Return on ordinary activities before tax</b>	<b>744</b>	<b>2,379</b>	<b>3,123</b>	<b>1,357</b>	<b>8,660</b>	<b>10,017</b>	<b>2,629</b>	<b>13,077</b>	<b>15,706</b>
Tax on ordinary activities	(36)	22	(14)	(204)	96	(108)	(257)	209	(48)
<b>Return attributable to ordinary shareholders</b>	<b>708</b>	<b>2,401</b>	<b>3,109</b>	<b>1,153</b>	<b>8,756</b>	<b>9,909</b>	<b>2,372</b>	<b>13,286</b>	<b>15,658</b>
Dividends in respect of ordinary shares	(1,044)	-	(1,044)	(908)	-	(908)	(1,935)	-	(1,935)
Transfer (from)/to reserves	(336)	2,401	2,065	245	8,756	9,001	437	13,286	13,723
Return per share	<b>£1.10</b>	<b>£3.71</b>	<b>£4.81</b>	£1.99	£15.15	£17.14	£3.98	£22.31	£26.29

### Notes

- The return per Ordinary Share is based on 646,505 shares, being the weighted average number of shares in issue (31 October 2003: 578,159, 30 April 2004: 595,622).
- These are not statutory accounts in terms of Section 240 of the Companies Act 1985 and are unaudited. Full accounts for the year to 30 April 2004, which received an unqualified audit report, have been lodged with the Registrar of Companies. No accounts in respect of any period after 30 April 2004 have been reported on by the Company's auditors or delivered to the Registrar of Companies.
- During the period the Directors allotted 11,780 Ordinary Shares and bought for cancellation 2,500 Ordinary Shares raising a net amount of £1,993,000.

## Summarised Group Statement of Cash Flows (unaudited)

	Six months to 31 October 2004 £'000	Six months to 31 October 2003 £'000	Year to 30 April 2004 £'000
Cash inflow from investment income and deposit interest	1,574	1,946	3,203
Cash outflow of management and other expenses	(849)	(703)	(1,389)
Net cash inflow from operating activities	725	1,243	1,814
Taxation	7	-	(30)
Cost of investments purchased less proceeds of investments sold <sup>(1)</sup>	1,793	8,567	(30,566)
Ordinary dividends paid	(1,030)	(840)	(1,749)
Proceeds from new Ordinary Shares issued <sup>(2)</sup>	2,498	9,110	16,723
Cost of Ordinary Shares bought for cancellation <sup>(2)</sup>	(505)	-	-
Increase/(decrease) in cash	<b>3,488</b>	<b>18,080</b>	<b>(13,808)</b>

- Described in accounting terms as 'capital expenditure and financial investment'.
- Described in accounting terms as 'financing'.