

# Personal Assets Trust plc

## Interim Management Statement

### For the Four Month Period from 1 November 2009 to 28 February 2010

#### Investment Objective

Personal Assets is an investment trust run expressly for private investors. Its capital structure is the simplest possible for an investment trust, consisting only of ordinary shares. Its investment objective is to protect and increase (*in that order*) the value of shareholders' funds 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. Since Personal Assets invests for the long term, the Board assesses performance not annually at the end of each accounting year but over rolling three-year periods.

We aim to pay as high, secure and sustainable a dividend as is compatible with maintaining our investment flexibility. We intend the present dividend rate to grow in real terms and it is our policy never to cut the dividend rate, so shareholders know that each half-yearly payment will at least equal the previous one.

The Board's policy is to ensure that the shares of Personal Assets always trade at close to NAV.

#### Performance Summary

	As at 28 February 2010	As at 31 October 2009	Movement
Market capitalisation	£227.0m	£205.0m	10.7%
Shareholders' funds	£226.0m	£203.2m	11.2%
Effective liquidity <sup>(1)</sup>	35.0%	26.2%	-
Share price	£281.38	£263.00	7.0%
Net asset value per share	£280.14	£260.67	7.5%
Premium to NAV	0.4%	0.9%	-
FTSE All-Share index	2,736.80	2,584.59	5.9%

<sup>(1)</sup> Includes holding in Gold Bullion Securities of 9.5% at 28 February 2010 (31 October 2009: 8.6%).

#### Period Review and Material Events

A review of the six months ended 31 October 2009 and of material events that took place during that period will be found in Personal Assets Trust plc's Interim Report. This also contains a review of the principal risks and uncertainties for the remaining six months of our financial year to 30 April 2010.

Equity exposure was reduced from 74% to 65% over the period. We are still sceptical of the rally in equities which began in March last year. As investors have become more optimistic and justifying higher valuations for stocks we remain censorious of a rally driven by liquidity via unprecedented financial distortions of 'free' printed money. Investors find themselves in a phoney world of zero interest rates and quantitative easing which has led to distorted prices of a number of asset classes including bonds, equities and property. During the quarter we decreased our holding in equities, primarily via the holding in FTSE 100 Futures. We also increased the trust's holding in gold bullion, which we view as money that cannot be printed. The individual stocks we hold give us exposure to defensive cash generative businesses which should steer through the very difficult economic conditions we expect for some time to come. While most of these companies are domiciled in the UK, their revenues and profits are generated outside the country.

Over the four months ended 28 February 2010 the Company issued 27,258 Ordinary shares from its various block listings for a total consideration of £7.5 million, representing 3.5% of the Ordinary shares in issue at the beginning of the period.

### Top Ten Equity Holdings as at 28 February 2010

<b>Company</b>	<b>Percentage of shareholders' funds</b>	<b>Percentage of equity exposure</b>
Royal Dutch Shell 'B'	5.9	9.1
Nestle	5.5	8.5
British American Tobacco	4.4	6.8
Coca Cola	3.9	6.0
Diageo	3.7	5.7
GlaxoSmithKline	3.5	5.4
Berkshire Hathaway 'A'	3.3	5.1
Tesco	3.2	4.9
Philip Morris International	2.6	4.0
Alliance Trust	2.5	3.8
Other equities (10)	14.0	21.5
FTSE 100 Futures	12.5	19.2
Total	65.0	100.0

### Geographical Analysis as at 28 February 2010

<b>Country</b>	<b>Percentage of shareholders' funds</b>
UK equity exposure (including futures)	44.1
US equities	15.4
European equities	5.5
Liquidity	35.0
Total	100.0

### Sector Distribution as at 28 February 2010

<b>Sector</b>	<b>Percentage of shareholders' funds</b>
Oil & Gas	8.2
Basic Materials	3.2
Industrials	1.4
Consumer Goods	23.4
Health Care	6.5
Consumer Services	5.4
Telecom	0.7
Utilities	4.6
Financials	5.9
Investment Trusts	3.1
Technology	2.6
Liquidity	35.0
Total	100.0

**Additional Information**

Further information regarding the Company, including Quarterly Reports and Investment Plan documents can be obtained from the Company's website [www.patplc.co.uk](http://www.patplc.co.uk) or from:

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