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**Pacific Assets Trust plc**  
LEI No: 2138008U8QPGAESFYA48

## **Strategic Initiatives**

2 October 2025

The Board of Pacific Assets Trust plc (the “**Company**”) today announces strategic initiatives for the benefit of its shareholders that comprise a reduction in portfolio management fees, the introduction of a three-year performance-related tender offer for up to 25% of the Company’s issued share capital (excluding treasury shares) (the “**Conditional Tender Offer**”) and a reinforced commitment to buying back shares to help reduce both the discount to net asset value (“**NAV**”) at which the Company’s shares trade and discount volatility.

### **Reduction in portfolio management fees**

The Board has agreed with its portfolio manager, Stewart Investors (the “**Portfolio Manager**”), a reduction in the portfolio management fee, with effect from 1 October 2025, from a flat 0.85% per annum of NAV to a tiered structure based on the lower of the Company’s market capitalisation and NAV, set at 0.75% per annum on the first £500 million and 0.65% per annum thereafter. This change reflects the evolving competitive landscape within the investment trust sector and introduces meaningful economies of scale.

### **Conditional Tender Offer**

Under the terms of the Conditional Tender Offer, in the event that the NAV total return performance of the Company (on a cumulative basis) does not exceed the sterling-adjusted total return of the MSCI AC Asia ex Japan Index (on a cumulative basis) (the “**Index**”), plus 0.5% per annum (the “**Hurdle**”), over the seven year period ending 31 October 2028 (a period with just over three years remaining) (the “**Assessment Period**”), the Board intends to offer shareholders the opportunity to tender up to 25% of their shares at a price equal to a 2% discount to the Company’s prevailing NAV per share (less the costs of implementing the Conditional Tender Offer).

To minimise the “spot risk” inherent in measuring performance between discrete calculation dates, performance over the Assessment Period will be measured using the Company’s average seven year NAV total return over each of the trading days in the final month of the Assessment Period, being October 2028, against the average total return of the Index, plus the Hurdle, over the same period.

The Board believes the Assessment Period provides an appropriate timeframe for the Company and its Portfolio Manager, which has a long-term investment approach, to deliver outperformance of the Index. Of the proposed Assessment Period, just under four years have elapsed. From the start of the Assessment Period (1 November 2021) to 30 September 2025, the NAV total return was 9.3%, against 19.9% for the Index. By incorporating the earlier underperformance into the Assessment Period, the Conditional Tender Offer will be triggered unless the Portfolio Manager is

able to make up the historical underperformance and exceed the Index, plus the Hurdle, over the remaining three years.

Notwithstanding Index underperformance measured over shorter time periods, the Company has outperformed the Index over the longer term, as referenced in the Half Year Report announced today by the Company. The Company outperformed the Index over the five years ended 31 July 2025, with a NAV total return of 44.6% against 28.0% for the Index. On the same basis, over the seven years to 31 July 2025, the Company returned 49.5% against 39.3% for the Index.

As such, the Board continues to be supportive of the Portfolio Manager, with its clearly articulated absolute return mindset and bottom-up approach to allocating capital over the long term to quality companies in the Asia Pacific region, which contribute to and benefit from sustainable development, whilst minimising downside risk. The introduction of the Conditional Tender Offer will not impact the Portfolio Manager's investment process, strategy and management of the portfolio.

The Conditional Tender Offer is contingent on the Company having the requisite shareholder approval to introduce the Conditional Tender Offer at the relevant time.

#### **Proactive discount management**

During the six months to 31 July 2025, the Company repurchased 2,270,000 shares (representing 1.9% of issued share capital), at a total cost of £7.7 million, and at an average discount of 12.6%.

The Board has recently increased the pace and quantum of share buybacks as the share price discount has widened, reinforcing the Board's commitment to enhancing shareholder value and managing the discount proactively. From 1 August 2025 to 30 September 2025, the Company repurchased 1,665,879 shares (representing 1.4% of issued share capital), at a total cost of £5.9m, at an average discount of 10.9%.

The introduction of the Conditional Tender Offer will not change the Board's current approach to discount management. The Board is firmly committed to actively buying back its own shares when it believes this to be in shareholders' best interests.

**Andrew Impey, Chair of the Company**, commented,

*"The Board is pleased to have secured a revised, competitive portfolio management fee from its Portfolio Manager, whose clearly differentiated investment process has delivered robust, long-term, risk-adjusted returns. The newly introduced Conditional Tender Offer further aligns the Portfolio Manager with shareholders, as the Portfolio Manager seeks to deliver outperformance of the Index over longer time periods. Meanwhile, the Board has stepped up share buybacks in response to the Company's persistent discount and intends to continue repurchasing the Company's shares at an appropriately active level."*

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