

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, solicitor, accountant, bank manager or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser.

If you have sold or otherwise transferred all of your shares in Personal Assets Trust plc, please send this document, together with the accompanying form of proxy, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

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# **PERSONAL ASSETS TRUST PLC**

*(Incorporated in Scotland with registered number SC074582)*

*(An investment company within the meaning of section 833 of the Companies Act 2006)*

## **Notice of Extraordinary General Meeting to renew the Board's authority to issue further Shares**

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Notice of an extraordinary general meeting of Personal Assets Trust plc to be held at 11.00 a.m. on Wednesday, 31 March 2010 is set out at the end of this document. To be valid, the form of proxy accompanying this document must be completed and returned, in accordance with the instructions printed on it, so as to be received by the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR, as soon as possible, but in any event not later than 11.00 a.m. on Monday, 29 March 2010.

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### EXPECTED TIMETABLE

	<i>2010</i>
Latest time and date for receipt of forms of proxy from Shareholders	11.00 a.m. on Monday, 29 March
Extraordinary general meeting	11.00 a.m. on Wednesday, 31 March
Issue of prospectus	March/April
Issues of further Shares	From March
Admissions and dealings commence in new Shares	From March

## LETTER FROM THE CHAIRMAN

# PERSONAL ASSETS TRUST PLC

*(Incorporated in Scotland with registered number SC074582)*

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### *Directors:*

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

### *Registered Office:*

80 George Street  
Edinburgh  
EH2 3BU

3 March 2010

Dear Shareholder

## **EXTRAORDINARY GENERAL MEETING TO RENEW THE BOARD'S AUTHORITY TO ISSUE FURTHER SHARES**

### **Introduction**

In order to meet the continuing demand for the Company's Shares, the Board wishes to seek an early renewal of its authority to issue further Shares.

The purpose of this document is, therefore, to convene an extraordinary general meeting at which appropriate new shareholder authorities will be sought. The EGM will be held at 11.00 a.m. on Wednesday, 31 March 2010 at 80 George Street, Edinburgh EH2 3BU.

### **Reasons for requiring an early renewal of the Board's authorities**

At the annual general meeting of the Company which was held on 16 July 2009, Shareholders granted the Board standard authorities to allot (and, as the case may be, to reissue from treasury) up to an agreed maximum number of Shares on a non pre-emptive basis during the period from that annual general meeting until the Company's next annual general meeting, which is expected to be held in July 2010.

The authorities which were granted to the Board included, more specifically:

- an authority to allot new Shares with an aggregate nominal value of up to £938,750 (effectively amounting, therefore, to an authority to allot up to 75,100 new Shares); and
- an authority to allot new Shares, and to reissue Shares from treasury, with an aggregate nominal value of up to £938,750 on a non pre-emptive basis for cash (again effectively amounting, therefore, to an authority to allot and/or reissue up to 75,100 Shares).

These authorities are due to expire at the conclusion of the Company's next annual general meeting (or on 31 October 2010, if earlier), unless Shareholders resolve to revoke, vary or extend those authorities at an earlier date.

In the period from 16 July 2009 to 1 March 2010, the Board has exercised its existing authorities in issuing 49,944 new Shares on a non pre-emptive basis for cash and at a premium to the prevailing NAV. No Shares were issued from treasury during that period, the Company having exhausted its entire holding of treasury shares by 16 July 2009. Accordingly, as at 1 March 2010, the Company had the capacity to issue only a further 25,156 new Shares on a non pre-emptive basis for cash under the existing authorities. The Board believes that this current capacity may prove insufficient to allow the Board to continue to implement the Company's discount control policy and to satisfy demand for the Company's Shares during the period up to the Company's next annual general meeting.

## **Intentions regarding the issue of further Shares**

Investment trusts have long suffered from volatile discounts to NAV. Sometimes, too, the shares of individual investment trusts may sell temporarily at a significant premium to NAV. This can put those investing regularly through investment plans at a disadvantage, because they may find themselves buying shares at a sizeable premium which almost certainly will not be sustained and which will therefore have an adverse effect on the return from their investment. In view of the disadvantages to shareholders of such discount and premium fluctuations, the Board's policy, which was incorporated in the Company's articles of association by resolution of Shareholders at the annual general meeting held on Thursday 17 July 2008, is to ensure that the Shares always trade at close to NAV. The Board seeks to achieve this through a combination of share buy-backs and, of equal importance, the issue of new Shares at a small premium to net asset value when demand exceeds supply.

The Board considers that the Company's continuing ability to issue Shares at a premium in order to prevent a building up of excessive demand for the Shares is necessary to fulfil the obligation laid upon the Board by the Company's articles of association to reduce the risk of volatility in the price of a Share relative to its net asset value and, accordingly, the Board considers that successfully securing the authorities which are to be sought from Shareholders at the EGM is essential to the Company's ability to continue the effective operation of its discount control mechanism.

The Directors will only issue new Shares (or, as the case may be, re-issue Shares from treasury) when they believe that it is advantageous to the Company's Shareholders to do so and in no circumstances would any issue of new Shares or re-issue of Shares from treasury be at an issue price which would result in a dilution of NAV.

## **Prospectus requirement**

The Prospectus Rules provide that where a company wishes to apply for the admission to trading on a regulated market of shares representing, over a period of 12 months, 10 per cent. or more of that company's shares which are already admitted to trading on that regulated market, then the company concerned is required to issue a prospectus.

The Company anticipates that it is likely to exceed the rolling 12 months' 10 per cent. limit on applications for admission to trading in the course of using the authorities which are to be sought at the EGM. Accordingly, the Company intends to publish a prospectus shortly following the date of the EGM, on the assumption that the required authorities are obtained at the EGM.

## **Costs and expenses of the proposed issues of Shares**

It is estimated that the aggregate costs to be incurred in connection with the preparation of the prospectus and this document (the "Documentation Costs") will be approximately £64,000 (excluding VAT). Further Shares will be issued at a level of premium to NAV such that, disregarding the Documentation Costs, no issue of Shares is expected to be dilutive to NAV after taking into account the other costs of the issue.

## **Extraordinary general meeting**

The notice convening the EGM is set out on pages 7 and 8 of this document. The EGM will be held at 11.00 a.m. on Wednesday, 31 March 2010 at 80 George Street, Edinburgh EH2 3BU.

The following items of business will be proposed at the EGM:

### *Resolution 1*

Resolution 1 is to authorise the Directors to issue new Shares up to an aggregate nominal amount of £1,008,600, representing 10 per cent. of the total ordinary share capital of the Company in issue as at 1 March 2010 (the latest practicable date prior to the publication of this document). As at the date of this document, no Shares were held by the Company in treasury. The Directors intend to exercise this authority for the purposes explained in the section entitled "*Intentions regarding the issue of further Shares*" above. If approved by Shareholders, the authority conferred by resolution 1 will continue in effect until 31 October 2010 or, if earlier, the conclusion of the Company's next annual general meeting. Resolution 1 will be proposed as an ordinary resolution.

### *Resolution 2*

Resolution 2 is to enable the Directors to issue new Shares and resell Shares held in treasury up to an aggregate nominal amount of £1,008,600 (representing 10 per cent. of the total ordinary share capital in issue as at 1 March 2010 (the latest practicable date prior to the publication of this document)) for cash

without first offering such Shares to existing Shareholders *pro rata* to their existing shareholdings. Resolution 2 will be proposed as a special resolution.

**Action to be taken**

Shareholders will find enclosed with this document a form of proxy for use in connection with the EGM. Whether or not Shareholders propose to attend the EGM, they are requested to complete, sign and return the form of proxy as soon as possible, in accordance with the instructions printed on it.

To be valid, the enclosed form of proxy must be lodged with the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR, as soon as possible and, in any event, so as to arrive by not later than 11.00 a.m. on Monday, 29 March 2010. The completion and return of the form of proxy will not prevent a Shareholder from attending and voting in person at the EGM.

**Recommendation**

The Directors consider that the passing of the resolutions set out in the notice of the EGM are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the resolutions to be proposed at the EGM.

The Directors intend to vote in favour of each of the resolutions in respect of their own beneficial holdings of Shares (amounting to 17,771 Shares, representing 2.2 per cent. of the issued share capital of the Company).

Yours faithfully,

**Hamish Buchan**  
*Chairman*

## DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“Board” or “Directors”	the directors of the Company from time to time;
“Company”	Personal Assets Trust plc, a company incorporated in Scotland with the registered number SC074582;
“EGM”	the extraordinary general meeting of the Company convened for 11.00 a.m. on Wednesday, 31 March 2010 or any adjournment of that meeting;
“net asset value” or “NAV”	in relation to a share, means its net asset value on the relevant date as calculated on the basis of the relevant company’s normal accounting policies;
“Prospectus Rules”	means the prospectus rules made by the Financial Services Authority under Part VI of the Financial Services and Markets Act 2000 (as amended) from time to time;
“Shares”	ordinary shares of £12.50 each in the capital of the Company; and
“Shareholders”	holders of Shares.

# PERSONAL ASSETS TRUST PLC

*(Incorporated in Scotland with registered number SC074582)*

*(An investment company within the meaning of section 833 of the Companies Act 2006)*

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Personal Assets Trust plc (the "Company") will be held at 80 George Street, Edinburgh EH2 3BU on Wednesday, 31 March 2010 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions (of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution):

### ORDINARY RESOLUTION

1. That, in substitution for any pre-existing power to allot or grant rights to subscribe for or to convert any security into shares in the Company, but without prejudice to the exercise of any such authority prior to the date of this resolution, the Board of Directors of the Company (the "Directors") be and it is hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £1,008,600, provided that this authority shall expire on the earlier of 31 October 2010 and the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution, unless previously revoked, varied or extended by the Company in general meeting, save that the Company may at any time prior to the expiry of such authority make an offer or enter into an agreement which would or might require shares to be allotted, or rights to subscribe for or to convert securities into shares to be granted, after the expiry of such authority and the Directors may allot shares or grant such rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

### SPECIAL RESOLUTION

2. That, subject to the passing of the ordinary resolution numbered 1 in the notice convening the meeting at which this resolution is to be proposed and in substitution for all existing powers, the Board of Directors of the Company (the "Directors") be and it is hereby empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the "Act"), to allot equity securities (within the meaning of section 560 of the Act) pursuant to any authority for the time being in force under section 551 of the Act and to sell shares held by the Company in treasury, wholly for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power:
  - (i) shall be limited to the allotment of equity securities and the sale of treasury shares for cash up to an aggregate nominal amount of £1,008,600; and
  - (ii) expires on the earlier of 31 October 2010 and the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

*By order of the Board*

Steven Davidson  
Secretary  
3 March 2010

*Registered Office*

80 George Street  
Edinburgh  
EH2 3BU

*Notes:*

1. A shareholder who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote on his/her behalf. Such proxy need not also be a shareholder of the Company. If appointing more than one proxy, each proxy must be appointed to exercise rights attaching to different shares held by the shareholder.
2. A proxy form for use by shareholders at the meeting is enclosed with this document. Proxies must be lodged with the Company's registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR, not less than 48 hours (excluding non-working days) before the time appointed for the meeting together with any power of attorney or other authority (if any) under which it is signed. Completion of the proxy form will not prevent a shareholder from attending the meeting and voting in person.
3. Only those shareholders having their name entered on the Company's share register not later than 6.00 p.m. on 29 March 2010 or, if the meeting is adjourned, on the day which is 48 hours (excluding non working days) prior to the date of the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the Company's share register after that time shall be disregarded in determining the rights of any shareholder to attend, speak and vote at the meeting, notwithstanding any provision in any enactment, the articles of association of the Company or other instrument to the contrary.
4. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual and by logging on to the website [www.euroclear.com/CREST](http://www.euroclear.com/CREST). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's registrars, Equiniti Limited (ID RA19) by no later than 11.00 a.m. on 29 March 2010. No such message received through the CREST network after this time will be accepted. The time of receipt will be taken to be the time from which the Registrars are able to retrieve the message by enquiry to CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ("Nominated Persons"). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes 1. and 2. above does not apply to Nominated Persons. The rights described in these notes can only be exercised by members of the Company.
7. As at 1 March 2010, the Company's issued share capital comprised 806,889 ordinary shares of £12.50 each. Therefore, as at 1 March 2010, the total number of voting rights exercisable at the meeting is 806,889.
8. Any person holding 3 per cent. of the total voting rights in the Company who appoints a person other than the Chairman as his/her proxy will need to ensure that both he/she and such third party comply with their respective disclosure obligations under the Disclosure and Transparency Rules.
9. Information regarding the meeting, including information required by section 311A of the Companies Act 2006, is available from the Company's website, [www.patplc.co.uk](http://www.patplc.co.uk).
10. Under section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:
  - (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
  - (b) the answer has already been given on a website in the form of an answer to a question; or
  - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
11. Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this notice of meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.