Asian Total Return Investment Company plc (formerly Henderson Asian Growth Trust plc)

Half-Year Report and Accounts for the six months ended 30 June 2013

Schroders

Change of name, objective and investment policy

During the period to 30 June 2013, the Company changed its name to Asian Total Return Investment Company plc and, with effect from the close of business on 15 March 2013, appointed a new investment manager (Schroders), and changed its objective and investment policy to those shown below.

Objective

Asian Total Return Investment Company plc seeks to provide a high rate of total return through investment in equities and equity related securities of companies trading in the Asia Pacific region (excluding Japan). The Company seeks to offer a degree of capital preservation through tactical use of derivative instruments.

Investment policy

The Company will principally invest in a diversified portfolio of companies operating primarily in Asia, including Australasia but excluding Japan. It is intended that the Company will have a bias to investing in small and mid cap companies.

Investments may be made in companies listed on the stock markets of countries located in the region and/or listed elsewhere but controlled from within the region and/or with a material exposure to the region. The Company will focus on investing in companies with sound balance sheets, professional management and capital allocation policies that are aligned with the interests of minority shareholders.

The use of derivatives to protect the capital value of the portfolio or for efficient portfolio management is fundamental to the strategy of the Company's portfolio managers. Such derivatives may include listed futures, call options, long puts and OTC instruments. The Board will monitor the effectiveness of the underlying process and the use of derivatives.

In order to obtain further exposure to equity indices or individual stocks, the Company may enter into contracts for difference where the underlying investments are not delivered and settlement is made in cash. In extreme circumstances, and subject to board approval, the majority, or even all, of the Company's assets could be held in cash or near cash instruments, with appropriate diversification of cash held on deposit.

Where appropriate, the Directors may authorise the hedging of the Company's currency exposure.

The Company does not tie its stock selection to the constituents of any benchmark; instead, the size of stock positions are set on an absolute basis reflecting where the best potential risk adjusted returns are to be found.

Directors

David Robins (Chairman)
Hugh Aldous
David Brief
Christopher Keljik
Alexandra Mackesy
Struan Robertson

Advisers

Investment Manager and Company Secretary
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Financial Highlights

	30 June 2013	31 December 2012	% Change
Net asset value ("NAV") per share	**198.37p**	201.15p	(1.4)
Share price	**192.00p**	185.00p	3.8
Discount	**3.2%**	8.0%	
Net cash[1]	**2.7%**	0.2%	

[1]At 30 June 2013 and 31 December 2012, cash exceeded borrowings and this is shown as a "Net cash" position. If borrowings were to exceed cash, this would be shown as "Gearing".

Performance[1]

Total returns to 30 June 2013	6 months %	1 year %	3 years %	5 years %	10 years %
NAV per share[2]	(0.3)	12.7	14.3	56.7	220.3
Share price[3]	5.4	21.5	23.6	70.7	253.7
Reference index[4]	(2.2)	9.2	14.0	52.7	264.3
Peer Group NAV per share[5]	2.9	14.5	25.5	64.3	300.9

[1]The Company appointed a new investment manager (Schroder Investment Management Limited), with effect from close of business on 15 March 2013.

[2]Source: Morningstar. For periods of 6 months, 1, 3 and 5 years, the cum income net asset value total return is shown. For the 10 year period, the ex-income net asset value total return is shown.

[3]Source: Morningstar.

[4]Source: Thomson Financial Datastream. With effect from 15 March 2013, the Reference Index has been the MSCI AC Asia Pacific ex-Japan Index. Prior to that date, it was the MSCI AC Asia ex-Japan Index. The performance numbers shown are a combination of these two indices.

[5]Source: Morningstar. The performance of a group of nine investment trust competitors (arithmetic average).

Interim Management Report

Chairman's Statement

Changes to Investment Management, Investment policy and Company Name

At the General Meeting held on 15 March 2013, shareholders approved the appointment of Schroders as Investment Manager and the change of the Company's investment policy to provide a high rate of total return primarily through investment in equity and equity related securities in Asia Pacific Companies (excluding Japan). Later that day, the name of the Company was changed from Henderson Asian Growth Trust plc to Asian Total Return Investment Company plc. The Company's assets are now managed by Robin Parbrook and King Fuei Lee, based in Hong Kong and Singapore respectively, who transitioned the Company's portfolio to the new investment policy during the period. As at 30 June 2013, the Company held a total of 57 holdings and had a net cash position of 2.7%.

The Company does not tie its stock selection to the constituents of any benchmark. Instead, the size of stock positions are set on an absolute basis reflecting where the best potential risk adjusted returns are to be found. The MSCI All Countries Asia (ex Japan) Index was previously used for reference purposes and this has, since the appointment of the new manager, been changed to the MSCI All Countries Asia Pacific ex-Japan Index to reflect the inclusion of Australasia in the investment policy.

Tender Offer

At the General Meeting, shareholders also authorised a tender offer of up to 50% of the Company's issued share capital and as a result, 74,091,140 of the Company's ordinary shares were repurchased on 27 March 2013, of which 62,977,469 ordinary shares were cancelled and the remaining 11,113,671 ordinary shares were transferred to Treasury.

Discount Management and Re-Issue of Treasury Shares

As part of the package of measures adopted by shareholders at the General Meeting, the Board indicated that periodic tenders related to a discount wider than 10% in any six-month period would no longer be part of the Company's discount management policy and instead it would seek to manage the Company's discount on an on-going basis with the aim of ensuring that the discount to Net Asset Value per Share of the Company's shares was no greater than 9%, in normal market conditions, through the use of the Company's share buyback authorities.

Since the change in manager, the shares have enjoyed a re-rating and between 27 March and 27 August 2013 the shares have traded at an average premium to net asset value of 0.6%. The Company has re-issued 290,000 ordinary shares from Treasury at a modest premium to net asset value.

Performance

In the six months to 30 June 2013, the net asset value total return of your Company fell by 0.3%, which compares to a 2.2% fall in the reference index in sterling terms (the MSCI AC Asia ex-Japan index until 15 March and subsequently the MSCI AC Asia Pacific ex Japan Index).

As outlined above, the period saw the appointment of a new investment manager, the approval of a new investment policy and half the portfolio, as at 15 March 2013, sold and the proceeds of realisation, less costs, used to buy back ordinary shares from the tendering shareholders. The timing of these changes, following approval at the General Meeting, meant that the portfolio in the first quarter of the year was managed in accordance with the old investment policy, with a transition to the new policy in late March that put the new policy and fund manager in place for the second quarter. The NAV underperformed in the first quarter, in part from the trading costs of the move to the new policy, and outperformed in the second quarter. Details of the latter are given in the Manager's Review.

Market Background

In distinct contrast with most developed markets, the first six months of the year were a weak period for Asian markets. The Company's reference index (chain-linked for the change in index in March) fell 2.2% in sterling terms, a return that contrasts with a rise of 21.6% from the US stock market and 24.4% from the Japanese stock market over the same period.*

Part of this lower return reflects Asian companies' profits and share prices having recovered more quickly from the 2008-10 recession. Thus, they have not had the same recovery potential as companies in the West. It also reflects the fact that investors' attention switched away from the region. The developed markets have had new attractions – signs of improvement in the US economy, a transformation in Japan's fiscal and monetary policies under a new Prime Minister, and

Interim Management Report (continued)

the Eurozone's traumas seem temporarily in abeyance – while Asia, still growing faster than all three, has had some challenges.

The biggest has been China. The economy's above–average growth has been slowing, in part because of the government's desire to dampen the substantial growth in credit over recent years and the consequent risk of bank bad debts and rising inflation. The result has been local interest rate increases, falling Chinese share prices, and (for example) lower demand for commodities that has hit Australian mining shares. At the same time, concerns about how long Western quantitative easing will continue have impacted on Asian bond yields, which had previously benefited from inflows into emerging market bond funds.

The result was the region's large markets producing small gains or losses in the first half of the year, with Korea the worst as a loser from Japan's liquidity stimulus when the resulting weak yen fed through to its own competitiveness. The best performing markets were the Philippines and Malaysia, both benefiting from local recoveries in activity.

Gearing

While the Company's Articles limit the amount of gearing to a maximum of the Company's adjusted capital and reserves, the Board does not anticipate net effective gearing levels in excess of 30% of net asset value. The Board has agreed a disciplined framework for gearing, based on a number of specific market valuation levels. Currently, the Company does not employ gearing.

Outlook

It is disappointing – and relatively untypical – to see Asian markets underperforming strong Western markets. Nevertheless, there have been some encouraging developments.

First, with company profits continuing to increase, share ratings in Asia are become more appealing. Secondly, some of the macro-economic and financial concerns holding share prices back are themselves evidence that required long-term changes in the region may be starting. Asian bond yields, for example, had been driven to excessively low levels, with the attendant risk of capital being mispriced and poor investment decisions. The rise in yields suggests this bubble is over, and it is leading to policy decisions (for example India and Indonesia raising interest rates, Thailand and Indonesia cutting fuel and rice subsidies) that are unpopular in the short term but desirable in the longer term.

Similarly, while there is market concern about slowing Chinese growth this year, there is a longer term need for China to transition itself onto a lower growth path rebalanced away from investment towards domestic consumption – again involving short term pain but with the potential of a healthier long-term investment environment.

There is always the risk of Western events derailing Asian markets, particularly now when there is a danger of investors being too optimistic about US economic recovery and the impact of less quantitative easing. Asia's financial strengths remain, however, and the Board notes the Manager's belief that the volatility of individual stocks is starting to offer interesting new investment opportunities. The Board sees any short term weakness in Asia as a potential opportunity to be seized.

David Robins
Chairman

29 August 2013

* net income reinvested: source Schroders.

Interim Management Report (continued)

Investment Manager's Review

Performance Analysis

The new investment manager took over the portfolio after the General Meeting on 15 March 2013, using the rest of the month to raise cash to meet the tender offer and move the remaining assets onto the new investment policy. Therefore, this policy having only been in place from the end of March, comments on performance cover from then until the end of June.

The start of the new policy coincided with a period of weakness in Asian markets, as they reacted to uncertainty both from the West (eg new uncertainty about how long US quantitative easing would continue) and locally, with continued concern about Chinese economic growth. The reference index, which changed to the MSCI AC Asia Pacific ex Japan Index, fell 7.5% in sterling terms in the second quarter, led by Australia (suffering both from falling commodity prices and a weak currency) and Korea (whose exporters suffered from the weaker yen, given the importance of Japanese competitors). There was also a widespread increase in bond yields in the region's emerging countries, another indicator of investors' newfound caution about some of the more optimistic forecasts for the region's future.

The portfolio was unable to avoid losses in this environment, with the NAV return being -3.5% over the three months. That the losses were half those of the reference index was due largely to limiting potential losses in the region's largest market, Australia, together with the portfolio's stock selection in North East Asia.

The relatively small exposure in Australia came from a perceived lack of opportunities locally, while the exposure was further reduced by hedges removing the risk of the Australian dollar falling - as indeed it has done. There was also a small contribution from the capital protection strategy, an integral part of the portfolio's new policy. Concern about the short term outlook led to a small portion of the assets being protected by put options that offset part of the losses as markets fell.

The portfolio's other successes were more company specific, as befits a policy which targets stock selection by the Manager's local team of analysts as a major part of future outperformance. In this quarter these included Taiwanese bicycle maker Giant, rising on strong results driven by its Chinese sales; China's Wuxi Pharmatech on the back of improving profitability; and Halla Visteon Climate Control Group, a Korean manufacturer of automotive air control equipment. The one area of missed opportunity was in Hong Kong, where there were falls in the share prices of trading companies Jardine and Swire, and by Chow Sang Sang, Hong Kong's largest jewellery chain.

The portfolio, through the use of derivative protection, was approximately 76% invested at the end of the second quarter and no gearing was utilised during that time.

Portfolio Positioning

The following table shows your Company's largest stock positions as at 30 June 2013.

Holding	Business	% of Total
Jardine Strategic Holdings	Regional conglomerate	4.3%
Jardine Matheson Holdings	Regional conglomerate	3.6%
Taiwan Semiconductor Mfg	Semiconductors	3.5%
AIA Group	Insurance	3.5%
Brambles	Australian-based pallets and logistics	3.2%
Kasikornbank	Thai bank	3.2%
Hongkong Land	Hong Kong commercial property	3.1%
HSBC	Global bank	3.0%
Sun Hung Kai Properties	Hong Kong and China property	2.9%
Hyundai Motor	Korean car maker	2.9%

The portfolio remains a stock specific selection of holdings where the fund managers believe that the shares are trading well below fair value. As at the time of the introduction of the new policy in March, the portfolio was concentrated in domestic Asian companies, particularly in Hong Kong and Singapore (eg trading companies and property shares, with the latter selling at significant discounts to their net asset value at a time of limited new supply); and in ASEAN (eg in banks, retail, and construction, all of which are expected to benefit from improvements in regional infrastructure and strong domestic

Interim Management Report (continued)

consumer confidence). While the fund managers are not bullish on the global cycle, there is also a preference for industrial shares with good yield in industries with significant barriers to entry.

The resulting portfolio has materially more in ASEAN and Hong Kong-based companies than in the reference index and correspondingly less in the three largest countries (Australia, China and Korea), a reflection of where the fund managers see the opportunities at a stock level. It also has the mid-cap bias anticipated at the time of the appointment of the new manager, with the local analysts continuing to find opportunities across the size spectrum (eg China Lodging, selected small Indonesian banks and Astro Malaysia) at a time when many of the region's largest companies (eg Chinese banks and some of the North East Asian exporters) look less appealing. The portfolio is avoiding cyclicals and 'China-recovery' stocks.

Currently, we continue to believe it is prudent to have some capital protection in place, particularly because the cost of this protection is low by historic standards. At the end of June slightly under a quarter of the portfolio was hedged through exchange-traded index put options, and the fund managers continue to look to hedge the currency risk in the Australian holdings.

Conclusion

The continuing volatility in world markets, as investors react to the challenges facing economies as different as China, the US and the Eurozone, could easily drive Asian markets lower despite their reasonably sound fundamentals, creating an attractive new entry point for Asian equities. If this happens we anticipate removing the hedges, and utilising the gearing facility.

Portfolio Managers
Robin Parbrook and King Fuei Lee
29 August 2013

Interim Management Report (continued)

Principal Risks and Uncertainties

The principal risks and uncertainties with the Company's business fall into the following categories: financial risk; gearing; strategic risk; and accounting, legal and regulatory risk. A detailed explanation of the principal risks and uncertainties in each of these categories can be found on pages 16 and 17 of the Company's published Annual Report and Accounts for the year ended 31 December 2012. These risks and uncertainties have not materially changed during the six months ended 30 June 2013.

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections; that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Related Party Transactions

Details of transactions with the Manager can be found in note 21 on page 44 of the Company's published Annual Report and Accounts for the year ended 31 December 2012. There have been no other material transactions with the Company's related parties during the six months ended 30 June 2013.

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge, this set of condensed financial statements has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) and with the Statement of Recommended Practice Financial Statements of Investment Trust Companies and Venture Capital Trusts (SORP) issued in January 2009 and the Interim Management Report as set out above includes a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's Disclosure and Transparency Rules.

Income Statement

	(Unaudited) For the six months ended 30 June 2013			(Unaudited) For the six months ended 30 June 2012			(Audited) For the year ended 31 December 2012		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	**–**	**4,482**	**4,482**	–	18,924	18,924	–	50,996	50,996
Net gains on forward currency contracts	**–**	**631**	**631**	–	–	–	–	–	–
Net foreign currency (losses)/gains	**–**	**(77)**	**(77)**	–	408	408	–	1,107	1,107
Income from investments	**1,481**	**–**	**1,481**	3,789	–	3,789	6,198	–	6,198
Other interest receivable and similar income	**31**	**–**	**31**	383	–	383	414	–	414
Gross return	**1,512**	**5,036**	**6,548**	4,172	19,332	23,504	6,612	52,103	58,715
Investment management fee (note 3)	**(202)**	**(378)**	**(580)**	(322)	(590)	(912)	(647)	(1,193)	(1,840)
Administrative expenses	**(332)**	**–**	**(332)**	(368)	–	(368)	(751)	–	(751)
Net return before finance costs and taxation	**978**	**4,658**	**5,636**	3,482	18,742	22,224	5,214	50,910	56,124
Finance costs	**(1)**	**(2)**	**(3)**	(31)	(95)	(126)	(71)	(214)	(285)
Net return on ordinary activities before taxation	**977**	**4,656**	**5,633**	3,451	18,647	22,098	5,143	50,696	55,839
Taxation (note 4)	**(16)**	**(103)**	**(119)**	(306)	–	(306)	(617)	–	(617)
Net return on ordinary activities after taxation	**961**	**4,553**	**5,514**	3,145	18,647	21,792	4,526	50,696	55,222
Return per ordinary share (note 5)	**0.90p**	**4.26p**	**5.16p**	1.99p	11.80p	13.79p	2.92p	32.68p	35.60p

The "Total" column of this statement is the profit and loss account of the Company. The "Revenue" and "Capital" columns represent supplementary information prepared under guidance issued by The Association of Investment Companies. The Total column includes all the information that is required to be disclosed in a Statement of Total Recognised Gains and Losses ("STRGL"). For this reason a STRGL has not been presented.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

Reconciliation of Movements in Shareholders' Funds

For the six months ended 30 June 2013 (Unaudited)

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2012	7,409	–	8,497	29,182	239,712	13,276	298,076
Re-issue of shares from Treasury	–	5	–	–	487	–	492
Repurchase and cancellation of the Company's own shares following a Tender Offer	(3,149)	–	3,149	–	(151,812)	–	(151,812)
Net return on ordinary activities	–	–	–	–	4,553	961	5,514
Ordinary dividend paid in the period	–	–	–	–	–	(4,816)	(4,816)
At 30 June 2013	**4,260**	**5**	**11,646**	**29,182**	**92,940**	**9,421**	**147,454**

For the six months ended 30 June 2012 (Unaudited)

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2011	8,044	–	7,862	50,616	189,016	13,879	269,417
Repurchase and cancellation of the Company's own shares	(243)	–	243	(8,495)	–	–	(8,495)
Net return on ordinary activities	–	–	–	–	18,647	3,145	21,792
Ordinary dividend paid in the period	–	–	–	–	–	(5,129)	(5,129)
At 30 June 2012	7,801	–	8,105	42,121	207,663	11,895	277,585

For the year ended 31 December 2012 (Audited)

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2011	8,044	–	7,862	50,616	189,016	13,879	269,417
Repurchase and cancellation of the Company's own shares	(635)	–	635	(21,434)	–	–	(21,434)
Net return on ordinary activities	–	–	–	–	50,696	4,526	55,222
Ordinary dividend paid in the year	–	–	–	–	–	(5,129)	(5,129)
At 31 December 2012	7,409	–	8,497	29,182	239,712	13,276	298,076

Balance Sheet

	(Unaudited) 30 June 2013 £'000	(Unaudited) 30 June 2012 £'000	(Audited) 31 December 2012 £'000
Fixed assets			
Investments held at fair value through profit or loss	**144,751**	285,118	298,003
Current assets			
Debtors	**95**	1,346	395
Cash and short-term deposits	**3,929**	–	451
	4,024	1,346	846
Current liabilities			
Creditors: amounts falling due within one year	**(1,321)**	(8,879)	(773)
Net current assets/(liabilities)	**2,703**	(7,533)	73
Net assets	**147,454**	277,585	298,076
Capital and reserves			
Called-up share capital (note 6)	**4,260**	7,801	7,409
Share premium	**5**	–	–
Capital redemption reserve	**11,646**	8,105	8,497
Special reserve	**29,182**	42,121	29,182
Capital reserves	**92,940**	207,663	239,712
Revenue reserve	**9,421**	11,895	13,276
Total equity shareholders' funds	**147,454**	277,585	298,076
Net asset value per ordinary share (note 7)	**198.37p**	177.92p	201.15p

Cash Flow Statement

	(Unaudited) For the six months ended 30 June 2013 £'000	(Unaudited) For the six months ended 30 June 2012 £'000	(Audited) For the year ended 31 December 2012 £'000
Net cash inflow from operating activities (note 8)	**294**	2,180	3,696
Net cash outflow from servicing of finance	**(20)**	(126)	(288)
Taxation	**(103)**	–	–
Net cash inflow from investment activities	**158,723**	13,947	33,569
Dividends paid	**(4,816)**	(5,129)	(5,129)
Net cash outflow from financing (note 6)	**(150,523)**	(8,495)	(21,434)
Net cash inflow in the period	**3,555**	2,377	10,414
Reconciliation of net cash flow to movement in net funds/(debt)			
Net cash inflow in the period	**3,555**	2,377	10,414
Exchange movements	**(77)**	408	1,107
Changes in net funds/debt arising from cash flows	**3,478**	2,785	11,521
Net funds/(debt) at the beginning of the period	**451**	(11,070)	(11,070)
Net funds/(debt) at the end of the period	**3,929**	(8,285)	451
Represeseted by:			
Cash and short-term deposits	**3,929**	–	451
Bank overdrafts	**–**	(8,285)	–
Net funds/(debt)	**3,929**	(8,285)	451

Notes to the Accounts

1. Financial Statements

The information contained within the accounts in this half-year report has not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 31 December 2012 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting Policies

Basis of accounting

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued in January 2009.

All of the Company's operations are of a continuing nature.

The accounting policies applied to these interim accounts are consistent with those applied in the accounts for the year ended 31 December 2012.

3. Investment management fee

Following a review of its investment management arrangements, the Board appointed Schroders to manage the Company's assets with effect from 15 March 2013. Under the terms of the management agreement, the base management fee is calculated at a rate of 0.65% per annum of gross assets less cash. There will also be a performance fee of 10% of the excess annual NAV total return above a 7% hurdle. The base and performance fee will be capped at 2% (in aggregate) of the Company's net assets. Schroders has agreed to waive the management fee and any performance fee for a period of 6 months following appointment and therefore these fees will apply from 15 September 2013.

4. Taxation

The Company's effective corporation tax rate is nil, as deductible expenses exceed taxable income. The taxation charge comprises irrecoverable overseas withholding tax on dividends receivable, and overseas capital gains tax.

5. Return per ordinary share

	(Unaudited) For the six months ended 30 June 2013 £'000	(Unaudited) For the six months ended 30 June 2012 £'000	(Audited) For the year ended 31 December 2012 £'000
Revenue return	**961**	3,145	4,526
Capital return	**4,553**	18,647	50,696
Total return	**5,514**	21,792	55,222
Weighted average number of ordinary shares in issue during the period	**106,921,728**	158,055,354	155,131,153
Revenue return per ordinary share	**0.90p**	1.99p	2.92p
Capital return per ordinary share	**4.26p**	11.80p	32.68p
Total return per ordinary share	**5.16p**	13.79p	35.60p

6. Called-up share capital

The Company's share capital consists of ordinary shares of 5p each.

During the period, the Company repurchased 74,091,140 ordinary shares (50% of its share capital) following a Tender Offer, for a total consideration of £151,812,000. Of these, 62,977,469 ordinary shares were cancelled and the remaining 11,113,671 ordinary shares held in Treasury. A total of 290,000 ordinary shares have been subsequently re-issued from Treasury for a total consideration of £585,801.

7. Net asset value per ordinary share

Net asset value per ordinary share is calculated by dividing shareholders' funds by the number of ordinary shares in issue at 30 June 2013 of 74,331,141 (30 June 2012: 156,012,512 and 31 December 2012: 148,182,281).

Notes to the Accounts (continued)

8. Reconciliation of total return on ordinary activities before finance costs and taxation to net cash inflow from operating activities

	(Unaudited) For the six months ended 30 June 2013 £'000	(Unaudited) For the six months ended 30 June 2012 £'000	(Audited) For the year ended 31 December 2012 £'000
Total return on ordinary activities before finance costs and taxation	**5,636**	22,224	56,124
Less capital return on ordinary activities before finance costs and taxation	**(4,658)**	(18,742)	(50,910)
Stock dividends received as income	**–**	(137)	(572)
Decrease/(increase) in prepayments and accrued income	**371**	(631)	308
Decrease/(increase) in other debtors	**24**	(9)	3
(Decrease)/increase in creditors	**(685)**	371	553
Management fee allocated to capital	**(378)**	(590)	(1,193)
Overseas withholding tax deducted at source	**(16)**	(306)	(617)
Net cash inflow from operating activities	**294**	2,180	3,696

List and Valuation of Investments at 30 June 2013

Stocks in bold are the 20 largest investments, which by value account for 55.0% of the total investments.

	£'000	%
AUSTRALIA		
Amcor	2,283	1.6
Brambles	**4,682**	**3.2**
Newcrest Mining	1,137	0.8
Resmed[1]	2,381	1.7
Rio Tinto	1,501	1.0
TOTAL AUSTRALIA	11,984	8.3
CHINA		
China Lodging Group[1]	1,860	1.3
China Shineway Pharmaceutical	2,015	1.4
Shenzou International	2,364	1.6
Wuxi Pharmatech[1]	**2,930**	**2.0**
TOTAL CHINA	9,169	6.3
HONG KONG		
AIA Group	**4,919**	**3.4**
Chow Sang Sang Holdings	1,808	1.3
Hang Lung Group	**2,939**	**2.0**
Hongkong Land[2]	**4,548**	**3.1**
HSBC	**4,470**	**3.1**
Hysan Development	2,503	1.7
Jardine Matheson[2]	**5,266**	**3.6**
Jardine Strategic[2]	**6,318**	**4.4**
Johnson Electric Holding	1,990	1.4
Stella International Holdings	1,429	1.0
Sun Hung Kai Properties	**4,322**	**3.0**
Swire Properties	**3,224**	**2.2**
Techtronic Industries	2,513	1.7
Wing Hang Bank	1,584	1.1
TOTAL HONG KONG	47,833	33.0
INDIA		
Eredene Capital[3]	199	0.1
Apollo Hospitals Enterprise (JPM) 07/11/17[4]	**2,635**	**1.8**
Axis Bank (JPM) 08/02/17[4]	2,083	1.4
Phoenix Mills (Merrill Lynch) 18/05/18[4]	680	0.5
Phoenix Mills (Merrill Lynch) 18/06/18[4]	639	0.4
Shriram Transport Finance (JPM) 30/4/18[4]	1,409	1.0
Zee Entertainment Enterprises (JPM) 20/03/17[4]	1,966	1.4
TOTAL INDIA	9,611	6.6
INDONESIA		
Bank Mandiri	**3,556**	**2.5**
Bank Pan Indonesia	1,065	0.7
Bank Permata	703	0.5
Sumber Alfaria Trijaya	1,374	0.9
TOTAL INDONESIA	6,698	4.6

[1]Listed in the USA.
[2]Listed in Singapore.
[3]Listed in the UK, on AIM.
[4]Participatory notes.
[5]Listed in France.
[6]The combined effect of the options gives downside protection to 24% of total investments.

	£'000	%
KOREA		
Halla Visteon Climate Control	2,084	1.4
Hyundai Motor	**4,278**	**3.0**
Samsung Electronics	**2,674**	**1.8**
TOTAL KOREA	9,036	6.2
MALAYSIA		
Astro Malaysia Holdings	2,337	1.6
TOTAL MALAYSIA	2,337	1.6
PHILIPPINES		
Alliance Global	2,192	1.5
Ayala Corp	1,527	1.1
Ayala Land	**2,944**	**2.0**
GMA Network	1,707	1.2
GT Capital Holdings	2,463	1.7
RFM Corporation	1,368	0.9
TOTAL PHILIPPINES	12,201	8.4
SINGAPORE		
Great Eastern Holding	1,460	1.0
Jardine Cycle & Carriage	2,209	1.5
Keppel Corporation	**3,703**	**2.6**
UOL Group	1,812	1.3
TOTAL SINGAPORE	9,184	6.4
TAIWAN		
Asustek Computer	1,209	0.8
Giant Manufacturing	**2,819**	**2.0**
Radiant Opto Electronics	1,281	0.9
Taiwan Semicon Manufacturing	**5,038**	**3.5**
TOTAL TAIWAN	10,347	7.2
THAILAND		
Bank of Ayudhya	**3,752**	**2.6**
Hemaraj Land & Development	1,875	1.3
Kasikornbank	**4,578**	**3.2**
Land & Houses	1,902	1.3
TOTAL THAILAND	12,107	8.4
OTHER		
LVMH[5]	2,139	1.5
TOTAL OTHER	2,139	1.5
SUB TOTAL	142,646	98.5
OPTIONS		
CBOE S&P 500 Put Option 1615 July 2013	134	0.1
KOSPI Put Option 252.5 August 2013	439	0.3
KOSPI Put Option 257.5 August 2013	506	0.4
S&P/ASX 200 Put Option 4750 August 2013	201	0.1
S&P/ASX 200 Put Option 4775 August 2013	213	0.2
S&P/ASX 200 Put Option 5200 August 2013	612	0.4
TOTAL OPTIONS[6]	2,105	1.5
TOTAL INVESTMENTS	**144,751**	**100.0**

Investments are classified by the investment manager in the country of their main business operations.
With the exception of the options and participatory notes shown above, all other investments are in equities.

Company Summary

The Company

Asian Total Return Investment Company plc is a UK-domiciled investment trust company. The Company's assets are managed and administered by Schroders. The Company measures its performance against the MSCI All Countries Asia Pacific ex-Japan Index in sterling terms on a total return basis. The Company does not have a limited life.

Website and Price Information

The Company has a dedicated website, which may be found at www.asiantotalreturninvestmentcompany.com. The website has been designed to be utilised as the Company's primary method of electronic communication with shareholders. It contains details of the Company's ordinary share price (subject to a delay of 15 minutes) and copies of Report and Accounts and other documents published by the Company as well as information on the Directors, Terms of Reference of Committees and other governance arrangements. In addition, the site contains links to announcements made by the Company to the market, Equiniti's shareview service and Schroders' website. There is also a section entitled "How to Invest" which provides details of the Schroder ISA.

The Company releases its Net Asset Value on both a cum and ex-income basis to the market on a daily basis.

Share price information may also be found in the Financial Times and on Schroders' website at www.schroders.co.uk/its.

Registrar Services

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment should be directed to Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. The helpline telephone number of Equiniti Registrars is 0800 032 0641. Calls to this number are free of charge from UK Landlines. Other telephone providers' costs may vary.

Equiniti maintains a web-based enquiry service for shareholders. Currently the "Shareview" site (address below) contains information available on public registers.

Shareholders will be invited to enter their name, shareholder reference (account number) and post code and will be able to view information on their own holding. Visit www.shareview.co.uk for more details.

Association of Investment Companies

The Company is a member of the Association of Investment Companies. Further information on this association can be found on its website: www.theaic.co.uk.

Dealing Codes

The dealing codes for the shares in the Company are as follows:

ISIN: GB0008710799
SEDOL: 0871079
Ticker: ATR

Contents

Financial Highlights

	30 June 2013	31 December 2012	% Change
Net asset value ("NAV") per share	**198.37p**	201.15p	(1.4)
Share price	**192.00p**	185.00p	3.8
Discount	**3.2%**	8.0%	
Net cash[1]	**2.7%**	0.2%	

[1]At 30 June 2013 and 31 December 2012, cash exceeded borrowings and this is shown as a "Net cash" position. If borrowings were to exceed cash, this would be shown as "Gearing".

Performance[1]

Total returns to 30 June 2013	6 months %	1 year %	3 years %	5 years %	10 years %
NAV per share[2]	(0.3)	12.7	14.3	56.7	220.3
Share price[3]	5.4	21.5	23.6	70.7	253.7
Reference index[4]	(2.2)	9.2	14.0	52.7	264.3
Peer Group NAV per share[5]	2.9	14.5	25.5	64.3	300.9

[1]The Company appointed a new investment manager (Schroder Investment Management Limited), with effect from close of business on 15 March 2013.

[2]Source: Morningstar. For periods of 6 months, 1, 3 and 5 years, the cum income net asset value total return is shown. For the 10 year period, the ex-income net asset value total return is shown.

[3]Source: Morningstar.

[4]Source: Thomson Financial Datastream. With effect from 15 March 2013, the Reference Index has been the MSCI AC Asia Pacific ex-Japan Index. Prior to that date, it was the MSCI AC Asia ex-Japan Index. The performance numbers shown are a combination of these two indices.

[5]Source: Morningstar. The performance of a group of nine investment trust competitors (arithmetic average).

Interim Management Report

Chairman's Statement

Changes to Investment Management, Investment policy and Company Name

At the General Meeting held on 15 March 2013, shareholders approved the appointment of Schroders as Investment Manager and the change of the Company's investment policy to provide a high rate of total return primarily through investment in equity and equity related securities in Asia Pacific Companies (excluding Japan). Later that day, the name of the Company was changed from Henderson Asian Growth Trust plc to Asian Total Return Investment Company plc. The Company's assets are now managed by Robin Parbrook and King Fuei Lee, based in Hong Kong and Singapore respectively, who transitioned the Company's portfolio to the new investment policy during the period. As at 30 June 2013, the Company held a total of 57 holdings and had a net cash position of 2.7%.

The Company does not tie its stock selection to the constituents of any benchmark. Instead, the size of stock positions are set on an absolute basis reflecting where the best potential risk adjusted returns are to be found. The MSCI All Countries Asia (ex Japan) Index was previously used for reference purposes and this has, since the appointment of the new manager, been changed to the MSCI All Countries Asia Pacific ex-Japan Index to reflect the inclusion of Australasia in the investment policy.

Tender Offer

At the General Meeting, shareholders also authorised a tender offer of up to 50% of the Company's issued share capital and as a result, 74,091,140 of the Company's ordinary shares were repurchased on 27 March 2013, of which 62,977,469 ordinary shares were cancelled and the remaining 11,113,671 ordinary shares were transferred to Treasury.

Discount Management and Re-Issue of Treasury Shares

As part of the package of measures adopted by shareholders at the General Meeting, the Board indicated that periodic tenders related to a discount wider than 10% in any six-month period would no longer be part of the Company's discount management policy and instead it would seek to manage the Company's discount on an on-going basis with the aim of ensuring that the discount to Net Asset Value per Share of the Company's shares was no greater than 9%, in normal market conditions, through the use of the Company's share buyback authorities.

Since the change in manager, the shares have enjoyed a re-rating and between 27 March and 27 August 2013 the shares have traded at an average premium to net asset value of 0.6%. The Company has re-issued 290,000 ordinary shares from Treasury at a modest premium to net asset value.

Performance

In the six months to 30 June 2013, the net asset value total return of your Company fell by 0.3%, which compares to a 2.2% fall in the reference index in sterling terms (the MSCI AC Asia ex-Japan index until 15 March and subsequently the MSCI AC Asia Pacific ex Japan Index).

As outlined above, the period saw the appointment of a new investment manager, the approval of a new investment policy and half the portfolio, as at 15 March 2013, sold and the proceeds of realisation, less costs, used to buy back ordinary shares from the tendering shareholders. The timing of these changes, following approval at the General Meeting, meant that the portfolio in the first quarter of the year was managed in accordance with the old investment policy, with a transition to the new policy in late March that put the new policy and fund manager in place for the second quarter. The NAV underperformed in the first quarter, in part from the trading costs of the move to the new policy, and outperformed in the second quarter. Details of the latter are given in the Manager's Review.

Market Background

In distinct contrast with most developed markets, the first six months of the year were a weak period for Asian markets. The Company's reference index (chain-linked for the change in index in March) fell 2.2% in sterling terms, a return that contrasts with a rise of 21.6% from the US stock market and 24.4% from the Japanese stock market over the same period.*

Part of this lower return reflects Asian companies' profits and share prices having recovered more quickly from the 2008-10 recession. Thus, they have not had the same recovery potential as companies in the West. It also reflects the fact that investors' attention switched away from the region. The developed markets have had new attractions – signs of improvement in the US economy, a transformation in Japan's fiscal and monetary policies under a new Prime Minister, and

Interim Management Report (continued)

the Eurozone's traumas seem temporarily in abeyance – while Asia, still growing faster than all three, has had some challenges.

The biggest has been China. The economy's above–average growth has been slowing, in part because of the government's desire to dampen the substantial growth in credit over recent years and the consequent risk of bank bad debts and rising inflation. The result has been local interest rate increases, falling Chinese share prices, and (for example) lower demand for commodities that has hit Australian mining shares. At the same time, concerns about how long Western quantitative easing will continue have impacted on Asian bond yields, which had previously benefited from inflows into emerging market bond funds.

The result was the region's large markets producing small gains or losses in the first half of the year, with Korea the worst as a loser from Japan's liquidity stimulus when the resulting weak yen fed through to its own competitiveness. The best performing markets were the Philippines and Malaysia, both benefiting from local recoveries in activity.

Gearing

While the Company's Articles limit the amount of gearing to a maximum of the Company's adjusted capital and reserves, the Board does not anticipate net effective gearing levels in excess of 30% of net asset value. The Board has agreed a disciplined framework for gearing, based on a number of specific market valuation levels. Currently, the Company does not employ gearing.

Outlook

It is disappointing – and relatively untypical – to see Asian markets underperforming strong Western markets. Nevertheless, there have been some encouraging developments.

First, with company profits continuing to increase, share ratings in Asia are become more appealing. Secondly, some of the macro-economic and financial concerns holding share prices back are themselves evidence that required long-term changes in the region may be starting. Asian bond yields, for example, had been driven to excessively low levels, with the attendant risk of capital being mispriced and poor investment decisions. The rise in yields suggests this bubble is over, and it is leading to policy decisions (for example India and Indonesia raising interest rates, Thailand and Indonesia cutting fuel and rice subsidies) that are unpopular in the short term but desirable in the longer term.

Similarly, while there is market concern about slowing Chinese growth this year, there is a longer term need for China to transition itself onto a lower growth path rebalanced away from investment towards domestic consumption – again involving short term pain but with the potential of a healthier long-term investment environment.

There is always the risk of Western events derailing Asian markets, particularly now when there is a danger of investors being too optimistic about US economic recovery and the impact of less quantitative easing. Asia's financial strengths remain, however, and the Board notes the Manager's belief that the volatility of individual stocks is starting to offer interesting new investment opportunities. The Board sees any short term weakness in Asia as a potential opportunity to be seized.

David Robins
Chairman

29 August 2013

* net income reinvested: source Schroders.

Interim Management Report (continued)

Investment Manager's Review

Performance Analysis

The new investment manager took over the portfolio after the General Meeting on 15 March 2013, using the rest of the month to raise cash to meet the tender offer and move the remaining assets onto the new investment policy. Therefore, this policy having only been in place from the end of March, comments on performance cover from then until the end of June.

The start of the new policy coincided with a period of weakness in Asian markets, as they reacted to uncertainty both from the West (eg new uncertainty about how long US quantitative easing would continue) and locally, with continued concern about Chinese economic growth. The reference index, which changed to the MSCI AC Asia Pacific ex Japan Index, fell 7.5% in sterling terms in the second quarter, led by Australia (suffering both from falling commodity prices and a weak currency) and Korea (whose exporters suffered from the weaker yen, given the importance of Japanese competitors). There was also a widespread increase in bond yields in the region's emerging countries, another indicator of investors' newfound caution about some of the more optimistic forecasts for the region's future.

The portfolio was unable to avoid losses in this environment, with the NAV return being -3.5% over the three months. That the losses were half those of the reference index was due largely to limiting potential losses in the region's largest market, Australia, together with the portfolio's stock selection in North East Asia.

The relatively small exposure in Australia came from a perceived lack of opportunities locally, while the exposure was further reduced by hedges removing the risk of the Australian dollar falling - as indeed it has done. There was also a small contribution from the capital protection strategy, an integral part of the portfolio's new policy. Concern about the short term outlook led to a small portion of the assets being protected by put options that offset part of the losses as markets fell.

The portfolio's other successes were more company specific, as befits a policy which targets stock selection by the Manager's local team of analysts as a major part of future outperformance. In this quarter these included Taiwanese bicycle maker Giant, rising on strong results driven by its Chinese sales; China's Wuxi Pharmatech on the back of improving profitability; and Halla Visteon Climate Control Group, a Korean manufacturer of automotive air control equipment. The one area of missed opportunity was in Hong Kong, where there were falls in the share prices of trading companies Jardine and Swire, and by Chow Sang Sang, Hong Kong's largest jewellery chain.

The portfolio, through the use of derivative protection, was approximately 76% invested at the end of the second quarter and no gearing was utilised during that time.

Portfolio Positioning

The following table shows your Company's largest stock positions as at 30 June 2013.

Holding	Business	% of Total
Jardine Strategic Holdings	Regional conglomerate	4.3%
Jardine Matheson Holdings	Regional conglomerate	3.6%
Taiwan Semiconductor Mfg	Semiconductors	3.5%
AIA Group	Insurance	3.5%
Brambles	Australian-based pallets and logistics	3.2%
Kasikornbank	Thai bank	3.2%
Hongkong Land	Hong Kong commercial property	3.1%
HSBC	Global bank	3.0%
Sun Hung Kai Properties	Hong Kong and China property	2.9%
Hyundai Motor	Korean car maker	2.9%

The portfolio remains a stock specific selection of holdings where the fund managers believe that the shares are trading well below fair value. As at the time of the introduction of the new policy in March, the portfolio was concentrated in domestic Asian companies, particularly in Hong Kong and Singapore (eg trading companies and property shares, with the latter selling at significant discounts to their net asset value at a time of limited new supply); and in ASEAN (eg in banks, retail, and construction, all of which are expected to benefit from improvements in regional infrastructure and strong domestic

Interim Management Report (continued)

consumer confidence). While the fund managers are not bullish on the global cycle, there is also a preference for industrial shares with good yield in industries with significant barriers to entry.

The resulting portfolio has materially more in ASEAN and Hong Kong-based companies than in the reference index and correspondingly less in the three largest countries (Australia, China and Korea), a reflection of where the fund managers see the opportunities at a stock level. It also has the mid-cap bias anticipated at the time of the appointment of the new manager, with the local analysts continuing to find opportunities across the size spectrum (eg China Lodging, selected small Indonesian banks and Astro Malaysia) at a time when many of the region's largest companies (eg Chinese banks and some of the North East Asian exporters) look less appealing. The portfolio is avoiding cyclicals and 'China-recovery' stocks.

Currently, we continue to believe it is prudent to have some capital protection in place, particularly because the cost of this protection is low by historic standards. At the end of June slightly under a quarter of the portfolio was hedged through exchange-traded index put options, and the fund managers continue to look to hedge the currency risk in the Australian holdings.

Conclusion

The continuing volatility in world markets, as investors react to the challenges facing economies as different as China, the US and the Eurozone, could easily drive Asian markets lower despite their reasonably sound fundamentals, creating an attractive new entry point for Asian equities. If this happens we anticipate removing the hedges, and utilising the gearing facility.

Portfolio Managers
Robin Parbrook and King Fuei Lee
29 August 2013

Interim Management Report (continued)

Principal Risks and Uncertainties

The principal risks and uncertainties with the Company's business fall into the following categories: financial risk; gearing; strategic risk; and accounting, legal and regulatory risk. A detailed explanation of the principal risks and uncertainties in each of these categories can be found on pages 16 and 17 of the Company's published Annual Report and Accounts for the year ended 31 December 2012. These risks and uncertainties have not materially changed during the six months ended 30 June 2013.

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections; that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Related Party Transactions

Details of transactions with the Manager can be found in note 21 on page 44 of the Company's published Annual Report and Accounts for the year ended 31 December 2012. There have been no other material transactions with the Company's related parties during the six months ended 30 June 2013.

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge, this set of condensed financial statements has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) and with the Statement of Recommended Practice Financial Statements of Investment Trust Companies and Venture Capital Trusts (SORP) issued in January 2009 and the Interim Management Report as set out above includes a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's Disclosure and Transparency Rules.

Income Statement

	(Unaudited) For the six months ended 30 June 2013			(Unaudited) For the six months ended 30 June 2012			(Audited) For the year ended 31 December 2012		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	**–**	**4,482**	**4,482**	–	18,924	18,924	–	50,996	50,996
Net gains on forward currency contracts	**–**	**631**	**631**	–	–	–	–	–	–
Net foreign currency (losses)/gains	**–**	**(77)**	**(77)**	–	408	408	–	1,107	1,107
Income from investments	**1,481**	**–**	**1,481**	3,789	–	3,789	6,198	–	6,198
Other interest receivable and similar income	**31**	**–**	**31**	383	–	383	414	–	414
Gross return	**1,512**	**5,036**	**6,548**	4,172	19,332	23,504	6,612	52,103	58,715
Investment management fee (note 3)	**(202)**	**(378)**	**(580)**	(322)	(590)	(912)	(647)	(1,193)	(1,840)
Administrative expenses	**(332)**	**–**	**(332)**	(368)	–	(368)	(751)	–	(751)
Net return before finance costs and taxation	**978**	**4,658**	**5,636**	3,482	18,742	22,224	5,214	50,910	56,124
Finance costs	**(1)**	**(2)**	**(3)**	(31)	(95)	(126)	(71)	(214)	(285)
Net return on ordinary activities before taxation	**977**	**4,656**	**5,633**	3,451	18,647	22,098	5,143	50,696	55,839
Taxation (note 4)	**(16)**	**(103)**	**(119)**	(306)	–	(306)	(617)	–	(617)
Net return on ordinary activities after taxation	**961**	**4,553**	**5,514**	3,145	18,647	21,792	4,526	50,696	55,222
Return per ordinary share (note 5)	**0.90p**	**4.26p**	**5.16p**	1.99p	11.80p	13.79p	2.92p	32.68p	35.60p

The "Total" column of this statement is the profit and loss account of the Company. The "Revenue" and "Capital" columns represent supplementary information prepared under guidance issued by The Association of Investment Companies. The Total column includes all the information that is required to be disclosed in a Statement of Total Recognised Gains and Losses ("STRGL"). For this reason a STRGL has not been presented.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

Reconciliation of Movements in Shareholders' Funds

	For the six months ended 30 June 2013 (Unaudited)						
	Called-up share capital £'000	**Share premium £'000**	**Capital redemption reserve £'000**	**Special reserve £'000**	**Other capital reserves £'000**	**Revenue reserve £'000**	**Total £'000**
At 31 December 2012	7,409	–	8,497	29,182	239,712	13,276	298,076
Re-issue of shares from Treasury	–	5	–	–	487	–	492
Repurchase and cancellation of the Company's own shares following a Tender Offer	(3,149)	–	3,149	–	(151,812)	–	(151,812)
Net return on ordinary activities	–	–	–	–	4,553	961	5,514
Ordinary dividend paid in the period	–	–	–	–	–	(4,816)	(4,816)
At 30 June 2013	**4,260**	**5**	**11,646**	**29,182**	**92,940**	**9,421**	**147,454**

	For the six months ended 30 June 2012 (Unaudited)						
	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2011	8,044	–	7,862	50,616	189,016	13,879	269,417
Repurchase and cancellation of the Company's own shares	(243)	–	243	(8,495)	–	–	(8,495)
Net return on ordinary activities	–	–	–	–	18,647	3,145	21,792
Ordinary dividend paid in the period	–	–	–	–	–	(5,129)	(5,129)
At 30 June 2012	7,801	–	8,105	42,121	207,663	11,895	277,585

	For the year ended 31 December 2012 (Audited)						
	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2011	8,044	–	7,862	50,616	189,016	13,879	269,417
Repurchase and cancellation of the Company's own shares	(635)	–	635	(21,434)	–	–	(21,434)
Net return on ordinary activities	–	–	–	–	50,696	4,526	55,222
Ordinary dividend paid in the year	–	–	–	–	–	(5,129)	(5,129)
At 31 December 2012	7,409	–	8,497	29,182	239,712	13,276	298,076

Balance Sheet

	(Unaudited) 30 June 2013 £'000	(Unaudited) 30 June 2012 £'000	(Audited) 31 December 2012 £'000
Fixed assets			
Investments held at fair value through profit or loss	**144,751**	285,118	298,003
Current assets			
Debtors	**95**	1,346	395
Cash and short-term deposits	**3,929**	–	451
	4,024	1,346	846
Current liabilities			
Creditors: amounts falling due within one year	**(1,321)**	(8,879)	(773)
Net current assets/(liabilities)	**2,703**	(7,533)	73
Net assets	**147,454**	277,585	298,076
Capital and reserves			
Called-up share capital (note 6)	**4,260**	7,801	7,409
Share premium	**5**	–	–
Capital redemption reserve	**11,646**	8,105	8,497
Special reserve	**29,182**	42,121	29,182
Capital reserves	**92,940**	207,663	239,712
Revenue reserve	**9,421**	11,895	13,276
Total equity shareholders' funds	**147,454**	277,585	298,076
Net asset value per ordinary share (note 7)	**198.37p**	177.92p	201.15p

Cash Flow Statement

	(Unaudited) For the six months ended 30 June 2013 £'000	(Unaudited) For the six months ended 30 June 2012 £'000	(Audited) For the year ended 31 December 2012 £'000
Net cash inflow from operating activities (note 8)	**294**	2,180	3,696
Net cash outflow from servicing of finance	**(20)**	(126)	(288)
Taxation	**(103)**	–	–
Net cash inflow from investment activities	**158,723**	13,947	33,569
Dividends paid	**(4,816)**	(5,129)	(5,129)
Net cash outflow from financing (note 6)	**(150,523)**	(8,495)	(21,434)
Net cash inflow in the period	**3,555**	2,377	10,414
Reconciliation of net cash flow to movement in net funds/(debt)			
Net cash inflow in the period	**3,555**	2,377	10,414
Exchange movements	**(77)**	408	1,107
Changes in net funds/debt arising from cash flows	**3,478**	2,785	11,521
Net funds/(debt) at the beginning of the period	**451**	(11,070)	(11,070)
Net funds/(debt) at the end of the period	**3,929**	(8,285)	451
Represeented by:			
Cash and short-term deposits	**3,929**	–	451
Bank overdrafts	**–**	(8,285)	–
Net funds/(debt)	**3,929**	(8,285)	451

Notes to the Accounts

1. Financial Statements

The information contained within the accounts in this half-year report has not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 31 December 2012 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting Policies

Basis of accounting

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued in January 2009.

All of the Company's operations are of a continuing nature.

The accounting policies applied to these interim accounts are consistent with those applied in the accounts for the year ended 31 December 2012.

3. Investment management fee

Following a review of its investment management arrangements, the Board appointed Schroders to manage the Company's assets with effect from 15 March 2013. Under the terms of the management agreement, the base management fee is calculated at a rate of 0.65% per annum of gross assets less cash. There will also be a performance fee of 10% of the excess annual NAV total return above a 7% hurdle. The base and performance fee will be capped at 2% (in aggregate) of the Company's net assets. Schroders has agreed to waive the management fee and any performance fee for a period of 6 months following appointment and therefore these fees will apply from 15 September 2013.

4. Taxation

The Company's effective corporation tax rate is nil, as deductible expenses exceed taxable income. The taxation charge comprises irrecoverable overseas withholding tax on dividends receivable, and overseas capital gains tax.

5. Return per ordinary share

	(Unaudited) For the six months ended 30 June 2013 £'000	(Unaudited) For the six months ended 30 June 2012 £'000	(Audited) For the year ended 31 December 2012 £'000
Revenue return	**961**	3,145	4,526
Capital return	**4,553**	18,647	50,696
Total return	**5,514**	21,792	55,222
Weighted average number of ordinary shares in issue during the period	**106,921,728**	158,055,354	155,131,153
Revenue return per ordinary share	**0.90p**	1.99p	2.92p
Capital return per ordinary share	**4.26p**	11.80p	32.68p
Total return per ordinary share	**5.16p**	13.79p	35.60p

6. Called-up share capital

The Company's share capital consists of ordinary shares of 5p each.

During the period, the Company repurchased 74,091,140 ordinary shares (50% of its share capital) following a Tender Offer, for a total consideration of £151,812,000. Of these, 62,977,469 ordinary shares were cancelled and the remaining 11,113,671 ordinary shares held in Treasury. A total of 290,000 ordinary shares have been subsequently re-issued from Treasury for a total consideration of £585,801.

7. Net asset value per ordinary share

Net asset value per ordinary share is calculated by dividing shareholders' funds by the number of ordinary shares in issue at 30 June 2013 of 74,331,141 (30 June 2012: 156,012,512 and 31 December 2012: 148,182,281).

Notes to the Accounts (continued)

8. Reconciliation of total return on ordinary activities before finance costs and taxation to net cash inflow from operating activities

	(Unaudited) For the six months ended 30 June 2013 £'000	(Unaudited) For the six months ended 30 June 2012 £'000	(Audited) For the year ended 31 December 2012 £'000
Total return on ordinary activities before finance costs and taxation	**5,636**	22,224	56,124
Less capital return on ordinary activities before finance costs and taxation	**(4,658)**	(18,742)	(50,910)
Stock dividends received as income	**–**	(137)	(572)
Decrease/(increase) in prepayments and accrued income	**371**	(631)	308
Decrease/(increase) in other debtors	**24**	(9)	3
(Decrease)/increase in creditors	**(685)**	371	553
Management fee allocated to capital	**(378)**	(590)	(1,193)
Overseas withholding tax deducted at source	**(16)**	(306)	(617)
Net cash inflow from operating activities	**294**	2,180	3,696

List and Valuation of Investments at 30 June 2013

Investments are classified by the investment manager in the country of their main business operations.

	£'000	%
AUSTRALIA		
Amcor	2,283	1.6
Brambles	**4,682**	**3.2**
Newcrest Mining	1,137	0.8
Resmed[1]	2,381	1.7
Rio Tinto	1,501	1.0
TOTAL AUSTRALIA	11,984	8.3
CHINA		
China Lodging Group[1]	1,860	1.3
China Shineway Pharmaceutical	2,015	1.4
Shenzou International	2,364	1.6
Wuxi Pharmatech[1]	**2,930**	**2.0**
TOTAL CHINA	9,169	6.3
HONG KONG		
AIA Group	**4,919**	**3.4**
Chow Sang Sang Holdings	1,808	1.3
Hang Lung Group	**2,939**	**2.0**
Hongkong Land[2]	**4,548**	**3.1**
HSBC	**4,470**	**3.1**
Hysan Development	2,503	1.7
Jardine Matheson[2]	**5,266**	**3.6**
Jardine Strategic[2]	**6,318**	**4.4**
Johnson Electric Holding	1,990	1.4
Stella International Holdings	1,429	1.0
Sun Hung Kai Properties	**4,322**	**3.0**
Swire Properties	**3,224**	**2.2**
Techtronic Industries	2,513	1.7
Wing Hang Bank	1,584	1.1
TOTAL HONG KONG	47,833	33.0
INDIA		
Eredene Capital[3]	199	0.1
Apollo Hospitals Enterprise (JPM) 07/11/17[4]	**2,635**	**1.8**
Axis Bank (JPM) 08/02/17[4]	2,083	1.4
Phoenix Mills (Merrill Lynch) 18/05/18[4]	680	0.5
Phoenix Mills (Merrill Lynch) 18/06/18[4]	639	0.4
Shriram Transport Finance (JPM) 30/4/18[4]	1,409	1.0
Zee Entertainment Enterprises (JPM) 20/03/17[4]	1,966	1.4
TOTAL INDIA	9,611	6.6
INDONESIA		
Bank Mandiri	**3,556**	**2.5**
Bank Pan Indonesia	1,065	0.7
Bank Permata	703	0.5
Sumber Alfaria Trijaya	1,374	0.9
TOTAL INDONESIA	6,698	4.6

[1]Listed in the USA.
[2]Listed in Singapore.
[3]Listed in the UK, on AIM.
[4]Participatory notes.
[5]Listed in France.
[6]The combined effect of the options gives downside protection to 24% of total investments.

	£'000	%
KOREA		
Halla Visteon Climate Control	2,084	1.4
Hyundai Motor	**4,278**	**3.0**
Samsung Electronics	**2,674**	**1.8**
TOTAL KOREA	9,036	6.2
MALAYSIA		
Astro Malaysia Holdings	2,337	1.6
TOTAL MALAYSIA	2,337	1.6
PHILIPPINES		
Alliance Global	2,192	1.5
Ayala Corp	1,527	1.1
Ayala Land	**2,944**	**2.0**
GMA Network	1,707	1.2
GT Capital Holdings	2,463	1.7
RFM Corporation	1,368	0.9
TOTAL PHILIPPINES	12,201	8.4
SINGAPORE		
Great Eastern Holding	1,460	1.0
Jardine Cycle & Carriage	2,209	1.5
Keppel Corporation	**3,703**	**2.6**
UOL Group	1,812	1.3
TOTAL SINGAPORE	9,184	6.4
TAIWAN		
Asustek Computer	1,209	0.8
Giant Manufacturing	**2,819**	**2.0**
Radiant Opto Electronics	1,281	0.9
Taiwan Semicon Manufacturing	**5,038**	**3.5**
TOTAL TAIWAN	10,347	7.2
THAILAND		
Bank of Ayudhya	**3,752**	**2.6**
Hemaraj Land & Development	1,875	1.3
Kasikornbank	**4,578**	**3.2**
Land & Houses	1,902	1.3
TOTAL THAILAND	12,107	8.4
OTHER		
LVMH[5]	2,139	1.5
TOTAL OTHER	2,139	1.5
SUB TOTAL	142,646	98.5
OPTIONS		
CBOE S&P 500 Put Option 1615 July 2013	134	0.1
KOSPI Put Option 252.5 August 2013	439	0.3
KOSPI Put Option 257.5 August 2013	506	0.4
S&P/ASX 200 Put Option 4750 August 2013	201	0.1
S&P/ASX 200 Put Option 4775 August 2013	213	0.2
S&P/ASX 200 Put Option 5200 August 2013	612	0.4
TOTAL OPTIONS[6]	2,105	1.5
TOTAL INVESTMENTS	**144,751**	**100.0**

With the exception of the options and participatory notes shown above, all other investments are in equities. Stocks in bold are the 20 largest investments, which by value account for 55.0% of the total investments.

Company Summary

The Company

Asian Total Return Investment Company plc is a UK-domiciled investment trust company. The Company's assets are managed and administered by Schroders. The Company measures its performance against the MSCI All Countries Asia Pacific ex-Japan Index in sterling terms on a total return basis. The Company does not have a limited life.

Website and Price Information

The Company has a dedicated website, which may be found at www.asiantotalreturninvestmentcompany.com. The website has been designed to be utilised as the Company's primary method of electronic communication with shareholders. It contains details of the Company's ordinary share price (subject to a delay of 15 minutes) and copies of Report and Accounts and other documents published by the Company as well as information on the Directors, Terms of Reference of Committees and other governance arrangements. In addition, the site contains links to announcements made by the Company to the market, Equiniti's shareview service and Schroders' website. There is also a section entitled "How to Invest" which provides details of the Schroder ISA.

The Company releases its Net Asset Value on both a cum and ex-income basis to the market on a daily basis.

Share price information may also be found in the Financial Times and on Schroders' website at www.schroders.co.uk/its.

Registrar Services

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment should be directed to Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. The helpline telephone number of Equiniti Registrars is 0800 032 0641. Calls to this number are free of charge from UK Landlines. Other telephone providers' costs may vary.

Equiniti maintains a web-based enquiry service for shareholders. Currently the "Shareview" site (address below) contains information available on public registers.

Shareholders will be invited to enter their name, shareholder reference (account number) and post code and will be able to view information on their own holding. Visit www.shareview.co.uk for more details.

Association of Investment Companies

The Company is a member of the Association of Investment Companies. Further information on this association can be found on its website: www.theaic.co.uk.

Dealing Codes

The dealing codes for the shares in the Company are as follows:

ISIN: GB0008710799
SEDOL: 0871079
Ticker: ATR

www.asiantotalreturninvestmentcompany.com

Schroders