

Annual Report and  
Financial Statements

31 July 2025

# Pacific Horizon Investment Trust PLC



Managed by

**Baillie Gifford™**



## **Investor Disclosure Document**

The UK Alternative Investment Fund Managers Regulations require certain information to be made available to investors prior to their making an investment in the Company. The Company's Investor Disclosure Document is available for viewing at [pacifichorizon.co.uk](http://pacifichorizon.co.uk).

### **Notes**

None of the views expressed in this document should be construed as advice to buy or sell a particular investment.

Investment trusts are UK public listed companies and as such comply with the requirements of the Financial Conduct Authority. They are not authorised or regulated by the Financial Conduct Authority.

Pacific Horizon Investment Trust PLC currently conducts its affairs, and intends to continue to conduct its affairs, so that the Company's ordinary shares can qualify to be considered as a mainstream investment product and can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority in relation to non-mainstream investment products.

**This document is important and requires your immediate attention.**

If you reside in the United Kingdom and you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other Independent Financial Adviser authorised under the Financial Services and Markets Act 2000 immediately. If you are outside the United Kingdom, you should consult an appropriately authorised financial adviser.

If you have sold or otherwise transferred all of your ordinary shares in Pacific Horizon Investment Trust PLC, please forward this document, together with any accompanying documents, but not your personalised 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 or is being effected for delivery to the purchaser or transferee.

**Baillie Gifford™**

# Contents

<b>Introduction</b>	
Financial highlights	02
An introduction to Pacific Horizon Investment Trust PLC	03
<b>Strategic report</b>	
Chairman's statement	06
Managers' review	09
Environmental, social and governance engagement	15
Engagement highlights	16
Baillie Gifford stewardship principles	19
Baillie Gifford proxy voting	20
One year summary	21
Five year summary	22
Ten year record	24
Review of investments	26
Portfolio executive summary	30
Baillie Gifford – valuing private companies	34
List of investments	38
Business review	41
<b>Governance report</b>	
Directors and management	53
Directors' report	56
Corporate governance report	62
Audit Committee report	69
Directors' remuneration report	72
Statement of Directors' responsibilities	76
<b>Financial report</b>	
Independent auditor's report	79
Income statement	86
Balance sheet	87
Statement of changes in equity	88
Cash flow statement	89
Notes to the Financial Statements	90
<b>Shareholder information</b>	
Notice of Annual General Meeting	109
Further shareholder information	114
Communicating with shareholders	116
Sustainable Finance Disclosure Regulation	118
Third party data provider disclaimer	119
Glossary of terms and Alternative Performance Measures	120
Company information	123

# Financial highlights

Year to 31 July 2025

## Total returns\*

Share price

6.4%

NAV

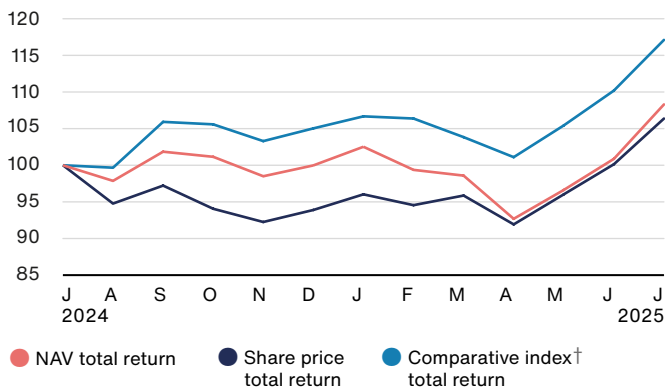
8.3%

Comparative index†

17.1%

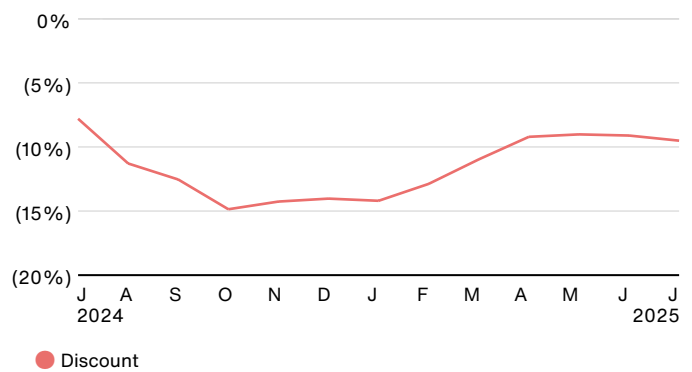
## One year total return\* performance

(figures rebased to 100 at 31 July 2024)



## Discount\*

(figures plotted on a monthly basis)



Source: LSEG/Baillie Gifford and relevant underlying index providers. See disclaimer on page 119. All figures are stated on a total return basis.

\* Alternative Performance Measure – see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

† The comparative index is the MSCI All Country Asia ex Japan Index (in sterling terms).

Past performance is not a guide to future performance.

# An introduction to Pacific Horizon Investment Trust PLC

Growth: embracing growth, disruption and innovation.

Pacific Horizon's objective is to invest in the Asia-Pacific region (excluding Japan) and in the Indian Sub-continent in order to achieve capital growth.

## **Our philosophy**

### **Long-term**

This matters. Stock prices are wildly unpredictable in the short-term. Ultimately, however, prices do reflect the earnings capability of a company. So when we find a company that has the potential to grow its profits significantly over time, we must invest with the patience that allows a good decision to prove its worth.

### **Growth**

We have found the most persistent source of alpha to be those companies that can grow their profits faster than the market, in hard currency terms, over the long term. This trend persists irrespective of starting valuation.

### **Active**

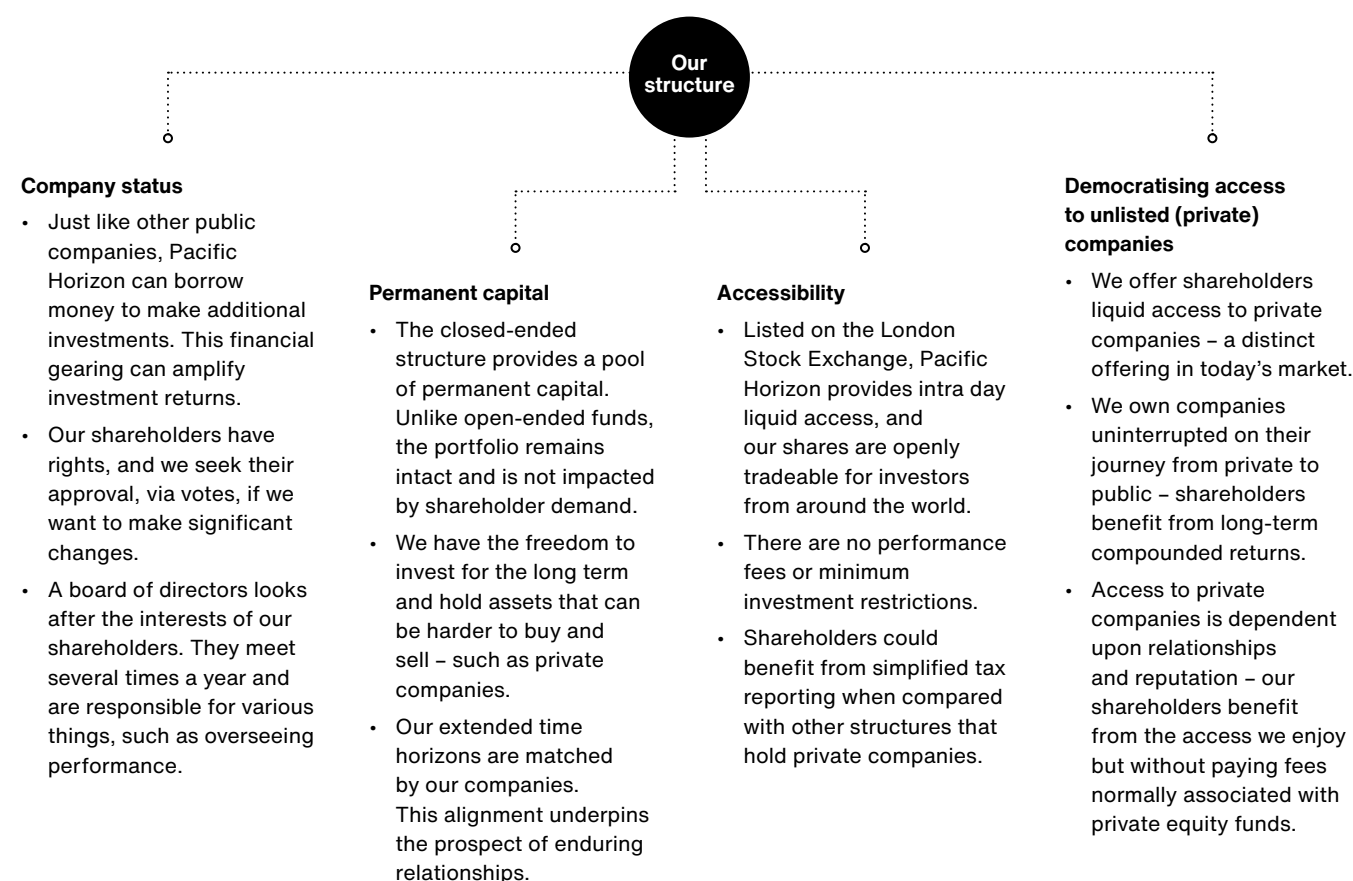
We would observe three particular features which emphasise the need for active management in the Asia-Pacific region (excluding Japan). Firstly, roughly a quarter of the index still consists of State Owned Enterprises, whose interests are not always aligned with minority shareholders. Secondly, some Asian countries grow sporadically, so there will be times when we want to take advantage of the tailwind provided by economic cycles in certain countries and times when we want to limit our exposure. Lastly, positive returns in the asset class are driven by a very small number of companies that do exceptionally well. Being highly selective is imperative.

## Our structure

Pacific Horizon is an investment trust but how does this structure benefit our shareholders?

Underpinning everything is a genuine commitment to low costs. We believe our duty to shareholders is to limit fees. Put simply, lower charges directly translate into shareholders keeping more of the returns generated from their investment. Our

scale and commitment to low costs enables us to offer genuine value for money. Although there are benefits to the investment trust structure, there are also risks involved. Please see [pacifichorizon.co.uk](http://pacifichorizon.co.uk) for the specific risks associated with investing in the Company.



# Strategic report

**This strategic report, which includes pages 5 to 51 and incorporates the Chairman's statement, has been prepared in accordance with the Companies Act 2006.**

# Chairman's statement



**Roger Yates**

Chairman

Appointed 2024

## Performance

Over the year to 31 July 2025, the Company's net asset value ('NAV') per share total return was 8.3%, compared to a 17.1% increase in the total return of the MSCI All Country Asia ex Japan Index in sterling terms. The underperformance of the portfolio was broadly uniform across the year. The share price rose by 6.4% and the discount ended the period at 9.5% having been 7.8% a year earlier. The Company's annual ongoing charge was 0.75% compared to 0.74% for the year to 31 July 2024.

The notable positive contributors to the portfolio's relative performance were the holdings in SEA Ltd, a Singaporean internet gaming and ecommerce business, private company Bytedance, a Chinese social media business, and Accton Technology, a Taiwanese server network equipment manufacturer. The notable detractors to relative performance were the holdings in private company VerSe Innovation, an Indian news aggregator application business, Samsung Electronics, a South Korean memory, phones and electronic components manufacturer, and Equinox India Developments, an Indian real estate business. The Managers' Review, on pages 9 to 13, provides fuller comment on the drivers of returns, as well as thoughts on the investee companies and their prospects.

Over the five years to 31 July 2025, the Company's NAV and share price total return were 50.8% and 30.8% respectively, whereas the Company's comparative index returned 30.4% in sterling terms during the same period.

Source: Baillie Gifford/LSEG and relevant underlying index providers. See disclaimer on page 119.

For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

Past performance is not a guide to future performance.



## Performance-Related Tender

Mindful of more recent performance and the level of the discount at which the Company's shares were trading, on 16 April 2025, following conversations with stakeholders, the Company announced its intention to introduce a five-year performance-related conditional tender for up to 25% of the Company's issued share capital (excluding treasury shares).

The Tender Offer will be conditional on the Company's NAV total return underperforming against its reference index, currently the MSCI All Country Asia Ex Japan Index total return in sterling, over the five-year period from close of business on 31 March 2025 to close of business on 31 March 2030.

## The Discount, Share Buybacks and Issuance

Over the course of the Company's last financial year, the discount averaged 11.9% and in response, the Company increased the quantum of share buybacks. On 16 April it was announced that it is the current Board's ambition that the Company's discount be maintained in single digits, in normal market conditions, on a sustained basis. Since the announcement, the discount has averaged 9.7%.

5,008,324 shares, 5.5% of the period's starting issued share capital, were bought back for treasury at a cost of £29.8 million. The buybacks were undertaken at a weighted average discount of 10.7%. In comparison, 425,198 shares, 0.5% of the period's starting issued share capital, were bought back during the equivalent prior period. Since the financial year end, a further 1,181,983 shares have been bought back for treasury.

At the Company's Annual General Meeting ('AGM') in November, the Board will be seeking to renew the annual authority to repurchase up to 14.99% of the Company's outstanding shares on an ad hoc basis, either for cancellation or to be held in treasury. The Board is also asking shareholders to renew the existing 10% non-pre-emptive issuance authority. The authority will also permit the re-issue of any shares held in treasury, of which there are currently 7,608,517. Any issuance, be it of new shares or from treasury, will only be undertaken at a premium to the NAV per share, so avoiding dilution for existing investors. Issuance at a premium enhances NAV per share, improves liquidity in the Company's shares and spreads the operating expenses of the Company across a broader base.

## Gearing

The Company has a multi-currency revolving credit facility with the Royal Bank of Scotland International Limited for up to £60 million. This facility expires in March 2026 and provides for potential gearing of 10% at present. The Company is currently drawing £35.8 million, with the portfolio managers having re-introduced gearing to the portfolio in October 2024 and increased it slightly as their conviction rose, with net gearing standing at 5% as at period end (nil as at 31 July 2024).

The Board sets the gearing parameters within which the portfolio managers are permitted to operate. At present, the agreed range of equity gearing is minus 15% (holding net cash) to plus 15%.

## Earnings and Dividend

Earnings per share this year were 2.34p, a decrease from the 3.82p per share reported last year due mainly to the cost of the borrowings. The Board is recommending that a final dividend of 1.50p per share be paid (2.65p per share paid in 2024), subject to shareholder approval at the AGM.

Investors should not invest in this Company if they require steady or growing income from their investment as the Company invests in growth stocks that will typically have little or no yield.

## Annual General Meeting

I look forward to meeting shareholders at this year's AGM. Unlike prior years, this will take place in London rather than Edinburgh in the hope that this will increase the number of shareholders attending. The AGM will be on Tuesday 25 November 2025 at 1 Moorgate Place in London, commencing at 1.00pm. Light refreshments will be available. If attending, please endeavour to arrive by 12.45pm to allow time to register. There will be a presentation from the portfolio managers who, along with the Directors, will answer questions from shareholders.

## Outlook

Despite near-term market volatility, due largely to uncertainty regarding US tariff policy and its impact on global trade and consequences for inflation, the Board and portfolio managers remain optimistic about the long term prospects for the portfolio, which contains a number of world-class businesses. These tend to be more profitable and more cashflow generative than the average, making them more robust to withstand uncertainty. The portfolio also contains a number of businesses with regional income streams that are less likely to be impacted directly by President Trump's policy making, often with notable competitive moats. The Managers' review starting on page 9 provides examples.

Valuations look attractive and the recent headwinds of a strong US dollar and weak Chinese economic activity appear to be receding. As I stated last year, it remains important that our portfolio managers (and shareholders) can see through the occasional and perhaps inevitable bouts of volatility in returns. Assuming that is the case, then the outlook for the portfolio and the Company is a positive one.

Roger Yates  
Chairman  
22 September 2025

# Managers' review



**Roderick Snell**

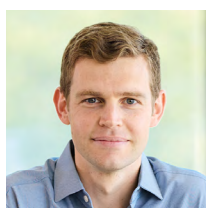
Portfolio manager

Appointed 2013

## Overview

In the year to 31 July 2025, the Company's net asset value ('NAV') per share total return and the share price total return were 8.3% and 6.4% respectively. This compares to a 17.1% increase in the total return of the MSCI All Country Asia ex Japan Index in sterling terms.

Although there were a number of global shocks, including trade tariffs and tensions in the Middle East, the macro environment proved supportive for the region. The US dollar weakened, expectations for Western rate cuts rose and global growth remained reasonably firm.



**Ben Durrant**

Deputy portfolio manager

Appointed 2023

The strength of the region was driven by China and Hong Kong, both rising nearly 40%. The sharp reversal in China's market performance was driven by a marked shift in government policy, including decisive economic stimulus beginning in September 2024 and, importantly, a renewed focus on supporting the private sector.

Conversely, after several extremely strong years, India was among the weakest markets, falling around 9%. A combination of high valuations and widespread earnings disappointments triggered a sharp correction, particularly in small and mid-cap stocks.

Despite significantly reducing our Indian exposure over the past 18 months and reinvesting much of it into China, the portfolio's relative performance disappointed. Stock selection in China was the main detractor; the underweight in Financials and not owning some of the top-performing technology companies, including Xiaomi and Alibaba, hurt. Our small and mid-cap exposure in India also underperformed.

Positive performance came from stock selection in Taiwan, driven by the Artificial Intelligence (AI) capex boom, and Singapore, led by SEA Ltd which rose 131% as its operational performance continued to exceed market expectations.

Source: Baillie Gifford/LSEG and relevant underlying index providers. See disclaimer on page 119.

For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

Past performance is not a guide to future performance.

We added significantly to China, most notably internet platforms such as Meituan and Tencent Holdings. We also added to Industrials including CATL, the world's leading EV battery maker, and Consumer Discretionary companies such as Haidilao, the restaurant chain. As a result, China now accounts for 36.4% of the Company's NAV, up from 25.8% at the start of the period, making it our second largest overweight position (340bps). Funding came primarily from India, which was reduced from 23.0% to 14.2%. Smaller additions were made to Vietnam, which remains our largest active position (910bps).

We remain optimistic about the outlook for Asia. Macroeconomic fundamentals are strong, valuations remain low, and sentiment in China is clearly improving. A weaker US dollar could act as a further tailwind for the region. At the portfolio level, our companies are performing well and remain attractive; on average, our holdings are forecast to grow earnings by 21.4%, more than double the comparative index's 9.2%, while still trading at a discount to the market. We believe the portfolio is well placed for what looks like a strong period for Asian markets.

Net gearing was increased from nil to 5% over the period and 5,008,324 shares were bought back (2024 – 425,198 shares).

## Philosophy

We are growth investors endeavouring to invest in the top twenty percent of the fastest-growing companies in Asia. Across the region we have found the most persistent source of outperformance to be those companies which can grow their profits faster than the market, in hard currency terms, over the long term. This trend persists irrespective of starting valuations. Our research is singularly focused on finding those companies whose share prices can at least double, in sterling terms, on a five-year view and we expect most of this doubling to come from earnings growth.

We are particularly interested in three specific and persistent inefficiencies:

### 1) Underappreciated growth duration

We believe one of the greatest investment inefficiencies is in companies with excellent long-term earnings growth where profits are volatile from one quarter to the next. The market typically shows an aversion to such companies, preferring the predictability of smooth profit generation even if the long-term growth rate turns out to be a fraction of that achieved by firms more willing to reinvest in their business and with greater ambition. This presents exciting investment opportunities, but it requires an approach that allows near-term volatility to be ignored. Our holding in TSMC reflects this investment philosophy.

### 2) Underappreciated growth pace

The market consistently underestimates the likelihood of rapid growth. The evidence shows that most investors cluster around a narrow range of earnings growth predictions, which can in turn lead to significant mispricing of companies with the potential to grow very rapidly. Our process is focused on finding those companies. By looking further out and searching for low probability but high impact growth opportunities, we endeavour to outperform the broader market. This approach has led us to investments in SEA Limited and Delhivery.

### 3) Underappreciated growth surprise

The final significant inefficiency lies in the interaction between top-down and bottom-up investing. As investors in Asia, ex Japan, and the Indian Sub-continent, we do not have the luxury of ignoring macroeconomics. Purely bottom-up investment is a path to ruin in a universe where industrial and economic cycles can dominate investment returns over multi-year periods. The long-term earnings of many companies – notably in the financial, materials and industrial sectors – are determined by exogenous macro factors beyond their control. This also provides opportunities.

Our analysis shows that while it may pay to invest in companies that display consistently high levels of profitability, the strongest returns are to be found in those companies that transition from poor levels of profitability to high ones – a ‘growth surprise’. EO Technics represents this type of opportunity within our portfolio.

This may seem obvious – rising levels of profitability are normally accompanied by a re-rating, thereby providing a two-fold kicker to share price performance. But identifying the drivers behind this change is the key and has been a significant source of outperformance for Pacific Horizon. We accept that timing these inflection points perfectly is impossible, but when you have an investment horizon measured over many years, anticipating the future direction of travel is possible.

We are agnostic as to the type of growth inefficiency we are exploiting and will invest wherever we are finding the best opportunities. At times this will lead to a concentration in particular sectors or countries, and at others to a much broader, flatter portfolio, but growth will always be the common theme.

	Pacific Horizon	MSCI AC Asia ex Japan Index
Historical earnings growth (5 years trailing compound annual growth to 31 July 2025)	9.0%	5.9%
One year forecast earnings growth to 31 July 2026	21.4%	9.2%
Estimated p/e ratio for the year to 31 July 2026	13.5x	14.1x
Active share*	72.8%	n/a
Portfolio turnover*	18.0%	n/a

Data as at 31 July 2025, source: Baillie Gifford and MSCI (see disclaimer on page 119).

## Review

Asian markets performed strongly over the year, supported by improving sentiment, a more favourable macro backdrop and strong earnings growth. Even with ongoing geopolitical tensions, tariff debates and conflict in the Middle East, most economies in the region continued to grow significantly faster than their developed market peers. Sound macroeconomic management, characterised by positive real interest rates and low inflation, helped cushion the impact of global

shocks, while a softer US dollar and the prospect of Western interest rate cuts encouraged fresh capital flows into the region.

China experienced the most dramatic turnaround, with equities rallying sharply from deeply depressed levels. This recovery was policy-led, beginning in September 2024 when the authorities acted decisively to stabilise growth through measures to support the property and equity markets. Equally important was a renewed commitment to the private sector, a clear shift in tone after several years in which it had been out of favour.

The investment case remains compelling. Valuations for many high-quality companies are still low, while households have accumulated more than \$10 trillion in savings since the Covid-19 pandemic. At the same time, operational performance has been robust, particularly in the internet sector: KE Holdings (property platform) is growing earnings by more than 70%, while ByteDance (unlisted owner of Douyin and TikTok) is increasing earnings by over 30% and could generate annual profits well in excess of \$40 billion by year end. These businesses are highly cash-generative and most have committed to returning capital to shareholders through substantial buybacks and dividends.

Against this backdrop, we increased exposure to China, focusing on companies with durable market leadership and strong growth runways. New holdings include Kanzhun, one of the country’s leading online recruitment platforms, which has grown profits at an annual rate of 72% over the past three years despite a challenging economic environment. We also purchased Meituan, the dominant online food delivery platform, and added to existing positions in Tencent Holdings and Pinduoduo Inc.

In the industrials sector, we introduced two new holdings. CATL, the world’s largest EV battery maker, combines unmatched scale with technological leadership to maintain a formidable competitive advantage. Sanhua Intelligent Controls, a global leader in refrigeration valves, is expanding into robotics and is working with Tesla’s Optimus humanoid robot project to supply actuators. We also initiated a small position in Pony.ai, which we believe is China’s leading developer of Level 4 self-driving systems for both passenger cars and commercial vehicles.

\* For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 120 and 121.



Meanwhile, India, one of the best performing markets in recent years, experienced a notable correction. Valuations had become stretched, with many companies trading at decade-high multiples and more than half of those we monitor missed earnings estimates. The pullback was most pronounced in the mid and small-cap sectors. While the macro outlook for the country remains good, this backdrop led us to continue reducing our exposure, which fell from 23.0% to 14.2% (- 490bps relative) over the period.

Sales included Jio Financial Services and Ramkrishna Forgings, while we trimmed Indian property exposure through reductions in Prestige Estates, Equinox Developments and Lemon Tree Hotels.

North Asia remained the epicentre of the global semiconductor manufacturing industry, with Taiwan and Korea benefiting most directly from the ongoing build-out of artificial intelligence infrastructure. Taiwan's TSMC reinforced its leadership in advanced manufacturing nodes and chip packaging, cementing its role as the sole supplier of the most sophisticated AI processors. TSMC ended the period as our largest single position (10.4%). Complementary holdings in Taiwan, including Accton Technology, a maker of high-speed networking equipment, and semiconductor designer MediaTek, also performed well as global AI investments continued to grow.

In our assessment, Vietnam remains the best structural growth story in Asia, underpinned by its successful export manufacturing base and, more recently, a powerful turnaround in the domestic cycle. Political stability has returned under General Secretary To Lam, who consolidated power and embarked on a bold pro-growth agenda. Approvals for infrastructure and property projects have restarted, bank lending quotas have been raised, public investment is set to rise by 50% in 2025, and the property cycle is turning.

While tariffs are a potential headwind, the country signed a favourable deal with the USA and any weakness is likely to be offset by a rapidly expanding domestic economy. We modestly increased exposure with additions to Military Commercial Joint Stock Bank, alongside a new purchase in Khang Dien Housing, one of the country's leading property developers.

Tariffs and industrial policy are now an enduring feature of the global trade environment. While they remain a source of uncertainty, we view them as more likely to redirect supply chains than dismantle them. The cost advantages enjoyed by much of Asia, particularly in labour-intensive manufacturing, make large-scale reshoring to developed markets uneconomic in many sectors. We expect more regionalisation through "China-plus-one" strategies (ie not being solely reliant on China) and deeper intra-Asian supply chains, creating opportunities for both competitive exporters and well-positioned domestic market leaders.

Overall, the number of names in the portfolio increased from 59 to 65 in the year to 31 July 2025. Private companies, of which there were five in the portfolio as of 31 July 2025, accounted for 6.1% of the portfolio.

## Performance

Over the year to 31 July 2025, the Company's NAV per share total return was 8.3%, compared to a 17.1% increase in the MSCI All Country Asia ex Japan Index in sterling terms. The share price rose by 6.4% as the discount to NAV widened modestly. Relative performance was therefore disappointing, with aggregate stock selection in China and India the most significant detractors.

China was the single largest drag on relative returns, despite being the portfolio's biggest absolute overweight. While Chinese equities rebounded nearly 40% over the period, a large part of the recovery was concentrated in a handful of large financials and technology companies where we were underweight.

We have had a long-standing underweight to Chinese banks, due to concerns over margin pressures, regulatory issues and state control. While this strategy has been correct long-term, Chinese financials rose more than 50% in this period as the government bolstered the economy and the property sector.

In Information Technology, despite our significant exposure, the portfolio did not hold Xiaomi (up more than 200% over the period) or Alibaba (+47%). Xiaomi has far exceeded our expectations, reclaiming the number one position in China's smartphone market and launching some of the country's most impressive electric vehicles. Not owning the shares has been disappointing, but given the cyclical nature of smartphones and autos, and the significant new capacity entering these industries, we remain cautious. For Alibaba, we continue to see the company ceding share in its core e-commerce business and expect its newer ventures, including cloud infrastructure, to prove highly competitive with low returns.

India was the second major source of relative weakness, despite the portfolio being underweight the market. Our exposure was concentrated in small and mid-cap companies, particularly in real estate, which previously delivered exceptional returns but corrected sharply. The largest single Indian detractor was our private holding VerSe Innovation. The company struggled with weak monetisation in its short-form video business (Josh), which faced increasing competition from global platforms. At the same time, the digital advertising market in India softened, hitting revenue growth, while user engagement failed to scale as expected.

Korea was a modest detractor, driven primarily by our large holding in Samsung Electronics (6.0%). The shares fell heavily in the first half as the company lost ground in high-bandwidth memory (HBM), a critical component for artificial intelligence data centres, to domestic rival SK hynix. However, Samsung Electronics rebounded in the second half as the traditional memory cycle turned and the firm made progress in HBM. Offsetting some of this weakness, we are significant holders of SK hynix (via SK Square, its parent company), which benefited from its leadership in HBM and contributed positively to performance.

Vietnam, while remaining our largest active country overweight (910bps), detracted modestly from relative returns. The market was hit harder than most by tariff uncertainty, given Vietnam's large trade surplus with the US and reliance on exports. Encouragingly, since the reporting date the market has outperformed as investors recognised that exports remain resilient and the domestic economy robust.

Taiwan emerged as the portfolio's best-performing market, contributing c.150bps to performance, driven by strong demand for AI infrastructure. Accton Technology, a manufacturer of data centre switches, was our top Taiwanese company, rising 90% on accelerated demand from its key customer, Amazon. Chroma (testing equipment) and our core holding in TSMC also delivered strong performance, reinforcing Taiwan's central role in the AI supply chain.

Singapore followed closely, with SEA Ltd, ASEAN's leading ecommerce and gaming company, rising 131% and adding c.150bps to performance. The company has reached an important inflection point, with Shopee, its ecommerce arm, turning profitable across ASEAN and in Brazil, well ahead of expectations. Its gaming division remained resilient, with Free Fire among the world's most downloaded games, while the fintech arm continued to expand rapidly, with loan customers up more than 60% year-on-year. These achievements reinforced SEA Ltd's position as ASEAN's leading internet platform.

By sector, Materials was the top contributor to relative performance, led by strong gains in our copper holdings MMG and Zijin Mining Group. Underweights in lower-growth areas such as Utilities and Consumer Staples also added value, as both sectors lagged a rising market. In contrast, Financials and Real Estate were the largest detractors, reflecting the rally in Chinese banks and the correction in Indian property names.

In summary, relative performance was disappointing, reflecting both index concentration in a narrow set of Chinese financials and technology companies, and the correction in Indian small and mid-cap names. While these dynamics weighed on results over the period, the portfolio holds a broad mix of growth businesses, from technology leaders to commodity producers. These companies are forecast to grow earnings much faster than the index yet still trade at a discount. Combined with the supportive backdrop for the region, we believe the portfolio is well positioned to benefit from what should be a strong period for Asian markets.

Baillie Gifford & Co  
22 September 2025







# Environmental, social and governance engagement

Our long-term, active approach to investment is based on identifying and holding high-quality growth businesses that enjoy sustainable competitive advantages in their marketplace.

To identify these kinds of businesses, we often look beyond current financial performance, undertaking proprietary research to build up our in-depth knowledge of an individual company and form a view of its long-term prospects. Material environmental, social and governance ('ESG') matters which affect the financial condition or operating performance of a company, can positively or negatively influence long-term investment returns. Such issues are considered throughout the investment process through research, engagement and voting.

Our approach is guided by our ESG principles:

- Investment process founded on long-term ownership of growing businesses: we want to help these companies fulfil their potential and encourage them to ignore the short-term pressures of the market.
- Sustainability is central to our analytical task: businesses engaging in practices that are harmful to society may be capable of generating attractive returns in the short term but are unlikely to do so over the periods we seek to invest.

- We do not believe 'one size fits all': ESG practices need to be assessed on a case-by-case basis, not reliant on formulaic and backward-looking screens.
- Not seeking 'perfect' companies: we prefer to consider the likely direction of change in otherwise promising investments and engage accordingly.

Company engagement is key to our process. We encourage steps to maximise opportunities and minimise risks where we believe it is material to the success of the company. Engagement priorities are set through a combination of a subjective assessment of the materiality of an issue and our ability to influence, as well as use of more qualitative inputs to provide direction. We vote wherever possible and will vote against management if we believe that its actions are not in the interests of shareholders.

We are supported by a dedicated emerging markets ESG analyst and a further 40 analysts who are part of Baillie Gifford's wider ESG resource.

By engaging with companies, we seek to build constructive relationships with them, to better inform our investment activities and, where necessary, effect change within our holdings, ultimately with the goal of achieving better returns for our shareholders. The three following examples demonstrate our stewardship approach through constructive, ongoing engagement.

# Engagement highlights



## Kaspi.kz

### Key topics

- Governance fit for purpose
- Sustainable business practices

### Overview and objectives

Kaspi plays a critical role in payments and ecommerce in Kazakhstan. It is the second largest bank in Kazakhstan in terms of assets, loan volume and deposit base. If we relied solely on historically focussed external research, we may overweight risks and overlook opportunities including significant social benefits through financial inclusion and merchant retail. We acknowledge geopolitical and country risks and have undertaken our own research to assess sanctions risk, the reputation of key personnel and controlling shareholders, and examine how Kaspi manages risk over and above regulation.

### Discussion

In September 2024, two investors travelled to Kazakhstan for a week-long visit and met with several of Kaspi's senior leaders and other stakeholders. This visit followed additional research we carried out to examine sanctions risk, governance mechanisms, and Kaspi's KYC (know your customer) controls. Other financial services companies in Kazakhstan were all supportive of Kaspi's relatively low risk position within the local banking sector. Conversations with regulators and politicians highlighted that they similarly see Kaspi as relatively low risk from a macroprudential perspective and that the company's services contribute positively to broader Kazakh society. The Agency of the Republic of Kazakhstan for Regulation and Development of Financial Markets emphasised the systematic importance of Kaspi for payments and consumer

lending, and there are high levels of transparency and compliance with United States, European Union and other foreign country requirements. Kaspi has a digital onboarding process enhanced by facial recognition technology, ensuring all customers are registered in Kazakhstan with multiple data sources and IDs. This system balances speed and innovation with control without relying on off-the-shelf solutions. The company's business focuses on domestic transactions between domestic users. Kaspi's products are designed with transaction limits that prevent their use when moving large sums of money. The limits are approximately \$500 per transaction and \$2,000 per month. This design makes its product unsuitable for breaking sanctions, as it cannot perform SWIFT transfers or open dollar or sterling accounts. Kaspi has embraced digital innovation, moving from cash to non-cash transactions, with 85 per cent of transactions now being non-cash. The open API framework and the emphasis on keeping fees competitive while ensuring merchant and customer satisfaction were also discussed.

### Outcome

The detailed insights into Kaspi's KYC processes and additional independent research findings provided a more in-depth understanding of the company's governance and controls in place. While we recognise the geopolitical and country risk, our own in-depth research gives us the confidence to invest in the opportunities and direction of travel. The trip provided further insights and assurances into Kaspi's corporate governance and controls in place. Our discussion shed light on Kaspi's digital transformation.





## Zijin Mining Group

### Key topics

- Sustainable business practices

### Overview and objectives

Zijin Mining Group is one of China's largest producers of gold, copper and zinc, materials which are essential for the energy transition. As the company was assessed as non-compliant with principles of the UN Global Compact, we implemented a 3-year engagement plan from 2022 to 2025 to seek improvements, monitor progress, and assess remedial action. In 2024, we followed up with the company regarding employment and safety standards at Julong and to emphasise our expectations that they provide further disclosures on their human rights due diligence. Our engagement also aimed to gain a deeper perspective on how Zijin influences overseas mines where it is a shared owner but not the operator.

### Discussion

Over the course of our engagement, Zijin has been open to dialogue on a range of topics. Following initial responses on the company's approach to human rights due diligence and local environmental topics, we were invited to visit the Ashele and Zijinshan mines in 2023 and then to the Julong mine in 2024. We held discussions with managers and directors responsible for environmental and social performance. Zijin has made significant progress in addressing sustainability and governance issues that materially impact its performance both internationally and in China and has developed a more strategic approach to stakeholder engagement.

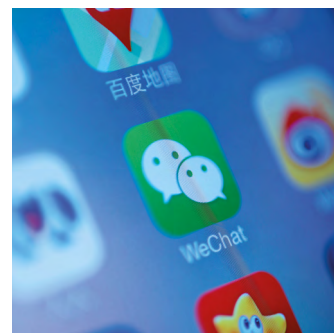
In 2024, a September meeting and visit to the Julong Copper Mine in Tibet, focussed on occupational safety management and equitable treatment of employees and contractors. Julong is Zijin's largest mineral copper site in China and the third-largest globally. In November we wrote to the company to

share our expectations for the publication of the independent social responsibility audit conducted at the Ashele mine by the end of April 2025. In December, we reiterated this expectation and discussed Zijin's overseas social and environmental challenges and how the company is addressing them.

Zijin stressed that community relationship building is and will always be the most material topic to gain the social license to operate and significant efforts have been dedicated on this front, such as addressing the needs of the surrounding communities and seeking support from the local governments. Zijin is also working with international non-governmental organisations (NGOs) for constructive suggestions. There are many mining projects globally in which Zijin is a shareholder rather than an operator. Zijin highlighted the Porgera mine in PNG where they have appointed two senior managers to sit on the board to influence the decisions, and ESG matters are discussed at the board about twice every quarter. Zijin emphasised that their influence contributed to Barrick, the direct operator at the mine, disclosing a roadmap to eliminate the problematic river tailings disposal method by 2028.

### Outcome

The direction of travel and the willingness of Zijin to engage on these topics is significant. We appreciate the progress that the company is making and, given the sector and countries of operation, there will always be governance, social and environmental-related risks. The world needs more copper (and other mined materials), and our preference is to engage where we believe there are opportunities for improvement. With regard to our expectations for human rights-related disclosure and our timeline, the company committed to report once the information is reviewed by its US legal counsel. Its latest report has improved and started to disclose its internal human rights audits in high-risk regions.



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# Tencent Holdings

## Key topics

- Governance fit for purpose

## Overview and objectives

Tencent is a Chinese technology platform renowned for its range of products and services in the IT sector. In 2022, Tencent was downgraded to 'non-compliant' with the United Nations Global Compact principles by a third-party environmental, social and governance (ESG) rating agency. We have included the company on our watch list to better understand Tencent's data management practices and suggest actions to align with the international best practices.

## Discussion

Following our research and engagement in 2022 and 2023, we followed up again in 2024 to continue our dialogue on data management with Tencent as supportive shareholders who are challenged by their non-compliant list status. We discussed the international norms of data protection and the regulatory landscape of data in the People's Republic of China (PRC). Tencent has made significant progress in making the content policy transparent to its users and disclosing external requests for data for public scrutiny. Since the start of our engagement the company has signalled its commitment to the ten principles of the United Nations Global Compact (UNGC) as a signatory and reports on its progress including commitments to data and privacy protection.

Thus far, our research and engagement has led us to conclude that Tencent is taking action to the greatest extent possible to ensure compliance with domestic legislation while also attempting to align with international norms. The company's next steps will focus on further strengthening the technology power to prevent cybersecurity attacks, especially in gaming and its fintech services. Through our engagement we have also learned more about Tencent's decarbonisation pathway, the internal controls of the anti-corruption campaign and how they think about the social value and potential of gaming as one of its core businesses in the long run.

## Outcome

The meeting reassured us about the concrete practices on data protection. We believe the company is balancing both local laws and international norms. They will continue to improve data management as new challenges occur in the cyber world. The company is proactive in working to enhance their social license to operate and engages with a wide range of stakeholders across government and academia.

# Baillie Gifford

## stewardship principles

**Baillie Gifford's overarching ethos is that we are 'Actual' investors. That means we seek to invest for the long term. Our role as an engaged investor is core to our mission to be effective stewards for our clients.**

**Where possible we consider all asset classes within the framework of our stewardship activities, however, the principles are tilted to corporate securities recognising that this represents the majority of our assets under management.**

**As an active manager, we invest in companies at different stages of their evolution, across many industries and geographies, and focus on their unique circumstances and opportunities. Our approach favours a small number of simple principles rather than overly prescriptive policies. This helps shape our interactions with holdings and ensures our investment teams have the freedom and retain the responsibility to act in clients' best interests.**

**We seek to apply the most appropriate ownership tools to each holding in delivering our objectives.**

### **Long-term value creation**

We believe that companies that are run for the long-term are more likely to be better investments over our clients' time horizons. We encourage our holdings to be ambitious, focusing on long-term value creation and capital deployment for growth. We know events will not always run according to plan. In these instances we expect management to act deliberately and to provide appropriate transparency. We think helping management to resist short-term demands from shareholders often protects returns. We regard it as our responsibility to encourage holdings away from destructive financial engineering towards activities that create genuine value over the long-run. Our value will often be in supporting management when others don't.

### **Alignment in vision and practice**

Alignment is at the heart of our stewardship approach. We seek the fair and equitable treatment of all shareholders alongside the interests of management. While assessing alignment with management often comes down to intangible factors and an understanding built over time, we look for clear evidence of alignment in everything from capital allocation decisions in moments of stress to the details of executive remuneration plans and committed share ownership. We expect companies to deepen alignment with us, rather than weaken it, where the opportunity presents itself.

### **Governance fit for purpose**

Corporate governance is a combination of structures and behaviours; a careful balance between systems, processes and people. Good governance is the essential foundation for long-term company success. We firmly believe that there is no single governance model that delivers the best long-term outcomes. We therefore strive to push back against one-dimensional global governance principles in favour of a deep understanding of each company we invest in. We look, very simply, for structures, people and processes which we think can maximise the likelihood of long-term success. We expect to trust the boards and management teams of the companies we select, but demand accountability if that trust is broken.

### **Sustainable business practices**

A company's ability to grow and generate value for our clients relies on a network of interdependencies between the company and the economy, society and environment in which it operates. We expect holdings to consider how their actions impact and rely on these relationships. We believe long-term success depends on maintaining a social licence to operate and look for holdings to work within the spirit and not just the letter of the laws and regulations that govern them. Material factors should be addressed at the board level as appropriate.

# Baillie Gifford proxy voting

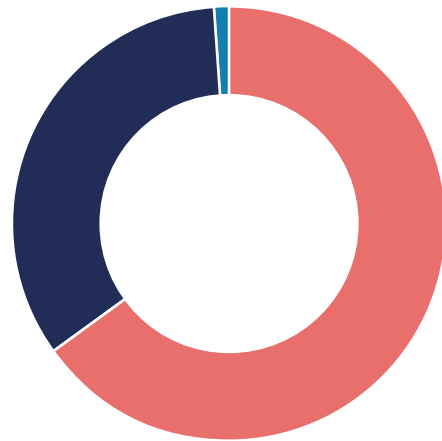
We believe that ‘active ownership’ of our clients’ holdings is as important as selecting the right investments in the first instance. These guidelines are aligned with our stewardship principles and describe our approach to proxy voting and company engagement, the key levers of active ownership, often described as ‘stewardship’.

While these guidelines are intended to provide an insight into how we approach voting on our clients’ behalf, it is important to note that we assess every company individually. In voting, we will always evaluate proposals on a case-by-case basis, based on what we believe to be in the best long-term interests of our clients, rather than rigidly applying a policy.

A broad cross section of our investment staff are involved in our ongoing work on stewardship. In the same way that our investment approach is based around empowered and independent teams, our voting and engagement is led by the individual investment teams. In keeping with our decentralised and autonomous culture, our investment teams will, on occasion, elect to vote differently on the same general meeting resolutions. Where this happens, we report accordingly in the proxy voting disclosure on our website. We also have clear processes in place to identify, prevent and manage potential proxy voting related conflicts of interest to ensure that in all cases the firm acts in the clients’ best interest. Baillie Gifford’s firm-wide conflict of interest disclosure is available on our website.

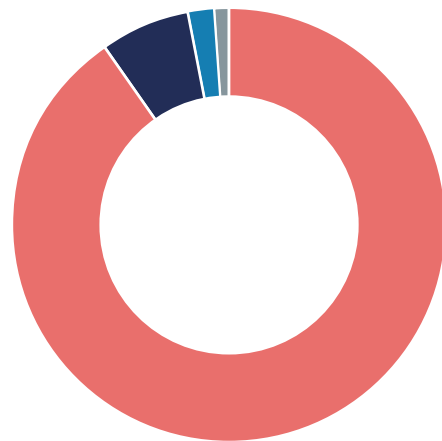
Prior to taking any voting action, we usually address specific ESG concerns by engaging directly with the company, using voting as an escalation mechanism if we have not seen sufficient progress. Voting activity and the reasons for any resolutions voted against in the period is disclosed on the Company’s page of the Managers’ website and can be viewed at [pacifichorizon.co.uk](http://pacifichorizon.co.uk).

## Company meeting record



<span style="color: red;">●</span> Number of meetings voted with management	62
<span style="color: darkblue;">●</span> Number of meetings with at least one against, withhold or abstain	32
<span style="color: lightblue;">●</span> Meeting not voted	1

## Voting distribution



<span style="color: red;">●</span> Number of votes for	90%
<span style="color: darkblue;">●</span> Number of votes against	7%
<span style="color: lightblue;">●</span> Number of votes abstain	2%
<span style="color: grey;">●</span> No Vote	1%

# One year summary

The following information illustrates how Pacific Horizon has performed over the year to 31 July 2025.

	31 July 2025	31 July 2024	% change	
Shareholders' funds*	£613.4m	£602.0m		
Net asset value per ordinary share*	716.13p	664.01p		7.8%
Share price	648.00p	612.00p		5.9%
MSCI All Country Asia ex Japan Index (in sterling terms)†				14.2%
Dividend proposed per ordinary share in respect of the financial year	1.50p	2.65p		
Revenue earnings per ordinary share	2.34p	3.82p		
Ongoing charges#‡	0.75%	0.74%		
Discount#‡	(9.5%)	(7.8%)		
Active share*	73%	75%		
<b>Year to 31 July</b>	<b>2025</b>	<b>2024</b>		
<b>Total return#</b>				
Net asset value per ordinary share‡	8.3%	4.8%		
Share price‡	6.4%	5.1%		
MSCI All Country Asia ex Japan Index (in sterling terms)†	17.1%	6.8%		
<b>Year to 31 July</b>	<b>2025</b>	<b>2025</b>	<b>2024</b>	<b>2024</b>
<b>Year's high and low</b>	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>
Net asset value per ordinary share*	719.77p	579.44p	712.09p	579.28p
Share price	650.00p	507.00p	657.00p	512.00p
Discount#‡	(7.7%)	(15.9%)	(5.0%)	(14.5%)
<b>Year to 31 July</b>	<b>2025</b>	<b>2024</b>		
<b>Net return per ordinary share</b>				
Revenue	2.34p	3.82p		
Capital	46.42p	25.82p		
<b>Total</b>	<b>48.76p</b>	<b>29.64p</b>		

Source: Baillie Gifford/LSEG and relevant underlying index providers. See disclaimer on page 119.

\* For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

† The MSCI All Country Asia ex Japan Index (in sterling terms) is the principal index against which performance is measured.

# Alternative Performance Measure – see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

‡ Key Performance Indicator.

Past performance is not a guide to future performance.

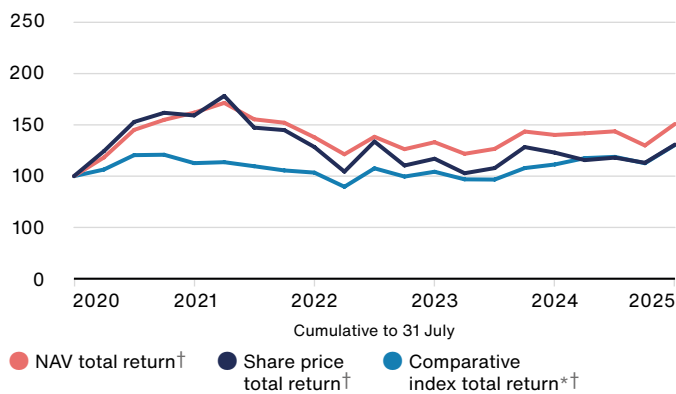


# Five year summary

The following charts indicate how Pacific Horizon has been managed and how it has performed relative to its comparative index\* and the relationship between share price and net asset value over the five year period to 31 July 2025.

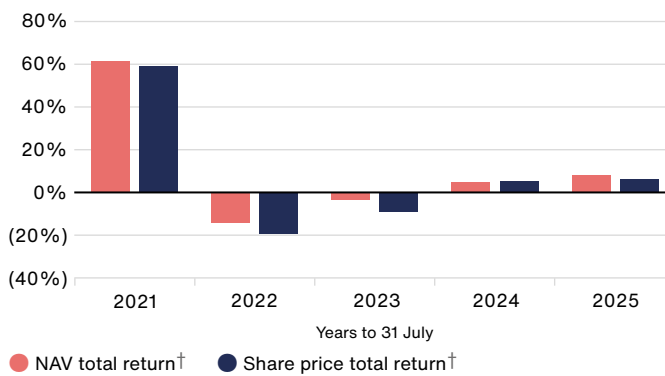
## Total return performance†

(figures rebased to 100 at 31 July 2020, plotted on a quarterly basis)



Source: Baillie Gifford/LSEG and relevant underlying index providers#. Dividends are reinvested.

## Annual share price and net asset value total returns†



Source: Baillie Gifford/LSEG. Dividends are reinvested.

\* The MSCI All Country Asia ex Japan Index (in sterling terms) is the principal index against which performance is measured.

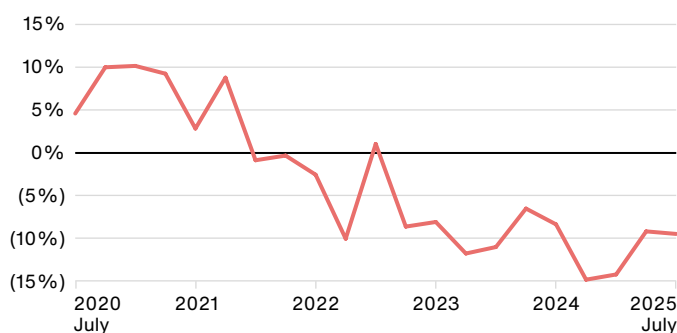
† Alternative Performance Measure – see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

# See disclaimer on page 119.

Past performance is not a guide to future performance.

### Premium/(discount) to net asset value†

(figures plotted on a quarterly basis)

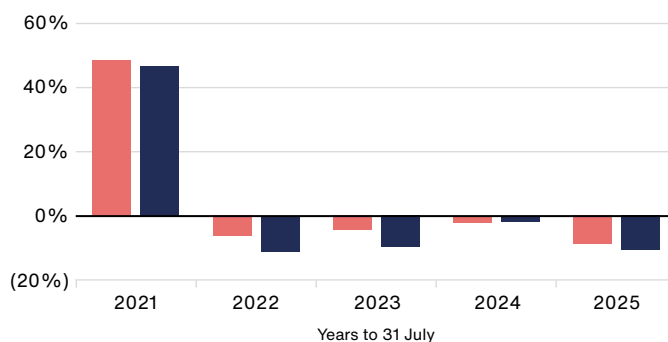


● Pacific Horizon premium/(discount)†

Source: Baillie Gifford/LSEG#.

### Relative annual share price and net asset value total returns†

(compared to the MSCI All Country Asia ex Japan Index (in sterling terms)\* total returns)

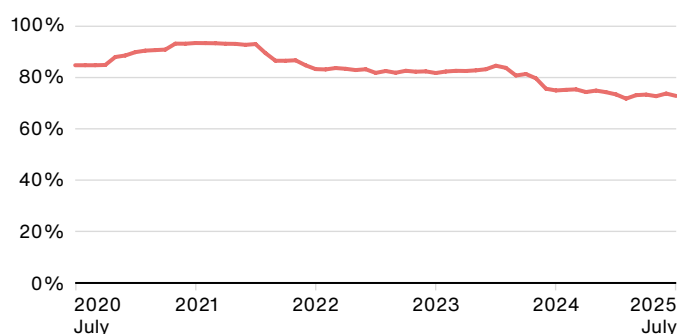


● Relative NAV total return† ● Relative share price total return†

Source: Baillie Gifford/LSEG and relevant underlying index providers#. Dividends are reinvested.

### Active share‡

(compared to the MSCI All Country Asia ex Japan Index (in sterling terms)\*, plotted on a monthly basis)

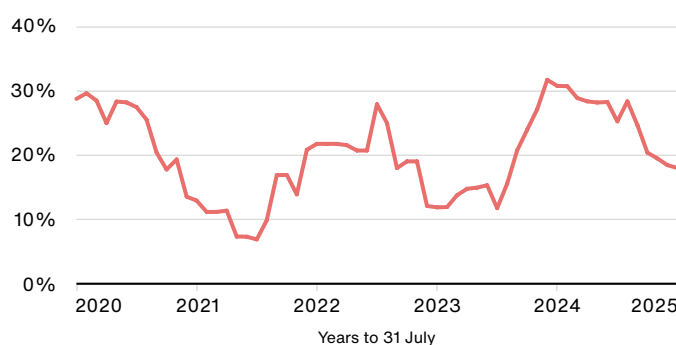


● Active share‡

Source: Baillie Gifford and relevant underlying index providers#.

### Turnover‡

(rolling 12 months turnover, plotted on a monthly basis)



● Turnover‡

Source: Baillie Gifford.

\* The MSCI All Country Asia ex Japan Index (in sterling terms) is the principal index against which performance is measured.

† Alternative Performance Measure – see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

# See disclaimer on page 119.

‡ For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

Past performance is not a guide to future performance.

# Ten year record

## Capital

At 31 July	Total assets * £'000	Borrowings £'000	Shareholders' funds * £'000	Net asset value per share * p	Share price p	Premium/ (discount) * %
2015	139,167	13,997	125,170	197.78	181.63	(8.2)
2016	132,702	5,000	127,702	223.58	201.00	(10.1)
2017	182,523	14,773	167,750	309.15	286.00	(7.5)
2018	225,063	20,183	204,880	351.26	363.00	3.3
2019	223,755	20,405	203,350	344.50	320.00	(7.1)
2020	329,044	24,641	304,403	481.92	504.00	4.6
2021	748,014	60,783	687,231	777.15	802.00	3.2
2022	610,550	-	610,550	664.65	647.00	(2.7)
2023	580,355	-	580,355	637.18	586.00	(8.0)
2024	601,970	-	601,970	664.01	612.00	(7.8)
<b>2025</b>	<b>653,328</b>	<b>35,780</b>	<b>613,357</b>	<b>716.13</b>	<b>648.00</b>	<b>(9.5)</b>

## Revenue

## Gearing ratios

Year to 31 July	Gross revenue £'000	Available for ordinary shareholders £'000	Revenue earnings per ordinary share p	Dividend paid and proposed per ordinary share (net) p	Ongoing charges * %	Gearing * %	Gross gearing * %
2015	1,886	231	0.35	0.35	1.02	8	11
2016	1,331	(182)	(0.30)	0.35	1.13	3	4
2017	1,559	(211)	(0.38)	-	1.07	7	9
2018	2,032	(328)	(0.60)	-	1.02	8	10
2019	2,473	8	0.01	-	0.99	8	10
2020	3,128	564	0.95	0.25	0.92	4	8
2021	3,561	(402)	(0.51)	-	0.78	4	9
2022	11,067	3,830	4.21	3.00	0.74	(1)	-
2023	9,580	4,166	4.56	3.25	0.72	(2)	-
2024	8,987	3,464	3.82	2.65	0.74	(1)	-
<b>2025</b>	<b>8,870</b>	<b>2,090</b>	<b>2.34</b>	<b>1.50</b>	<b>0.75</b>	<b>5</b>	<b>6</b>

\* For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

Past performance is not a guide to future performance.

### Cumulative performance (taking 2015 as 100)

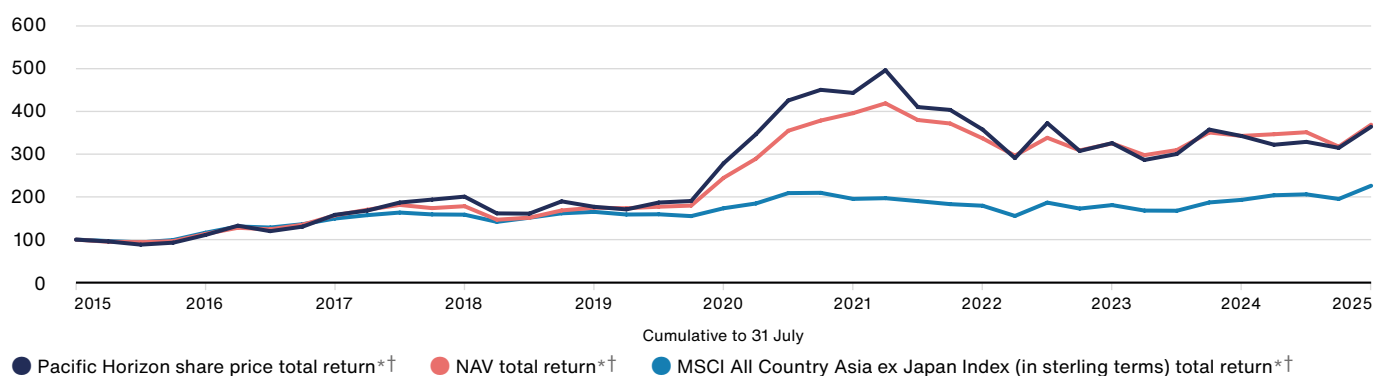
At 31 July	Net asset value per share *	Net asset value total return *†	Share price	Share price total return *†	Comparative index †#	Comparative index total return †#	Retail price index †
2015	100	100	100	100	100	100	100
2016	113	113	111	111	113	116	102
2017	156	157	157	158	142	149	106
2018	178	178	200	201	146	158	109
2019	174	175	176	177	148	165	112
2020	244	245	277	278	152	173	114
2021	393	396	442	443	168	195	118
2022	336	337	356	358	150	179	133
2023	322	325	323	326	147	181	145
2024	336	343	337	342	153	193	150
<b>2025</b>	<b>362</b>	<b>369</b>	<b>357</b>	<b>364</b>	<b>175</b>	<b>226</b>	<b>157</b>

### Compound annual returns\* (%)

5 year	8.2	8.6	5.2	5.5	2.9	5.5	6.7
10 year	13.7	13.9	13.6	13.8	5.8	8.5	4.6

### Total return performance\*

(figures rebased to 100 at 31 July 2015, plotted on a quarterly basis)



\* For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

† Source: LSEG and relevant underlying index providers. See disclaimer on page 119.

# The MSCI All Country Asia ex Japan Index (in sterling terms) is the principal index against which performance is measured.

Past performance is not a guide to future performance.

# Review of investments

A review of the Company's ten largest investments as at 31 July 2025.



© Taiwan Semiconductor Manufacturing Co., Ltd.



© Alamy Stock Photo.

## TSMC

TSMC is the world's most advanced semiconductor foundry, with unmatched scale and technological leadership. It's indispensable to its customers – it partners with all major chip designers secure enduring high returns and multi-decade growth. With exceptional cash generation and human capital, it reinvests ambitiously, extending its lead in semiconductor process technology and reinforcing its central role in the digital economy.

Geography	Taiwan
Valuation at 31 July 2025	£68,163,000
% of total assets* at 31 July 2025	10.4%
Valuation at 31 July 2024	£52,860,000
% of total assets* at 31 July 2024	8.8%
Net purchases/(sales) in year to 31 July 2025	(£782,000)

## Tencent Holdings

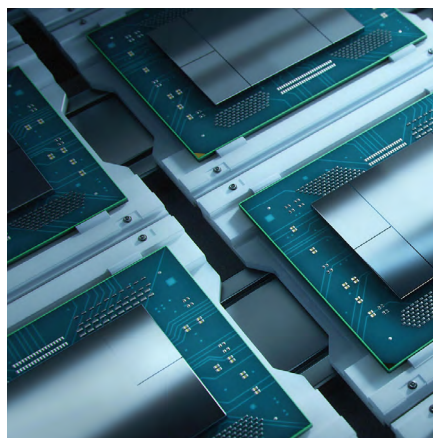
Tencent is China's largest online entertainment platform. It operates WeChat, China's super-app, and is the country's leading gaming publisher. Its unrivalled consumer internet reach and AI capability, coupled with a strong record in capital allocation, provides an exceptional platform for long-term growth. Positioned at the heart of China's digital economy, Tencent can capture opportunities in advertising and cloud services, as well as overseas gaming.

Geography	China
Valuation at 31 July 2025	£46,469,000
% of total assets* at 31 July 2025	7.1%
Valuation at 31 July 2024	£22,940,000
% of total assets* at 31 July 2024	3.8%
Net purchases/(sales) in year to 31 July 2025	£12,072,000

\* For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 120 and 121.



© Samsung.



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## Samsung Electronics

Samsung is a global leader in memory chips and smartphones. Its scale, vertical integration and relentless innovation underpin durable competitive advantages. The company generates substantial cash flows and is investing heavily in next-generation technologies, such as advanced memory, positioning it as a key enabler of digital infrastructure and consumer electronics globally.

Geography	South Korea
Valuation at 31 July 2025	£39,453,000
% of total assets* at 31 July 2025	6.0%
Valuation at 31 July 2024	£57,877,000
% of total assets* at 31 July 2024	9.6%
Net purchases/(sales) in year to 31 July 2025	(£9,057,000)

## SK Square

SK Square is a holding company for SK Hynix, the world's leading supplier of high-bandwidth memory chips vital for AI datacentres. Chronic undersupply supports strong long-term growth, while SK Square itself trades at a steep discount to its stake's value. This combination of structural demand growth and valuation dislocation offers attractive upside potential.

Geography	South Korea
Valuation at 31 July 2025	£25,599,000
% of total assets* at 31 July 2025	3.9%
Valuation at 31 July 2024	£5,835,000
% of total assets* at 31 July 2024	1.0%
Net purchases/(sales) in year to 31 July 2025	£16,840,000†

## ByteDance Series E-1 Preferred

ByteDance, owner of Douyin and TikTok, is redefining global media through short-form video. Its unmatched machine-learning capabilities drive personalised engagement and innovation across demographics and formats. With proven ability to launch category-defining products and monetise attention, ByteDance has the potential to become a generation-defining media platform. It is also one of the Company's private investments.

Geography	China
Valuation at 31 July 2025	£25,300,000
% of total assets* at 31 July 2025	3.9%
Valuation at 31 July 2024	£15,232,000
% of total assets* at 31 July 2024	2.5%
Net purchases/(sales) in year to 31 July 2025	nil

\* For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

† At 31 July 2024, the company held £14,266,000 in SK Hynix. During the period to 31 July 2025, the company sold all its holdings in SK Hynix, generating sale proceeds of £17,198,000. Of these proceeds, £16,840,000 was reinvested in SK Square.





### SEA Ltd

SEA Limited is Southeast Asia’s leading internet company, with strengths in gaming, ecommerce and fintech. Backed by Tencent, it benefits from scale, strong execution and a rapidly expanding digital economy. Its markets remain early in penetration, offering exponential growth potential over the coming decade.

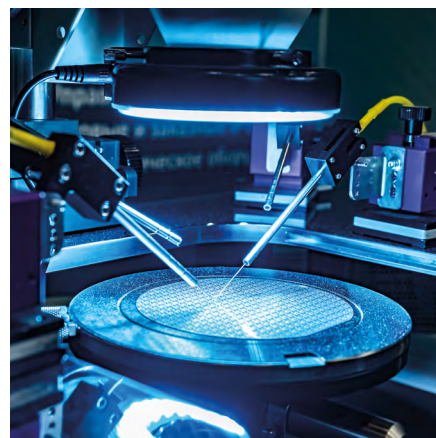
Geography	Singapore
Valuation at 31 July 2025	£23,130,000
% of total assets* at 31 July 2025	3.5%
Valuation at 31 July 2024	£11,197,000
% of total assets* at 31 July 2024	1.9%
Net purchases/(sales) in year to 31 July 2025	(£249,000)



### Zijin Mining Group

Zijin Mining is a diversified miner with a strong asset base in copper, gold and zinc. Zijin is positioned to benefit from structural copper shortages driven by the energy transition. Its unique expertise in managing low-grade resources enables profitable projects others cannot match. Its entrepreneurial leadership remains committed to exploration and expansion and Zijin’s combination of cost advantage, speed and vision underpins its long-term potential.

Geography	China
Valuation at 31 July 2025	£18,061,000
% of total assets* at 31 July 2025	2.8%
Valuation at 31 July 2024	£18,142,000
% of total assets* at 31 July 2024	3.0%
Net purchases/(sales) in year to 31 July 2025	(£1,704,000)



### EO Technics

EO Technics supplies lasers essential to advanced semiconductor manufacturing, including wafer marking, drilling and dicing. As chips become smaller and more complex, traditional tools are being displaced by laser solutions. This structural shift underpins rapid growth potential, positioning EO Technics as a key enabler of future semiconductor advances.

Geography	South Korea
Valuation at 31 July 2025	£16,590,000
% of total assets* at 31 July 2025	2.5%
Valuation at 31 July 2024	£15,692,000
% of total assets* at 31 July 2024	2.6%
Net purchases/(sales) in year to 31 July 2025	(£1,260,000)

\* For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 120 and 121.





© Imaginechina Limited/Alamy Stock Photo.

## Delhivery

Delhivery is an Indian logistics company, and the leading independent provider of end-to-end delivery services, with a national network used by all ecommerce players. It is a technology focused business. The scale and modernity of its network has allowed it to deliver both the lowest costs and a reliable delivery experience, making it one of the best-placed operators to benefit from the continued growth of Indian ecommerce.

Geography	India
Valuation at 31 July 2025	£15,472,000
% of total assets* at 31 July 2025	2.4%
Valuation at 31 July 2024	£18,175,000
% of total assets* at 31 July 2024	3.0%
Net purchases/(sales) in year to 31 July 2025	(£2,152,000)

## Pinduoduo Inc

Pinduoduo has been one of the fastest growing companies in China. It has disrupted Chinese ecommerce with its price-driven, gamified model to entice customers. Leveraging deep supplier relationships, it delivers bargains that resonate with cost-conscious consumers while driving strong profitability. Internationally, its Temu platform is rapidly gaining traction, extending its disruptive approach to global markets.

Geography	China
Valuation at 31 July 2025	£13,860,000
% of total assets* at 31 July 2025	2.1%
Valuation at 31 July 2024	£15,469,000
% of total assets* at 31 July 2024	2.6%
Net purchases/(sales) in year to 31 July 2025	£968,000

\* For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

# Portfolio executive summary

## Performance

	1 year %	3 years %	5 years %	10 years %
Share price	6.4	1.8	30.8	264.1
NAV	8.3	9.3	50.8	268.7
Comparative index*	17.1	26.1	30.4	126.1

All figures are stated on a total return basis<sup>†</sup> for the period to 31 July 2025.

\* The comparative index is the MSCI All Country Asia ex Japan Index (in sterling terms).

<sup>†</sup> Alternative Performance Measure – see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

Source: Baillie Gifford/LSEG and relevant underlying index providers. See disclaimer on page 119.

## Key contributors and detractors to performance – year to 31 July 2025

Contributors	Absolute performance % *	Detractors	Absolute performance % *
TSMC	34.6	VerSe (Dailyhunt) Innovation	(59.5)
SEA Ltd	131.0	Samsung Electronics	(16.3)
Tencent Holdings	48.1	Kaspi.kz	(39.4)
ByteDance Series E-1 Preferred <sup>①</sup>	66.1	Equinox India Developments	(28.1)
Accton Technology Corporation	90.2	Meituan	(31.8)

\* Absolute performance (in sterling terms) has been calculated on a total return basis over the period 1 August 2024 to 31 July 2025. For the definition of total return see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

Source: Revolution.

## New buys

Bajaj Finserv	Hyundai Motor India
CATL	InterGlobe Aviation
Chifeng Jilong Gold	Kanzhun
Eicher Motors	Khan Dien House Trading and Investment Joint Stock Company
Fabrinet	Meituan
Goneo	Pony.ai
Grab	Sanhua Intelligent Controls
Haidilao	
HBD Financial Services	

## Additions

HDBank	Pinduoduo Inc
Lufax Holding	SG Micro A Shares
Midea Group A shares	SK Square
Military Commercial Joint Stock Bank	Tencent Holdings

## Complete sales

Baidu Inc
Brilliance China Automotive
Chalice
Jio Financial Services
Koh Young Technology
Li-Ning
PropertyGuru
Ramkrishna Forgings
SK hynix
Vinh Hoan Corporation

## Reductions

Accton Technology Corporation	Luckin Coffee Inc ADR
AirTAC International Group	MediaTek
PT AKR Corporindo Tbk	MMG
ASMPT	Mobile World Investment Corporation
Bank Rakyat	Phoenix Mills
Binh Minh Plastics Joint Stock Company	Ping An Insurance
Chroma ATE	PolicyBazaar
Coupang	Precision Tsugami
Delhivery <sup>Ⓢ</sup>	Prestige Estate Projects
EO Technics	Reliance Industries
Equinox India Developments	Samsung Electronics
FPT Corporation	SEA Ltd
Hoa Phat Group	Silergy
Jadestone Energy	TSMC
JD.com	Techtronic Industries
Kaspi.kz	Vietnam Enterprise Investments Limited
KE Holdings	Zhejiang Supor Co A Shares
KE Holdings ADR	Zijin Mining Group
Lemon Tree Hotels	

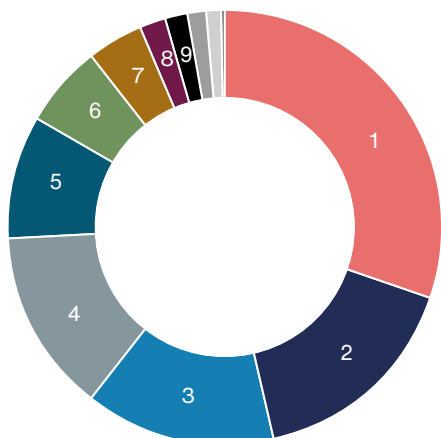
<sup>Ⓢ</sup> Denotes listed investment previously held in the portfolio as an unlisted (private company) investment.

<sup>Ⓢ</sup> Denotes unlisted (private company) investment.

Philtown properties was written-off in the year to 31 July 2024.

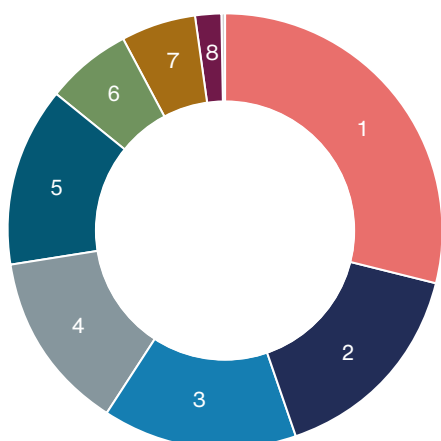
## Distribution of total assets\* and size splits

### Geographical 2025



Geographical	2025 %	2024 %
1 China	30.3	22.6
2 Taiwan	16.3	14.7
3 India	14.2	23.0
4 South Korea	13.6	17.0
5 Vietnam	9.1	8.7
6 China 'A' shares	6.1	3.2
7 Singapore	4.2	3.7
8 Hong Kong	1.8	2.4
9 Indonesia	1.7	2.6
10 Kazakhstan	1.4	2.8
11 Thailand	1.1	-
12 Net liquid assets	0.2	(0.7)

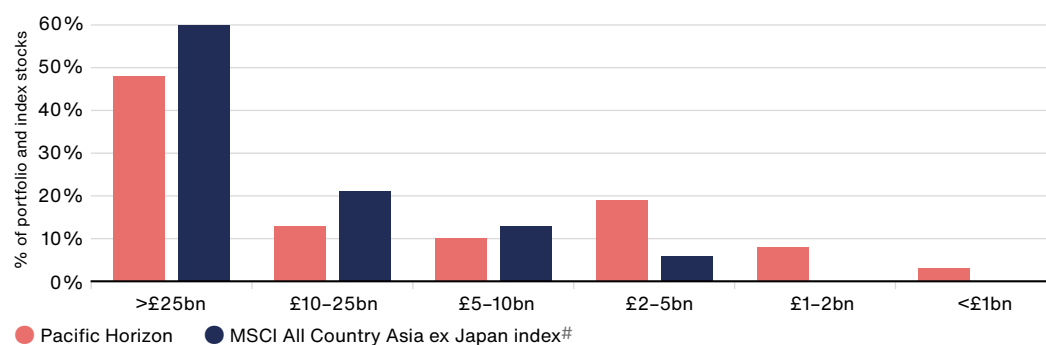
### Sectoral 2025



Sectoral	2025 %	2024 %
1 Information Technology	29.0	32.5
2 Communication Services	15.8	13.2
3 Consumer Discretionary	14.4	13.2
4 Industrials	13.5	6.0
5 Financials	13.2	14.2
6 Materials	6.5	6.9
7 Real Estate	5.6	10.0
8 Energy	1.8	4.2
9 Health Care	<0.1	-
10 Consumer Staples	-	0.5
11 Net liquid assets	0.2	(0.7)

### Size splits (market capitalisation of investments)

As at 31 July 2025



Source: Baillie Gifford/LSEG and relevant underlying index providers. See disclaimer on page 117.

\* For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

# The MSCI All Country Asia ex Japan Index (in sterling terms) is the principal index against which performance is measured.





# Baillie Gifford – valuing private companies

We aim to hold our private company investments at ‘fair value’, i.e. the price that would be paid in an open-market transaction. Valuations are adjusted both during regular valuation cycles and on an ad hoc basis in response to ‘trigger events’. Our valuation process ensures that private companies are valued in both a fair and timely manner.

The valuation process is overseen by a valuations group at Baillie Gifford, which takes advice from an independent third party (S&P Global). The valuations group is independent from the investment team with all voting members being from different operational areas of the firm, and the investment managers only receive final valuation notifications once they have been applied.

We revalue the private holdings on a three-month rolling cycle, with one-third of the holdings reassessed each month. During stable market conditions, and assuming all else is equal, each investment would be valued four times in a twelve-month period. For investment trusts, the prices are also reviewed twice per year by the respective boards.

Beyond the regular cycle, the valuations group also monitors the portfolio for certain ‘trigger events’. These may include changes in fundamentals, a takeover approach, an intention to carry out an Initial Public Offering (‘IPO’), company news which is identified by the valuation team or by the portfolio managers, or meaningful changes to the valuation of comparable public companies. Any ad hoc change to the fair valuation of any holding is implemented swiftly and reflected in the next published net asset value (‘NAV’). There is no delay.

The valuations group also monitors relevant market benchmarks on a weekly basis and updates valuations in a manner consistent with our external valuer’s (S&P Global) most recent valuation report where appropriate.

Continued improvements in market conditions have sustained an increase in deal activity, but isolated pockets of heightened volatility remain. The data below quantifies the revaluations carried out during the twelve months to 31 July 2025, however doesn’t reflect the ongoing monitoring of the private investment portfolio which hasn’t resulted in a change in valuation.

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#### Pacific Horizon Investment Trust

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Instruments (lines of stock reviewed)	7
Revaluations performed	42
Percentage of portfolio revalued up to 4 times	29%
Percentage of portfolio revalued 5+ times	71%

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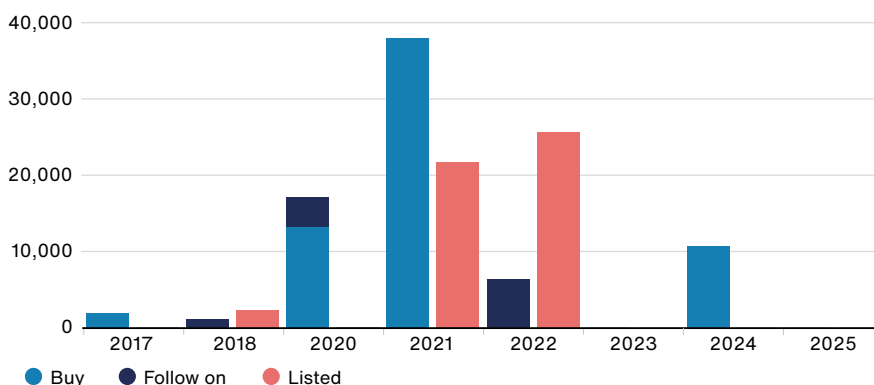
## Private companies summary

### Historical snapshot

Since our first investment in private companies in 2007, Pacific Horizon Investment Trust has deployed £76,228,000 of capital in this area.

### Transaction value

Showing all transactions in the year to 31 July (£'000).



04

private companies listed since initial purchase

05

private companies currently held

### Portfolio activity – year to 31 July 2025

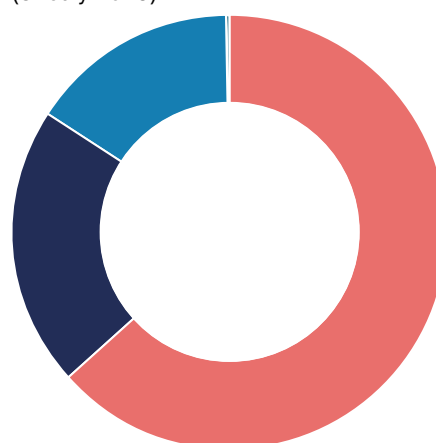
No new capital was deployed in private companies during the year. No private companies listed or were taken-over during the year.

### Concentration

At 31 July 2025 we held 5 private companies which equated to 6.1% of total assets.

### Private exposure

(31 July 2025)



ByteDance	3.9% (£25,300,000)
VerSe (Dailyhunt) Innovation	1.3% (£8,386,000)
MicroConnect	0.9% (£6,143,000)
Chime Biologics	<0.1% (£44,000)
Eden Biologics	<0.1% (£22,000)

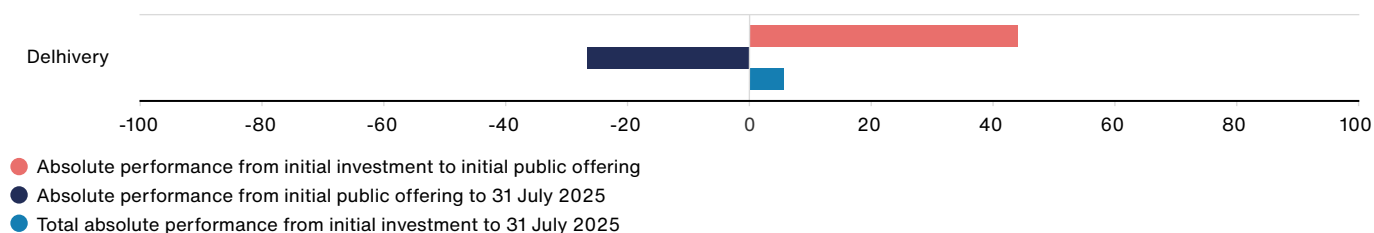
All figures stated as percentage of total assets, as at 31 July 2025.



### Performance of listed holdings held previously as private company investments from date of initial investment of each holding to 31 July 2025

(absolute performance in sterling terms as a %)

#### Listed holdings at 31 July 2025

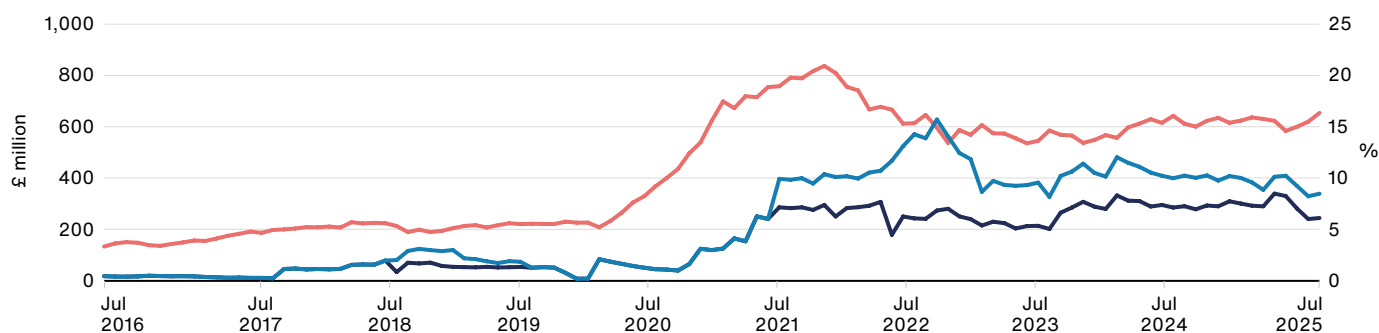


Note: Absolute performance returns cannot be added together as they are geometric.

Source: Revolution/Baillie Gifford.

### Private company investments and listed investments previously held as private company investments as a percentage of total assets\*

(plotted quarterly from July 2016)



Source: Baillie Gifford.

- Total assets in sterling (left hand axis)
- Private company investments as a % of total assets (right hand axis)
- Private company investments and listed investments previously held in the portfolio as private company investments as a % of total assets (right hand axis)

\* See Glossary of terms and Alternative Performance Measures on pages 120 and 121.

## Size

Our private company exposure tends to be weighted to the upper end of the maturity curve, typically focussed on late stage private companies at point of investment who are scaling up and becoming profitable.

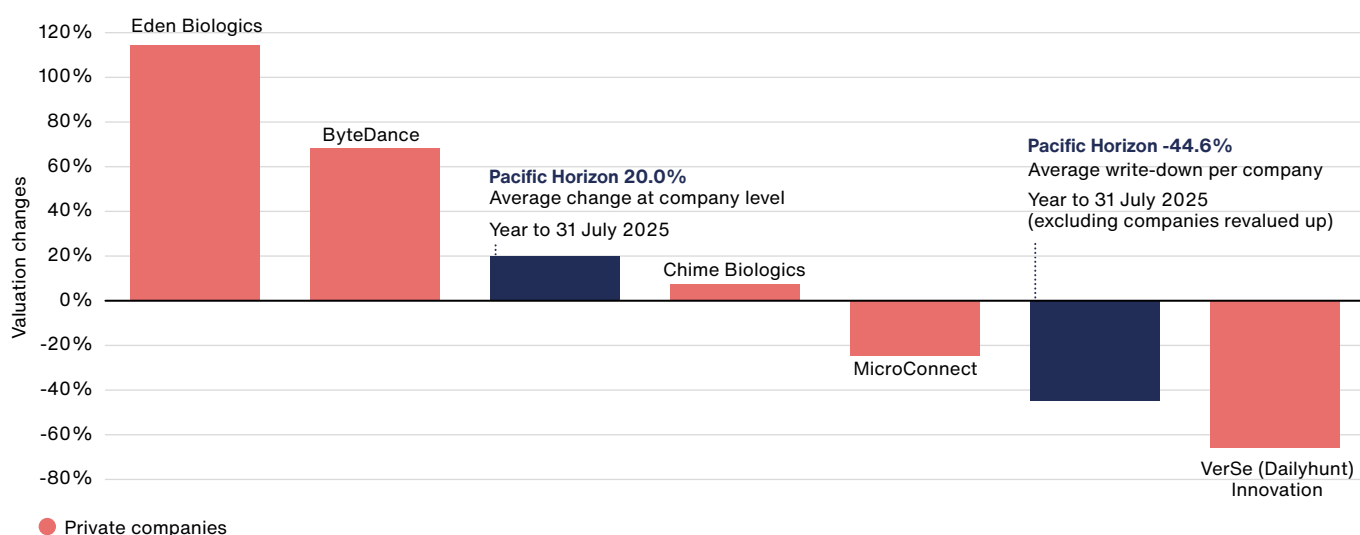
Cap	Total equity value (USD)	Total asset %	Number of holdings
Micro	<\$300m	<0.1	2
Small	\$300m-\$2bn	2.2	2
Medium	\$2bn-\$10bn	-	-
Large	>\$10bn	3.9	1
		<b>6.1</b>	<b>5</b>

As at 31 July 2025.

## Overview

	2025 £'000	2024 £'000
Opening balance 1 August 2024	42,763	29,427
Purchases at cost	-	10,628
Disposals proceeds received*	-	(5)
Change in listing	-	-
Change in fair value	(2,868)	2,713
<b>Closing balance 31 July 2025</b>	<b>39,895</b>	<b>42,763</b>

## Valuation movements – year to 31 July 2025



Source: Baillie Gifford. Pacific Horizon private company valuation changes, year to 31 July 2025.

# List of investments

as at 31 July 2025

Name	Geography	Business	2025 Value £'000	2025 % of total assets *	2024 Value £'000
TSMC	Taiwan	Semiconductor manufacturer	68,163	10.4	52,860
Tencent Holdings	China	Internet services	46,469	7.1	22,940
Samsung Electronics	South Korea	Memory, phones and electronic components manufacturer	39,453	6.0	57,877
SK Square	South Korea	Asset manager, investing in semiconductors and information and communications technologies	25,599	3.9	5,835
ByteDance Series E-1 Preferred <sup>①</sup>	China	Social media	25,300	3.9	15,232
SEA Ltd ADR	Singapore	Internet gaming and ecommerce	23,130	3.5	11,197
Zijin Mining Group	China	Gold and copper miner	18,061	2.8	18,142
EO Technics	South Korea	Manufacturer and distributor of semiconductor laser markers	16,590	2.5	15,692
Delhivery <sup>②</sup>	India	Logistics and courier services provider	15,472	2.4	18,175
Pinduoduo Inc	China	Ecommerce platform	13,860	2.1	15,469
Luckin Coffee Inc ADR	China	Coffeehouse chain	13,786	2.1	8,456
Accton Technology Corporation	Taiwan	Server network equipment manufacturer	13,572	2.1	10,717
MMG	China	Copper miner	13,557	2.1	12,885
HDBank	Vietnam	Consumer bank	13,113	2.0	9,751
Equinox India Developments	India	Real estate	12,057	1.8	23,158
Military Commercial Joint Stock Bank	Vietnam	Retail and corporate bank	11,272	1.7	6,578
MediaTek	Taiwan	Electronic component manufacturer	10,856	1.7	10,216
Ping An Insurance	China	Life insurance provider	10,563	1.6	7,345
Meituan	China	Chinese local services platform	10,406	1.6	-
Midea Group A shares	China A	Household appliance manufacturer	9,919	1.5	8,386
Mobile World Investment Corporation	Vietnam	Electronic and grocery retailer	9,712	1.5	11,052
PolicyBazaar	India	Online financial services platform	9,484	1.5	9,637
Kaspi.kz	Kazakhstan	Banking, ecommerce and payments platform	8,894	1.4	17,034
VerSe (Dailyhunt) Innovation Series I Preferred <sup>①</sup>	India	News aggregator application	6,689	1.0	15,417

\* See Glossary of terms and Alternative Performance Measures on pages 120 and 121.

<sup>②</sup> Denotes listed investment previously held in the portfolio as an unlisted (private company) investment.

<sup>①</sup> Denotes unlisted (private company) investment.

Name	Geography	Business	2025 Value £'000	2025 % of total assets *	2024 Value £'000
VerSe (Dailyhunt) Innovation Series J Preferred ①	India	News aggregator application	1,003	0.2	2,198
VerSe (Dailyhunt) Innovation Series Equity ①	India	News aggregator application	694	0.1	3,078
			8,386	1.3	20,693
SG Micro A Shares	China A	Semiconductor manufacturer	8,168	1.3	4,871
Prestige Estate Projects	India	Owner and operator of residential real estate properties	7,999	1.2	13,985
Coupang	South Korea	Ecommerce business	7,574	1.2	6,239
Fabrinet	Thailand	Manufacturer of optical and electro-mechanical services	7,491	1.1	-
KE Holdings	China	Real estate platform	6,851	1.0	5,722
KE Holdings ADR	China	Real estate platform	630	0.1	517
			7,481	1.1	6,239
JD.com	China	Online mobile commerce	7,086	1.1	8,027
Bank Rakyat	Indonesia	Consumer bank	7,009	1.1	10,444
Lemon Tree Hotels	India	Owner and operator of a chain of Indian hotels and resorts	6,909	1.1	11,583
Sanhua Intelligent Controls	China	Thermal management manufacturer	6,686	1.0	-
FPT Corporation	Vietnam	IT service provider	6,602	1.0	8,272
Reliance Industries	India	Petrochemical company	6,567	1.0	14,290
Kanzhun	China	Online recruitment platform	6,377	1.0	-
CATL	China A	EV battery manufacturer	6,219	1.0	-
MicroConnect ①	Hong Kong	SME financing exchange	6,143	0.9	6,782
Bajaj Finserv	India	Indian financial services business	6,097	0.9	-
Precision Tsumami	China	Industrial machinery manufacturer	6,053	0.9	3,170
Zhejiang Supor Co A Shares	China A	Manufacturer of cookware and home appliance products	5,847	0.9	6,161
Silergy	Taiwan	Semiconductor manufacturer	5,784	0.9	8,428
Chroma ATE	Taiwan	Manufacturer of electronic measuring instruments	5,770	0.9	4,285
Binh Minh Plastics Joint Stock Company	Vietnam	Plastic piping manufacturer	5,705	0.9	4,555

\* See Glossary of terms and Alternative Performance Measures on pages 120 and 121.

② Denotes listed investment previously held in the portfolio as an unlisted (private company) investment.

① Denotes unlisted (private company) investment.

Name	Geography	Business	2025 Value £'000	2025 % of total assets *	2024 Value £'000
Hoa Phat Group	Vietnam	Steel and related products manufacturer	5,358	0.8	5,767
HBD Financial Services	India	Retail and commercial lender	5,184	0.8	-
Lufax Holding	China	Online financial services platform	5,165	0.8	4,615
Chifeng Jilong Gold	China A	Gold mining company	5,034	0.8	-
Phoenix Mills	India	Commercial property manager	5,031	0.8	12,263
InterGlobe Aviation	India	India's leading airline	4,852	0.7	-
Khan Dien House Trading and Investment Joint Stock Company	Vietnam	Real estate	4,638	0.7	-
Eicher Motors	India	Manufacturer of Royal Enfield motorcycles	4,199	0.6	-
Haidilao	China	Leading hotpot restaurant chain	4,037	0.6	-
Goneo	China A	Consumer electrics manufacturer	3,992	0.6	-
PT AKR Corporindo Tbk	Indonesia	Logistics and supply chain	3,938	0.6	5,211
ASMPT	Hong Kong	Semiconductor manufacturer	3,600	0.6	5,147
Vietnam Enterprise Investments Limited	Vietnam	Investment fund	3,572	0.5	3,090
Pony.ai	China	Autonomous driving technology company	3,044	0.5	-
Grab	Singapore	Ride-hailing and food delivery platform	2,969	0.5	-
AirTAC International Group	Taiwan	Pneumatic components manufacturer	1,953	0.3	1,909
Techtronic Industries	Hong Kong	Power tool manufacturer	1,778	0.3	2,354
Jadestone Energy	Singapore	Oil and gas explorer and producer	1,226	0.2	5,616
Hyundai Motor India	India	Automotive manufacturer	894	0.1	-
Chime Biologics ①	China	Biopharmaceutical company	44	<0.1	46
Eden Biologics ①	Taiwan	Biopharmaceutical company	22	<0.1	10
<b>Total investments</b>			<b>651,771</b>	<b>99.8</b>	
Net liquid assets			<b>1,557</b>	<b>0.2</b>	
<b>Total assets</b>			<b>653,328</b>	<b>100.0</b>	

Details of the ten largest investments are given on pages 26 to 29 along with comparative valuations.

	Listed equities %	Private company investments † %	Net liquid assets * %	Total assets * %
<b>31 July 2025</b>	<b>93.7</b>	<b>6.1</b>	<b>0.2</b>	<b>100.0</b>
31 July 2024	93.6	7.1	(0.7)	100.0

Figures represent percentage of total assets.

\* For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 120 and 121.

† Includes holdings in ordinary shares and preference shares.

① Denotes listed investment previously held in the portfolio as an unlisted (private company) investment.

② Denotes unlisted (private company) investment.

# Business review

## Business model

### Business and status

The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust. Investment trusts are UK public listed companies and their shares are traded on the London Stock Exchange. They invest in a portfolio of assets in order to spread risk. The Company has a fixed share capital although, subject to shareholder approval, sought annually, it may purchase its own shares or issue shares. The price of the Company's shares is determined, like other listed shares, by supply and demand. The Company has been approved as an investment trust by HM Revenue & Customs subject to the Company continuing to meet the eligibility conditions. The Directors are of the opinion that the Company has continued to conduct its affairs so as to enable it to comply with the ongoing requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011.

The Company is an Alternative Investment Fund ('AIF') for the purposes of the UK Alternative Investment Fund Managers Regulations.

### Purpose

The Company's purpose is to conduct business as an investment trust, investing its assets in accordance with its investment objective, in order to achieve capital growth for shareholders.

### Investment objective

The Company's objective is to invest in the Asia-Pacific region (excluding Japan) and in the Indian Sub-continent in order to achieve capital growth. The Company is prepared to move freely between the markets of the region as opportunities for growth vary. The portfolio will normally consist principally of quoted securities.

### Investment policy

Pacific Horizon aims to achieve capital growth principally through investment in companies listed on the stock markets of the Asia-Pacific region (excluding Japan) and the Indian Sub-continent.

The Company may also invest in companies based in the region and in investment funds specialising in the region or particular countries or sectors within it even if they are listed elsewhere. The maximum permitted investment in one company is 15% of total assets at time of investment.

The portfolio contains companies which the portfolio managers have identified as offering the potential for long-term capital appreciation, irrespective of whether they comprise part of any index. The portfolio is actively managed and will normally consist principally of quoted equity securities although unlisted companies, fixed interest holdings or other non-equity investments may be held. The maximum exposure to unlisted investments is 15% of total assets at the time of initial investment. The Company is also permitted to invest in other pooled vehicles (general, country and sector specific) that invest in the markets of the region.

In constructing the equity portfolio a spread of risk is created through diversification and the portfolio will typically consist of between 40 and 120 companies. Although sector concentration and the thematic characteristics of the portfolio are carefully monitored, no maximum limits to stock or sector weights have been set by the Board except as imposed from time to time by banking covenants on borrowings.

The Company may use derivatives which will be principally, but not exclusively, for the purpose of reducing, transferring or eliminating investment risk in its investments. These typically take the form of index futures, index options and currency forward transactions.

The Company has a maximum approved equity gearing level of 50% of shareholders' funds but, in the absence of exceptional market conditions, equity gearing is typically less than 25% of shareholders' funds. Borrowings are invested in securities when it is considered that investment opportunities merit the Company taking a geared position. The Company is also permitted to be less than fully invested. Cash and equity gearing levels, and the extent of gearing, are discussed by the Board and Managers at every Board meeting.

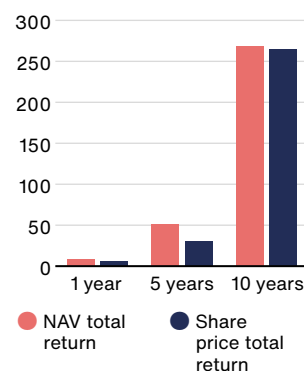
## Performance

### Key performance indicator

The Board uses key performance indicators (KPIs) to measure the progress and performance of the Company over time when discharging its duties as set out on page 62. These KPIs are established industry measures.

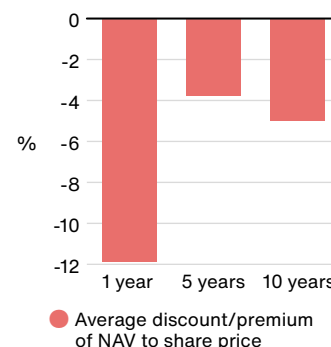
### Share price and net asset value total returns (APM)

The total return is the return to shareholders after reinvesting the net dividend on the date that the share price goes ex-dividend.



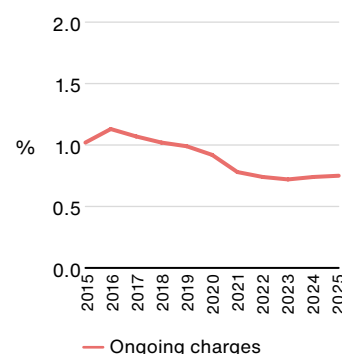
### Share price discount/premium (APM)

As stock markets and share prices vary, an investment trust's share price is rarely the same as its NAV. When the share price is lower than the NAV per share it is said to be trading at a discount. If the share price is higher than the NAV per share, this situation is called a premium.



### Ongoing charges (APM)

Ongoing charges are the total recurring expenses (excluding the Company's cost of dealing in investments and borrowing costs) incurred by the Company as a percentage of the daily average net asset value.



The Board also has regard to the total return of the Company's principal comparative index (MSCI All Country Asia ex Japan Index (in sterling terms)) and considers the performance of comparable companies. Across these measures, the Board looks for relative outperformance over the long

term, while remaining mindful that the nature of the investment policy and the growth characteristics of the portfolio investments may entail periods of underperformance over the short and medium term. The Board is satisfied with the Company's progress and performance.



## Culture

As an externally managed investment company with no employees, Pacific Horizon's culture is expressed through its Board and its third party service providers, in particular its Managers, in their interactions with shareholders and other stakeholders. The Board's assessment of its own interactions is described in its Section 172 Statement on pages 48 to 50, and the Baillie Gifford Statement on Stewardship, which describes the Managers' culture of constructive engagement, is set out on page 19.

## Borrowings

Facility	Lender	Maturing	2025	2024
£60 million	Royal Bank of Scotland International Limited	14 March 2026	£35.8 million	No outstanding drawings

The main covenants relating to the loan are that borrowings should not exceed 30% of the Company's adjusted net asset value and the Company's net asset value should be at least £300 million. There were no breaches in the loan covenants during the year.

## Viability statement

Notwithstanding that the continuation of the Company is subject to approval of shareholders every five years, with the next vote at the Annual General Meeting in 2026, the Directors have, in accordance with provision 31 of the UK Corporate Governance Code, published by the Financial Reporting Council, assessed the prospects of the Company over a three year period. The Directors continue to believe this period to be appropriate as it is reflective of the Company's investment approach. In the absence of any adverse change to the regulatory environment and the favourable tax treatment afforded to UK investment trusts, such a period is one over which they do not expect there to be any significant change to the current principal risks and to the adequacy of the mitigating controls in place. The Directors do not envisage any change in the Company's strategy or objectives nor do they foresee any events that would prevent the Company from continuing in existence over that period.

In making this assessment regarding viability, the Directors have taken into account the Company's current position and have conducted a robust assessment of the Company's principal and emerging risks and uncertainties (as detailed on

pages 44 to 47), in particular the impact of market risk where a significant fall in the Asia-Pacific (excluding Japan) and the Indian Sub-continent equity markets would adversely impact the value of the investment portfolio. The Directors have also considered the Company's investment objective and policy, the level of demand for the Company's shares, the nature of its assets, its liabilities and its projected income and expenditure. The vast majority of the Company's investments are readily realisable and can be sold to meet its liabilities as they fall due. The Company's primary third party suppliers, including its Managers and Secretaries, Custodian and Depositary, Registrar, Auditor and Broker, are not experiencing significant operational difficulties affecting their respective services to the Company. In addition, as substantially all of the essential services required by the Company are outsourced to third party service providers, key service providers can be replaced at relatively short notice where necessary.

The Directors have also specifically considered the Company's £60 million multi-currency revolving credit facility with Royal Bank of Scotland International Limited which is due to expire in March 2026. Initial conversations with the loan provider have taken place, and the Board does not anticipate any problems regarding the renewal of the facility.

Specific leverage and liquidity stress testing was conducted during the year, including consideration of increasing geopolitical tensions. The stress testing did not indicate any matters of material concern.



The Board monitors the level of discount/premium at which the shares trade and the Company has authority to buy back its existing shares, when deemed by the Board to be in the best interests of the Company and its shareholders. In the year to 31 July 2025, 5,008,324 ordinary shares, representing 5.5% of the issued share capital at 31 July 2024, were bought back at a total cost of £29,766,000.







Based on the Company's processes for monitoring revenue projections, share price discount/premium, the Managers' compliance with the investment objective, asset allocation, the portfolio risk profile, leverage, counterparty exposure, liquidity risk and financial controls, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three years.




## Principal and emerging risks







As explained on page 66 there is a process for identifying, evaluating and managing the risks faced by the Company on a regular basis. The Directors have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, regulatory compliance, solvency or liquidity. There have been no material changes to the principal risks during the year. A description of these risks and how they are being managed or mitigated is set out below.

The Board considers the heightened macroeconomic and geopolitical concerns to be factors which exacerbate existing risks, rather than being new emerging risks, within the context of an investment trust. Their impact is considered within the relevant risks.

	What is the risk?	How is it managed?	Rating and change	Current assessment of risk
<b>Financial risk</b>	The Company's assets consist mainly of listed securities (93.7% of total assets) and its principal and emerging financial risks are therefore market related and include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. An explanation of those risks and how they are managed is contained in note 18 to the Financial Statements on pages 100 to 107.	The Board has, in particular, considered the impact of heightened macroeconomic and geopolitical concerns, including trade wars, the ongoing Russia-Ukraine war, and the conflict in the Middle East. The Board also considers the commercial impact of potential changes in regulatory positions, which can affect the local markets in which the portfolio companies operate. To oversee this risk, the Board considers various metrics at each meeting, including regional and industrial sector weightings, top and bottom stock contributors to performance, along with sales and purchases of investments. The Board reviews these risks at regular intervals with the portfolio manager, alongside examining general views on the various investment markets and sectors.		This risk is considered to have increased. The prospect of heightened market volatility remains from deteriorating geopolitical stability such as trade wars, the ongoing Russia-Ukraine war, and continuing hostilities in the Middle East.
<b>Investment strategy risk</b>	Pursuit of an investment strategy to fulfil the Company's objective which the market perceives to be unattractive or inappropriate, or the ineffective implementation of an attractive or appropriate strategy, may lead to reduced returns for shareholders and, as a result, a decreased demand for the Company's shares. This may lead to the Company's shares trading at a widening discount to their net asset value.	To mitigate this risk, the Board regularly reviews and monitors the Company's objective and investment policy and strategy, the investment portfolio and its performance, the level of discount/premium to net asset value at which the shares trade and movements in the share register and raises any matters of concern with the Managers.		This risk is considered to have increased. The market appetite for growth investing is considered to have deteriorated over recent months as investors shift to assets perceived to be safe or offering insulation from market volatility. Despite a significant increase in buybacks the discount of the share price to net asset value has widened over the year.

	High Risk		Moderate Risk		Low Risk
	Increasing Risk		Decreasing Risk		Stable Risk

<b>Political and associated economic financial risk</b>	<p><b>What is the risk?</b></p> <p>The Board is of the view that political change in areas in which the Company invests or may invest may have financial consequences for the Company.</p>	<p><b>How is it managed?</b></p> <p>Political developments are closely monitored and considered by the Board, particularly regarding trade tensions between the USA and China and between the USA and India over tariffs, continuing unrest in Hong Kong, repercussions from the Russian invasion of Ukraine, and the Israel and Palestine conflict. It monitors portfolio diversification by investee companies' primary location, to mitigate against the negative impact of military action or trade barriers. The Board believes that the Company's portfolio, which predominantly comprises companies listed on the stock markets of the Asia Pacific region (excluding Japan) and the Indian Sub-continent, partially helps to mitigate such political risks.</p>	<p><b>Rating and change</b></p> <p></p> <p><b>Current assessment of risk</b></p> <p>This risk is seen as increased as deteriorating geopolitical stability increases the prospect of trade conflict and sanctions.</p>
<b>Discount risk</b>	<p><b>What is the risk?</b></p> <p>The discount/premium at which the Company's shares trade relative to its net asset value can change. The risk of a widening discount is that it may undermine investor confidence in the Company.</p>	<p><b>How is it managed?</b></p> <p>To manage this risk, the Board monitors the level of discount/premium at which the shares trade and the Company has authority to buy back its existing shares, when deemed by the Board to be in the best interests of the Company and its shareholders. During the year, £29.8 million of shares were bought back, representing 5.5% of the issued share capital at the start of the period. On 16 April 2025, the Company announced a performance-related Conditional Tender Offer and stated that it is the current Board's ambition to maintain the Company's discount in single digits, in normal market conditions, on a sustained basis.</p>	<p><b>Rating and change</b></p> <p></p> <p><b>Current assessment of risk</b></p> <p>This risk is seen as increased. The discount started the year at 7.8%, increased to 15.9% during the year, and reduced to 9.5% at the end of the year. The increased risk reflects broader market challenges, including outflows from the UK Investment Trust market. The Board continues to monitor the discount and take action as appropriate.</p>
<b>Regulatory risk</b>	<p><b>What is the risk?</b></p> <p>Failure to comply with applicable legal and regulatory requirements such as the tax rules for investment trust companies, the UK Listing Rules and the Companies Act could lead to suspension of the Company's Stock Exchange listing, financial penalties, a qualified audit report or the Company being subject to tax on capital gains.</p>	<p><b>How is it managed?</b></p> <p>To mitigate this risk, Baillie Gifford's Business Risk, Internal Audit and Compliance Departments provide regular reports to the Audit Committee on Baillie Gifford's monitoring programmes. Major regulatory change could impose disproportionate compliance burdens on the Company. In such circumstances representation is made to ensure that the special circumstances of investment trusts are recognised. Shareholder documents and announcements, including the Company's published Interim and Annual Report and Financial Statements, are subject to stringent review processes and procedures are in place to ensure adherence to the Transparency Directive and the Market Abuse Directive with reference to inside information.</p>	<p><b>Rating and change</b></p> <p></p> <p><b>Current assessment of risk</b></p> <p>This risk is considered to be stable. All control procedures are working effectively. There have been no material regulatory changes that have impacted the Company during the year.</p>

	High Risk		Moderate Risk		Low Risk
	Increasing Risk		Decreasing Risk		Stable Risk

## Custody and depositary risk

### What is the risk?

Safe custody of the Company's assets may be compromised through control failures by the Depositary, including breaches of cyber security.

### How is it managed?

To mitigate this risk, the Audit Committee receives six-monthly reports from the Depositary confirming safe custody of the Company's assets held by the Custodian. Cash and portfolio holdings are independently reconciled to the Custodian's records by the Managers who also agree uncertificated private portfolio holdings to confirmations from investee companies. The Custodian's assured internal controls reports are reviewed by Baillie Gifford's Business Risk Department and a summary of the key points is reported to the Audit Committee and any concerns investigated.

### Rating and change



### Current assessment of risk

This risk is considered to be stable. All control procedures are working effectively.

## Operational risk

### What is the risk?

Failure of Baillie Gifford's systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets.

### How is it managed?

To mitigate this risk, Baillie Gifford has a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption. The Audit Committee reviews Baillie Gifford's Report on Internal Controls and reports by other key third party providers are reviewed by Baillie Gifford on behalf of the Board and a summary of the key points is reported to the Audit Committee and any concerns investigated. The other key third party service providers have not experienced significant operational difficulties affecting their respective services to the Company.

### Rating and change



### Current assessment of risk

This risk is considered to be stable. All control procedures are working effectively.

## Leverage risk

### What is the risk?

The Company may borrow money for investment purposes. If the investments fall in value, any borrowings will magnify the impact of this loss. If borrowing facilities are not renewed, the Company may have to sell investments to repay borrowings. The Company can also make use of derivative contracts.

### How is it managed?

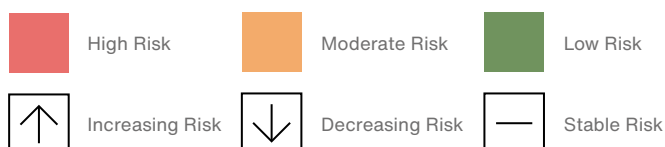
To mitigate this risk, all borrowings require the prior approval of the Board and leverage levels are discussed by the Board and Managers at every meeting. Covenant levels are monitored regularly. The majority of the Company's investments are in quoted securities that are readily realisable. Further information on leverage can be found on page 115 and the Glossary of terms and Alternative Performance Measures on pages 120 and 121.

### Rating and change



### Current assessment of risk

This risk has increased as during the year to 31 July 2025 net gearing has increased from nil to 5%. The risk level is low, as current borrowings are well below the levels where loan covenants may be breached. The current one-year revolving credit facility expires in March 2026. Initial conversations with the loan provider have taken place, and the Board does not anticipate any problems with the renewal of the facility.



## Climate and governance risk

### What is the risk?

Perceived problems on environmental, social and governance ('ESG') matters in an investee company could lead to that company's shares being less attractive to investors, adversely affecting its share price, in addition to potential valuation issues arising from any direct impact of the failure to address the ESG weakness on the operations or management of the investee company (for example in the event of an industrial accident or spillage). Repeated failure by the Managers to identify ESG weaknesses in investee companies could lead to the Company's own shares being less attractive to investors, adversely affecting its own share price.

### How is it managed?

This is mitigated by the Managers' strong ESG stewardship and engagement policies which are available to view on the Managers' website, [bailliegifford.com](http://bailliegifford.com), and which have been reviewed and endorsed by the Company, and which have been fully integrated into the investment process. Due diligence includes assessment of the risks inherent in climate change (see page 51).

### Rating and change



### Current assessment of risk

This risk is considered to be stable. The Investment Manager continues to employ strong ESG stewardship and engagement policies.

## Cyber security risk

### What is the risk?

A cyber attack on Baillie Gifford's network or that of a third party service provider could impact the confidentiality, integrity or availability of data and systems. Emerging technologies, including AI and quantum computing capabilities, may introduce new and increase existing information security risks that impact operations.

### How is it managed?

To mitigate this risk, the Audit Committee reviews Reports on Internal Controls published by Baillie Gifford and other third party service providers. Cyber security due diligence is performed by Baillie Gifford on third party service providers which includes a review of crisis management and business continuity frameworks.

### Rating and change

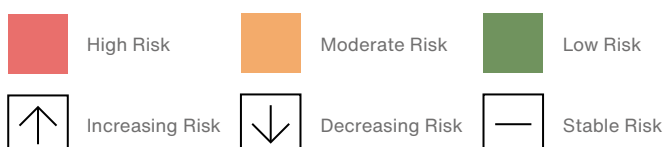


### Current assessment of risk

This risk is considered to be stable. All control procedures are working effectively.

## Emerging risk

As explained on page 66 the Board has regular discussions on principal risks and uncertainties, including any risks which are not an immediate threat but could arise in the longer term. The Board considers that the key emerging risks arise from the interconnectedness of global economies and the related exposure of the investment portfolio to external and emerging threats such as the societal and financial implications of escalating geopolitical tensions, cyber security risks including developing AI and quantum computing capabilities and new infectious diseases or similar public health threats. This is mitigated by the Managers' close links to the investee companies and their ability to ask questions on contingency plans. The Managers believe the impact of such events may be to slow growth rather than to invalidate the investment rationale over the long term.





## Promoting the success of the Company (section 172 statement)

Under section 172 of the Companies Act 2006, the directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters and to the extent applicable) to: a) the likely consequences of any decision in the long term, b) the interests of the company's employees, c) the need to foster the company's business relationships with suppliers, customers and others, d) the impact of the company's operations on the community and the environment, e) the desirability of the company maintaining a reputation for high standards of business conduct, and f) the need to act fairly as between members of the company.

In this context, having regard to Pacific Horizon being an externally-managed investment company with no employees, the Board considers the Company's key stakeholders to be: its existing and potential new shareholders; its externally-appointed Managers (Baillie Gifford); other professional service providers (corporate Broker, Registrar, Auditors and Depository); lenders; wider society and the environment.

The Board considers that the interests of the Company's key stakeholders are aligned, in terms of wishing to see the Company deliver sustainable long-term growth, in line with the Company's stated objective and strategy, and meet the highest standards of legal, regulatory, and commercial conduct, with the differences between stakeholders being merely a matter of emphasis on those elements.

The Board's methods for assessing the Company's progress in the context of its stakeholders' interests are set out below.

Stakeholder	Why we engage	How we engage and what we do
Shareholder	Shareholders are, collectively, the Company's owners: providing them with a return for their investment in accordance with the Company's investment policy and objective is the reason for its existence.	The Board places great importance on communication with shareholders. The Annual General Meeting provides an opportunity for the Board and Managers to present to shareholders on the Company's performance, future plans and prospects. It also allows shareholders the opportunity to meet with the Board and Managers and raise questions and concerns. The Chair is available to meet with shareholders as appropriate. The Managers meet regularly with shareholders and their representatives, reporting their views back to the Board. Directors also attend certain shareholder presentations, in order to gauge shareholder sentiment first hand. Shareholders may also communicate with members of the Board at any time by writing to them at the Company's registered office or to the Company's broker. These communication opportunities help inform the Board when considering how best to promote the success of the Company for the benefit of all shareholders over the long term.
Baillie Gifford – Managers and Secretaries	The Company's Board has delegated the management of the Company's portfolio, and the administration of the Company's operations including fulfilment of regulatory and taxation reporting requirements, to Baillie Gifford. Baillie Gifford is therefore responsible for the substantial activities of the Company and has the most immediate influence on its conduct towards the other stakeholders, subject to the oversight and strategic direction provided by the Board.	The Board seeks to engage with its Managers, in a collaborative and collegiate manner, encouraging open and constructive discussion and debate, while also ensuring that appropriate and regular challenge is brought and evaluation conducted. This approach aims to enhance service levels and strengthen relationships with the Company's providers, with a view to ensuring the interests of the Company's shareholders are best served, by keeping cost levels proportionate and competitive, and by maintaining the highest standards of business conduct.

Stakeholder	Why we engage	How we engage and what we do
Portfolio companies	As all of the Company's operations are conducted by third party professional providers, it is the companies held in its investment portfolio which have the primary real-world impact in terms of social and environmental change, both positively and negatively, as well as generating, through their commercial success, the investment growth sought by the Company's shareholders. The investee companies have an interest in understanding their shareholders' investment rationale in order to assure themselves that long-term business strategies will be supported.	The Board is cognisant of the need to consider the impact of the Company's investment strategy and policy on wider society and the environment. The Board considers that its oversight of environmental, social and governance ('ESG') matters is an important part of its responsibility to all stakeholders. The Board's review of the Managers includes an assessment of their ESG approach and its application in making investment decisions. The Board regularly reviews governance engagement reports, which document the Managers' interactions with investee companies on ESG matters (see pages 15 and 18).
Brokers	The Company's brokers provide an interface between the Company's Board and its institutional shareholders.	The Company's brokers regularly attend Board meetings, and provide reports to those meetings, in order to keep the Board apprised of shareholder and wider market sentiment regarding the Company. They also arrange forums for shareholders to meet the Chair, or other Directors, outwith the normal general meeting cycle.
Registrar	The Company's registrar provides an interface with those shareholders who hold the Company's shares directly.	The Company Secretaries liaise with the registrar to ensure the frequency and accuracy of communications to shareholders is appropriate, and monitor shareholder correspondence to ensure that the level of service provided by the Registrar is acceptable. The Managers' risk function reviews the registrars' internal controls report and reports on the outcome of this review to the Board.
Auditor	The Company's Auditor has a responsibility to provide an opinion on whether the Company's Financial Statements as a whole are free from material misstatement, as set out in more detail in the Auditor's report to the Members on pages 79 to 85.	The Company's Auditor meets with the Audit Committee, in the absence of the Managers where deemed necessary, and the Managers undertake to provide all information requested by the Auditor in connection with the Company's annual audit promptly and to ensure that it is complete and accurate in all respects.
Depositary and Custodian	The Depositary is responsible for the safekeeping of the Company's financial instruments, as set out in more detail on page 57.	The Depositary provides the Audit Committee with a report on its monitoring activities. The Investment Manager's Business Risk team reviews the relevant Bank of New York Mellon internal controls report and reports any relevant matters to the Audit Committee. This approach aims to enhance service levels and strengthen relationships with the Company's providers, with a view to ensuring the interests of the Company's shareholders are best served by keeping cost levels proportionate and competitive, and by maintaining the highest standards of business conduct.
Lenders	Lenders such as holders of debt instruments (debentures, bonds and private placement loan notes) and banks providing fixed or revolving credit facilities provide the Company's gearing as described on page 43 and have an interest in the Company's ongoing financial health and viability.	The Company's legal advisers review all legal agreements in connection with the Company's debt arrangements and advise the Board on the appropriateness of the terms and covenants therein. The Managers and Secretaries ensure that the frequency and accuracy of reporting on, for example, covenant certification, is appropriate and that correspondence from the lenders receives a prompt response.

Stakeholder	Why we engage	How we engage and what we do
AIC/industry peers	The Association of Investment Companies ('AIC') and the Company's investment trust industry peers have an interest in the Company's conduct and performance, as adverse market sentiment towards one investment trust can affect attitudes towards the wider industry.	The Company is a member of the AIC, and the Directors and/or the Managers and Secretaries (as appropriate) participate in technical reviews, requests for feedback on proposed legislation or regulatory developments, corporate governance discussions and/or training.
Investment platforms	Investment platforms provide an interface with shareholders who invest in the Company indirectly.	The Managers liaise with the various investment platforms on strategies for improving communications with the Company's shareholders who hold their shares via these platforms. An annual timetable of key dates is published on the Company's page of the Managers' website, for the ease of reference of such shareholders.
Wider society and the environment	No entity, corporate or otherwise, can exist without having an influence on the society in which it operates or utilising the planet's resources. Through its third-party relationships, as noted above, the Company seeks to be a positive influence and, in circumstances where that is not possible, to mitigate its negative impacts insofar as is possible.	The Board and Managers' interactions with the various stakeholders as noted above form the principal forms of direct engagement with wider society and in respect of the environment (commercial, financial, and in terms of planetary health and resources).

The Board recognises the importance of keeping the interests of the Company and its stakeholders, in aggregate, firmly front of mind in its key decision making. The Company Secretaries are available at all times to the Board to ensure that suitable consideration is given to the range of factors to which the Directors should have regard. In addition to ensuring that the Company's stated investment objective was being pursued, key decisions and actions during the year which required the Directors to have regard to applicable section 172 factors included:

- the buying back of 5,008,324 of the Company's own shares into treasury at a discount to net asset value, for subsequent reissue, in order to ensure the Company's shareholders found liquidity for their shares when natural market demand was insufficient, and on terms that enhance net asset value for remaining shareholders.
- assessing Director remuneration to ensure that it is set at a level that attracts new Directors.
- the Company announced its intention to introduce a five-year performance related conditional tender for up to 25% of the Company's issued share capital (excluding treasury shares). The Tender Offer will be conditional on the Company's NAV

total return underperforming against its reference index, currently the MSCI All Country Asia Ex Japan Index total return in sterling, over the five year period from close of business on 31 March 2025 to close of business on 31 March 2030.

## Employees, human rights and community issues

The Board recognises the requirement to provide information about employees, human rights and community issues. As the Company has no employees, all its Directors are non-executive and all its functions are outsourced, there are no disclosures to be made in respect of employees, human rights and community issues.

## Gender representation

As at 31 July 2025, and the date of this report, the Board comprises five Directors, three male and two female. The Company has no employees. The Board's policy on diversity is set out on page 65.

## Environmental, social and governance policy

Details of the Company's policy on socially responsible investment can be found under corporate governance and stewardship on page 68 with more details of the Managers' approach to socially responsible investment set out in the Baillie Gifford statement on stewardship on page 19. The Managers are signatories to the United Nations Principles for Responsible Investment and the Carbon Disclosure Project, the Net Zero Asset Managers Initiative and are also members of the International Corporate Governance Network and the Asian Corporate Governance Association.

The Company considers that it does not fall within the scope of the Modern Slavery Act 2015 and it is not, therefore, obliged to make a slavery and human trafficking statement. In any event, the Company considers its supply chains to be of low risk as its suppliers are typically professional advisers. A statement by the Managers under the Act has been published on the Managers' website at [bailliegifford.com](http://bailliegifford.com).

## Climate change

The Board recognises that climate change poses a serious threat to our environment, our society and to economies and companies around the globe. Addressing the underlying causes is likely to result in companies that are high emitters of carbon facing greater societal and regulatory scrutiny and higher costs to account for the true environmental impact of their activities. The Company's TCFD report is available on the Company's page of the Managers' website at [pacifichorizon.co.uk](http://pacifichorizon.co.uk). This report is a means by which the portfolio's carbon footprint and exposure to climate risk are measured and reported. Companies disclosing their emission and communicating emissions plans will be a helpful place from which to begin more useful discussions with management teams, industry experts and regulators.

Although this can direct our efforts, the Managers believe that carbon footprint metrics in isolation are unhelpful – that some firms pollute more than others is a mostly meaningless observation. More significant is the ability of Pacific Horizon to deploy patient capital into innovative new technologies with the potential to accelerate the transition away from carbon. The Managers utilise data sourced from a third-party provider to map the carbon footprint of the portfolio. This analysis estimates that the carbon intensity of Pacific Horizon is 66.7% less than the index (MSCI All Country Asia ex Japan) and is based on 77.8% of the value of the Company's equity portfolio which reports on carbon emissions and other carbon related characteristics. Under the Streamlined Energy and Carbon Reporting ('SECR') regulations, the Company is not required to disclose energy and carbon information (see page 61).

## Future developments of the Company

The outlook for the Company is set out in the Chairman's statement on page 8 and in the Managers' review on pages 9 to 13. The Strategic report which includes pages 5 to 51 was approved by the Board of Directors and signed on its behalf on 22 September 2025.

Roger Yates  
Chairman

# Governance report

**This governance report, which includes pages 52 to 77 outlines the Board's approach to the governance of your Company. We believe that good governance builds better outcomes and we are committed to high standards of corporate governance and transparency.**

# Directors and management

## Directors



**Roger Yates**

Chairman

Appointed 2024

Roger Yates was appointed a Director and Chairman in 2024. He was Chief Executive of Henderson Global Investors from 1999 to 2008, prior to which he had fund management roles at Invesco/LGT and Morgan Grenfell Asset Management. He is currently Senior Independent Director ('SID') of Mitie Group plc, non-executive Director of Jupiter Fund Management plc and Chair of The Biotech Growth Trust PLC. He is the former SID of Jupiter Fund Management plc, FTSE-100 St James's Place and of IG Group plc. Amongst his other roles, he is also a former Chair of Electra Private Equity plc and a former non-executive Director of JP Morgan Elect PLC.



**Sir Robert Chote**

Director

Appointed 2020

Sir Robert Chote was appointed a Director in 2020. He became chairman of the Northern Ireland Fiscal Council in 2021 and will begin his tenure as President of Trinity College, Oxford, in November 2025. He became chairman of the UK Statistics Authority in 2022 and is stepping down in September 2025. He served as chairman of the Office for Budget Responsibility from 2010 to 2020 and previously served as Director of the Institute for Fiscal Studies, as an advisor to the International Monetary Fund and as Economics Editor of the Financial Times. He is a visiting professor at the Department of Political Economy, Kings College London and serves on an advisory board at the Centre for Economic Performance of the London School of Economics.



**Wee-Li Hee**

Director

Appointed 2020

Wee-Li Hee was appointed a Director in 2020. She is an experienced Asian analyst and fund manager. Brought up in Singapore, she speaks fluent Mandarin and studied in the UK at the University of Leeds and the London School of Economics and Political Science. After graduation, in 2002 she joined First State Investments in Singapore as an analyst, subsequently moving to the firm's Edinburgh office in 2005. Having co-managed Scottish Oriental Smaller Companies Trust plc she became lead manager in 2014, stepping back as a result of family commitments to return to a co-manager role in 2017 and retiring at the end of 2019. She is a CFA Charterholder and a director of Melville Paisley Investments.





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**Angela Lane**

Audit Committee  
Chair

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Appointed 2018

Angela Lane was appointed a Director in 2018. She is Chairman of the Audit Committee and is the Senior Independent Director. She is a Chartered Accountant and has held several non-executive and advisory roles for private and quoted companies across a range of industries. Previously she spent 18 years working as a private equity investor for 3i plc. She is a non-executive director and Chair of the Audit Committee of BlackRock Throgmorton Trust plc and Seraphim Space Investment Trust. She is also a non-executive director of Aapogee, the holding company for Kinstellar, a leading law firm in Central and Eastern Europe and South East Asia.



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**Joe Studwell**

Director

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Appointed 2018

Richard Frank ('Joe') Studwell was appointed a Director in 2018. He has spent over 25 years working in East Asia as a journalist, independent researcher at Dragonomics and author under the name of Joe Studwell. His published works include Asian Godfathers: Money and Power in Hong Kong and South-East Asia and How Asia Works: Success and Failure in the World's Most Dynamic Region.

All of the Directors are members of the Nomination, Management Engagement and Audit Committee.

## Portfolio managers

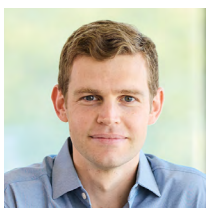


**Roderick Snell**

Portfolio manager

Appointed 2013

Roddy is a portfolio manager in the Emerging Markets Equity Team. He joined Baillie Gifford in 2006 and became a partner of the firm in 2023. He has managed the Baillie Gifford Pacific Fund since 2010 and has been manager of Pacific Horizon Investment Trust since 2021 (having been Deputy since 2013). Roddy also co-manages the China equity strategy. Prior to joining the team in 2008, he has also spent time in the UK and European Equity teams. Roddy graduated BSc (Hons) in Medical Biology from the University of Edinburgh in 2006.



**Ben Durrant**

Deputy portfolio manager

Appointed 2023

Ben is a portfolio manager in the Emerging Markets Equity Team. He has co-managed the Baillie Gifford Pacific Fund since 2021, and became deputy manager of the Pacific Horizon Investment Trust in January 2023. He joined Baillie Gifford in 2017 and has also spent time in the UK, Global Discovery and Private Companies teams. Prior to joining Baillie Gifford, he previously worked for RBS in their Group Strategy and Corporate Finance Team. Ben is a Chartered Accountant and a CFA Charterholder, and graduated BSc (Hons) in Mathematics from the University of Edinburgh in 2012.

The Company has appointed Baillie Gifford & Co Limited, a wholly-owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Managers ('AIFM') and Company Secretaries. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited. Baillie Gifford & Co is an investment management firm formed in 1927 out of the legal firm Baillie & Gifford, WS, which has been involved in investment management since 1908.

Baillie Gifford is one of the largest investment trust Managers in the UK and currently manages twelve close-ended investment companies. Baillie Gifford also manages open-ended investment companies, together with investment portfolios on behalf of pension funds, charities and other institutional clients, both in the UK and overseas. Funds under the management or advice of Baillie Gifford totalled around £212 billion. Based in Edinburgh, it is one of the leading privately owned investment management firms in the UK, with 59 partners and a staff of around 1,600.

Baillie Gifford & Co Limited and Baillie Gifford & Co are both authorised and regulated by the Financial Conduct Authority.

# Directors' report

**The Directors present their report together with the Financial Statements of the Company for the year to 31 July 2025.**

## **Corporate governance**

The corporate governance report is set out on pages 62 to 68 and forms part of this report.

## **Managers and Company Secretaries**

Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed as the Company's Alternative Investment Fund Managers ('AIFM') and Company Secretaries. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited.

The Investment Management Agreement sets out the matters over which the Managers have authority in accordance with the policies and directions of, and subject to restrictions imposed by, the Board. The Managers may terminate the Management Agreement on six months' notice and the Company may terminate on three months' notice. Compensation fees would only be payable in respect of the notice period if termination were to occur within a shorter notice period.

The annual management fee is 0.75% on the first £50 million of net assets, 0.65% on the next £200 million of net assets and 0.55% on the remaining net assets. The Board is of the view that calculating the fee with reference to performance would be unlikely to exert a positive influence on performance.

The Board considers the Company's investment management and secretarial arrangements on an ongoing basis and a formal review is conducted by the Management Engagement Committee annually.

The following topics, amongst others, are considered in the review:

- the quality of the personnel assigned to handle the Company's affairs;
- the investment process and the results achieved to date;
- the administrative services provided by the Secretaries; and
- the marketing effort undertaken by the Managers.

Following the most recent review, it is the opinion of the Management Engagement Committee that the continuing appointment of Baillie Gifford & Co Limited as AIFM and Company Secretaries, and the delegation of the investment management services to Baillie Gifford & Co and the further sub-delegation of dealing activity and transaction reporting to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited, on the terms agreed, is in the interests of shareholders as a whole due to the strength of the investment management team, the Managers' commitment to the investment trust sector and the quality of the secretarial and administrative functions. In undertaking the review, the Directors also considered the execution of the agreed investment strategy and the relative performance over the medium term.

## Depositary

The Bank of New York Mellon (International) Limited has been appointed as the Company's Depositary in accordance with the requirements of the UK Alternative Investment Fund Managers Regulations.

The Depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. The Company's Depositary also acts as the Company's Custodian.

## Directors

Information about the Directors, including their relevant experience, can be found on pages 53 and 54.

All of the Directors are retiring at the Annual General Meeting ('AGM') and all are offering themselves for re-election. Following formal performance evaluation, the Chairman confirms that the Board considers that each Director's performance continues to be effective and that they remain committed to the Company and capable of devoting sufficient time to their roles. The Board therefore recommends their re-election to shareholders.

## Director indemnification and insurance

The Company has entered into qualifying third party deeds of indemnity in favour of each of its Directors. The deeds, which were in force during the year to 31 July 2025 and up to the date of approval of this report, cover any liabilities that may arise to a third party, other than the Company, for negligence, default or breach of trust or duty. The Directors are not indemnified in respect of liabilities to the Company, any regulatory or criminal fines, any costs incurred in connection with criminal proceedings in which the Director is convicted or civil proceedings brought by the Company in which judgement is given against him/her. In addition, the indemnity does not apply to any liability to the extent that it is recovered from another person. The Company also maintains Directors' and Officers' liability insurance.

## Conflicts of interest

Each Director submits a list of potential conflicts of interest to the Nomination Committee on an annual basis. The Committee considers these carefully, taking into account the circumstances surrounding them and makes a recommendation to the Board on whether or not the potential conflicts should be authorised. Board authorisation is for a period of one year.

Having considered the lists of potential conflicts there were no situations which gave rise to a direct or indirect interest of a Director which conflicted with interests of the Company.

## Dividends

The Company's objective is that of generating capital growth. Consequently, the Managers do not invest in companies based on the level of income they may pay out as dividends.

As highlighted previously, the Board does not intend to draw on the Company's revenue reserve to pay or maintain dividends. This year the net revenue available for distribution to shareholders amounted to £2,090,000, which is of sufficient magnitude to require a distribution to be made to maintain investment trust status.

The Directors are therefore recommending the payment of a final dividend of 1.50 pence per share. If approved, the recommended final dividend on the ordinary shares will be paid on 1 December 2025 to shareholders on the register at the close of business on 24 October 2025. The ex-dividend date is 23 October 2025. The Company's Registrar offers a Dividend Reinvestment Plan (see page 115) and the final date for elections for this dividend is 10 November 2025.

## Share capital

### Capital structure

The Company's capital structure as at 31 July 2025 consists of 85,648,427 ordinary shares of 10p each (2024 – 90,656,751 ordinary shares), see note 13. At 31 July 2025, 6,426,534 shares were held in treasury (2024 – 1,418,210 shares held in treasury). There are no restrictions concerning the holding or transfer of the Company's ordinary shares and there are no special rights attached to any of the shares.

### Dividends

The ordinary shares carry a right to receive dividends. Interim dividends are determined by the Directors, whereas the proposed final dividend is subject to shareholder approval.

## Capital entitlement

On winding up, after meeting the liabilities of the Company, the surplus assets will be paid to ordinary shareholders in proportion to their shareholdings.

## Voting

Each ordinary shareholder present in person or by proxy is entitled to one vote on a show of hands and, on a poll, to one vote for every share held.

## Major interests disclosed in the Company's shares

Name	Ordinary 10p shares held at 31 July 2025	% of issue
Sarasin and Partners LLP (indirect)*	7,757,676	9.1%
City of London Investment Management Company Limited	13,916,263	16.2%

\* Previously disclosed as A&OT Investments Limited (direct).

Holdings above are stated as per the most recent notification to a Regulatory Information Service. Subsequent to the year end, City of London Investment Management Company Limited advised that they held 13,555,797 shares (16.0% of shares in issue at 18 September 2025). There have been no other changes to the major interests in the Company's shares disclosed up to 18 September 2025.

## Analysis of shareholders at 31 July

	2025 Number of shares held	2025 %	2024 Number of shares held	2024 %
Institutions	30,222,457	35.3	22,842,467	25.2
Intermediaries	53,898,577	62.9	66,729,260	73.6
Individuals	1,047,853	1.2	537,820	0.6
Marketmakers	479,540	0.6	547,204	0.6
	<b>85,648,427</b>	<b>100.0</b>	<b>90,656,751</b>	<b>100.0</b>

## Annual General Meeting

The details of this year's AGM, including the proposed resolutions and information on the deadlines for proxy appointments, can be found on pages 109 to 113. Shareholders who hold shares in their own name on the main register will be provided with a Form of Proxy. If you hold shares through a share platform or other nominee, the Board would encourage you to contact these organisations directly as soon as possible to arrange for you to vote at the AGM. The resolutions relating to the renewal of the Directors' authorities to issue and buy back shares, are explained in more detail below.

## Issuance of shares

At the last Annual General Meeting, the Directors were granted shareholders' approval for a general authority to issue shares and also an authority to issue shares or sell shares held in treasury on a non pre-emptive basis (without first offering such shares to existing shareholders pro-rata to their existing holdings) for cash up to an aggregate nominal amount of £906,168. Both authorities expire at the forthcoming Annual General Meeting and the Directors are seeking shareholders' approval to renew them for a further year, as detailed below.

During the year to 31 July 2025 the Company bought back 5,008,324 shares (representing 5.5% of the issued share capital at 31 July 2024) at a discount to net asset value at a cost of £29,766,000 which are held in treasury. The Company did not issue any ordinary shares from treasury. Between 1 August and 18 September 2025, no further shares were issued and 1,181,983 shares were bought back. 7,608,517 shares were held in treasury as at 18 September 2025.

Resolution 11 in the Notice of Annual General Meeting seeks a general authority for the Directors to issue ordinary shares up to an aggregate nominal amount of £844,664. This amount represents approximately 10% of the Company's total ordinary share capital in issue at 18 September 2025, being the latest practicable date prior to the publication of this document, and meets institutional guidelines. No issue of ordinary shares will be made pursuant to the authorisation in Resolution 11 which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

Resolution 12 which is being proposed as a special resolution, seeks to renew the Directors' authority to allot equity securities, or sell treasury shares, for cash without having to offer such shares to existing shareholders pro-rata to their existing holdings, up to a total nominal amount of £844,664 representing approximately 10% of the Company's total issued ordinary share capital as at 18 September 2025, being the latest practicable date prior to publication of this document.

The Directors consider that the authority proposed to be granted by Resolution 12 continues to be advantageous when the Company's shares trade at a premium to net asset value and the level of natural liquidity in the market is unable to meet demand. The Directors do not intend to use this authority to sell or issue ordinary shares on a non pre-emptive basis at a discount to net asset value. While the level of the authority being sought is greater than the 5%

recommended by the Pre-Emption Group in their Statement of Principles on disapplying pre-emption rights, it is specifically recognised in the Statement of Principles that, where an investment trust is seeking authority to issue shares at a premium to the underlying net asset value per share, this should not normally raise concerns and the Directors consider the greater flexibility provided by this authority to be justified in the circumstances.

The authorities sought in Resolutions 11 and 12 will continue until the conclusion of the Annual General Meeting to be held in 2026 or on the expiry of 15 months from the passing of the resolutions, if earlier.

Such authorities will only be used to issue shares or sell shares from treasury at a premium to net asset value and only when the Directors believe that it would be in the best interests of the Company to do so. The Directors believe that the ability to buy back shares at a discount and re-sell them or issue new shares at a premium are useful tools in smoothing supply and demand.

## Market purchase of own shares by the Company

Resolution 13 seeks shareholders' approval (by way of a special resolution) to renew the authority to purchase up to 14.99 per cent. of the ordinary shares in issue (excluding treasury shares) as at 18 September 2025, being the latest practicable date prior to publication of this document (or, if less, up to 14.99 per cent. of the ordinary shares in issue (excluding treasury shares) on the date on which the resolution is passed). This authority will expire at the end of the Annual General Meeting of the Company to be held in 2026. Such purchases will only be made at a discount to the prevailing net asset value.

The Company may hold bought back shares in treasury and then:

- a. sell such shares (or any of them) for cash (or its equivalent under the Companies Act 2006); or
- b. cancel such shares (or any of them).

Shares will only be re-sold from treasury at (or at a premium to) the net asset value per ordinary share.

Treasury shares do not receive distributions and the Company will not be entitled to exercise the voting rights attaching to them. In accordance with the Listing Rules, the maximum price (exclusive of expenses) that may be paid on the exercise of the authority shall be an amount equal to the higher of:

- i. 5 per cent. above the average closing price on the London Stock Exchange of an ordinary share over the five business days immediately preceding the date of the purchase; and



- ii. the higher of the price of the last independent trade and the highest current independent bid for such a share on the London Stock Exchange.

The minimum price (again exclusive of expenses) that may be paid will be the nominal value of an ordinary share. Purchases of ordinary shares will be made within guidelines established, from time to time, by the Board. The Company does not have any warrants or options in issue. The Directors intend that this authority, if conferred, will be exercised only if to do so would result in an increase in net asset value per ordinary share for the remaining shareholders and if it is in the best interest of shareholders generally.

### **Recommendation**

The Board considers that all the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of all of the Resolutions, as the Directors intend to do in respect of their own beneficial shareholdings.

### **Financial instruments**

The Company's financial instruments comprise its investment portfolio, cash balances, bank borrowings and debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 18 to the Financial Statements.

### **Future developments of the Company**

The outlook for the Company is set out in the Chairman's statement on page 8 and the Managers' review on pages 9 to 13.

### **Going concern**

In accordance with the Financial Reporting Council's guidance on going concern and liquidity risk, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern.

The Company's principal and emerging risks are market related. An explanation of these risks and how they are managed is contained on pages 44 to 47 and in note 18 to the Financial Statements. The Board has, in particular, considered the impact of heightened market volatility due to macroeconomic and geopolitical concerns, but it does not believe the Company's going concern is affected.

The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. The Board approves borrowing and gearing limits and reviews regularly the amounts of any borrowing and the level of gearing as well as compliance with borrowing covenants. Stress testing was performed in the year and no matters were raised. Details of the Company's multi-currency revolving credit facility with Royal Bank of Scotland International Limited which is due to expire in March 2026 are shown in note 11 on page 97. There have been initial conversations with the loan provider and the Board does not anticipate any problems regarding the renewal of the loan facility. The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. The Company's primary third party suppliers, including its Managers and Secretaries, Custodian and Depository, Registrar, Auditor and Broker, are not experiencing significant operational difficulties affecting their respective services to the Company. In accordance with the Company's Articles of Association, shareholders have the right to vote on the continuation of the Company every five years, the next vote being in 2026. The Financial Statements have been prepared on the going concern basis; having assessed the principal and emerging risks and other matters set out in the Viability Statement on page 43 (which assesses the prospects of the Company over a period of three years) it is the Directors' opinion that the Company will continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements.

### **Articles of Association**

The Company's Articles of Association may only be amended by special resolution at a general meeting of shareholders.

### **Disclosure of information to Auditor**

The Directors confirm that so far as each of the Directors is aware there is no relevant audit information of which the Company's auditor is unaware and the Directors have taken all the steps that they might reasonably be expected to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

### **Independent Auditor**

The Auditor, BDO LLP, is willing to continue in office and, in accordance with section 489 and section 491(1) of the Companies Act 2006, resolutions concerning BDO LLP's reappointment and remuneration will be submitted to the Annual General Meeting.

### **Post balance sheet events**

The Directors confirm, up to 22 September 2025, that there have been no significant post Balance Sheet events which require adjustment to the Financial Statements. Note 19 details the further loan drawdowns from the Company's multi-currency revolving credit facility.

### **Greenhouse Gas Emissions and Streamlined Energy & Carbon Reporting ('SECR')**

All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. For the reasons set out above, the Company considers itself to be a low energy user under the SECR regulations and therefore, is not required to disclose energy and carbon information.

### **Bribery act**

The Company has a zero tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Managers also adopt a zero tolerance approach and have policies and procedures in place to prevent bribery.

### **Criminal Finances Act 2017**

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

On behalf of the Board  
 Roger Yates  
 Chairman  
 22 September 2025

# Corporate governance report

**The Board is committed to achieving and demonstrating high standards of corporate governance. This statement outlines how the principles of the 2018 UK Corporate Governance Code ('Code'), which can be found at [frc.org.uk](https://www.frc.org.uk), and the relevant principles of the Association of Investment Companies ('AIC') Code of Corporate Governance ('AIC Code') issued in 2019 were applied throughout the financial year. The AIC Code provides a framework of best practice for investment companies and can be found at [theaic.co.uk](https://theaic.co.uk).**

## Compliance

The FRC has confirmed that AIC member companies who report against the AIC Code will be meeting their obligations in relation to the UK Code (the AIC Code can be found at [theaic.co.uk](https://theaic.co.uk)). The Board confirms that the Company has complied throughout the year under review with the relevant provisions of the Code and the recommendations of the AIC Code with the exception that the Company does not have a separate internal audit function as explained on page 70.

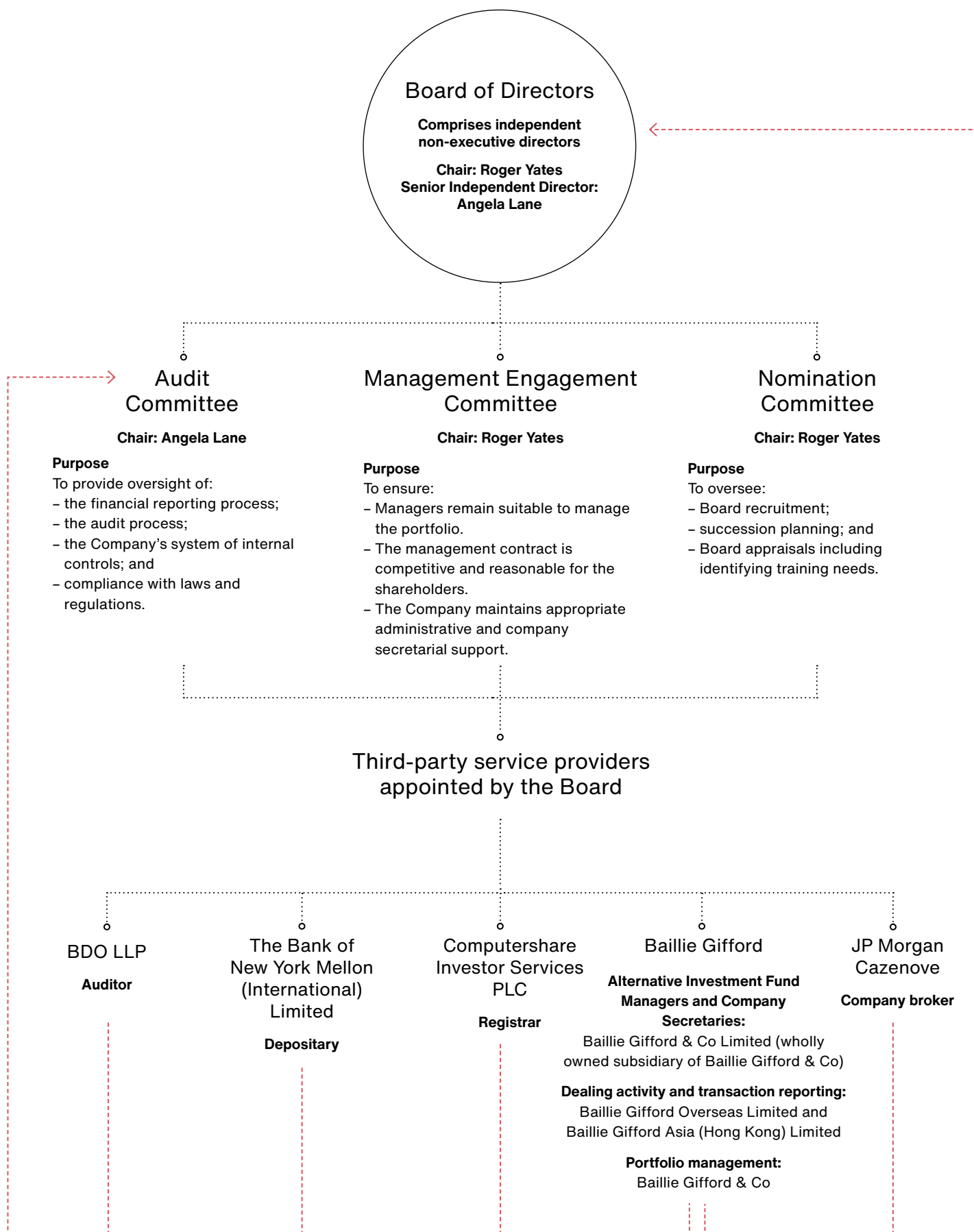
## The Board

The Board has overall responsibility for the Company's affairs. It has a number of matters formally reserved for its approval including strategy, investment policy, currency hedging, gearing, treasury matters, dividend and corporate governance policy. The Board also reviews the Financial Statements, investment transactions, revenue budgets and performance of the Company. Full and timely information is provided to the Board to enable the Board to function effectively and to allow Directors to discharge their responsibilities.

As at 31 July 2025 and up to the date of this report the Board comprises five Directors all of whom are non-executive and independent.

The Chairman, Mr RP Yates, is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda.

Ms AC Lane is the Senior Independent Director ('SID') and, as such, available to shareholders if they have concerns not properly addressed to the Chairman. The SID leads the Chairman's performance appraisal and chairs the Nomination Committee when it considers the Chairman's succession.



← Dashed arrows indicate reporting lines

The executive responsibility for investment management has been delegated to the Company's Alternative Investment Fund Managers ('AIFM'), Baillie Gifford & Co Limited, and, in the context of a Board comprising only non-executive Directors, there is no chief executive officer.

The Directors believe that the Board has a balance of skills and experience that enable it to provide effective strategic leadership and proper governance of the Company. Information about the Directors, including their relevant experience, can be found on pages 53 and 54.

There is an agreed procedure for Directors to seek independent professional advice, if necessary, at the Company's expense.

### Appointments to the Board

New Directors are appointed by the Board, following recommendation to the Board by the Nomination Committee. The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for inspection on request.

Under the provisions of the Company's Articles of Association, a Director appointed during the year is required to retire and seek approval by shareholders at the next Annual General Meeting.

In accordance with the AIC Code of Corporate Governance, all Directors are subject to annual re-election.

The names of Directors retiring and offering themselves for re-election together with the reasons why the Board supports this are set out on page 57.

### Independence of Directors

All the Directors are considered by the Board to be independent of the Managers and free of any business or other relationship which could interfere with the exercise of their independent judgement.

The Directors recognise the importance of succession planning for company boards and review the Board's composition annually. The Board is of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company, where continuity and experience can be a benefit to the Board. The Board concurs with the view expressed in the AIC Code that long serving Directors should not be prevented from being considered independent.

Following a formal performance evaluation, the Board concluded that its members continued to be independent in character and judgement and their skills and experience added significantly to the strength of the Board.

### Meetings

There is an annual cycle of Board meetings which is designed to address, in a systematic way, overall strategy, review of investment policy, investment performance, marketing, revenue budgets, dividend policy and communication with shareholders. The Board considers that it meets sufficiently regularly to discharge its duties effectively. The table below shows the attendance record for the core Board and Committee Meetings held during the year, excluding ancillary and sub-committee meetings. The Annual General Meeting was attended by all Directors.

#### Directors' attendance at meetings

	Board	Audit Committee	Nomination Committee	Management Engagement Committee
<b>Number of meetings</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>
RW Chote	4	2	1	1
W Hee	4	2	1	1
AC Lane	4	2	1	1
RF Studwell	4	2	1	1
RP Yates	4	2	1	1

### Chairperson and Directors' tenure

The Nomination Committee has considered the question of tenure for directors and has concluded that there should be a maximum time limit of nine years for a director or chairperson to serve on the Board, under normal circumstances. The Nomination Committee keeps under review the balance of skills, knowledge, experience, performance and length of service of the Directors, ensuring the Board has the right combination of skills and preservation of knowledge and experience, balanced with the appointment of new Directors, bringing in fresh ideas and perspective.

## Management Engagement Committee

All Directors are members of the Management Engagement Committee, which is chaired by the Chairman of the Board. The Board considers each member of the Committee to be independent. To discharge its duties, the Committee met during the year to consider: the performance and suitability of the Manager; the terms and conditions of the AIFM Agreement, including fees; and the Committee's Terms of Reference. The Committee's Terms of Reference are available on request from the Company and on the Company's page of the Managers' website: [pacifichorizon.co.uk](http://pacifichorizon.co.uk).

## Nomination Committee

The Nomination Committee consists of all the non-executive Directors and the Chairman of the Board is Chairman of the Committee. The Committee meets on an annual basis and at such other times as may be required. The Committee has written terms of reference that include reviewing the composition of the Board, identifying and nominating new candidates for appointment to the Board, Board appraisal, planning for an orderly succession including overseeing development of a diverse pipeline for succession, and training. The Committee also considers whether Directors should be recommended for re-election by shareholders. The Committee is responsible for considering Directors' potential conflicts of interest and for making recommendations to the Board on whether or not potential conflicts are material to an individual Director's performance. The Committee's Terms of Reference are available on request from the Company and on the Company's page of the Managers' website: [pacifichorizon.co.uk](http://pacifichorizon.co.uk).

## Diversity policy

Appointments to the Board are made on merit with due regard for the benefits of diversity including gender, social and ethnic backgrounds, cognitive and personal strengths. The priority in appointing new directors is to identify the candidate with the best range of skills and experience to complement existing Directors. Within the context of a small, entirely non-executive Board, a single appointment or retirement can have a significant impact on percentage representation, and a limited number of senior roles are available. The Board

will endeavour to comply with the UK Listing Rules diversity targets more often than not but notes that an orderly succession plan can, when implemented thoughtfully and having regard to the best interests of the Company and its shareholders, take a significant period of time to develop and may result in periods when the diversity targets are not met. Furthermore, the particular circumstances of directors may prevent them from being able to undertake the responsibilities of a senior role. In such circumstances, the value brought to the Board by their inclusion outweighs the ambition of meeting diversity targets.

## Board composition

In order to fulfil its obligations, the Board recognises the importance of having a range of skilled and experienced Directors, balancing the benefits of length of service and knowledge of the Company with the desirability of ensuring regular refreshment of the Board. The Board reviews its composition annually.

The following disclosures are provided in respect of the UK Listing Rules targets that: i) 40% of a board should be women; ii) at least one senior role should be held by a woman; and iii) at least one board member should be from a non-white ethnic background, as defined by the Office of National Statistics criteria.

As an externally managed investment company with no chief executive officer or chief financial officer, the roles which qualify as senior under FCA guidance are Chair and Senior Independent Director ('SID'). The Board also considers Audit Committee Chair to represent a senior role within this context.

The Board currently complies in all respects with the UK Listing Rules targets.

Gender	Number	%	Senior roles
Men	3	60	1
Women	2	40	1

Ethnic background	Number	%	Senior roles
White	4	80	2
Asian/Asian British	1	20	-



## Performance evaluation

An appraisal of the Chairman, each Director and a performance evaluation and review of both the Board as a whole and of the individual Committees was carried out during the year. After inviting each Director and the Chairman to consider and respond to evaluation questionnaires, the performance of each Director was appraised by the Chairman and the Chairman's appraisal was led by Ms AC Lane, the Company's Senior Independent Director.

The appraisals and evaluations considered, amongst other criteria, the balance of skills of the Board, training and development requirements, the contribution of individual Directors and the overall effectiveness of the Board and its Committees.

Following this process, it was concluded that the performance of each Director, the Chairman, the Board and its Committees continues to be effective and each Director and the Chairman are committed to the Company. A review of the Chairman's and other Directors' commitments was carried out and the Board is satisfied that they are capable of devoting sufficient time to the Company. There were no significant changes to the Chairman's other commitments during the year.

## Induction and training

New Directors are provided with an induction programme which is tailored to the particular circumstances of the appointee. During the year updates on industry and regulatory matters were provided to the Board by the Managers and Secretaries. Other relevant training for Directors is provided as necessary.

## Remuneration

As all the Directors are non-executive there is no requirement for a separate Remuneration Committee. Directors' fees are considered by the Board as a whole within the limits approved by shareholders. The Company's policy on remuneration is set out in the Directors' Remuneration Report on pages 72 to 75.

## Audit Committee

The report of the Audit Committee is set out on pages 69 to 71.

## Internal controls and risk management

The Directors acknowledge their responsibility for the Company's risk management and internal controls systems and for reviewing their effectiveness, including with regard to preparation of the Company's Annual Report and Financial Statements. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that there is a continuing process for identifying, evaluating and managing the significant risks faced by the Company in accordance with the FRC guidance 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'.

The practical measures to be taken in relation to the design, implementation and maintenance of control policies and procedures to safeguard the Company's assets and to manage its affairs properly, including the maintenance of effective operational and compliance controls have been delegated to the Managers and Secretaries.

The Board oversees the functions delegated to the Managers and Secretaries and the controls managed by the AIFM in accordance with the UK Alternative Investment Fund Managers Regulations (as detailed below). Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provide the Audit Committee with regular reports on their monitoring programmes. The reporting procedures for these departments are defined and formalised within a service level agreement. Baillie Gifford & Co conducts an annual review of its system of internal controls which is documented within an internal controls report which complies with ISAE 3402 – Assurance Reports on Controls at a Service Organisation. This report is independently reviewed by Baillie Gifford & Co's auditor and a copy is submitted to the Audit Committee.

A report identifying the material risks faced by the Company and the key controls employed to manage these risks is reviewed by the Audit Committee.

These procedures ensure that consideration is given regularly to the nature and extent of risks facing the Company and that they are being actively monitored. Where changes in risk have been identified during the year they also provide a mechanism to assess whether further action is required to manage these risks.

The Directors confirm that they have reviewed the effectiveness of the Company's risk management and internal controls systems which accord with the FRC guidance 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting', and they have procedures in place to review their effectiveness on a regular basis. No significant weaknesses were identified in the year under review and up to the date of this Report.

The Board confirms that these procedures have been in place throughout the Company's financial year and continue to be in place up to the date of approval of this Report.

To comply with the UK Alternative Investment Fund Managers Regulations, The Bank of New York Mellon (International) Limited act as the Company's Depository and Baillie Gifford & Co Limited as its AIFM.

The Depository's responsibilities include cash monitoring, safe keeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. The Depository is liable for the loss of financial instruments held in custody. The Depository will ensure that any delegate segregates the assets of the Company. The Company's Depository also acts as the Company's Custodian. The Custodian prepares reports on its key controls and safeguards which are independently reviewed by its appointed auditors, KPMG LLP. The reports are reviewed by Baillie Gifford's Business Risk Department and a summary of the key points is reported to the Audit Committee and any concerns are investigated.

The Depository provides the Audit Committee with a report on its monitoring activities.

The AIFM has established a permanent risk management function to ensure that effective risk management policies and procedures are in place and to monitor compliance with risk limits. The AIFM has a risk management policy which covers the

risks associated with the management of the portfolio, and the adequacy and effectiveness of this policy is reviewed and approved at least annually. This review includes the risk management processes and systems and limits for each risk area.

The risk limits, which are set by the AIFM and approved by the Board, take into account the objectives, strategy and risk profile of the portfolio. These limits including leverage (see page 115) are monitored and the sensitivity of the portfolio to key risks is undertaken periodically as appropriate to ascertain the impact of changes in key variables in the portfolio. Exceptions from limits monitoring and stress testing undertaken by Baillie Gifford's Business Risk Department are escalated to the AIFM and reported to the Board along with remedial measures being taken.

### Relations with shareholders

The Board places great importance on communication with shareholders. The Company's Managers meet regularly with shareholders and their representatives and report shareholders' views to the Board. The Chairman and Directors also attend shareholder presentations in London and Edinburgh with the Managers, as well as maintaining open lines of communication with market participants and investors in the Company, separate of the Managers' involvement, in order to ascertain views on corporate matters. The Chairman is available to meet with shareholders as appropriate. Shareholders wishing to communicate with any members of the Board may do so by writing to them at the Secretaries' address or through the Company's Corporate Broker, JP Morgan Cazenove (see contact details on page 123).

The Company's Annual General Meeting provides a forum for communication with all shareholders. The results of the poll will be announced and published on the Company's page of the Managers' website [pacifichorizon.co.uk](http://pacifichorizon.co.uk) shortly after the conclusion of the meeting. The notice period for the Annual General Meeting is at least twenty working days.

Shareholders and potential investors may obtain up-to-date information on the Company at [pacifichorizon.co.uk](http://pacifichorizon.co.uk).

## Corporate governance and stewardship

The Company has given discretionary voting powers to Baillie Gifford & Co. The Managers vote against resolutions they consider may damage shareholders' rights or economic interests and report their actions to the Board.

The Board believes that it is in the shareholders' interests to consider environmental, social and governance ('ESG') factors when selecting and retaining investments and has asked the Managers to take these issues into account as long as the investment objectives are not compromised. The Managers do not exclude companies from their investment universe purely on the grounds of ESG factors but adopt a positive engagement approach whereby matters are discussed with management with the aim of improving the relevant policies and management systems and enabling the Managers to consider how ESG factors could impact long-term investment returns. The Managers' statement of compliance with the UK Stewardship code can be found on the Managers' website at [bailliegifford.com](https://www.bailliegifford.com). The Managers' policy has been reviewed and endorsed by the Board. Baillie Gifford & Co Limited as the Company's Manager has considered the Sustainable Finance Disclosures Regulation ('SFDR') and further details can be found on page 118.

On behalf of the Board

Roger Yates

Chairman

22 September 2025

# Audit Committee report

**The Audit Committee consists of all the Directors. The members of the Committee consider that they have the requisite financial skills and experience to fulfil the responsibilities of the Committee. Ms AC Lane is Chairman of the Audit Committee.**

The Committee's authority and duties are clearly defined within its written terms of reference which are available on request from the Company Secretaries and at [pacifichorizon.co.uk](http://pacifichorizon.co.uk). The terms of reference are reviewed annually.

The Committee's effectiveness is reviewed on an annual basis as part of the Board's performance evaluation process.

At least once a year the Committee meets with the external Auditor without any representative of the Managers being present.

## **Main activities of the Committee**

The Committee met twice during the year and BDO LLP, the external Auditor, attended both of those meetings. Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provided reports on their monitoring programmes for each of these meetings.

The matters considered, monitored and reviewed by the Committee during the course of the year included the following:

- the results announcements and the Annual and Interim Reports;
- the Company's accounting policies and practices;
- the regulatory changes impacting the Company;
- the fairness, balance and understandability of the Annual Report and Financial Statements and whether it provided the information necessary for shareholders to assess the Company's performance, business model and strategy;
- the effectiveness of the Company's internal control environment;
- the reappointment, remuneration and terms of engagement of the external Auditor;

- whether the audit services contract should be put out to tender;
- the policy on the engagement of the external auditor to supply non-audit services;
- the independence and objectivity of the external Auditor and the effectiveness of the audit process;
- the need for the Company to have its own internal Audit function;
- the internal controls reports received from the Managers and Custodian; and
- the arrangements in place within Baillie Gifford & Co whereby their staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

### Internal audit

The Committee continues to believe that the compliance and internal controls systems and the internal audit function in place within the Investment Managers provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investment and the Company's assets, is maintained. An internal audit function, specific to the Company, is therefore considered unnecessary.

The external Auditor has adopted a wholly substantive approach to testing and therefore the absence of an internal audit function has not had an impact on audit procedures.

### Financial reporting

The Committee considers that the most significant areas of risk likely to impact the Financial Statements are the existence and valuation of investments, as they represent 99.8% of total assets, and the accuracy and completeness of income from investments.

The majority of the investments are in quoted securities and market prices are readily available from independent external pricing sources. The Committee reviewed Baillie Gifford's Report on Internal Controls which details the controls in place regarding recording and pricing of investments and the reconciliation of investment holdings to third party data.

The value of all the listed investments as at 31 July 2025 were agreed to external price sources. The Committee reviewed the Manager's valuation policy for investments in unlisted (private) companies (as described on page 34) and approved the valuation of the private investments following a detailed review of the valuation of each investment and relevant challenge where appropriate. The listed portfolio holdings were agreed to confirmations from the Company's Custodian and the private company holdings were agreed to confirmations from the investee companies.

The Committee reviewed the Managers' Report on Internal Controls which details the controls in place regarding completeness and accurate recording of investment income. The accounting treatment of each special dividend received or receivable during the year was reviewed by the Managers.

The Committee considered the factors, including the impact of increasing geopolitical tensions, that might affect the Company's viability over a period of three years and its ability to continue as a going concern for at least twelve months from the date of signing of the Financial Statements, together with reports from the Managers on the cash position and cash flow projections of the Company, the liquidity of its investment portfolio, compliance with debt covenants, availability of borrowing facilities, and the Company's ability to meet its obligations as they fall due. The Committee also reviewed the viability statement on page 43 and statement on going concern on page 60. Following this assessment, the Committee recommended to the Board the appropriateness of the going concern basis in preparing the Financial Statements and confirmed the accuracy of the viability statement and statement on going concern.

The Managers and Auditor confirmed to the Committee that they were not aware of any material misstatements in the context of the Financial Statements as a whole and that the Financial Statements are in accordance with applicable law and accounting standards.

## Internal controls and risk management

The Committee reviewed the effectiveness of the Company's risk management and internal controls systems as described on page 66. No significant weaknesses were identified in the year under review.

## External Auditor

To fulfil its responsibility regarding the independence and objectivity of the external Auditor, the Committee reviewed:

- the Auditor's audit plan which includes a report from the Auditor describing its arrangements to manage Auditor independence and received confirmation of its independence; and
- the extent of non-audit services provided by the external Auditor. There were no non-audit fees for the year to 31 July 2025.

To assess the effectiveness of the external Auditor, the Committee reviewed and considered:

- the Auditor's fulfilment of the agreed audit plan;
- feedback from the Secretaries on the performance of the audit team; and
- the Audit Quality Inspection Report from the FRC.

To fulfil its responsibility for oversight of the external audit process the Committee considered and reviewed:

- the Auditor's engagement letter;
- the Auditor's proposed audit strategy;
- the audit fee; and
- a report from the Auditor on the conclusion of the audit.

Following a competitive tender process, BDO LLP were appointed as the Company's Auditor at the Annual General Meeting held on 15 November 2017. The audit partners responsible for the audit are to be rotated at least once every five years in accordance with professional and regulatory standards in order to protect independence and objectivity and to provide fresh challenge to the business. Mr Chris Meyrick, the current audit partner, has held this role for three years.

BDO LLP has confirmed that it believes it is independent within the meaning of regulatory and professional requirements and that the objectivity of the audit partner and staff is not impaired.

Having carried out the review described above, the Committee is satisfied that the Auditor remains independent and effective for the purpose of this year's audit and, as such, has not considered it necessary to put the audit services contract out to tender.

There are no contractual obligations restricting the Committee's choice of Auditor.

## Accountability and audit

The respective responsibilities of the Directors and the Auditor in connection with the Financial Statements are set out on pages 76 and 77.

On behalf of the Board  
Angela Lane  
Chair of the Audit Committee  
22 September 2025



# Directors' remuneration report

**This report has been prepared in accordance with the requirements of the Companies Act 2006.**

The Directors' Remuneration Policy is subject to shareholder approval every three years or sooner if an alteration to the policy is proposed. The Remuneration Policy which is set out below was approved at the Annual General Meeting in November 2023 and no changes to the policy are proposed.

## **Directors' remuneration policy**

The Board is composed wholly of non-executive Directors, none of whom has a service contract with the Company. There is no separate remuneration committee and the Board as a whole considers changes to Directors' fees from time to time. Baillie Gifford & Co Limited, the Company Secretaries, provide comparative information when the Board considers the level of Directors' fees.

The Board's policy is that the remuneration of Directors should be set at a reasonable level that is commensurate with the duties and responsibilities of the role and consistent with the requirement to attract and retain Directors of the appropriate quality and experience. The Board believes that the fees paid to the Directors should reflect the experience of the Board as a whole, be fair and should take account of the level of fees paid by comparable investment trusts. Any views expressed by shareholders on the fees being paid to Directors will be taken into consideration by the Board when reviewing the Board's policy on remuneration.

Non-executive Directors are not eligible for any other remuneration or benefits apart from the reimbursement of allowable expenses. There are no performance conditions relating to Directors' fees and there are no long-term incentive schemes or pension schemes. There is no notice period and no compensation is payable on loss of office.

## Statement by the Chairman

The Board reviewed the level of fees during the year and it was agreed that the principal consideration when assessing the level of fees was balancing the cost of remuneration with ensuring that the Company had the ability to attract and retain directors with the necessary skills, knowledge and experience to fulfil the Board's responsibilities.

The Board were of the view that the investment policy of the Company was at least as complex, if not more complex, than the majority of investment trusts, as the Company's Managers invest in a large number of developed, emerging and frontier markets on its behalf, each with a distinct legal and regulatory framework. The Company also had exposure to both listed and private equities and could be exposed to complex securities such as convertible bonds. The Board, which periodically undertakes a skills audit, was of the opinion that the scope of oversight required for this necessitated a range of specialist skills to properly understand the investment activities of the Company.

Following discussion and consideration of:

- the change to CPI and RPI over the period;
- the levels of remuneration for AIC Asia Pacific and also Baillie Gifford managed investment trusts; and
- the market level of directors' fees as reported by Trust Associates in its September 2024 report;

it was agreed that, with effect from 1 August 2025, the Chairman's fee would be increased from £45,000 to £46,580, the other Directors' fees would be increased from £30,000 to £31,050 and the additional fee for the Audit Committee Chair would be increased from £7,500 to £7,760.

Fees were last increased on 1 August 2023.

## Limits on Directors' remuneration

The fees for the non-executive Directors are payable monthly in arrears and are determined within the limit set out in the Company's Articles of Association which is currently £200,000 per annum in aggregate. Any change to this limit requires shareholder approval.

The fees paid to Directors in respect of the year ended 31 July 2025 and the expected fees payable in respect of the year ending 31 July 2026 are set out in the table below. The fees payable to the Directors in the subsequent financial periods will be determined following an annual review of the Directors' fees.

	Expected fees for the year ending 31 July 2026 £	Fees as at 31 July 2025 £
Chairman's fee	46,580	45,000
Non-executive Director fee	31,050	30,000
Additional fee for Audit Committee Chair	7,760	7,500
Total aggregate annual fees that can be paid to the Directors in any year under the Directors' Remuneration Policy, as set out in the Company's Articles of Association	200,000	200,000

## Annual report on remuneration

An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's auditor to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in the Independent Auditor's Report on pages 79 to 85.

## Directors' remuneration for the year (audited)

The Directors who served during the year received the following remuneration in the form of fees and taxable benefits. This represents the entire remuneration paid to the Directors.

Name	2025 Fees £	2025 Taxable benefits* £	2025 Total £	% change in year	2024 Fees £	2024 Taxable benefits* £	2024 Total £
RP Yates (appointed 13 March 2024)	45,000	3,800	<b>48,800</b>	149.7	17,321	2,224	<b>19,545</b>
RW Chote	30,000	2,120	<b>32,120</b>	(5.6)	30,000	4,011	<b>34,011</b>
W Hee	30,000	320	<b>30,320</b>	0.0	30,000	315	<b>30,315</b>
AC Lane	37,500	4,006	<b>41,506</b>	(0.3)	37,500	4,145	<b>41,645</b>
RF Studwell	30,000	3,433	<b>33,433</b>	1.5	30,000	2,930	<b>32,930</b>
RA Macpherson (retired 13 March 2024)	-	-	-	(100.0)	27,857	828	<b>28,685</b>
	<b>172,500</b>	<b>13,679</b>	<b>186,179</b>	<b>(0.5)</b>	<b>172,678</b>	<b>14,453</b>	<b>187,131</b>

\* Comprises travel and subsistence expenses incurred by or on behalf of the Directors in the course of travel to attend Board and Committee meetings held at the Edinburgh offices of Baillie Gifford & Co Limited, the Company's Secretaries. These amounts have been grossed up for income tax.

## Annual percentage change in remuneration

This represents the annual percentage change in the entire remuneration paid to the Directors.

Name	% from 2024 to 2025	% from 2023 to 2024	% from 2022 to 2023	% from 2021 to 2022	% from 2020 to 2021
RP Yates*	149.7	n/a	n/a	n/a	n/a
RW Chote†	(5.6)	7.1	9.2	85.3	n/a
W Hee#	0.0	8.3	10.9	9.8	500.1
AC Lane+	(0.3)	10.0	11.4	35.3	1.5
RF Studwell	1.5	7.6	6.8	24.6	(5.9)
RA Macpherson††	n/a	(32.7)	12.7	9.7	10.6
EG Creasy‡	n/a	n/a	n/a	n/a	(73.7)

\* Appointed 13 March 2024, receiving 4 months of remuneration in the year to July 2024 of £19,545 and 12 months of remuneration in the year to July 2025 of £48,800.

† Appointed 25 November 2020, receiving 8 months of remuneration in the year to July 2021 of £15,687 and 12 months of remuneration the following year of £29,072, being an 85.3% increase.

# Appointed 1 June 2020, receiving 2 months of remuneration in the year to July 2020 of £3,833 and 12 months of remuneration the following year of £23,000, being a 500.1% increase.

+ Audit Committee Chair from 10 November 2020, receiving 8 months of an additional Audit Committee Chair fee of £5,000 in the year to July 2021 and 12 months of an additional £7,000 fee in the year to July 2022 being a 35.3% increase.

†† Retired 13 March 2024, receiving 12 months of remuneration in the year to July 2023 of £42,654 and 8 months of remuneration in the year to July 2024 of £28,685 being a 32.7% decrease.

‡ Retired 10 November 2020, receiving 12 months of remuneration in the year to July 2020 of £27,428 and 3 months of remuneration in the year to July 2021 of £7,200 being a 73.7% decrease.

## Directors' interests (audited)

The Directors at the end of the year under review and their interests in the Company are as shown in the following table. There have been no changes intimated in the Directors' interests up to 18 September 2025.

Name	Nature of interest	Ordinary 10p shares held at 31 July 2025	Ordinary 10p shares held at 1 August 2024
RP Yates	Beneficial	15,000	15,000
RW Chote	Beneficial	500	500
W Hee	Beneficial	10,000	10,000
AC Lane	Beneficial	8,923	8,897
RF Studwell	Beneficial	5,000	5,000

As per the Articles of Association, it is not a requirement for Directors to hold shares in the Company.

## Statement of voting at Annual General Meeting

At the last Annual General Meeting, of the proxy votes received in respect of the Directors' Remuneration Report, 99.2% were in favour, 0.4% were against and votes withheld were 0.4%. At the last Annual General Meeting at which the Directors' Remuneration Policy was considered (November 2023), 99.1% of the proxy votes were in favour, 0.5% were against and votes withheld were 0.4%.

## Relative importance of spend on pay

The table below shows the actual expenditure during the year in relation to Directors' remuneration and distributions to shareholders.

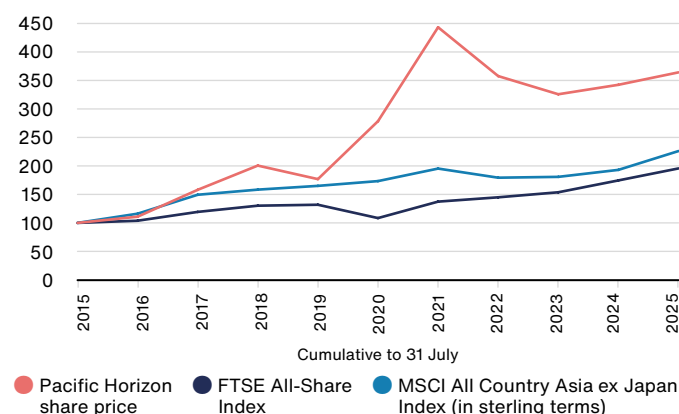
	2025 £'000	2024 £'000	Change %
Directors' remuneration	186	187	(0.5)
Dividends paid to shareholders	2,398	2,954	(18.8)
Share buy-backs	29,766	2,345	1169.3

## Company performance

The following graph compares, for the ten financial years ended 31 July 2025, the share price total return (assuming all dividends are reinvested) to Pacific Horizon ordinary shareholders compared to the total shareholder return on a notional investment made up of shares in the component parts of the FTSE All-Share Index. This index was chosen for comparison purposes as it is a widely used measure of performance for UK listed companies. The Company's comparative index is provided for information purposes only.

## Performance graph

Pacific Horizon's share price, FTSE All-Share Index and comparative index (figures rebased to 100 at 31 July 2015)



Source: LSEG and underlying data providers. See disclaimer on page 119.

All figures are total return (see glossary of terms and alternative performance measures on pages 120 and 121).

Past performance is not a guide to future performance.

## Approval

The Directors' Remuneration Report on pages 72 to 75 was approved by the Board of Directors and signed on its behalf on 22 September 2025.

Roger Yates  
Chairman

# Statement of Directors' responsibilities

## in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law).

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Directors' Report, a Strategic Report and a Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein. The Directors have delegated responsibility to the Managers for the maintenance and integrity of the Company's page of the Managers' website.

## Directors' confirmations

Each of the Directors, whose names and functions are listed within the Directors and Managers section confirm that, to the best of their knowledge:

- the Financial Statements, which have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' give a true and fair view of the assets, liabilities, financial position and net return of the Company;
- the Annual Report and Financial Statements taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board  
 Roger Yates  
 Chairman  
 22 September 2025

## Notes

The following notes relate to financial statements published on a website and are not included in the printed version of the Annual Report and Financial Statements:

- The maintenance and integrity of the Baillie Gifford & Co website is the responsibility of Baillie Gifford & Co; the work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Financial report

The Financial Statements for the year to 31 July 2025 are set out on pages 78 to 107 have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.



# Independent auditor's report

to the members of Pacific Horizon Investment Trust PLC

## Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2025 and of its net return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Pacific Horizon Investment Trust PLC (the 'Company') for the year ended 31 July 2025 which comprise the Income statement, the Balance sheet, the Statement of changes in equity, the Cash flow statement and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standard, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit Committee.

## Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 15 November 2017 to audit the financial statements for the year ended 31 July 2018 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is eight years, covering the years ended 31 July 2018 to 31 July 2025. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the Directors' method of assessing the going concern by reviewing the information used by the Directors in completing their assessment; and
- Reviewing the forecasted cash flows that support the Directors' assessment of going concern, challenging assumptions and judgements made in the forecasts, and scenarios considered, assessing them for reasonableness. In particular, we considered the liquidity of the portfolio and the available cash resource relative to the forecast expenditure.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## Overview

		2025	2024
<b>Key audit matters</b>	Valuation and ownership of investments	√	√
<b>Materiality</b>	Company financial statements as a whole £6.13m (2024: £6.04m) based on 1% (2024: 1%) of net assets		

## An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit addressed the key audit matter
<p><b>Valuation and ownership of investments (Note 1 and 9)</b></p> <p>The investment portfolio at the year-end comprised of listed equity investments valued at £611.9m and unlisted private company investments valued at £39.9m.</p> <p>Whilst we do not consider the valuation of the listed equity investments to be subject to a significant degree of estimation or judgement, there is a risk that the prices used by the Company are not reflective of the fair value of those investments as at the year end.</p> <p>The unlisted investments have significant judgement involved in selecting a valuation methodology and significant estimation uncertainty involved in determining their valuations.</p> <p>There is also a risk of error in the recorded of investment holdings such that those recording do not appropriate reflect the property of the Company.</p> <p>For these reasons and the materiality of the balance in relation to the financial statements as a whole, we considered this to be a key audit matter.</p>	<p>We responded to this matter by testing the valuation and ownership of the whole portfolio of listed investments, and on a sample basis for unlisted investments. We performed the following procedures:</p> <p>With respect of the listed equity investments we:</p> <ul style="list-style-type: none"> <li>• Confirmed the year-end bid price used by agreeing to externally quoted prices;</li> <li>• Assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings; and</li> <li>• Recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share.</li> </ul> <p>With respect to valuation of unlisted private company investments, we assessed the design and implementation of controls in relating to the valuation processes including assessment of management and its external expert.</p> <p>With respect to a sample of the unlisted private company investments, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Considered the appropriateness of the valuation methodology applied under the International Private Equity and Venture Capital Valuation ('IPEV') Guidelines and the accounting framework;</li> <li>• Tested the accuracy of the application of the valuation methodology selected;</li> <li>• Corroborated factual inputs to the valuations to appropriate sources and challenged subjective inputs including comparison to independent information where appropriate and performing stress and reverse stress testing; and</li> <li>• Where management used inputs from external experts, we assessed the competence and expertise of the expert including consideration of relevant experience and qualifications held. We considered the independence and objectivity of the expert. We considered the appropriateness of the methodology and assumptions employed by the expert through review of the accounting framework and valuation guidelines followed.</li> </ul> <p>We obtained direct confirmation from the Custodian regarding investments held at the balance sheet date. Where investments were not held with the Custodian, we obtained direct confirmation from the investee company regarding investments held at the balance sheet date.</p> <p><b>Key observations:</b></p> <p>Based on our procedures performed we did not identify any matters to suggest the valuation or ownership of the listed equity investments or unlisted private company investments was not appropriate.</p>

## Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company Financial Statements	
	2025	2024
Materiality	£6.13m	£6.04m
Basis for determining materiality	1% of net assets	1% of net assets
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
Performance materiality	£4.60m	£4.53m
Basis for determining performance materiality	75% of materiality	75% of materiality
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

## Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £306k (2024:£301k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

## Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Corporate governance statement

The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

### Going concern and longer-term viability

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.

**Other Code provisions**

- Directors' statement on fair, balanced and understandable;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and
- The section describing the work of the Audit Committee.

**Other Companies Act 2006 reporting**

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

**Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

**Directors' remuneration**

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Directors**

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Extent to which the audit was capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### **Non-compliance with laws and regulations**

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Companies Act 2006, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meeting of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust Status.

### **Fraud**

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to be management override of controls.

Our procedures in respect of the above included:

- The procedures set out in the Key Audit Matters section above which relate to the subjective elements of the unlisted private company investments;
- Review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias;
- Review and consideration of the appropriateness of adjustments made in the preparation of the financial statements;
- Review for significant transactions outside the normal course of business; and
- Review of unadjusted audit differences, if any, for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chris Meyrick (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Edinburgh, UK  
22 September 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Income statement

## For the year ended 31 July

	Notes	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000
Gains on investments	9	-	39,801	<b>39,801</b>	-	33,438	<b>33,438</b>
Currency losses	14	-	(586)	<b>(586)</b>	-	(113)	<b>(113)</b>
Income	2	8,870	-	<b>8,870</b>	8,987	-	<b>8,987</b>
Investment management fee	3	(3,573)	-	<b>(3,573)</b>	(3,458)	-	<b>(3,458)</b>
Other administrative expenses	4	(881)	-	<b>(881)</b>	(830)	-	<b>(830)</b>
<b>Net return before finance costs and taxation</b>		<b>4,416</b>	<b>39,215</b>	<b>43,631</b>	<b>4,699</b>	<b>33,325</b>	<b>38,024</b>
Finance costs of borrowings	5	(1,437)	-	<b>(1,437)</b>	(401)	-	<b>(401)</b>
<b>Net return before taxation</b>		<b>2,979</b>	<b>39,215</b>	<b>42,194</b>	<b>4,298</b>	<b>33,325</b>	<b>37,623</b>
Tax	6	(889)	2,246	<b>1,357</b>	(834)	(9,875)	<b>(10,709)</b>
<b>Net return after taxation</b>		<b>2,090</b>	<b>41,461</b>	<b>43,551</b>	<b>3,464</b>	<b>23,450</b>	<b>26,914</b>
<b>Net return per ordinary share</b>	<b>7</b>	<b>2.34p</b>	<b>46.42p</b>	<b>48.76p</b>	<b>3.82p</b>	<b>25.82p</b>	<b>29.64p</b>

The total column of this Statement represents the profit and loss account of the Company. The supplementary revenue and capital columns are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in this Statement derive from continuing operations.

A Statement of Comprehensive Income is not required as the Company does not have any other comprehensive income and the net return after taxation is both the profit and comprehensive income for the year.

The accompanying notes on pages 90 to 107 are an integral part of the Financial Statements.

# Balance sheet

## As at 31 July

	Notes	2025 £'000	2025 £'000	2024 £'000	2024 £'000
<b>Fixed assets</b>					
Investments held at fair value through profit or loss	9		651,771		606,173
<b>Current assets</b>					
Debtors	10	802		790	
Cash and cash equivalents	18	3,820		4,205	
		4,622		4,995	
<b>Creditors</b>					
Amounts falling due within one year:					
Other creditors and accruals	11	(38,845)		(1,507)	
<b>Net current (liabilities)/assets</b>			(34,223)		3,488
<b>Total assets less current liabilities</b>			<b>617,548</b>		<b>609,661</b>
<b>Creditors</b>					
Amounts falling due after more than one year:					
Provision for tax liability	12		(4,191)		(7,691)
<b>Net assets</b>			<b>613,357</b>		<b>601,970</b>
<b>Capital and reserves</b>					
Share capital	13		9,208		9,208
Share premium account	14		254,120		254,120
Capital redemption reserve	14		20,367		20,367
Capital reserve	14		320,583		308,888
Revenue reserve	14		9,079		9,387
<b>Total shareholders' funds</b>			<b>613,357</b>		<b>601,970</b>
<b>Net asset value per ordinary share</b>	<b>15</b>		<b>716.13p</b>		<b>664.01p</b>

The Financial Statements of Pacific Horizon Investment Trust PLC (Company Registration number 02342193) on pages 86 to 107 were approved and authorised for issue by the Board and were signed on 22 September 2025.

Roger Yates  
Chairman

# Statement of changes in equity

## For the year ended 31 July 2025

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 August 2024		9,208	254,120	20,367	308,888	9,387	601,970
Net return after taxation		-	-	-	41,461	2,090	43,551
Ordinary shares bought back into treasury	13	-	-	-	(29,766)	-	(29,766)
Dividends paid during the year	8	-	-	-	-	(2,398)	(2,398)
<b>Shareholders' funds at 31 July 2025</b>		<b>9,208</b>	<b>254,120</b>	<b>20,367</b>	<b>320,583</b>	<b>9,079</b>	<b>613,357</b>

## For the year ended 31 July 2024

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 August 2023		9,208	254,120	20,367	287,783	8,877	580,355
Net return after taxation		-	-	-	23,450	3,464	26,914
Ordinary shares bought back into treasury	13	-	-	-	(2,345)	-	(2,345)
Ordinary shares sold from treasury	13	-	-	-	-	-	-
Dividends paid during the year	8	-	-	-	-	(2,954)	(2,954)
<b>Shareholders' funds at 31 July 2024</b>		<b>9,208</b>	<b>254,120</b>	<b>20,367</b>	<b>308,888</b>	<b>9,387</b>	<b>601,970</b>

The accompanying notes on pages 90 to 107 are an integral part of the Financial Statements.

# Cash flow statement

## For the year ended 31 July

	Notes	2025 £'000	2025 £'000	2024 £'000	2024 £'000
<b>Cash flows from operating activities</b>					
Net return before taxation		42,194		37,623	
<i>Adjustments to reconcile company profit before tax to net cash flow from operating activities</i>					
Net gains on investments		(39,801)		(33,438)	
Currency losses		586		113	
Finance costs of borrowings	5	1,437		401	
<i>Other capital movements</i>					
Overseas withholding tax incurred		(909)		(785)	
Indian tax paid on transactions		(1,254)		(6,276)	
Changes in debtors		8		(465)	
Change in creditors		87		71	
<b>Cash from operations*</b>		2,348		(2,756)	
Non-utilisation fee paid		(305)		(401)	
Loan Interest paid		(987)		-	
<b>Net cash inflow/(outflow) from operating activities</b>			<b>1,056</b>		<b>(3,157)</b>
<b>Cash flows from investing activities</b>					
Acquisitions of investments		(147,280)		(206,776)	
Disposals of investments		141,541		207,108	
<b>Net cash (outflow)/inflow from investing activities</b>			<b>(5,739)</b>		<b>332</b>
<b>Cash flows from financing activities</b>					
Bank loans repaid		(30,780)		-	
Bank loans drawn down		66,560		-	
Ordinary shares bought back into treasury	13	(28,498)		(2,345)	
Equity dividends paid	8	(2,398)		(2,954)	
<b>Net cash inflow/(outflow) from financing activities</b>			<b>4,884</b>		<b>(5,299)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>			<b>201</b>		<b>(8,124)</b>
Exchange movements			(586)		(113)
Cash and cash equivalents at 1 August			4,205		12,442
<b>Cash and cash equivalents at 31 July</b>			<b>3,820</b>		<b>4,205</b>

\* Cash from operations includes dividends received of £8,781,000 (2024 - £8,362,000) and interest received of £112,000 (2024 - £160,000).

The accompanying notes on pages 90 to 107 are an integral part of the Financial Statements.

# Notes to the Financial Statements

## 01 Principal accounting policies

The Financial Statements for the year to 31 July 2025 have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' on the basis of the accounting policies set out below which are unchanged from the prior year and have been applied consistently.

### a. Basis of accounting

All of the Company's operations are of a continuing nature and the Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of fixed asset investments at fair value through profit or loss, and on the assumption that approval as an investment trust under section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 will be retained.

The Company's principal risks are market related and include market risk, liquidity risk and credit risk. An explanation of these risks and how they are managed is contained on pages 100 to 107 in note 18 to the Financial Statements. The Board has, in particular, considered the impact of heightened macroeconomic and geopolitical concerns, but does not believe that the Company's going concern status is affected.

The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. The Board approves borrowing and gearing limits and reviews regularly the amounts of any borrowing and the level of gearing as well as compliance with borrowing covenants. The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. The Company's primary third party suppliers, including its Managers and Secretaries, Custodian and Depositary, Registrar, Auditor and Broker, are not experiencing significant operational difficulties affecting their respective services to the Company. In accordance with the Company's Articles of Association, shareholders have the right to vote on the continuation of the Company every five years, the next vote being in 2026. The Financial Statements have been prepared on the going concern basis; having assessed the principal

and emerging risks and other matters set out in the Viability Statement on page 43 (which assesses the prospects of the Company over a period of three years) and as further discussed in the Going Concern statement on page 60 it is the Directors' opinion that the Company will continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements.

The Financial Statements have been prepared in accordance with the Companies Act 2006, applicable UK Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies ('AIC') in November 2014 and updated in July 2022 with consequential amendments.

In order to reflect better the activities of the Company and in accordance with guidance issued by the AIC, supplementary information which analyses the profit and loss account between items of a revenue and capital nature has been presented in the Income Statement. The allocation of items to revenue and capital is reviewed on an annual basis and is considered to remain appropriate for the current year.

The Directors consider the Company's functional currency to be sterling as the Company's shareholders are predominantly based in the UK, and the Company and its portfolio managers, who are subject to the UK's regulatory environment, are also UK based.

### b. Financial instruments

Financial assets and financial liabilities are recognised in the Company's Balance Sheet when it becomes a party to the contractual provisions of the instrument.

### c. Significant accounting estimates and judgements

The preparation of the Financial Statements requires the use of estimates and judgements. These estimates, and judgements affect the reported amounts of assets and liabilities, at the reporting date. While estimates are based on best judgement using information and financial data available, the actual outcome may differ from these estimates. The key sources of estimation and uncertainty relate to the assumptions used in the determination of the fair value of the unlisted investments, which are detailed in note 9 on page 96.

### Judgements

The Directors consider that the preparation of the Financial Statements involves the following key judgements:

- i. the determination of the functional currency of the Company as sterling (see rationale in 1(a) above); and
- ii. the fair valuation of the unlisted investments.

The key judgements in the fair valuation process are:

- i. the Managers' determination of the appropriate application of the International Private Equity and Venture Capital Guidelines 2022 ('IPEV') to each unlisted investment; and
- ii. the Directors' consideration of whether each fair value is appropriate following detailed review and challenge. The judgement applied in the selection of the methodology used for determining the fair value of each unlisted investment can have a significant impact upon the valuation.

### Estimates

The key estimate in the Financial Statements is the determination of the fair value of the unlisted investments by the Managers for consideration by the Directors. This estimate is key as it significantly impacts the valuation of the unlisted investments at the Balance Sheet date. The fair valuation process involves estimation using subjective inputs that are unobservable (for which market data is unavailable). The main estimates involved in the selection of the valuation process inputs are:

- i. the selection of appropriate comparable companies in order to derive revenue multiples and meaningful relationships between enterprise value, revenue and earnings growth. Comparable companies are chosen on the basis of their business characteristics and growth patterns;
- ii. the selection of a revenue metric (either historic or forecast);
- iii. the application of an appropriate discount factor to reflect the reduced liquidity of unlisted companies versus their listed peers;
- iv. the estimation of the probability assigned to an exit being through an initial public offering ('IPO') or a company sale;

v. the selection of an appropriate industry benchmark index to assist with the valuation validation or the application of valuation adjustments, particularly in the absence of established earnings or closely comparable peers; and

vi. the calculation of valuation adjustments derived from milestone analysis (i.e. incorporating operational success against the plan/forecasts of the business into the valuation).

### d. Investments

The Company's investments are classified, recognised and measured at fair value through profit or loss in accordance with sections 11 and 12 of FRS 102.

Investment purchases and sales are recognised on a trade date basis. Expenses incidental to purchase and sale are written off to capital at the time of acquisition or disposal. Gains and losses on investments are recognised in the Income Statement as capital items.

Investments are designated as held at fair value through profit or loss on initial recognition and are measured at subsequent reporting dates at fair value. The fair value of listed security investments is bid price or, in the case of FTSE 100 constituents and holdings on certain recognised overseas exchanges, last traded price. The fair value of suspended investments is the last traded price, adjusted for the estimated impact on the business of the suspension. Unlisted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Managers. The Managers' unlisted investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation guidelines ('IPEV'). These methodologies can be categorised as follows: (a) market approach (multiples, industry valuation benchmarks and available market prices); (b) income approach (discounted cash flows); and (c) replacement cost approach (net assets). The valuation process recognises also, as stated in the IPEV Guidelines, that the price of a recent investment may be an appropriate starting point for estimating fair value, however it should be evaluated using the techniques described above.

The Managers monitor the investment portfolio on a fair value basis and use the fair value basis for investments in making investment decisions and monitoring financial performance.

**e. Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits repayable on demand. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if they have a maturity or period of notice of not more than one working day.

**f. Income**

- i. Income from equity investments is brought into account on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Company's right to receive payment is established.
- ii. If scrip dividends are taken in lieu of dividends in cash, the net amount of the cash dividend declared is credited to the revenue column of the Income Statement. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised in the capital column of the Income Statement.
- iii. Special dividends are treated as capital or income depending on the facts of each particular case.
- iv. Unfranked investment income and overseas dividends include the taxes deducted at source.
- v. Interest from fixed interest securities is recognised on an accruals basis using the effective interest rate basis.
- vi. Underwriting commission and interest receivable on deposits are recognised on an accruals basis.

**g. Expenses**

All expenses are accounted for on an accruals basis and are charged through the revenue column of the Income Statement, except for expenses incidental to the acquisition or sale of investments, which are written off to capital when incurred.

**h. Borrowing and finance costs**

Interest bearing bank loans are recorded at the proceeds received, net of direct issue costs and subsequently measured at amortised cost. Finance costs are accounted for on an accruals basis and are charged through the revenue column of the Income statement.

**i. Taxation**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted at the reporting date.

**j. Deferred taxation**

Deferred taxation is provided on all timing differences, based on the taxable profit and the total comprehensive income as stated in the Financial Statements, calculated at the current tax rate relevant to the realisation of the benefit or liability. Deferred tax assets are recognised only to the extent that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

**k. Foreign currencies**

Transactions involving foreign currencies are converted at the rate ruling at the time of the transaction. Assets and liabilities in foreign currencies are translated at the closing rates of exchange at the balance sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the Income Statement as capital or revenue as appropriate.

**l. Capital redemption reserve**

The capital redemption reserve is a statutory, non-distributable reserve into which the nominal value of shares redeemed or repurchased and canceled is transferred from share capital.

**m. Capital reserve**

Gains and losses on disposal of investments, changes in the fair value of investments held and realised and unrealised exchange differences of a capital nature are dealt with in this reserve after being recognised in the Income Statement. Purchases of the Company's own shares for cancellation, or to be held in treasury for subsequent reissue, may be funded from this reserve.

**n. Revenue reserve**

The revenue profit or loss for the year is taken to or from this reserve. The revenue reserve may be distributed by way of dividend.

**o. Single segment reporting**

The Company is engaged in a single segment of business, being investment business, consequently no business segmental analysis is provided.

**p. Dividend distributions**

Final dividends are recognised in the period in which the dividends are approved by the Company's shareholders.



## 02 Income

	2025 £'000	2024 £'000
<b>Income from investments</b>		
Overseas dividends	8,758	8,827
<b>Other income</b>		
Deposit interest	112	160
<b>Total income</b>	<b>8,870</b>	<b>8,987</b>
<b>Total income comprises:</b>		
Dividends from financial assets designated at fair value through profit or loss	8,758	8,827
Interest from financial assets not at fair value through profit or loss	112	160
	<b>8,870</b>	<b>8,987</b>

## 03 Investment management fee

	2025 £'000	2024 £'000
Investment management fee	3,573	3,458

Details of the Investment Management Agreement are set out on page 56. The annual management fee is 0.75% on the first £50 million of net assets, 0.65% on the next £200 million of net assets and 0.55% on the remaining net assets. Management fees are calculated and payable on a quarterly basis.

## 04 Other administrative expenses

	2025 £'000	2024 £'000
Custody fees	258	242
General administrative expenses	226	212
Directors' fees	173	173
Marketing*	100	90
Auditor's remuneration for audit services†	52	50
Depositary fees	56	49
Registrar's fees	16	14
	<b>881</b>	<b>830</b>

\* The Company is part of a marketing programme which includes all the investment trusts managed by the Manager. The marketing strategy has an ongoing objective to stimulate demand for the Company's shares. The cost of this marketing strategy is borne in partnership by the Company and the Manager. The Manager matches the Company's marketing contribution and provides the resource to manage and run the programme.

† Auditor's remuneration above is exclusive of VAT. There were no non-audit fees paid to the Auditor during the year (2024 – nil).

## 05 Finance costs of borrowings

	2025 £'000	2024 £'000
Royal Bank of Scotland International Limited non-utilisation fee (see note 11)	258	401
Royal Bank of Scotland International Limited interest	1,119	-
Royal Bank of Scotland International Limited arrangement fee	60	-
	<b>1,437</b>	<b>401</b>

## 06 Tax

	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000
Overseas taxation	889	-	889	834	-	834
Indian capital gains tax paid and provided for	-	(2,246)	(2,246)	-	9,875	9,875
	889	(2,246)	(1,357)	834	9,875	10,709

	2025 £'000	2024 £'000
<b>Factors affecting the tax charge for the year</b>		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 25% (2024 – 25%). The differences are explained below:		
<b>Net return before taxation</b>	42,194	37,623
Net return multiplied by the average standard rate of corporation tax in the UK of 25% (2024 – 25%)	10,548	9,406
Capital (gain) not deductible	(9,804)	(8,331)
Overseas dividends not taxable in the UK	(2,190)	(2,207)
Current year management expenses and non-trade loan relationship deficits not utilised	1,446	1,132
Overseas withholding tax incurred	889	834
<b>Revenue tax charge for the year</b>	889	834
(Decrease)/Increase in provision for tax liability in respect of Indian capital gains tax	(3,500)	3,599
Payments of Indian capital gains tax in the period	1,254	6,276
<b>Capital tax charge for the year</b>	(2,246)	9,875
<b>Total tax</b>	(1,357)	10,709

As an investment trust, the Company's capital gains are not taxable in the United Kingdom. Interest on the corporation tax repayment is included within interest income. The capital tax charge results from the provision for tax liability in respect of Indian capital gains tax as detailed in note 12.

**Factors that may affect future tax charges**

At 31 July 2025 the Company had surplus management expenses and losses on non-trading loan relationships of £43,341,000 (2024 – £37,561,000) and had a potential deferred tax asset of £10,835,000 (2024 – £9,390,000) on taxable losses which is available to be carried forward and offset against future taxable profits. A deferred tax asset has not been recognised on these losses as the Company is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus expenses. The potential deferred tax asset has been calculated using a corporation tax rate of 25% (2024 – 25%).

## 07 Net return per ordinary share

	2025 Revenue	2025 Capital	2025 Total	2024 Revenue	2024 Capital	2024 Total
Net return after taxation	2.34p	46.42p	48.76p	3.82p	25.82p	29.64p

Revenue return per ordinary share is based on the net revenue profit after taxation of £2,090,000 (2024 – net revenue profit of £3,464,000) and on 89,322,898 (2024 – 90,804,045) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during the year.

Capital return per ordinary share is based on the net capital gain for the financial year of £41,461,000 (2024 – net gain of £23,450,000) and on 89,322,898 (2024 – 90,804,045) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during the year.

Total return per ordinary share is based on the total gain for the financial year of £43,551,000 (2024 – total loss of £26,914,000) and on 89,322,898 (2024 – 90,804,045) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during the year.

There are no dilutive or potentially dilutive shares in issue.

## 08 Ordinary dividends

	2025	2024	2025 £'000	2024 £'000
<b>Amounts recognised as distributions in the year:</b>				
Previous year's final dividend (paid 28 November 2024)	2.65p	3.25p	2,398	2,954

We set out below the total dividends proposed in respect of the financial year, which is the basis on which the requirements of section 1158 of the Corporation Tax Act 2010 are considered. There is a revenue surplus for the year to 31 July 2025 of £2,090,000 which is available for distribution by way of a dividend payment (2024 – a revenue surplus of £3,464,000).

	2025	2024	2025 £'000	2024 £'000
<b>Amounts paid and payable in respect of the financial year:</b>				
Proposed final dividend per ordinary share (payable 1 December 2025)	1.50p	2.65p	1,267	2,398

## 09 Fixed assets – investments

As at 31 July 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	611,876	-	-	611,876
Unlisted company equities	-	-	6,903	6,903
Unlisted company preference shares <sup>#</sup>	-	-	32,992	32,992
<b>Total financial asset investments</b>	<b>611,876</b>	<b>-</b>	<b>39,895</b>	<b>651,771</b>

As at 31 July 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	563,410	-	-	563,410
Unlisted company equities	-	-	9,036	9,036
Unlisted company preference shares <sup>#</sup>	-	-	33,727	33,727
<b>Total financial asset investments</b>	<b>563,410</b>	<b>-</b>	<b>42,763</b>	<b>606,173</b>

<sup>#</sup> The investments in preference shares include liquidation preference rights that determine the repayment (or multiple thereof) of the original investment in the event of a liquidation event such as a take-over.

During the year to 31 July 2025 no investments (31 July 2024 – nil) were transferred from Level 3 to Level 1 on becoming listed.

Investments in securities are financial assets held at fair value through profit or loss. In accordance with Financial Reporting Standard 102, the tables above provide an analysis of these investments based on the fair value hierarchy described below, which reflects the reliability and significance of the information used to measure their fair value.

## 09 Fixed assets – investments (continued)

### Fair value hierarchy

The fair value hierarchy used to analyse the fair values of financial assets is described below. The levels are determined by the lowest (that is the least reliable or least independently observable) level of input that is significant to the fair value measurement for the individual investment in its entirety as follows:

**Level 1** – using unadjusted quoted prices for identical instruments in an active market;

**Level 2** – using inputs, other than quoted prices included within Level 1, that are directly or indirectly observable (based on market data); and

**Level 3** – using inputs that are unobservable (for which market data is unavailable).

The Company's unlisted ordinary share investments at 31 July 2025 were valued using a variety of techniques. These include using comparable company performance, comparable scenario analysis, and assessment of milestone achievement at investee companies. The determinations of fair value included assumptions that the comparable companies and scenarios chosen for the performance assessment provide a reasonable basis for the determination of fair value. In some cases the latest dealing price is considered to be the most appropriate valuation basis, but only following assessment using the techniques described above.

	Listed equities £'000	Unlisted equities £'000	2025 Total £'000	2024 Total £'000
Cost of investments at 1 August 2024	470,554	41,203	511,757	493,010
Investment holding gains at 1 August 2024	92,856	1,560	94,416	79,738
<b>Value of investments at 1 August 2024</b>	<b>563,410</b>	<b>42,763</b>	<b>606,173</b>	<b>572,748</b>
<b>Movements in year:</b>				
Purchases at cost	147,338	-	147,338	207,049
Sales proceeds received	(141,541)	-	(141,541)	(207,062)*
Gains/(losses) on investments	42,669	(2,868)	39,801	33,438*
Value of investments at 31 July 2025	611,876	39,895	651,771	606,173
Cost of investments at 31 July 2025	491,539	41,203	532,742	511,757
Investment holding gains/(losses) at 31 July 2025	120,337	(1,308)	119,029	94,416
Value of investments at 31 July 2025	611,876	39,895	651,771	606,173

\* The sales proceeds received in the prior year were incorrectly reported as the book cost of the investments sold and have been restated. The realised profit, £18,760,000, on these investments has been disclosed within the Gains/(losses) on investments.

Transaction costs on purchases and sales were £190,000 (2024 – £206,000) and £262,000 (2024 – £399,000) respectively, total transaction costs being £452,000 (2024 – £605,000) expensed as per the accounting policy (see page 91). The Company received £141,541,000 (2024 – £207,062,000) from investments sold during the year. The book cost of these investments when they were purchased was £126,353,000 (2024 – £188,302,000). These investments have been revalued over time and, until they were sold, any unrealised gains/losses were included in the fair value of the investments.

	2025 £'000	2024 £'000
<b>Net gains on investments held at fair value through profit or loss</b>		
Realised gains on sales	15,188	18,760
Changes in investment holding gains	24,613	14,678
	<b>39,801</b>	<b>33,438</b>

### Significant holdings disclosure requirements – AIC SORP

Details are disclosed below in accordance with the requirements of paragraph 82 of the AIC Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (updated in July 2022) in relation to unlisted investments included in the ten largest holdings disclosed on page 26. As required, this disclosure includes turnover, pre-tax profits and net assets attributable to investors as reported within the most recently audited Financial Statements of the investee companies, where possible.

## 09 Fixed assets – investments (continued)

As at 31 July 2025								
Name	Business	Latest Financial Statements	Book cost £'000	Market Value £'000	Income recognised from holding in the period £'000	Turnover ('000)	Pre-tax profit/(loss) ('000)	Net assets attributable to shareholders ('000)
ByteDance Series E-1 Preferred	Social media	n/a	11,751	25,300	Nil		Information not publicly available	

As at 31 July 2024								
Name	Business	Latest Financial Statements	Book cost £'000	Market Value £'000	Income recognised from holding in the period £'000	Turnover ('000)	Pre-tax profit/(loss) ('000)	Net assets attributable to shareholders ('000)
VerSe (Dailyhunt) Innovation	Indian news aggregator application	n/a	20,987	20,693	Nil		Information not publicly available	

## 10 Debtors

	2025 £'000	2024 £'000
<b>Amounts falling due within one year:</b>		
Income accrued (net of withholding taxes)	650	651
Other debtors and prepayments	152	139
	<b>802</b>	<b>790</b>

None of the above debtors are financial assets designated at fair value through profit or loss. The carrying amount of debtors is a reasonable approximation of fair value. There were no debtors that were past due or impaired at 31 July 2025 or 31 July 2024.

## 11 Creditors – amounts falling due within one year

	2025 £'000	2024 £'000
Royal bank of Scotland International Limited non-utilisation fee	13	52
Royal bank of Scotland International Limited interest	184	-
Royal bank of Scotland International Limited loan	35,780	-
Investment purchases awaiting settlement	331	273
Investment management fee	918	903
Share buy backs payable	1,268	-
Other creditors and accruals	351	279
	<b>38,845</b>	<b>1,507</b>

The Company has a multi-currency revolving credit facility with the Royal Bank of Scotland International Limited for up to £60 million, with a non-utilisation rate of 0.4%. This facility expires in March 2026. At 31 July 2025 there were £35,780,000 outstanding drawings (31 July 2024 – nil). The main covenants relating to the loan are that borrowings should not exceed 30% of the Company's adjusted net asset value and the Company's net asset value should be at least £300 million.

There were no breaches in the loan covenants during the year.

None of the above creditors at 31 July 2025 or 31 July 2024 are financial liabilities designated at fair value through profit or loss.

## 12 Provision for tax liability

	2025 £'000	2024 £'000
The movement in provision for tax liability comprises:		
Opening balance	7,691	4,092
Capital gains tax charge to the capital reserve in the year	(2,246)	9,875
Capital gains tax paid in the year	(1,254)	(6,276)
<b>Provision for tax liability</b>	<b>4,191</b>	<b>7,691</b>

The tax liability provision at 31 July 2025 of £4,191,000 (31 July 2024 – £7,691,000) relates to a potential liability for Indian capital gains tax that may arise on the Company's Indian investments should they be sold in the future, based on the net unrealised taxable capital gain at the period end and on enacted Indian tax rates (long-term capital gains are taxed at 12.5% (2024 – 12.5%) and short term capital gains are taxed at 20% (2024 – 20%). The amount of any future tax amounts payable may differ from this provision, depending on the value and timing of any future sales of such investments and future Indian tax rates.

## 13 Share capital

	2025 Number	2025 £'000	2024 Number	2024 £'000
Allotted, called up and fully paid ordinary shares of 10p each	85,648,427	8,565	90,656,751	9,066
Treasury shares of 10p each	6,426,534	643	1,418,210	142
	<b>92,074,961</b>	<b>9,208</b>	<b>92,074,961</b>	<b>9,208</b>

In the year to 31 July 2025, the Company issued no ordinary shares from treasury (2024 – no ordinary shares).

In the year to 31 July 2025, 5,008,324 ordinary shares, representing 5.5% of the issued share capital at 31 July 2024, were bought back at a total cost of £29,766,000 and are held in treasury (2024 – 425,198 ordinary shares, representing 0.5% of the issued share capital at 31 July 2023, were bought back at a total cost of £2,345,000 and are held in treasury). At 31 July 2025 the Company had authority to allot or sell from treasury 9,061,687 ordinary shares without application of pre-emption rights and to buy back 8,826,505 ordinary shares on an ad hoc basis. Under the provisions of the Company's Articles of Association share buy-backs are funded from the capital reserve.

Between 1 August 2025 and 18 September 2025, no further shares were issued and 1,181,983 shares were bought back.

## 14 Capital and reserves

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
At 1 August 2024	9,208	254,120	20,367	308,888	9,387	601,970
Net gains on sales of investments	-	-	-	15,188	-	15,188
Changes in investment holding gains and losses	-	-	-	24,613	-	24,613
Other exchange differences	-	-	-	(586)	-	(586)
Indian tax paid and provided for	-	-	-	2,246	-	2,246
Ordinary shares bought back into treasury	-	-	-	(29,766)	-	(29,766)
Revenue return after taxation	-	-	-	-	2,090	2,090
Dividends paid during the year	-	-	-	-	(2,398)	(2,398)
At 31 July 2025	<b>9,208</b>	<b>254,120</b>	<b>20,367</b>	<b>320,583</b>	<b>9,079</b>	<b>613,357</b>

## 14 Capital and reserves (continued)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
At 1 August 2023	9,208	254,120	20,367	287,783	8,877	580,355
Net gains on sales of investments	-	-	-	18,760	-	18,760
Changes in investment holding gains and losses	-	-	-	14,678	-	14,678
Other exchange differences	-	-	-	(113)	-	(113)
Indian CGT paid and provided for	-	-	-	(9,875)	-	(9,875)
Ordinary shares bought back into treasury	-	-	-	(2,345)	-	(2,345)
Revenue return after taxation	-	-	-	-	3,464	3,464
Dividends paid during the year	-	-	-	-	(2,954)	(2,954)
At 31 July 2024	9,208	254,120	20,367	308,888	9,387	601,970

The capital reserve includes non-distributable investment holding gains of £119,029,000 (2024 – gains of £94,416,000) as disclosed in note 9.

The revenue reserve and capital reserve (to the extent it constitutes realised profits) may be distributed by way of dividend.

## 15 Shareholders' funds

The net asset value per ordinary share and the net assets attributable to the ordinary shareholders at the year end calculated in accordance with the Articles of Association were as follows:

	2025 Net asset value per share	2024 Net asset value per share	2025 Net assets attributable £'000	2024 Net assets attributable £'000
Ordinary shares	716.13p	664.01p	613,357	601,970

The movements during the year of the assets attributable to the ordinary shares are shown in note 14.

Net asset value per ordinary share is based on the net assets as shown above and 85,648,427 (2024 – 90,656,751) ordinary shares (excluding treasury shares), being the number of ordinary shares in issue at each date.

## 16 Analysis of change in net debt

	At 1 August 2024 £'000	Cash flows £'000	Exchange movement £'000	At 31 July 2025 £'000
Cash and cash equivalents	4,205	201	(586)	3,820
Loans due within one year	-	(35,780)	-	(35,780)
	4,205	(35,579)	(586)	(31,960)



## 17 Transactions with related parties and the Managers and Secretaries

The Directors' fees for the year are detailed in the Directors' remuneration report on page 72. No Director has a contract of service with the Company. During the year no Director was interested in any contract or other matter requiring disclosure under section 412 of the Companies Act 2006.

Details of the management contract are set out in the Directors' report on page 56. The management fee payable to the Manager by the Company for the year, as disclosed in note 3, was £3,573,000 (2024 – £3,458,000) of which £918,000 (2024 – £903,000) was outstanding at the year end, as disclosed in note 11.

The Company is part of a marketing programme which includes all the investment trusts managed by the Manager. The Company's marketing contribution, recharged by the Manager, was £100,000 (2024 – £90,000) as disclosed in note 4.

## 18 Financial instruments

As an Investment Trust, the Company invests in equities and makes other investments so as to achieve its investment objective of maximising capital appreciation from a focused and actively managed portfolio of investments from the Asia-Pacific region including the Indian Sub-continent and excluding Japan. In pursuing its investment objective, the Company is exposed to various types of risk that are associated with the financial instruments and markets in which it invests.

These risks are categorised here as market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Board monitors closely the Company's exposures to these risks but does so in order to reduce the likelihood of a permanent loss of capital rather than to minimise short term volatility. Risk provides the potential for both losses and gains. In assessing risk, the Board encourages the Managers to exploit the opportunities that risk affords.

The risk management policies and procedures outlined in this note have not changed substantially from the previous accounting period.

### Market risk

The fair value or future cash flows of a financial instrument or other investment held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. The Board of Directors reviews and agrees policies for managing these risks and the Company's Managers both assess the exposure to market risk when making individual investment decisions and monitor the overall level of market risk across the investment portfolio on an ongoing basis.

Details of the Company's investment portfolio are shown in note 9 and on pages 38 to 40.

The Company may, from time to time, enter into derivative transactions to hedge specific market, currency or interest rate risk. During the years to 31 July 2025 and 31 July 2024 no such transactions were entered into. The Company's Managers may not enter into derivative transactions without the prior approval of the Board.

### i. Currency risk

The majority of the Company's assets, liabilities and income are denominated in currencies other than sterling (the Company's functional currency and that in which it reports its results). Consequently, movements in exchange rates may affect the sterling value of those items.

The Managers monitor the Company's exposure to foreign currencies and report to the Board on a regular basis. The Managers assess the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. However, the country in which a company is listed is not necessarily where it earns its profits. The movement in exchange rates on overseas earnings may have a more significant impact upon a company's valuation than a simple translation of the currency in which the company is quoted.

Foreign currency borrowings can limit the Company's exposure to anticipated future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments.

## 18 Financial instruments (continued)

## i. Currency risk (continued)

Exposure to currency risk through asset allocation, which is calculated by reference to the currency in which the asset or liability is quoted, is shown below.

At 31 July 2025	Investments £'000	Cash and cash equivalents £'000	Bank Loans £'000	Other debtors and creditors £'000	Net exposure £'000
Hong Kong dollar	135,147	-	-	-	135,147
US dollar	124,408	12	-	(276)	124,144
Taiwan dollar	106,121	-	-	329	106,450
Indian rupee	93,130	54	-	(4,191)	88,993
Korean won	81,642	-	-	172	81,814
Vietnam dong	56,400	3,684	-	82	60,166
Chinese yuan	39,178	-	-	-	39,178
Indonesian rupiah	10,947	-	-	-	10,947
<b>Total exposure to currency risk</b>	<b>646,973</b>	<b>3,750</b>	<b>-</b>	<b>(3,884)</b>	<b>646,839</b>
Sterling	4,798	70	(35,780)	(2,570)	(33,482)
	<b>651,771</b>	<b>3,820</b>	<b>(35,780)</b>	<b>(6,454)</b>	<b>613,357</b>

At 31 July 2024	Investments £'000	Cash and cash equivalents £'000	Bank Loans £'000	Other debtors and creditors £'000	Net exposure £'000
Hong Kong dollar	99,011	-	-	-	99,011
US dollar	90,437	3,407	-	(273)	93,571
Taiwan dollar	88,425	-	-	421	88,846
Indian rupee	138,869	80	-	(7,691)	131,258
Korean won	95,999	-	-	230	96,229
Vietnam dong	49,038	618	-	-	49,656
Chinese yuan	19,417	-	-	-	19,417
Indonesian rupiah	15,655	-	-	-	15,655
Australian dollar	616	-	-	-	616
Thai baht	-	-	-	-	-
<b>Total exposure to currency risk</b>	<b>597,467</b>	<b>4,105</b>	<b>-</b>	<b>(7,313)</b>	<b>594,259</b>
Sterling	8,706	100	-	(1,095)	7,711
	<b>606,173</b>	<b>4,205</b>	<b>-</b>	<b>(8,408)</b>	<b>601,970</b>

## 18 Financial instruments (continued)

## i. Currency risk (continued)

## Currency risk sensitivity

At 31 July 2025, if sterling had strengthened by 5% in relation to all currencies, with all other variables held constant, total net assets and total return would have decreased by the amounts shown below. A 5% weakening of sterling against all currencies, with all other variables held constant, would have had an equal but opposite effect on the Financial Statement amounts. The level of change is considered to be reasonable based on observations of current market conditions. The analysis is performed on the same basis for 2024.

	2025 £'000	2024 £'000
Hong Kong dollar	6,757	4,951
US dollar	6,220	4,692
Taiwan dollar	5,306	4,442
Indian rupee	4,657	6,549
Korean won	4,082	4,811
Vietnam dong	2,820	2,483
Chinese yuan	1,959	971
Indonesian rupiah	548	783
Australian dollar	-	31
	<b>32,349</b>	<b>29,713</b>

## ii. Interest rate risk

Interest rate movements may affect directly:

- the fair value of any investments in fixed interest rate securities;
- the level of income receivable on cash deposits;
- the fair value of any fixed-rate borrowings; and
- the interest payable on any variable rate borrowings.

Interest rate movements may also impact upon the market value of investments outwith fixed income securities. The effect of interest rate movements upon the earnings of a company may have a significant impact upon the valuation of that company's equity. The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions and when entering borrowing agreements. The Board reviews on a regular basis the amount of investments in cash and fixed income securities and the income receivable on cash deposits, floating rate notes and other similar investments.

The Company may finance part of its activities through borrowings at approved levels. The amount of any such borrowings and the approved levels are monitored and reviewed regularly by the Board. Movements in interest rates, to the extent that they affect the market value of the Company's fixed rate borrowings, may also affect the amount by which the Company's share price is at a discount or a premium to the net asset value (assuming that the Company's share price is unaffected by movements in interest rates).

The interest rate risk profile of the Company's financial assets and liabilities at 31 July is shown below.

## Financial assets

	2025 Fair value £'000	2025 Weighted average interest rate	2025 Weighted average fixed rate period *	2024 Fair value £'000	2024 Weighted average interest rate	2024 Weighted average fixed rate period *
<b>Cash and cash equivalents:</b>						
Overseas currencies	3,750	0.5%	n/a	4,105	3.9%	n/a
Sterling	70	1.5%	n/a	100	4.5%	n/a
	<b>3,820</b>			<b>4,205</b>		

\* Based on expected redemption date.

## 18 Financial Instruments (continued)

### ii. Interest rate risk (continued)

#### Financial liabilities

The interest rate risk profile of the Company's financial liabilities and the maturity profile of the undiscounted future cash flows in respect of the Company's contractual financial liabilities at 31 July are shown below.

#### Maturity profile

	2025 £'000	2024 £'000
In less than one year:		
– repayment of loan	35,780	-
– accumulated interest	918	-
– non-utilisation fee	105	299*
	<b>36,803</b>	<b>299</b>

\* The prior year figure was incorrectly reported as the loan non-utilisation fee accrued of £52,000 as of 31 July 2024, rather than the undiscounted future cash flows in respect of the Company's contractual financial liabilities as of 31 July 2024, and has been restated.

#### Interest rate risk sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates at the Balance Sheet date and with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

An increase of 100 basis points in interest rates, with all other variables being held constant, would have decreased the Company's total net assets and total return for the year ended 31 July 2025 by £320,000 (2024 – an increase of £42,000). This is mainly due to the Company's exposure to interest rates on its floating rate bank loan and cash balances. A decrease of 100 basis points would have had an equal but opposite effect.

#### iii. Other price risk

Changes in market prices other than those arising from interest rate risk or currency risk may also affect the value of the Company's net assets. The Board manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Managers. The Company's portfolio of unlisted level 3 investments is not necessarily affected by market performance, however the valuations are affected by the performance of the underlying securities in line with the valuation criteria in note 1(c). The Board meets regularly and at each meeting reviews investment performance, the investment portfolio and the rationale for the current investment positioning to ensure consistency with the Company's objectives and investment policies. The portfolio does not seek to reproduce the index. Investments are selected based upon the merit of individual companies and therefore performance may well diverge from the comparative index.

#### Other price risk sensitivity

A full list of the Company's investments is given on pages 38 to 40. In addition, a geographical analysis of the portfolio and an analysis of the investment portfolio by broad industrial or commercial sector are contained on page 32.

93.7% (2024 – 93.6%) of the Company's total assets are invested in quoted equities. A 5% (2024 – 5%) increase in quoted equity valuations at 31 July 2025 would have increased total assets and total return on ordinary activities by £30,594,000 (2024 – £28,170,000). A decrease of 5% would have had an equal but opposite effect. The level of change is considered to be reasonable based on observations of current market conditions.

6.1% (2024 – 7.1%) of the Company's net assets are invested in private company investments. The fair valuation of the private company investments is influenced by the estimates, assumptions and judgements made in the fair valuation process (see note 1(c) on page 90).

A sensitivity analysis is provided below which recognises that the valuation methodologies employed involve different levels of subjectivity in their significant unobservable inputs and illustrates the sensitivity of the valuations to these inputs as it involves more significant subjective estimation than the recent transaction method. The inputs have been flexed by +/-10%. The table also provides the range of values for the key unobservable inputs.

## 18 Financial Instruments (continued)

## iii. Other price risk (continued)

## Other price risk sensitivity (continued)

Valuation technique	As at 31 July 2025  Fair value as at 31 July 2025 £'000	Significant unobservable inputs*			Weighted average range#	Sensitivity %	Sensitivity to changes in significant unobservable inputs
		Key unobservable inputs	Other unobservable inputs†	Range			
Market approach using comparable trading multiples	33,685	EV revenue multiple‡	a,b,c,d	2.3x – 4.8x	3.0x	10%	If EV revenue multiples changed by +/-10%, the fair value would change by £2,612,175 and -£2,580,445.
		NTM revenue estimate+		n/a	n/a	10%	If NTM revenue estimate changed by +/- 10%, the fair value would change by £450,391 and -£417,674.
		Illiquidity discounts	e	10%	10%	10%	If the illiquidity discount is changed by +/-10%, the fair value would change by £332,137 and -£333,121. This refers to a 10% proportional change in the discount rate, not an absolute change in percentage points.
Benchmark performance	6,210	Selection of comparable companies§	a,b,c,f	4.8% to 23.5%	4.9%	10%	If input comparable company performance changed by +/-10%, the fair value would change by £625,248 and -£624,726.

\* Significant unobservable inputs

The variable inputs applicable to each broad category of valuation basis will vary dependent on the particular circumstances of each private company valuation. An explanation of each of the key unobservable inputs is provided below and includes an indication of the range in value for each input, where relevant. The assumptions made in the production of the inputs are described in note 1(c) on page 90.

† See explanation for other unobservable inputs on page 106.

# Weighted average is calculated by reference to the fair value of holdings as at the respective year-end. This therefore gives a clearer indication of the typical multiple or adjustment being applied across the portfolio.

‡ Enterprise value (EV).

+ In instances where historical revenue is no longer indicative of sustainable, recurring revenue performance, a forward-looking revenue estimate of the next twelve months (NTM) is included in the valuation assessment. This input relates only to VerSe (Dailyhunt) Innovation with a total fair value of £8,386,000 as at 31 July 2025.

§ See explanation for the selection of comparable companies on page 106 section 'c'. The percentage movements reflect the movement in overall company value for the basket of comparable companies relevant to each holding since the most recent transaction or since the last assessed.

## 18 Financial Instruments (continued)

## iii. Other price risk (continued)

## Other price risk sensitivity (continued)

Valuation technique	Fair value as at 31 July 2024 £'000	Significant unobservable inputs*			Weighted average range#	Sensitivity %	Sensitivity to changes in significant unobservable inputs
		Key unobservable inputs	Other unobservable inputs†	Range			
Market approach using comparable trading multiples	35,925	EV/LTM revenue multiple‡	a,b,c,d	1.6x – 4.8x	3.4x	10%	If EV/LTM multiples changed by +/-10%, the fair value would change by £2,990,239 and -£2,956,975.
		Transaction implied premium and discounts	g	86%	n/a	10%	If the transaction implied premium is changed by +/-10%, the fair value would change by £944,746 and -£931,908.
		Illiquidity discounts	e	10%	n/a	10%	If the illiquidity discount is changed by +/-10%, the fair value would change by £169,603 and -£168,895.
Benchmark performance	6,838	Selection of comparable companies§	a,b,c,f	-10.2% to 19.1%	-19%	10%	If input comparable company performance changed by +/-10%, the fair value would change by £691,873 and -£686,614.

\* Significant unobservable inputs

The variable inputs applicable to each broad category of valuation basis will vary dependent on the particular circumstances of each private company valuation. An explanation of each of the key unobservable inputs is provided below and includes an indication of the range in value for each input, where relevant. The assumptions made in the production of the inputs are described in note 1(c) on page 90.

† See explanation for other unobservable inputs on page 106.

# Weighted average is calculated by reference to the fair value of holdings as at the respective year-end. This therefore gives a clearer indication of the typical multiple or adjustment being applied across the portfolio.

‡ Enterprise value (EV) divided by the last twelve months (LTM) revenue.

§ See explanation for the selection of comparable companies on page 106 section 'c'. The percentage movements reflect the movement in overall company value for the basket of comparable companies relevant to each holding since the most recent transaction or since the last assessed.

## 18 Financial Instruments (continued)

### iii. Other price risk (continued)

#### Other price risk sensitivity (continued)

##### a. Application of valuation basis

Each investment is assessed independently, and the valuation basis applied will vary depending on the circumstances of each investment. When an investment is pre-revenue, the focus of the valuation will be on assessing the recent transaction and the achievement of key milestones since investment. Adjustments may also be made depending on the performance of comparable benchmarks and companies and operational performance. For those investments where a trading multiples approach can be taken, the methodology will factor in revenue, earnings or net assets as appropriate for the investment, and where a suitable correlation can be identified with the comparable companies then a regression analysis will be performed. Discounted cash flows will also be considered where appropriate forecasts are available.

##### b. Probability estimation of liquidation events

The probability of a liquidation event such as a company sale, or alternatively an initial public offering ('IPO'), is a key variable input in the Transaction-based and Multiples-based valuation techniques. The probability of an IPO versus a company sale is typically estimated from the outset to be 50:50 if there has been no indication by the company of pursuing either of these routes. If the company has indicated an intention to IPO, the probability is increased accordingly to 75% and if an IPO has become a certainty the probability is increased to 100%. Likewise, in a scenario where a company is pursuing a trade sale the weightings will be adjusted accordingly in favour of a sale scenario, or in a situation where a company is underperforming expectations significantly and therefore deemed very unlikely to pursue an IPO. The Company typically invests in higher ranking preference shares which carry more protection, and this can therefore influence the end valuation.

##### c. Selection of comparable companies

The selection of comparable companies is assessed individually for each investment at the point of investment, and the relevance of the comparable companies is continually evaluated at each valuation. The key criteria used in selecting appropriate comparable companies are the industry sector in which they operate, the geography of the company's operations, the respective revenue and earnings growth rates and the operating margins. Typically, between 4 and 10 comparable companies will be selected for each investment, depending on how many relevant comparable companies are identified. The resultant revenue or earnings multiples or share price movements derived will vary depending on the companies selected and the industries they operate in.

##### d. Estimated sustainable earnings

The selection of sustainable revenue or earnings will depend on whether the company is sustainably profitable or not, and where it is not then revenues will be used in the valuation. The valuation approach will typically assess companies based on the last twelve months of revenue or earnings, as they are the most recent available and therefore viewed as the most reliable. Where a company has reliably forecasted earnings previously or there is a change in circumstance at the business which will impact earnings going forward, then forward estimated revenue or earnings may be used instead.

##### e. Application of illiquidity discount

The application of an illiquidity discount will be applied either through the calibration of a valuation against the most recent transaction, or by application of a specific discount. The discount applied where a calibration (see 'g' below) is not appropriate is typically 10%, reflecting that the majority of the investments held are substantial companies with some secondary market activity.

##### f. Selection of appropriate benchmarks

The selection of appropriate benchmarks is assessed individually for each investment. The industry and geography of each company are key inputs to the benchmark selection, with either one or two key indices or benchmarks being used for comparison.

##### g. Transaction implied premium and discount

Where there is an implied company valuation available as a result of an external arm's length transaction, the ongoing valuation will be calibrated to this by deriving a company valuation with reference to the average multiple from a set of comparable companies and comparing this to a transaction implied valuation, and could result in an implied premium or discount compared to comparable companies at the point of transaction. This discount or premium will be considered in future valuations, and may be reduced due to factors such as period of time since the transaction and company performance. Where a calibrated approach is not appropriate, a discount for illiquidity will be applied as noted in (e) above.

## 18 Financial Instruments (continued)

### Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is not significant as the majority of the Company's assets are investments in quoted securities that are readily realisable. The Board provides guidance to the Managers as to the maximum exposure to any one holding and to the maximum aggregate exposure to substantial holdings.

The Company has the power to take out borrowings, which give it access to additional funding when required. The Company's current borrowing facility is detailed in note 11 and the maturity profile of its borrowings is set out above. Under the terms of the borrowing facility, borrowings are repayable on demand at their current carrying value.

### Credit risk

This is the risk that a failure of a counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

This risk is managed as follows:

- where the Managers make an investment in a bond or other security with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question;
- the Depositary is liable for the loss of financial instruments held in custody. The Depositary will ensure that any delegate segregates the assets of the Company. The Managers monitor the Company's risk by reviewing the Custodian's internal control reports and reporting its findings to the Board;
- investment transactions are carried out with a large number of brokers whose creditworthiness is reviewed by the Managers. Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's Custodian bank ensures that the counterparty to any transaction entered into by the Company has delivered on its obligations before any transfer of cash or securities away from the Company is completed;
- the creditworthiness of the counterparty to transactions involving derivatives, structured notes and other arrangements, wherein the creditworthiness of the entity acting as broker or counterparty to the transaction is likely to be of sustained interest, are subject to rigorous assessment by the Managers; and
- cash is only held at banks that are regularly reviewed by the Managers.

### Credit risk exposure

The maximum exposure to credit risk at 31 July was:

	2025 £'000	2024 £'000
Cash and cash equivalents	3,820	4,205
Debtors and prepayments	802	790
	<b>4,622</b>	<b>4,995</b>

None of the Company's financial assets are past due or impaired (2024 – none).

### Fair value of financial assets and financial liabilities

The Directors are of the opinion that the carrying amount of financial assets and liabilities of the Company in the Balance Sheet approximate their fair value.

### Capital management

The capital of the Company is its share capital and reserves as set out in note 14 together with its borrowings (see note 11). The objective of the Company is to invest in the Asia-Pacific region (excluding Japan) and in the Indian Sub-continent in order to achieve capital growth. The Company's investment policy is set out on page 41. In pursuit of the Company's objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern and details of the related risks and how they are managed are set out on pages 42 to 47. The Company has the authority to issue and buy back its shares (see pages 59 and 60) and changes to the share capital during the year are set out in notes 13 and 14. The Company does not have any externally imposed capital requirements other than the covenants on its loan which are detailed in note 11.

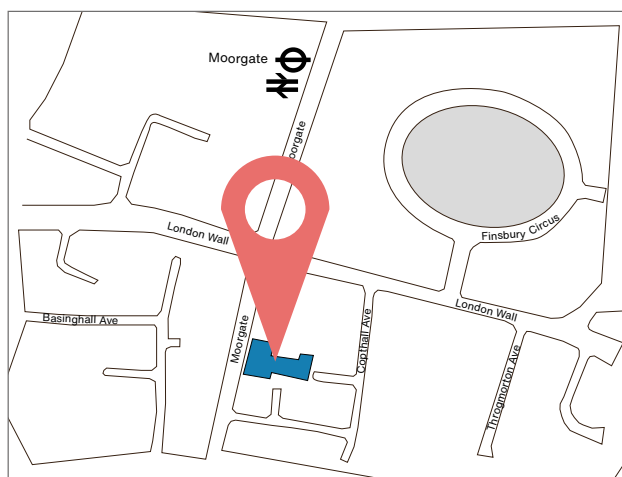
## 19 Subsequent events

Since 31 July 2025, the Company has drawn down a further £13,500,000 from its multi-currency revolving credit facility with Royal Bank of Scotland International Limited, bringing total drawings to £49,280,000 from the £60,000,000 facility. The Company is not aware of any other subsequent events.



# Shareholder information

# Notice of Annual General Meeting



● ICAEW

## Baillie Gifford™



The Annual General Meeting of the Company will be held at the ICAEW, Chartered Accountants' Hall, 1 Moorgate Place, London, EC2R 6EA, on Tuesday, 25 November 2025 at 1.00pm. You will find directions to the venue by scanning the QR code above.

To accurately reflect the views of shareholders of the Company, the Board intends to hold the AGM voting on a poll, rather than on a show of hands as has been customary.

The Board encourages all shareholders to submit proxy voting forms as soon as possible and, in any event, by no later than 1.00pm. on 21 November 2025. We would encourage shareholders to monitor the Company's page of the Managers' website at [pacifichorizon.co.uk](https://pacifichorizon.co.uk).

Should shareholders have questions for the Board or the Managers or any queries as to how to vote, or how to attend the meeting, they are welcome as always to submit them by email to [enquiries@bailliegifford.com](mailto:enquiries@bailliegifford.com) or call 0800 917 2113. Baillie Gifford may record your call.

For details of how to vote your shares if held via a platform please refer to [theaic.co.uk/how-to-vote-your-shares](https://theaic.co.uk/how-to-vote-your-shares).

Notice is hereby given that an Annual General Meeting of Pacific Horizon Investment Trust PLC (the 'Company') will be held at 1 Moorgate Place, London EC2R 6EA on Tuesday, 25 November 2025 at 1.00pm for the purposes of considering and, if thought fit, passing the following Resolutions, of which Resolutions 1 to 11 will be proposed as ordinary resolutions and Resolutions 12 and 13 will be proposed as special resolutions:

### Ordinary business

01. To receive and adopt the Company's Annual Report and Financial Statements for the financial year ended 31 July 2025, together with the Reports of the Directors and the Independent auditor's report thereon.
02. To approve the Directors' Annual Report on Remuneration for the financial year ended 31 July 2025.
03. To declare a final dividend of 1.50p per ordinary share.
04. To re-elect Mr RP Yates as a Director of the Company.
05. To re-elect Sir RW Chote as a Director of the Company.
06. To re-elect Ms W Hee as a Director of the Company.
07. To re-elect Ms AC Lane as a Director of the Company.
08. To re-elect Mr RF Studwell as a Director of the Company.
09. To reappoint BDO LLP as Independent auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which the Financial Statements are laid before the Company.
10. To authorise the Directors to determine the remuneration of the Independent auditor of the Company.
11. That:
  - a. the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the 'Act') to allot shares in the Company, or to grant rights to subscribe for or convert any security into shares in the Company, up to a maximum nominal amount of £844,664; and

- b. the authority given by this Resolution:
    - i. shall be in addition to all pre-existing authorities under section 551 of the Act; and
    - ii. unless renewed, revoked or varied in accordance with the Act, shall expire on 25 February 2027 or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2026 save that the Company may, before such expiry, make any offer or enter into an agreement which would or might require the allotment of shares in the Company, or the grant of rights to subscribe for or to convert any security into shares in the Company, after such expiry.
12. That, subject to the passing of Resolution 11 above, (the 'Allotment Authority'), the Directors be given power pursuant to sections 570 and 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of section 560(1) of the Act) for cash pursuant to the Allotment Authority, and to sell treasury shares for cash, as if section 561(1) of the Act did not apply to such allotment or sale, provided that such power:
    - a. shall be limited to the allotment of equity securities or the sale of treasury shares up to an aggregate nominal amount of £844,664;
    - b. shall be in addition to all pre-existing powers under sections 570 and 573 of the Act; and
    - c. shall expire at the same time as the Allotment Authority, save that the Company may before expiry of the power conferred on the Directors by this Resolution make an offer or agreement which would or might require equity securities to be allotted after such expiry.
  13. That, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Company be generally and unconditionally authorised, in accordance with section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of section 693(4) of the Act) of its ordinary shares, (either for retention as treasury shares for future reissue, resale, transfer or for cancellation), provided that:

- a. the maximum number of ordinary shares hereby authorised to be purchased is 12,661,519 or, if less, the number representing approximately 14.99 per cent. of the issued share capital of the Company on the date on which this Resolution is passed;
- b. the minimum price (excluding expenses) which may be paid for each ordinary share shall be the nominal value of that share;
- c. the maximum price (excluding expenses) which may be paid for any ordinary share purchased pursuant to this authority shall not be more than the higher of:
  - i. 5 per cent. above the average closing price on the London Stock Exchange of an ordinary share over the five business days immediately preceding the date of purchase; and
  - ii. the higher price of the last independent trade of an ordinary share and the highest current independent bid for such a share on the London Stock Exchange; and
- d. unless previously varied, revoked or renewed by the Company in general meeting, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2026 save that the Company may, prior to the expiry of such authority, enter into a contract or contracts to purchase ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract or contracts.

By Order of the Board  
Baillie Gifford & Co Limited  
Company Secretaries  
22 September 2025

**Notes**

01. As a member you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the AGM. A proxy need not be a member of the Company but must attend the AGM to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You can only appoint a proxy using the procedure set out in these notes and the notes to the proxy form. You may not use any electronic address provided either in this notice or any related documents (including the Financial Statements and proxy form) to communicate with the Company for any purpose other than those expressly stated.
02. To be valid any proxy form or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand at the Registrars of the Company at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or [eproxyappointment.com](http://eproxyappointment.com) no later than 1.00pm on 21 November 2025 (or 48 hours (excluding non-working days) before any adjourned meeting).
03. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and/or by logging on to the website [euroclear.com/CREST](http://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.
04. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 registrar (ID 3RA50) no later than 1.00pm on 21 November 2025 (or 48 hours (excluding non-working days) before any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
05. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST service by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
06. 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.
07. The return of a completed proxy form or other instrument of proxy will not prevent you attending the AGM and voting in person if you wish.
08. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 311 of the Companies Act 2006 the Company specifies that to be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company no later than 48 hours (excluding non-working days) prior to the commencement of the AGM or any adjourned meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
09. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
10. The statement of the rights of shareholders in relation to the appointment of proxies in Notes 1 and 2 above does not apply to Nominated Persons. The rights described in those Notes can only be exercised by shareholders of the Company.
11. Under section 338 of the Companies Act 2006, members meeting the qualification criteria set out in note 14 below may, subject to certain conditions, require the Company to circulate to members notice of a resolution which may properly be moved and is intended to be moved at that meeting. The conditions are that: (a) the resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise); (b) the resolution must not be defamatory of any person, frivolous or vexatious; and (c) the request: (i) may

- be in hard copy form or in electronic form; (ii) must identify the resolution of which notice is to be given by either setting out the resolution in full or, if supporting a resolution sent by another member, clearly identifying the resolution which is being supported; (iii) must be authenticated by the person or persons making it; and (iv) must be received by the Company not later than 13 October 2025.
12. Under section 338A of the Companies Act 2006, members meeting the qualification criteria set out at note 14 below may require the Company to include in the business to be dealt with at the Annual General Meeting a matter (other than a proposed resolution) which may properly be included in the business (a matter of business). The request must have been received by the Company no later than 13 October 2025. The conditions are that the matter of business must not be defamatory of any person, frivolous or vexatious. The request must identify the matter of business by either setting it out in full or, if supporting a statement sent by another member, clearly identify the matter of business which is being supported. The request must be accompanied by a statement setting out the grounds for the request. Members seeking to do this should write to the Company providing their full name and address.
  13. Under section 527 of the Companies Act 2006, members meeting the qualification criteria set out at note 12 below may require the Company to publish, on its website, (without payment) a statement (which is also passed to the Auditor) setting out any matter relating to the audit of the Company's Financial Statements, including the auditor's Report and the conduct of the audit. Such requests must be made in writing and must state your full name and address.
  14. In order to be able to exercise the members' rights in note 11 to 13, the relevant request must be made by: (a) members representing at least 5% of the total voting rights of all the members who have a right to vote on the resolution to which the requests relate; or (b) at least 100 members who have a right to vote on the resolution to which the requests relate and hold shares in the Company on which there has been paid up an average sum, per member, of at least £100. Such requests should be sent to the Company at Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN.
  15. Information regarding the Annual General Meeting, including information required by section 311A of the Companies Act 2006, is available from the Company's page of the Managers' website at [pacifichorizon.co.uk](http://pacifichorizon.co.uk).
  16. Members have the right to ask questions at the meeting in accordance with section 319A of the Companies Act 2006.
  17. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
  18. As at 18 September 2025 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consisted of 84,466,444 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 18 September 2025 were 84,466,444 votes.
  19. Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the Chairman of the meeting as his/her proxy will need to ensure that both he/she and his/her proxy complies with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.
  20. No Director has a contract of service with the Company.

# Further shareholder information

## Pacific Horizon is an investment trust. Investment trusts offer investors the following:

- participation in a diversified portfolio of shares;
- constant supervision by experienced professional managers; and
- the Company is free from UK capital gains tax on capital profits realised within its portfolio although investors are still liable for capital gains tax on profits when selling their investment.

## How to invest

The Company's shares are traded on the London Stock Exchange. They can be bought by placing an order with a stockbroker, or by asking a professional adviser to do so. If you are interested in investing directly in Pacific Horizon, you can do so online. There are a number of companies offering real time online dealing services.

## Sources of further information on the Company

The price of shares is quoted daily in the Financial Times (under 'Investment Companies') and can also be found on the Company's page of the Managers' website at [pacifichorizon.co.uk](http://pacifichorizon.co.uk), Trustnet at [trustnet.com](http://trustnet.com) and on other financial websites. Monthly factsheets are also available on the Baillie Gifford website. These are available from Baillie Gifford on request.

## Pacific Horizon Share Identifiers

ISIN GB0006667470

Sedol 0666747

Ticker PHI

Legal Entity Identifier VLGEI9B8R0REWKB0LN95

## Key dates

Any dividend in respect of a financial year will be paid by way of a single final payment shortly after the Annual General Meeting. The Annual General Meeting is normally held in October or November.

## Capital gains tax

For Capital Gains Tax purposes, the cost to shareholders who subscribed for the conversion shares, subsequently converted into new ordinary shares (with warrants attached), is apportioned between the ordinary shares and the warrants as set out in the placing and offer document dated 5 March 1996. The attributable costs are:

Cost of each ordinary share	53.45p
Cost of each warrant	16.52p

Market values on 17 April 1996 (first day of dealing) were as follows (Source: Thomson Reuters):

Ordinary share	55.00p
Warrant	17.00p

## Share register enquiries

Computershare Investor Services PLC maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the Registrars on 0370 707 1229. This helpline also offers an automated self-service functionality (available 24 hours a day, 7 days a week) which allows you to:

- hear the latest share price;
- confirm your current share holding balance;
- confirm your payment history; and
- order Change of Address, Dividend Bank Mandate and Stock Transfer forms.

You can also check your holding on the Registrars' website at [investorcentre.co.uk](http://investorcentre.co.uk). They also offer a free, secure share management website service which allows you to:

- view your share portfolio and see the latest market price of your shares;
- calculate the total market price of each shareholding;
- view price histories and trading graphs;
- register to receive communications from the Company, including the Annual Report and Financial Statements, in electronic format;
- update bank mandates and change address details; and
- use online dealing services.

To take advantage of this service, please log in at [investorcentre.co.uk](http://investorcentre.co.uk) and enter your Shareholder Reference Number and Company Code (this information can be found on the last dividend voucher or your share certificate).

### Dividend reinvestment plan

Computershare operate a Dividend Reinvestment Plan which can be used to buy additional shares instead of receiving your dividend via cheque or into your bank account. For further information log on to [investorcentre.co.uk](https://investorcentre.co.uk) and follow the instructions or telephone **0370 702 0000**.

### Electronic proxy voting

If you hold stock in your own name you can choose to vote by returning proxies electronically at [eproxyappointment.com](https://eproxyappointment.com). If you have any questions about this service please contact Computershare on 0370 707 1229.

### CREST proxy voting

If you are a user of the CREST system (including a CREST Personal Member), you may appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. For further information please refer to the CREST Manual.

### Data protection

The Company is committed to ensuring the confidentiality and security of any personal data provided to it. Further details on how personal data is held and processed on behalf of the Company can be found in the privacy policy available on the Company's page of the Managers' website [pacifichorizon.co.uk](https://pacifichorizon.co.uk).

### Alternative Investment Fund Managers Regulations (AIFMR)

In accordance with the UK Alternative Investment Fund Managers Regulations, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Baillie Gifford & Co Limited, is required to be made available to investors. In accordance with the Regulations, the AIFM's remuneration policy is available on the Managers' website at [bailliegifford.com](https://bailliegifford.com) or on request (see contact details on page 123). The numerical remuneration disclosures in respect of the AIFM's relevant reporting period (year ended 31 March 2025) are also available at [bailliegifford.com](https://bailliegifford.com).

The Company's maximum and actual leverage (see Glossary of terms and Alternative Performance Measures on pages 120 and 121) levels at 31 July 2025 are shown below:

#### Leverage exposure

	Gross method	Commitment method
Maximum limit	2.50:1	2.50:1
Actual	1.07:1	1.07:1

### Automatic Exchange of Information

In order to fulfil its obligations under UK tax legislation relating to the automatic exchange of information, Pacific Horizon Investment Trust PLC is required to collect and report certain information about certain shareholders.

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. Accordingly, Pacific Horizon Investment Trust PLC will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

All new shareholders, excluding those whose shares are held in CREST, who come on to the share register will be sent a certification form for the purposes of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders [gov.uk/guidance/automatic-exchange-of-information-account-holders](https://gov.uk/guidance/automatic-exchange-of-information-account-holders).



# Communicating with shareholders



Trust magazine

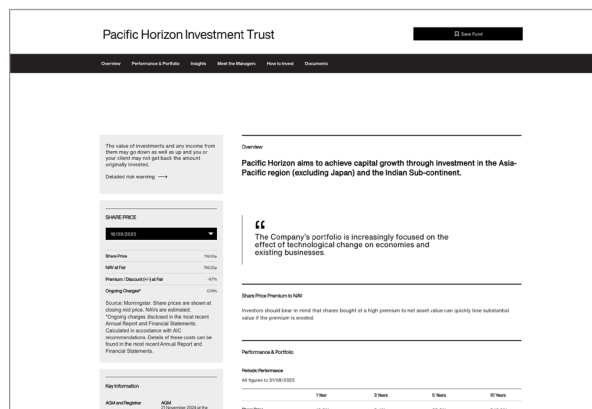
## Trust magazine

*Trust* is the Baillie Gifford investment trust magazine which is published twice a year. It provides an insight to our investment approach by including interviews with our portfolio managers, as well as containing investment trust news, investment features and articles about the trusts managed by Baillie Gifford, including Pacific Horizon. *Trust* plays an important role in helping to explain our products so that readers can really understand them.

You can subscribe to Trust magazine or view a digital copy at [bailliegifford.com/trust](http://bailliegifford.com/trust)

## Suggestions and questions

Any suggestions on how communications with shareholders can be improved are welcomed. Please contact the Baillie Gifford Client Relations Team and give them your suggestions. They will also be very happy to answer questions that you may have about Pacific Horizon.



Pacific Horizon Investment Trust web page at [pacifichorizon.co.uk](http://pacifichorizon.co.uk)

## Pacific Horizon on the Web

Up-to-date information about Pacific Horizon, can be found on the Company's page of the Managers' website at [pacifichorizon.co.uk](http://pacifichorizon.co.uk). You will find full details on Pacific Horizon, including recent portfolio information and performance figures.

## Client relations team contact details

You can contact the Baillie Gifford Client Relations Team by telephone, email or post:

Telephone: 0800 917 2113

Your call may be recorded for training or monitoring purposes.

Email: [enquiries@bailliegifford.com](mailto:enquiries@bailliegifford.com)

Website: [bailliegifford.com](http://bailliegifford.com)

Address:

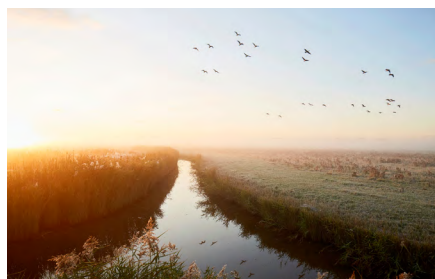
Baillie Gifford Client Relations Team  
 Calton Square  
 1 Greenside Row  
 Edinburgh EH1 3AN

**Please note that Baillie Gifford is not permitted to give financial advice. If you would like advice, please ask an authorised intermediary.**



### **Emerging markets: the next engines of global growth**

From lithium mining to a do-it-all super-app, companies capitalising on transformational trends.



### **The Next Chapter**

Baillie Gifford trusts showcase private market focus and AI optimism at annual investment conference.



### **Trip notes: Kazakhstan**

Sizing up super-app Kaspi.kz in Almaty.



# Sustainable Finance Disclosure Regulation ('SFDR')

The EU Sustainable Finance Disclosure Regulation ('SFDR') does not have a direct impact in the UK due to Brexit, however, it applies to third-country products marketed in the EU. As Pacific Horizon is marketed in the EU by the AIFM, BG & Co Limited, via the National Private Placement Regime ('NPPR') the following disclosures have been provided to comply with the high-level requirements of SFDR.

The AIFM has adopted Baillie Gifford & Co's ESG Principles and Guidelines as its policy on integration of sustainability risks in investment decisions.

Baillie Gifford & Co believes that a company cannot be financially sustainable in the long run if its approach to business is fundamentally out of line with changing societal expectations. It defines 'sustainability' as a deliberately broad concept which encapsulates a company's purpose, values, business model, culture, and operating practices.

Baillie Gifford & Co's approach to investment is based on identifying and holding high quality growth businesses that enjoy sustainable competitive advantages in their marketplace. To do this it looks beyond current financial performance, undertaking proprietary research to build up an in-depth knowledge of an individual company and a view on its long-term prospects. This includes the consideration of sustainability factors (environmental, social and/or governance matters) which it believes will positively or negatively influence the financial returns of an investment. The likely impact on the return of the portfolio from a potential or actual material decline in the value of investment due to the occurrence of an environmental, social or governance event or condition will vary and will depend on several factors including but not limited to the type, extent, complexity and duration of an event or condition, prevailing market conditions and existence of any mitigating factors.

Whilst consideration is given to sustainability matters, there are no restrictions on the investment universe of the Company, unless otherwise stated within its Investment Objective & Policy. Baillie Gifford & Co can invest in any companies it believes could create beneficial long-term returns for investors. However, this might result in investments being made in companies that ultimately cause a negative outcome for the environment or society.

More detail on the Investment Manager's approach to sustainability can be found in the ESG Principles and Guidelines document, available publicly on the Baillie Gifford website [bailliegifford.com](https://www.bailliegifford.com) and by scanning the QR code below.

The underlying investments do not take into account the EU criteria for environmentally sustainable economic activities established under the EU Taxonomy Regulation.



# Third party data provider disclaimer

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## FTSE Index data

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# Glossary of terms and Alternative Performance Measures ('APM')

## Total assets

This is the Company's definition of adjusted total assets, being the total value of all assets held less all current liabilities (other than liabilities in the form of borrowings).

## Shareholders' funds and net asset value

Also described as shareholders' funds, net asset value ('NAV') is the value of all assets held less all liabilities (including borrowings). The NAV per share is calculated by dividing this amount by the number of ordinary shares (excluding treasury shares) in issue.

## Net liquid assets

Net liquid assets comprise current assets less current liabilities (excluding borrowings).

## Discount/premium (APM)

As stock markets and share prices vary, an investment trust's share price is rarely the same as its NAV. When the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium.

	2025	2024
Net asset value per ordinary share (a)	716.13p	664.01p
Share price (b)	648.00p	612.00p
<b>(Discount)/premium ((b) - (a)) ÷ (a)</b>	<b>(9.5%)</b>	<b>(7.8%)</b>

## Turnover

Turnover is calculated as the minimum of purchases and sales in a month, divided by the average market value of the portfolio, summed to get rolling 12 month turnover data.

## Compound annual return (APM)

The compound annual return converts the return over a period of longer than one year to a constant annual rate of return applied to the compound value at the start of each year.

## Ongoing charges (APM)

The total recurring expenses (excluding the Company's cost of dealing in investments and borrowing costs) incurred by the Company as a percentage of the daily average net asset value, as detailed below:

	2025 £'000	2024 £'000
Investment management fee	3,573	3,458
Other administrative expenses	881	830
<b>Total expenses (a)</b>	<b>4,454</b>	<b>4,288</b>
Average net asset value (b)	592,680	580,820
<b>Ongoing charges ((a) ÷ (b)) expressed as a percentage</b>	<b>0.75%</b>	<b>0.74%</b>

## China 'A' shares

'A' Shares are shares of mainland China-based companies that trade on the Shanghai Stock Exchange and the Shenzhen Stock Exchange. Since 2003, select foreign institutions have been able to purchase them through the Qualified Foreign Institutional Investor system.

## Treasury shares

The Company has the authority to make market purchases of its ordinary shares for retention as Treasury Shares for future reissue, resale, transfer, or for cancellation. Treasury Shares do not receive distributions and the Company is not entitled to exercise the voting rights attaching to them.

## Unlisted (private) company

An unlisted or private company means a company whose shares are not available to the general public for trading and are not listed on a stock exchange.

## Active share

Active share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its comparative index. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the comparative index. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

## Total return (APM)

The total return is the return to shareholders after reinvesting the net dividend on the date that the share price goes ex-dividend. In periods where no dividend is paid, the total return equates to the capital return.

		2025 NAV	2025 Share price	2024 NAV	2024 Share price
Closing NAV per share/share price	(a)	716.13p	648.00p	664.01p	612.00p
Dividend adjustment factor*	(b)	1.0039	1.0046	1.0060	1.0060
<b>Adjusted closing NAV per share/share price</b>	<b>(c) = (a) x (b)</b>	<b>718.95p</b>	<b>650.98p</b>	<b>667.99p</b>	<b>615.67p</b>
Opening NAV per share/share price	(d)	664.01p	612.00p	637.18p	586.00p
<b>Total return</b>	<b>(c) ÷ (d) -1</b>	<b>8.3%</b>	<b>6.4%</b>	<b>4.8%</b>	<b>5.1%</b>

\* The dividend adjustment factor is calculated on the assumption that the final dividend of 2.65p (31 July 2024 – 3.25p) paid by the Company during the period was reinvested into shares of the Company at the cum income NAV per share/share price, as appropriate, at the ex-dividend date.

## Gearing (APM)

At its simplest, gearing is borrowing. Just like any other public company, an investment trust can borrow money to invest in additional investments for its portfolio. The effect of the borrowing on the shareholders' assets is called 'gearing'. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

Net gearing is borrowings at book less cash and brokers' balances expressed as a percentage of shareholders' funds.

	2025 £'000	2024 £'000
Borrowings (at book cost) (a)	35,780	-
Less: cash and cash equivalents	(3,820)	(4,205)
Less: sales for subsequent settlement	-	-
Add: purchases for subsequent settlement	331	273
Adjusted borrowings (b)	32,291	(3,932)
Shareholders' funds (c)	613,357	601,970
<b>Net gearing: (b) as a percentage of (c)</b>	<b>5%</b>	<b>(1%)</b>

Gross gearing is the Company's borrowings expressed as a percentage of shareholders' funds.

	2025 £'000	2024 £'000
Borrowings (at book value) (a)	35,780	-
Shareholders' funds (b)	613,357	601,970
<b>Gross gearing: (a) as a percentage of (b)</b>	<b>6%</b>	<b>-</b>

## Leverage (APM)

For the purposes of the Alternative Investment Fund Managers Regulations leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.





# Company information

## Directors

**Chairman:** RP Yates  
RW Chote  
W Hee  
AC Lane  
RF Studwell

## Registrar

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Services PLC**

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Bristol BS99 6ZZ

T: +44 (0)370 707 1229

## Independent Auditor

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London W1U 7EU

## Registered office

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3 St. Helen's Place  
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## Depository

**The Bank of New York Mellon  
(International) Limited**

160 Queen Victoria Street  
London EC4V 4LA

## Further information

**Client Relations Team**

Baillie Gifford & Co  
Calton Square  
1 Greenside Row  
Edinburgh EH1 3AN

T: +44 (0)800 917 2113

[enquiries@bailliegifford.com](mailto:enquiries@bailliegifford.com)

## Alternative Investment Fund Managers and Company Secretaries

**Baillie Gifford & Co Limited**

Calton Square  
1 Greenside Row  
Edinburgh EH1 3AN

T: +44 (0)131 275 2000

[bailliegifford.com](http://bailliegifford.com)

## Company Broker

**JP Morgan Cazenove**

25 Bank Street  
Canary Wharf  
London E14 5JP

## Company details

[pacifichorizon.co.uk](http://pacifichorizon.co.uk)

Company Registration No. 02342193

ISIN: GB0006667470

Sedol: 0666747

Ticker: PHI

Legal Entity Identifier:  
VLGEI9B8R0REWKB0LN95



[pacifichorizon.co.uk](http://pacifichorizon.co.uk)

