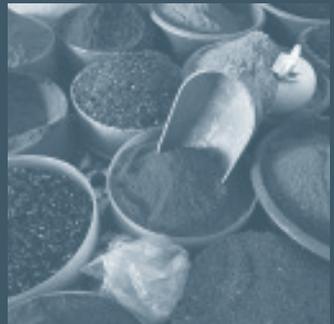
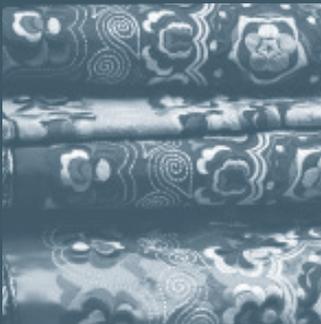
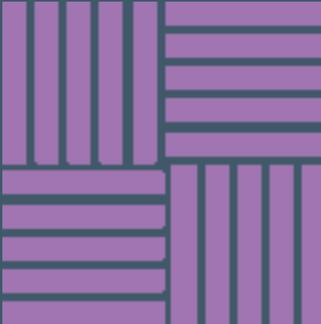


PACIFIC HORIZON INVESTMENT TRUST PLC



Half-Yearly Financial Report
31 January 2014





Objective

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.

Investment Policy

The Company is prepared to move freely between the markets of the region as opportunities for growth vary. The portfolio generally consists entirely of quoted securities.

Comparative Index

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

Principal Risks and Uncertainties

The principal risks facing the Company relate to the Company's investment activities. These risks are market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. An explanation of these risks and how they are managed is contained in note 17 of the Company's Annual Report and Financial Statements for the year to 31 July 2013. The principal risks and uncertainties have not changed since the publication of the Annual Report and Financial Statements which can be obtained free of charge from Baillie Gifford & Co (see contact details on the back cover of this report) and is available on the Pacific Horizon page of the Managers' website: www.pacifichorizon.co.uk. Other risks facing the Company include the following: regulatory risk (that the loss of investment trust status or a breach of the applicable legal and regulatory requirements could have adverse financial consequences and cause reputational damage); operational/financial risk (failure of service providers' accounting systems could lead to inaccurate reporting or financial loss); and the risk to

shareholders that the discount can widen. Further information can be found on pages 14 and 15 of the Annual Report and Financial Statements.

Responsibility Statement

We confirm that to the best of our knowledge:

- a) the condensed set of financial statements has been prepared in accordance with the Accounting Standards Board's statement 'Half-Yearly Financial Reports';
- b) the Half-Yearly Management Report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.7R (indication of important events during the first six months, their impact on the financial statements and a description of the principal risks and uncertainties for the remaining six months of the year); and
- c) the Half-Yearly Financial Report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board
Jean Matterson
Chairman
4 March 2014

Summary of Unaudited Results

| | 31 January 2014 | 31 July 2013 (audited) | % change |
|---|--------------------|------------------------------|----------|
| Shareholders' funds | £134.6m | £134.6m | |
| Net asset value per ordinary share (NAV) | 182.37p | 182.01p | 0.2 |
| MSCI All Country Asia ex Japan Index (in sterling terms) | 318.4 | 341.0 | (6.6) |
| Share price | 163.50p | 156.75p | 4.3 |
| Discount | 10.3% | 13.9% | |

| | Six months to 31 January 2014 | Six months to 31 January 2013 | % change |
|-------------------------------------|-------------------------------------|-------------------------------------|----------|
| Revenue earnings per ordinary share | 0.58p | 0.14p | 314.3 |
| Interim dividend per ordinary share | – | – | – |

| | Six months to 31 January 2014 | | Year to 31 July 2013 | |
|-----------------------|-------------------------------|---------|----------------------|---------|
| Period's high and low | High | Low | High | Low |
| Share price | 173.00p | 147.50p | 175.00p | 143.75p |
| Net asset value | 190.17p | 171.82p | 197.85p | 166.86p |
| Discount | 8.4% | 15.0% | 9.4% | 15.1% |

Past performance is not a guide to future performance.

Half-Yearly Management Report

In the six months to 31 January 2014, Pacific Horizon's net asset value per share rose 0.2% to 182.37p. The share price rose 4.3% and the discount narrowed from 13.9% to 10.3%. Over the same period the MSCI All Country Asia ex Japan Index fell 6.6% in sterling terms. The relative outperformance was as a result of both stock selection and limited exposure to the worst performing markets in the region. Many of our highest conviction holdings outperformed the comparative index by a healthy margin.

The global investment climate has not changed significantly over the last six months. Economic performance has been resilient in many of the countries in which we invest. Despite this, investor sentiment remains inconsistent and is a notable factor behind much of the volatility in the markets in which we specialise. The recovery in developed economies, in particular the USA, is accelerating, with companies exposed to this tending to perform well. The prospect is of further 'tapering' from the Federal Reserve, with any withdrawal of liquidity likely to be met, in aggregate, by some weakness in equity markets and particularly in those deemed higher risk.

During the period the performance of stock markets in the region was poor, with significant falls in ASEAN markets. Indonesia was the worst performing market, down 25.6% in sterling terms, followed by Thailand down 21.7% and the Philippines down 19.6%. The only ASEAN market to post a positive return in sterling terms was Vietnam, a market to which we maintain a small exposure. We have low exposures to these markets where we feel there is likely to be a withdrawal of capital, and higher exposure to the businesses likely to benefit from strong economic prospects in the West.

Technology companies account for the largest proportion of the stocks held by Pacific Horizon, at 39.1%, up from 34.5% at the start of the period. A number of these technology companies have great potential to benefit from economic improvements expected in developed markets. Good examples are global technology leaders Taiwan Semiconductor

Manufacturing, Hon Hai Precision Industries and two Indian information technology service companies, HCL Technologies and Tech Mahindra. Information technology service companies now make up 4.7% of the portfolio following strong results and share price performance. Internet businesses are another focus. Here we have increased the number of holdings, buying Youku, Sohu and Interpark to complement our existing holdings in Baidu, Tencent and Naver (formerly called NHN). Companies such as these are capable of growing at well above market rates whilst consuming little capital. The attractions of these businesses have become more apparent in the last six months following a large amount of corporate activity as the largest internet companies look to consolidate their leading positions. Such corporate activity has also affected logistics businesses, including our holding Haier Electronics; these have been targeted in an attempt to establish commercial advantage from one of the most difficult challenges of global e-commerce: that of fulfilment. By sector, the increase in technology companies has been funded through further reductions in the financials sector, particularly in the ASEAN banking stocks.

We are very aware of the potential impact that Chinese economic and political reform may have on our portfolio. The Third Plenum of the Chinese Communist Party held in November underlined the authorities' desire to work with market orientated models and continue the country's transition towards more sustainable growth. This is in line with our expectations and the portfolio is already positioned accordingly. The holding in Chinese gas companies is a prime example of the emerging commercial benefits of these reforms, with good results overall during the period. Another area which has benefited from this re-emphasis of policy is the automation sector, where the portfolio includes holdings in Airtac International Group, Hiwin Technologies and Advantech. As China's labour force shrinks and its manufacturing base moves up the value chain, the automation industry is positioned to benefit strongly from the drive to remain competitive.

Past performance is not a guide to future performance.

If there is an area in China where we are more concerned, it is the excessive increase in lending in both the formal and informal banking sectors, often in respect of projects that are unlikely to ever be commercially viable. We do not consider this to be a systemic risk to the Chinese economy, but we believe that there are likely to be significant issues in the banking, property and construction industries – areas where the Company has minimal exposure.

Given that the Company's Managers are long term investors, it should be no surprise that turnover levels for the portfolio remain low, as does the overlap with the comparative index. The overall shape of the portfolio has changed little over the 6 month period. A number of new investments made in Korea have increased the weighting to 24.6%, which is still less than Hong Kong and China at 35.6%. These new investments have been made in a number of attractive businesses including Hyundai Mipo Dockyard, SK Telecom and SK Hynix. The top ten holdings account for 34.5% of the portfolio; the total number of companies in which we invest is now 64.

Little has changed to alter our view on future developments. We advocate caution towards some of the smaller ASEAN markets; political and macroeconomic risks are rising at a time when company valuations are, in aggregate, high. We much prefer those companies operating in North Asia or India where valuations remain attractive and growth prospects are linked to the ongoing recovery in developed economies. Above all, we believe that we invest in an attractive set of companies with prospects both to create future value and to generate superior returns for shareholders.

Tender Offer

At the AGM held on 29 October 2013, the Company obtained shareholder approval to implement, at the Board's discretion, a bi-annual tender offer for up to 5% of the Company's shares at 2% discount to NAV, less costs, in the event that the discount averaged more than 9% during the six month periods to 31 January and 31 July 2014. Over the first six month period to 31 January 2014, the Company's average discount was 11.3% and the Board has recently

announced that it has decided to exercise its discretion to implement a tender offer in respect of this six month period, applicable to shareholders on the register on 12 February 2014.

Details of how to tender your shares in respect of this 5% tender offer are contained within the Circular accompanying this Report.

The principal risks and uncertainties facing the Company are set out on the inside front cover of this report.

Thirty Largest Equity Holdings at 31 January 2014

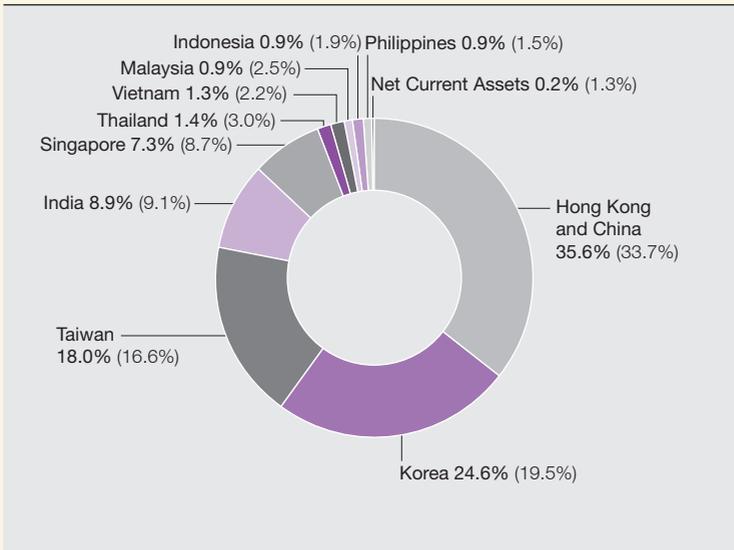
| Name | Country | Business | Value £'000 | % of total assets* |
|---|-----------------|--|----------------|--------------------------|
| Samsung Electronics | Korea | Electronics company | 8,295 | 6.2 |
| Taiwan Semiconductor Manufacturing | Taiwan | Semiconductor manufacturer | 6,446 | 4.8 |
| Tencent Holdings | Hong Kong/China | Internet business | 5,612 | 4.2 |
| Kunlun Energy Company | Hong Kong/China | Energy business | 4,955 | 3.7 |
| Tech Mahindra | India | IT services provider | 3,995 | 3.0 |
| MediaTek | Taiwan | Integrated circuit design house | 3,572 | 2.7 |
| Baidu | Hong Kong/China | Internet search provider | 3,523 | 2.6 |
| Towngas China | Hong Kong/China | Gas distributor | 3,433 | 2.6 |
| Hyundai Glovis | Korea | Logistics company | 3,363 | 2.5 |
| China Petroleum & Chemical Corporation | Hong Kong/China | Integrated oil and gas producer | 2,946 | 2.2 |
| Galaxy Entertainment Group | Hong Kong/China | Casino operator | 2,928 | 2.2 |
| China Life Insurance (Taiwan) | Taiwan | Life insurance provider | 2,798 | 2.1 |
| Airtac International Group | Taiwan | Automation equipment manufacturer | 2,748 | 2.0 |
| Hyundai Marine and Fire Insurance | Korea | Non-life insurance provider | 2,677 | 2.0 |
| China Mobile | Hong Kong/China | Wireless telecommunications provider | 2,673 | 2.0 |
| Haier Electronics | Hong Kong/China | Appliance manufacturer and distributor | 2,625 | 1.9 |
| CNOOC | Hong Kong/China | Oil and gas exploration and production | 2,578 | 1.9 |
| Hyundai Mobis | Korea | Automotive parts producer | 2,498 | 1.9 |
| Hiwin Technologies | Taiwan | Automation equipment manufacturer | 2,495 | 1.9 |
| Samsung Fire & Marine | Korea | Non-life insurance provider | 2,443 | 1.8 |
| Reliance Industries | India | Oil and gas exploration and production | 2,339 | 1.7 |
| Naver | Korea | Internet business | 2,313 | 1.7 |
| SK Hynix | Korea | Semiconductor manufacturer | 2,280 | 1.7 |
| HCL Technologies | India | IT services provider | 2,268 | 1.7 |
| Hon Hai Precision Industries | Taiwan | Electronic manufacturing services company | 2,164 | 1.6 |
| BOC Hong Kong (Holdings) | Hong Kong/China | Commercial bank | 2,150 | 1.6 |
| ASM Pacific Technology | Hong Kong/China | Semiconductor equipment manufacturer | 2,069 | 1.5 |
| GCL-Poly Energy Holdings | Hong Kong/China | Renewable energy equipment | 2,062 | 1.5 |
| Ping An Insurance | Hong Kong/China | Life insurance provider | 2,056 | 1.5 |
| Advantech | Taiwan | Embedded computer manufacturer | 2,000 | 1.5 |
| | | | 94,304 | 70.2 |

* Total assets less current liabilities.

Distribution of Total Assets*

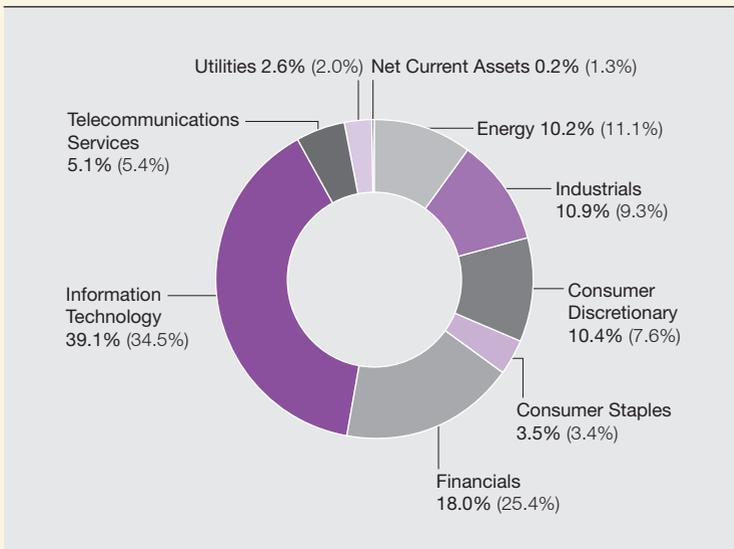
Geographical Analysis at 31 January 2014

(31 July 2013)



Sectoral Analysis at 31 January 2014

(31 July 2013)



* Total assets less current liabilities.

Income Statement (unaudited)

| | For the six months ended 31 January 2014 | | |
|--|--|------------------|----------------|
| | Revenue £'000 | Capital £'000 | Total £'000 |
| (Losses)/gains on sales of investments | – | (882) | (882) |
| Changes in investment holding gains and losses | – | 2,054 | 2,054 |
| Currency losses | – | (256) | (256) |
| Income from investments and interest receivable | 1,187 | – | 1,187 |
| Investment management fee (note 3) | (518) | – | (518) |
| Other administrative expenses | (163) | – | (163) |
| Net return on ordinary activities before taxation | 506 | 916 | 1,422 |
| Tax on ordinary activities | (78) | – | (78) |
| Net return on ordinary activities after taxation | 428 | 916 | 1,344 |
| Net return per ordinary share (note 4) | 0.58p | 1.24p | 1.82p |
| Note: Dividend paid and proposed per ordinary share (note 5) | – | | |

The total column of this statement is the profit and loss account of the Company.

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

| For the six months ended 31 January 2013 | | | For the year ended 31 July 2013 (audited) | | |
|--|------------------|----------------|---|------------------|----------------|
| Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| – | 2,567 | 2,567 | – | 4,378 | 4,378 |
| – | 9,062 | 9,062 | – | 2,851 | 2,851 |
| – | (98) | (98) | – | (51) | (51) |
| 972 | – | 972 | 2,967 | – | 2,967 |
| (672) | – | (672) | (1,246) | – | (1,246) |
| (153) | – | (153) | (314) | – | (314) |
| 147 | 11,531 | 11,678 | 1,407 | 7,178 | 8,585 |
| (44) | – | (44) | (165) | – | (165) |
| 103 | 11,531 | 11,634 | 1,242 | 7,178 | 8,420 |
| 0.14p | 15.39p | 15.53p | 1.66p | 9.62p | 11.28p |
| – | | | 1.50p | | |

Balance Sheet (unaudited)

| | At 31 January 2014 £'000 | At 31 January 2013 £'000 | At 31 July 2013 (audited) £'000 |
|---|--------------------------------|--------------------------------|--|
| Fixed assets | | | |
| Investments held at fair value through profit or loss | 134,324 | 138,537 | 132,831 |
| Current assets | | | |
| Debtors | 292 | 137 | 554 |
| Cash and short term deposits | 288 | 872 | 1,573 |
| | 580 | 1,009 | 2,127 |
| Creditors | | | |
| Amounts falling due within one year (note 6) | (286) | (417) | (320) |
| Net current assets | 294 | 592 | 1,807 |
| Total net assets | 134,618 | 139,129 | 134,638 |
| Capital and reserves | | | |
| Called up share capital | 7,382 | 7,474 | 7,397 |
| Share premium | 3,166 | 3,166 | 3,166 |
| Special distributable reserve | 6,244 | 7,776 | 6,499 |
| Capital redemption reserve | 18,411 | 18,319 | 18,396 |
| Capital reserve | 94,485 | 97,922 | 93,569 |
| Revenue reserve | 4,930 | 4,472 | 5,611 |
| Shareholders' funds | 134,618 | 139,129 | 134,638 |
| Net asset value per ordinary share | 182.37p | 186.15p | 182.01p |
| Ordinary shares in issue (note 7) | 73,817,002 | 74,742,002 | 73,972,002 |

Reconciliation of Movements in Shareholders' Funds (unaudited)

For the six months ended 31 January 2014

| | Called up share capital £'000 | Share premium £'000 | Special distributable reserve £'000 | Capital redemption reserve £'000 | Capital reserve [*] £'000 | Revenue reserve £'000 | Shareholders' funds £'000 |
|--|----------------------------------|------------------------|--|-------------------------------------|---------------------------------------|--------------------------|------------------------------|
| Shareholders' funds at 1 August 2013 | 7,397 | 3,166 | 6,499 | 18,396 | 93,569 | 5,611 | 134,638 |
| Net return on ordinary activities after taxation | – | – | – | – | 916 | 428 | 1,344 |
| Shares purchased for cancellation (note 7) | (15) | – | (255) | 15 | – | – | (255) |
| Dividends paid during the period (note 5) | – | – | – | – | – | (1,109) | (1,109) |
| Shareholders' funds at 31 January 2014 | 7,382 | 3,166 | 6,244 | 18,411 | 94,485 | 4,930 | 134,618 |

For the six months ended 31 January 2013

| | Called up share capital £'000 | Share premium £'000 | Special distributable reserve £'000 | Capital redemption reserve £'000 | Capital reserve [*] £'000 | Revenue reserve £'000 | Shareholders' funds £'000 |
|--|----------------------------------|------------------------|--|-------------------------------------|---------------------------------------|--------------------------|------------------------------|
| Shareholders' funds at 1 August 2012 | 7,505 | 3,166 | 8,252 | 18,288 | 86,391 | 5,495 | 129,097 |
| Net return on ordinary activities after taxation | – | – | – | – | 11,531 | 103 | 11,634 |
| Shares purchased for cancellation (note 7) | (31) | – | (476) | 31 | – | – | (476) |
| Dividends paid during the period (note 5) | – | – | – | – | – | (1,126) | (1,126) |
| Shareholders' funds at 31 January 2013 | 7,474 | 3,166 | 7,776 | 18,319 | 97,922 | 4,472 | 139,129 |

For the year ended 31 July 2013 (audited)

| | Called up share capital £'000 | Share premium £'000 | Special distributable reserve £'000 | Capital redemption reserve £'000 | Capital reserve [*] £'000 | Revenue reserve £'000 | Shareholders' funds £'000 |
|--|----------------------------------|------------------------|--|-------------------------------------|---------------------------------------|--------------------------|------------------------------|
| Shareholders' funds at 1 August 2012 | 7,505 | 3,166 | 8,252 | 18,288 | 86,391 | 5,495 | 129,097 |
| Net return on ordinary activities after taxation | – | – | – | – | 7,178 | 1,242 | 8,420 |
| Shares purchased for cancellation (note 7) | (108) | – | (1,753) | 108 | – | – | (1,753) |
| Dividends paid during the period (note 5) | – | – | – | – | – | (1,126) | (1,126) |
| Shareholders' funds at 31 July 2013 | 7,397 | 3,166 | 6,499 | 18,396 | 93,569 | 5,611 | 134,638 |

* The Capital Reserve balance at 31 January 2014 includes investment holding gains on fixed asset investments of £41,876,000 (31 January 2013 – gains of £46,033,000; 31 July 2013 – gains of £39,822,000).

Condensed Cash Flow Statement (unaudited)

| | Six months to 31 January 2014 £'000 | Six months to 31 January 2013 £'000 | Year to 31 July 2013 (audited) £'000 |
|--|--|--|--|
| Net cash inflow from operating activities | 415 | 329 | 1,218 |
| Net cash (outflow)/inflow from financial investment | (336) | 84 | 1,173 |
| Equity dividend paid (note 5) | (1,109) | (1,126) | (1,126) |
| Net cash (outflow)/inflow before financing | (1,030) | (713) | 1,265 |
| Shares bought back (note 7) | (255) | (476) | (1,753) |
| Decrease in cash | (1,285) | (1,189) | (488) |
| Reconciliation of net cash flow to movement in net funds | | | |
| Decrease in cash in the period | (1,285) | (1,189) | (488) |
| Movement in net funds in the period | (1,285) | (1,189) | (488) |
| Net funds at start of the period | 1,573 | 2,061 | 2,061 |
| Net funds at end of the period | 288 | 872 | 1,573 |
| Reconciliation of net return before taxation to net cash inflow from operating activities | | | |
| Net return on ordinary activities before taxation | 1,422 | 11,678 | 8,585 |
| Gains on investments | (1,172) | (11,629) | (7,229) |
| Currency losses | 256 | 98 | 51 |
| Changes in debtors and creditors | (36) | 230 | (26) |
| Overseas tax suffered | (55) | (48) | (163) |
| Net cash inflow from operating activities | 415 | 329 | 1,218 |

Notes to the Condensed Financial Statements (unaudited)

- 1 The condensed financial statements for the six months to 31 January 2014 comprise the statements set out on pages 6 to 10 together with the related notes on pages 11 and 12. They have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements at 31 July 2013 and in accordance with the ASB's Statement 'Half-Yearly Financial Reports' and have not been audited or reviewed by the Auditors pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'.

The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. The Company has no loans. In accordance with the Company's Articles of Association, the shareholders have the right to vote on the continuation of the Company every five years, the next vote being in 2016. The Directors have no reason to believe that the continuation resolution will not be passed at that Annual General Meeting. Accordingly, the Half-Yearly Financial Report has been prepared on the going concern basis as it is the Directors' opinion that the Company will continue in operational existence for the foreseeable future.

- 2 The financial information contained within this Half-Yearly Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 31 July 2013 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's Report on those accounts was not qualified and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.
- 3 Baillie Gifford & Co are appointed as investment managers and secretaries to the Company. The Managers may terminate the Management Agreement on six months' notice and the Company may terminate on three months' notice. With effect from 1 April 2013, the annual management fee was reduced from a flat rate of 1% of net assets to a rate of 0.95% on the first £50m of net assets and 0.65% on the balance. Management fees are calculated on a quarterly basis.

| | Six months to 31 January 2014 | Six months to 31 January 2013 | Year to 31 July 2013 (audited) |
|--|-------------------------------------|-------------------------------------|---|
| | £'000 | £'000 | £'000 |
| 4 Net return per ordinary share | | | |
| Revenue return on ordinary activities after taxation | 428 | 103 | 1,242 |
| Capital return on ordinary activities after taxation | 916 | 11,531 | 7,178 |
| Total net return | 1,344 | 11,634 | 8,420 |
| Weighted average number of ordinary shares in issue | 73,881,486 | 74,929,828 | 74,625,072 |

The net return per ordinary share figures are based on the above totals of revenue and capital and the weighted average number of ordinary shares in issue during each period.

There are no dilutive or potentially dilutive shares in issue.

Notes to the Condensed Financial Statements (unaudited)

| | Six months to 31 January 2014 £'000 | Six months to 31 January 2013 £'000 | Year to 31 July 2013 (audited) £'000 |
|--|--|--|--|
| 5 Dividends | | | |
| Amounts recognised as distributions in the period: | | | |
| Previous year's final dividend of 1.50p (2012 – 1.50p) paid 4 November 2013 | 1,109 | 1,126 | 1,126 |

No interim dividend has been declared.

6 The Company had no borrowings at 31 January 2014, 31 January 2013 or 31 July 2013.

7 The Company has authority to buy back its ordinary shares. The authority was last renewed at the Annual General Meeting in October 2013 in respect of 11,065,168 shares (equivalent to 14.99% of its issued share capital at that date). In the six months to 31 January 2014 a total of 155,000 (31 January 2013 – 310,000; 31 July 2013 – 1,080,000) ordinary shares with a nominal value of £15,500 were bought back at a total cost of £255,000 (31 January 2013 – £476,000; 31 July 2013 – £1,753,000). At 31 January 2014 the Company had authority to buy back a further 11,065,168 ordinary shares.

The Company has authority to allot shares under section 551 of the Companies Act 2006. The Board has authorised use of this authority to issue new shares at a premium of not less than 5% in order to enhance the net asset value per share for existing shareholders and improve the liquidity of the Company's shares. In the six months to 31 January 2014, six months to 31 January 2013 and the year to 31 July 2013 no shares were issued.

The Company obtained shareholder authority at the 2013 AGM to implement, at the Board's discretion, a bi-annual tender offer for up to 5% of the Company's shares at a 2% discount to NAV, less costs, in the event that the discount averaged more than 9% during the six month periods to 31 January and 31 July 2014. Over the first six month period to 31 January 2014, the Company's average discount was 11.3%. The Board has recently announced that it has decided to exercise its discretion to implement a tender offer in respect of this six month period, applicable to shareholders on the register on 12 February 2014. Details of how to tender your shares in respect of this 5% tender offer are contained within the Circular accompanying this Report.

8 During the period, transaction costs on purchases amounted to £35,000 (31 January 2013 – £23,000; 31 July 2013 – £69,000) and transaction costs on sales amounted to £43,000 (31 January 2013 – £27,000; 31 July 2013 – £71,000).

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

Further Shareholder Information

Pacific Horizon's shares are traded on the London Stock Exchange. They can be bought through a stockbroker, by asking a professional adviser to do so, or through the Baillie Gifford savings vehicles.

Baillie Gifford's Investment Trust Share Plan

You can invest a minimum of £250 or from £30 per month. The plan is designed to be a cost-effective way of saving on a lump sum or regular basis.

Baillie Gifford's Investment Trust ISA

You can invest in a tax efficient way by investing a minimum of £2,000 or from £100 per month or by transferring an ISA with a value of at least £2,000 from your existing manager.

Baillie Gifford's Children's Savings Plan

A cost-effective plan tailored especially to meet the requirements to save for children. You can invest a minimum of £100 or from £25 per month.

Online Management Service

You can also open and manage your Share Plan, Children's Savings Plan* and/or ISA online, through our secure Online Management Service (OMS) which can be accessed through the Baillie Gifford website at www.bailliegifford.com/oms. As well as being able to view the details of your plan online, the service also allows you to:

- obtain current valuations;
- make lump sum investments, except where there is more than one holder;
- sell part or all of your holdings, except where there is more than one holder;
- switch between investment trusts, except where there is more than one holder; and
- update certain personal details e.g. address and telephone number.

* Please note that a Bare Trust cannot be opened via OMS. A Bare Trust application form must be completed.

The information about the ISA, Share Plan and Children's Savings Plan has been approved by Baillie Gifford Savings Management Limited (BGSM).

BGSM is the ISA Manager, the Manager of the Baillie Gifford Investment Trust Share Plan and Children's Savings Plan. BGSM is wholly owned by Baillie Gifford & Co. Both are authorised and regulated by the Financial Conduct Authority and both are based at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN. Baillie Gifford only provides information about its products and does not provide investment advice.

Risk Warnings

Past performance is not a guide to future performance.

Pacific Horizon is a listed UK company. As a result, the value of its shares and any income from those shares can fall as well as rise and you may not get back the amount invested.

As Pacific Horizon invests in overseas securities, changes in the rates of exchange may also cause the value of your investment (and any income it may pay) to go down or up.

Pacific Horizon invests in emerging markets where difficulties in dealing, settlement and custody could arise, resulting in a negative impact on the value of your investment.

Pacific Horizon can borrow money to make further investments (sometimes known as 'gearing'). The risk is that when this money is repaid by the Company, the value of the investments may not be enough to cover the borrowing and interest costs, and the Company will make a loss. If the Company's investments fall in value, any borrowings will increase the amount of this loss.

Pacific Horizon can buy back its own shares and has discretion to implement a tender offer for up to 5% of the Company's shares on a six monthly basis. The risks from borrowing, referred to above, are increased when the Company buys back its own shares.

Market values of securities which have become difficult to trade may not be readily available and there can be no assurance that any value assigned to such securities will accurately reflect the price the Company might receive upon their sale.

The generation of income is less important than Pacific Horizon's stated strategic aim of achieving capital growth. You should not expect a significant, or steady, annual income from the shares.

Shareholders in Pacific Horizon have the right to vote every five years on whether to continue the Company or wind it up. If the shareholders decide to wind Pacific Horizon up, the assets will be sold and shareholders will receive a cash sum in relation to their shareholding. The next vote will be held at the Annual General Meeting in 2016.

You should note that tax rates and reliefs may change at any time and their value depends on your circumstances.

Details of other risks that apply to investment in the savings vehicles on this page are contained in the product brochures.

The staff of Baillie Gifford & Co. and Pacific Horizon's Directors may hold shares in Pacific Horizon and may buy or sell such shares from time to time.

Pacific Horizon is a UK public listed company and as such complies with the requirements of the UK Listing Authority and is not authorised or regulated by the Financial Conduct Authority.

Directors

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Miss JGK Matterson

EG Creasy
DCP McDougall OBE
Ms EC Scott

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