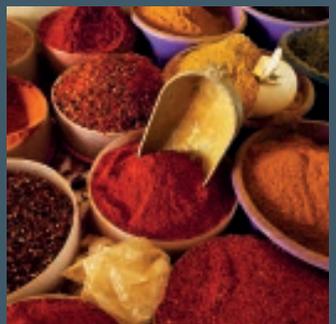
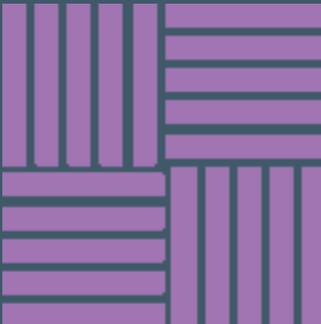


PACIFIC HORIZON INVESTMENT TRUST PLC



Half-Yearly Financial Report
31 January 2015





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 will normally consist 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 18 of the Company's Annual Report and Financial Statements for the year to 31 July 2014. 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); the risk to shareholders

that the discount can widen; and gearing risk (the use of borrowing can magnify the impact of falling markets). Further information can be found on pages 7 and 8 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 2015

Summary of Unaudited Results

| | 31 January 2015 | 31 July 2014 (audited) | % change |
|---|--------------------|------------------------------|----------|
| Total assets* | £149.1m | £145.1m | |
| Borrowings | £4.7m | £4.1m | |
| Shareholders' funds | £144.4m | £140.9m | |
| Net asset value per ordinary share (NAV) | 216.74p | 200.95p | 7.9 |
| MSCI All Country Asia ex Japan Index (in sterling terms) | 384.6 | 354.6 | 8.5 |
| Active share† | 82% | 77% | |
| Share price | 200.00p | 177.75p | 12.5 |
| Discount | 7.7% | 11.5% | |

| | Six months to 31 January 2015 | Six months to 31 January 2014 | % change |
|-------------------------------------|-------------------------------------|-------------------------------------|----------|
| Revenue earnings per ordinary share | 0.09p | 0.58p | (84.5) |
| Interim dividend per ordinary share | – | – | – |

| Period's high and low | Six months to 31 January 2015 | | Year to 31 July 2014 | |
|-----------------------|-------------------------------|---------|----------------------|---------|
| | High | Low | High | Low |
| Share price | 201.00p | 173.00p | 182.50p | 147.50p |
| Net asset value | 219.99p | 193.86p | 202.58p | 171.82p |
| Discount | 6.5% | 11.9% | 6.8% | 15.0% |

* Total assets less current liabilities, before deduction of borrowings.

† 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.

Past performance is not a guide to future performance.

Half-Yearly Management Report

In the six months to 31 January 2015, Pacific Horizon's net asset value per share rose 7.9% to 216.74p. The share price rose 12.5% and the discount narrowed from 11.5% to 7.7%. Over the same period the MSCI All Country Asia ex Japan Index rose 8.5% in sterling terms. Despite the positive absolute returns, relative performance was affected by the strong showing of several large Hong Kong and China stocks where we have limited exposure. Many of our highest conviction holdings outperformed the comparative index (total return) by a healthy margin; for example Tech Mahindra appreciated 46.5% during the period, outperforming by 37.1 percentage points.

The global investment climate has changed significantly over the last six months. Economic performance has been resilient in many of the countries in which we invest and the USA's economy continues to maintain momentum. On the other hand, investors are wary of declining inflation globally and in Europe in particular. With the exception of the USA, the expectation of further monetary loosening by central banks has led to renewed enthusiasm for bond markets globally and resulted in falling bond yields.

Slowing growth in China, heavily influenced by a decrease in fixed asset investment, has been a major driver of this deflationary trend, creating downward pressure on commodity prices, particularly in the oil markets. The slowdown in China has come as a surprise to some, as the government continues to report GDP growth numbers in excess of underlying fundamental indicators within the economy. The consequent deflationary impact and the ongoing reduction in Chinese corporate profitability is evident in the producer price index inflation rate which has been negative since mid 2012 and is currently minus 4.3%. China continues to export deflation to the world at an accelerating pace.

There was enhanced currency volatility during the period with the majority of currencies falling significantly against the US dollar, led by the Euro and the Yen with emerging market and Asian

currencies also affected. This trend is expected to continue as GDP growth remains stronger in the USA than in the rest of the world.

Over the period, Malaysia was the worst performing market in the region, down 5.7% in sterling terms, followed by South Korea, down 0.8%. Malaysia suffered as a result of the falling oil price; its economy is heavily reliant on the oil sector and the revenues it generates for the government's budget funding. We had no exposure to Malaysia over this period. In contrast, 28.0% of the portfolio is invested in Korea. Concerns over falling world growth, a China slowdown and domestic Chaebol corporate governance weighed on the Korean market. The best performing markets were the Philippines, driven by strong economic growth, and India, still benefiting post Modi's election victory, up 24.2% and 23.8% in sterling terms respectively. Despite the weakening economy, the Chinese A-share market was very strong over the period, up 62.0% in sterling terms, as the government successfully diverted liquidity from the shadow banking system into the domestic stock market to help divert attention from deteriorating economic growth. A good example of the effect of this intervention is Petrochina whose A-shares rose around 65% from September to January despite a greater than 50% fall in the price of oil, its key product.

The world appears to be increasingly affected by disinflationary change. There are three parts to this: the continued struggle of Western economies, especially Europe, to recover from their pre 2008 debt binge; accelerating technological change; and the slowdown of China as the world's engine of investment and commodity led demand growth.

The portfolio is increasingly focused on the effect of technological change on economies and existing businesses. In this period of disinflationary growth, our investment focus is on companies which generate 'Ideas' rather than 'Things', companies which are asset light rather than asset heavy and that have output that is scalable rather than bespoke. Our philosophy is that 'Innovation' beats 'Stability', 'New' businesses conquer 'Old'. Although

Past performance is not a guide to future performance.

we have tended towards this view, the portfolio is now positioned to reflect fully the underlying disinflationary forces that are affecting the world today and for the years to come.

Technology companies now account for the largest proportion of the stocks held at 54.0%, up from 44.7% at the start of the period. A number of these technology companies have great potential to benefit from economic advances expected in developed markets. Good examples are global technology leaders Taiwan Semiconductor Manufacturing, Hon Hai Precision Industries, SK Hynix and our Indian information technology service companies. These are all companies which benefit from the smartphone and automation revolutions, either directly, by producing hardware, or indirectly, by managing the software that allows companies to harness these new business techniques.

Internet businesses are another key focus. Here we have increased the number of holdings, buying Alibaba and JD.com, the eBay and Amazon respectively of China; these investments complement our existing holdings in Baidu, Tencent and Naver. 21.9% of the Company's assets are invested in innovative, asset light, internet based companies.

Slower global growth and an increased supply of North American shale oil means that, by recent standards, oil prices are likely to remain depressed for a considerable time. We also foresee new technologies displacing the need for oil related products in automobiles much more rapidly than is currently being predicted on a five to 10 year time horizon. Consequently, the greatest decrease in the portfolio's sector positioning over the period came from a reduction in our oil exposure from 7.3% to 0.8%.

By geography, the portfolio's Hong Kong and China weighting has come down from 28.8% to 20.5% and the Singapore weighting has been reduced from 5.2% to 1.4%. India has been the largest beneficiary of these reductions, with the Company's exposure rising from 15.3% to 24.8%. India is one of the few countries which benefit significantly as commodity

prices fall; we expect India's long-term bond yield to fall significantly in the next few years, boosting long-term GDP growth. There are many exciting companies in this market in which we have been investing. Our main focus has been the banking industry with positions taken in ICICI Bank and Shriram Transport Finance. We believe that India under Modi is rapidly adopting new technologies which will bypass the limitations of the old bureaucracy and the country is entering a new stage of faster and sustained growth.

In terms of concentration, the top ten holdings account for 38.8% of the Company's total assets and the top 30 account for 74.1%.

In line with our long-term investment philosophy, we believe that the investments held represent attractive opportunities which have the potential to create future value and to generate superior returns for shareholders over the next few years.

Tender Offer

The Company has authority to implement, at the Board's discretion, bi-annual tender offers for up to 5% of its shares at a 2% discount to net asset value, less costs, in the event that the discount averaged more than 9% during the six months periods to 31 January and 31 July 2015. The Board implemented a 5% tender offer in October 2014 in respect of the tender period to 31 July 2014, with the Company buying back a total of 3,506,307 ordinary shares. Over the six month period to 31 January 2015, the Company's average discount was 9.9% and the Board has announced that it has decided to exercise its discretion to implement a tender offer in respect of the six month period to 31 January 2015, applicable to shareholders on the register on 10 February 2015. 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 2015

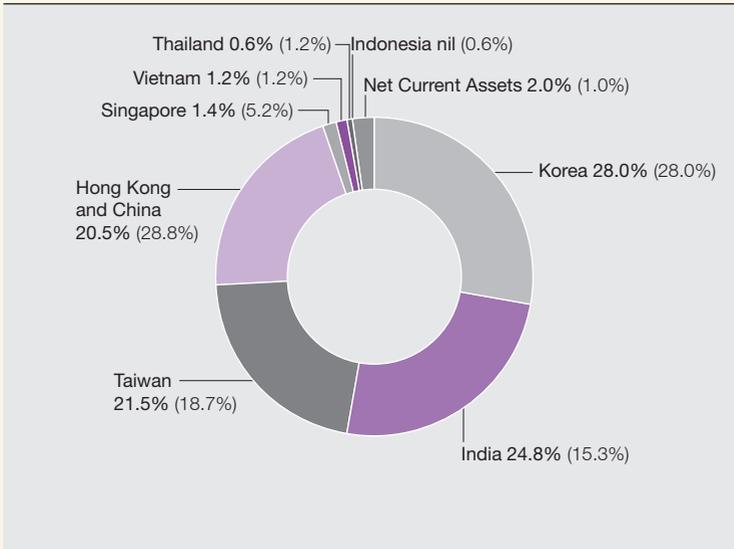
| Name | Country | Business | Value £'000 | % of total assets* |
|---------------------------------------|-----------------|--|----------------|--------------------------|
| Tencent Holdings | Hong Kong/China | Internet business | 10,449 | 7.0 |
| Taiwan Semiconductor Manufacturing | Taiwan | Semiconductor manufacturer | 8,367 | 5.6 |
| Tech Mahindra | India | IT services provider | 6,521 | 4.4 |
| Samsung Electronics | Korea | Electronics company | 6,272 | 4.2 |
| Baidu | Hong Kong/China | Internet search provider | 5,177 | 3.5 |
| Naver | Korea | Internet company | 4,685 | 3.1 |
| SK Hynix | Korea | Electronic component and device manufacturer | 4,205 | 2.8 |
| MediaTek | Taiwan | Integrated circuit design house | 4,170 | 2.8 |
| Hon Hai Precision Industries | Taiwan | Electronic manufacturing services company | 4,144 | 2.8 |
| Federal Bank | India | Commercial bank | 3,874 | 2.6 |
| ICICI Bank | India | Retail and corporate bank | 3,556 | 2.4 |
| Just Dial | India | Local search and e-commerce provider | 3,385 | 2.3 |
| Hyundai Glovis | Korea | Logistics company | 3,191 | 2.1 |
| Alibaba Group | Hong Kong/China | Online and mobile commerce company | 3,102 | 2.1 |
| Advantech | Taiwan | Computer manufacturer | 2,914 | 2.0 |
| Naturalendo Tech | Korea | Biotech company specialising in R&D | 2,848 | 1.9 |
| HCL Technologies | India | IT services provider | 2,828 | 1.9 |
| China Life Insurance (Taiwan) | Taiwan | Life insurance provider | 2,733 | 1.8 |
| Mindtree | India | IT services provider | 2,684 | 1.8 |
| Airtac International Group | Taiwan | Automation equipment manufacturer | 2,654 | 1.8 |
| Mahindra & Mahindra | India | Conglomerate | 2,643 | 1.8 |
| Samsung Fire & Marine | Korea | Non-life insurance provider | 2,581 | 1.7 |
| Hiwin Technologies | Taiwan | Automation equipment manufacturer | 2,575 | 1.7 |
| Haier Electronics Group | Hong Kong/China | Washing machine and water heater manufacturer | 2,381 | 1.6 |
| JD.com | Hong Kong/China | Online direct sales company | 2,277 | 1.5 |
| Hermes Microvision | Taiwan | Electron beam inspection tool manufacturer | 2,265 | 1.5 |
| Geely Automobile | Hong Kong/China | Automobile manufacturer | 2,165 | 1.5 |
| Hyundai Marine and Fire Insurance | Korea | Non-life insurance provider | 1,986 | 1.3 |
| ASM Pacific Technology | Hong Kong/China | Semiconductor equipment manufacturer | 1,972 | 1.3 |
| Singapore Exchange | Singapore | Stock exchange | 1,889 | 1.3 |
| | | | 110,493 | 74.1 |

* Total assets less current liabilities, before deduction of borrowings.

Distribution of Total Assets*

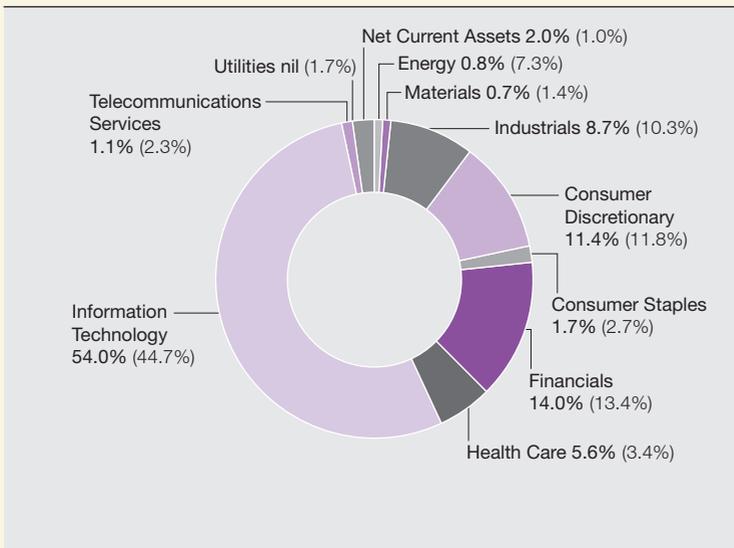
Geographical Analysis at 31 January 2015

(31 July 2014)



Sectoral Analysis at 31 January 2015

(31 July 2014)



* Total assets less current liabilities, before deduction of borrowings.

Income Statement (unaudited)

| | For the six months ended 31 January 2015 | | |
|---|--|------------------|----------------|
| | Revenue £'000 | Capital £'000 | Total £'000 |
| Gains/(losses) on sales of investments | – | 6,721 | 6,721 |
| Changes in investment holding gains and losses | – | 4,762 | 4,762 |
| Currency losses | – | (323) | (323) |
| Income from investments and interest receivable | 891 | – | 891 |
| Investment management fee (note 3) | (530) | – | (530) |
| Other administrative expenses | (184) | – | (184) |
| Net return before finance costs and taxation | 177 | 11,160 | 11,337 |
| Finance costs of borrowings | (35) | – | (35) |
| Net return on ordinary activities before taxation | 142 | 11,160 | 11,302 |
| Tax on ordinary activities | (77) | – | (77) |
| Net return on ordinary activities after taxation | 65 | 11,160 | 11,225 |
| Net return per ordinary share (note 4) | 0.09p | 16.33p | 16.42p |
| 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 2014 | | | For the year ended 31 July 2014 (audited) | | |
|--|------------------|----------------|---|------------------|----------------|
| Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| – | (882) | (882) | – | 5,698 | 5,698 |
| – | 2,054 | 2,054 | – | 8,025 | 8,025 |
| – | (256) | (256) | – | (388) | (388) |
| 1,187 | – | 1,187 | 2,550 | – | 2,550 |
| (518) | – | (518) | (1,029) | – | (1,029) |
| (163) | – | (163) | (342) | – | (342) |
| 506 | 916 | 1,422 | 1,179 | 13,335 | 14,514 |
| – | – | – | (6) | – | (6) |
| 506 | 916 | 1,422 | 1,173 | 13,335 | 14,508 |
| (78) | – | (78) | (154) | – | (154) |
| 428 | 916 | 1,344 | 1,019 | 13,335 | 14,354 |
| 0.58p | 1.24p | 1.82p | 1.40p | 18.32p | 19.72p |
| – | | | 1.40p | | |

Balance Sheet (unaudited)

| | At 31 January 2015 £'000 | At 31 January 2014 £'000 | At 31 July 2014 (audited) £'000 |
|---|--------------------------------|--------------------------------|--|
| Fixed assets | | | |
| Investments held at fair value through profit or loss | 146,085 | 134,324 | 143,675 |
| Current assets | | | |
| Debtors | 329 | 292 | 431 |
| Cash and short term deposits | 2,948 | 288 | 1,274 |
| | 3,277 | 580 | 1,705 |
| Creditors | | | |
| Amounts falling due within one year | | | |
| Bank loan (note 6) | (4,661) | – | (4,146) |
| Other creditors | (310) | (286) | (317) |
| | (4,971) | (286) | (4,463) |
| Net current (liabilities)/assets | (1,694) | 294 | (2,758) |
| Net assets | 144,391 | 134,618 | 140,917 |
| Capital and reserves | | | |
| Called up share capital | 6,662 | 7,382 | 7,013 |
| Share premium | 3,166 | 3,166 | 3,166 |
| Special distributable reserve | – | 6,244 | – |
| Capital redemption reserve | 19,131 | 18,411 | 18,780 |
| Capital reserve | 110,828 | 94,485 | 106,437 |
| Revenue reserve | 4,604 | 4,930 | 5,521 |
| Shareholders' funds | 144,391 | 134,618 | 140,917 |
| Net asset value per ordinary share | 216.74p | 182.37p | 200.95p |
| Ordinary shares in issue (note 7) | 66,619,845 | 73,817,002 | 70,126,152 |

Reconciliation of Movements in Shareholders' Funds (unaudited)

For the six months ended 31 January 2015

| | 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 2014 | 7,013 | 3,166 | – | 18,780 | 106,437 | 5,521 | 140,917 |
| Net return on ordinary activities after taxation | – | – | – | – | 11,160 | 65 | 11,225 |
| Shares purchased for cancellation (note 7) | (351) | – | – | 351 | (6,769) | – | (6,769) |
| Dividends paid during the period (note 5) | – | – | – | – | – | (982) | (982) |
| Shareholders' funds at 31 January 2015 | 6,662 | 3,166 | – | 19,131 | 110,828 | 4,604 | 144,391 |

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 year ended 31 July 2014 (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 2013 | 7,397 | 3,166 | 6,499 | 18,396 | 93,569 | 5,611 | 134,638 |
| Net return on ordinary activities after taxation | – | – | – | – | 13,335 | 1,019 | 14,354 |
| Shares purchased for cancellation (note 7) | (384) | – | (6,499) | 384 | (467) | – | (6,966) |
| Dividends paid during the period (note 5) | – | – | – | – | – | (1,109) | (1,109) |
| Shareholders' funds at 31 July 2014 | 7,013 | 3,166 | – | 18,780 | 106,437 | 5,521 | 140,917 |

* The Capital Reserve balance at 31 January 2015 includes investment holding gains on fixed asset investments of £52,609,000 (31 January 2014 – gains of £41,876,000; 31 July 2014 – gains of £47,847,000).

Condensed Cash Flow Statement (unaudited)

| | Six months to 31 January 2015 £'000 | Six months to 31 January 2014 £'000 | Year to 31 July 2014 (audited) £'000 |
|--|--|--|--|
| Net cash inflow from operating activities | 193 | 415 | 889 |
| Net cash outflow from servicing of finance | (32) | – | – |
| Net cash inflow/(outflow) from financial investment | 9,072 | (80) | 3,129 |
| Equity dividend paid (note 5) | (982) | (1,109) | (1,109) |
| Net cash inflow/(outflow) before financing | 8,251 | (774) | 2,909 |
| Shares bought back (note 7) | (6,769) | (255) | (6,966) |
| Bank loans drawn down | – | – | 4,124 |
| Net cash outflow from financing | (6,769) | (255) | (2,842) |
| Increase/(decrease) in cash | 1,482 | (1,029) | 67 |
| Reconciliation of net cash flow to movement in net (debt)/funds | | | |
| Increase/(decrease) in cash in the period | 1,482 | (1,029) | 67 |
| Translation difference | 192 | (256) | (366) |
| Increase in bank loans | – | – | (4,124) |
| Exchange movement on bank loans | (515) | – | (22) |
| Movement in net (debt)/funds in the period | 1,159 | (1,285) | (4,445) |
| Net (debt)/funds at start of the period | (2,872) | 1,573 | 1,573 |
| Net (debt)/funds at end of the period | (1,713) | 288 | (2,872) |
| Reconciliation of net return before taxation to net cash inflow from operating activities | | | |
| Net return on ordinary activities before taxation | 11,337 | 1,422 | 14,514 |
| Gains on investments | (11,483) | (1,172) | (13,723) |
| Currency losses | 323 | 256 | 388 |
| Changes in debtors and creditors | 77 | (36) | (154) |
| Overseas tax suffered | (61) | (55) | (136) |
| Net cash inflow from operating activities | 193 | 415 | 889 |

Notes to the Condensed Financial Statements (unaudited)

- 1 The condensed financial statements for the six months to 31 January 2015 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 2014 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. 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. 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 2014 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 In order to comply with the Alternative Investment Fund Managers Directive, with effect from 1 July 2014 the Company appointed Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Manager and Company Secretary. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. 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 2015 | Six months to 31 January 2014 | Year to 31 July 2014 (audited) |
|--|-------------------------------------|-------------------------------------|---|
| | £'000 | £'000 | £'000 |
| 4 Net return per ordinary share | | | |
| Revenue return on ordinary activities after taxation | 65 | 428 | 1,019 |
| Capital return on ordinary activities after taxation | 11,160 | 916 | 13,335 |
| Total net return | 11,225 | 1,344 | 14,354 |
| Weighted average number of ordinary shares in issue | 68,353,943 | 73,881,486 | 72,777,640 |

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 2015 £'000 | Six months to 31 January 2014 £'000 | Year to 31 July 2014 (audited) £'000 |
|--|--|--|--|
| 5 Dividends | | | |
| Amounts recognised as distributions in the period: | | | |
| Previous year's final dividend of 1.40p (2013 – 1.50p) paid 5 November 2014 | 982 | 1,109 | 1,109 |

No interim dividend has been declared.

6 Creditors include borrowings of £4,661,000 (31 January 2014 – Nil; 31 July 2014 – £4,146,000) drawn down under a £20 million one year uncommitted, unsecured floating rate revolving credit facility with The Bank of New York Mellon. The drawings at 31 January 2015 and 31 July 2014 were US\$7 million.

7 The Company has authority to buy back up to 14.99% of its shares on an ad hoc basis and to implement, at the Board's discretion, bi-annual tender offers for up to 5% of its shares at a 2% discount to NAV, less costs, in the event that the discount averaged more than 9% during the six months periods to 31 January and 31 July in the years 2014 and 2015. Both of these authorities were renewed at the Annual General Meeting in October 2014. The Board implemented a 5% tender offer in April 2014 and October 2014 in respect of the tender periods to 31 January 2014 and 31 July 2014 respectively. In the six months to 31 January 2015 the Company bought back a total of 3,506,307 ordinary shares at a total cost of £6,769,000 through the exercise of a tender offer in October 2014 (31 January 2014 – 155,000 ordinary shares, under the buy back authority, at a total cost of £255,000; 31 July 2014 – 3,845,850 ordinary shares, 155,000 under the buy back authority and 3,690,850 through the exercise of a tender offer, at a total cost £6,966,000). The nominal value of these shares was £351,000 and represented 5.0% of the issued share capital at 31 July 2014. At 31 January 2015 the Company had authority to buy back a further 9,986,314 ordinary shares.

Over the six month period to 31 January 2015, the Company's average discount was 9.9%. The Board has recently announced that it has decided to exercise its discretion to implement a tender offer in respect of the six month period to 31 January 2015, applicable to shareholders on the register on 10 February 2015. Details of how to tender your shares in respect of this 5% tender offer are contained within the Circular accompanying this Report.

The Company also 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 2015, six months to 31 January 2014 and the year to 31 July 2014 no shares were issued.

8 During the period, transaction costs on purchases amounted to £69,000 (31 January 2014 – £35,000; 31 July 2014 – £65,000) and transaction costs on sales amounted to £93,000 (31 January 2014 – £43,000; 31 July 2014 – £97,000).

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. The value of its shares, and any income from them, can fall as well as rise and you may not get back the amount invested.

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 five percent 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.

Pacific Horizon can make use of derivatives which may impact on its performance. Currently the Company does not make use of derivatives.

The aim of Pacific Horizon is to achieve capital growth. You should not expect a significant, or steady, annual income from the Company.

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.

Further details of the risks associated with investing in the Company, including how charges are applied, can be found at www.pacifichorizon.co.uk, or by calling Baillie Gifford on 0800 917 2112.

The information and opinions expressed within this Half-Yearly Financial Report are subject to change without notice. This information has been issued and approved by Baillie Gifford & Co Limited, the Managers and Secretaries, and does not in any way constitute investment advice.

Directors

Chairman:
JGK Matterson

EG Creasy
DCP McDougall OBE
EC Scott

Registered Office

Computershare
Investor Services PLC
Moor House
120 London Wall
London
EC2Y 5ET

Managers and Secretaries

Baillie Gifford & Co Limited
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN
Tel: 0131 275 2000
www.bailliegifford.com

Registrar

Computershare
Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Tel: 0870 707 1229

Depository

BNY Mellon Trust & Depository
(UK) Limited
BNY Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Broker

JP Morgan Cazenove
25 Bank Street
Canary Wharf
London
E14 5JP

Independent Auditor

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Company Details

www.pacifichorizon.co.uk
Company Registration
No. 02342193
ISIN GB0006667470
Sedol 0666747
Ticker PHI

Further Information

Client Relations Team
Baillie Gifford Savings
Management Limited
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN
Tel: 0800 917 2112
E-mail:
trustenquiries@bailliegifford.com
Fax: 0131 275 3955