

Interim
Financial Report

31 January 2025

Pacific Horizon Investment Trust PLC



Managed by

Baillie Gifford™

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. 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.

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 are financial risk, investment strategy risk, political and associated economic risk, discount risk, regulatory risk, custody and depositary risk, operational risk, leverage risk, climate and governance risk, cyber security risk and emerging risks. An explanation of these risks and how they are managed is set out on pages 42 to 45 of the Company's Annual Report and Financial Statements for the year to 31 July 2024 which is available on the Company's website:

pacifichorizon.co.uk.

The principal risks and uncertainties have not changed since the date of that report.

Responsibility statement

We confirm that to the best of our knowledge:

- a. the condensed set of Financial Statements has been prepared in accordance with FRS 104 'Interim Financial Reporting';
- b. the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year, their impact on the Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- c. the Interim Financial Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of the Board
Roger Yates
Chairman
11 March 2025

Summary of unaudited results

	31 January 2025	31 July 2024 (audited)	% change
Shareholders' funds*	£613.7m	£602.0m	
Gearing†	1.9%	(1%)	
Net asset value per ordinary share*	681.44p	664.01p	2.6
Share price	585.00p	612.00p	(4.4)
MSCI All Country Asia ex Japan Index (in sterling terms)#			5.8
Discount††	(14.2%)	(7.8%)	
Active share‡	73%	75%	

	Six months to 31 January 2025	Six months to 31 January 2024
Revenue earnings per ordinary share	0.52p	0.59p

	Six months to 31 January 2025	Year to 31 July 2024
Total return†		
Net asset value per ordinary share‡	3.0%	4.8%
Share price‡	(4.0%)	5.1%
MSCI All Country Asia ex Japan Index (in sterling terms)#	6.7%	6.8%

	Six months to 31 January 2025		Year to 31 July 2024	
Period's high and low	High	Low	High	Low
Net asset value per ordinary share*	705.93p	619.53p	712.09p	579.28p
Share price	617.00p	556.00p	657.00p	512.00p
Discount††	(8.7%)	(15.9%)	(5.0%)	(14.5%)

* For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 23 to 24.

† Alternative Performance Measure – see Glossary of terms and Alternative Performance Measures on pages 23 to 24.

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

‡ Key Performance Indicator.

Source: Baillie Gifford/LSEG and relevant underlying index providers. See disclaimer on page 22.

Past performance is not a guide to future performance.

Chairman's statement

Performance

During the first half of the financial year, the Company produced a net asset value ('NAV') total return of 3.0% compared to 6.7% for the comparative index*. Commentary on performance and portfolio positioning is contained in the Managers' Report.

The share price total return over the period was negative 4.0%, as the discount widened from 7.8% to 14.2%.

Share Buybacks

In response to the discount widening, the Company increased its share buybacks. Over the six months to 31 January 2025 the Company bought back 590,771 of its own shares at a total cost of approximately £3.5 million and an average discount of approximately 13%. In the corresponding period to 31 January 2024, the Company bought back 335,775 shares at a cost of approximately £1.8 million and at an average discount of 11%.

Thus far the increased buybacks had only a limited impact on the discount to NAV of the share price and the Board will consider what actions might be taken to reduce the discount further.

Gearing

The Company has a £100 million multi-currency revolving credit facility with the Royal Bank of Scotland International Limited. This facility expires in March 2025 and is being replaced with a £60 million facility with the same lender. At the period end, gearing was 1.9%.

Outlook

As referred to above, investment performance relative to the comparative index was disappointing over the half year. The numbers over one and three years are also below benchmark. Nevertheless, over the longer term 5 and 10 year periods the performance numbers remain very strong.

As a Board we encourage our managers to take a long term perspective both in individual stock selection and in country allocation and this has served shareholders well over those longer periods.

The Board and managers are very positive about macro economic conditions in the region and about the growth companies located there. Accordingly, we remain optimistic about the returns which will accrue to shareholders in the medium to long term.

Roger Yates
Chairman
11 March 2025

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

Managers' review

Overview

Over the six-month reporting period, the Company's net asset value ('NAV') per share total return and the share price total return were positive 3.0% and negative 4.0% respectively. This compares to a total return of positive 6.7% of the MSCI All Country Asia ex Japan Index in sterling terms.

Geographic returns across the region exhibited significant divergence. Most notably, after a significant period of weakness, China rebounded strongly, rising 20.6%, as the government moved to support the economy. Elsewhere, Taiwan continued to perform strongly, rising 16.1%, primarily driven by its semiconductor sector, which experienced strong demand from global investments in artificial intelligence ('AI').

Conversely, South Korea was the worst performing market, falling 15.7%, largely driven by weakness in its technology sector, particularly Samsung Electronics. India, which was one of the best performing Asian markets over the past couple of years, experienced a significant correction, down 8.0%, after valuations became extended and a significant number of company results disappointed market expectations.

Despite having significantly reduced our Indian exposure over the past 18 months, and re-invested much of it into China, our performance disappointed. China was the main detractor, where the Company was hurt by not owning some of the top performing technology companies, including Xiaomi, Meituan and Alibaba. Stock selection in Korea was detrimental, with our large holding in Samsung Electronics being the single largest negative contributor as the company fell behind in high bandwidth memory required in hyperscale datacentres, an issue we believe to be temporary.

Taiwan was our largest positive contributor led by our semiconductor related holdings. This was followed by Singapore, where our significant holding in SEA generated substantial returns as the company's operational performance significantly improved and the share price rose more than 90%. Vietnam, our largest country overweight position (+10.3%), continued to contribute positively.

Some modest changes were made to the portfolio, including continued significant additions to TSMC in Taiwan, increasing our positions in China, in particular internet companies including Pinduoduo and Tencent, and additions to Vietnam. Funding came from a variety of sources, including continued reductions in India. In the six months to 31 January 2025, we increased the gearing of the Company from 0% to 1.9% and bought back 590,771 shares, representing 0.7% of the issued share capital as at 31 July 2024.

Review

Many of the headwinds which hampered Asia for the past several years persist, including the strongest US dollar in decades and geopolitical tensions. Yet Asian economies have not only avoided crisis in this challenging environment, but many have prospered, outpacing growth in many Western nations. This success underscores the much-improved macroeconomic position of Asia today, particularly compared to Western economies.

Combining Asia's favourable macroeconomic position with its structurally faster growth rates and valuations at multi-year lows relative to developed markets, Asia ex Japan appears to be in a sweet spot. Nevertheless, performance thus far failed to fully reflect this positive position.

Two major catalysts could change this. Firstly, a weakening US Dollar would be a substantial tailwind. While predicting short-term currency movements is difficult, longer-term structural factors may put significant downward pressure on the Dollar, including record high valuations, potential US interest rate cuts, continued fiscal expansion, mounting debt, and the drive to re-industrialise the country.

Secondly, an improvement in sentiment for China could be transformative. The country remains a key concern among investors, with the MSCI China Index still more than 40% below its early 2021 peak. While challenges persist, especially in the real estate sector, China appears to have hit an important inflection point in September. The government moved decisively to support the economy, with stimulus plans that are significantly more meaningful than anything seen since the Covid-19 pandemic, including explicit support for the property and equity markets. Notably, these plans have been personally overseen and approved by President Xi Jinping.

Support for China's private sector has continued to strengthen in 2025, with Premier Xi personally endorsing its importance at a public meeting with major technology companies in February. This shift in policy contributed to the strong performance of MSCI China over the past six months.

The potential for further market gains is significant, given the low valuations of many high-quality Chinese companies and the substantial household savings accumulated over recent years (more than \$10tr since the Covid-19 pandemic).

Operationally many Chinese companies continue to perform well, especially in the internet sector. Tencent Holdings and Pinduoduo Inc. have grown earnings an impressive 40% (to c. \$30bn) and 100% (to c.\$17bn) year-over-year, respectively, based on our expected full year earnings for 2024.

These businesses are highly cash-generative and committed to significant shareholder returns through buybacks and/or dividends.

We continued to make modest additions to China, adding to the technology platforms Tencent and Pinduoduo, the fintech firm Lufax, and to the Chinese semiconductor company SG Micro. After the reporting period, we also took new holdings in Haidilao, a leading Chinese restaurant chain and Goneo, a leading manufacturer of electric hardware and sockets. These purchases were funded by the use of gearing, and the sale of Baidu (after the reporting period) due to concerns about the lack of growth in the core search business and increasing competition from newer forms of search.

Meanwhile, India, which had been one of the best performing markets over the past few years, experienced a correction. While the macro-outlook for the country remains good, valuations had become overextended. This led us to reduce our exposure to the country over the past year (a year ago India was 34% of the portfolio and 13% overweight the comparative index, today it is 18.9% and -2.4% underweight). With many companies trading at decade high valuation multiples, and more than half of the companies we monitor missing earnings estimates in their recently quarterly results, there was a sharp correction in the market, especially in the mid and small cap sectors.

We continued to trim our exposure in India. We significantly reduced our holding in Jio Financials, Reliance's fintech business, as we reassessed the company's growth potential. We also trimmed our large position in Equinox (a developer) and sold our remaining small holding in Tata Motors.

In our assessment, Vietnam remains the best structural growth story in Asia, driven by its successful export manufacturing base. The country faced challenges over the past few years due to a corruption clampdown and issues in the property sector. However, with the appointment of Tô Lâm as the General Secretary (effectively the head of the government), Vietnam is likely entering a period of greater political stability, and we are hopeful of a more business-friendly environment.

Geopolitics remains the most significant short-term risk, with Vietnam having a substantial \$100bn trade deficit with the US, and the country will need to manage relations carefully over the coming year.

We made small additions to our holdings in Military Bank (financial) and Mobile World (retailer), and initiated a new holding in Khang Dien Housing, one of the country's leading property developers. These purchases increased Vietnam to a 10.4% absolute position and made it our largest country overweight.

Taiwan's technology industry continued to be the major beneficiary of global investment into artificial intelligence. We added to our holding in TSMC, the world's leading semiconductor manufacturer, which ended the period as our largest holding at 10.8%.

Performance

Underperformance during the period was primarily driven by stock selection in China and South Korea, detracting 200 basis points (bp) and 180bp respectively.

Despite China's strong performance in the comparative index (+20.6%), it was our main detractor despite significant additions over the past year. Our challenges were concentrated in two sectors.

In financials, our longstanding underweight position in Chinese banks, due to concerns over margin pressures, regulatory issues, and state control, cost us over 100bp. While this strategy has been correct long-term, Chinese financials rose nearly 30% in this period as the government bolstered the economy and the property sector.

In Information Technology, despite our overweight position, the sector detracted more than 100bp. We missed out on Xiaomi's 135% rise, driven by strong results and market excitement relating to its AI capabilities, while our main holdings, Silergy and SG Micro, faced weak semiconductor demand.

In South Korea, Samsung Electronics (5.6% of our portfolio) was the largest detractor (-200bp), falling 38% due to setbacks in high bandwidth memory for AI applications. Despite this, Samsung remains the global leader in memory chips, has new semiconductor management, and aims to launch next-generation high bandwidth memory this year. Trading below book value, we see it as an attractive long-term investment.

Kazakhstan's Kaspi, our large holding in the country's leading super app, detracted 80bp following a short seller report questioning its Russian links. We view these concerns as unfounded, given Kaspi's domestic focus (99.7% of gross marketing value is from Kazakh residents). The company continues to perform strongly, with expected revenue and earnings growth of 70% and 25% respectively.

Taiwan emerged as the Trust's best-performing market, contributing 120bp to performance, driven by strong demand for AI infrastructure. Accton, a manufacturer of data centre switches, was our top Taiwanese company, rising 56% on accelerated demand from its key customer, Amazon. Semiconductor-related businesses MediaTek (semiconductor designer) and Chroma (testing equipment) also delivered robust performances.

Singapore followed closely, with SEA, ASEAN's leading ecommerce and gaming company, rising 96% and adding 120bp to performance. The company reached a crucial milestone as its ecommerce business turned profitable in both ASEAN and Brazil, the latter surpassing our expectations. SEA's gaming division saw its flagship title, Free Fire, become the year's most downloaded game globally, while its fintech arm experienced rapid growth, with loan customers expanding 60% year-on-year.

Vietnam showed solid performance, led by Binh Minh Plastics, the country's largest pipes manufacturer, and FPT, Vietnam's premier IT company, which recently unveiled plans for AI factory development and a strategic partnership with NVIDIA.

Notably, several Chinese companies ranked among our top 5 positive contributors, including privately-held ByteDance (owner of Douyin and TikTok), which continued to see revenue growth of approximately 40% year-on-year, and Luckin Coffee, China's largest coffee chain.

Outlook

We maintain our positive outlook for the region, supported by strong growth, record low valuations compared to developed markets, and China moving to support its economy and the private sector.

Baillie Gifford & Co

11 March 2025

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. Regarding the Trust’s private portfolio, the prices are also reviewed twice per year by the respective investment trust 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. 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.

In the period we have seen an improvement in investor sentiment in certain geographies, coupled with the continued dominant performance at the private portfolio company level, all reflected in the valuation movements. That being said, market conditions remain challenging for some private investments in the portfolio tempering valuation increases seen below.

Pacific Horizon Investment Trust PLC*

Average movement per instrument	1.8%
Average movement at private company level	7.3%

* Data reflecting period 1 August 2024 to 31 January 2025 to align with the Company’s reporting period end.

List of investments

as at 31 January 2025 (unaudited)

Name	Geography	Business	Value £'000	% of total assets *
TSMC	Taiwan	Semiconductor manufacturer	68,212	10.8
Samsung Electronics	South Korea	Memory, phones and electronic components manufacturer	35,447	5.6
Tencent Holdings	China	Internet services	30,686	4.9
SEA ADR	Singapore	Internet gaming and ecommerce	21,504	3.4
Equinox India Developments	India	Real estate	21,129	3.4
Dailyhunt (VerSe Innovation) Series I Preferred ^①	India	News aggregator application	15,343	2.4
Dailyhunt (VerSe Innovation) Series Equity ^①	India	News aggregator application	3,064	0.5
Dailyhunt (VerSe Innovation) Series J Preferred ^①	India	News aggregator application	2,193	0.4
			20,600	3.3
ByteDance Series E-1 Preferred ^①	China	Social media	19,574	3.1
Zijin Mining Group	China	Gold and copper miner	17,262	2.7
Accton Technology Corporation	Taiwan	Server network equipment manufacturer	16,789	2.7
Pinduoduo Inc	China	Ecommerce platform	15,449	2.5
Delhivery ^②	India	Logistics and courier services provider	14,432	2.3
SK hynix	South Korea	Semiconductor manufacturer	14,304	2.3
MMG	China	Copper miner	14,013	2.2
Kaspi.kz	Kazakhstan	Banking, ecommerce and payments platform	12,887	2.0
MediaTek	Taiwan	Electronic component manufacturer	12,789	2.0
JD.com	China	Online mobile commerce	12,551	2.0
EO Technics	South Korea	Manufacturer and distributor of semiconductor laser markers	12,545	2.0
Reliance Industries	India	Petrochemical company	12,000	1.9
Luckin Coffee Inc ADR	China	Coffeehouse chain	11,755	1.9
PolicyBazaar	India	Online financial services platform	11,445	1.8
Phoenix Mills	India	Commercial property manager	11,186	1.8
Mobile World Investment Corporation	Vietnam	Electronic and grocery retailer	10,833	1.7
HDBank	Vietnam	Consumer bank	10,507	1.7

* For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 23 to 24.

① Denotes private company investment.

② Denotes listed security previously held in the portfolio as a private company investment.

Name	Geography	Business	Value £'000	% of total assets *
Lemon Tree Hotels	India	Owner and operator of a chain of Indian hotels and resorts	10,470	1.7
Prestige Estate Projects	India	Owner and operator of residential real estate properties	10,462	1.7
FPT Corporation	Vietnam	IT service provider	10,268	1.6
Midea Group A shares	China 'A' shares	Household appliance manufacturer	9,993	1.6
Bank Rakyat	Indonesia	Consumer bank	9,734	1.6
Ping An Insurance	China	Life insurance provider	9,707	1.5
Baidu Inc	China	Internet provider	9,086	1.5
Military Commercial Joint Stock Bank	Vietnam	Retail and corporate bank	8,925	1.4
SG Micro A Shares	China 'A' shares	Semiconductor manufacturer	8,335	1.3
KE Holdings	China	Real estate platform	7,368	1.2
KE Holdings ADR	China	Real estate platform	673	0.1
			8,041	1.3
Silergy	Taiwan	Semiconductor manufacturer	7,693	1.2
Coupang	South Korea	Ecommerce business	7,308	1.2
Zhejiang Supor Co A Shares	China 'A' shares	Manufacturer of cookware and home appliance products	6,701	1.1
Khan Dien House Trading and Investment Joint Stock Company	Vietnam	Real estate	6,530	1.1
SK Square	South Korea	Asset manager, investing in semiconductors and information and communications technologies	6,254	1.0
MicroConnect ^①	Hong Kong	SME financing exchange	6,231	1.0
Binh Minh Plastics Joint Stock Company	Vietnam	Plastic piping manufacturer	6,209	1.0
Fabrinet	Thailand	Manufacturer of optical and electro-mechanical services	6,039	1.0
Hoa Phat Group	Vietnam	Steel and related products manufacturer	5,869	0.9
Chroma ATE	Taiwan	Manufacturer of electronic measuring instruments	5,601	0.9
Lufax Holding	China	Online financial services platform	4,666	0.7
ASMPT	Hong Kong	Semiconductor manufacturer	4,653	0.7

* For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 23 to 24.

① Denotes private company investment.

② Denotes listed security previously held in the portfolio as a private company investment.

Name	Geography	Business	Value £'000	% of total assets *
Jadestone Energy	Singapore	Oil and gas explorer and producer	4,620	0.7
Precision Tsugami	China	Industrial machinery manufacturer	4,064	0.7
Li-Ning	China	Sportswear apparel supplier	4,025	0.6
Ramkrishna Forgings	India	Auto parts manufacturer	3,982	0.6
PT AKR Corporindo Tbk	Indonesia	Logistics and supply chain	3,914	0.6
Vietnam Enterprise Investments Limited	Vietnam	Investment fund	3,280	0.5
Vinh Hoan Corporation	Vietnam	Food producer	3,053	0.5
Techtronic Industries	Hong Kong	Power tool manufacturer	2,547	0.4
AirTAC International Group	Taiwan	Pneumatic components manufacturer	2,061	0.3
Jio Financial Services	India	Financial service business	1,929	0.3
Brilliance China Automotive	China	Minibus and automotive components manufacturer	1,002	0.2
Hyundai Motor India	India	Automotive manufacturer	807	0.1
Chalice	China	Miner	606	0.1
Chime Biologics ^①	China	Biopharmaceutical company	46	<0.1
Eden Biologics ^②	Taiwan	Biopharmaceutical company	10	<0.1
Total investments			632,620	100.6
Net liquid assets*			(3,551)	(0.6)
Total assets*			629,069	100.0

	Listed equities %	Private company investments † %	Net liquid assets * %	Total assets * %
31 January 2025	93.2	7.4	(0.6)	100.0
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 23 to 24.

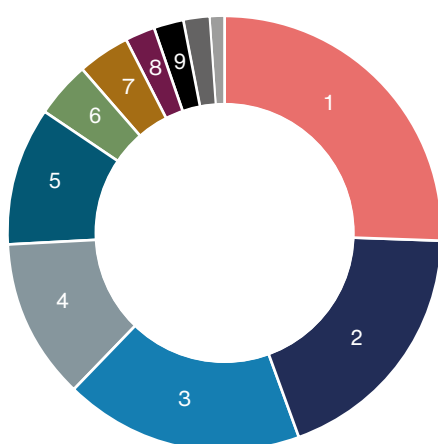
† Includes holdings in ordinary shares and preference shares.

① Denotes private company investment.

② Denotes listed security previously held in the portfolio as a private company investment.

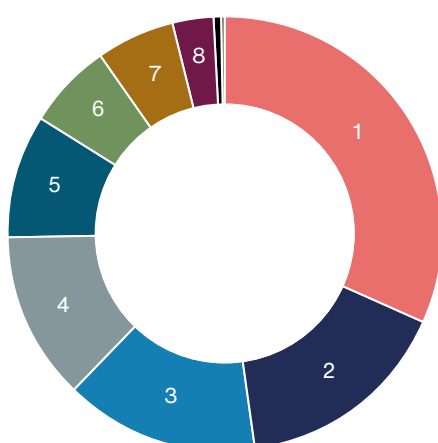
Distribution of total assets* (unaudited)

Geographical analysis at 31 January 2025



Geographical	% at 31 January 2025	% at 31 July 2024
1 China	25.9	22.6
2 India	18.9	23.0
3 Taiwan	17.9	14.7
4 South Korea	12.1	17.0
5 Vietnam	10.4	8.7
6 Singapore	4.1	3.7
7 China 'A' shares	4.0	3.2
8 Indonesia	2.2	2.6
9 Hong Kong	2.1	2.4
10 Kazakhstan	2.0	2.8
11 Thailand	1.0	-
12 Net liquid assets	(0.6)	(0.7)

Sectoral analysis at 31 January 2025



Sectoral	% at 31 January 2025	% at 31 July 2024
1 Information Technology	32.1	32.5
2 Communication Services	16.2	13.2
3 Consumer Discretionary	14.6	13.2
4 Financials	12.5	14.2
5 Real Estate	9.3	10.0
6 Materials	6.5	6.9
7 Industrials	5.7	6.0
8 Energy	3.2	4.2
9 Consumer Staples	0.5	0.5
10 Healthcare	<0.1	<0.1
11 Net liquid assets	(0.6)	(0.7)

* For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 23 to 24.

Income statement (unaudited)

	Notes	For the six months ended 31 January 2025			For the six months ended 31 January 2024			For the year ended 31 July 2024 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments		-	16,087	16,087	-	(22,963)	(22,963)	-	33,438	33,438
Currency gains/(losses)		-	179	179	-	(145)	(145)	-	(113)	(113)
Income		3,626	-	3,626	3,067	-	3,067	8,987	-	8,987
Investment management fee	3	(1,831)	-	(1,831)	(1,628)	-	(1,628)	(3,458)	-	(3,458)
Other administrative expenses		(406)	-	(406)	(368)	-	(368)	(830)	-	(830)
Net return before finance costs and taxation		1,389	16,266	17,655	1,071	(23,108)	(22,037)	4,699	33,325	38,024
Finance costs of borrowings		(482)	-	(482)	(202)	-	(202)	(401)	-	(401)
Net return before taxation		907	16,266	17,173	869	(23,108)	(22,239)	4,298	33,325	37,623
Tax	4	(440)	894	454	(328)	(5,424)	(5,752)	(834)	(9,875)	(10,709)
Net return after taxation		467	17,160	17,627	541	(28,532)	(27,991)	3,464	23,450	26,914
Net return per ordinary share	5	0.52p	18.97p	19.49p	0.59p	(31.38p)	(30.79p)	3.82p	25.82p	29.64p

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 issued 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 total comprehensive income for the period.

Balance sheet (unaudited)

	Notes	At 31 January 2025 £'000	At 31 July 2024 (audited) £'000
Fixed assets			
Investments held at fair value through profit or loss	7	632,620	606,173
Current assets			
Debtors		842	790
Cash and cash equivalents		3,759	4,205
		4,601	4,995
Creditors			
Amounts falling due within one year:			
Bank loans		(15,325)	-
Other creditors and accruals		(1,553)	(1,507)
Net current assets		(12,277)	3,488
Total assets less current liabilities		620,343	609,661
Creditors			
Amounts falling due after more than one year:			
Provision for tax liability	9	(6,599)	(7,691)
Net assets		613,744	601,970
Capital and reserves			
Share capital	10	9,208	9,208
Share premium account		254,120	254,120
Capital redemption reserve		20,367	20,367
Capital reserve		322,593	308,888
Revenue reserve		7,456	9,387
Total shareholders' funds		613,744	601,970
Net asset value per ordinary share		681.44p	664.01p
Ordinary shares in issue	10	90,065,980	90,656,751

Statement of changes in equity (unaudited)

For the six months ended 31 January 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		-	-	-	17,160	467	17,627
Ordinary shares bought back into treasury	10	-	-	-	(3,455)	-	(3,455)
Dividends paid during the period	6	-	-	-	-	(2,398)	(2,398)
Shareholders' funds at 31 January 2025		9,208	254,120	20,367	322,593	7,456	613,744

For the six months ended 31 January 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		-	-	-	(28,532)	541	(27,991)
Ordinary shares bought back into treasury	10	-	-	-	(1,820)	-	(1,820)
Dividends paid during the period	6	-	-	-	-	(2,954)	(2,954)
Shareholders' funds at 31 January 2024		9,208	254,120	20,367	257,431	6,464	547,590

* The capital reserve balance at 31 January 2025 includes investment holding gains of £112,017,000 (31 January 2024 – gains of £85,384,000).

Cash flow statement (unaudited)

	Six months to 31 January 2025 £'000	Six months to 31 January 2024 £'000
Cash flows from operating activities		
Net return before taxation	17,173	(22,239)
<i>Adjustments to reconcile company profit before tax to net cash flow from operating activities</i>		
Net (gains)/losses on investments	(16,087)	22,963
Currency (gains)/losses	(179)	145
Finance costs of borrowings	482	202
<i>Other capital movements</i>		
Changes in debtors	138	(395)
Changes in creditors	(24)	(121)
<i>Taxation</i>		
Overseas withholding tax incurred	(428)	(259)
Indian tax paid on transactions	(198)	(644)
Cash from operations*	877	(348)
Interest paid	(421)	(201)
Net cash inflow/(outflow) from operating activities	456	(549)
Cash flows from investing activities		
Acquisitions of investments	(28,850)	(52,638)
Disposals of investments	18,297	49,305
Net cash outflow from investing activities	(10,553)	(3,333)
Cash flows from financing activities		
Ordinary shares bought back into treasury	(3,455)	(1,745)
Borrowings drawn down	15,325	-
Equity dividends paid	(2,398)	(2,954)
Net cash inflow/(outflow) from financing activities	9,472	(4,699)
Decrease in cash and cash equivalents	(625)	(8,581)
Exchange movements	179	(145)
Cash and cash equivalents at start of period	4,205	12,442
Cash and cash equivalents at end of period	3,759	3,716

* Cash from operations includes dividends received of £3,743,000 (31 January 2024 – £2,601,000) and interest received of £56,000 (31 January 2024 – £91,000).

Notes to the condensed Financial Statements (unaudited)

01 Basis of accounting

The condensed Financial Statements for the six months to 31 January 2025 comprise the statements set out on pages 12 to 16 together with the related notes on pages 17 to 20. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in November 2014 and updated in October 2019, April 2021 and July 2022 with consequential amendments. They have not been audited or reviewed by the auditor pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Financial Statements for the six months to 31 January 2025 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 2024.

Going concern

The Directors have considered the Company's principal risks and uncertainties, as set out on the inside cover of this report, together with the Company's current position, investment objective and policy, the level of demand for the Company's shares, the nature of its assets, its liabilities and projected income and expenditure. 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. It is the Directors' opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. 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. 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. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements and confirm that they are not aware of any material uncertainties which may affect the Company's ability to continue to do so over a period of at least twelve months from the date of approval of these Financial Statements.

02 Financial information

The financial information contained within this Interim 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 2024 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, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

03 Investment manager

Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed by the Company as its Alternative Investment Fund Managers 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 Managers may terminate the Management Agreement on six months' notice and the Company may terminate on three months' notice. 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 Tax

The revenue tax charge includes the overseas withholding tax suffered in the period. The capital tax charge results from the provision for tax liability in respect of Indian capital gains tax as detailed in note 9.

05 Net return

	Six months to 31 January 2025 £'000	Six months to 31 January 2024 £'000	Year to 31 July 2024 (audited) £'000
Revenue return after taxation	467	541	3,464
Capital return after taxation	17,160	(28,532)	23,450
Total net return	17,627	(27,991)	26,914
Net return per ordinary share			
Revenue return after taxation	0.52p	0.59p	3.82p
Capital return after taxation	18.97p	(31.38p)	25.82p
Total net return per ordinary share	19.49p	(30.79p)	29.64p
Weighted average number of ordinary shares in issue	90,437,115	90,921,470	90,804,045

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 (excluding treasury shares) during each period.

There are no dilutive or potentially dilutive shares in issue.

06 Dividends

	Six months to 31 January 2025 £'000	Six months to 31 January 2024 £'000	Year to 31 July 2024 (audited) £'000
Amounts recognised as distributions in the period:			
Previous year's final dividend of 2.65p (31 July 2023 – 3.25p), paid 28 November 2024	2,398	2,954	2,954
Amounts paid and payable in respect of the period:			
Final dividend (31 July 2024 – 2.65p)	–	–	2,398

No interim dividend has been declared in respect of the current period.

07 Fixed assets – investments

The Company's investments in securities are financial assets held at fair value through profit or loss. 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).

An analysis of the Company's financial asset investments based on the fair value hierarchy described above is shown below.

Investments held at fair value through profit or loss

As at 31 January 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	586,159	-	-	586,159
Unlisted equities	-	-	9,351	9,351
Unlisted preference shares†	-	-	37,110	37,110
Total financial asset investments	586,159	-	46,461	632,620

As at 31 July 2024 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	563,410	-	-	563,410
Unlisted equities	-	-	9,036	9,036
Unlisted preference shares†	-	-	33,727	33,727
Total financial asset investments	563,410	-	42,763	606,173

† 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.

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.

08 Financial liabilities

The Company has a £100 million multi-currency revolving 3 year credit facility with The Royal Bank of Scotland International Limited, which expires on 14 March 2025. At 31 January 2025, creditors falling due within one year include £15,325,000 draw down (31 July 2024 – no outstanding drawings).

09 Provision for tax liability

The tax liability provision at 31 January 2025 of £6,599,000 (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 10% and short term capital gains are taxed at 15%). 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.

10 Share capital

	As at 31 January 2025		As at 31 July 2024 (audited)	
	Number	£'000	Number	£'000
Allotted, called up and fully paid ordinary shares of 10p each in issue	90,065,980	9,007	90,656,751	9,066
Treasury shares of 10p each	2,008,981	201	1,418,210	142
	92,074,961	9,208	92,074,961	9,208

The Company has authority to allot shares under section 551 of the Companies Act 2006. In accordance with authorities granted at the last Annual General Meeting in November 2024, buy-backs will only be made at a discount to net asset value and the Board has authorised use of the issuance authorities to issue new shares or sell shares from treasury at a premium to net asset value 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 2025, the Company issued no ordinary shares (year to 31 July 2024 – no ordinary shares from treasury). At 31 January 2025 the Company had authority to allot or sell from treasury 9,061,688 ordinary shares without application of pre-emption rights.

In the six months to 31 January 2025, 590,771 shares, representing 0.7% of the issued share capital as at 31 July 2024, were bought back at a total cost of £3,455,000 and held in treasury (year to 31 July 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 held in treasury). As at 31 January 2025, the Company had authority remaining to buy back 13,244,058 ordinary shares on an ad hoc basis.

Over the period from 31 January 2024 to 11 March 2025 the Company has issued no further shares from treasury and 188,000 shares were bought back.

11 Transaction costs on purchases

During the period, transaction costs on purchases amounted to £21,000 (31 January 2024 – £36,000; 31 July 2024 – £206,000) and transaction costs on sales amounted to £30,000 (31 January 2024 – £92,000; 31 July 2024 – £399,999).

12 Related party transactions

There have been no transactions with related parties during the first six months of the current financial year that have materially affected the financial position or the performance of the Company during that period and there have been no changes in the related party transactions described in the last Annual Report and Financial Statements that could have had such an effect on the Company during that period.

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

Further shareholder information

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 – find out more by visiting pacifichorizon.co.uk.

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

Website: bailliegifford.com

Address:

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

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.

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/government/publications/exchange-of-information-account-holders.

Third party data provider disclaimer

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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 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 in issue (excluding shares held in treasury).

Net liquid assets

Net liquid assets comprise current assets less current liabilities (excluding borrowings) and provisions for deferred liabilities.

Discount/premium (APM)

As stockmarkets 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.

		As at 31 January 2025 £'000	As at 31 July 2024 (audited) £'000
Net asset value per ordinary share	(a)	681.44p	664.01p
Share price	(b)	585.00p	612.00p
Discount	((b) - (a)) ÷ (a)	(14.2%)	(7.8%)

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.

		As at 31 January 2025 NAV	As at 31 January 2025 Share price	As at 31 July 2024 NAV	As at 31 July 2024 Share price
Closing NAV per share/share price	(a)	681.44p	585.00p	664.01p	612.00p
Dividend adjustment factor*	(b)	1.0040	1.0040	1.0060	1.0060
Adjusted closing NAV per share/share price	(c) = (a) x (b)	684.17p	587.34p	667.99p	615.67p
Opening NAV per share/share price	(d)	664.01p	612.00p	637.18p	586.00p
Total return	(c) ÷ (d) -1	3.0%	(4.0%)	4.8%	5.1%

* The dividend adjustment factor is calculated on the assumption that the final dividend of 2.65p (31 July 2023 – 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.

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.

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.

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.

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

		As at 31 January 2025 £'000	As at 31 July 2024 (audited) £'000
Borrowings (at book value)		15,325	-
Less: cash and cash equivalents		(3,759)	(4,205)
Less: sales for subsequent settlement		(202)	-
Add: purchases for subsequent settlement		282	273
Adjusted borrowings	(a)	11,646	(3,932)
Shareholders' funds	(b)	613,744	601,970
Gearing: (a) as a percentage of (b)		1.9%	(1%)

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

		As at 31 January 2025 £'000	As at 31 July 2024 (audited) £'000
Borrowings (at book value)	(a)	15,325	-
Shareholders' funds	(b)	613,744	580,355
Gross gearing: (a) as a percentage of (b)		2.5%	-

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.

Active share (APM)

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.

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.

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.

Company information

Directors

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

Registrar

Computershare Investor Services PLC

The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

T: +44 (0)370 707 1229

Independent Auditor

BDO LLP

55 Baker Street
London
W1U 7EU

Registered office

Baillie Gifford & Co

3 St. Helen's Place
London
EC3A 6AB

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

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

Company Broker

JP Morgan Cazenove

25 Bank Street
Canary Wharf
London
E14 5JP

Company details

pacifichorizon.co.uk

Company Registration No. 02342193

ISIN: GB0006667470

Sedol: 0666747

Ticker: PHI

Legal Entity Identifier:
VLGEI9B8R0REWKB0LN95

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