

Baillie Gifford Global Discovery Fund

a sub-fund of Baillie Gifford Overseas Growth Funds ICVC



Authorised Corporate Director's Annual Short Report for the year ended 30th April 2012

Investment Objective

The Fund aims to achieve above average long term capital growth.

Investment Policy

To invest mainly in shares of companies worldwide which we consider offer excellent future growth prospects. Investment may also be in other transferable securities (for example bonds, debentures, loan stock), money market instruments, cash and near cash.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk				
←	1	2	3	4	5	6	7	→

Please note that even the lowest risk class can lose you money and that extreme adverse market circumstances can mean you suffer severe losses in all cases. Some risks which can't be easily measured may not be fully captured by the Risk and Reward Indicator. The Fund is classified in the category above because it invests in company shares which generally provide higher rewards and higher risks than other investments, such as bonds or cash. As the Fund changed its investment objective and policy on 1st May 2011, the returns of the Fund's sector are used in its place prior to this date to calculate the Risk and Reward Indicator. The indicator does not take into account the following material risks of investing in this Fund: Investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in the

Fund, and any income from it, can fall as well as rise and you may not get back the amount invested. Custody of assets may, particularly in emerging markets, involve a risk of loss if the custodian becomes insolvent or breaches duties of care. Where possible, all charges are taken from the Fund's revenue. Where there is insufficient revenue, the remainder will be taken from capital. This will reduce the value of the Fund.¹

Investment Report

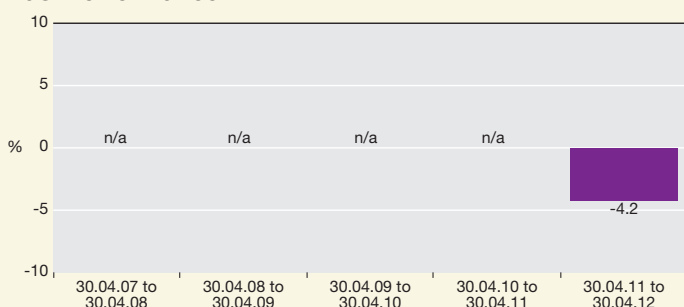
In the year to 30th April 2012 the return on A Net Accumulation Shares was -4.2%² compared to the return on the S&P Global Small Cap Index of -6.0%³, in sterling terms. On the 1st May 2011 Baillie Gifford European Smaller Companies Fund converted into Baillie Gifford Global Discovery Fund. The reason behind this change is simple: Application of technology and the associated globalisation of trade are increasingly prominent themes for all businesses regardless of their size. This can relate to where a company sells its product, sources its components, or perceives its opportunities or threats. We believe the portfolio will benefit in the long run through considering a company's attractiveness in a genuinely global context and the adoption of a more holistic approach.

The opposing forces of public sector debt fears and tentative signs of economic recovery in the US have resulted in markets making little progress over the period under discussion. While policy makers in Europe have sought to buy time with ever increasing bailouts and liquidity provisions, we are mindful that the medium-term outlook for economic growth looks relatively modest. The message from the corporate sector has remained comparatively positive with limited direct read across from the economic fears to end demand. While we recognise the uninspiring economic backdrop, we would emphasise that the listed corporate sector is relatively well positioned on account of substantially stronger balance sheets and improved productivity compared with the onset of the credit crunch in 2007.

We have long observed that the success (or failure) of smaller companies is more often determined by the individual company's actions rather than what is happening with the economy at large. Moreover, with the impact of technology and innovation arguably accelerating, the opportunities for long-term growth investors remain strong. We continue to believe that the portfolio of stocks in the Fund can continue deliver superior investment returns over time.

Douglas Brodie, 17th May 2012

Past Performance²



The performance figures shown in this graph are for Class A Net Accumulation Shares. Performance figures reflect the ACD's annual fee of 1.5%, but exclude any initial charge paid. There are not 5 full years of performance shown as the Fund changed its investment objective and policy on 1st May 2011. More recent performance for Class A Net Accumulation Shares and the other share classes in issue can be obtained by calling the ACD. Your call may be recorded for training or monitoring purposes. You should be aware that past performance is not a guide to future performance.

Net Asset Values (as at the Year End)

Share Class	Net Asset Value per Share 30.04.12	Net Asset Value per Share ⁴ 30.04.11
A Net Accumulation	404.1p	421.6p
B Net Income	376.5p	391.7p
B Net Accumulation	436.3p	450.7p
C Net Income	378.3p	393.4p
C Net Accumulation	471.7p	484.3p

Distributions (for the Calendar Year)

Share Class	Net Income per Share 2012	Net Income per Share ⁴ 2011
A Net Accumulation	0.00p	7.12p
B Net Income	2.77p	9.48p
B Net Accumulation	3.14p	10.73p
C Net Income	5.13p	11.82p
C Net Accumulation	6.05p	16.83p

Ongoing Charges Figures (for the Financial Year)

Share Class	Ongoing Charges Figure 30.04.12	Ongoing Charges Figure ⁴ 30.04.11
A Net Accumulation	1.69%	1.59%
B Net Income	0.84%	0.76%
B Net Accumulation	0.80%	0.69%
C Net Income	0.17%	0.12%
C Net Accumulation	0.16%	0.12%

Highest and Lowest Prices (for the Calendar Year)

Share Class	Highest Price per Share 2012	Lowest Price per Share 2012	Highest Price per Share ⁴ 2011	Lowest Price per Share ⁴ 2011
A Net Accumulation	408.2p	349.6p	434.6p	330.0p
B Net Income	382.8p	326.7p	404.7p	307.8p
B Net Accumulation	440.4p	375.8p	465.5p	354.2p
C Net Income	386.7p	329.3p	406.9p	309.9p
C Net Accumulation	475.9p	405.3p	500.7p	381.4p

Fund Facts

XD Date: 30th April

Distribution Payment Date: 30th June

¹Further details of the risks associated with investing in the Fund can be found in the Prospectus which is available by calling Client Relations on 0800 917 2113.

²Source: Baillie Gifford & Co Ltd, bid to bid (closing prices), net income reinvested. ³Source: DataStream, total return. You should be aware that past performance is not a guide to future performance. ⁴Figures relating to 30/4/11 and 2011 relate to the period prior to the change in name and investment objective of the Fund.

Major Holdings

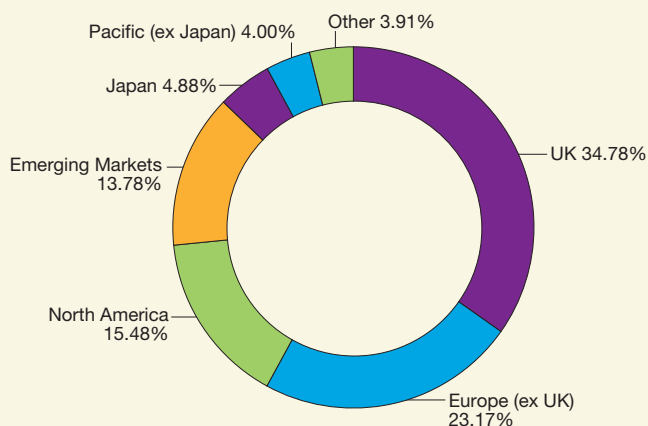
The Fund's 10 largest holdings at the end of this year and the previous year end are shown below.

Holdings	% of Fund Value as at 30.04.12
1 IP Group Plc	5.52
2 Stratasys	3.80
3 Imagination Technologies	2.76
4 Rightmove	2.52
5 So-Net Entertainment Corp	2.47
6 SDL Plc	2.39
7 XING	2.36
8 YOOX	2.21
9 Genus	2.15
10 ASOS	2.01

Holdings	% of Fund Value ⁴ as at 30.04.11
1 Grenkeleasing	4.56
2 D'leteren	4.19
3 Bechtle	3.94
4 Sabaf	3.88
5 Proffice	3.69
6 Basware OYJ	3.18
7 Sligro Beheer	3.12
8 Zumtobel AG	2.82
9 YOOX	2.76
10 XING	2.60

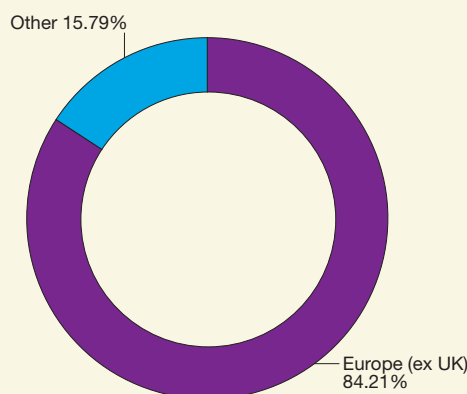
Classification of Investments

30th April 2012



Net assets: £20,565,000

30th April 2011⁴



Net assets: £20,405,000

Report and Accounts

Copies of the annual and interim Long Report and Financial Statements of the Fund are available free of charge on request by calling the ACD.

Other Information

The Fund is a UCITS retail scheme under the Financial Services Authority's Collective Investment Schemes Sourcebook ('COLL'). Shareholders are not liable for the debts of the ICVC beyond the amount subscribed. The information in this report is designed to enable shareholders to make an informed judgement on the activities of the Fund during the year it covers and the result of those activities at the end of the year. For more information about the activities and performance of the Fund during this and previous years, please call Client Relations: 0800 917 2113 (fax 0131 275 3955) or visit our website at www.bailliegifford.com or e-mail us at trustenquiries@bailliegifford.com. Any comments expressed in this report should not be taken as a recommendation or advice.

Minimum Investment Levels

The minimum initial investment is £1,000 for Class A Shares (£50 per month for the Monthly Savings Plan) and £250,000 for Class B Shares. Class C Shares are only available to persons to whom an associate of the ACD provides services under an investment management agreement. Details of the minimum holding and redemption levels can be found in the Supplementary Information Document and full Prospectus.

Replacement of Simplified Prospectus

As part of a European Directive⁵ the Simplified Prospectus ('SP') will be replaced by the Key Investor Information Document ('KIID') together with a Supplementary Information Document ('SID'). The KIID is designed to replace the SP and to provide investors with clearer information. The SID ought to be read in conjunction with the KIID. This document includes additional information which an investor needs to be aware of and which is not in the new KIID. We replaced the SP with the KIID with effect from 4th June 2012.

⁵Directive 2009/65/EC of the European Parliament and of the Council of 13th July 2009.

Authorised Corporate Director

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Edinburgh EH1 3AN

Depository

National Westminster Bank Plc
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FSA Register No. 121878)
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The Broadstone,
50 South Gyle Crescent,
Edinburgh EH12 9LD

Investment Manager

Baillie Gifford & Co
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FSA Register No. 142597)
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Edinburgh EH1 3AN

Auditor

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20 Castle Terrace,
Edinburgh EH1 2EG

Registrar

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