

Baillie Gifford Japanese Fund

a sub-fund of Baillie Gifford Overseas Growth Funds ICVC



Authorised Corporate Director's Annual Short Report for the year ended 30th April 2014

Investment Objective

The Fund aims to achieve capital growth.

Investment Policy

To invest in any economic sector in Japan. Investment will be mainly in shares in companies.

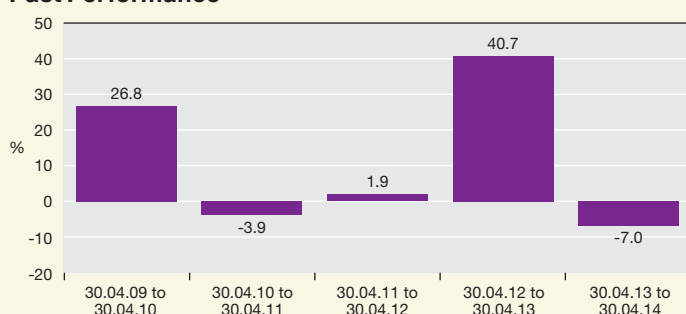
Risk and Reward Profile¹

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. 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. The indicator does not take into account the following relevant material risks: 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 involve a risk of loss if the custodian becomes insolvent or breaches duties of care. The Fund's exposure to a single market and currency may increase share price movements. 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 capital value of the Fund. We are aware that the Scottish Referendum Vote in September 2014 introduces elements of political uncertainty which may have practical consequences. We will continue to closely monitor these developments.

Past Performance⁴



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. Please note these returns differ from the return quoted in the Investment Report, which is based on the closing net asset value at the year end. Performance figures for the other share classes in issue can be obtained by calling Client Relations. 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 30.04.14	Net Asset Value per Share 30.04.13
A Net Accumulation	701.4p	750.3p
B Net Income	724.3p	774.6p
B Net Accumulation	783.4p	831.3p
C Net Income	727.6p	778.4p
C Net Accumulation	852.8p	899.1p

Investment Report

For the year to 30th April 2014 the return on A Net Accumulation Shares was -6.5%² compared to the return on the Topix Index of -10.6%³, in sterling terms. We believe that shorter-term performance measurements are of limited relevance in assessing investment ability and would suggest that five years is a more sensible time frame over which to judge performance.

The Japanese economy made significant progress during the course of the year. GDP expanded, inflation was positive, property prices in urban areas rose and bank lending increased. Meanwhile the stronger domestic economy, the weak yen and the efforts of management resulted in significant growth in profits at listed companies. Against this background it was perhaps surprising that the stock market made little progress, although this may reflect the significant upward move in the market prior to the start of the Fund's year. The end result is that the Japanese market is trading at its lowest price compared with earnings for many years.

During the course of the year we sold eight holdings and took new positions in eight companies, resulting in the overall number of holdings remaining constant at 59. Sales included Japan Airlines, where the share advance following the return of the company to the market meant that we could see limited further upside; and Nippon Yusen, the shipping company, where we have been disappointed with the efforts made by management to improve profits. New holdings include Toyota Tsusho, a business that dominates car distribution in Africa and where we see prospects for significant profit growth as car ownership in the continent expands from a very low base; and CyberAgent, a rapidly growing internet business operating a social blog and running a successful internet advertising business.

Currently we are able to find a significant number of attractive businesses trading at low multiples of earnings. If external demand remains solid then we believe the longer-term prospects for the shares of many Japanese companies remain good. Therefore we are continuing with our policy of trying to identify businesses with good growth prospects and solid competitive positions and then holding them for the long term to benefit from the growth in business value.

Matthew Brett and Sarah Whitley, 24th May 2014

Distributions (for the Calendar Year)

Share Class	Net Income per Share Period to 30.04.14	Net Income per Share Year to 31.12.13
A Net Accumulation	0.00p	1.91p
B Net Income	5.77p	6.89p
B Net Accumulation	6.06p	7.17p
C Net Income	10.67p	10.61p
C Net Accumulation	12.33p	12.09p

Ongoing Charges Figures (for the Financial Year)⁵

Share Class	Ongoing Charges Figure 30.04.14	Ongoing Charges Figure 30.04.13
A Net Accumulation	1.49% ⁶	1.49%
B Net Income	0.66%	0.66%
B Net Accumulation	0.68%	0.70%
C Net Income	0.04%	0.05%
C Net Accumulation	0.04%	0.05%

Highest and Lowest Prices (for the Calendar Year)

Share Class	Highest Price per Share 2014	Lowest Price per Share 2014	Highest Price per Share 2013	Lowest Price per Share 2013
A Net Accumulation	796.7p	694.0p	800.0p	550.0p
B Net Income	827.3p	722.2p	826.2p	571.4p
B Net Accumulation	887.8p	775.0p	886.7p	607.8p
C Net Income	835.0p	730.0p	830.6p	575.7p
C Net Accumulation	964.6p	843.3p	959.5p	656.1p

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, closing net asset value, net income accumulated. ³Source: FE, net income. ⁴Source: FE, 10am dealing prices, net income accumulated.

⁵The ongoing charges figure is based on the expenses for the financial year and may vary from year to year. It excludes the cost of buying and selling assets for the Fund. Until 31st March 2014 the ACD's annual fee was calculated on a monthly basis which could lead to distortions in the calculated ongoing charges figure when a share class was expanding or contracting. From 1st April 2014 the ACD's annual fee is calculated on a daily basis. ⁶The ACD considers 1.54% to be a more indicative rate for the ongoing charges figure for Class A Net Accumulation Shares. You should be aware that past performance is not a guide to future performance.

Major Holdings

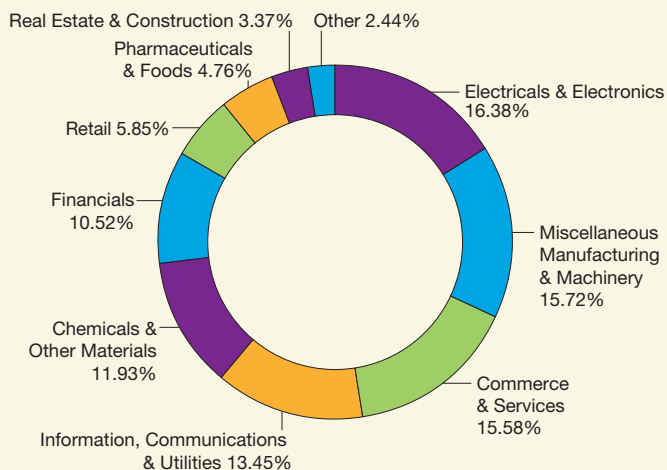
The Fund's 10 largest holdings at the end of this year and the previous year end are shown below.

Holdings	% of Fund Value as at 30.04.14
1 Kyocera	3.07
2 Inpex Holdings Inc	2.98
3 Mitsui	2.77
4 Rakuten Inc	2.75
5 SBI Holdings Inc	2.73
6 Softbank Corp	2.66
7 Sumitomo Corp	2.61
8 Fuji Heavy Industries Ltd	2.39
9 KDDI	2.38
10 Kao	2.32

Holdings	% of Fund Value as at 30.04.13
1 SBI Holdings Inc	4.18
2 Japan Tobacco	3.35
3 Nintendo	3.26
4 Hikari Tsushin	3.26
5 KDDI	3.03
6 Mitsubishi Estate	2.98
7 Fuji Heavy Industries Ltd	2.95
8 Japan Exchange Group	2.92
9 GMO Internet	2.87
10 Don Quijote	2.84

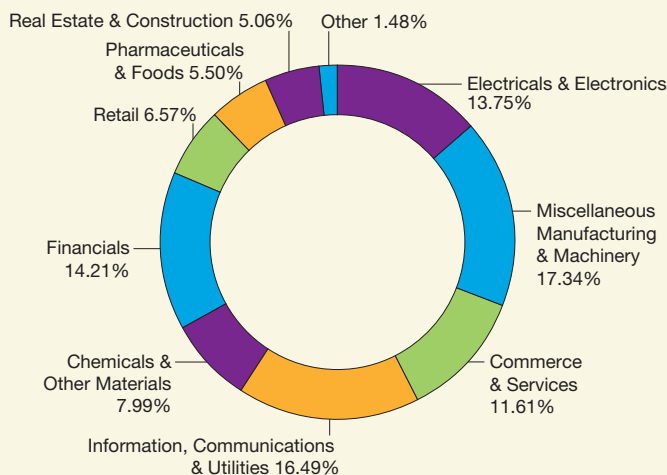
Classification of Investments

30th April 2014



Net assets: £500,040,000

30th April 2013



Net assets: £273,365,000

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 Client Relations.

Protected Cell Regime

With effect from 12th December 2013, the ACD moved the ICVC to the 'protected cell regime'. The new rules limit the recourse of creditors to just the assets of the relevant sub-fund and not all the sub-funds of the umbrella company.

Other Information

The Fund is a UCITS retail scheme under the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). Shareholders are not liable for the debts of the Fund 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 email us at trustenquiries@bailliegifford.com. Any comments expressed in this report should not be taken as a recommendation or advice.

Amendment to the Depositary's Fee

With effect from 1st February 2014, the fee charged by the Depositary was reduced from a rate of 0.045% plus VAT per annum of the first £50,000,000 and a sliding scale thereafter, to a flat rate of 0.01% plus VAT per annum.

Fund Charges and Costs

We are obliged to quote performance based on the Class A Shares, which have the highest ACD's annual fee. Our Class B Shares carry a lower ACD's annual fee as well as a lower initial charge, than the equivalent Class A Shares, and associated distributions may be higher than the equivalent Class A Shares. If you have any questions on the merits of a conversion to the Class B Shares we would suggest that you contact a financial adviser. Performance numbers for Class B Shares are available by contacting the Client Relations Team on 0800 917 2113.

A further explanation of charges and costs relating to the Fund can be found in the Enhanced Disclosure of Fund Charges and Costs document on our website.

Fund Facts

XD Date: 30th April.

Distribution Payment Date: 30th June.

Minimum Investment Levels

The minimum initial investment is £1,000 for Class A Shares (£50 per month for the Monthly Savings Plan) and £10,000 for Class B Shares (£500 per month for the Monthly Savings Plan). 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 Prospectus.

Authorised Corporate Director ('ACD')

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

Depositary

National Westminster Bank Plc
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Trustee & Depositary Services,
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Edinburgh EH12 9RH

Investment Manager

Baillie Gifford & Co
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Calton Square,
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Auditor

KPMG Audit Plc
Saltire Court,
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Edinburgh EH1 2EG

Registrar

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Calton Square,
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