

Authorised Corporate Director's Annual Short Report for the year ended 31st January 2014

Investment Objective

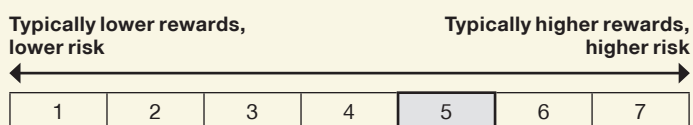
The Fund aims to achieve above average returns, mainly through capital growth, over the long term.

Investment Policy

To invest in any economic sector worldwide, either directly or indirectly. Investment will mainly be in shares of companies, bonds and other funds. Derivatives, which are a type of financial contract, may be used to protect or increase the value of the Fund.

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.



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 mainly in company shares, bonds and other funds which generally provide higher rewards and higher risks than other investments such as investment solely in bonds or cash. 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 involve a risk of loss if the custodian becomes insolvent or breaches duties of care. The Fund invests in emerging markets where difficulties in trading could arise, resulting in a negative impact on the

value of your investment. The issuers of bonds in which the Fund invests may not meet their obligations which could mean that the bonds lose some or all of their value. Bonds issued by companies and governments may be adversely affected by changes in interest rates and expectations of inflation. The Fund's use of financial contracts may impact on its performance. 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.¹

Investment Report

For the year to 31st January 2014 the return on A Net Accumulation Shares was 6.1%² compared to the return of the median fund in the comparative IMA Sector of 7.3%³. 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.

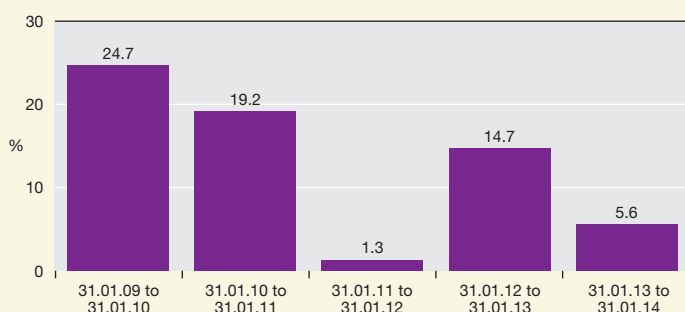
During the twelve months, most major equity markets around the world delivered healthy returns. This was partly as a result of returning confidence, partly improving economic and corporate fundamentals, and partly in response to the continuation of exceptionally loose monetary policy in many developed countries. Bond markets were more mixed, as investors began to anticipate higher interest rates.

In the US, economic data strengthened, suggesting that the recovery there was gathering momentum. Elsewhere, the new Japanese government of Shinzo Abe continued to take decisive steps to address economic problems, and this translated into a good year for the local stock market. The more upbeat mood extended to Europe, although concerns persisted in some Eurozone states where weakness remained a feature. There was also increased optimism over prospects for the UK, where economic data suggested that the worst of the slowdown had passed and prompted talk of a possible interest rate rise. The main exceptions to this improving tone were some of the individual 'emerging markets', particularly towards the end of 2013 and start of 2014 when the currencies of Argentina and Turkey came under severe pressure.

Although the investment environment has improved, we have no doubt that further political and economic challenges lie ahead. However, we are generally optimistic on the outlook for the global economy. Moreover, across the portfolio, we continue to find a range of attractive, growing businesses in which to invest, along with specific opportunities in different bond markets.

Baillie Gifford & Co, 11th February 2014

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 31.01.14	Net Asset Value per Share 31.01.13
A Net Income	464.9p	441.0p
A Net Accumulation	576.6p	543.2p
B Net Income	464.8p	440.9p
B Net Accumulation	649.5p	605.3p
C Net Income	465.3p	441.3p
C Net Accumulation	644.0p	n/a
K Net Accumulation	577.3p	543.7p

Distributions (for the Calendar Year)

Share Class	Net Income per Share Period to 31.01.14	Net Income per Share Year to 31.12.13
A Net Income	1.58p	3.93p
A Net Accumulation	1.42p	5.36p
B Net Income	4.11p	9.23p
B Net Accumulation	5.82p	12.46p
C Net Income	5.27p	10.86p
C Net Accumulation	0.08p	n/a
K Net Accumulation	1.58p	5.56p

Ongoing Charges Figures (for the Financial Year)⁵

Share Class	Ongoing Charges Figure 31.01.14	Ongoing Charges Figure 31.01.13
A Net Income	1.57%	1.54%
A Net Accumulation	1.55%	1.55%
B Net Income	0.47%	0.46%
B Net Accumulation	0.47%	0.46%
C Net Income	0.07%	0.07%
C Net Accumulation	0.09%	n/a
K Net Accumulation	1.50%	1.50%

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 Income	486.8p	465.8p	494.8p	425.2p
A Net Accumulation	601.7p	575.7p	609.5p	520.9p
B Net Income	489.2p	468.2p	496.1p	426.6p
B Net Accumulation	677.5p	648.4p	681.1p	579.1p
C Net Income	490.4p	469.4p	497.0p	427.4p
C Net Accumulation	671.3p	642.9p	n/a	n/a
K Net Accumulation	602.4p	576.5p	610.2p	521.4p

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 values, 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. You should be aware that past performance is not a guide to future performance.

Major Holdings

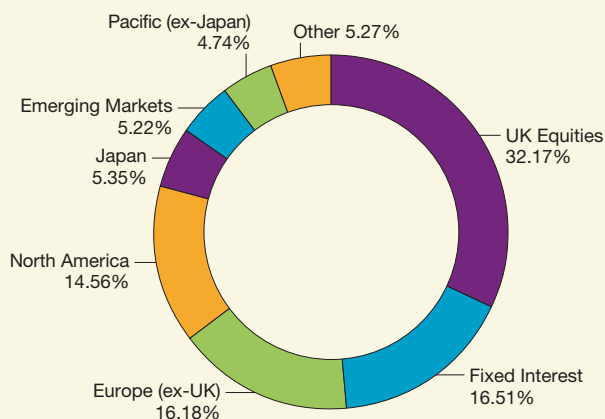
The Fund's 10 largest holdings at the end of this year and the previous year end are shown below.

Holdings	% of Fund Value as at 31.01.14
1 Baillie Gifford Worldwide Global Credit Fund C Gross Acc GBP	6.11
2 Baillie Gifford Emerging Markets Bond Fund C Gross Acc	5.89
3 Baillie Gifford Worldwide Active Cash Plus Fund C Gross Acc GBP	2.83
4 Baillie Gifford Emerging Markets Leading Cos Fund C Net Acc	2.78
5 Baillie Gifford Emerging Markets Growth Fund C Net Acc	2.44
6 Baillie Gifford Global Bond Fund C Gross Acc	1.68
7 Aberforth Smaller Companies IT	1.65
8 Ashtead Group	1.40
9 St. James's Place	1.28
10 Svenska Handelsbanken	1.27

Holdings	% of Fund Value as at 31.01.13
1 Baillie Gifford Emerging Markets Bond Fund C Gross Acc	6.79
2 Baillie Gifford Worldwide Global Credit Fund C Gross Acc GBP	6.61
3 Baillie Gifford Worldwide Active Cash Plus Fund C Gross Acc GBP	3.47
4 Baillie Gifford Emerging Markets Growth Fund C Net Acc	3.04
5 Baillie Gifford Emerging Markets Leading Cos Fund C Net Acc	2.78
6 Baillie Gifford Global Bond Fund C Gross Acc	2.15
7 BHP Billiton	1.42
8 Aberforth Smaller Companies IT	1.33
9 British American Tobacco	1.24
10 BG Group	1.23

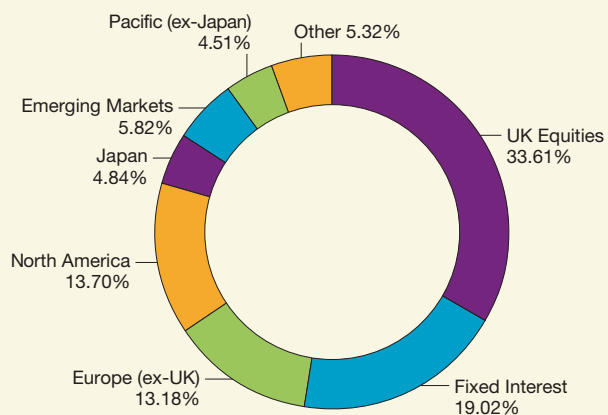
Classification of Investments

31st January 2014



Net assets: £819,313,000

31st January 2013



Net assets: £685,310,000

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.

Fund Charges and Costs

We are obliged to quote performance based on the Class A Shares, which have the highest management fee. Our Class B Shares carry a lower annual management 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 at www.bailliegifford.com.

Fund Facts

XD Dates: 31st January, 31st July.

Distribution Payment Dates: 31st March, 30th September.

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) and £250,000 for Class K Shares. Class K Shares are only available to persons investing in Shares via a stakeholder Child Trust Fund. 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.

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.

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 trusenquiries@bailliegifford.com. Any comments expressed in this report should not be taken as a recommendation or advice.

Authorised Corporate Director

Baillie Gifford & Co Limited
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Calton Square,
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Depositary

National Westminster Bank Plc
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Investment Manager

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Edinburgh EH1 2EG

Registrar

Baillie Gifford Savings Management Limited
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