

Baillie Gifford Emerging Markets Growth 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 maximise the value of its shares through capital growth.

Investment Policy

To invest in any economic sector in emerging markets worldwide, either directly or indirectly. Investment will be mainly in shares in companies. We will decide what constitutes an emerging market.

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. 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. The Fund invests

in emerging markets where difficulties in trading could arise, resulting in a negative impact on the value of your investment. 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

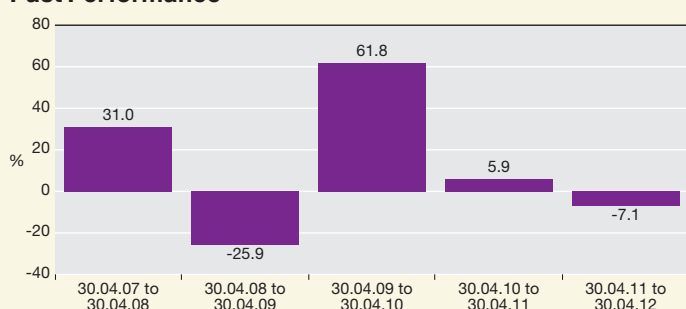
For the year to 30th April 2012 the return on A Net Accumulation Shares was -7.1%² compared to the return on the MSCI Emerging Markets Index of -10.8%², in sterling terms.

The Fund continues to favour Asian economies over those elsewhere in the emerging universe given their focus on deferred consumption contrasted with the more impetuous nature of policy making and consumerism evident in Eastern Europe and increasingly seen in Latin America. We remain cautious on Brazil, an economy which may have capitalised on the last decade of Chinese demand in a manner not too dissimilar to that of the European periphery during the period of euro interest rate fuelled excess.

It was a decade ago that China stood on the cusp of becoming a serious force in the world. We were one of a few who anticipated a period of super-normal, super-charged growth, which we believed would impact principally on raw materials and energy demand where the supply response would be slow to arise. Today we neither subscribe to the view that China is about to collapse like a pile of cards nor is about to stimulate its economy as aggressively as we saw in 2009. The degree of economic stimulus in 2009 to 2011 was unprecedented and is unrepeatable. As we look forward to the next phase of China's growth and what it means for emerging markets, and the world, we are ever more convinced that the tides of economic value added will slowly ebb away from the commodity-driven successes of the past decade and towards the innovation-led economies and companies of the next decade. Our initial foray into the next generation of beneficiaries commenced a couple of years ago with oil exploration companies that have been applying new technologies to frontier-market discovery. We have also been adding internet and social media holdings such as Baidu, NHN Corp and MercadoLibre. Finally, we are particularly excited by the overwhelming combination of entrepreneurialism, collectivism and energy displayed by so many Korean businesses, a number of which have found their way into the Fund.

Richard Sneller, 9th 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. 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 30.04.11
A Net Accumulation	412.1p	443.8p
B Net Income	394.0p	425.2p
B Net Accumulation	442.7p	472.9p
C Net Income	397.0p	428.2p
C Net Accumulation	478.8p	507.5p

Distributions (for the Calendar Year)

Share Class	Net Income per Share 2012	Net Income per Share 2011
A Net Accumulation	0.95p	0.00p
B Net Income	3.91p	2.70p
B Net Accumulation	4.44p	3.19p
C Net Income	7.08p	5.90p
C Net Accumulation	8.35p	6.90p

Ongoing Charges Figures (for the Financial Year)

Share Class	Ongoing Charges Figure 30.04.12	Ongoing Charges Figure 30.04.11
A Net Accumulation	1.64%	1.55%
B Net Income	0.86%	0.83%
B Net Accumulation	0.85%	0.81%
C Net Income	0.08%	0.09%
C Net Accumulation	0.08%	0.09%

Highest and Lowest Prices (for the Calendar Year)

Share Class	Highest Price per Share 2012	Lowest Price per Share 2012	Highest Price per Share 2011	Lowest Price per Share 2011
A Net Accumulation	437.3p	375.5p	481.4p	330.8p
B Net Income	421.6p	361.6p	463.2p	318.0p
B Net Accumulation	469.0p	402.3p	511.7p	353.7p
C Net Income	427.4p	366.2p	468.8p	321.4p
C Net Accumulation	506.5p	434.0p	548.0p	380.8p

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: FE, bid to bid (10am prices), net income reinvested. You should be aware that past performance is not a guide to future performance.

Major Holdings

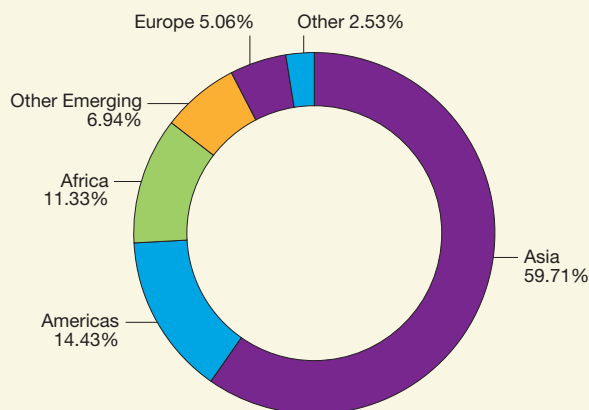
The Fund's 10 largest holdings at the end of this year and the previous year end are shown below.

Holdings	% of Fund Value as at 30.04.12
1 Samsung Electronics	6.21
2 Dragon Oil	3.81
3 TSMC	3.13
4 Hon Hai Precision	2.82
5 Tullow Oil	2.62
6 Vale Common ADR	2.50
7 China Shenhua Energy H	2.46
8 Gulf Keystone Petroleum	2.41
9 Naspers Ltd – N shares	2.21
10 Sberbank Spon ADR	1.90

Holdings	% of Fund Value as at 30.04.11
1 Samsung Electronics	4.54
2 Petrobras Common ADR	3.75
3 Dragon Oil	3.19
4 Baidu ADR	3.09
5 Vale Common ADR	2.92
6 China Shenhua Energy H	2.25
7 Hon Hai Precision	2.19
8 TSMC	2.12
9 Gold Fields	2.01
10 Hyundai Mobis	1.97

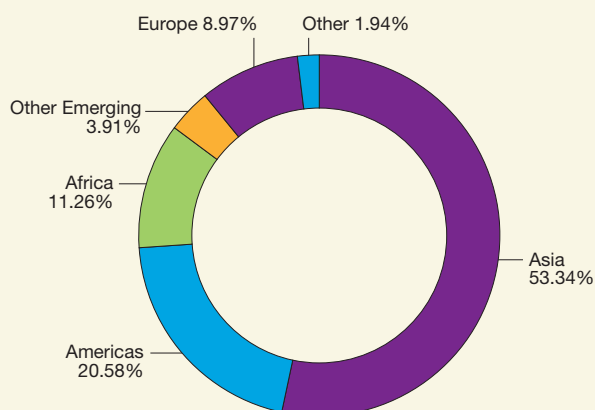
Classification of Investments

30th April 2012



Net assets: £717,720,000

30th April 2011



Net assets: £874,612,000

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.baillieghifford.com or e-mail us at trutenquiries@baillieghifford.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 Directive³ 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.

³Directive 2009/65/EC of the European Parliament and of the Council of 13th July 2009.

Authorised Corporate Director

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Edinburgh EH12 9LD

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Registrar

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