

Baillie Gifford Emerging Markets Leading Companies 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 maximise total returns, mainly 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 of companies. Investment will be in a small number of larger companies. These companies' shares are more readily available to buy and sell on the market. We will decide what constitutes an emerging market.

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.



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, 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. The Fund's concentrated portfolio and long-term approach to investment may result in large movements in the share price. 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.

Investment Report

For the year to 30th April 2014 the return on A Net Accumulation Shares was -5.7%² compared to the return on the MSCI Emerging Markets Index of -9.5%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.

Over these past five years emerging markets have delivered good absolute performance but more recently, returns have been negative as the emerging markets universe has struggled to keep pace with developed markets.

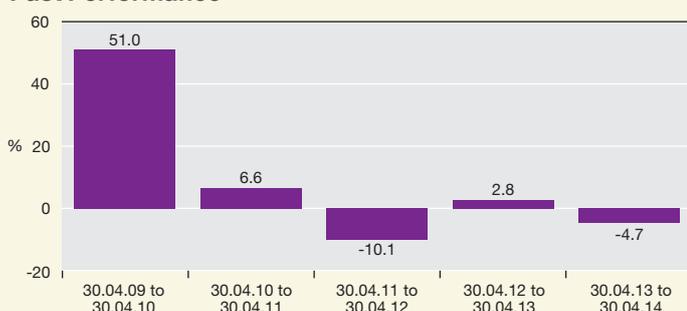
This does not surprise us; many developing countries are struggling to adjust to a global economy where demand for emerging markets exports is muted and where China's voracious need for commodities is likely past its peak. The difficulty of managing this adjustment to lower rates of growth is without doubt exacerbated by the persistence of cheap money and the fickle nature of foreign investment. We expect countries such as Turkey, Indonesia, South Africa and Brazil to continue to struggle in an environment where there seems to be neither the political will, nor the sufficiently disciplined monetary policy to steer a steady course.

As ever, the Fund retains its strong bias towards those companies where we still see excellent prospects for growth. The greatest concentration of these companies is to be found in North Asia and especially in the information technology sector where the explosion of e-commerce and social networking is adding to the investment opportunities over and above the better known companies in the semiconductor and electronic manufacturing businesses.

As active managers we continue to believe it is right to take significantly divergent views to the passive opportunity set presented by the MSCI Emerging Markets Index. At present we see little reason to invest in Chinese banks, Chinese property companies, state-backed Russian oil companies or large Brazilian commodity producers. These are all large constituents of the current emerging markets universe. Instead, we shall continue to invest in those companies where we see the greatest potential for meaningful earnings and cashflow growth over the coming five years or more.

Will Sutcliffe, 14th May 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 30.04.14	Net Asset Value per Share 30.04.13
A Net Accumulation	233.3p	247.5p
B Net Income	227.1p	240.5p
B Net Accumulation	245.9p	258.8p
C Net Income	227.7p	241.2p
C Net Accumulation	260.0p	271.6p

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	0.52p
B Net Income	1.39p	2.16p
B Net Accumulation	1.50p	2.18p
C Net Income	3.14p	3.99p
C Net Accumulation	3.54p	4.41p

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	1.61%	1.58%
B Net Income	0.81%	0.85%
B Net Accumulation	0.81%	0.86%
C Net Income	0.07%	0.08%
C Net Accumulation	0.07%	0.08%

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	240.7p	224.6p	262.1p	220.1p
B Net Income	235.7p	219.6p	256.1p	214.2p
B Net Accumulation	253.6p	236.3p	274.3p	230.5p
C Net Income	238.0p	221.5p	258.4p	215.0p
C Net Accumulation	268.0p	249.4p	287.9p	242.2p

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

Major Holdings

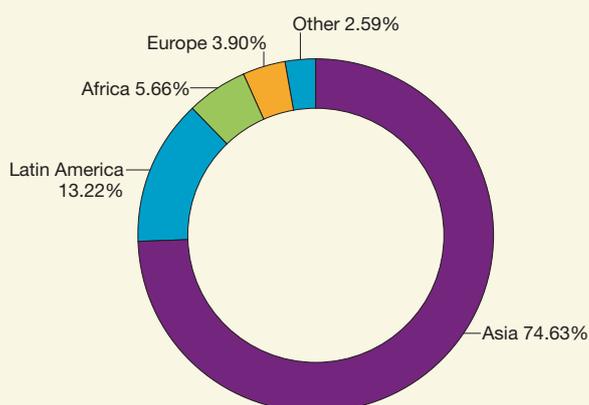
The Fund's 10 largest holdings at the end of this year and the previous year end are shown below.

Holdings	% of Fund Value as at 30.04.14
1 Samsung Electronics	7.32
2 TSMC	5.89
3 Hon Hai Precision	4.63
4 Hyundai Mobis	4.41
5 China Mobile (Hong Kong)	4.03
6 Tencent Holdings	3.16
7 Naspers Ltd – N shares	3.01
8 NAVER Corp	2.98
9 China Petroleum & Chemical Corp H	2.97
10 SK Hynix Inc	2.96

Holdings	% of Fund Value as at 30.04.13
1 Samsung Electronics	8.05
2 TSMC	5.69
3 China Mobile (Hong Kong)	4.75
4 Hon Hai Precision	3.98
5 Sberbank ADR	3.71
6 Hyundai Mobis	3.59
7 NHN Corp	3.49
8 Naspers Ltd – N shares	3.24
9 Walmex V	2.88
10 Bangkok Bank NVDR	2.62

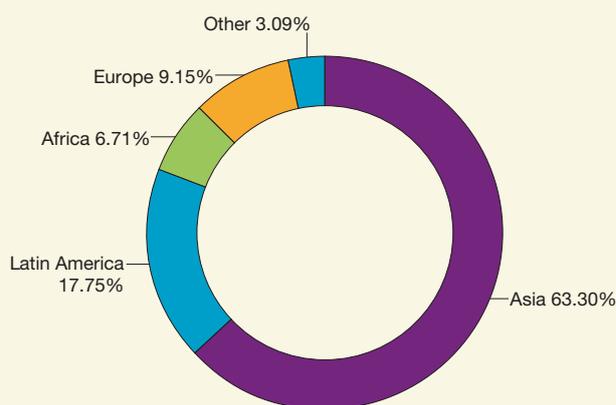
Classification of Investments

30th April 2014



Net assets: £446,113,000

30th April 2013



Net assets: £456,314,000

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
(Authorised and regulated by the
Financial Conduct Authority,
Financial Services Register
No. 119179)
Calton Square,
1 Greenside Row,
Edinburgh EH1 3AN

Depositary

National Westminster Bank Plc
(Authorised by the Prudential
Regulation Authority and regulated
by the Financial Conduct Authority
and the Prudential Regulation
Authority, Financial Services
Register No. 121878)
Trustee & Depositary Services,
The Younger Building,
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Investment Manager

Baillie Gifford & Co
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Financial Services Register
No. 142597)
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Auditor

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Saltire Court,
20 Castle Terrace,
Edinburgh EH1 2EG

Registrar

Baillie Gifford Savings
Management Limited
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by the Financial Conduct
Authority, Financial Services
Register No. 150233)
Calton Square,
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Edinburgh EH1 3AN