

Baillie Gifford European Fund

a sub-fund of Baillie Gifford Overseas Growth Funds ICVC



Authorised Corporate Director's Interim Short Report for the period ended 31st October 2011

Investment Objective

To obtain capital growth.

Investment Policy

To principally invest in equities in any economic sector of Continental Europe, including the Republic of Ireland. Up to (but no more than) 10% in value of the Fund may be invested in each of the following: collective investment schemes and deposits.

Risk Profile

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 investors may not get back the amount invested. The Fund invests in overseas assets, priced in foreign currencies. Changes in the rates of exchange may cause the value of your shares to go down. Further details of the risks associated with investing in the Fund can be found in the Simplified Prospectus, copies of which are available at www.bailliegifford.com, or the full Prospectus which is available by calling the Authorised Corporate Director ('ACD').

Investment Report

In the six months to 31st October 2011, the return on A Net Accumulation Shares was -11.9%¹, compared to a return on the MSCI Europe ex-UK Index of -18.8%¹, in sterling terms. We believe

investment returns over such a short period are not a good indicator of skill, so also report our performance over rolling five-year periods: from 31st October 2006, the Fund has returned 22.0%¹ compared to a market return of 4.7%¹, in sterling terms.

European equity markets have been weak during the last six months given the increasing risk of a Greek default and the destabilising effects this would have on other economic and financial systems. Sclerotic policy making has meant that the eurozone debt crisis is still far from being resolved. Rather than try to predict macroeconomic developments, though, we continue to focus on what we believe matters most: picking companies with sustainable, competitive advantages that are able to adapt to any economic environment, and trying to buy them cheaply.

Portfolio turnover remains low. However, one new holding that fits our criteria is Dia, a Spanish discount supermarket operator which was spun out of Carrefour in July. Not only do we believe that spin-offs present good investment opportunities, we also think that Dia's scale and price leadership will enable it to grow profitably in Europe and exploit future opportunities in Brazil and Argentina.

Notwithstanding the macroeconomic worries and political uncertainties surrounding Europe, we continue to be very optimistic about the businesses we invest in. If anything we think competitive and funding positions for these companies in aggregate have become stronger, and are being used to take advantage of less fortunate peers. As stock pickers we also hope to benefit from this volatile environment and are very excited about the prospects of finding other significantly undervalued, long-term winners for the portfolio.

Thomas Coutts, Paul Faulkner and
Stephen Paice, 9th November 2011

Net Asset Values

Share Class	Net Asset Value per Share 31.10.11	Net Asset Value per Share 30.04.11
A Net Accumulation	771.2p	903.1p
B Net Income	724.4p	845.1p
B Net Accumulation	833.5p	971.9p
C Net Accumulation	889.2p	1033p

Total Expense Ratios

Share Class	Total Expense Ratio 31.10.11	Total Expense Ratio 30.04.11
A Net Accumulation	1.65%	1.56%
B Net Income	0.79%	0.74%
B Net Accumulation	0.78%	0.74%
C Net Accumulation	0.10%	0.10%

Standardised Past Performance Record¹

Share Class	31.10.10 to 31.10.11	31.10.09 to 31.10.10	31.10.08 to 31.10.09	31.10.07 to 31.10.08	31.10.06 to 31.10.07
A Net Accumulation	-1.8%	17.4%	36.3%	-31.9%	14.1%

The performance figures shown in this table are for Class A Net Accumulation Shares. Performance figures reflect the annual charge 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. Calls may be recorded. Please note past performance is not a guide to future performance.

Fund Facts

XD Date: 30th April
Distribution Payment Date: 30th June

Distributions (for the Financial Period)

Share Class	Net Income per Share 31.10.11	Net Income per Share 30.04.11	Net Income per Share 30.04.10	Net Income per Share 30.04.09	Net Income per Share 30.04.08	Net Income per Share 30.04.07
A Net Accumulation	n/a	9.72p	9.43p	10.39p	5.82p	3.29p
B Net Income	n/a	15.27p	13.23p	14.11p	10.66p	7.69p
B Net Accumulation	n/a	17.18p	14.85p	15.13p	11.31p	8.11p
C Net Accumulation	n/a	24.00p	19.49p	19.36p	15.97p	12.08p

¹Source: FE, bid to bid (10am prices), net income reinvested. Please note past performance is not a guide to future performance.

Major Holdings

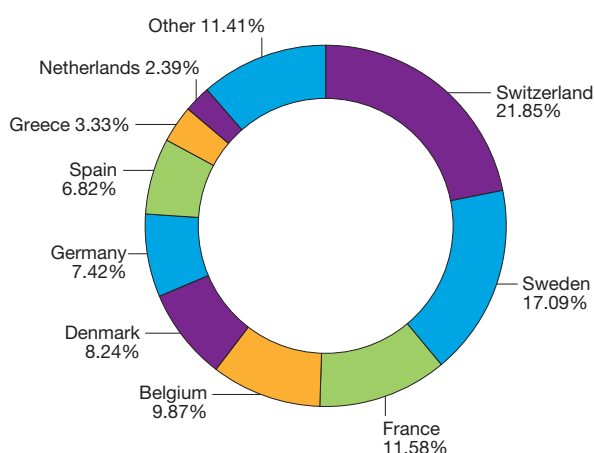
The Fund's 10 largest holdings at the end of this period and the previous financial year end are shown below.

Holdings	% of Fund Value as at 31.10.11
1 Atlas Copco B	5.54
2 Nestlé	5.42
3 Svenska Handelsbanken	5.40
4 Total	5.06
5 Roche Holding	4.88
6 GBL	3.29
7 Dia	3.14
8 Adidas	2.93
9 Jyske Bank	2.84
10 Schindler PC	2.78

Holdings	% of Fund Value as at 30.04.11
1 Atlas Copco B	6.56
2 Svenska Handelsbanken	6.19
3 Nestlé	6.09
4 Total	4.68
5 Roche Holding	3.96
6 Jyske Bank	3.81
7 GBL	3.35
8 Investor B	2.56
9 Sofina	2.49
10 CF Alba	2.39

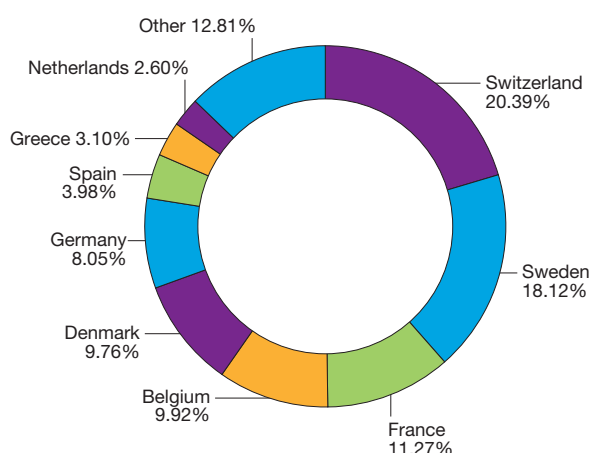
Classification of Investments

31st October 2011



Net assets: £31,180,000

30th April 2011



Net assets: £43,830,000

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 period it covers and the result of those activities at the end of the period. For more information about the activities and performance of the Fund during this and previous periods, please contact the ACD. 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 Simplified Prospectus and full Prospectus.

Change of Depositary

As part of an internal re-structuring in 2011 The Royal Bank of Scotland Group Plc transferred its Trustee and Depositary Services business from The Royal Bank of Scotland Plc to National Westminster Bank Plc and consequently National Westminster Bank Plc was appointed as Depositary of the Fund on 23rd September 2011.

As Depositary, National Westminster Bank Plc will have the same duties and responsibilities as The Royal Bank of Scotland Plc and the change of Depositary will have no impact on the way the Fund is operated.

Authorised Corporate Director

Baillie Gifford & Co Limited
(Authorised and regulated by the Financial Services Authority,
FSA Register No. 119179)
Calton Square,
1 Greenside Row,
Edinburgh EH1 3AN
Telephone: 0800 917 2113
Fax: 0131 275 3955

Depositary

National Westminster Bank Plc
(Authorised and regulated by the Financial Services Authority,
FSA Register No. 121878)
Trustee & Depositary Services
The Broadstone,
50 South Gyle Crescent,
Edinburgh EH12 9UZ

Investment Manager

Baillie Gifford & Co
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FSA Register No. 142597)
Calton Square,
1 Greenside Row,
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Auditor

KPMG Audit Plc
Saltire Court,
20 Castle Terrace,
Edinburgh EH1 2EG

Registrar

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Calton Square,
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