

# Baillie Gifford Developed Asia Pacific Fund

a sub-fund of Baillie Gifford Overseas Growth Funds ICVC



## Authorised Corporate Director's Interim Short Report for the period ended 31st October 2013

### Investment Objective

The Fund aims to maximise total returns, mainly through capital growth.

### Investment Policy

To invest in any economic sectors of any of the markets represented by the MSCI Pacific Index, either directly or indirectly. Investment will be mainly in shares of companies. The markets currently included in the MSCI Pacific Index are Australia, Hong Kong, Japan, New Zealand and Singapore.

### 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.

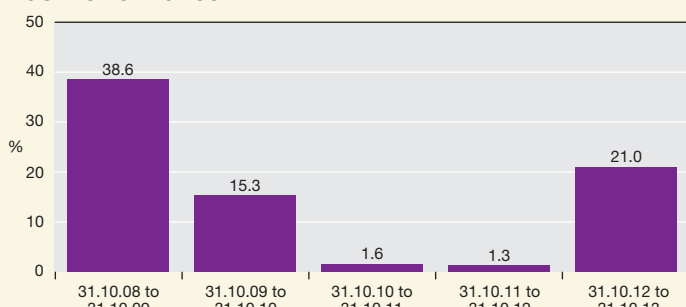
Typically lower rewards,  
lower risk

Typically higher rewards,  
higher risk

1	2	3	4	5	6	7
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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 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'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.<sup>1</sup>

### Past Performance<sup>4</sup>



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. 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 Period End)

Share Class	Net Asset Value per Share 31.10.13	Net Asset Value per Share 30.04.13
A Net Accumulation	282.8p	286.2p
B Net Income	299.5p	n/a
B Net Accumulation	299.5p	301.9p
C Net Income	244.7p	245.8p
C Net Accumulation	328.8p	330.4p

### Investment Report

For the six months to 31st October 2013 the return on A Net Accumulation Shares was -1.2%<sup>2</sup> compared to the return on the MSCI Pacific Index of -2.2%<sup>3</sup>, 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.

Developed Asia equity returns for UK investors were dragged down over the period by the strength of sterling.

The weakness since September 2012 in the Japanese yen has, via for example higher food and energy prices, led to cost-push inflation in Japan, but wages are not keeping pace. This, combined with a higher consumption tax for 2014, is a squeeze on disposable incomes. We therefore wait, with great anticipation, the detail of Prime Minister Abe's "third arrow" of structural reforms in areas such as agriculture, labour and taxation which it is hoped that he will enact following his victory in the Upper House election.

In Australia interest rates were cut to 2.5% in August, with policymakers still keeping one eye on the relatively buoyant housing market, and the other on a softer resources sector. We also witnessed the election of a new government, the Liberal National Alliance.

The Hong Kong market, like others in the region, was buffeted by swings in sentiment surrounding tapering in the US, and also by periodic spikes in Chinese interest rates.

Turnover on the Fund continued to be relatively low, with an underweight position in Japan. We sold the Fund's holding in Olympus following its capital raising, and the position in Australian conglomerate Wesfarmers, reinvesting the proceeds in new holding Trade Me Ltd (New Zealand internet) and Asian holding company Jardine Matheson (retail, land and auto distribution).

The relative positions of China and Japan within the region (and the world) will continue to be an important driver of returns, as will the speed and extent of the recovery in the US economy, and the determination with which the Eurozone crisis is tackled.

Elaine Morrison, 1st November 2013

### Distributions (for the Calendar Year)

Share Class	Net Income per Share Period to 31.10.13	Net Income per Share Year to 31.12.12
A Net Accumulation	2.51p	2.43p
B Net Income	n/a <sup>5</sup>	n/a
B Net Accumulation	4.79p	4.67p
C Net Income	5.40p	5.31p
C Net Accumulation	7.11p	6.80p

### Ongoing Charges Figures (for the Financial Period)<sup>6</sup>

Share Class	Ongoing Charges Figure 31.10.13	Ongoing Charges Figure 30.04.13
A Net Accumulation	1.40% <sup>7</sup>	1.56%
B Net Income	0.67%	n/a
B Net Accumulation	0.73%	0.74%
C Net Income	0.09%	0.08%
C Net Accumulation	0.09%	0.08%

### Highest and Lowest Prices (for the Calendar Year)

Share Class	Highest Price per Share 2013	Lowest Price per Share 2013	Highest Price per Share 2012	Lowest Price per Share 2012
A Net Accumulation	305.8p	249.6p	249.9p	223.5p
B Net Income	307.7p	296.3p	n/a	n/a
B Net Accumulation	322.8p	262.7p	262.9p	233.9p
C Net Income	262.9p	218.1p	219.9p	193.4p
C Net Accumulation	353.4p	286.9p	287.1p	254.4p

<sup>1</sup>Further 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. <sup>2</sup>Source: Baillie Gifford & Co Ltd, closing net asset value, net income accumulated. <sup>3</sup>Source: FE, net income. <sup>4</sup>Source: FE, 10am dealing prices, net income accumulated. <sup>5</sup>Class B Net Income Shares were not issued until 17th September 2013, therefore no income was distributed in the calendar year to 31st October 2013. <sup>6</sup>The ongoing charges figures is based on expenses for the financial period and may vary from year to year. It excludes the cost of buying and selling assets for the Fund. <sup>7</sup>The ACD's annual fee is calculated on a monthly basis. This can lead to distortions in the calculated ongoing charges figure when a share class is expanding or contracting. The ACD considers 1.59% 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

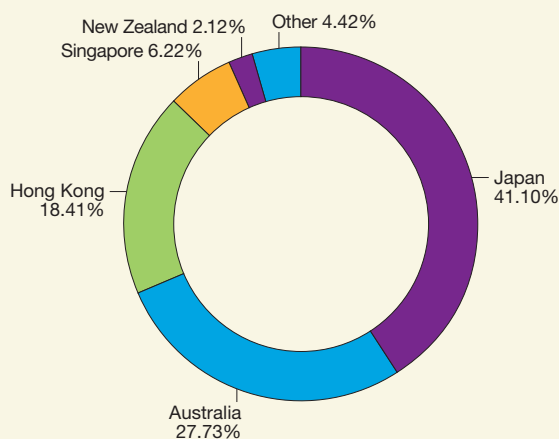
The Fund's 10 largest holdings at the end of this period and the previous financial year end are shown below.

Holdings	% of Fund Value as at 31.10.13
1 BHP Billiton	5.02
2 United Overseas Bank	4.17
3 Hong Kong Exchanges & Clearing	3.87
4 Bank of China (Hong Kong)	3.53
5 Kakaku.com	3.50
6 Treasury Wine Estates	3.26
7 Hang Lung Properties	3.23
8 Aristocrat Leisure	3.19
9 Trend Micro	3.12
10 Shimano	3.07

Holdings	% of Fund Value as at 30.04.13
1 BHP Billiton	4.60
2 United Overseas Bank	4.24
3 Treasury Wine Estates	4.09
4 Bank of China (Hong Kong)	3.67
5 Japan Tobacco	3.25
6 CNOOC Ltd	3.23
7 Fast Retailing	3.18
8 Olympus	3.11
9 Hang Lung Properties	3.10
10 NTT	3.10

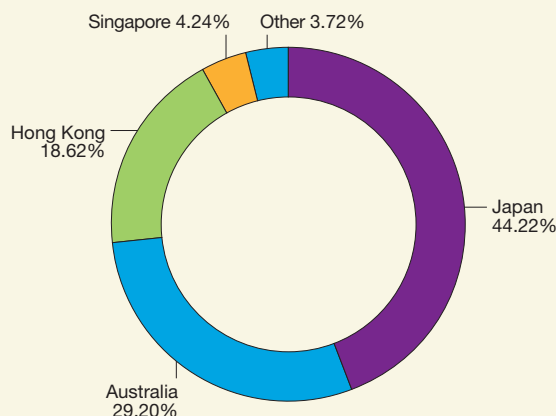
## Classification of Investments

### 31st October 2013



Net assets: £54,439,000

### 30th April 2013



Net assets: £61,388,000

## 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 has 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. Holders of the Class A Shares are offered the chance to convert their current holdings (irrespective of size), at no cost, into the equivalent Class B Shares. 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](http://www.bailliegifford.com).

## 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.

## 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 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 call Client Relations: 0800 917 2113 (fax 0131 275 3955) or visit our website at [www.bailliegifford.com](http://www.bailliegifford.com) or email us at [trusenquiries@bailliegifford.com](mailto: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  
(Authorised and regulated by the Financial Conduct Authority, Financial Services Register No. 119179)  
Calton Square,  
1 Greenside Row,  
Edinburgh EH1 3AN

### Depository

National Westminster Bank Plc  
(Authorised and regulated by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, Financial Services Register No. 121878)  
Trustee & Depository Services,  
The Younger Building,  
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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,  
20 Castle Terrace,  
Edinburgh EH1 2EG

### Registrar

Baillie Gifford Savings Management Limited  
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Edinburgh EH1 3AN