

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 sector in emerging markets worldwide, either directly or indirectly. Investment will be mainly in shares of 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.



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, 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 capital value of the Fund.¹

Investment Report

For the six months to 31st October 2013 the return on A Net Accumulation Shares was -1.6%² compared to the return on the MSCI Emerging Markets Index of -2.0%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.

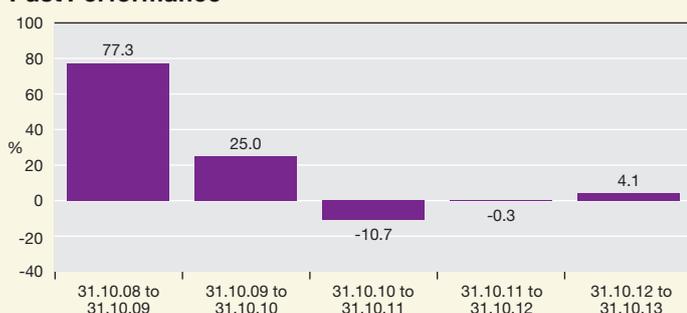
In this sense, it is striking that the performance of emerging market equities has been so lacklustre for such an extended period and that they continue to lag their developed peers. Is this, as some commentators have suggested, 'the end of emerging markets'? Not necessarily. But for emerging markets equity investors, the next decade is likely to look very different to the last. While structural levels of economic growth in many emerging economies have the potential to remain elevated, they will likely slow as external surpluses turn to deficits and credit cycles roll over. There will also be a change in the shape of growth, as China in particular attempts to reposition away from an investment-intensive growth model.

In the meantime, we are struck by the increasing polarisation of valuations within the MSCI Emerging Markets Index, which are now reaching historically wide levels. Companies that have historically been able to deliver modest but relatively predictable earnings have seen spot multiples re-rated to vertiginous levels, while others that are likely to demonstrate less steady but ultimately far greater growth are now looking deeply mispriced. This last group is exactly the one that your manager has tended to favour.

As long-term, growth-oriented stock-pickers in emerging markets, this leaves us in an exciting position. While the last decade has been relatively favourable to a wide range of economies, sectors and companies in emerging markets, we believe that the gap between the winners and the losers over the next decade is likely to be far more profound. We feel increasingly comfortable with the very different appearance that your portfolio has relative to the MSCI Emerging Markets Index, and remain confident in the outlook for the companies that make up its core.

Richard Sneller, 11th November 2013

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. 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	406.0p	412.7p
B Net Income	388.8p	393.3p
B Net Accumulation	442.0p	447.0p
C Net Income	393.2p	396.3p
C Net Accumulation	483.3p	487.1p

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	1.48p	0.95p
B Net Income	4.69p	3.91p
B Net Accumulation	5.17p	4.44p
C Net Income	7.58p	7.08p
C Net Accumulation	9.16p	8.35p

Ongoing Charges Figures (for the Financial Period)⁵

Share Class	Ongoing Charges Figure 31.10.13	Ongoing Charges Figure 30.04.13
A Net Accumulation	1.65%	1.63%
B Net Income	0.82%	0.83%
B Net Accumulation	0.82%	0.85%
C Net Income	0.09%	0.09%
C Net Accumulation	0.09%	0.09%

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	437.4p	368.3p	437.3p	366.9p
B Net Income	420.6p	352.2p	421.6p	350.9p
B Net Accumulation	472.5p	400.4p	469.0p	394.2p
C Net Income	426.1p	355.7p	427.4p	353.7p
C Net Accumulation	514.4p	437.3p	506.5p	426.5p

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 expenses for the financial period 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

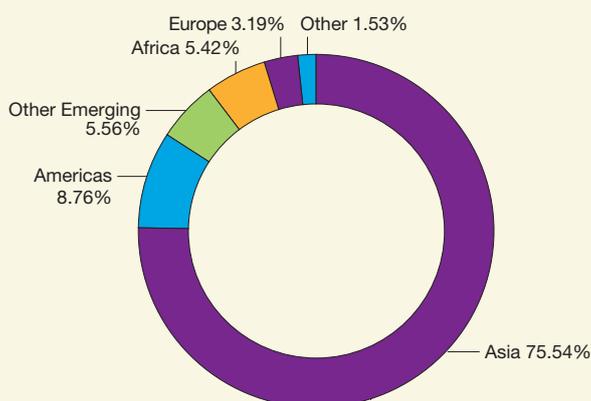
The Fund's 10 largest holdings at the end of this period and the previous financial year end are shown below.

Holdings	% of Fund Value as at 31.10.13
1 Samsung Electronics	6.19
2 TSMC	4.72
3 Dragon Oil	4.33
4 Tech Mahindra Ltd	3.33
5 China Life Insurance (Taiwan)	2.56
6 Sberbank Spon ADR	2.47
7 HCL Technologies	2.40
8 Hon Hai Precision	2.33
9 NHN Corp	2.27
10 Tencent Holdings	2.06

Holdings	% of Fund Value as at 30.04.13
1 Samsung Electronics	6.37
2 Dragon Oil	4.52
3 TSMC	4.44
4 China Mobile (Hong Kong)	4.34
5 Sberbank Spon ADR	2.51
6 China Life Insurance (Taiwan)	2.39
7 Mahindra & Mahindra Ltd	2.24
8 America Movil L Shares ADR	2.23
9 Hon Hai Precision	2.16
10 NHN Corp	1.86

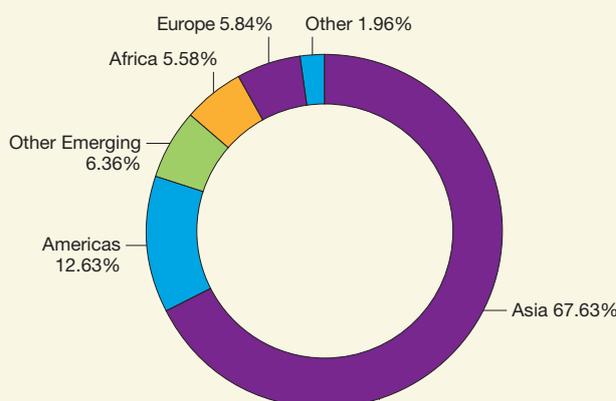
Classification of Investments

31st October 2013



Net assets: £519,360,000

30th April 2013



Net assets: £533,846,000

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.

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 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
(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,
3 Redheughs Avenue,
Edinburgh EH12 9RH

Investment Manager

Baillie Gifford & Co
(Authorised and regulated by the Financial Conduct Authority, Financial Services Register No. 142597)
Calton Square,
1 Greenside Row,
Edinburgh EH1 3AN

Auditor

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

Registrar

Baillie Gifford Savings Management Limited
(Authorised and regulated by the Financial Conduct Authority, Financial Services Register No. 150233)
Calton Square,
1 Greenside Row,
Edinburgh EH1 3AN