

Baillie Gifford Japanese 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

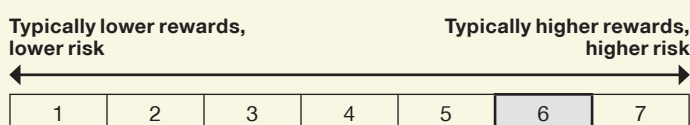
The Fund aims to achieve capital growth.

Investment Policy

To invest in any economic sector in Japan. Investment will be mainly in shares of companies.

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 involve a risk of loss if the custodian becomes insolvent or breaches duties of care. The Fund's exposure to a single market and currency may increase share price movements. 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 1.7%² compared to the return on the Topix Index of -0.6%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 five years the return on A Net Accumulation Shares was 86.7%² compared to the return on the Topix Index of 54.2%³, in sterling terms.

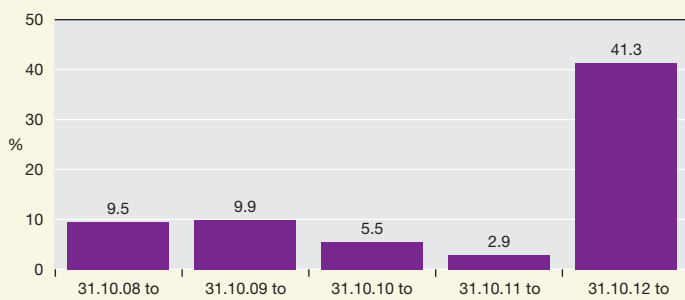
In the last six months the Topix Index has shown little change in sterling terms after showing very strong performance in the previous six months. Breaking this down further, there has been little change in either the Index in local currency terms or in the yen versus sterling. In contrast, the earnings of the market have continued to show strong progress as the benefits of the weak yen have been translated into higher profits for many of Japan's exporters. The result is that the market has become cheaper relative to earnings.

We bought five new holdings and completely sold the shares of four companies. Fund turnover remained low, in line with our long-term investment horizon. The sale of Japan Tobacco merits particular comment as it had been held continuously for a period of more than a decade and was one of the Fund's largest positions at the start of the year, having contributed to the performance significantly over many years. The main reason for the sale was that it seems to us that e-cigarettes present a significant threat to the profitability of tobacco businesses. E-cigarettes have three key advantages for consumers: they appear to have very limited health concerns; they are significantly cheaper; and they can be smoked indoors. Historically, the ability of tobacco companies to raise cigarette prices has been very important for growing profits. We think that this may become more challenging going forward, so we decided to sell the shares. Our preference is always to hold high quality growing businesses for the long term, but at all times we remain vigilant to threats to the profitability of companies held in the portfolio and prepared to act if the prospects appear to be deteriorating.

Although the Japanese stock market has shown strong returns in the last 12 months we would note that it seemed to be anomalously cheap at the start of this period. Looking forward we continue to find individual businesses that we believe have good long-term growth prospects at attractive valuations.

Matthew Brett and Sarah Whitley, 25th 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	762.7p	750.3p
B Net Income	790.5p	774.6p
B Net Accumulation	848.4p	831.3p
C Net Income	796.9p	778.4p
C Net Accumulation	920.5p	899.1p

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	1.91p	1.87p
B Net Income	6.89p	6.51p
B Net Accumulation	7.17p	6.88p
C Net Income	10.61p	10.29p
C Net Accumulation	12.09p	11.50p

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	1.45% ⁶	1.49%
B Net Income	0.65%	0.66%
B Net Accumulation	0.66%	0.70%
C Net Income	0.05%	0.05%
C Net Accumulation	0.05%	0.05%

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	800.0p	550.0p	557.1p	498.9p
B Net Income	826.2p	571.4p	581.3p	515.4p
B Net Accumulation	886.7p	607.8p	615.1p	548.5p
C Net Income	830.6p	575.7p	586.5p	517.4p
C Net Accumulation	959.5p	656.1p	663.9p	589.6p

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. ⁶The 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 1.55% 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

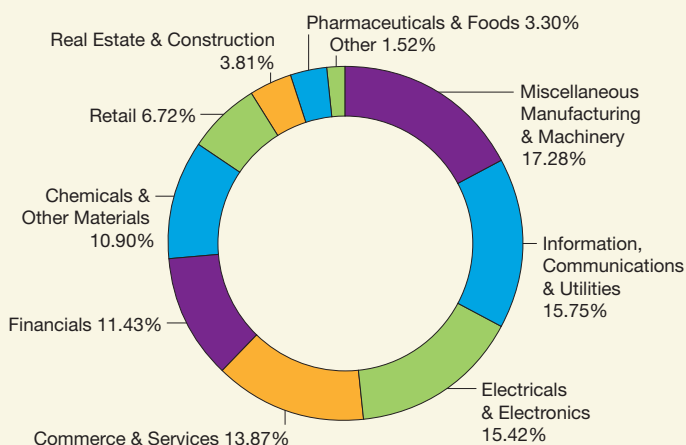
The Fund's 10 largest holdings at the end of this period and the previous financial year end are shown below.

Holdings	% of Fund Value as at 31.10.13
1 Hikari Tsushin	3.14
2 KDDI	3.08
3 Nintendo	2.93
4 Rakuten	2.89
5 SBI Holdings Inc	2.69
6 Don Quijote	2.59
7 Softbank	2.55
8 Fuji Heavy Industries Ltd	2.46
9 Kyocera	2.38
10 Japan Exchange Group	2.35

Holdings	% of Fund Value as at 30.04.13
1 SBI Holdings Inc	4.18
2 Japan Tobacco	3.35
3 Nintendo	3.26
4 Hikari Tsushin	3.26
5 KDDI	3.03
6 Mitsubishi Estate	2.98
7 Fuji Heavy Industries Ltd	2.95
8 Japan Exchange Group	2.92
9 GMO Internet	2.87
10 Don Quijote	2.84

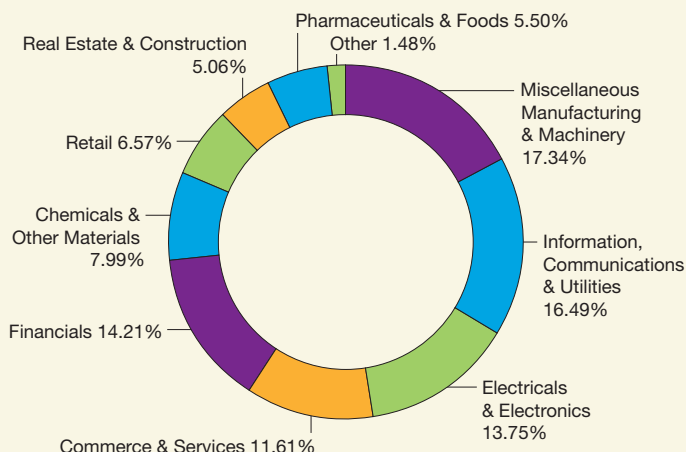
Classification of Investments

31st October 2013



Net assets: £413,470,000

30th April 2013



Net assets: £273,365,000

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 trutenquiries@bailliegifford.com. Any comments expressed in this report should not be taken as a recommendation or advice.

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Registrar

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