

Financial Express

Crown Rating 

FUND AIMS

Aims to achieve good returns, principally through capital growth, by investing in Continental Europe and the Republic of Ireland, principally in smaller companies in any economic sector. The ACD will determine from time to time what constitutes smaller companies.

INVESTMENT REPORT

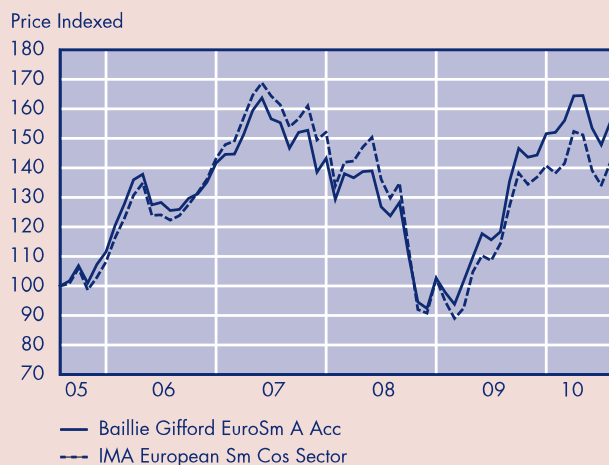
- The Fund has risen by 2.3% in the six months to the end of July, compared to a rise of 0.3% in the HSBC Smaller European Ex UK Index, in sterling terms.
- The Fund has reduced its position in the German leasing company, GrenkeLeasing, and the Italian hearing aid retailer, Amplifon. Both sales followed a strong run in the share price. The Fund also made a further reduction in the Dutch IT services company, Exact.
- The Fund retains a focus on companies with strong earnings and cash flow growth characteristics, as we believe that these stocks will perform better in the longer term.

GENERAL INFORMATION

Launch Date: 29 October 1993
 Fund Size: £30.28m
 IMA Sector: European Smaller Companies

All data as at 30 July 2010 and source Baillie Gifford unless otherwise stated.
 Performance source: Financial Express, single pricing basis, net income reinvested.

FUND PERFORMANCE



GEOGRAPHIC ANALYSIS OF TOTAL ASSETS



TOP TEN HOLDINGS

Holdings	% of Total Assets
1 Grenke Leasing	6.7
2 Basware OYJ	6.0
3 D'Ieteren	5.8
4 DNO International	4.2
5 Aktiv Kapital	4.0
6 Exact Holding NV	3.8
7 Sabaf	3.7
8 Swisslog Holding	3.7
9 Takkt AG	3.7
10 Zodiac	3.5
	<u>45.1</u>

Past performance is not a guide to future performance.

STANDARDISED PAST PERFORMANCE

	30/06/05	30/06/06	30/06/07	30/06/08	30/06/09
	30/06/06	30/06/07	30/06/08	30/06/09	30/06/10
Class A - Acc	40.7%	22.1%	-19.0%	-8.8%	27.8%
Sector Average	34.6%	32.5%	-17.2%	-20.2%	23.1%

CHARGES AND PERFORMANCE

	Initial charge	Annual charge	Historic Yield
Class A - Acc	5.00%	1.50%	1.4%
Class B - Inc	1.00%	0.65%	1.9%
Class B - Acc	1.00%	0.65%	1.9%

	6 Months	1 Year	3 Years	5 Years
Class A - Acc	2.29%	31.45%	0.15%	55.57%
Sector Ranking	10/15	2/14	3/13	4/11
Sector Average	2.64%	24.26%	-12.58%	42.78%

Performance figures reflect the annual charge but exclude any initial charge paid.

BAILLIE GIFFORD EUROPEAN SMALLER COMPANIES FUND ('the Fund')

The Fund is a sub-fund of the Baillie Gifford Overseas Growth Funds ICVC (Investment Company with Variable Capital) which is an umbrella Open-Ended Investment Company. Its Authorised Corporate Director ('ACD') is Baillie Gifford & Co Limited.

The share price is calculated daily at 10.00am and is based on the mid value of the underlying assets of the Fund, known as the net asset value. All shares are single priced.

You should be aware of a number of risk factors:

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 specific risks associated with the Fund include:

The share prices of smaller companies may vary more than those of larger companies and they may be harder to sell. Smaller companies may do less well in unfavourable economic conditions.

Changes in the rates of exchange may cause the value of your investment (and any income it may pay) 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 ACD.

Further Information

A full statement of all the terms and conditions for our products is available by contacting us as below. Any comments expressed in this factsheet should not be taken as a recommendation or advice.

This factsheet does not provide you with all the facts that you need to make an informed decision about investing in the Fund. You need to read the associated Simplified Prospectus and decide whether to contact an authorised intermediary. If you do not already have a copy, please call us on the number below. The Simplified Prospectus details your cancellation rights (if any) and shows you how charges and expenses might affect your investment.

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For further information about the Fund or Baillie Gifford's range of OEICs, please contact us at the above address, call our Client Relations Team free on **0800 917 2113**, (telephone calls may be recorded), visit our website at www.bailliegifford.com, or fax us on **0131 275 3955**.