

## FUND AIMS

Aims to achieve capital growth by investing, whether directly or indirectly, in Japan, with particular emphasis on smaller companies, in any economic sector. The ACD will determine from time to time what constitutes smaller companies.

## INVESTMENT REPORT

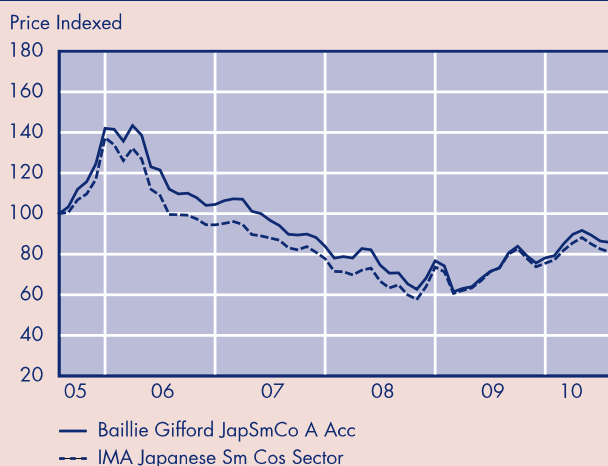
- Smaller companies generally fell by more, in sterling terms, than larger stocks over the month.
- Companies have begun reporting first quarter results, and progress so far has been very encouraging. Aggregate sales have risen by 15% while profits have more than doubled despite the strengthening yen.
- The Upper House election produced an unsatisfactory result with no party winning an overall majority.
- There were no significant transactions to report.

## GENERAL INFORMATION

Fund Manager: John MacDougall  
 Launch Date: 1 April 1983  
 Fund Size: £40.17m  
 IMA Sector: Japanese Smaller Companies

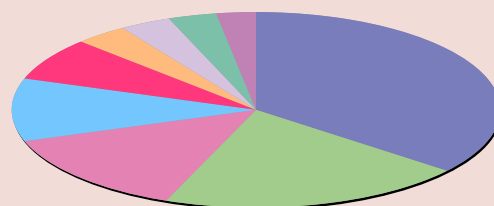
All data as at 30 July 2010 and source Baillie Gifford unless otherwise stated.  
 Performance source: Financial Express, single pricing basis, net income reinvested.

## FUND PERFORMANCE



## SECTOR ANALYSIS OF TOTAL ASSETS

Consumer Discretionary 35.7%  
 Industrials 20.3%  
 Information Technology 13.8%  
 Health Care 10.4%  
 Financials 7.1%  
 Energy 3.5%  
 Liquid Assets 3.4%  
 Consumer Staples 3.2%  
 Materials 2.6%



## TOP TEN HOLDINGS

Holdings	% of Total Assets
1 Start Today	4.5
2 Nakanishi	4.0
3 Don Quijote	3.4
4 Accordia Golf	3.2
5 Nabtesco	3.1
6 Askul	3.0
7 H.I.S	2.8
8 M3	2.8
9 Osaka Securities Exchange	2.6
10 Misumi Group	2.6
	<u>32.0</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	27.0%	-20.4%	-22.8%	-4.1%	20.8%
Sector Average	13.9%	-19.3%	-24.2%	7.1%	15.8%

## CHARGES AND PERFORMANCE

	Initial charge	Annual charge	Historic Yield
Class A - Acc	5.00%	1.50%	0.3%
Class B - Inc	1.00%	0.60%	0.9%
Class B - Acc	1.00%	0.60%	0.9%

	6 Months	1 Year	3 Years	5 Years
Class A - Acc	8.35%	17.22%	-8.80%	-14.13%
Sector Ranking	2/8	3/8	5/8	3/7
Sector Average	5.09%	11.19%	-8.19%	-21.62%

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

## **BAILLIE GIFFORD JAPANESE 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.

The Fund's exposure to a single market and currency may increase share price movements.

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](http://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](http://www.bailliegifford.com), or fax us on **0131 275 3955**.