The Monks Investment Trust PLC
Half-Yearly Financial Report 31 October 2012

Objective

Monks' objective is to invest internationally to achieve capital growth, which takes priority over income and dividends.

Investment Policy

Monks invests principally in a portfolio of international quoted equities. The Company is prepared to move freely between different markets as opportunities arise. Asset classes other than equities may be purchased from time to time including fixed interest holdings, unquoted securities and derivatives. The equity portfolio may be relatively concentrated for a global fund.

Principal Risks and Uncertainties

The principal risks facing the Company relate to the Company's investment activities. These risks are market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. An explanation of these risks and how they are managed is contained in note 23 of the Company's Annual Report and Financial Statements for the year to 30 April 2012. The principal risks and uncertainties have not changed since the publication of the Annual Report and Financial Statements which can be obtained free of charge from Baillie Gifford & Co (see contact details on the back cover of this report) and is available on the Monks' page of the Managers' website: **www.monksinvestmenttrust.co.uk**. Other risks facing the Company include the following: regulatory risk (that the loss of investment trust status or a breach of applicable legal and regulatory requirements could have adverse financial consequences and cause reputational damage); operational/financial risk (failure of service providers' accounting systems could lead to inaccurate reporting or financial loss); the risk that the discount can widen; and gearing risk (the use of borrowing can magnify the impact of falling markets). Further information can be found on page 20 of the Annual Report and Financial Statements.

Responsibility Statement

We confirm that to the best of our knowledge:

a) the condensed set of financial statements has been prepared in accordance with the Accounting Standards Board's statement 'Half-Yearly Financial Reports';

b) the Half-Yearly Management Report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.7R (indication of important events during the first six months, and their impact on the financial statements, and a description of principal risks and uncertainties for the remaining six months of the year); and

c) the Half-Yearly Financial Report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

JGD Ferguson
Chairman

4 December 2012

Summary of Unaudited Results

	31 October 2012	30 April 2012	% change
Shareholders' funds	£912.9m	£989.7m	
Net asset value per share (borrowings at fair value)	356.6p	382.8p	(6.8)
Share price	308.0p	338.5p	(9.0)
FTSE World Index (in sterling terms)			1.2
Discount (borrowings at fair value)	13.6%	11.6%	

	Six months to 31 Oct 2012	Six months to 31 Oct 2011	% change
Revenue earnings per share	2.47p	3.30p	(25.2)
Interim dividend per share (see note 5 on page 12)	0.50p	0.50p	–

Total return performance*	Six months to 31 Oct 2012	Six months to 31 Oct 2011
Net asset value (borrowings at fair value)	(5.9%)	(9.9%)
Share Price	(8.0%)	(9.8%)
FTSE World Index (in sterling terms)	2.7%	(8.8%)

*Total returns include the reinvestment of net dividends.

	Six months to 31 October 2012		Year to 30 April 2012	
Period's high and low	High	Low	High	Low
Net asset value (borrowings at fair value)	385.0p	352.5p	405.5p	337.4p
Share price	338.5p	302.1p	367.9p	298.1p

During the six months to 31 October 2012, the discount (borrowings at fair value) ranged from 10.0% to 15.9% (year to 30 April 2012: 6.5% to 14.4%).

Past performance is not a guide to future performance.

Half-Yearly Management Report

Results

Over the six months to 31 October, the net asset total return, with borrowings deducted at fair value, was –5.9% and the share price total return was –8.0% while the FTSE World Index in sterling terms returned +2.7%.

In the half year the performance of our portfolio diverged significantly from that of markets. This divergence was most marked from the start of June to the end of the period, during which time the comparative index returned +6.7% while our net asset value total return was –1.5% and the share price return was –0.7%.

The most important factor in this divergence was stock selection. The biggest contributors to the rise in the index were, almost without exception, stocks we do not own. Large pharmaceutical companies, big oil companies and other high yielding shares perceived to be among the most defensive available to investors led the market higher along with Apple and Google. The Manager believes that many of these apparently defensive companies are in fact declining businesses that are struggling to re-invest at attractive rates of return and he also has concerns about the sustainability of margins at Apple and about capital allocation at Google. This was also a good period for the markets of the eurozone, to which we have relatively little exposure. Among our holdings performance was also decidedly mixed. Our early stage oil and gas exploration holdings suffered from disappointing drilling results, Facebook fell dramatically in price following a messy IPO and our largest holding, IP Group (overall a strong performer since originally purchased in June 2011), also fell in price in the absence of any news. These and other setbacks more than offset strong gains from the majority of our biotech holdings and gains among our holdings of gold mining shares.

Being less than fully invested was also a drag on performance during a period of rising markets but had a smaller impact than stock selection.

Of the major markets, those in Europe experienced the greatest gains in sterling terms over the six months to 31 October. The Japanese, Brazilian and Chinese markets all suffered falls while the UK and broader US markets recorded modest gains, in the latter case despite a decline in the NASDAQ index.

The Brazilian currency weakened significantly during the period while Asian currencies and the US dollar strengthened against sterling.

The rise in markets coincided with a deterioration in corporate results with earnings coming under pressure around the world, increasing caution in the forward looking statements of company managements and downgrades to forecasts of economic growth. Monetary stimulus in the form of a new round of quantitative easing in the United States and a promise by the head of the European Central Bank (ECB) to "do whatever it takes" to save the euro followed by the announcement of a mechanism through which the ECB can buy unlimited quantities of the debt of troubled eurozone governments, seem to have been more powerful influences on markets than the outlook for earnings. The uncertain outlook was, however, reflected in the relative performance of the shares of different types of companies.

Earnings per share were 2.47p, down from 3.30p in the corresponding period a year ago. The most significant factor behind this decrease was a reduction in overseas dividend income, which was partly offset by a decrease in borrowing costs. The Board has declared an interim dividend of 0.50p, to be paid on 30 January 2013.

Investment Changes

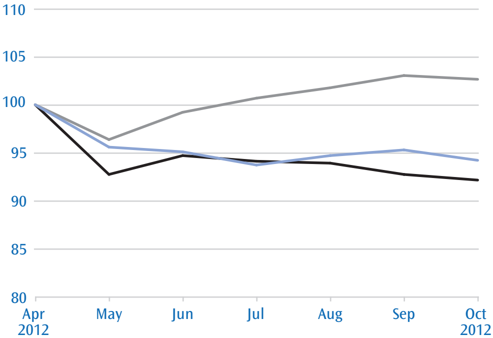
During the six months to 31 October we made a net reduction to equities of £58m and a net reduction in bonds of £19m. Within equities net reductions were made in the UK, Europe and Emerging Markets and the only significant net addition was in North America. The Brazilian index-linked bonds were sold with part of the proceeds being reinvested in US dollar denominated Venezuelan bonds.

The £40m 11% debenture stock was repaid on maturity in June and the £40m short-term bank loan was repaid in October. The 30-year interest rate swap put in place in order to lock in long rates was unwound in June owing to the decreased likelihood of a rise in long-term UK interest rates.

Gearing is managed using futures and options as well as holding cash. In light of renewed quantitative easing in the United States and the reinforcement of the European bailout mechanisms, effective gearing was increased in October by reducing the size of

Six Month Total Return Performance

(figures plotted on a monthly basis and have been rebased to 100 at 30 April 2012)



Source: Morningstar/Baillie Gifford & Co

Dividends are re-invested.

Past performance is not a guide to future performance.

the short futures positions. These developments have reduced the near term risk of a major correction in markets but risks remain and we are maintaining some insurance against such an event. Effective gearing taking into account futures and options positions rose from 93% of shareholders' funds at the end of April to 100% at the end of October.

The derivative positions also alter our effective geographical exposure and are reflected in the bar chart on page 5 showing the distribution of investments by geography at the end of October and the end of April.

Share buybacks

During the period 2.7m shares were bought back at a cost of £8.5m. The discount widened during the period but the use of share buybacks helped to absorb surplus supply while at the same time enhancing net asset value for continuing shareholders.

Outlook

In the short term, monetary policy measures that involve the purchase of financial assets such as government bonds or mortgage-backed securities force up the price of the assets being purchased and lower expected future returns for holders of those assets, encouraging them to switch into other assets with less certain but potentially greater prospective returns. In this way the money created through quantitative easing has a fairly direct and positive impact on the price of most widely traded financial assets, including shares as well as government and corporate bonds. Its impact on the broader economy is less clear, but it remains the favoured policy response of the US Federal Reserve to any form of economic disappointment and the impact of US quantitative easing spreads far beyond its shores. The latest round of quantitative easing in America has been explicitly linked to the unemployment rate and so as long as this remains high there should be some support for markets from this source. This may, however, have negative consequences for long-term investment returns arising from the distortion of market prices. For the long term, investing in the right companies is likely to be more important than investing in a portfolio that replicates broad market indices.

The share prices of many of our holdings are more volatile than most of those in the market, which has contributed to our holdings being out of favour in our current fearful times, but they have other characteristics that are consistent with companies that should deliver superior performance over the long term. According to external analysis carried out on our holdings, the companies in our portfolio exhibit higher historic growth in earnings and higher forecast earnings growth than the FTSE World Index. They also achieve a higher return on equity than the corresponding figure for the index despite having less debt relative to equity. This suggests that the companies held are not using excessive leverage to generate these returns.

The principal risks and uncertainties facing the Company are set out on the inside front cover of this report.

Thirty Largest Equity Holdings at 31 October 2012

Name	Region	Business	Value £'000	% of total assets
IP Group	United Kingdom	Venture fund	31,296	3.2
Seadrill	Continental Europe	Contract drilling services	25,438	2.6
Aggreko	United Kingdom	Temporary power units	24,876	2.5
Samsung Electronics	Emerging Markets	Electronic goods	17,204	1.7
The Biotech Growth Trust	United Kingdom	Investment trust	16,267	1.6
Kone	Continental Europe	Lifts	15,816	1.6
Odontoprev	Emerging Markets	Health care providers and services	15,748	1.6
Petrofac	United Kingdom	Oilfield services company	15,270	1.5
Fuchs Petrolub	Continental Europe	Lubricant manufacturer	14,531	1.5
Genus	United Kingdom	Agricultural services	14,421	1.5
Kunlun Energy Company	Emerging Markets	Oil and gas exploration and production	14,339	1.4
Eldorado Gold	North America	Gold mining	14,181	1.4
National Oilwell Varco	North America	Drilling equipment manufacturer	13,196	1.3
Doric Nimrod Air Two	United Kingdom	Aircraft leasing	13,140	1.3
First Republic Bank	North America	Banking	12,474	1.3
Silver Wheaton	North America	Silver mining	12,258	1.2
Harley-Davidson	North America	Motorcycle manufacturer	12,224	1.2
Tui Travel	United Kingdom	Travel and tourism	12,106	1.2
Seek	Developed Asia	Online recruitment	11,971	1.2
Renishaw	United Kingdom	Electronic measuring instruments	11,941	1.2
Better Capital Fund	United Kingdom	Private equity	11,749	1.2
Sun Art Retail Group	Emerging Markets	Retail hypermarkets	11,681	1.2
TJX	North America	Clothing store	11,679	1.2
Imax	North America	Designs and manufactures digital imaging and sound technologies	11,613	1.2
Taiwan Semicon Manufacturing	Emerging Markets	Semiconductor manufacturer	11,539	1.2
Seattle Genetics	North America	Biotechnology	11,460	1.2
Naspers	Emerging Markets	Media company	11,388	1.2
Ultra Petroleum	North America	Oil and gas exploration and production	11,231	1.1
Credicorp	Emerging Markets	Banking	11,084	1.1
Novozymes	Continental Europe	Enzyme producer	11,069	1.1
			433,190	**43.7**

Distribution of Portfolio

Geographical Analysis

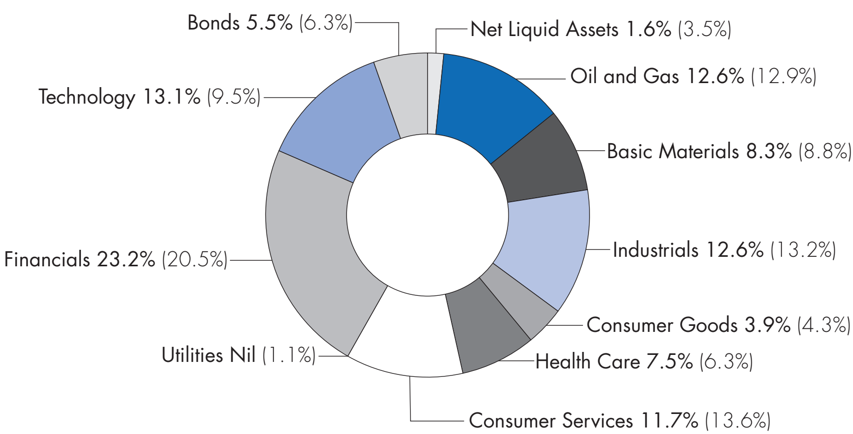
Region	At 31 October 2012 % of total assets	At 31 October 2012 Effective exposure %*	At 30 April 2012 % of total assets	At 30 April 2012 Effective exposure %*
North America	26.3%	28.3%	21.2%	25.4%
United Kingdom	25.8%	23.4%	24.6%	21.6%
Emerging Markets	20.4%	21.3%	23.1%	19.2%
Continental Europe	12.3%	9.4%	13.4%	8.8%
Japan	6.3%	8.0%	6.4%	11.4%
Bonds	5.5%	5.9%	6.3%	7.6%
Developed Asia	1.8%	2.0%	1.5%	1.8%
Net Liquid Assets	1.6%	1.7%	3.5%	4.2%

% of total assets
Effective exposure %*

*The effective exposure takes into account the exposure of derivative holdings which may differ substantially from their market value. The Company's derivative holdings include sales of index futures and purchases of index call options.

Sector Analysis at 31 October 2012

(30 April 2012)



Income Statement (unaudited)

	For the six months ended 31 October 2012 Revenue £'000	Capital £'000	**Total £'000**
Gains/(losses) on sales of investments	–	2,864	**2,864**
Changes in investment holding gains and (losses)	–	(65,764)	**(65,764)**
Currency losses	–	(2,907)	**(2,907)**
Income from investments and interest receivable	12,359	–	**12,359**
Other income	–	–	**–**
Investment management fee (note 3)	(2,280)	–	**(2,280)**
Other administrative expenses	(460)	–	**(460)**
Net return before finance costs and taxation	9,619	(65,807)	**(56,188)**
Finance costs of borrowings	(2,889)	–	**(2,889)**
Net return on ordinary activities before taxation	6,730	(65,807)	**(59,077)**
Tax on ordinary activities	(425)	–	**(425)**
Net return on ordinary activities after taxation	**6,305**	**(65,807)**	**(59,502)**
Net return per ordinary share (note 4)	**2.47p**	**(25.78p)**	**(23.31p)**
Note: Dividends per share paid and payable in respect of the period (note 5)	**0.50p**		

The total column of this statement is the profit and loss account of the Company. All revenue and capital items in this statement derive from continuing operations. A Statement of Total Recognised Gains and Losses is not required as all the gains and losses of the Company have been reflected in the above statement.

For the six months ended 31 October 2011 Revenue £'000	Capital £'000	**Total £'000**	For the year ended 30 April 2012 Revenue £'000	Capital £'000	**Total £'000**
–	78,321	**78,321**	–	(9,297)	**(9,297)**
–	(186,752)	**(186,752)**	–	(51,766)	**(51,766)**
–	(1,386)	**(1,386)**	–	(890)	**(890)**
17,635	–	**17,635**	31,415	–	**31,415**
9	–	**9**	9	–	**9**
(2,574)	–	**(2,574)**	(5,087)	–	**(5,087)**
(595)	–	**(595)**	(1,013)	–	**(1,013)**
14,475	(109,817)	**(95,342)**	25,324	(61,953)	**(36,629)**
(5,256)	–	**(5,256)**	(10,434)	–	**(10,434)**
9,219	(109,817)	**(100,598)**	14,890	(61,953)	**(47,063)**
(630)	–	**(630)**	(1,001)	–	**(1,001)**
8,589	**(109,817)**	**(101,228)**	**13,889**	**(61,953)**	**(48,064)**
3.30p	**(42.14p)**	**(38.84p)**	**5.35p**	**(23.86p)**	**(18.51p)**
0.50p			**3.95p**		

Balance Sheet (unaudited)

	At 31 Oct 2012 £'000	At 31 Oct 2011 £'000	At 30 April 2012 £'000
Fixed assets			
Investments held at fair value through profit or loss	976,474	1,071,733	1,098,327
Current assets			
Debtors	7,876	63,937	37,107
Investments held at fair value through profit or loss	157	–	10,553
Cash and short-term deposits	16,682	19,594	39,519
	24,715	83,531	87,179
Creditors			
Amounts falling due within one year:			
Bank loan (note 6)	–	(40,000)	(40,000)
Debenture stock (note 6)	–	(40,000)	(40,000)
Other creditors	(8,639)	(44,922)	(36,140)
	(8,639)	(124,922)	(116,140)
Net current assets/(liabilities)	16,076	(41,391)	(28,961)
Total assets less current liabilities	992,550	1,030,342	1,069,366
Creditors			
Amounts falling due after more than one year:			
Bank loan (note 6)	(40,000)	(40,000)	(40,000)
Debenture stock (note 6)	(39,663)	(39,631)	(39,647)
	(79,663)	(79,631)	(79,647)
Total net assets	**912,887**	**950,711**	**989,719**
Capital and reserves			
Called up share capital	12,671	13,001	12,806
Share premium	11,100	11,100	11,100
Capital redemption reserve	6,727	6,397	6,592
Capital reserve	841,229	880,542	915,546
Revenue reserve	41,160	39,671	43,675
Shareholders' funds	**912,887**	**950,711**	**989,719**
Net asset value per ordinary share (after deducting borrowings at fair value) (note 6)	**356.6p**	**361.8p**	**382.8p**
Net asset value per ordinary share (after deducting borrowings at par)	**360.1p**	**365.5p**	**386.3p**
Ordinary shares in issue (note 7)	**253,421,859**	**260,014,859**	**256,124,859**

Reconciliation of Movements in Shareholders' Funds (unaudited)

For the six months ended 31 October 2012

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve* £'000	Revenue reserve £'000	**Shareholders' funds £'000**
Shareholders' funds at 1 May 2012	12,806	11,100	6,592	915,546	43,675	**989,719**
Net return on ordinary activities after taxation	–	–	–	(65,807)	6,305	**(59,502)**
Shares purchased for cancellation (note 7)	(135)	–	135	(8,510)	–	**(8,510)**
Dividends paid during the period (note 5)	–	–	–	–	(8,820)	**(8,820)**
Shareholders' funds at 31 October 2012	**12,671**	**11,100**	**6,727**	**841,229**	**41,160**	**912,887**

For the six months ended 31 October 2011

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve* £'000	Revenue reserve £'000	**Shareholders' funds £'000**
Shareholders' funds at 1 May 2011	13,038	11,100	6,360	992,780	37,601	**1,060,879**
Net return on ordinary activities after taxation	–	–	–	(109,817)	8,589	**(101,228)**
Shares purchased for cancellation	(37)	–	37	(2,421)	–	**(2,421)**
Dividends paid during the period (note 5)	–	–	–	–	(6,519)	**(6,519)**
Shareholders' funds at 31 October 2011	**13,001**	**11,100**	**6,397**	**880,542**	**39,671**	**950,711**

For the year ended 30 April 2012

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve* £'000	Revenue reserve £'000	**Shareholders' funds £'000**
Shareholders' funds at 1 May 2011	13,038	11,100	6,360	992,780	37,601	**1,060,879**
Net return on ordinary activities after taxation	–	–	–	(61,953)	13,889	**(48,064)**
Shares purchased for cancellation	(232)	–	232	(15,281)	–	**(15,281)**
Dividends paid during the year (note 5)	–	–	–	–	(7,815)	**(7,815)**
Shareholders' funds at 30 April 2012	**12,806**	**11,100**	**6,592**	**915,546**	**43,675**	**989,719**

*The Capital Reserve balance at 31 October 2012 includes investment holding gains on investments of £115,966,000 (31 October 2011 – gains of £88,980,000; 30 April 2012 – gains of £179,839,000).

Condensed Cash Flow Statement (unaudited)

	Six months to 31 October 2012 £'000	Six months to 31 October 2011 £'000	Year to 30 April 2012 £'000
Net cash inflow from operating activities	10,220	16,186	24,825
Net cash outflow from servicing of finance	(4,952)	(5,333)	(10,498)
Total tax paid	(76)	(616)	(972)
Net cash inflow/(outflow) from financial investment	76,258	(2,862)	27,912
Equity dividends paid	(8,820)	(6,519)	(7,815)
Net cash inflow before use of liquid resources and financing	72,630	856	33,452
Shares purchased for cancellation	(13,300)	(792)	(10,478)
Borrowings repaid	(80,000)	–	–
(Decrease)/increase in cash	**(20,670)**	**64**	**22,974**

Reconciliation of net cash flow to movement in net debt

	Six months to 31 October 2012 £'000	Six months to 31 October 2011 £'000	Year to 30 April 2012 £'000
(Decrease)/increase in cash in the period	(20,670)	64	22,974
Translation difference	(2,167)	618	(2,367)
Net cash outflow from borrowings	80,000	–	–
Other non-cash changes	(16)	(17)	(33)
Movement in net debt in the period	57,147	665	20,574
Net debt at start of the period	(120,128)	(140,702)	(140,702)
Net debt at end of the period	**(62,981)**	**(140,037)**	**(120,128)**

Reconciliation of net return before finance costs and taxation to net cash inflow from operating activities

	Six months to 31 October 2012 £'000	Six months to 31 October 2011 £'000	Year to 30 April 2012 £'000
Net return before finance costs and taxation	(56,188)	(95,342)	(36,629)
Net losses on investments	62,900	108,431	61,063
Currency losses	2,907	1,386	890
Amortisation of fixed income book cost	(896)	(442)	(986)
Changes in debtors and creditors	1,497	2,153	487
Net cash inflow from operating activities	**10,220**	**16,186**	**24,825**

Notes to the Condensed Financial Statements (unaudited)

1 The condensed financial statements for the six months to 31 October 2012 comprise the statements set out on pages 6 to 10 together with the related notes on pages 11 and 12. They have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements at 30 April 2012 and in accordance with the ASB's Statement 'Half-Yearly Financial Reports' and have not been audited or reviewed by the Auditors pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. The Board approves borrowing and gearing limits and reviews regularly the amounts of any borrowing and gearing as well as compliance with borrowing covenants. Accordingly, the Half-Yearly Financial Report has been prepared on the going concern basis as it is the Directors' opinion that the Company will continue in operational existence for the foreseeable future.

2 The financial information contained within this Half-Yearly Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 30 April 2012 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditors' Report on those accounts was unqualified and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

3 Baillie Gifford & Co are employed by the Company as investment managers and secretaries under a management agreement which is terminable on not less than 6 months' notice, or on shorter notice in certain circumstances. The annual fee is 0.45% of total assets less current liabilities, calculated on a quarterly basis.

	Six months to 31 October 2012 £'000	Six months to 31 October 2011 £'000	Year to 30 April 2012 £'000
4 **Net return per ordinary share**			
Revenue return on ordinary activities after taxation	6,305	8,589	13,889
Capital return on ordinary activities after taxation	(65,807)	(109,817)	(61,953)
Total net return	**(59,502)**	**(101,228)**	**(48,064)**

Net return per ordinary share is based on the above totals of revenue and capital and on 255,217,191 (31 October 2011 – 260,650,729; 30 April 2012 – 259,692,291) ordinary shares, being the weighted average number of ordinary shares in issue during each period.

There are no dilutive or potentially dilutive shares in issue.

Notes to the Condensed Financial Statements (unaudited) (cont.)

	Six months to 31 October 2012 £'000	Six months to 31 October 2011 £'000	Year to 30 April 2012 £'000
5 Dividends			
Amounts recognised as distributions in the period:			
Previous year's final dividend of 3.45p (2011 – 2.50p), paid 13 August 2012	8,820	6,519	6,519
Interim dividend for the year ended 30 April 2012 of 0.50p, paid 30 January 2012	–	–	1,296
	8,820	**6,519**	**7,815**
Amounts paid and payable in respect of the period:			
Adjustment to previous year's final dividend re shares bought back	(16)	–	–
Interim dividend for the year ending 30 April 2013 of 0.50p (2012 – 0.50p)	1,267	1,300	1,296
Final dividend (2012 – 3.45p)	–	–	8,836
	1,251	**1,300**	**10,132**

The interim dividend was declared after the period end date and has therefore not been included as a liability in the balance sheet. It is payable on 30 January 2013 to shareholders on the register at the close of business on 4 January 2013. The ex dividend date is 2 January 2013. The Company operates a Dividend Reinvestment Plan and the final date for elections for reinvestment of this dividend is 11 January 2013.

6 During the period under review the Company repaid its £40m debenture stock 2012 on maturity and its £40m one year floating rate loan. At 31 October 2012, the Company's borrowings comprise a £40m three year fixed rate loan repayable in February 2014 and a £40m 6⅜% debenture stock repayable in 2023.

The fair value of borrowings at 31 October 2012 was £88.9m (31 October 2011 – £169.6m; 30 April 2012 – £168.9m).

7 During the period under review the Company bought back 2,703,000 ordinary shares with a nominal value of £135,000 for a total consideration of £8,510,000. At 31 October 2012 the Company had the authority to buy back a further 36,099,014 shares.

8 Transaction costs on purchases amounted to £93,000 (31 October 2011 – £280,000; 30 April 2012 – £502,000) and transaction costs on sales amounted to £137,000 (31 October 2011 – £279,000; 30 April 2012 – £673,000).

Further Shareholder Information

Monks' shares are traded on the London Stock Exchange. They can be bought through a stockbroker, by asking a professional adviser to do so, or through the Baillie Gifford savings vehicles.

Baillie Gifford's Investment Trust Share Plan

You can invest a minimum of £250 or from £30 per month. The plan is designed to be a cost-effective way of saving on a lump sum or regular basis.

Baillie Gifford's Investment Trust ISA

You can invest in a tax efficient way by investing a minimum of £2,000 or from £100 per month or by transferring an ISA with a value of at least £2,000 from your existing manager.

Baillie Gifford's Children's Savings Plan

A cost-effective plan tailored especially to meet the requirements to save for children. You can invest a minimum of £100 or from £25 per month.

Online Management Service

You can now also open and manage your Share Plan, Children's Savings Plan* and/or ISA online, through our secure Online Management Service (OMS) which can be accessed through the Baillie Gifford website at **www.bailliegifford.com/oms**. OMS enables you to apply for, open and administer a Baillie Gifford Investment Trust Share Plan or Investment Trust ISA online. As well as being able to view the details of your plan online, the service also allows you to:

- get current valuations;
- make lump sum investments;
- switch between investment trusts (except where there is more than one holder);
- set up a direct debit to make regular investments; and
- update certain personal details.

*Please note that a Bare Trust cannot be opened via OMS. A Bare Trust Application Form must be completed.

The information about the ISA, Share Plan and Children's Savings Plan has been approved by Baillie Gifford Savings Management Limited ('BGSM'). BGSM is the ISA Manager and is the Manager of the Share Plan and Children's Savings Plan. BGSM is wholly owned by Baillie Gifford & Co. Both are authorised and regulated by the Financial Services Authority. Baillie Gifford only provides information about its products and does not provide investment advice.

Risks

Past performance is not a guide to future performance.

Monks is a listed UK company. As a result, the value of its shares and any income from those shares is not guaranteed and could go down as well as up. You may not get back the amount you invested.

As Monks invests in overseas securities, changes in the rates of exchange may also cause the value of your investment (and any income it may pay) to go down or up.

Market values for securities which have become difficult to trade may not be readily available, and there can be no assurance that any value assigned to such securities will accurately reflect the price Monks might receive upon their sale.

Monks invests in emerging markets which could encounter dealing, settlement and custody difficulties more than the main international markets.

Monks invests in corporate bonds which are generally perceived to carry a greater possibility of capital loss than investment in, for example, higher rated UK government bonds. Bonds issued by companies and governments may be adversely affected by changes in interest rates and expectations of inflation.

Monks has borrowed money to make further investments (sometimes known as 'gearing'). The risk is that when this money is repaid by the Company, the value of the investments may not be enough to cover the borrowing and interest costs, and the Company will make a loss. If the Company's investments fall in value, any borrowings will increase the amount of this loss. Monks can buy back and cancel its own shares. The risks from borrowing are increased when the Company buys back and cancels its shares.

Monks use of derivatives may impact on its performance.

As the aim of Monks is to achieve capital growth you should not expect a significant, or steady, annual income from the Company.

The favourable tax treatment of ISAs may change.

Details of other risks that apply to investment in these savings vehicles are contained in the product brochures.

Investment trusts are UK public limited companies and as such comply with the requirements of the UK Listing Authority. They are not authorised or regulated by the Financial Services Authority.

None of the views expressed in this document should be construed as advice to buy or sell a particular investment.

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