RNS Announcement

The Monks Investment Trust PLC (MNKS)

Legal Entity Identifier: 213800MRI1JTUKG5AF64

Results for the six months to 31 October 2022

The following is the unaudited Interim Financial Report for the six months to 31 October 2022 which was approved by the Board on 6 December 2022.

Interim Management Report

The performance of the Monks portfolio over the past six months has been disappointing. The backdrop of an ongoing war in Europe between Russia and Ukraine, rising inflation, and aggressive central bank rate rises have done little to ease investor nervousness. Investors' appetite for risk has been reduced, their timeframes have shrunk, and the value the market is prepared to place on future profits has fallen. The sort of structurally expanding businesses Monks invests in, particularly those where profits lie a few years out, remain out of favour.

During the first half of our financial year, the Company produced a negative net asset value (NAV)* total return of -5.2% compared to -0.3% for the comparative index (FTSE World in sterling). The share price total return was -7.6%. Since the Global Alpha team took over the management of the portfolio in March 2015, the Company has produced a NAV total return of +118.4% compared to +119.7% for the comparative index. The share price total return was +129.7%.

Resilience, quality, growth

Given ongoing market challenges, it is important we reconfirm to shareholders our convictions. Our confidence in the portfolio is underpinned by the underlying holdings' superior resilience, quality, and growth characteristics. The portfolio holdings remain significantly less indebted (Net Debt to Equity 10% versus 50% for the market) and have higher margin structures (for example, gross margins of 40% versus 29%) than the broader market. These are desirable in a world where both input and funding costs are rising and the demand environment for companies is less certain. The operational performance of investee companies remains strong. In aggregate, revenue and earnings growth has outpaced the broader market by a considerable margin (annualised revenue and earnings growth has been 60% and 30% faster, respectively, in the five years to end October). As we look forward, revenue and earnings are forecast to grow twice as fast as the market average over the next year - our conviction strengthens over longer periods.

Portfolio activity

Year-to-date, we have sold 20 holdings and established nine new ones. The greater number of sales reflects a proactive and ruthless portfolio 'weeding' exercise. These sales can be broadly categorised into three main groups.

The first comprises companies that we believe to be materially challenged in an inflationary environment or that are exposed to a potential tapering of consumer demand. Positions sold include Peloton (home fitness), Carvana (online used car retail) and Teladoc (telemedicine). Peloton and Carvana have been disappointingly short-lived holdings. In Peloton's case, it became clear that the company had mismanaged the hardware side of its business, significantly overestimating demand for its exercise bikes. This necessitated the appointment of a new CEO and a period of stabilisation. We moved on as our confidence in management had been undermined and our original thesis overwhelmed. Carvana buys its inventory (used cars) on credit and sells to consumers who are often reliant on credit. In a period of rising interest rates and weakening demand for highly discretionary goods, our view is that Carvana's probability of success is narrowing. Teladoc had been a longer-term holding (purchased in September 2019). A combination of slowing growth, and significant write-downs relating to an acquisition, undermined our confidence in the long-term investment case. We continue to contemplate the long-term implications for the likes of Wayfair (online furniture retail), Oscar Health (health insurance) and Adidas (sports apparel).

The second group is Chinese companies. Positions in Brilliance China Automotive (auto retail), KE Holdings (online property), Tencent Music Entertainment (online music and entertainment) and Naspers (South African investment company, included here due to its significant stake in Chinese gaming business, Tencent) have been sold. For each company, there are fundamental reasons behind our decision to sell. For example, emerging competition in the cases of KE Holdings and TME and governance concerns at Brilliance China Automotive. However, it is important to recognise the prevailing regulatory environment for private enterprise in China. We believe that it is increasingly difficult for private enterprises in China to generate supernormal profits of the sort that we seek for Monks' portfolio. Therefore, a more modest overall exposure to China better reflects our view of the potential upside.

The third group is where the investment case has played out or where we have been disappointed by management's ability to execute. In the former camp, Hays, Page Group (both recruitment) and ICICI Bank (retail banking), have delivered operationally and in share price terms. In Hays and Page Groups' case, the future threat of online platforms like LinkedIn compelled us to move on, whilst ICICI Bank has grown its loan book, asset quality and net interest margins strongly. In the latter camp, Lyft (ride hailing), Stericyle (waste management) and Vimeo (video software) failed either to meet our ambitions for their business or underwhelmed operationally.

Reward seeking

The significant markdown in share prices that we have seen this year has brought valuations of many attractive growth companies into our purview. We have begun to take advantage of this by investing in companies we have long admired. Examples include the purchases of Adobe (digital content), Analog Devices (semiconductors), and Royalty Pharma (healthcare funding) in the first half of the calendar year. In the last six months, we have purchased new holdings in Eaton (electrical power equipment) and Shiseido (cosmetics). Eaton is a manufacturer of vital electrical power management equipment and has a strong track record of operational efficiency. We believe that the structural trend toward digitalisation and an increased focus on higher-margin products should underpin strong growth in the future. Shiseido is a Japanese cosmetics manufacturer with a portfolio of high-end brands. Whilst pandemic lockdowns across Asia have stymied growth, we believe that over the long term the emerging middle classes are likely to underpin attractive returns for Shiseido. Elsewhere, we have been able to add to existing positions where we think that the share price falls are unjustified. This has been the case for Farfetch (online luxury), Coupang (ecommerce) and Chewy (online pet supplies).

We believe that the portfolio is opportunistically poised to deploy capital from the 'Stalwarts' (which have held up well in relative terms and account for nearly 40% of the portfolio) into selective opportunities where the relative return potential is greater. We have been preparing the ground for this by looking both at potential cyclical opportunities and, against a background of scarcer capital, companies that have capital readily available to deploy. We are excited about the abundance of opportunities and are building conviction in several names.

Back on the road

We have been energised by the return of in-person meetings with investee companies and prospective holdings. We have been able to travel both locally and further afield, including to the US and Latin America. We met with a variety of existing and potential holdings across a diverse range of sectors and industries.

Indeed, we were fortunate to spend significant time with the founder and four members of the executive management team of holding MercadoLibre. This access afforded us a better understanding of the depth of MercadoLibre's executive talent pool and the future drivers of growth for the business. Likewise, we spent a day with Farfetch, which helped further our understanding of the business and the likelihood of it becoming the predominant global ecommerce platform for luxury goods.

The value of these in-person conversations should not be underestimated. Not only were we able to directly address questions about the competitive landscape for MercadoLibre's ecommerce platform and the stability of its financing arm, but our broader view of where there may be structural growth opportunities was enriched. Our recent trip involved meetings with several innovative financial disruptors and a venture capital provider. The financial sector in many Latin American countries appears ripe for disruption given the egregious fees charged by incumbent banks. We were left in no doubt about the potential for disruption, and that this area could be subject to significant change and opportunity in the future.

Independent Investment Trust

In early November the Monks portfolio received £173m of assets following the voluntary liquidation and rollover of The Independent Investment Trust PLC. This was made up of around £100m in equity investment holdings, which have been reviewed and assessed for fit with Monks' portfolio, and £73m in cash. The stocks inherited are a mix of cyclical companies such as UK housebuilders Persimmon, Redrow, and Bellway and early-stage growth companies like Midwich, a distributor of audiovisual equipment, and Bytes Technology, a software solutions provider. Benefits to shareholders include increased scale, resulting in an estimated reduction to its ongoing charges ratio of two basis points, and cash at an advantageous point in the performance cycle.

Gearing

The level of invested gearing at the period end stood at 8.6%, compared to 7.3% six months earlier. The modest increase in gearing levels reflects the fall in NAV and deployment of cash into equity markets. Over the medium term, and where the appropriate opportunity presents itself, we would expect to move the gearing level towards the intended long-term target position of 10%.

Dividend

No interim dividend is being paid. A single final dividend will typically be paid after the AGM, reflecting the Company's focus on capital growth.

Outlook

Consistency of investment approach, particularly through difficult times, is of utmost importance. Our investment edge remains in identifying and owning growth companies for the long term. The purpose of this is to allow the power of compound growth in revenues, earnings, and cashflows to drive share price appreciation – shareholders should rightly challenge us if we appear to be veering off course. Operating conditions for companies change. We recognise this. This has prompted us to spend considerable time assessing where there may be quality cyclical opportunities – we are deepening our conviction in several names. We are confident that we own a collection of companies that should be well-placed to navigate a period of rising costs and potentially weaker demand. Indeed, the financial characteristics and the competitive positions of a vast majority of holdings lead us to believe many will outcompete their peers and emerge stronger.

* With debt at fair value
The principal risks and uncertainties facing the Company are set out at the end of this document.

6 December 2022

For a definition of terms see Glossary of Terms and Alternative Performance Measures at the end of this document
Total return information sourced from Refinitiv/Baillie Gifford. See disclaimer at end of this document.
Past performance is not a guide to future performance.

The Managers' Core Investment Beliefs

We believe the following features of Monks provide a sustainable basis for adding value for shareholders.

Active Management
- We invest in attractive companies using a 'bottom-up' investment process. Macroeconomic forecasts are of relatively little interest to us.
- High active share* provides the potential for adding value.
- We ignore the structure of the index – for example the location of a company's HQ and therefore its domicile are less relevant to us than where it generates sales and profits.
- Large swathes of the market are unattractive and of no interest to us.
- As index agnostic global investors we can go anywhere and only invest in the best ideas.
- As the portfolio is very different from the index, we expect portfolio returns to vary – sometimes substantially and often for prolonged periods.

Committed Growth Investors
- In the long run, share prices follow fundamentals; growth drives returns.
- We aim to produce a portfolio of stocks with above average growth – this in turn underpins the ability of Monks to add value.
- We have a differentiated approach to growth, focusing on the type of growth that we expect a company to deliver. All holdings fall into one of three growth categories – as set out below.
- The use of these three growth categories ensures a diversity of growth drivers within a disciplined framework.

Long-Term Perspective
- Long-term holdings mean that company fundamentals are given time to drive returns.
- We prefer companies that are managed with a long-term mindset, rather than those that prioritise the management of market expectations.
- We believe our approach helps us focus on what is important during the inevitable periods of underperformance.
- Short-term portfolio results are random.
- As longer-term shareholders we are able to have greater influence on environmental, social and governance matters.

Dedicated Team with Clear Decision-making Process
- Senior and experienced team drawing on the full resources of Baillie Gifford.
- Alignment of interests – the investment team responsible for Monks all own shares in the Company.

Portfolio Construction
- Investments are held in three broad holding sizes – as set out below.
- This allows us to back our judgement in those stocks for which we have greater conviction, and to embrace the asymmetry of returns through 'incubator' positions in higher risk/return stocks.
- 'Asymmetry of returns': some of our smaller positions will struggle and their share prices will fall; those that are successful may rise many fold. The latter should outweigh the former.

Low Cost

– Investors should not be penalised by high management fees.
– Low turnover and trading costs benefit shareholders.

For a definition of terms see Glossary of Terms and Alternative Performance Measures at the end of this document

Responsibility Statement

We confirm that to the best of our knowledge:

a) the condensed set of Financial Statements has been prepared in accordance with FRS 104 ‘Interim Financial Reporting’;
b) the Interim Management Report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (indication of important events during the first six months, their impact on the condensed set of Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the year); and
c) the Interim Financial Report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board
KS Sternberg
Chairman
6 December 2022

Thirty Largest Holdings as at 31 October 2022

Name	Growth category	Business description	Fair value £'000	% of total assets *
Elevance Health	Stalwart	Healthcare insurer	116,152	4.8
Martin Marietta Materials	Cyclical	Cement and aggregates manufacturer	69,112	2.8
Reliance Industries	Rapid	Indian energy conglomerate	67,944	2.8
Microsoft	Stalwart	Software and cloud computing enterprise	64,818	2.7
The Schiehallion Fund*	Rapid	Global unlisted growth equity investment company	35,234	1.5
The Schiehallion Fund – C Shares*	Rapid	Global unlisted growth equity investment company	27,058	1.1
			62,292	2.6
Arthur J. Gallagher	Stalwart	Insurance broker	62,122	2.5
Alphabet	Stalwart	Online search engine	60,729	2.5
Moody's	Stalwart	Credit rating agency	58,574	2.4
Service Corporation International	Stalwart	Death care services	56,697	2.3
Prosus	Rapid	Media and ecommerce company	54,518	2.2
Olympus	Stalwart	Optoelectronic products	49,051	2.0
MasterCard	Stalwart	Electronic payments network and related services	46,753	1.9
Pernod Ricard	Stalwart	Global spirits manufacturer	46,748	1.9
Royalty Pharma	Cyclical	Biopharmaceutical royalties portfolio	45,050	1.9
CRH	Cyclical	Diversified building materials company	43,596	1.8
Thermo Fisher Scientific	Stalwart	Scientific instruments, consumables and chemicals	41,764	1.7
Amazon.com	Rapid	Online retailer	41,559	1.7
Ryanair	Cyclical	Low cost European airline	40,965	1.7
BHP Group	Cyclical	Mineral exploration and production	40,867	1.7
Albemarle	Cyclical	Speciality chemicals	36,357	1.5
Charles Schwab	Cyclical	Online savings and trading platform	36,307	1.5
Alnylam Pharmaceuticals	Rapid	RNA interference based biotechnology	35,991	1.5
AIA	Stalwart	Asian life insurer	34,523	1.4
Rio Tinto	Cyclical	Global commodities businesses	31,966	1.3
Moderna	Rapid	Drug discovery using mRNA technology	30,809	1.3
Prudential	Stalwart	International life insurance	30,465	1.3
HDFC	Rapid	Indian mortgage provider	29,797	1.2
Estee Lauder	Stalwart	Global cosmetic brands business	29,294	1.2
B3 Group	Rapid	Brazilian stock exchange operator	28,389	1.2
TSMC	Cyclical	Semiconductor manufacturer	27,790	1.1
			1,420,999	**58.4**

For a definition of terms see Glossary of Terms and Alternative Performance Measures at the end of this document

Investment Portfolio by Growth Category as at 31 October 2022*

Holding Size	Growth Stalwarts (c.10% p.a. earnings growth)	%	Rapid Growth (c.15% to 25% p.a. earnings growth)	%	Cyclical Growth (c.10% to 15% p.a. earnings growth through a cycle)	%
	Company Characteristics — Durable franchise — Deliver robust profitability in most macroeconomic environments — Competitive advantage includes dominant local scale, customer loyalty and strong brands		Company Characteristics — Early stage businesses with vast growth opportunity — Innovators attacking existing profit pools or creating new markets		Company Characteristics — Subject to macroeconomic and capital cycles with significant structural growth prospects — Strong management teams highly skilled at capital allocation	
Highest conviction holdings c.2.0% each Total: 47.7%	Elevance Health Microsoft Arthur J. Gallagher Alphabet Moody's Service Corporation International Olympus MasterCard Pernod Ricard Thermo Fisher Scientific	4.8 2.7 2.6 2.5 2.4 2.4 2.0 1.9 1.9 1.7	Reliance Industries Prosus Amazon.com Alnylam Pharmaceuticals The Schiehallion Fund	2.8 2.3 1.7 1.5 1.5	Martin Marietta Materials Royalty Pharma CRH Ryanair BHP Group Albemarle Charles Schwab	2.9 1.9 1.8 1.7 1.7 1.5 1.5
Average sized holdings c.1.0% each Total: 33.3%	AIA Prudential Estee Lauder S&P Global Broadridge Financial Solutions CoStar Shiseido Analog Devices Sysmex	1.4 1.3 1.2 1.1 1.1 0.9 0.9 0.7 0.7	Moderna HDFC B3 Group The Schiehallion Fund – C Shares The Trade Desk Tesla Illumina Epic Games MercadoLibre ByteDance Genmab Coupang LLC Alibaba	1.3 1.2 1.2 1.1 1.1 1.1 0.9 0.8 0.7 0.7 0.7 0.7	Rio Tinto TSMC Markel Booking Holdings Richemont Teradyne CBRE Group Atlas Copco SMC Deutsche Boerse SiteOne Landscape Supply Nexans	1.3 1.2 1.1 1.1 0.9 0.9 0.9 0.8 0.7 0.7 0.7 0.7

			Shopify	0.7		
Incubator	Adobe Systems	0.6	Axon Enterprise	0.6	Epiroc	0.6
Holdings	Chewy Inc	0.6	Farfetch	0.6	DENSO	0.5
c.0.5% each	Meta Platforms Inc	0.6	Ping An Insurance	0.6	Eaton	0.5
	adidas	0.4	Schibsted	0.6	Howard Hughes	0.4
Total: 19.0%	Topicus.com	0.4	Abiomed	0.5	Woodside Energy Group	0.3
	Certara	0.3	Cloudflare	0.5	Sands China	0.2
	Hoshizaki Corp	0.3	Snowflake	0.5	Silk Invest Africa Food Fund	0.2
			Sea Limited	0.5	Wizz Air Holdings	0.2
			ICICI Prudential Life Insurance	0.5	IAC/Interactivecorp	0.2
			Netflix	0.5	Sberbank of Russia	0.0
			Adyen	0.5		
			Lemonade	0.5		
			CyberAgent	0.4		
			Staar Surgical	0.4		
			Renishaw	0.4		
			Twilio	0.4		
			Novocure	0.4		
			Bumble	0.4		
			Doordash	0.4		
			Li Auto	0.4		
			Trupanion	0.4		
			Datadog	0.4		
			Adevinta Asa	0.3		
			Meituan	0.3		
			Space Exploration Technologies	0.3		
			Chegg	0.2		
			Spotify	0.2		
			Exact Sciences	0.2		
			Stripe	0.2		
			Ant International	0.2		
			Wayfair	0.2		
			Oscar Health	0.1		
			Illumina CVR	0.1		
	Total	37.4	Total	35.5	Total	27.1

* Excludes net liquid assets.

Portfolio Positioning as at 31 October 2022*

Thematic Exposure – Risks and Opportunities

				At 31 October 2022
Category		%	%	%
New Economy				36.7
Innovation			15.4	
	Transformational Health	6.7		
	Enterprise Cloud	3.5		
	Chips	2.7		
	Other Innovation	2.5		
Platform Crush			9.2	
Regulation/Anti-trust			8.9	
Transformative/Unproven Model			3.2	
Developing Economies				16.0
Emerging Markets Middle Classes			9.7	
	Emerging Markets Consumer Catch-up	3.9		
	Emerging Markets Financial Development	5.8		
Carbon Heavy			5.3	
Lending/Underwriting Risk			0.6	
Industrial Demand			0.4	
Economically Agnostic				29.5
Highly Valued Compounders			17.3	
Idiosyncratic			8.5	
Insurance Cycle			3.7	
Developed Market Growth				17.0
Consumer Demand			4.0	
Industrial Demand			6.7	
Capital Markets/Asset Inflation			3.5	
Carbon Pricing			2.8	
Net Liquid Assets†				0.8
Total Assets				100.0

Geographical

	At 31 October 2022 %	At 30 April 2022 %
North America	57.9	54.0
Continental Europe	14.0	14.5
United Kingdom	6.3	8.7
China	2.9	4.1
Emerging Markets ex China	8.4	8.1
Japan	5.5	4.5
Developed Asia	4.2	4.9
Total Investments	99.2	98.8
Net Liquid Assets†	0.8	1.2
Total Assets	100.0	100.0

Sectoral

	At 31 October 2022 %	At 30 April 2022 %
Financials	20.5	21.1
Technology	18.5	20.6
Consumer Discretionary	19.1	19.5
Healthcare	17.2	14.5
Industrials	12.1	10.6
Consumer Staples	1.9	2.0
Basic Materials	4.5	5.0
Energy	3.1	2.8
Real Estate	2.3	2.7
Total Investments	99.2	98.8
Net Liquid Assets†	0.8	1.2
Total Assets	100.0	100.0

* Expressed as a percentage of total assets.

†For a definition of terms used see Glossary of Terms and Alternative Performance Measures at the end of this announcement.

Income Statement (unaudited)

	For the six months ended 31 October 2022			For the six months ended 31 October 2021			For the year ended 30 April 2022 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments	–	(164,112)	**(164,112)**	–	203,591	**203,591**	–	(631,829)	**(631,829)**
Currency losses	–	(120)	**(120)**	–	(383)	**(383)**	–	(308)	**(308)**
Income from investments and interest receivable	15,932	–	**15,932**	16,018	–	**16,018**	27,811	–	**27,811**
Investment management fee (note 3)	(4,419)	–	**(4,419)**	(5,719)	–	**(5,719)**	(10,465)	–	**(10,465)**
Other administrative expenses	(1,000)	–	**(1,000)**	(869)	–	**(869)**	(1,888)	–	**(1,888)**
Net return before finance costs and taxation	10,513	(164,232)	**(153,719)**	9,430	203,208	**212,638**	15,458	(632,137)	**(616,679)**
Finance costs of borrowings	(3,515)	–	**(3,515)**	(2,507)	–	**(2,507)**	(5,298)	–	**(5,298)**
Net return on ordinary activities before taxation	6,998	(164,232)	**(157,234)**	6,923	203,208	**210,131**	10,160	(632,137)	**(621,977)**
Tax on ordinary activities (note 4)	(863)	(183)	**(1,046)**	(910)	(793)	**(1,703)**	(1,516)	293	**(1,223)**
Net return on ordinary activities after taxation	**6,135**	**(164,415)**	**(158,280)**	**6,013**	**202,415**	**208,428**	**8,644**	**(631,844)**	**(623,200)**
Net return per ordinary share (note 5)	**2.75p**	**(73.78p)**	**(71.03p)**	**2.54p**	**85.61p**	**88.15p**	**3.67p**	**(268.58p)**	**(264.91p)**

The total column of this statement is the profit and loss account of the Company. The supplementary revenue and capital return columns are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in this statement derive from continuing operations.

A Statement of Comprehensive Income is not required as the Company does not have any other comprehensive income and the net return on ordinary activities after taxation is both the profit and total comprehensive income for the period.

Balance Sheet (unaudited)

	Notes	At 31 October 2022 £'000	At 30 April 2022 (audited) £'000
Fixed assets			
Investments held at fair value through profit or loss	7	2,410,723	2,662,015
Current assets			
Debtors		2,200	8,072
Cash and cash equivalents		23,365	35,879
		25,565	43,951
Creditors			
Amounts falling due within one year:			
National Australia Bank Limited Loan		(75,000)	(75,000)
Debenture stock		(39,989)	(39,973)
Other creditors		(4,115)	(11,284)
		(119,104)	(126,257)
Net current liabilities		(93,539)	(82,306)
Total assets less current liabilities		2,317,184	2,579,709
Creditors			
Amounts falling due after more than one year:			
Loan notes	8	(99,855)	(99,853)

Provision for tax liability	9	(875)	(692)
		(100,730)	(100,545)
		2,216,454	**2,479,164**
Capital and reserves			
Share capital		11,823	11,823
Share premium account		261,635	262,183
Capital redemption reserve		8,700	8,700
Capital reserve		1,866,453	2,129,483
Revenue reserve		67,843	66,975
Shareholders' funds	10	**2,216,454**	**2,479,164**
Shareholders' funds per ordinary share (borrowings at book value)	10	**1,017.4p**	**1,089.0p**
Net asset value per ordinary share* (borrowings at par value)		**1,017.4p**	**1,089.0p**
Net asset value per ordinary share* (borrowings at fair value)		**1,040.1p**	**1,099.8p**
Ordinary shares in issue	10	**217,849,065**	**227,645,309**

* See Glossary of Terms and Alternative Performance Measures at the end of this announcement.

The accompanying notes on the following pages are an integral part of the Financial Statements

Statement of Changes in Equity (unaudited)

For the six months ended 31 October 2022

	Notes	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve* £'000	Revenue reserve £'000	**Shareholders' funds £'000**
Shareholders' funds at 1 May 2022		11,823	262,183	8,700	2,129,483	66,975	2,479,164
Net return on ordinary activities after taxation		–	–	–	(164,415)	6,135	(158,280)
Ordinary shares issued/bought back	11,14	–	(548)	–	(98,615)	–	(99,163)
Dividends paid during the period	6	–	–	–	–	(5,267)	(5,267)
Shareholders' funds at 31 October 2022		**11,823**	**261,635**	**8,700**	**1,866,453**	**67,843**	**2,216,454**

For the six months ended 31 October 2021

	Notes	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve* £'000	Revenue reserve £'000	**Shareholders' funds £'000**
Shareholders' funds at 1 May 2021		11,823	262,183	8,700	2,859,214	63,060	3,204,980
Net return on ordinary activities after taxation		–	–	–	202,415	6,013	208,428
Dividends paid during the period	6	–	–	–	–	(4,729)	(4,729)
Shareholders' funds at 31 October 2021		**11,823**	**262,183**	**8,700**	**3,061,629**	**64,344**	**3,408,679**

* The Capital Reserve balance at 31 October 2022 includes holding gains on investments of £598,370,000 (31 October 2021 – gains of £1,608,092,000).

The accompanying notes on the following pages are an integral part of the Financial Statements

Cash Flow Statement (unaudited)

	Notes	Six months to 31 October 2022 £'000	Six months to 31 October 2021 £'000
Cash flows from operating activities			
Net return on ordinary activities before taxation		(157,234)	210,131
Net losses/(gains) on investments		164,112	(203,591)
Currency losses		120	383
Finance costs of borrowings		3,515	2,507
Overseas tax incurred		(894)	(1,010)
Changes in debtors and creditors		1,308	1,392
Cash from operations*		10,927	9,812
Interest paid		(3,443)	(2,477)
Net cash inflow from operating activities		7,484	7,335
Net cash inflow/(outflow) from investing activities		90,862	(32,210)
Cash flow from financing activities			
Equity dividends paid	6	(5,267)	(4,729)
Ordinary shares bought back		(105,473)	–
Net cash outflow from financing activities		(110,740)	(4,729)
Decrease in cash and cash equivalents		(12,394)	(29,604)
Exchange movements		(120)	(383)
Cash and cash equivalents at start of period		35,879	108,723

Cash and cash equivalents at end of period	23,365	78,736

* Cash from operations includes dividends received of £17,838,000 (31 October 2021 – £17,208,000) and interest received of £94,000 (31 October 2021 – nil).

The accompanying notes are an integral part of the Financial Statements.

Notes to the Condensed Financial Statements (unaudited)

1. The condensed Financial Statements for the six months to 31 October 2022 comprise the statements set out above together with the related notes below. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in November 2014 and updated in April 2021 with consequential amendments. They have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Financial Statements for the six months to 31 October 2022 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 2022.

   Going Concern

   The Directors have considered the Company's principal risks and uncertainties, together with the Company's current position, investment objective and policy, the level of demand for the Company's shares, the nature of its assets, its liabilities and projected income and expenditure. The Board has, in particular, considered the impact of market volatility following the Covid-19 pandemic and, over recent months, owing to macroeconomic and geopolitical concerns, including the Russian invasion of Ukraine, energy supply and supply-chain constraints. It is the Directors' opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. The vast majority of the Company's investments are readily realisable and can be sold to meet its liabilities as they fall due. All borrowings require the prior approval of the Board. Gearing levels and compliance with covenants are reviewed by the Board on a regular basis. The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) Regulations 2011. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements and confirm that they are not aware of any material uncertainties which may affect the Company's ability to continue to do so over a period of at least twelve months from the date of approval of these Financial Statements.

2. The financial information contained within this Interim 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 2022 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's Report on those accounts was not qualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying its report, and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

3. Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed by the Company as its Alternative Investment Fund Manager (AIFM) and Company Secretary. The investment management function has been delegated to Baillie Gifford & Co. The management agreement can be terminated on six months' notice. The annual management fee is 0.45% on the first £750 million of total assets, 0.33% on the next £1 billion of total assets and 0.30% on the remaining total assets. For fee purposes, total assets is defined as the total value of all assets held less all liabilities (other than any liability in the form of debt intended for investment purposes) and excludes the value of the Company's holdings in The Schiehallion Fund, a closed-ended investment company managed by Baillie Gifford & Co. The Company does not currently hold any other collective investment vehicles managed by Baillie Gifford & Co. Where the Company holds investments in open-ended collective investment vehicles managed by Baillie Gifford, such as OEICs, Monks' share of any fees charged within that vehicle will be rebated to the Company. All debt drawn down during the periods under review is intended for investment purposes.

4. **Tax on ordinary activities**

The revenue tax charge arises from withholding tax suffered on overseas dividends.
The capital tax charge results from the Provision for Tax Liability in respect of Indian capital gains tax as detailed in note 9.

5. **Net return per ordinary share**

	Six months to 31 October 2022 £'000	Six months to 31 October 2021 £'000	Year to 30 April 2022 (audited) £'000
Revenue return on ordinary activities after taxation	6,135	6,013	8,644
Capital return on ordinary activities after taxation	(164,415)	202,415	(631,844)
Total net return	**(158,280)**	**208,428**	**(623,200)**

Net return per ordinary share is based on the above totals of revenue and capital and on 222,840,019 (31 October 2021 – 236,453,859; 30 April 2022 – 235,252,716) ordinary shares, being the weighted average number of ordinary shares in issue during the period.
There are no dilutive or potentially dilutive shares in issue.

6. **Dividends**

	Six months to 31 October 2022 £'000	Six months to 31 October 2021 £'000	Year to 30 April 2022 (audited) £'000
Amounts recognised as distributions in the period:			
Previous year's final dividend of 2.35p (2021 – 2.00p), paid 9 September 2022	5,267	4,729	4,729
Amounts paid and payable in respect of the period:			
Final dividend (2022 – 2.35p)	–	–	5,267

No interim dividend has been declared in respect of the current period.

7. **Fair Value Hierarchy**

The Company's investments are financial assets held at fair value through profit or loss. The fair value hierarchy used to analyse the basis on which the fair values of such financial instruments are measured is described below. Fair value measurements are categorised on the basis of the lowest level input that is significant to the fair value measurement.

Level 1 – using unadjusted quoted prices for identical instruments in an active market;

Level 2 – using inputs, other than quoted prices included within Level 1, that are directly or indirectly observable (based on market data); and

Level 3 – using inputs that are unobservable (for which market data is unavailable).

An analysis of the Company's financial asset investments based on the fair value hierarchy described above is shown below.

As at 31 October 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	**Total £'000**
Listed equities	2,290,318	62,292	–	**2,352,610**
Unlisted securities	–	–	58,113	**58,113**
Total financial asset investments	**2,290,318**	**62,292**	**58,113**	**2,410,723**

As at 30 April 2022 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	**Total £'000**
Listed and suspended equities	2,479,464	120,306	5,636	**2,605,406**
Unlisted securities	–	–	56,609	**56,609**
Total financial asset investments	**2,479,464**	**120,306**	**62,245**	**2,662,015**

The fair value of listed investments is either bid price or last traded price depending on the convention of the exchange on which the investment is listed. Listed Investments are categorised as Level 1 if they are valued using unadjusted quoted prices for identical instruments in an active market and as Level 2 if they do not meet all these criteria but are, nonetheless, valued using market data. Unlisted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Managers. The Managers' unlisted investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation Guidelines ('IPEV'). These methodologies can be categorised as follows: (a) market approach (multiples, industry valuation benchmarks and available market prices); (b) income approach (discounted cash flows); and (c) replacement cost approach (net assets). The Company's holdings in unlisted investments are categorised as Level 3 as unobservable data is a significant input to their fair value measurements.

8. At 31 October 2022 the total book value of the Company's borrowings amounted to £214,844,000 (30 April 2022 – £214,826,000). This comprised a £40m 63/8% debenture stock repayable in 2023 (30 April 2022 – £40m), loan notes of £60m repayable in 2054 (30 April 2022 – £60m), loan notes of £40m repayable in 2045 (30 April 2022 – £40m) and £75m drawn under the revolving credit facility with National Australia Bank Limited (30 April 2022 – £75m). The fair value of borrowings at 31 October 2022 was £165,377,000 (30 April 2022 – £190,308,000).

   The fair value of the borrowings at 31 October 2022 was £165,377,000 (30 April 2022 – £190,308,000).

9. **Provision for Tax Liability**
   The tax liability provision at 31 October 2022 of £875,000 (30 April 2022 – £692,000) relates to a potential liability for Indian capital gains tax that may arise on the Company's Indian investments should they be sold in the future, based on the net unrealised taxable capital gain at the period end and on enacted Indian tax rates. The amount of any future tax amounts payable may differ from this provision, depending on the value and timing of any future sales of such investments and future Indian tax rates.

10. **Shareholders' Funds**

	31 October 2022	30 April 2022
Shareholders' funds	£2,216,454,000	£2,479,164,000
Number of ordinary shares in issue excluding treasury shares	217,849,065	227,645,309
Shareholders' funds per ordinary share	1,017.4p	1,089.0p

The shareholders' funds figures above have been calculated after deducting borrowings at book value, in accordance with the provisions of FRS 104. Reconciliations between shareholders' funds and net asset values, calculated after deducting borrowings at par value and fair value, are shown in the Glossary of Terms and Alternative Performance Measures below.

11. In the six months to 31 October 2022 the Company bought back 9,796,244 ordinary shares into treasury (31 October 2021 – no shares issued or bought back). No shares were issued during the period and 18,604,794 shares were held in treasury at 31 October 2022. At 31 October 2022, the Company had authority to buy back 30,318,989 shares and to allot, or sell from treasury, 22,480,758 shares.

12. Transaction costs on purchases amounted to £29,000 (31 October 2021 – £73,000; 30 April 2022 – £374,000) and transaction costs on sales amounted to £120,000 (31 October 2021 – £69,000; 30 April 2022 – £173,000). Total transaction costs were £149,000 (31 October 2021 – £142,000; 30 April 2022 – £547,000).

13. **Related Party Transactions**
There have been no transactions with related parties during the first six months of the current financial year that have materially affected the financial position or the performance of the Company during that period and there have been no changes in the related party transactions described in the last Annual Report and Financial Statements that could have had such an effect on the Company during that period.

14. **Post Balance Sheet Event**
On 8 November 2022, the Company issued 16,717,601 new ordinary shares to former shareholders of The Independent Investment Trust PLC ('IIT'), in accordance with the Scheme of Reconstruction as set out in the Circular and Prospectus dated 6 October 2022. The Company received £173 million of assets, comprising equity investments and cash, as consideration for the new shares, the entitlements of which were calculated in accordance with the Scheme, being the relative FAVs at market close on 2 November 2022 of 454.237179 pence for IIT and 1,035.305776 pence for the Company, producing a conversion ratio of 0.438747 new share for every IIT share rolling over. Following this issuance there were 234,566,666 ordinary shares in issue, excluding treasury shares. At 31 October 2022 £548,000 of Scheme transaction costs were incurred or accrued and these are reflected in the Statement of Changes in Equity, as a charge to the Share Premium Account. Baillie Gifford & Co Limited have waived their management fee on the £173 million rolled into the Company as a result of this transaction, for the six months to 30 April 2023.

15. **Principal Risks and Uncertainties**
The principal risks facing the Company, which have not changed since the date of the Company's Annual Report and Financial Statements for the year ended 30 April 2022, are financial risk, investment strategy risk, climate and governance risk, regulatory risk, custody and depositary risk, operational risk, discount risk, political and associated economic risk and leverage risk. An explanation of these risks and how they are managed is set out on pages 19 and 20 of that report, which is available on the Company's website: **monksinvestmenttrust.co.uk**. ‡

‡ Neither the contents of the Managers' website nor the contents of any website accessible from hyperlinks on the Managers' website (or any other website) is incorporated into, or forms part of, this announcement.

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

Valuing Private Companies

We aim to hold our private company investments at 'fair value' i.e., the price that would be paid in an open-market transaction. Valuations are adjusted both during regular valuation cycles and on an ad hoc basis in response to 'trigger events'. Our valuation process ensures that private companies are valued in both a fair and timely manner.

The valuation process is overseen by a valuations committee at Baillie Gifford which takes advice from an independent third party (S&P Global). The portfolio managers feed into the process, but the valuations committee owns the process and the portfolio managers only receive final valuation notifications once they have been applied.

We revalue the private holdings on a three-month rolling cycle, with one-third of the holdings reassessed each month. The prices are also reviewed twice per year by the Monks Board and are subject to the scrutiny of external auditors in the annual audit process.

Recent market volatility has meant that recent pricing has moved much more frequently than would have been the case with the quarterly valuations cycle.

Beyond the regular cycle, the valuations committee also monitors the portfolio for certain 'trigger events'. These may include: changes in fundamentals; a takeover approach; an intention to carry out an Initial Public Offering (IPO); or changes to the valuation of comparable public companies.

The valuations committee also monitors relevant market indices on a weekly basis and update valuations in a manner consistent with our external valuer's (S&P Global) most recent valuation report where appropriate. When market volatility is particularly pronounced the team undertake these checks daily. Any ad hoc change to the fair valuation of any holding is implemented swiftly and reflected in the next published NAV. There is no delay.

The Monks Investment Trust	
Percentage of portfolio in direct private company holdings	2.4%
Instruments valued	8
Revaluations performed	33
Percentage of private company portfolio revalued 3+ times	87%

Year to date, most revaluations have been decreases. A handful of companies have raised capital at an increased valuation. The average movement in both valuation and private company share price for those which have decreased in value is shown below.

	Average movement in investee company valuation*	Average movement in investee company share price
Monks*	(8.2%)	(4.0%)

* Data reflecting period 1 May 2022 – 31 October 2022 to align with the Company's reporting period end

Private company share prices have decreased less than headline valuations because Monks typically holds preference stock, which provides downside protection. The private company share price movement reflects a probability weighted average of both the regular valuation, which would be realised in an IPO, and the downside protected valuation, which would be normally be triggered in the event of a corporate sale or liquidation.

In addition to the 2.4% of the portfolio holdings in direct private company investments, 2.6% of the portfolio is in The Schiehallion Fund, a closed ended investment company investing predominantly in private companies, which Monks values by reference to its market price.

Glossary of Terms and Alternative Performance Measures (APM)

Total Assets
The total value of all assets held less all liabilities (other than liabilities in the form of borrowings).

Shareholders' Funds
Shareholders' Funds is the value of all assets held less all liabilities, with borrowings deducted at book cost.

Net Asset Value (APM)
Net Asset Value (NAV) is the value of all assets held less all liabilities, with borrowings deducted at either par value or fair value as described below. Per share amounts are calculated by dividing the relevant figure by the number of ordinary shares in issue.

Net Asset Value (Borrowings at Par Value) (APM)
Borrowings are valued at nominal par value. A reconciliation from shareholders' funds (borrowings at book value) to net asset value after deducting borrowings at par value is provided below.

	31 October 2022 £'000	31 October 2022 per share	30 April 2022 £'000	30 April 2022 per share
Shareholders' funds (borrowings at book value)	2,216,454	1,017.4p	2,479,164	1,089.0p
Add: book value of borrowings	214,844	98.6p	214,826	94.4p
Less: par value of borrowings	(215,000)	(98.6p)	(215,000)	(94.4p)
Net asset value (borrowings at par value)	**2,216,298**	**1,017.4p**	**2,478,990**	**1,089.0p**

The per share figures above are based on 217,849,065 (30 April 2022 – 227,645,309) ordinary shares of 5p, being the number of ordinary shares in issue at the period end excluding treasury shares.

Net Asset Value (Borrowings at Fair Value) (APM)
Borrowings are valued at an estimate of market worth. The fair value of the Company's 6 3/8% debenture stock 2023 is calculated using a comparable debt approach and/or broker quotes where available. The fair values of the loan notes are calculated using a comparable debt approach, by reference to a basket of corporate debt. The fair value of the Company's short term bank borrowings is equivalent to its book value.

A reconciliation from shareholders' funds (borrowings at book value) to net asset value after deducting borrowings at fair value is provided below.

	31 October 2022 £'000	31 October 2022 per share	30 April 2022 £'000	30 April 2022 per share
Shareholders' funds (borrowings at book value)	2,216,454	1,017.4p	2,479,164	1,089.0p
Add: book value of borrowings	214,844	98.6p	214,826	94.4p
Less: fair value of borrowings	(165,377)	(75.9p)	(190,308)	(83.6p)
Net asset value (borrowings at fair value)	**2,265,921**	**1,040.1p**	**2,503,682**	**1,099.8p**

The per share figures above are based on 217,849,065 (30 April 2022 – 227,645,309) ordinary shares of 5p, being the number of ordinary shares in issue at the period end excluding treasury shares.

Net Liquid Assets
Net liquid assets comprise current assets less current liabilities (excluding borrowings) and provisions for deferred liabilities.

Discount/Premium (APM)
As stock markets and share prices vary, an investment trust's share price is rarely the same as its NAV. When the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium.

		31 October 2022	30 April 2022
Closing NAV per share (borrowings at par)	a	1,017.4p	1,089.0p
Closing NAV per share (borrowings at fair value)	b	1,040.1p	1,099.8p
Closing share price	c	968.5p	1,051.0p
Discount to NAV with borrowings at par	(c - a) ÷ a	**(4.8%)**	**(3.5%)**
Discount to NAV with borrowings at fair value	(c - b) ÷ b	**(6.9%)**	**(4.4%)**

Active Share (APM)
Active share, a measure of how actively a portfolio is managed, is the percentage of the listed equity portfolio that differs from its comparative index. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the comparative index. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

Total Return (APM)
The total return is the return to shareholders after reinvesting the net dividend on the date that the share price goes ex-dividend, as detailed below.

Net Asset Value Total Return

		31 October 2022 NAV (par)	31 October 2022 NAV (fair)
Closing NAV per share	a	1,017.4p	1,040.1p
Dividend adjustment factor*	b	1.0022	1.0021
Adjusted closing NAV per share	c = a x b	1,019.6p	1,042.3p
Opening NAV per share	d	1,089.0p	1,099.8p
Total return	(c ÷ d) -1	**(6.4%)**	**(5.2%)**

* The dividend adjustment factor is calculated on the assumption that the dividend of 2.35p paid by the Company during the period was reinvested into shares of the Company at the cum income NAV at the ex-dividend date.

Share Price Total Return

		31 October 2022 Share price
Closing share price	a	968.5p
Dividend adjustment factor*	b	1.0023
Adjusted closing share price	c = a x b	970.7p
Opening share price	d	1,051.0p
Total return	(c ÷ d) -1	**(7.6%)**

* The dividend adjustment factor is calculated on the assumption that the dividend of 2.35p paid by the Company during the period was reinvested into shares of the Company at the share price at the ex-dividend date.

Gearing (APM)

At its simplest, gearing is borrowing. Just like any other public company, an investment trust can borrow money to invest in additional investments for its portfolio. The effect of the borrowing on the shareholders' assets is called 'gearing'. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets. The level of gearing can be adjusted through the use of derivatives which affect the sensitivity of the value of the portfolio to changes in the level of markets.

Gross gearing, also referred to as potential gearing is the Company’s borrowings expressed as a percentage of shareholders’ funds (a ÷ c in the table below).

Net gearing, also referred to as invested gearing is borrowings at book value less cash and cash equivalents (any certificates of deposit are not deducted) and brokers’ balances expressed as a percentage of shareholders’ funds (b ÷ c in the table below)*.

Effective gearing, as defined by the Board and Managers of Monks, is the Company’s borrowings at par less cash, brokers’ balances and investment grade bonds maturing within one year, expressed as a percentage of shareholders’ funds*.

* As adjusted to take into account the gearing impact of any derivative holdings.

		31 October 2022	30 April 2022
Borrowings (at book cost)	a	£214,544,000	£214,826,000
Less: cash and cash equivalents		(£23,365,000)	(£35,879,000)
Less: sales for subsequent settlement		(£226,000)	(£4,741,000)
Add: purchases for subsequent settlement		–	£7,045,000
Adjusted borrowings	b	£190,953,000	£181,251,000
Shareholders’ funds	c	£2,216,454,000	£2,479,164,000
Gross (potential) gearing	a ÷ c	**9.7%**	**8.7%**
Net (invested) gearing	b ÷ c	**8.6%**	**7.3%**

Unlisted, Unquoted and Private Company Investments
‘Unlisted’, ‘Unquoted’ and ‘Private Company’ investments are investments in securities not traded on a recognised exchange.

Treasury Shares
The Company has the authority to make market purchases of its ordinary shares for retention as treasury shares for future reissue, resale, transfer, or for cancellation. Treasury shares do not receive distributions and the Company is not entitled to exercise the voting rights attaching to them.

Turnover (APM)
Turnover is a measure of portfolio change or trading activity. Monthly turnover is calculated as the minimum of purchases and sales in a month, divided by the average market value of the fund. Monthly numbers are added together to get the rolling 12 month turnover data.

None of the views expressed in this document should be construed as advice to buy or sell a particular investment.
The printed version of the Interim Financial Report will be sent to shareholders and will be available on the Monks' page of the Managers' website monksinvestmenttrust.co.uk ‡ on or around 16 December 2022.

‡ Neither the contents of the Managers' website nor the contents of any website accessible from hyperlinks on the Managers' website (or any other website) is incorporated into, or forms part of, this announcement.

Monks is managed by Baillie Gifford & Co, the Edinburgh based fund management group with around £230 billion under management and advice in active equity and bond portfolios for clients in the UK and throughout the world (as at 6 December 2022).

Investment Trusts are UK public limited companies and are not authorised or regulated by the Financial Conduct Authority.

Past performance is not a guide to future performance. The value of an investment and any income from it is not guaranteed and may go down as well as up and investors may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stock markets in which the Company invests and by the supply and demand for the Company's shares.

7 December 2022

For further information please contact:

Client Relations, Baillie Gifford & Co
Tel: 0131 275 2000

Jonathan Atkins, Four Communications
Tel: 0203 920 0555 or 07872 495396

Automatic Exchange of Information
In order to fulfil its obligations under UK tax legislation relating to the automatic exchange of information, the Company is required to collect and report certain information about certain shareholders. The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. Accordingly, the Company will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

Shareholders, excluding those whose shares are held in CREST, who come on to the share register will be sent a certification form for the purposes of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders **gov.uk/government/publications/exchange-of- information-account-holders.**

Third Party Data Provider Disclaimer

No third party data provider ('Provider') makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients of the data.
No Provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or omissions in the index data included in this document, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom.
No Provider has any obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes inaccurate.
Without limiting the foregoing, no Provider shall have any liability whatsoever to you, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, in respect of any loss or damage suffered by you as a result of or in connection with any opinions, recommendations, forecasts, judgements, or any other conclusions, or any course of action determined, by you or any third party, whether or not based on the content, information or materials contained herein.

FTSE Index Data

Sustainable Finance Disclosure Regulation ('SFDR')

The EU Sustainable Finance Disclosure Regulation ('SFDR') does not have a direct impact in the UK due to Brexit, however, it applies to third-country products marketed in the EU. As The Monks Investment Trust PLC is marketed in the EU by the AIFM, BG & Co Limited, via the National Private Placement Regime ('NPPR') the following disclosures have been provided to comply with the high-level requirements of SFDR.

The AIFM has adopted Baillie Gifford & Co's Governance and Sustainable Principles and Guidelines as its policy on integration of sustainability risks in investment decisions.

Baillie Gifford & Co's approach to investment is based on identifying and holding high quality growth businesses that enjoy sustainable competitive advantages in their marketplace. To do this it looks beyond current financial performance, undertaking proprietary research to build up an in-depth knowledge of an individual company and a

view on its long-term prospects. This includes the consideration of sustainability factors (environmental, social and/or governance matters) which it believes will positively or negatively influence the financial returns of an investment.
More detail on the Investment Manager's approach to sustainability can be found in the Governance and Sustainability Principles and Guidelines document, available publicly on the Baillie Gifford website **bailliegifford.com.**

Taxonomy Regulation

The Taxonomy Regulation establishes an EU-wide framework or criteria for environmentally sustainable economic activities in respect of six environmental objectives. It builds on the disclosure requirements under SFDR by introducing additional disclosure obligations in respect of Alternative Investment Funds that invest in an economic activity that contributes to an environmental objective.

The Company does not commit to make sustainable investments as defined under SFDR. As such, the underlying investments do not take into account the EU criteria for environmentally sustainable economic activities.

-ends-