

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (“FSMA”) IF YOU ARE IN THE UNITED KINGDOM, OR FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER IF YOU ARE IN A TERRITORY OUTSIDE OF THE UNITED KINGDOM, WITHOUT DELAY.**

If you have sold or otherwise transferred all your Shares in The Monks Investment Trust PLC (the “**Company**”), please send this document, together with the accompanying documents (but not the accompanying personalised Form of Proxy), as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The definitions used in this document are set out on pages 16 to 21.

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# **THE MONKS INVESTMENT TRUST PLC**

*(Incorporated in England and Wales with registered number 00236964)*

*(An investment company within the meaning of section 833 of the Companies Act 2006)*

## **Recommended Proposals relating to the Issue of New Shares pursuant to a scheme of reconstruction and members’ voluntary winding up of The Independent Investment Trust PLC under section 110 of the Insolvency Act 1986**

**and**

## **Notice of General Meeting**

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The Proposals described in this document are conditional on Shareholder approval. Your attention is drawn to Part 3 of this document which summarises the risk factors associated with the Proposals. Your attention is also drawn to the letter from the Chairman of the Company set out in Part 1 of this document, which contains, among other things, the recommendation of the Board that Shareholders vote in favour of the Resolution to be proposed at the General Meeting referred to below. This document should be read in its entirety before deciding what action you should take.

Notice of the General Meeting of the Company to be held on 7 November 2022 at 11.00 a.m. (the “**General Meeting**”) at the offices of Baillie Gifford & Co, Grimaldi House, 28 St James’s Square, London SW1Y 4JH is set out at the end of this document.

All Shareholders are encouraged to vote in favour of the Resolution to be proposed at the General Meeting and, if their Shares are not held directly, to arrange for their nominee to vote on their behalf. A Form of Proxy for use in conjunction with the General Meeting is enclosed. To be valid for use at the General Meeting, the Form of Proxy must be completed and returned in accordance with the instructions printed thereon so as to be received by the Registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY as soon as possible and in any event not later than by 11.00 a.m. on 3 November 2022. Alternatively, you may appoint a proxy or proxies electronically by visiting [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) and following the instructions. Proxies submitted via [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) must be transmitted so as to be received by the Registrar by no later than 11.00 a.m. on 3 November 2022. Shareholders who hold their Shares in uncertificated form (i.e. in CREST) may vote using the CREST electronic voting service in accordance with the procedure set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST for the General Meeting must be transmitted so as to be received by the Registrar as soon as possible and, in any event, by no later than by 11.00 a.m. on 3 November 2022.

**It is important that you complete and return the Form of Proxy, appoint a proxy or proxies electronically or use the CREST electronic voting service in the manner referred to above, as soon as possible. Your attention is drawn to the section titled “Action to be taken” on page 7 of this document.**

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## EXPECTED TIMETABLE

	2022
Publication of this document	6 October
Calculation Date in relation to the Scheme	market close on 2 November
Latest time and date for receipt of Forms of Proxy for the General Meeting	11.00 a.m. on 3 November
<b>General Meeting</b>	<b>11.00 a.m. on 7 November</b>
Effective Date for implementation of the Scheme	8 November
Announcement of the results of the elections, the IIT FAV per Share, the Cash NAV per Share and the MNKS FAV per Share	8 November
CREST Accounts credited with, and dealings commence in, New Shares	8.00 a.m. on 9 November
Share certificates in respect of New Shares despatched (or as soon as possible thereafter)	by 12 November

**Note:** All references to time in this document are to UK time. Each of the times and dates in the above expected timetable (other than in relation to the General Meeting) may be extended or brought forward. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service.

## PART 1

### LETTER FROM THE CHAIRMAN

# THE MONKS INVESTMENT TRUST PLC

*(Incorporated in England and Wales with registered number 00236964)*

*(An investment company within the meaning of section 833 of the Companies Act 2006)*

#### *Directors*

Karl Sternberg (*Chairman*)  
Claire Boyle  
Belinda Richards  
Professor Sir Nigel Shadbolt  
Jeremy Tigue

#### *Registered Office*

c/o Computershare Investor Services PLC  
Moor House  
120 London Wall  
London  
EC2Y 5ET

6 October 2022

Dear Shareholder

### **Recommended Proposals relating to the Issue of New Shares pursuant to a scheme of reconstruction and members' voluntary winding up of The Independent Investment Trust PLC under section 110 of the Insolvency Act 1986**

#### **Introduction**

The Board announced on 9 August 2022 that it has agreed heads of terms for a combination of the assets of the Company with the assets of The Independent Investment Trust PLC (“IIT”) by means of a scheme of reconstruction and members’ voluntary winding up of IIT under section 110 of the Insolvency Act (the “**Scheme**”) and the issue of New Shares to Shareholders who elect, or are deemed to have elected, for the Rollover Option (the “**Proposals**”).

IIT is a Scottish incorporated and UK tax resident public limited company which has been approved as an investment trust and had a Net Asset Value as at 29 September 2022 of approximately £230 million. The Company and IIT have similar investment policies, both investing in a portfolio of UK and international quoted equities.

In order to effect the Proposals, Shareholders are required to approve the issue of New Shares in the Company in connection with the Scheme to IIT Shareholders who have elected, or are deemed to have elected, for the Rollover Option (the “**Issue**”). The Scheme is also subject to, among other things, the approval of IIT Shareholders.

The purpose of this document is to explain the Proposals and the actions required to be taken in order for them to be implemented and to convene the General Meeting, Notice of which is set out at the end of this document. Further details of the Resolution to be proposed at the General Meeting are set out below. The expected timetable associated with the Proposals is provided on page 3 of this document.

**The Board considers the Proposals to be in the best interests of Shareholders as a whole and recommends that Shareholders vote in favour of the Resolution required to implement the Proposals at the General Meeting.**

## **The Proposals**

### ***Background to and rationale for the Proposals***

As announced on 9 August 2022, Max Ward, IIT's Managing Director and full-time portfolio manager, informed the IIT Board of his intention to retire. Given the impact Mr Ward's retirement will have on IIT, the IIT Board carefully considered the various options available to IIT and decided that a combination with the Company offered the greatest benefits to IIT Shareholders. Accordingly, the Board agreed, in principle, the heads of terms for a combination of the assets of the Company with IIT by means of the Scheme, with the combined portfolio of the Enlarged Company to be managed by the Global Alpha Team at Baillie Gifford & Co (the "**Investment Manager**"). The Enlarged Company will retain the same investment objective and investment policy as that which is currently in place.

The Board believes that the Proposals will enable Shareholders of the Enlarged Company to benefit from, among other things, an increase in scale, allowing the Enlarged Company to spread costs over a larger asset base, while also potentially improving liquidity.

The New Shares are being issued to IIT Shareholders who have elected, or are deemed to have elected, for the Rollover Option in consideration for the transfer to the Company from IIT of the Rollover Pool.

It has been agreed that none of the IIT Directors will be joining the Board as part of the Scheme. Accordingly, the Board will continue to consist of the five incumbent Directors upon the implementation of the Scheme.

### ***The Scheme***

Subject to the passing of the Resolution, and to the satisfaction of the other conditions of the Scheme, IIT will be placed into members' voluntary liquidation and the Scheme will take effect on the Effective Date. Upon the Scheme becoming effective, the cash, undertaking and other assets of IIT comprising the Rollover Pool will be transferred to the Company pursuant to the Transfer Agreement in consideration for the issue of New Shares to those IIT Shareholders who have elected, or are deemed to have elected, for the Rollover Option. The relevant number of New Shares will be allotted to the Liquidators who will renounce the New Shares in favour of such IIT Shareholders.

The issue of New Shares under the Scheme will be effected on a formula asset value ("**FAV**") for formula asset value basis as at the Calculation Date. For the purposes of the Scheme, the net assets of each of the Company and IIT will be adjusted to take account of debt calculated at fair value and dividends, or any other distributions, declared but not paid prior to the Effective Date, in order to determine their respective FAVs. Further details of the relevant FAV calculations of each of the Company and IIT are set out in Part 3 (*Details of the Scheme and the Issue*) of this document. The New Shares will be issued on a non pre-emptive basis and will rank equally in all respects with the existing issued Shares other than in respect of dividends declared with a record date prior to the Effective Date.

If any condition of the Scheme is not satisfied or waived by both the Company and IIT on or before 31 December 2022, the Proposals will not become effective.

### ***The Cash Option***

As part of the Proposals, IIT Shareholders may elect to receive cash instead of New Shares in respect of some or all of their holdings in IIT. There will be no limit on the amount of IIT Shares which may be elected for the Cash Option and IIT Shareholders are entitled to elect for the Cash Option in respect of their entire holding of IIT Shares. IIT Shareholders who opt for the Cash Option will receive an amount in cash equal to a discount of 2 per cent. to the Residual NAV per IIT Share (the "**Cash NAV per IIT Share**") multiplied by the number of IIT Shares in respect of which such IIT Shareholder has elected for the Cash Option. The benefit of the discount applied under the Cash Option will accrue to those IIT Shareholders who successfully elect, or are deemed to have elected, for the Rollover Option.

### **Conditions of the Proposals**

Implementation of the Proposals is subject to a number of conditions, including:

- the passing of the Resolution to be proposed at the General Meeting, or any adjournment thereof, and upon any conditions of such Resolution being fulfilled;

- the IIT Resolutions being passed and becoming unconditional in all respects;
- the approval of the Financial Conduct Authority and the London Stock Exchange of the Admission of the New Shares to the Official List and to trading on the Main Market, respectively; and
- the Directors and the IIT Directors resolving to proceed with the Scheme.

**If any condition is not satisfied, the Proposals will not become effective and no New Shares will be issued.**

### **Benefits of the Proposals**

The Board believes that the Proposals will offer Shareholders of the Enlarged Company the following benefits:

- an increase in scale, allowing the Enlarged Company to spread costs over a larger asset base, while also potentially improving liquidity and aiding marketing;
- the addition to the Portfolio of a ready-assembled collection of UK growth stocks which the Investment Manager has assessed for potential upside and Portfolio fit; and
- the possibility of a cash inflow to the Portfolio which can be redeployed at a potentially advantageous stage of the performance, discount and market cycles.

### **Transfer Agreement**

If the resolution to be proposed at the Second IIT General Meeting is passed, the Company will enter into the Transfer Agreement on or around the Effective Date, pursuant to which the Rollover Pool will be transferred to the Company in consideration for the issue of New Shares to the Liquidators on behalf of the IIT Shareholders who have elected, or are deemed to have elected, for the Rollover Option. The parties to the Transfer Agreement have entered into irrevocable undertakings to enter into the Transfer Agreement on the Effective Date in the event that all of the conditions to the Scheme are satisfied in full.

### **Costs and expenses of the Proposals**

The Proposals will not result in any equity capital being raised by the Company. The New Shares are being issued to IIT Shareholders who elect, or are deemed to have elected, for the Rollover Option in consideration for the transfer to the Company of the Rollover Pool.

Subject as noted below, if the Scheme is implemented, the Company and IIT have each agreed to bear their own costs associated with the Scheme. The fixed costs of the Proposals payable by the Company are expected to be approximately £600,000 inclusive of VAT which, for the purposes of this calculation, is assumed to be irrecoverable, where applicable. In addition, the Company will also incur listing fees in respect of the listing of the New Shares and SDRT based on the value and constitution of the Rollover Pool.

The Liquidators' Retention is estimated at £100,000 and will be retained by the Liquidators to meet any unknown or unascertained liabilities of IIT. To the extent some or all of the Liquidators' Retention remains when the Liquidators decide to close the liquidation, this will be returned to IIT Shareholders on the IIT Register as at the Record Date.

Any costs of the realignment and/or realisation of the IIT Portfolio prior to the Scheme becoming effective will be borne by IIT. Any stamp duty, SDRT or other transaction tax, or investment costs incurred by the Company in acquiring the Rollover Pool, or the deployment of the cash therein upon receipt, will be borne by the Enlarged Company.

In the event that either Shareholders or IIT Shareholders do not resolve to proceed to implement the Scheme on the terms described in this document (including if either Shareholders or IIT Shareholders do not pass any resolution required to implement the Scheme) then either the Company or IIT (whichever company does not resolve to proceed with the Scheme) will bear the reasonable costs of both parties in connection with the Proposals, subject to bearing a maximum of £125,000 (exclusive of VAT) of the other party's reasonable costs.

In the event that both of the parties do not resolve to proceed to implement the Scheme on the terms described in this document (including if both Shareholders and IIT Shareholders do not pass any of the resolutions required to implement the Scheme) then each party will bear its own costs.

The AIFM has agreed to waive the management fee payable by the Company in respect of the net assets transferred to the Company under the Scheme for the first 182 days following the completion of the Scheme. The financial value of this amount (which is estimated at approximately £171,000 based on IIT's NAV as at 29 September 2022 and assuming that no IIT Shareholders exercise their right to dissent from participation in the Scheme and 50 per cent. of the total IIT Shares is elected for the Cash Option) shall be for the benefit of the shareholders of the Enlarged Company, including those IIT Shareholders who elect, or are deemed to have elected, for the Rollover Option. For the avoidance of doubt, this amount shall not be taken into account in the calculation of either the MNKS FAV per Share or the IIT FAV per Share.

### **General Meeting**

The Proposals are conditional, among other things, upon Shareholders' approval of the Resolution to be proposed at the General Meeting. The General Meeting will be held at 11.00 a.m. on 7 November 2022 at the offices of Baillie Gifford & Co, Grimaldi House, 28 St James's Square, London SW1Y 4JH. You will find set out on pages 22 to 24 at the end of this document the Notice convening the General Meeting at which Shareholders will be asked to consider and, if thought fit, approve the issue of New Shares under the Scheme. The Resolution will be proposed as an ordinary resolution and in order to be passed will, accordingly, require more than 50 per cent. of the votes cast to be voted in favour of it.

The Resolution will, if passed, authorise the Directors to allot up to 30 million New Shares to IIT Shareholders who have elected, or are deemed to have elected, for the Rollover Option pursuant to the Scheme.

### **Action to be taken**

All Shareholders are encouraged to vote in favour of the Resolution to be proposed at the General Meeting and, if their Shares are not held directly, to arrange for their nominee to vote on their behalf.

Shareholders are requested to complete and return proxy appointments to the Registrar by one of the following means:

- (i) by completing and signing the Form of Proxy for use in relation to the General Meeting, in accordance with the instructions printed thereon and returning by post, by courier or by hand; or
- (ii) by logging on to [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) and following the instructions; or
- (iii) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the Notice of the General Meeting.

In each case, the proxy appointments must be received by the Registrar as soon as possible and, in any event, so as to arrive by no later than by 11.00 a.m. on 3 November 2022. To be valid, the proxy appointment must be completed in accordance with the instructions accompanying it and lodged with the Registrar by the relevant time.

Completion and return of the Form of Proxy will not prevent you from attending and voting in person at the General Meeting should you wish to do so.

If the Resolution to be proposed at the General Meeting is not passed, the Proposals will not proceed and no New Shares will be issued pursuant to the Scheme.

### **Documents available for inspection**

A copy of this document, the Prospectus, the Articles and the 2022 Annual Report will be available for inspection at the registered office of the Company during normal business hours on any Business Day from the date of this document until the conclusion of the General Meeting and at the place of the General Meeting for at least 15 minutes prior to, and during, the relevant meeting. Copies of these documents will also be available on the Company's website: <https://www.bailliegifford.com/en/uk/individual-investors/funds/monks-investment-trust/>.

A copy of this document has been submitted to the National Storage Mechanism and will shortly be available for inspection at <https://data.fca.org.uk/a/nsm/nationalstoragemechanism>.

### **Recommendation**

The Board, which has been so advised by Investec, considers that the Proposals are in the best interests of the Company and of Shareholders as a whole.

**The Board unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings, which, in aggregate, amount to 71,906 Shares, representing approximately 0.03 per cent. of the Company's issued Share capital (excluding Shares held in treasury) as at 3 October 2022.**

Yours faithfully

**Karl Sternberg**  
*Chairman*

## PART 2

### DETAILS OF THE SCHEME AND THE ISSUE

#### 1. Introduction

The Issue is being undertaken pursuant to the proposed scheme of reconstruction and members' voluntary winding up of IIT under section 110 of the Insolvency Act (the "**Scheme**"), which the IIT Board has resolved to recommend to IIT Shareholders. The Scheme involves IIT being placed into members' voluntary liquidation and IIT Shareholders receiving New Shares issued by the Company, in exchange for the transfer to the Company of the Rollover Pool. IIT Shareholders may alternatively elect to receive cash, in respect of some or all of their holdings of IIT Shares, under the terms of the Scheme. The Issue has not been underwritten.

The New Shares are only available to IIT Shareholders who elect, or are deemed to elect, for the Rollover Option under the Scheme. The New Shares are not being offered to Existing Shareholders (save to the extent an Existing Shareholder is also an IIT Shareholder) or to the public.

#### 2. Details of the Scheme

Subject to the passing of the resolution to be proposed at the General Meeting to approve the issue of New Shares under the Scheme (the "**Resolution**"), and subject to the satisfaction of the other conditions of the Issue (details of which are set out in paragraph 4 below), the Scheme will take effect on the Effective Date.

The Scheme will be implemented in accordance with the terms of the Transfer Agreement that will be entered into by the Company, IIT and the Liquidators, which provides for the Rollover Pool to be transferred to the Company in consideration for the issue of New Shares of an equivalent value to IIT Shareholders who elect, or are deemed to elect, for the Rollover Option under the Scheme. Any cash that is transferred in accordance with the terms of the Transfer Agreement will be invested by the Company in accordance with the Company's investment policy.

Under the Scheme, each IIT Shareholder on the IIT Register on the Record Date (other than a Sanctions Restricted Person and certain Overseas IIT Shareholders) may elect to receive:

- such number of New Shares as have a value (at the MNKS FAV per Share) equal to the proportion of the Rollover Pool attributable to the number of IIT Shares so elected, being the "**Rollover Option**"; and/or
- an amount of cash equal to the Cash NAV per IIT Share attributable to the number of IIT Shares so elected, being the "**Cash Option**".

The default option under the Scheme is for IIT Shareholders to receive New Shares meaning that IIT Shareholders who, in respect of all or part of their holding of IIT Shares, do not make a valid election under the Scheme will be deemed to have elected for New Shares in respect of such holding.

The issue of New Shares under the Scheme will be effected on a formula asset value ("**FAV**") for formula asset value basis as at the Calculation Date. On the Calculation Date, or as soon as practicable thereafter, IIT, in consultation with the Liquidators, shall procure the finalising of the division of IIT's undertaking, cash and other assets into three separate and distinct pools, namely the Liquidation Pool, the Cash Pool and the Rollover Pool, as follows and in the following order:

- first, there shall be appropriated to the Liquidation Pool cash and other assets of IIT (including, without limitation, the right to receive any and all interest, but not dividends, due but not paid to IIT by the Effective Date), which the Liquidators may call in, realise and convert into cash as they consider necessary and estimated by the Liquidators to be sufficient to meet the current and future, actual and contingent liabilities of IIT; and
- second, there shall be appropriated to the Cash Pool and the Rollover Pool, in accordance with the Scheme, all the undertaking, cash and other assets of IIT remaining after the appropriation to the Liquidation Pool.

## 2.1. Liquidation Pool

On or following the Effective Date, the Liquidation Pool shall be applied by IIT (acting by the Liquidators) in discharging the liabilities of IIT. Any remaining balance of the Liquidation Pool shall be distributed in cash by the Liquidators pursuant to the Scheme to all IIT Shareholders (excluding any Dissenting IIT Shareholders and any Sanctions Restricted Person) who were on the IIT Register on the Record Date in proportion to their respective holdings of IIT Shares on the Record Date provided that if any such amount payable to any IIT Shareholder is less than £5.00, it shall not be paid to the IIT Shareholder but instead shall be paid by the Liquidators to the Company.

## 2.2. Cash Option

IIT Shareholders who elect, or are deemed to elect, for the Cash Option will receive an amount in cash equal to a discount of 2 per cent. to the Residual NAV per IIT Share (the “**Cash NAV per IIT Share**”) multiplied by the number of IIT Shares in respect of which such IIT Shareholder has elected for the Cash Option. The benefit of the discount applied under the Cash Option will accrue to those IIT Shareholders who receive New Shares under the Scheme.

## 2.3. Rollover Option

The number of New Shares to which each IIT Shareholder who successfully elects, or is deemed to have elected for, the Rollover Option will be entitled will be calculated by dividing the IIT FAV per Share by the MNKS FAV per Share and applying this ratio to the number of IIT Shares in respect of which that IIT Shareholder has elected, or is deemed to have elected, for the Rollover Option.

The IIT FAV per Share shall be calculated on the basis of the NAV per IIT Share as at the Calculation Date adjusted for:

- (a) the payment of a pre-liquidation interim dividend to IIT Shareholders;
- (b) subject to the requirements of the Liquidators, the withholding of an amount, not expected to exceed £100,000, in respect of the Liquidation Pool (the “**Liquidators Retention**”); and
- (c) any costs of the Proposals payable by IIT but not accrued in IIT’s NAV as at the Calculation Date,

being the “**Residual IIT Net Asset Value**”, less the Cash Pool NAV divided by the total number of IIT Shares elected for the Rollover Option (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down) (the “**IIT FAV per Share**”).

The MNKS FAV per Share shall be calculated on the basis of the Company’s NAV per Share as at the Calculation Date adjusted for:

- (a) any costs of the Proposals payable by the Company but not accrued in the Company’s NAV as at the Calculation Date; and
- (b) the declaration by the Company of any dividends which have a record date prior to the Effective Date of the Scheme,

the “**MNKS FAV per Share**”.

The New Shares will be issued on a non pre-emptive basis and will rank equally in all respects with the existing issued Shares other than in respect of any dividends which have a record date prior to the Effective Date of the Scheme.

*For illustrative purposes only*, had the Calculation Date been market close on 29 September 2022 and assuming 50 per cent. of IIT’s issued share capital is elected for the Cash Option, the IIT FAV per Share would have been 441.137783 pence and the MNKS FAV per Share would have been 1,077.983705 pence. On the basis of these figures, had the Calculation Date been 29 September 2022, an IIT Shareholder who elected for the Rollover Option in respect of 1,000 IIT Shares would have received 409 New Shares under the Scheme. On this basis and in aggregate, 10,620,790 New Shares would have been issued to IIT Shareholders under the Scheme, representing approximately 4.62 per cent. of the issued Share capital of the Enlarged Company.

The Company will notify Shareholders of the results of the Scheme and the Issue, including the calculations of the IIT FAV per Share, the MNKS FAV per Share, the Cash NAV per IIT Share and the number of New Shares to be issued under the Scheme, through an RIS as soon as reasonably practicable following the Calculation Date and prior to the Issue.

The Scheme is conditional on, among other things:

- the passing of the resolutions to approve the Scheme and the winding up of IIT at the IIT General Meetings and the Scheme becoming unconditional (including the Transfer Agreement becoming unconditional in all respects);
- the passing of the Resolution to approve the issue of the New Shares at the General Meeting and such Resolution becoming unconditional in all respects;
- the FCA agreeing to admit the New Shares to the Official List and the London Stock Exchange agreeing to admit the New Shares to trading on its Main Market, subject only to allotment; and
- the Directors and the IIT Directors resolving to proceed with the Scheme.

If any of these conditions are not satisfied by 31 December 2022, unless such date is extended by mutual agreement between the Company and IIT, the Scheme will not become effective and no New Shares will be issued to IIT Shareholders.

Overseas IIT Shareholders are entitled to participate in the Scheme. However, to the extent that the Company, and/or the Liquidators, acting reasonably, consider that any issue of New Shares to an Overseas IIT Shareholder would or may involve a breach of the securities laws or regulations of any jurisdiction or may violate any applicable legal or regulatory requirements or may require the Company to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and the Company and/or the Liquidators, as the case may be, have not been provided with evidence reasonably satisfactory to them that the relevant Overseas IIT Shareholder is permitted to hold New Shares under any relevant securities laws or regulations of such overseas jurisdictions (or that the Company would not be subject to any additional regulatory requirements to which it would not be subject but for such issue), such Overseas IIT Shareholder will be deemed to have elected for the Cash Option in respect of their entire holding.

Sanctions Restricted Persons will not be entitled to participate in the Scheme.

### **3. Details of the Issue**

The number of New Shares to be issued under the Scheme is not known as at the date of this document as it will be calculated in accordance with the formula stated above as at the Calculation Date. The number of New Shares to be issued will be announced through an RIS announcement as soon as practicable following the Calculation Date. The Issue is not being underwritten.

*For illustrative purposes only*, had the Calculation Date been market close on 29 September 2022 and assuming that no IIT Shareholders exercise their right to dissent from participation in the Scheme, after deduction of the IIT pre-liquidation interim dividend of 9.0 pence per IIT Share and assuming 50 per cent. of the total IIT Shares is elected for the Cash Option, the Cash NAV per IIT Share would have been 423.838260 pence and the IIT FAV per Share would have been 441.137783 pence. The Cash NAV per IIT Share and the IIT FAV per Share may be compared with the IIT share price and cum-income NAV per IIT Share as at 29 September 2022 which, when adjusted on a *pro forma* basis for the deduction of the pre-liquidation interim dividend of 9.0 pence per IIT Share, were 418.50 pence and 434.34 pence, respectively.

The MNKS FAV per Share would have been 1,077.983705 pence, which for the Rollover Option, would have produced a conversion ratio of 0.409225 and, in aggregate, 10,620,790 New Shares would have been issued to IIT Shareholders under the Scheme, representing approximately 4.62 per cent. of the issued ordinary share capital of the Enlarged Company immediately following completion of the Scheme. The Enlarged Company would also then have paid listing fees in relation to the listing of the New Shares and SDRT on the acquisition of the Rollover Pool equal to 0.19 pence per Share, which would have resulted in a cum-income NAV per Share of 1,077.80 pence.

#### **4. Conditions of the Issue**

The Issue is conditional upon:

- the passing of the IIT Resolutions to approve the Scheme and the winding up of IIT at the IIT General Meetings and the Scheme becoming unconditional (including the Transfer Agreement becoming unconditional in all respects);
- the passing of the Resolution to approve the issue of the New Shares at the General Meeting and such Resolution becoming unconditional in all respects;
- the FCA agreeing to admit the New Shares to the Official List and the London Stock Exchange agreeing to admit the New Shares to trading on its Main Market, subject only to allotment; and
- the Directors and the IIT Directors resolving to proceed with the Scheme.

If any of the above conditions are not satisfied by 31 December 2022, unless such date is extended by mutual agreement between the Company and IIT, the Scheme will not become effective and no New Shares will be issued to IIT Shareholders.

#### **5. Dissenting IIT Shareholders**

Provided that an IIT Shareholder does not vote in favour of the IIT Resolution to be proposed at the First IIT General Meeting, such IIT Shareholder may within seven days following the First IIT General Meeting, express his or her dissent to the Liquidators in writing at IIT's registered office and require the Liquidators to purchase the IIT Shareholder's interest in IIT. The Liquidators will offer to purchase the interests of the Dissenting IIT Shareholders at the realisation value, this being an estimate of the amount an IIT Shareholder would receive per IIT Share in an ordinary winding up of IIT if all of the assets of IIT had to be realised and distributed to IIT Shareholders after repayment of the liabilities of IIT. The realisation value of an IIT Share is expected to be below the unaudited cum-income NAV per IIT Share and the Liquidators will not purchase the interests of Dissenting IIT Shareholders until all other liabilities of IIT have been settled and HMRC has confirmed that it has no objections to the closure of the liquidation.

In order to purchase the interests of any Dissenting IIT Shareholders, the IIT Board, in consultation with the Liquidators, will appropriate an amount of the cash, undertaking and other assets of IIT to the Liquidation Pool which it believes is sufficient to purchase the interests of such IIT Shareholders. Save as otherwise provided in this paragraph 5, any IIT Shares held by persons who validly exercise their rights under section 111(2) of the Insolvency Act shall be disregarded for the purposes of the Scheme and shall be treated as if those IIT Shares were not in issue.

#### **6. Dilution**

Unless they are also holders of IIT Shares at the relevant time, Existing Shareholders are not able to participate in the Issue and will suffer a dilution to the percentage of the issued share capital that their current holding represents based on the actual number of New Shares issued under the Scheme.

*For illustrative purposes only*, if 10,620,790 New Shares were to be issued (being the estimated number of Shares that will be issued pursuant to the Issue, assuming that no IIT Shareholders exercise their right to dissent from participation in the Scheme and 50 per cent. of the total IIT Shares is elected for the Cash Option, and that the ratio between the MNKS FAV per Share and the IIT FAV per Share is 0.409225) then, based on the issued share capital of the Company at 29 September 2022, and assuming that: (i) an Existing Shareholder is not an IIT Shareholder and is therefore not able to participate in the Issue; and (ii) there had been no change to the Company's issued share capital prior to Admission, an Existing Shareholder holding 1 per cent. of the Company's issued Share capital at 29 September 2022 would then hold 0.954 per cent. of the Company's issued share capital following the Issue.

#### **7. Costs and expenses of the Proposals**

The Proposals will not result in any equity capital being raised by the Company. The New Shares are being issued to IIT Shareholders in consideration for the transfer of part of IIT's cash, undertaking and other assets to the Company.

Subject as noted below, if the Scheme is implemented, the Company and IIT have each agreed to bear their own costs associated with the Scheme. The fixed costs of the Proposals payable by the Company are expected to be approximately £600,000 inclusive of VAT which, for the purposes of this calculation, is assumed to be irrecoverable, where applicable. In addition, the Company will also incur listing fees in respect of the listing of the New Shares and SDRT based on the value and constitution of the Rollover Pool.

The Liquidators' Retention is estimated at £100,000 and will be retained by the Liquidators to meet any unknown or unascertained liabilities of IIT. To the extent some or all of the Liquidators' Retention remains when the Liquidators decide to close the liquidation, this will be returned to IIT Shareholders on the IIT Register as at the Record Date.

Any costs of realignment/realisation of the IIT Portfolio prior to the Scheme becoming effective will be borne by IIT. Any stamp duty, SDRT or other transaction tax, or investment costs incurred by the Company for the acquisition of the Rollover Pool or the deployment of the cash therein upon receipt will be borne by the Enlarged Company.

In the event that either Shareholders or IIT Shareholders resolve not to proceed to implement the Scheme on the terms described in this document (including if either Shareholders or IIT Shareholders do not approve any resolution required to implement the Scheme) then either the Company or IIT (whichever company has not resolved to proceed with the Scheme) will bear the reasonable costs of both parties in connection with the Proposals, subject to bearing a maximum of £125,000 (exclusive of VAT) of the other party's reasonable costs.

In the event that both of the parties resolve not to proceed to implement the Scheme on the terms described in this document (including if both Shareholders and IIT Shareholders do not approve any of the resolutions required to implement the Scheme) then each party will bear its own costs.

The AIFM has agreed to waive the management fee payable by the Company in respect of the net assets transferred to the Company under the Scheme for the first 182 days following the completion of the Scheme. The financial value of this amount (which is estimated at approximately £171,000 based on IIT's NAV as at 29 September 2022 and assuming that no IIT Shareholders exercise their right to dissent from participation in the Scheme and 50 per cent. of the total IIT Shares is elected for the Cash Option) shall be for the benefit of the shareholders of the Enlarged Company, including those IIT Shareholders who elect, or are deemed to have elected, for the Rollover Option. For the avoidance of doubt, this amount shall not be taken into account in the calculation of either the MNKS FAV per Share or the IIT FAV per Share.

## **8. Admission and dealings**

Applications will be made by the Company to the FCA and to the London Stock Exchange for the New Shares to be admitted to the premium segment of the Official List and to trading on the Main Market, respectively. If the Proposals become effective, it is expected that the New Shares will be admitted to the Official List, and dealings on the Main Market will commence, on 9 November 2022.

The ISIN of the New Shares will be GB0030517261. The New Shares will be in registered form and may be held in either certificated or uncertificated form.

Fractional entitlements to New Shares will not be issued under the Proposals and entitlements will be rounded down to the nearest whole number of New Shares. No cash payments shall be made or returned in respect of any fractional entitlements which will be retained for the benefit of the Company.

## **9. Overseas IIT Shareholders and Sanctions Restricted Persons**

Overseas IIT Shareholders are entitled to participate in the Scheme. However, to the extent that the Company, and/or the Liquidators, acting reasonably, consider that any issue of New Shares to an Overseas IIT Shareholder would or may involve a breach of the securities laws or regulations of any jurisdiction or may violate any applicable legal or regulatory requirements or may require the Company to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and the Company and/or the Liquidators, as the case may be, have not been provided with evidence reasonably satisfactory to them that the relevant Overseas IIT Shareholder is permitted to hold New Shares under any relevant securities laws or regulations of such overseas jurisdictions (or

that the Company would not be subject to any additional regulatory requirements to which it would not be subject but for such issue), such Overseas IIT Shareholder will be deemed to have elected for the Cash Option in respect of their entire holding.

Sanctions Restricted Persons will not be entitled to participate in the Scheme.

## PART 3

### RISK FACTORS

In considering the Proposals set out in this document, Shareholders should have regard to and carefully consider the risk factors described below in addition to the other information set out in this document. The following are those risk factors pertaining to the Proposals which the Board considers to be material as at the date of this document and which may materially and adversely affect the Company's business, financial condition, results or prospects. Additional risks and uncertainties pertaining to the Proposals which are not known to the Board at the date of this document or that the Board considers at the date of this document to be immaterial may also materially and adversely affect the Company's business, financial condition, results or prospects.

#### **Risks associated with the Proposals**

- Implementation of the Proposals is conditional, amongst other things, upon the Resolution being passed at the General Meeting and upon IIT Shareholders approving the Scheme. In the event that the Resolution is not passed, IIT Shareholders do not approve the Scheme or if any one condition of the Scheme is not met, the Scheme will not be implemented and certain costs and expenses incurred in connection with the Scheme will nonetheless be borne by the Company. In these circumstances, the Company and IIT would remain as separate companies.
- In the event that Shareholders do not resolve to approve the Resolution and, consequently, the Scheme does not proceed on the terms described in this document then the Company will bear the reasonable costs incurred by both parties in connection with the Proposals, save to the extent that IIT's reasonable costs exceed £125,000 (exclusive of VAT).
- If the Scheme is implemented it will, on the basis of the illustrative calculation set out on page 11 of this document, result in the issue of approximately 10,620,790 New Shares to IIT Shareholders, based on a ratio between the MNKS FAV per Share and the IIT FAV per Share of 0.409225 (which, in turn, is based on the Company's NAV and the IIT NAV (each as at 29 September 2022) and adjusted as set out in this document). Existing Shareholders, to the extent they are not also IIT Shareholders participating in the Scheme, will therefore experience dilution in their ownership and voting interests in the Company following Admission. In aggregate, the New Shares will represent, based on the Company's issued Share capital as at 29 September 2022 and the illustrative figures set out above, approximately 4.62 per cent. of the issued ordinary share capital of the Enlarged Company. Therefore, as a consequence of the Scheme, the percentage of total voting rights which can be exercised and the influence that may be exerted by Existing Shareholders in respect of the Company following the implementation of the Scheme will be reduced.

**The foregoing risk factors are not exhaustive and do not purport to be a complete explanation of all risks and significant considerations relating to the Proposals and the Company. Additional risks and uncertainties not presently known to the Board may also have an adverse effect on the Proposals and/or the Company's business, financial condition, results or prospects.**

## PART 4

### DEFINITIONS

In this document, the words and expressions listed below have the meanings set out opposite them (except where the context otherwise requires):

<b>2022 Annual Report</b>	the annual report and financial statements of the Company for the financial period ended 30 April 2022
<b>Admission</b>	the admission of the New Shares issued pursuant to the Issue to listing on the premium segment of the Official List and to trading on the premium segment of the Main Market becoming effective
<b>AIFM or Company Secretary</b>	Baillie Gifford & Co Limited, a private limited company incorporated in Scotland with registered number SC069524, whose registered office is Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
<b>Articles</b>	the articles of association of the Company, as amended from time to time
<b>Board</b>	the board of Directors of the Company, including any duly constituted committee thereof
<b>Business Day</b>	a day on which the London Stock Exchange and banks in the UK are normally open for business
<b>Calculation Date</b>	the time and date to be determined by the IIT Board (but expected to be market close on 2 November 2022) at which the value of IIT's assets and liabilities will be determined for the purposes of creating the Liquidation Pool, the Cash Pool and the Rollover Pool, and at which the IIT FAV per Share, the Cash NAV per Share and the MNKS FAV per Share will be calculated for the purposes of the Scheme
<b>Cash NAV per IIT Share</b>	the Residual NAV per IIT Share attributable to the IIT Shares elected for the Cash Option under the Scheme less a discount of 2 per cent. (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
<b>Cash Option</b>	the option for IIT Shareholders to receive cash under the terms of the Scheme
<b>Cash Pool</b>	the fund comprising the pool of IIT's assets attributable to the IIT Shares validly elected for the Cash Option under the Scheme
<b>Cash Pool NAV</b>	the Cash NAV per IIT Share multiplied by the total number of IIT Shares elected for the Cash Option under the Scheme
<b>certificated or in certificated form</b>	a share or other security which is not in uncertificated form
<b>Chairman</b>	the chairman of the Board
<b>Companies Act</b>	the UK Companies Act 2006, as amended

<b>Company</b>	The Monks Investment Trust PLC, a public limited company incorporated in England and Wales with registered number 00236964, whose registered office is at c/o Computershare Investor Services PLC, Moor House, 120 London Wall, London EC2Y 5ET
<b>CREST</b>	the Relevant System as defined in the UK Uncertificated Securities Regulations in respect of which Euroclear is operator (as defined in the UK Uncertificated Securities Regulations), in accordance with which securities may be held in uncertificated form
<b>CREST Account</b>	an account in CREST
<b>Directors</b>	the directors of the Company
<b>Dissenting IIT Shareholders</b>	an IIT Shareholder who validly dissents from the Scheme pursuant to section 111(2) of the Insolvency Act
<b>Effective Date</b>	the date on which the Scheme becomes effective, which is expected to be 8 November 2022
<b>Enlarged Company</b>	the Company following completion of the Proposals
<b>Euroclear</b>	Euroclear UK & International Limited, in its capacity as the operator of CREST
<b>Existing Shareholders</b>	holders of Shares prior to the Effective Date
<b>FCA or Financial Conduct Authority</b>	the Financial Conduct Authority of the United Kingdom of 12 Endeavour Square, London E20 1JN and any organisation which may replace it or take over the conduct of its affairs
<b>First IIT General Meeting</b>	the general meeting of IIT in relation to the Scheme convened for 9.30 a.m. on 31 October 2022 or any adjournment of that meeting
<b>Form of Proxy</b>	the form of proxy for use in connection with the General Meeting
<b>FSMA</b>	the UK Financial Services and Markets Act 2000, as amended
<b>General Meeting or GM</b>	the general meeting of the Company convened for 11.00 a.m. on 7 November 2022 at the offices of Baillie Gifford & Co, Grimaldi House, 28 St James's Square, London SW1Y 4JH or any adjournment of that meeting
<b>HMRC</b>	HM Revenue & Customs in the UK
<b>IIT</b>	The Independent Investment Trust PLC, a public limited company incorporated in Scotland with registered number SC210685, whose registered office is at Calton Square, 1 Greenside Row, Edinburgh, Scotland EH1 3AN
<b>IIT Board</b>	the board of IIT Directors, including any duly constituted committee thereof
<b>IIT Directors</b>	the directors of IIT

<b>IIT FAV per Share</b>	the difference between the Residual IIT Net Asset Value and the Cash Pool NAV divided by the total number of IIT Shares elected (or deemed to have been elected) for the Rollover Option (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
<b>IIT General Meetings</b>	the First IIT General Meeting and/or the Second IIT General Meeting, as the context requires
<b>IIT Portfolio</b>	IIT's portfolio of investments prior to the Effective Date
<b>IIT Register</b>	the register of members of IIT
<b>IIT Resolution or IIT Resolutions</b>	the special resolutions to be proposed at the First IIT General Meeting and the Second IIT General Meeting, or any of them as the context may require
<b>IIT Shares</b>	ordinary shares of 25 pence each in the capital of IIT
<b>IIT Shareholders</b>	holders of IIT Shares whose names are entered on to the IIT Register as at the Record Date
<b>Insolvency Act</b>	the UK Insolvency Act 1986, as amended
<b>Investment Manager</b>	Baillie Gifford & Co, a Scottish partnership whose principal place of business is at Calton Square, 1 Greenside Row, Edinburgh, Scotland EH1 3AN
<b>Issue</b>	the issue of New Shares to IIT Shareholders who have elected, or are deemed to have elected, for the Rollover Option pursuant to the Scheme
<b>Liquidation Pool</b>	the pool of assets of IIT to be retained by the Liquidators to meet all known and unknown liabilities of IIT and other contingencies
<b>Liquidators</b>	the liquidators of IIT being, initially, the persons appointed jointly and severally upon the relevant resolution to be proposed at the Second IIT General Meeting becoming effective
<b>Liquidators' Retention</b>	an amount to be retained by the Liquidators to meet any unknown or unascertained liabilities of IIT and the entitlements of any Dissenting IIT Shareholders, which is currently estimated by IIT at £100,000
<b>London Stock Exchange</b>	London Stock Exchange plc, a public limited company incorporated in England and Wales with registered number 02075721, whose registered office is at 10 Paternoster Square, London, EC4M 7LS
<b>Main Market</b>	the main market for listed securities operated by the London Stock Exchange
<b>MNKS FAV</b>	the net asset value of the Company being the value of the Company's assets less its liabilities, calculated as at the Calculation Date in accordance with its normal accounting policies, on a cum income basis adjusted for debt calculated at fair value post the costs of the Proposals and adjusted to exclude any dividends declared but not paid prior to the Effective Date by the Company to Shareholders

<b>MNKS FAV per Share</b>	the MNKS FAV divided by the number of Shares in issue (excluding treasury shares) as at the Calculation Date (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
<b>NAV or Net Asset Value</b>	the net assets attributable to the Shares or the IIT Shares in issue, calculated in accordance with the respective company's usual accounting policies on a cum income basis adjusted for borrowings calculated at fair value
<b>NAV per IIT Share</b>	the Net Asset Value of IIT divided by the number of IIT Shares in issue (excluding any IIT Shares held in treasury) at the relevant time
<b>Net Asset Value per Share or NAV per Share</b>	the Net Asset Value divided by the number of Shares in issue (excluding any Shares held in treasury) at the relevant time
<b>New Shares</b>	the Shares to be issued to IIT Shareholders who have elected, or are deemed to have elected, for the Rollover Option pursuant to the Scheme
<b>Overseas IIT Shareholder</b>	IIT Shareholders who have a registered address in or who are resident in, or citizens, residents or nationals of, any jurisdiction outside of the United Kingdom
<b>Portfolio</b>	the portfolio of investments in which the funds of the Company are invested from time to time
<b>Proposals</b>	the proposals for the Company's participation in the Scheme, as set out in further detail in the document
<b>Receiving Agent or Registrar</b>	Computershare Investor Services PLC, a public limited company incorporated in England and Wales with registered number 03498808, whose registered office is at The Pavilions, Bridgwater Road, Bristol BS13 8AE
<b>Record Date</b>	the record date for entitlements of IIT Shareholders to New Shares pursuant to the Scheme, being 6.00 p.m. on 31 October 2022 (or such other date as determined at the sole discretion of the IIT Board)
<b>Register</b>	the register of members of the Company
<b>Relevant System</b>	means a computer-based system which enables title to units of a security to be evidenced and transferred without written instruments pursuant to the UK Uncertificated Securities Regulations
<b>Residual IIT Net Asset Value</b>	the gross assets of IIT as at the Calculation Date less the value of the cash and other assets appropriated to the Liquidation Pool
<b>Residual NAV per IIT Share</b>	the Residual Net Asset Value divided by the number of IIT Shares in issue as at the Calculation Date (excluding any IIT Shares held in treasury) (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)

<b>Resolution</b>	the resolution to be proposed at the General Meeting to authorise the Directors to allot up to 30 million New Shares to IIT Shareholders who have elected, or are deemed to have elected, for the Rollover Option pursuant to the Scheme
<b>RIS or Regulatory Information Service</b>	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
<b>Rollover Option</b>	the option under the Scheme for IIT Shareholders to elect to receive such number of New Shares as have a value (at the MNKS FAV per Share) equal to the proportion of the Rollover Pool attributable to the number of IIT Shares so elected
<b>Rollover Pool</b>	the pool of cash, undertaking and other assets to be established under the Scheme to be transferred from IIT to the Company pursuant to the Transfer Agreement
<b>Sanctions Authority</b>	<p>each of:</p> <ul style="list-style-type: none"> <li>(i) the United States government;</li> <li>(ii) the United Nations;</li> <li>(iii) the United Kingdom;</li> <li>(iv) the European Union (or any of its member states);</li> <li>(v) any other relevant governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or</li> </ul> <p>the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and Her Majesty's Treasury</p>
<b>Sanctions Restricted Person</b>	<p>each person or entity:</p> <ul style="list-style-type: none"> <li>(i) that is organised or resident in a country or territory which is the target of comprehensive country sanctions administered or enforced by any Sanctions Authority; or</li> <li>(ii) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (a) the current "Specially Designated Nationals and Blocked Persons" list (which as of the date of this document can be found at: <a href="https://www.treasury.gov/ofac/downloads/sdnlist.pdf">https://www.treasury.gov/ofac/downloads/sdnlist.pdf</a>; and/or (b) the current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date of this document can be found at: <a href="https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en">https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en</a>); or the current "Consolidated list of financial sanctions targets in the UK" (which as of the date of this document can be found at: <a href="https://ofsistorage.blob.core.windows.net/publishlive/2022format/ConList.html">https://ofsistorage.blob.core.windows.net/publishlive/2022format/ConList.html</a>)</li> </ul>

- (iii) that is otherwise the subject of or in violation of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (a) the current “Sectoral Sanctions Identifications” list (which as of the date of this document can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the “SSI List”), (b) Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the “**EU Annexes**”), or (c) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes

<b>Scheme</b>	the proposed scheme of reconstruction and voluntary winding up of IIT under section 110 of the Insolvency Act, pursuant to which the Issue shall be undertaken
<b>SDRT</b>	stamp duty reserve tax imposed under Part IV of the UK Finance Act 1986
<b>Second IIT General Meeting</b>	the general meeting of IIT in relation to the Scheme convened for 9.30 a.m. on 8 November 2022 or any adjournment of that meeting
<b>Shareholder</b>	a holder of Shares including a holder of New Shares, if the context so requires
<b>Shares</b>	ordinary shares with a nominal value of 5 pence each in the capital of the Company, including the New Shares following their issue if the context requires
<b>Sponsor or Investec</b>	Investec Bank plc, a public limited company incorporated in England and Wales with company number 00489604, whose registered office is at 30 Gresham Street, London EC2V 7QP
<b>Sterling, £ or GBP</b>	pounds sterling, the lawful currency of the UK
<b>Transfer Agreement</b>	the agreement for the transfer of assets from IIT to the Company pursuant to the Scheme to be dated on or around the Effective Date between the Company, IIT and the Liquidators
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>uncertificated or in uncertificated form</b>	a share recorded on the register of members of a company as being held in uncertificated form in CREST and title to which, by virtue of the UK Uncertificated Securities Regulations, may be transferred by means of CREST
<b>Uncertificated Securities Regulations</b>	any provision of the Companies Act relating to uncertificated shares (including the holding, evidencing of title to, or transfer of uncertificated shares) and any legislation, rules or other arrangements made under or by virtue of such provision, including without limitation the UK Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/ 3755), as amended

# THE MONKS INVESTMENT TRUST PLC

*(Incorporated in England and Wales with registered number 00236964)*

*(An investment company within the meaning of section 833 of the Companies Act 2006)*

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a general meeting of The Monks Investment Trust PLC (the “**Company**”) will be held at the offices of Baillie Gifford & Co, Grimaldi House, 28 St James’s Square, London SW1Y 4JH at 11.00 a.m. on 7 November 2022 for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as an ordinary resolution:

### ORDINARY RESOLUTION

THAT, conditional upon the scheme of reconstruction and winding up of The Independent Investment Trust PLC (as described in the circular to the shareholders of the Company dated 6 October 2022 (the “**Circular**”)) becoming unconditional in all respects (other than as regards any condition relating to the passing of this resolution) and in addition to any existing authority, the directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “**Act**”) to exercise all powers of the Company to allot ordinary shares of 5 pence each in the capital of the Company up to an aggregate nominal value of £1,500,000 (being approximately 13.7 per cent. of the issued share capital of the Company (excluding treasury shares) as at 3 October 2022) in connection with the Issue (as defined in the Circular), provided that this authority shall (unless previously revoked) expire on 31 December 2022.

*Registered office:*

c/o Computershare Investor Services PLC  
Moor House  
120 London Wall  
London  
EC2Y 5ET

*By Order of the Board*

**Baillie Gifford & Co**  
*Company Secretary*

6 October 2022

## Notes:

1. As a member you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the General Meeting. A proxy need not be a member of the Company but must attend the General Meeting to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You can only appoint a proxy using the procedure set out in these notes and the notes to the proxy form. You may not use any electronic address provided either in this notice or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.
2. To be valid any Form of Proxy or other instrument appointing a proxy, together with any Power of Attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand at the Registrar of the Company at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or [eproxyappointment.com](http://eproxyappointment.com) no later than two days (excluding non-working days) before the time of the General Meeting or any adjourned General Meeting.
3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and/or by logging on to the website [euroclear.com/CREST](http://euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
4. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Registrar (ID 3RA50) no later than two days (excluding non-working days) before the time of the General Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
5. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
6. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. The return of a completed Form of Proxy or other instrument of proxy will not prevent you attending the General Meeting and voting in person if you wish.
8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 311 of the Companies Act the Company specifies that to be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company no later than the close of business two days (excluding non-working days) prior to the commencement of the General Meeting or any adjournment thereof. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
9. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.

10. The statement of the rights of Shareholders in relation to the appointment of proxies in Notes 1 and 2 above does not apply to Nominated Persons. The rights described in those Notes can only be exercised by Shareholders of the Company.
11. Information regarding the General Meeting, including information required by section 311A of the Companies Act, is available from the Company's website at <https://www.bailliegifford.com/en/uk/individual-investors/funds/monks-investment-trust/>.
12. Members have the right to ask questions at the General Meeting in accordance with section 319A of the Companies Act.
13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
14. As at 3 October 2022 (being the last practicable day prior to the publication of this notice) the Company's issued Share capital consisted of 236,453,859 Shares. The Company holds 17,325,794 Shares in treasury as at 3 October 2022. Therefore, the total voting rights in the Company as at 3 October 2022 were 219,128,065 votes.
15. Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the chairman of the General Meeting as his/her proxy will need to ensure that both he/she and his/her proxy complies with their respective disclosure obligations under the UK Disclosure and Transparency Rules.