

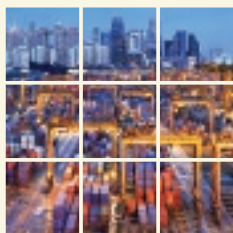
THE MONKS INVESTMENT TRUST PLC

Global growth from
different perspectives



Interim Financial Report
31 October 2017





Global growth from different perspectives

The objective of Monks is to invest globally to achieve capital growth. This takes priority over income and dividends. Monks seeks to meet its objective by investing principally in a portfolio of global quoted equities.

Financial Highlights*

	31 October 2017	30 April 2017	% change
Net asset value per share†	744.7p	656.8p	13.4
Share price	746.0p	653.0p	14.2
FTSE World Index‡			6.0
Premium/(discount)†	0.2%	(0.6%)	
Active share	92%	93%	

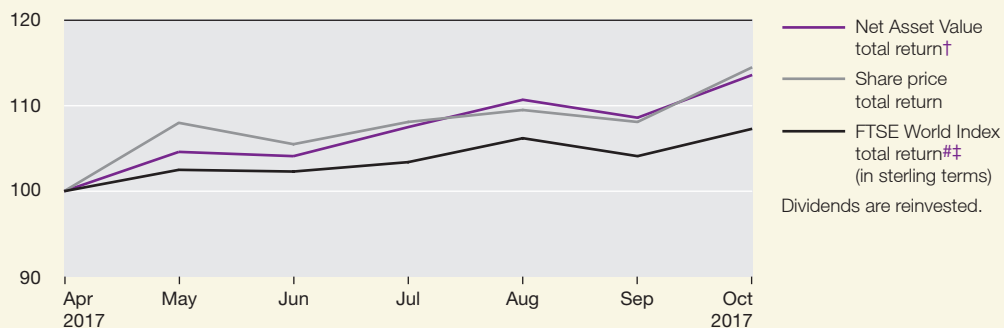
Total Return Performance*‡

To 31 October 2017

	Six months	1 year	3 years	5 years	10 years
Net asset value†	13.6%	26.9%	70.6%	115.6%	108.9%
Share Price	14.5%	38.2%	96.1%	151.2%	136.5%
FTSE World Index‡	7.3%	13.7%	54.3%	110.6%	142.8%

For six months to 31 October 2017

(figures plotted on a monthly basis and rebased to 100 at 30 April 2017)



* For a definition of terms used see Glossary of Terms on page 20.

† With borrowings deducted at fair value except for 10 years total return performance, which uses borrowings at par value.

‡ The FTSE World Index (in sterling terms) is the principal index against which performance is measured.

‡ Source: Baillie Gifford/Morningstar and relevant underlying index providers. See disclaimer on page 19.

Past performance is not a guide to future performance.

Interim Management Report

The six months to the end of October have seen a continuation of strong progress for the majority of the companies in the portfolio. In part this reflects an improving global economy. More importantly these companies continue to prosper by identifying growth markets, retaining strong competitive positions through differentiated products and services, and maintaining a flexible managerial approach. It is pleasing to see a diverse range of our largest holdings announcing strong trading results, with Royal Caribbean (cruise holidays), Alibaba (Chinese online retail), Samsung Electronics, NVIDIA and Teradyne (semi-conductors) and Facebook (social media) all reporting earnings per share which increased by more than 50% year-on-year in the first half of calendar 2017.

These good fundamental results fed through to share price returns, helping the Company's net asset value ('NAV')* and share price total returns of 13.6% and 14.5% respectively, both comfortably beating the comparative index (FTSE World in sterling terms) return of 7.3%. Monks' shares started the financial year trading at a 0.6% discount to the NAV*, and ended the period trading at a very small premium of 0.2%. During the six months we neither bought back nor issued shares and the tight range of the share price relative to the NAV was supported by consistent marketing of the Company and the strong operational and share price progress of the portfolio's holdings.

Portfolio Changes

The turnover of holdings in the portfolio remained typically low, at 16% on an annualised basis, and is consistent with an average holding period of six years. During the period the Managers purchased eight new holdings and sold five (two of these sales were de minimis positions inherited after larger holdings listed separate small subsidiaries). Whilst the Managers' process is to build the portfolio from the bottom-up by selecting individual stocks, much of the trading activity can be distilled into three broad themes.

First, several of the complete sales or reductions were prompted by increased valuations, where the Managers' most optimistic scenarios for companies

started to be recognised by the market. The Managers sold two healthcare companies, Qiagen (molecular diagnostics) and Intuitive Surgical (robotic surgery) after a period when their share prices outpaced their steady fundamental progress. In addition, they reduced the weightings of a number of our US-exposed cyclical companies. These included Martin Marietta (construction aggregates and cement), Lincoln Electric (welding equipment and consumables), CarMax (second hand autos) and TD Ameritrade (online broking). Whilst the Managers remain upbeat on US economic expansion, they feel that in some cases share prices are now more fully reflective of their own optimism for these businesses.

Second, strong progress in online platforms and semi-conductor companies led to positions being trimmed in the likes of Amazon, MercadoLibre, Yandex and Autohome in the former category and NVIDIA and Teradyne in the latter. In the case of the semi-conductor reductions some of the profits were recycled into new holdings in two competitor companies, Advanced Micro Devices and Advantest which seem at an earlier stage of progress towards much higher levels of profitability. The increasing proliferation of connected devices means there is an excellent demand backdrop for the semi-conductor industry, while at the same time improved supply-side discipline bodes well for future returns. It is pleasing to see this in rising estimates of future profitability at a number of portfolio holdings, notably NVIDIA, Teradyne, Rohm and Samsung Electronics.

Third, a notable feature since the current team took over the management of Monks in April 2015 has been an increase in the portfolio's exposure to Emerging Market companies from 13.7% to 21.4%. This increased enthusiasm is a result of bottom-up stock-picking and reflects the long-term growth opportunities arising from a significant increase in middle class spending power, especially in Asia. There were additions to two Indian financial holdings, ICICI Bank and HDFC. After visiting Brazil earlier in the year, the Managers also took a holding in Banco Bradesco, one of the leading private sector banks.

* With borrowings deducted at fair value.

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For a definition of terms used see Glossary of Terms on page 20.

Total return information is sourced from Baillie Gifford/Morningstar. See disclaimer on page 19.

Interim Management Report

Elsewhere, they purchased the Chinese online company 58.com which specialises in classified advertising for small businesses and individuals and added to AP Moller-Maersk. Although domiciled in Denmark, AP Moller-Maersk, as the world's largest container shipping company, should benefit from a rebound in trade originating in Emerging Markets, as well as better industry capital discipline: after a period of weak demand container shipping scrappage rates are at all time highs and the returns on the vessels that remain should rise in the medium term. It is encouraging that since the Managers' initial purchase, AP Moller-Maersk has also sold its non core oil & gas businesses, raising nearly US\$10bn which it can now redeploy into core operations.

The other new positions were Phillips Lighting (commercial lighting solutions), Lindblad Expeditions (specialised cruise holidays), Iida Group (Japanese residential housing) and Persol Holdings (Japanese recruitment). The valuations of these companies, unlike many of the sales that have been made, seem to reflect more modest growth expectations but in each there is a clear path to a doubling in value over a five year period which is the key hurdle rate for inclusion in the portfolio.

Gearing

The level of invested gearing at the period end stood at 5.9%, compared to 6.6% six months earlier. We have not increased borrowings during the period but would look at any future weakness in markets as an opportunity to increase invested gearing. It is expected that invested gearing will be maintained in the range of minus 15% to plus 15%, with plus 10% considered to be the long-term neutral position.

Dividend

No interim dividend is being paid. As flagged in the 2016 Annual Report, any future dividends will be paid by way of one final payment after the full year results, reflecting the Company's focus on capital growth.

Current Positioning and Outlook

As noted, some companies are now looking fully valued with prices having moved ahead of fundamental progress and the Managers have responded by reducing exposure to them. At the same time they remain confident that there are many

exciting growth opportunities already in the portfolio and more that are still to be uncovered. Companies that have many years of growth ahead can be very valuable and there is an ongoing search for opportunities in less favoured segments of the market. In the recent period, perhaps more than usual, there has been an effort to recycle profits from areas that have done well into companies that have seemingly less glamorous prospects and valuations that reflect this.

Since the period end the Company has issued 100,000 of shares at a premium of 3.1% to the Company's cum income net asset value, with debt calculated at par value. The Company is working to attract new long-term shareholders rather than those with a shorter investment horizon. During the period the Managers have continued to promote the Company including presenting at a Baillie Gifford Private Investor Forum. Any shareholder is welcome to attend such events subject to prior registration through the Baillie Gifford Client Relations Team; shareholders are encouraged to consult 'Trust'[†] magazine for details of future events.

The current period was the first in which the new lower management fee was applicable. The prior base fee of 0.45% remains on assets up to £750m, above this level the rate now falls to 0.33%. As the Company's assets have risen over the period the proportion benefiting from the lower rate has increased, resulting in savings of £0.4m for the six months.

It is encouraging to note that the Managers retain an optimistic stance towards long-term equity investing and in particular to the benefits of investing through an investment trust structure. The portfolio remains well diversified by geography and industry and with exposure to companies across a range of different growth types.

The principal risks and uncertainties facing the Company are set out on page 16 of this report.

On behalf of the Board
JGD Ferguson
Chairman
27 November 2017

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 equity holdings fall into one of four growth categories – as set out on pages 4 and 5.
- The use of these four 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

- Equities are held in three broad holding sizes – as set out on pages 4 and 5.
- 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

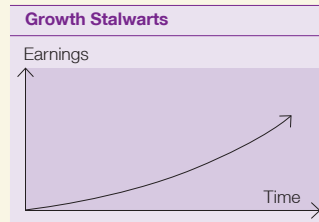
- Investors should not be penalised by high management fees.
- Low turnover and trading costs benefit shareholders.

[†] An online version of 'Trust' can be found at www.bgtrustronline.com.

* See Glossary of Terms on page 20.

Equity Portfolio by Growth Category as at 31 October 2017

Holding Size	Growth Stalwarts	18.9%	Rapid Growth	38.4%	Cyclical Growth	26.3%	Latent Growth	16.4%	Total
		%		%		%		%	%
Highest conviction holdings c.2.0% each	Prudential	3.2	Naspers	3.5	Royal Caribbean Cruises	2.6	Samsung Electronics	1.9	31.5
	SAP	2.1	Amazon.com	3.4	TSMC	2.3			
	Anthem	2.1	Alibaba	2.6	CRH	1.8			
	Moody's	1.7	Alphabet	2.4					
				AIA	1.9				
Average sized holdings c.1.0% each	Visa	1.3	Facebook	1.5	TD Ameritrade	1.2	MS&AD Insurance	1.5	44.5
	MasterCard	1.3	Ryanair	1.4	Markel	1.1	Fairfax Financial	1.0	
	Schindler	1.2	ICICI Bank	1.4	Richemont	1.1	Fiat Chrysler Autos	1.0	
	Bureau Veritas	1.0	HDFC	1.3	Banco Bradesco	1.1	Apache	0.9	
	Novo Nordisk	0.9	NVIDIA	1.2	Atlas Copco	1.0	AP Moller-Maersk	0.9	
	Resmed	0.9	Baidu	1.1	EOG Resources	0.9	Sberbank of Russia	0.9	
	Waters	0.8	LendingTree	1.1	Martin Marietta Materials	0.9	Bank of Ireland	0.8	
	Verisk Analytics	0.8	Seattle Genetics	0.9	First Republic Bank	0.8	Carlsberg	0.7	
			Ctrip.com International	0.9	SMC	0.8			
			GrubHub	0.8	Leucadia National	0.8			
			Renishaw	0.8	Svenska Handelsbanken	0.7			
			Tesla	0.8	CH Robinson Worldwide	0.7			
			MercadoLibre	0.8	CarMax	0.7			
			MarketAxess	0.7	Hays	0.7			
			Trupanion	0.7					
			58.com	0.7					
	Incubator holdings c.0.5% each	Colgate-Palmolive	0.6	Myriad Genetics	0.6	Advantest	0.6	Veeco Instruments	
Kansai Paint		0.5	Infineon Technologies	0.6	Teradyne	0.6	Toyota Tsusho	0.6	
Olympus		0.5	B3	0.6	Wabtec	0.6	Rohm	0.6	
			Alnylam Pharmaceuticals	0.5	Rolls Royce	0.6	Howard Hughes	0.5	
			Abiomed	0.5	Jardine Strategic Holdings	0.6	Iida Group Holdings	0.5	
			Schibsted	0.5	SiteOne Landscape Supply	0.5	Lindblad Expeditions Holdings	0.5	
			Yandex	0.5	Deutsche Boerse	0.5	Philips Lighting	0.5	
			Cyberagent	0.5	OC Oerlikon	0.5	Tsingtao Brewery	0.4	
			Interactive Brokers Group	0.5	Japan Exchange	0.4	Kirby	0.4	
			iRobot	0.5	PageGroup	0.4	Silk Invest Africa Food Fund	0.4	
			M3	0.5	Persol Holdings	0.4	HTC	0.4	
			Autohome	0.4	Lincoln Electric	0.4	Advanced Micro Devices	0.4	
			Zillow	0.4	Sands China	0.4	Stericycle	0.3	
			IP Group	0.4	Ritchie Bros Auctioneers	0.3	Dia	0.3	
			Line	0.4	DistributionNOW	0.2	MTN	0.2	
			GRAIL	0.3	Brambles	0.1	Ferro Alloy Resources	0.1	
			Financial Engines	0.3			Doric Nimrod Air One	0.1	
			TripAdvisor	0.3			Juridica Investments	-	
			China Biologic Products	0.2					



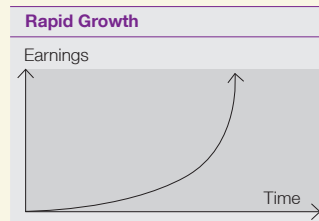
c.10% p.a. earnings growth.

Company Characteristics

Durable franchise

Deliver robust profitability in most macroeconomic environments

Competitive advantage includes dominant local scale, customer loyalty and strong brands

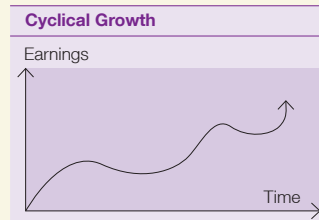


c.15% to 25% p.a. earnings growth.

Company Characteristics

Early stage businesses with vast growth opportunity

Innovators attacking existing profit pools or creating new markets

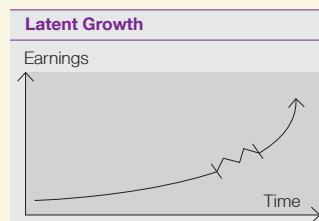


c.10% to 15% p.a. earnings growth through a cycle.

Company Characteristics

Subject to macroeconomic and capital cycles with significant structural growth prospects

Strong management teams highly skilled at capital allocation



Earnings growth to accelerate over time.

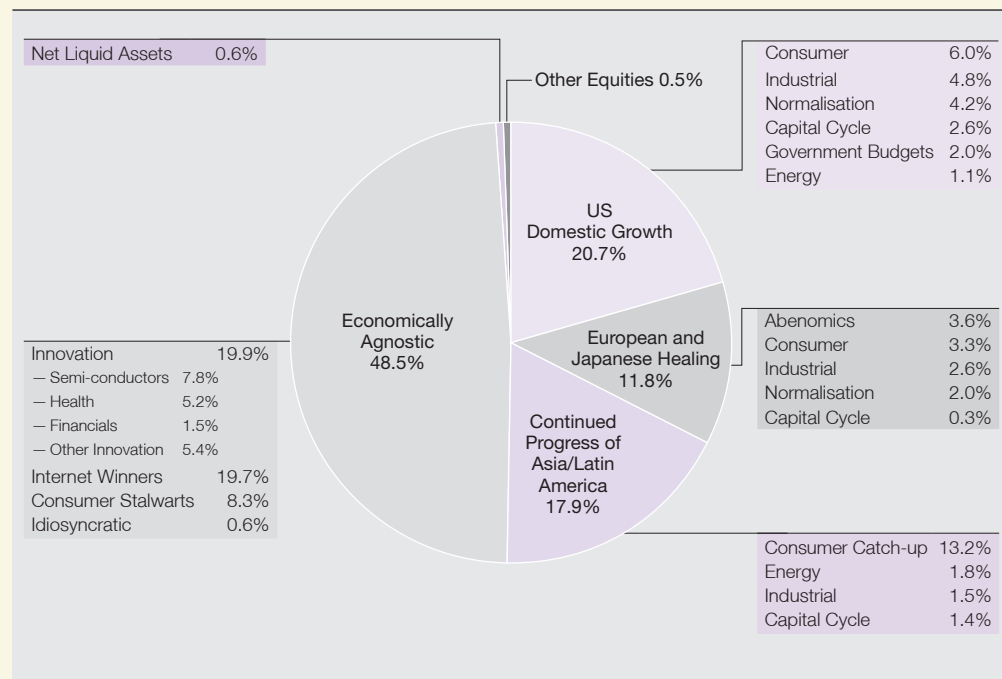
Company Characteristics

Company specific catalyst will drive above average earnings in future

Unspectacular recent operational performance and therefore out of favour

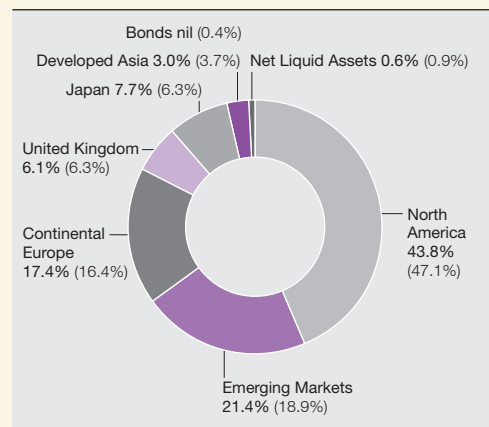
Portfolio Positioning as at 31 October 2017

Thematic Risk Categories

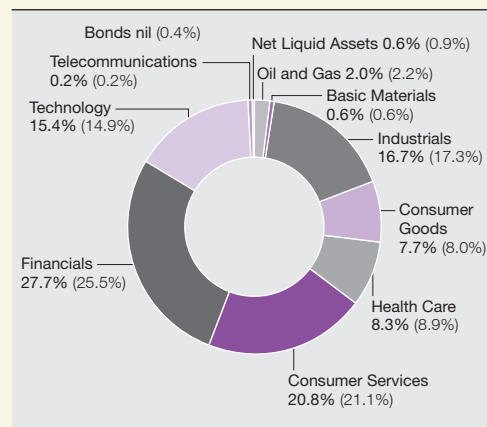


Although the Managers' approach to stock picking is resolutely bottom up in nature and pays no attention to the structure of the index, it is essential to understand the risks of each investment and, in turn, where there may be concentrations of exposures. The chart above outlines the key exposures of the portfolio.

Geographical at 31 October 2017 (30 April 2017)



Sector at 31 October 2017 (30 April 2017)



Thirty Largest Equity Holdings at 31 October 2017

Name	Growth category	Business description	Fair value £'000	% of total assets
Naspers	Rapid	Pay TV, gaming and social media	59,291	3.5
Amazon.com	Rapid	Online retail and cloud service provider	57,613	3.4
Prudential	Stalwart	Life and health insurance	54,331	3.2
Alibaba	Rapid	Online and mobile commerce	44,062	2.6
Royal Caribbean Cruises	Cyclical	Cruise line operator	43,273	2.5
Alphabet	Rapid	Online search and platform provider	40,908	2.4
TSMC	Cyclical	Semiconductor manufacturer	38,522	2.3
SAP	Stalwart	Enterprise software	35,662	2.1
Anthem	Stalwart	Healthcare insurer	35,012	2.0
AIA	Rapid	Asian insurance provider	32,490	1.9
Samsung Electronics	Latent	Consumer electronics and semi-conductors	32,442	1.9
CRH	Cyclical	Diversified building materials	30,291	1.8
Moody's	Stalwart	Credit rating agency	29,682	1.7
MS&AD Insurance	Latent	Non-life insurer	25,151	1.5
Facebook	Rapid	Social media platform	24,799	1.4
Ryanair	Rapid	Low cost airline	24,348	1.4
ICICI Bank	Rapid	Indian bank	23,835	1.4
HDFC	Rapid	Indian mortgage provider	22,825	1.3
Visa	Stalwart	Global electronic payments network	22,241	1.3
MasterCard	Stalwart	Global electronic payments network	22,237	1.3
TD Ameritrade	Cyclical	Online brokerage	21,069	1.2
NVIDIA	Rapid	Graphics processing semi-conductors	20,059	1.2
Schindler	Stalwart	Elevator and escalator manufacturer	20,024	1.2
Markel	Cyclical	Speciality insurance	18,691	1.1
Richemont	Cyclical	Luxury goods designer and manufacturer	18,616	1.1
Banco Bradesco	Cyclical	Brazilian commercial bank	18,402	1.1
Baidu	Rapid	Chinese internet search engine	18,277	1.1
LendingTree	Rapid	Online loan marketplace	18,167	1.1
Fairfax Financial	Latent	Speciality insurance	17,483	1.0
Atlas Copco	Cyclical	Industrial compressors and mining equipment	17,349	1.0
			887,152	52.0

Income Statement (unaudited)

	For the six months ended 31 October 2017			For the six months ended 31 October 2016			For the year ended 30 April 2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments (note 3)	–	185,930	185,930	–	260,664	260,664	–	403,486	403,486
Currency gains/(losses)	–	1,174	1,174	–	(6,314)	(6,314)	–	(3,264)	(3,264)
Income from investments and interest receivable	10,681	–	10,681	9,614	–	9,614	17,593	–	17,593
Investment management fee (note 4)	(3,198)	–	(3,198)	(2,822)	–	(2,822)	(6,011)	–	(6,011)
Other administrative expenses	(689)	–	(689)	(588)	–	(588)	(1,261)	–	(1,261)
Net return before finance costs and taxation	6,794	187,104	193,898	6,204	254,350	260,554	10,321	400,222	410,543
Finance costs of borrowings	(2,176)	–	(2,176)	(1,896)	–	(1,896)	(3,910)	–	(3,910)
Net return on ordinary activities before taxation	4,618	187,104	191,722	4,308	254,350	258,658	6,411	400,222	406,633
Tax on ordinary activities	(831)	–	(831)	(713)	–	(713)	(1,368)	–	(1,368)
Net return on ordinary activities after taxation	3,787	187,104	190,891	3,595	254,350	257,945	5,043	400,222	405,265
Net return per ordinary share (note 5)	1.77p	87.45p	89.22p	1.68p	118.88p	120.56p	2.36p	187.05p	189.41p

The total column of this statement is the profit and loss account of the Company. The supplementary revenue and capital columns are prepared under guidance 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 all gains and losses of the Company have been reflected in the above statement.

Balance Sheet (unaudited)

	At 31 October 2017 £'000	At 30 April 2017 £'000
Fixed assets		
Investments held at fair value through profit or loss (note 7)	1,696,575	1,507,077
Current assets		
Debtors	6,563	7,816
Cash and short term deposits	15,614	15,208
	22,177	23,024
Creditors		
Amounts falling due within one year	(76,636)	(76,217)
Net current liabilities	(54,459)	(53,193)
Total assets less current liabilities	1,642,116	1,453,884
Creditors		
Amounts falling due after more than one year:		
Debenture stock (note 8)	(39,826)	(39,810)
Net assets	1,602,290	1,414,074
Capital and reserves		
Share capital	10,698	10,698
Share premium account	11,100	11,100
Capital redemption reserve	8,700	8,700
Capital reserve	1,522,140	1,335,036
Revenue reserve	49,652	48,540
Shareholders' funds	1,602,290	1,414,074
Net asset value per ordinary share (after deducting borrowings at fair value) (note 8)	744.7p	656.8p
Net asset value per ordinary share (after deducting borrowings at par)	748.8p	660.8p
Ordinary shares in issue (note 9)	213,963,859	213,963,859

Statement of Changes in Equity (unaudited)

For the six months ended 31 October 2017

	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 2017	10,698	11,100	8,700	1,335,036	48,540	1,414,074
Net return on ordinary activities after taxation	–	–	–	187,104	3,787	190,891
Dividends paid during the period (note 6)	–	–	–	–	(2,675)	(2,675)
Shareholders' funds at 31 October 2017	10,698	11,100	8,700	1,522,140	49,652	1,602,290

For the six months ended 31 October 2016

	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 2016	10,698	11,100	8,700	934,814	45,637	1,010,949
Net return on ordinary activities after taxation	–	–	–	254,350	3,595	257,945
Dividends paid during the period (note 6)	–	–	–	–	(2,140)	(2,140)
Shareholders' funds at 31 October 2016	10,698	11,100	8,700	1,189,164	47,092	1,266,754

* The Capital Reserve balance at 31 October 2017 includes holding gains on investments of £596,685,000 (31 October 2016 – gains of £325,071,000).

Condensed Cash Flow Statement (unaudited)

	Six months to 31 October 2017 £'000	Six months to 31 October 2016 £'000
Cash flows from operating activities		
Net return on ordinary activities before taxation	191,722	258,658
Net gains on investments	(185,930)	(260,664)
Currency (gains)/losses	(1,174)	6,314
Amortisation of fixed income book cost	(169)	(203)
Finance costs of borrowings	2,176	1,896
Overseas tax incurred	(811)	(715)
Changes in debtors and creditors	287	1,305
Cash from operations	6,101	6,591
Interest paid	(2,153)	(1,871)
Net cash inflow from operating activities	3,948	4,720
Net cash outflow from investing activities	(310)	(9,610)
Equity dividends paid (note 6)	(2,675)	(2,140)
Net cash outflow from financing activities	(2,675)	(2,140)
Increase/(decrease) in cash and cash equivalents	963	(7,030)
Exchange movements	(557)	2,895
Cash and cash equivalents at start of period	15,208	15,930
Cash and cash equivalents at end of period	15,614	11,795

Notes to the Condensed Financial Statements (unaudited)

1 The condensed Financial Statements for the six months to 31 October 2017 comprise the statements set out on pages 8 to 12 together with the related notes on pages 13 to 15. 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 have not been audited or reviewed by the Auditors pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Financial Statements for the six months to 31 October 2017 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 2017.

Going Concern

Having considered the Company's principal risks and uncertainties, as set out on page 16, together with its 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, 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. 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 2017 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditors' Report on those accounts was unqualified and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

	Six months to 31 October 2017 £'000	Six months to 31 October 2016 £'000	Year to 30 April 2017 £'000
3 Gains on investments			
Realised gains/(losses) on sales	42,395	(932)	13,812
Movement in investment holding gains and (losses)	143,535	261,596	389,674
	185,930	260,664	403,486

4 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 and 0.33% on the remaining total assets, where 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). Prior to 1 May 2017 the annual management fee was 0.45% of total assets less current liabilities.

Notes to the Condensed Financial Statements (unaudited)

	Six months to 31 October 2017 £'000	Six months to 31 October 2016 £'000	Year to 30 April 2017 £'000
5 Net return per ordinary share			
Revenue return on ordinary activities after taxation	3,787	3,595	5,043
Capital return on ordinary activities after taxation	187,104	254,350	400,222
Total net return	190,891	257,945	405,265

Net return per ordinary share is based on the above totals of revenue and capital and on 213,963,859 (31 October 2016 and 30 April 2017 – 213,963,859) 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.

	Six months to 31 October 2017 £'000	Six months to 31 October 2016 £'000	Year to 30 April 2017 £'000
6 Dividends			
Amounts recognised as distributions in the period:			
Previous year's final dividend of 1.25p (2016 – 1.00p), paid 4 August 2017	2,675	2,140	2,140
	2,675	2,140	2,140
Amounts paid and payable in respect of the period:			
Final dividend (2017 – 1.25p)	–	–	2,675
	–	–	2,675

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

7 Fair Value Hierarchy

The fair value hierarchy used to analyse the basis on which the fair values of financial instruments held at fair value through the profit and loss account 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).

The Company's investments are financial assets held at fair value through profit or loss. An analysis of the Company's financial asset investments based on the fair value hierarchy described above is shown on page 15.

7 Fair Value Hierarchy (continued)

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 31 October 2017				
Listed equities	1,682,881	–	–	1,682,881
Unlisted equities	–	–	13,694	13,694
Total financial asset investments	1,682,881	–	13,694	1,696,575
As at 30 April 2017				
Listed equities	1,487,258	–	–	1,487,258
Unlisted equities	–	–	13,634	13,634
Unlisted debt securities	–	–	6,185	6,185
Total financial asset investments	1,487,258	–	19,819	1,507,077

There have been no transfers between levels of the fair value hierarchy during the period. The fair value of listed investments is either bid price or, depending on the convention of the exchange on which the investment is listed, last traded price. 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 (price of recent investment, 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 2017 the book value of the Company's borrowings amounted to £105m (30 April 2017 – £107m). This comprised a £40m 6% debenture stock repayable in 2023 (30 April 2017 – £40m) and a short term bank loan of US\$87m (30 April 2017 – US\$87m).

The fair value of borrowings at 31 October 2017 was £114m (30 April 2017 – £116m).

9 At 31 October 2017, the Company had authority to buy back 32,073,182 shares and to allot or sell from treasury 21,396,385 shares. No shares were bought back or allotted/sold during the period and no shares were held in treasury at 31 October 2017.

10 Transaction costs on purchases amounted to £132,000 (31 October 2016 – £98,000; 30 April 2017 – £238,000) and transaction costs on sales amounted to £55,000 (31 October 2016 – £64,000; 30 April 2017 – £101,000).

11 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.

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 2017, are financial risk, investment strategy risk, regulatory risk, custody and depository risk, operational risk, discount risk, political risk and leverage risk. An explanation of these risks and how they are managed is set out on pages 15 and 16 of that report, which is available on the Company's website: www.monksinvestmenttrust.co.uk.

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 Rules 4.2.7R (indication of important events during the first six months, and their impact on the Financial Statements, and a description of principal risks and uncertainties for the remaining six months of the year); and
- c) the Interim Financial Report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of the Board
JGD Ferguson
Chairman
27 November 2017

Further Shareholder Information

Company History

Monks was incorporated in 1929 and was one of three trusts founded in the late 1920s by a group of investors headed by Sir Auckland (later Lord) Geddes. The other two trusts were The Friars Investment Trust and The Abbots Investment Trust. The company secretary's office was at 13/14 Austin Friars in the City of London, hence the names.

In 1931, Baillie Gifford & Co took over the management of all three trusts and Monks became a founder member of the Association of Investment Trusts in 1932.

In 1968, under a Scheme of Arrangement, the three trusts were merged with Monks acquiring the ordinary share capital of Friars and Abbots.

How to Invest

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

Baillie Gifford's Investment Trust Share Plan

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

Baillie Gifford's Investment Trust ISA

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

Baillie Gifford's Children's Savings Plan

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

Online Management Service

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

- obtain current valuations;
- make lump sum investments, except where there is more than one holder;

- sell part or all of your holdings, except where there is more than one holder;
- switch between investment trusts, except where there is more than one holder;
- set up a direct debit to make regular investments, except where there is more than one holder; and
- update certain personal details e.g. address and telephone number.

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

The information about the ISA, Share Plan and Children's Savings Plan has been approved by Baillie Gifford Savings Management Limited ('BGSM').

BGSM is the ISA Manager and is the Manager of the Share Plan and Children's Savings Plan. BGSM is wholly owned by Baillie Gifford & Co. Both are authorised and regulated by the Financial Conduct Authority. Baillie Gifford only provides information about its products and does not provide investment advice.

Client Relations Team Contact Details

You can contact the Baillie Gifford Client Relations Team by telephone (your call may be recorded for training or monitoring purposes), email, fax or post. See contact details in the 'Further Information' box on the back cover.

Share Register Enquiries

Computershare Investor Services PLC maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the Registrars on 0370 707 1170.

Dividend Reinvestment Plan

Computershare operate a Dividend Reinvestment Plan which can be used to buy additional shares instead of receiving your dividend via cheque or into your bank account. For further information log on to www.investorcentre.co.uk and follow the instructions or telephone 0370 707 1694.

Risk Warnings

Past performance is not a guide to future performance.

Monks is a listed UK Company. The value of its shares and any income from them can fall as well as rise and investors may not get back the amount invested.

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

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

Monks invests in emerging markets where difficulties in dealing, settlement and custody could arise, resulting in a negative impact on the value of your investment.

Monks has borrowed money to make further investments (sometimes known as 'gearing'). The risk is that when this money is repaid by the Company, the value of the investments may not be enough to cover the borrowing and interest costs, and the Company will make a loss. If the Company's investments fall in value, any invested borrowings will increase the amount of this loss.

Monks can buy back its own shares. The risks from borrowing are increased when the Company buys back its shares.

Monks can make use of derivatives which may impact on its performance. Currently the Company does not make use of derivatives.

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

You should note that tax rates and reliefs may change at any time and their value depends on your circumstances.

Monks is listed on the London Stock Exchange. It is not authorised or regulated by the Financial Conduct Authority.

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

Further details of the risks associated with investing in the Company, including how charges are applied, can be found at www.monksinvestmenttrust.co.uk, or by calling Baillie Gifford on 0800 917 2112.

The information and opinions expressed in this document are subject to change without notice. This information has been issued and approved by Baillie Gifford & Co Limited, the Managers and Secretaries, and does not in any way constitute investment advice.

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
<https://www.gov.uk/government/publications/exchange-of-information-account-holders>.

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Glossary of Terms

Total Assets

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

Net Asset Value

Net Asset Value (NAV) is the value of all assets held less all liabilities (including liabilities in the form of borrowings). The NAV per share is calculated by dividing this amount by the number of ordinary shares in issue.

Net Asset Value (Borrowings at Fair Value)

Borrowings are valued at an estimate of their market worth. The fair value of the Company's 63/8% debenture stock 2023 is based on the closing market offer price on the London Stock Exchange.

The fair value of the Company's short term bank borrowings is equivalent to its book value.

Net Asset Value (Borrowings at Par Value)

Borrowings are valued at their nominal par value.

Discount/Premium

As stockmarkets 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.

Net Liquid Assets

Net liquid assets comprise current assets less current liabilities (excluding borrowings).

Total Return

The total return is the return to shareholders after reinvesting the dividend on the date that the share price goes ex-dividend.

Ongoing Charges

The total expenses (excluding borrowing costs) incurred by the Company as a percentage of the average net asset value (with debt at fair value).

Active Share

Active share, a measure of how actively a portfolio is managed, is the percentage of the 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.

Gearing

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.

Potential gearing is the Company's borrowings expressed as a percentage of shareholders' funds.

Invested gearing is the Company's borrowings at par less cash and cash equivalents expressed as a percentage of shareholders' funds.

Directors

Chairman:
JGD Ferguson

EM Harley
DCP McDougall
BJ Richards
Professor Sir Nigel Shadbolt
KS Sternberg
JJ Tighe

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Sedol 3051726
Ticker MNKS

Legal Entity Identifier:
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