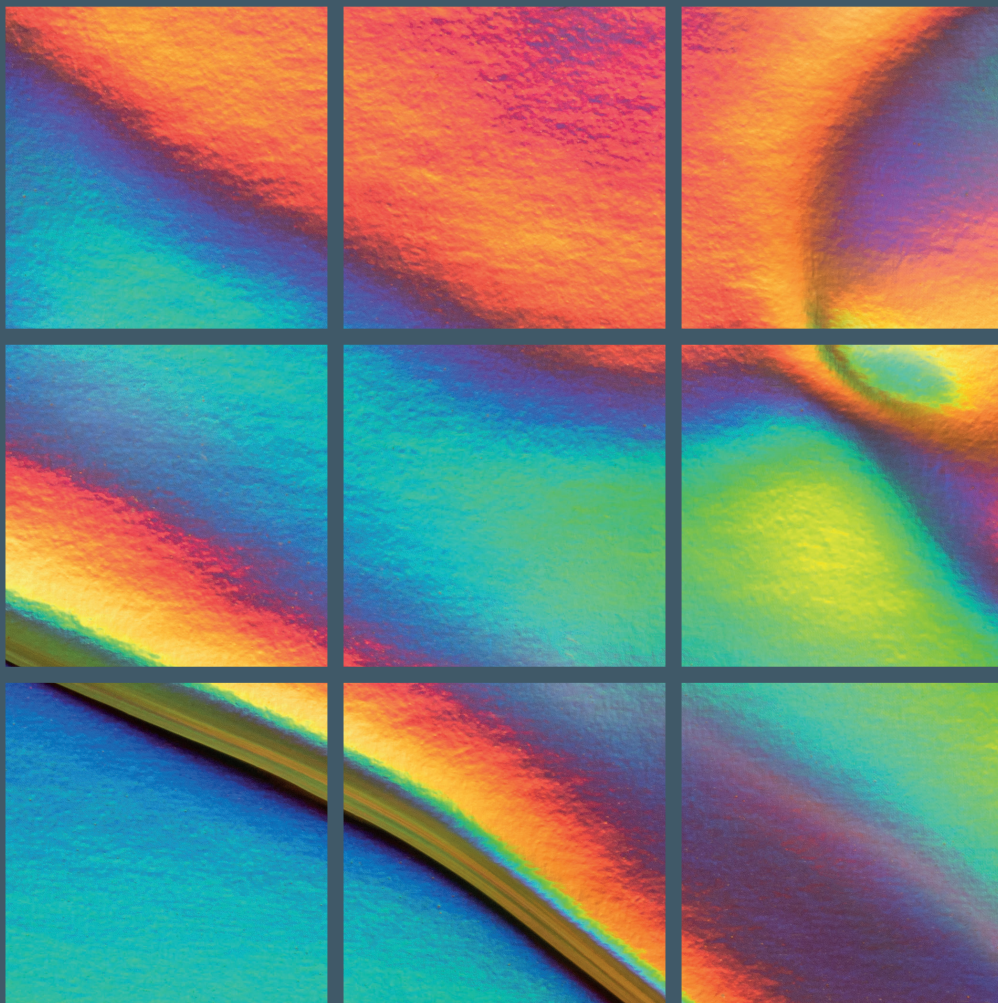


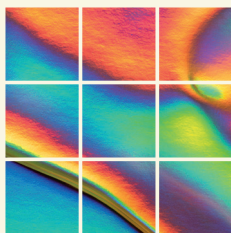
THE MONKS INVESTMENT TRUST PLC

Global growth from
different perspectives



Interim Financial Report
31 October 2020





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 2020	30 April 2020	% change
Net asset value per share (NAV)*†	1,107.3p	875.6p	26.5
Share price	1,146.0p	914.0p	25.4
FTSE World Index#‡			9.1
Premium*†	3.5%	4.4%	
Active share*	86%	87%	

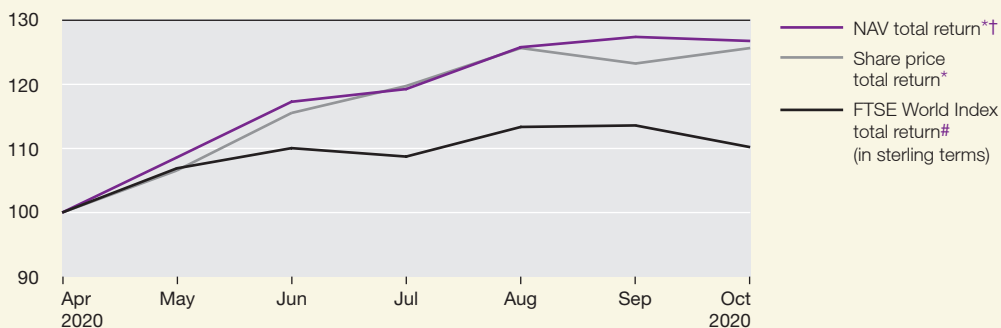
Total Return Performance*‡

To 31 October 2020

	Six months	1 year	3 years	5 years	10 years
Net asset value*†	26.8%	28.9%	49.6%	145.5%	204.0%
Share price	25.7%	29.3%	54.5%	188.5%	268.7%
FTSE World Index#	10.2%	4.3%	22.1%	80.0%	183.2%

For six months to 31 October 2020

(figures plotted on a monthly basis and rebased to 100 at 30 April 2020)



* Alternative Performance Measure – see Glossary of Terms and Alternative Performance Measures on pages 21 to 23.

† With borrowings deducted at fair value.

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

‡ Source: Baillie Gifford/Refinitiv and relevant underlying index providers. See disclaimer on page 20.

Past performance is not a guide to future performance.

Interim Management Report

Given the choice of possessing any superpower, adaptability would not be top of many people's lists. Indeed, one might rightly question whether it is a superpower at all. Teleportation and the ability to fly have featured in numerous box office movies over the years; however, no-one should underestimate the value of adaptability. Recent months have highlighted this more than ever: 'normal' life has been redefined by the global pandemic. It has been heartening amid these challenging times to observe the resilience of many individuals and enterprises as they adapt and respond to changing circumstances.

The approach taken by the Monks Investment Trust places significant emphasis on investing in adaptable companies which seek to remain on the right side of change. By recognising and embracing a diversity of growth types, the Monks portfolio's resilience lies in its adaptability. We remain focused and open-minded as we seek the best growth companies globally, spread across our four growth categories – Stalwart, Rapid, Cyclical and Latent. The objective is to build a diversified portfolio that remains resilient through periods of cyclical and structural change and delivers attractive levels of capital growth over the long term.

During the first half of our financial year, the Company produced a positive net asset value (NAV)* total return of 26.8% compared to an increase of +10.2% for the comparative index (FTSE World in sterling). The share price total return was 25.7%, with the premium to NAV* being 3.5% at the end of the period. In the context of our investment approach, six months is a very short time period. The Board and manager believe that performance should be judged over the longer term. Since the current team took over management of Monks Investment Trust on 27 March 2015, the NAV* total return has been +131.7%, and the share price total return +170.8%, compared to the comparative index total of +70.9%.

Portfolio Changes

Patient and supportive stewardship is of paramount importance during challenging times. In contrast to many market participants, the manager has encouraged companies to forego near-term profitability in the best long-term interests of their stakeholders. In some cases, Monks has supported

its holdings with further capital, earmarked to underpin future growth. As a reminder, following the onset of the pandemic in March the resilience of the portfolio was examined. Positively reassured by the position of a vast majority of the holdings, the manager was then able to be on the front foot in identifying exciting long-term growth opportunities.

There have been three main areas of change within the portfolio over the past six months. The first is a meaningful investment in 'new frontiers' of the internet, which includes Wayfair in online furniture sales, Tencent Music Entertainment (TME), the Chinese music streaming and social media platform, and several cloud service businesses. Wayfair is successfully building a trusted brand. Its investment in its customer interface and logistics is increasingly marking it out as a long-term winner in a sector which has been problematic for many in the past. TME is the leader in online music streaming in China and provides a hugely popular social platform on which individuals participate in karaoke, competing for notoriety. This combination of a growing ecosystem, vast addressable market and scope for increasing levels of monetisation make for a compelling growth opportunity. Finally, Monks has made investments in a handful of hugely exciting enterprise cloud businesses, whose services require no 'on-premise' hardware, and which have significant scope for future growth. These include Adyen (digital payments), Twilio (digital communications), and three companies delivering services within the information systems and data management sphere (Datadog, Cloudflare and Snowflake). Common to all these holdings is the utility and simplicity they provide their customers in an increasingly complex world. Barriers to adoption of these services are low (no up-front capital requirements) whilst their addressable markets are immense. The capital-light nature of these companies means they offer the potential for attractive levels of future profitability as scale builds.

The portfolio's second cohort of changes relates to Monks' desire to seek opportunities which are uncorrelated with its existing portfolio. The purchases of BHP Billiton and Rio Tinto as diversified commodities businesses offer alternative drivers of future growth for the portfolio. A supply-side

* With borrowing deducted at fair value.

Past performance is not a guide to future performance. For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 21 to 23. Total return information is sourced from Baillie Gifford/Refinitiv and relevant underlying index providers. See disclaimer on page 20.

contraction in the commodities sector (industry capital expenditure peaked in 2012) coupled with the likelihood of a moderate uptick in demand from the infrastructure needs of emerging markets and a green stimulus may present an attractive long-term growth opportunity.

Thirdly, the manager invested in a handful of companies where near-term demand looks bleak. A position in Booking Holdings, the online travel agency, was established in the period and has since been increased. On a long-term view the manager believes that Booking is in a position of strength relative to peers, is well placed to take market share in the US and to take a growing share of its customers' spending by providing ancillary services like car hire and travel insurance. Another new holding, Lyft, is a ride-hailing application which is in its infancy. Whilst its operating environment is challenging now, Lyft has the potential to grow the transportation-as-a-service market and change the way transportation assets are owned and run. Monks' position in Ryanair, the low-cost airline, has twice been increased in the period, underpinned by the belief that the company is well placed to take market share whilst others retrench. Its relentless focus on efficiency affords the business a much higher tolerance of challenging operating conditions. Ryanair should emerge from the crisis stronger than it entered it. Finally, positions in adidas (sports apparel) and Estée Lauder (cosmetics) have been added to the portfolio. The manager believes that both these businesses possess brands which will endure this challenging period to grow successfully, particularly in Asia, over the coming years.

The manager guards against complacency by continuing to assess the prospects of the portfolio holdings. Action has been taken where prospects fail to meet their hurdle rate (a doubling in the share price over 5 years). This has been the case with a handful of holdings which failed to take advantage of their growth opportunity. This includes Signify, which has struggled in its transition towards LED lighting, and Distribution Now, in not proactively consolidating the distribution market for parts and consumables to industrial sectors in the US. Elsewhere, capital allocation has proven a headache at Kirby Corporation, a US barge business. Despite a successful inland Marine Services operation which transports oil and petrochemicals throughout canals and waterways of south east America, management has consistently allocated capital to its failing engine services business. Valuation remains an important discipline and there have been

some instances where this has driven sales from the portfolio. Chief in this regard is Visa, the digital payments business and Chipotle, the Tex-Mex fast food chain, which has excelled in turning around its fortunes in recent years but where the manager feels that future growth is fully reflected in the share price.

Gearing

The level of invested gearing at the period end stood at 3.2%, compared to 6.5% six months earlier, having fallen on account of continued strong performance and a reduction in short-term borrowing. It is expected that gearing will be maintained in the range of minus 15% to plus 15%, with the intention of plus 10% as a long-term neutral position. The Company undertook a private placement capital raise in August, successfully raising £100m in two tranches with an average duration of 30 years and coupon of 1.8%. We believe this to be an attractive cost of borrowing and are confident that future long-term returns are likely to be significantly in excess of this level.

Dividend

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

Current Positioning and Outlook

Monks retains a tried and tested investment approach which centres on bottom-up stock picking and an ability to invest in growth companies anywhere in the world. Indeed, the manager undertakes regular thematic reviews of the Monks portfolio, the most recent of which highlights a proliferating and reassuringly diverse range of underlying exposures (see page 6). This established approach has supported a calm and measured response to the developments of recent months and has allowed Monks to make modest changes to position itself for future growth. Inherent in this is a desire to invest in companies run by management teams who are sensible stewards of capital and are capable of navigating and adapting to what the future brings. This is what underpins our confidence about Monks' prospects for the future and optimism about the opportunities that lie ahead.

On behalf of the Board
KS Sternberg
Chairman
30 November 2020

The Managers' Core Investment Beliefs

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

Active Management

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

Committed Growth Investors

- In the long run, share prices follow fundamentals; growth drives returns.
- We aim to produce a portfolio of stocks with above average growth – this in turn underpins the ability of Monks to add value.
- We have a differentiated approach to growth, focusing on the type of growth that we expect a company to deliver. All holdings fall into one of 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

- Investments 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.

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 21 to 23.

Investment Portfolio by Growth Category as at 31 October 2020*

Holding Size	Growth Stalwarts	24.7%	Rapid Growth	52.1%	Cyclical Growth
Highest conviction holdings c.2.0% each	Moody's	2.0	Naspers	3.1	
	Microsoft	2.0	Amazon.com	2.8	
	MasterCard	1.7	Alibaba	2.7	
	Thermo Fisher Scientific	1.7	Alphabet	2.6	
	Anthem	1.7	Meituan Dianping	2.0	
	AIA	1.6	The Schiehallion Fund	1.8	
	Olympus	1.5	Shopify	1.7	
			SEA Limited	1.5	
Average sized holdings c.1.0% each	Facebook	1.4	Tesla	1.3	Martin Marietta Materials
	Prudential	1.4	Ping An Insurance	1.2	TSMC
	Pernod Ricard	1.4	Zillow	1.2	CRH
	Arthur J. Gallagher	1.2	Trupanion	1.2	Booking Holdings
	Resmed	1.1	Prosus	1.1	Teradyne
	Estée Lauder	1.0	Reliance Industries	1.1	SMC
	Sysmex	1.0	Farfetch	1.0	Atlas Copco
	adidas	0.9	Teladoc	1.0	SiteOne Landscape Supply
	Broadridge Financial Solutions	0.9	The Trade Desk	1.0	Advantest
	Service Corporation International	0.8	HDFC	0.9	
	SAP	0.7	M3	0.9	
			MercadoLibre	0.9	
			Alnylam Pharmaceuticals	0.8	
			Seagen	0.8	
			Cloudflare	0.8	
			CyberAgent	0.7	
			Lemonade	0.7	
			Spotify	0.7	
			Netflix	0.7	
			Ant International	0.7	
			Denali Therapeutics	0.7	
Incubator holdings c.0.5% each	S&P Global	0.4	Illumina	0.6	Markel
	Hoshizaki Corp	0.3	Schibsted	0.6	Albemarle
			Renishaw	0.6	Epiroc
			Chegg	0.6	Deutsche Boerse
			Datadog	0.6	Richemont
			Wayfair	0.6	Charles Schwab
			Genmab	0.5	Jefferies Financial Group
			Axon Enterprise	0.5	EOG Resources
			Adyen	0.5	Ritchie Bros Auctioneers
			Novocure	0.5	Wabtec
			Twilio	0.5	Hays
			GRAIL	0.5	Lyft
			Ping An Healthcare & Technology	0.5	Orica
			Mail.ru Group	0.5	PageGroup
			Autohome	0.5	Sands China
			Tencent Music Entertainment	0.5	
			Just Eat Takeaway	0.5	
			B3 Group	0.5	
			Abiomed	0.5	
			Ubisoft Entertainment	0.4	
			Appian	0.4	
			ICICI Prudential Life Insurance	0.4	
			iRobot	0.4	
			ICICI Bank	0.4	
			Epic Games	0.4	
			LendingTree	0.4	
			Sensyne Health	0.4	
			Interactive Brokers Group	0.3	
			KE Holdings	0.3	
			Adevinta Asa	0.2	
			Snowflake	0.2	
			Istyle	0.2	

* Excludes net liquid assets.

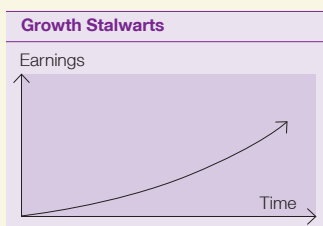
14.0%	Latent Growth	9.2%	Total
%		%	%
	SoftBank Group	2.0	
	Ryanair	1.7	
			34.1

1.3	Rio Tinto	0.9	
1.2	BHP Billiton	0.8	
1.1	MS&AD Insurance	0.8	
0.8			
0.8			
0.8			
0.7			
0.7			
0.7			

			41.8
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0.6	Stericycle	0.5	
0.6	CBRE Group	0.4	
0.5	Sberbank of Russia	0.4	
0.5	Brilliance China Automotive	0.4	
0.5	Howard Hughes	0.3	
0.5	Fairfax Financial	0.3	
0.4	Toyota Tsusho	0.3	
0.4	Lindblad Expeditions Holdings	0.2	
0.4	Silk Invest Africa Food Fund	0.1	
0.3	MRC Global	0.1	
0.3	Ferro Alloy Resources	0.0	
0.3			
0.2			
0.2			
0.2			

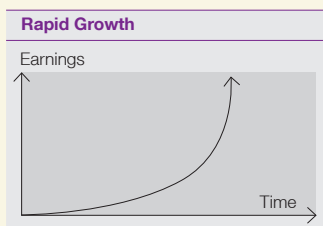
			24.1
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c.10% p.a. earnings growth.

Company Characteristics

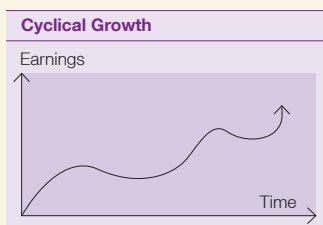
Durable franchise
Deliver robust profitability in most macroeconomic environments
Competitive advantage includes dominant local scale, customer loyalty and strong brands



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

Company Characteristics

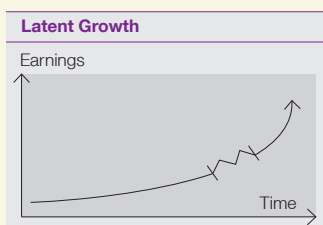
Early stage businesses with vast growth opportunity
Innovators attacking existing profit pools or creating new markets



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.

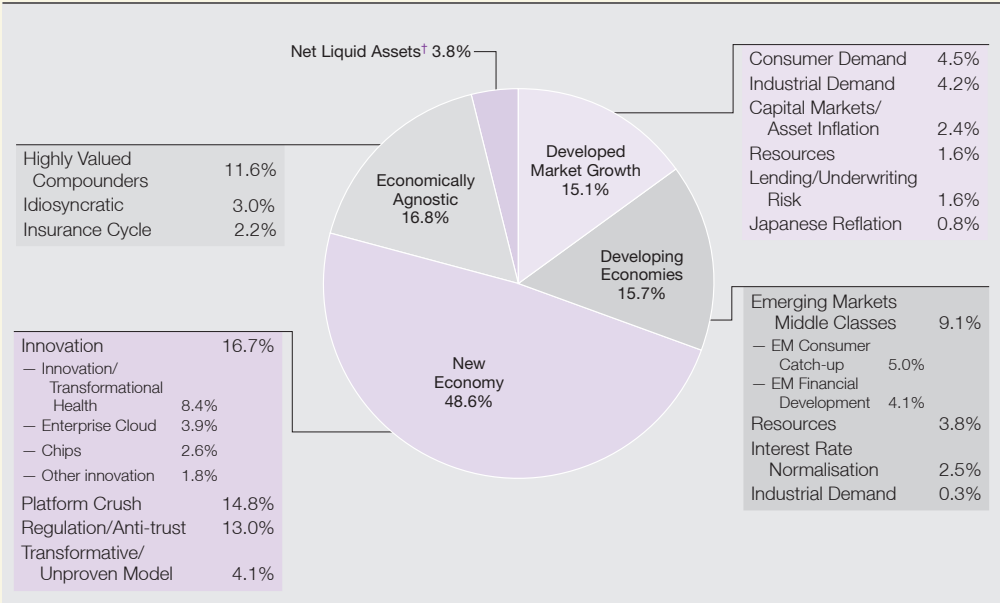
Company Characteristics

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 2020*†

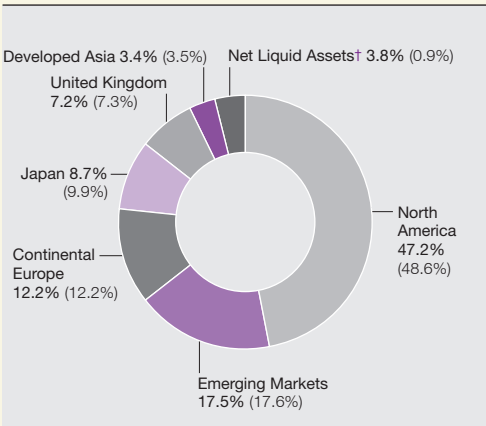
Although the Managers’ approach to stock picking is resolutely ‘bottom-up’ in nature and pays no attention to the structure of the index, it is essential to understand the risks of each investment and, in turn, where there may be concentrations of exposures. The charts below outline the key exposures of the portfolio.

Thematic Exposure



Geographical at 31 October 2020

(30 April 2020)

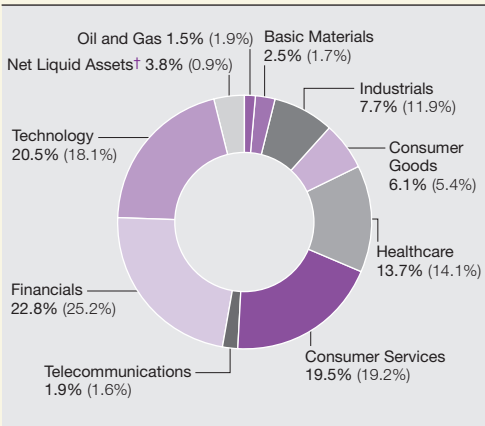


* Expressed as a percentage of total assets.

† For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 21 to 23.

Sectoral at 31 October 2020

(30 April 2020)



Thirty Largest Holdings as at 31 October 2020

Name	Growth category	Business description	Fair value £'000	% of total assets *
Naspers	Rapid	Media and ecommerce company	79,984	3.0
Amazon.com	Rapid	Online retailer	71,214	2.7
Alibaba	Rapid	Online commerce company	68,900	2.6
Alphabet	Rapid	Online search engine	67,485	2.5
Moody's	Stalwart	Credit rating agency	51,748	1.9
Meituan Dianping	Rapid	Online commerce platform	50,899	1.9
SoftBank Group	Latent	Technology focused investment group	50,562	1.9
Microsoft	Stalwart	Software and cloud computing enterprise	50,357	1.9
The Schiehallion Fund	Rapid	Global unlisted growth equity investment trust	47,614	1.8
Ryanair	Latent	Low cost European airline	44,400	1.7
MasterCard	Stalwart	Electronic payments network and related services	44,370	1.7
Thermo Fisher Scientific	Stalwart	Scientific instruments, consumables and chemicals	44,088	1.6
Shopify	Rapid	Online commerce platform	43,842	1.6
Anthem	Stalwart	Healthcare insurer	43,289	1.6
AIA	Stalwart	Asian life insurer	41,777	1.6
SEA Limited	Rapid	Online and digital gaming	39,505	1.5
Olympus	Stalwart	Optoelectronic products	39,337	1.5
Facebook	Stalwart	Social networking website	35,496	1.3
Prudential	Stalwart	International life insurance	35,424	1.3
Pernod Ricard	Stalwart	Global spirits manufacturer	35,326	1.3
Martin Marietta Materials	Cyclical	Cement and aggregates manufacturer	34,761	1.3
Tesla	Rapid	Electric cars and renewable energy solutions	34,136	1.3
Ping An Insurance	Rapid	Chinese life insurer	32,214	1.2
Arthur J. Gallagher	Stalwart	Insurance broker	32,138	1.2
Zillow	Rapid	US online real estate services	32,136	1.2
TSMC	Cyclical	Semiconductor manufacturer	31,783	1.2
Trupanion	Rapid	Pet health insurance provider	30,431	1.1
CRH	Cyclical	Diversified building materials company	29,073	1.1
Prosus	Rapid	Media and ecommerce company	28,073	1.0
Resmed	Stalwart	Develops and manufactures medical equipment	28,060	1.0
			1,298,422	48.5

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 21 to 23.

Income Statement (unaudited)

	Notes	For the six months ended 31 October 2020		
		Revenue £'000	Capital £'000	Total £'000
Gains on investments		–	513,864	513,864
Currency gains/(losses)		–	1,186	1,186
Income from investments and interest receivable		11,509	–	11,509
Investment management fee	3	(4,516)	–	(4,516)
Other administrative expenses		(776)	–	(776)
Net return before finance costs and taxation		6,217	515,050	521,267
Finance costs of borrowings		(2,621)	–	(2,621)
Net return on ordinary activities before taxation		3,596	515,050	518,646
Tax on ordinary activities	4	2,599	(170)	2,429
Net return on ordinary activities after taxation		6,195	514,880	521,075
Net return per ordinary share	5	2.76p	229.51p	232.27p

The total column of this statement represents the profit and loss account of the Company. The supplementary revenue and capital columns are prepared under guidance issued by the Association of Investment Companies. All revenue and capital items in this statement derive from continuing operations.

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

For the six months ended 31 October 2019			For the year ended 30 April 2020 (audited)		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	22,637	22,637	–	50,247	50,247
–	(1,234)	(1,234)	–	(1,277)	(1,277)
16,777	–	16,777	26,691	–	26,691
(3,790)	–	(3,790)	(7,644)	–	(7,644)
(848)	–	(848)	(1,677)	–	(1,677)
12,139	21,403	33,542	17,370	48,970	66,340
(3,169)	–	(3,169)	(6,046)	–	(6,046)
8,970	21,403	30,373	11,324	48,970	60,294
(1,173)	(461)	(1,634)	(2,005)	–	(2,005)
7,797	20,942	28,739	9,319	48,970	58,289
3.56p	9.57p	13.13p	4.24p	22.26p	26.50p

Balance Sheet (unaudited)

	Notes	At 31 October 2020 £'000	At 30 April 2020 (audited) £'000
Fixed assets			
Investments held at fair value through profit or loss	7	2,581,617	2,088,827
Current assets			
Debtors		4,048	7,566
Cash and cash equivalents		101,366	19,537
		105,414	27,103
Creditors			
Amounts falling due within one year:			
Bank loans	8	(37,587)	(103,854)
Other creditors		(3,610)	(8,544)
		(41,197)	(112,398)
Net current assets/(liabilities)		64,217	(85,295)
Total assets less current liabilities		2,645,834	2,003,532
Creditors			
Amounts falling due after more than one year:			
Loan notes	8	(99,845)	–
Debenture stock	8	(39,924)	(39,908)
Provision for deferred tax liability	9	(170)	–
		(139,939)	(39,908)
		2,505,895	1,963,624
Capital and reserves			
Share capital		11,297	11,178
Share premium account		121,008	94,328
Capital redemption reserve		8,700	8,700
Capital reserve		2,303,436	1,788,556
Revenue reserve		61,454	60,862
Shareholders' funds	10	2,505,895	1,963,624
Shareholders' funds per ordinary share			
(borrowings at book value)	10	1,109.2p	878.4p
Net asset value per ordinary share*			
(borrowings at par value)		1,109.1p	878.3p
Net asset value per ordinary share*			
(borrowings at fair value)		1,107.3p	875.6p
Ordinary shares in issue	10	225,928,859	223,553,859

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 21 to 23.

Statement of Changes in Equity (unaudited)

For the six months ended 31 October 2020

	Notes	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 2020		11,178	94,328	8,700	1,788,556	60,862	1,963,624
Net return on ordinary activities after taxation		–	–	–	514,880	6,195	521,075
Ordinary shares issued	11	119	26,680	–	–	–	26,799
Dividends paid during the period	6	–	–	–	–	(5,603)	(5,603)
Shareholders' funds at 31 October 2020		11,297	121,008	8,700	2,303,436	61,454	2,505,895

For the six months ended 31 October 2019

	Notes	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 2019		10,930	48,007	8,700	1,739,586	55,592	1,862,815
Net return on ordinary activities after taxation		–	–	–	20,942	7,797	28,739
Ordinary shares issued	11	24	4,330	–	–	–	4,354
Dividends paid during the period	6	–	–	–	–	(4,049)	(4,049)
Shareholders' funds at 31 October 2019		10,954	52,337	8,700	1,760,528	59,340	1,891,859

* The Capital Reserve balance at 31 October 2020 includes holding gains on investments of £1,045,847,000 (31 October 2019 – gains of £630,321,000).

Condensed Cash Flow Statement (unaudited)

	Notes	Six months to 31 October 2020 £'000	Six months to 31 October 2019 £'000
Cash flows from operating activities			
Net return on ordinary activities before taxation		518,646	30,373
Net gains on investments		(513,864)	(22,637)
Currency (gains)/losses		(1,186)	1,234
Finance costs of borrowings		2,621	3,169
Overseas tax incurred		(963)	(1,178)
Corporation tax refunded		3,597	–
Changes in debtors and creditors		1,482	1,066
Cash from operations*		10,333	12,027
Interest paid		(1,997)	(3,240)
Net cash inflow from operating activities		8,336	8,787
Net cash inflow from investing activities		16,107	535
Cash flow from financing activities			
Equity dividends paid	6	(5,603)	(4,049)
Ordinary shares issued		28,227	5,242
Loan notes issued		99,844	–
Net borrowings repaid		(63,178)	(1,498)
Net cash inflow/(outflow) from financing activities		59,290	(305)
Increase in cash and cash equivalents		83,733	9,017
Exchange movements		(1,904)	(422)
Cash and cash equivalents at start of period		19,537	25,919
Cash and cash equivalents at end of period		101,366	34,514

* Cash from operations includes dividends received of £12,133,000 (31 October 2019 – £17,791,000) and interest received of £361,000 (31 October 2019 – £178,000).

Notes to the Condensed Financial Statements (unaudited)

- 1 The condensed Financial Statements for the six months to 31 October 2020 comprise the statements set out on pages 8 to 12 together with the related notes on pages 13 to 16. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in October 2019. They have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Financial Statements for the six months to 31 October 2020 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 2020.

Going Concern

The Directors have considered the Company's principal risks and uncertainties, as set out on page 17, together with the Company's current position, investment objective and policy, the level of demand for the Company's shares, the nature of its assets, its liabilities and projected income and expenditure. The Board has, in particular, considered the impact of heightened market volatility since the coronavirus (Covid-19) outbreak. It is the Directors' opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. The vast majority of the Company's investments are readily realisable and can be sold to meet its liabilities as they fall due. All borrowings require the prior approval of the Board. Gearing levels and compliance with covenants are reviewed by the Board on a regular basis. The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) Regulations 2011. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements and confirm that they are not aware of any material uncertainties which may affect the Company's ability to continue to do so over a period of at least twelve months from the date of approval of these Financial Statements.

- 2 The financial information contained within this Interim Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 30 April 2020 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's Report on those accounts was not qualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying its report, and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.
- 3 Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed by the Company as its Alternative Investment Fund Manager (AIFM) and Company Secretary. The investment management function has been delegated to Baillie Gifford & Co. The management agreement can be terminated on six months' notice. The annual management fee is 0.45% on the first £750 million of total assets, 0.33% on the next £1 billion of total assets and 0.30% on the remaining total assets. For fee purposes, total assets is defined as the total value of all assets held less all liabilities (other than any liability in the form of debt intended for investment purposes) and excludes the value of the Company's holding in The Schiehallion Fund, a closed-ended investment company managed by Baillie Gifford & Co. The Company does not currently hold any other collective investment vehicles managed by Baillie Gifford & Co. Where the Company holds investments in open-ended collective investment vehicles managed by Baillie Gifford, such as OEICs, Monks' share of any fees charged within that vehicle will be rebated to the Company. All debt drawn down during the periods under review is intended for investment purposes.

4 Tax on ordinary activities

The revenue tax charge for the period to 31 October 2020 includes £3,597,000 UK corporation tax repaid in respect of the Company's financial years to 2008 and 2009, following successful legal action regarding the tax treatment of overseas dividend income. This amount had not previously been provided for, as recovery was not considered sufficiently probable. It has therefore been recognised on receipt. As it exceeds the overseas withholding tax suffered in the period, this has resulted in a positive revenue tax charge.

Interest on the corporation tax repayment is included within interest income.

The capital tax charge results from the Provision for Deferred Tax Liability in respect of Indian capital gains tax as detailed in note 9.

	Six months to 31 October 2020 £'000	Six months to 31 October 2019 £'000	Year to 30 April 2020 (audited) £'000
5 Net return per ordinary share			
Revenue return on ordinary activities after taxation	6,195	7,797	9,319
Capital return on ordinary activities after taxation	514,880	20,942	48,970
Total net return	521,075	28,739	58,289

Net return per ordinary share is based on the above totals of revenue and capital and on 224,337,011 (31 October 2019 – 218,821,739; 30 April 2020 – 219,986,605) 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 2020 £'000	Six months to 31 October 2019 £'000	Year to 30 April 2020 (audited) £'000
6 Dividends			
Amounts recognised as distributions in the period:			
Previous year's final dividend of 2.50p (2019 – 1.85p), paid 4 September 2020	5,603	4,049	4,049
Amounts paid and payable in respect of the period:			
Final dividend (2020 – 2.50p)	–	–	5,603

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

7 Fair Value Hierarchy

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

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

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

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

An analysis of the Company's financial asset investments based on the fair value hierarchy described above is shown below. A new unlisted equity investment of £10,469,000 was acquired during the period, and classified as Level 3.

As at 31 October 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	2,489,591	47,614	–	2,537,205
Unlisted equities	–	–	44,412	44,412
Total financial asset investments	2,489,591	47,614	44,412	2,581,617

As at 30 April 2020 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	2,019,786	48,052	–	2,067,838
Unlisted equities	–	–	20,989	20,989
Total financial asset investments	2,019,786	48,052	20,989	2,088,827

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

- 8** At 31 October 2020 the total book value of the Company's borrowings amounted to £177,356,000 (30 April 2020 – £143,762,000). This comprised a £40m 6% debenture stock repayable in 2023 (30 April 2020 – £40m), loan notes of £60m repayable in 2054 (30 April 2020 – nil), loan notes of £40m repayable in 2045 (30 April 2020 – nil) and a short-term bank loan of US\$48.6m (30 April 2020 – short term bank loans of US\$124.7m and £5m).

The fair value of borrowings at 31 October 2020 was £181,587,000 (30 April 2020 – £149,854,000).

9 Provision for Deferred Tax Liability

The deferred tax liability provision at 31 October 2020 of £170,000 (30 April 2020 – nil) relates to a potential liability for Indian capital gains tax that may arise on the Company's Indian investments should they be sold in the future, based on the net unrealised taxable capital gain at the period end and on enacted Indian tax rates. The amount of any future tax amounts payable may differ from this provision, depending on the value and timing of any future sales of such investments and future Indian tax rates.

10 Shareholders' Funds

	31 October 2020	30 April 2020
Shareholders' funds	£2,505,895,000	£1,963,624,000
Number of ordinary shares in issue at the period end	225,928,859	223,553,859
Shareholders' funds per ordinary share	1,109.2p	878.4p

The shareholders' funds figures above have been calculated after deducting borrowings at book value, in accordance with the provisions of FRS 104. Reconciliations between shareholders' funds and net asset values, calculated after deducting borrowings at par value and fair value, are shown on page 21.

- 11** In the six months to 31 October 2020 the Company issued 2,375,000 ordinary shares with a nominal value of £119,000 (31 October 2019 – 480,000 shares with a nominal value of £24,000) at a premium to net asset value, raising net proceeds of £26,799,000 (31 October 2019 – £4,354,000). No shares were bought back during the period and no shares were held in treasury at 31 October 2020. At 31 October 2020, the Company had authority to buy back 33,559,440 shares and to allot, or sell from treasury, 20,942,885 shares.
- 12** Transaction costs on purchases amounted to £489,000 (31 October 2019 – £91,000; 30 April 2020 – £338,000) and transaction costs on sales amounted to £111,000 (31 October 2019 – £73,000; 30 April 2020 – £145,000). Total transaction costs were £600,000 (31 October 2019 – £164,000; 30 April 2020 – £483,000).

13 Related Party Transactions

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

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 2020, are financial risk, investment strategy risk, regulatory risk, custody and depositary 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 19 and 20 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 Guidance and Transparency Rule 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 Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of the Board
KS Sternberg
Chairman
30 November 2020

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.

Monks is an investment trust. Investment trusts offer investors the following:

- participation in a diversified portfolio of shares;
- constant supervision by experienced professional managers; and
- the Company is free from capital gains tax on capital profits realised within its portfolio although investors are still liable for capital gains tax on profits when selling their investment.

How to Invest

The Company's shares are traded on the London Stock Exchange. They can be bought by placing an order with a stockbroker or by asking a professional adviser to do so. If you are interested in investing directly in Monks, you can do so online. There are a number of companies offering real time online dealing services – find out more by visiting

www.monksinvestmenttrust.co.uk.

Sources of Further Information on the Company

Up-to-date information about Monks can be found on the Company's page of the Managers' website at www.monksinvestmenttrust.co.uk. You will find full details on Monks, including the latest share price and recent portfolio information and performance figures.

The share price is quoted daily in the Financial Times and can also be found on other financial websites. Company factsheets are also available on the Company's website and are updated monthly. These are available from Baillie Gifford on request.

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 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.

The Company's risk could be increased by its investment in unlisted investments. These assets may be more difficult to buy or sell, so changes in their prices may be greater.

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' or 'leverage'). 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, referred to above, are increased when the Company buys back its own 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 and as such complies with the requirements of the UK Listing Authority. It is not authorised or regulated by the Financial Conduct Authority.

The staff of Baillie Gifford and the Monks Directors may hold shares in Monks and may buy or sell such shares from time to time.

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

Third Party Data Provider Disclaimer

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Glossary of Terms and Alternative Performance Measures (APM)

Total Assets

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

Shareholders' Funds

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

Net Asset Value (APM)

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

Net Asset Value (Borrowings at Par Value) (APM)

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

	31 October 2020 £'000	31 October 2020 per share	30 April 2020 £'000	30 April 2020 per share
Shareholders' funds (borrowings at book value)	2,505,895	1,109.2p	1,963,624	878.4p
Add: book value of borrowings	177,356	78.5p	143,762	64.3p
Less: par value of borrowings	(177,587)	(78.6p)	(143,854)	(64.4p)
Net asset value (borrowings at par value)	2,505,664	1,109.1p	1,963,532	878.3p

The per share figures above are based on 225,928,859 (30 April 2020 – 223,553,859) ordinary shares of 5p, being the number of ordinary shares in issue at the period end.

Net Asset Value (Borrowings at Fair Value) (APM)

Borrowings are valued at an estimate of market worth. The fair value of the Company's 6% debenture stock 2023 is based on the closing market offer price on the London Stock Exchange. The fair value of the Company's loan notes is calculated using the spread on reference gilts with comparable durations. The fair value of the Company's short term bank borrowings is equivalent to its book value.

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

	31 October 2020 £'000	31 October 2020 per share	30 April 2020 £'000	30 April 2020 per share
Shareholders' funds (borrowings at book value)	2,505,895	1,109.2p	1,963,624	878.4p
Add: book value of borrowings	177,356	78.5p	143,762	64.3p
Less: fair value of borrowings	(181,587)	(80.4p)	(149,854)	(67.1p)
Net asset value (borrowings at fair value)	2,501,664	1,107.3p	1,957,532	875.6p

The per share figures above are based on 225,928,859 (30 April 2020 – 223,553,859) ordinary shares of 5p, being the number of ordinary shares in issue at the period end.

Discount/Premium (APM)

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) and provisions for deferred liabilities.

Active Share (APM)

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

Total Return (APM)

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

Net Asset Value Total Return

		31 October 2020 NAV (par)	31 October 2020 NAV (fair)
Closing NAV per share	a	1,109.1p	1,107.3p
Dividend adjustment factor*	b	1.0023	1.0023
Adjusted closing NAV per share	c = a x b	1,111.7p	1,109.8p
Opening NAV per share	d	878.3p	875.6p
Total return	(c ÷ d) - 1	26.6%	26.8%

* The dividend adjustment factor is calculated on the assumption that the dividend of 2.50p paid by the Company during the period was reinvested into shares of the Company at the cum income NAV at the ex-dividend date.

Share Price Total Return

		31 October 2020 Share price
Closing share price	a	1,146.0p
Dividend adjustment factor*	b	1.0023
Adjusted closing share price	c = a x b	1,148.6p
Opening share price	d	914.0p
Total return	(c ÷ d) - 1	25.7%

* The dividend adjustment factor is calculated on the assumption that the dividend of 2.50p paid by the Company during the period was reinvested into shares of the Company at the share price at the ex-dividend date.

Gearing (APM)

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

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 brokers' balances expressed as a percentage of shareholders' funds.

Directors

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KS Sternberg

CM Boyle
EM Harley
BJ Richards
Professor Sir Nigel Shadbolt
JJ Tighe

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