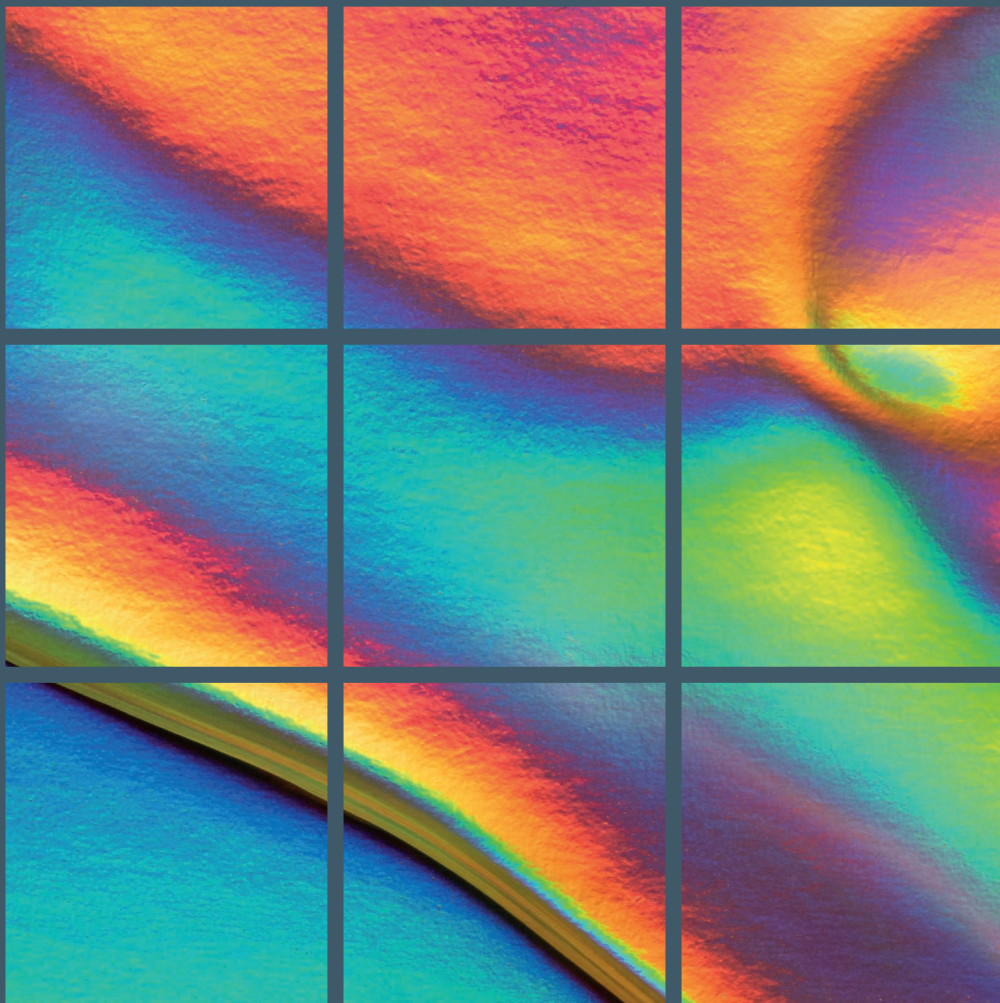


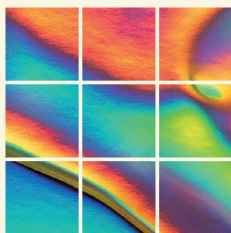
THE MONKS INVESTMENT TRUST PLC

Global growth from
different perspectives



Interim Financial Report
31 October 2021





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 2021	30 April 2021	% change
Net asset value per share (NAV)*†	1,444.8p	1,358.1p	6.4
Share price	1,382.0p	1,396.0p	(1.0)
FTSE World Index#‡			7.9
(Discount)/premium*†	(4.3%)	2.8%	
Active share*	86%	86%	

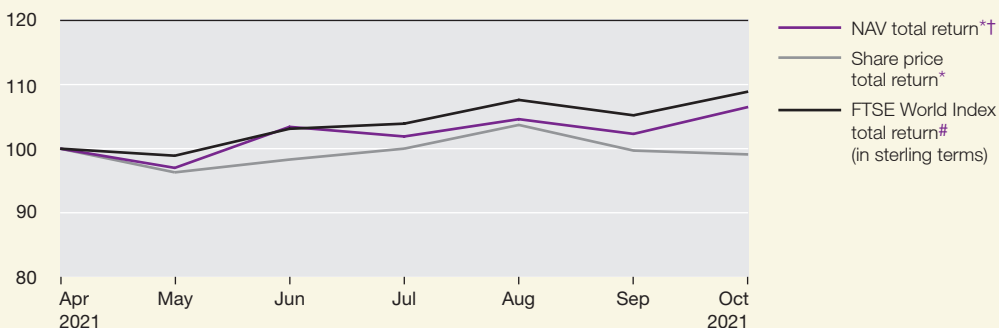
Total Return Performance*‡

To 31 October 2021

Total return %	Six months %	1 year %	3 years %	5 years %	10 years %
Net asset value*†	6.5	30.7	93.5	148.0	319.8
Share price	(0.9)	20.8	80.7	157.8	348.2
FTSE World Index#	8.9	32.3	54.2	83.6	273.0

For six months to 31 October 2021

(figures plotted on a monthly basis and rebased to 100 at 30 April 2021)



* Alternative Performance Measure – see Glossary of Terms and Alternative Performance Measures on pages 22 to 24.

† 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 21.

Past performance is not a guide to future performance.

Interim Management Report

In biology, 'punctuated equilibrium' describes the gradual, then sudden nature of radical change: the concept that, most of the time, change happens only incrementally, but sometimes external factors coincide to create the conditions which force dramatic change. There are parallels between natural ecosystems and our global economy. Many people consider the pandemic an exogenous cyclical shock, a temporary aberration from the norm. At some point it will pass, the economy will recover, and everything will go back to normal. However, could the pandemic be the equivalent of a rise in sea levels, or the arrival of a new predator, which forces adaptation and disrupts the equilibrium? Isn't it more likely that some behaviours and industries will change permanently?

The Monks Investment Trust seeks to build a diversified portfolio of global equities that is well placed to capture growth resulting from structural economic and societal changes. Shareholders will be aware that we have believed for some time that the impact of technology is broadening, driving change, and eroding inertia in hitherto untouched sectors. The pandemic has accelerated this change. There are an increasing number of technology-led or digitised companies within the Monks portfolio. These operate across a growing spectrum of the economy in areas including entertainment, automobiles and transportation, real estate, education, payments, telecommunications, retail, enterprise software, and 'last-mile' logistics. Rather than thinking of this period as having pulled forward some portion of finite demand, it would be more accurate to think of it as a catalyst which has tipped a range of industries out of their previous equilibria. The erosion of inertia serves to highlight how important it is to recognise early the likely adoption of new products and services and the enduring growth opportunities they represent.

During the first half of our financial year, the Company produced a positive net asset value (NAV)* total return of +6.5% compared to +8.9% for the comparative index (FTSE World in sterling). The share price total return was slightly negative (-0.9%), reflecting the decline in the premium rating of our shares relative to NAV, which moved to a discount.

In the context of our investment approach, six months is a very short period. The Board and managers believe that performance should be judged over the longer term. Over the 5 years to the end of October 2021, the NAV* total return has been +148.0%, and the share price total return +157.8%, compared to the comparative index total return of +83.6%.

Portfolio Changes

We have continued to seek out potential beneficiaries of disrupted equilibria and permanently altered behaviours. One example is the new holding in maker of home fitness equipment, Peloton. Peloton represents a new alternative to gym memberships for those who want to participate in exercise classes. The company combines desirable fitness hardware such as spin-bikes, with integrated software offering live and on-demand classes led by world-class instructors. This union of physical and digital excellence represents a compelling proposition for customers and a deep and lasting competitive advantage. As the company continues to lower hardware prices and attract more users with further software and content innovation, the addressable market could be many times larger than it is today.

Another new holding seeking to redefine its industry is Carvana, the US online used car market's leading player. The company's vertically integrated business model should allow it to positively shape the user experience and remove the friction typically associated with car buying. Its scale and brand are key for future growth and we are optimistic that Carvana is well placed to disrupt industry incumbents.

* 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 22 to 24. Total return information is sourced from Baillie Gifford/Refinitiv and relevant underlying index providers. See disclaimer on page 21.

Perhaps less pandemic-induced are the changing consumer preferences which underpin our purchase of Oatly. Oatly produces dairy alternatives from fibre-rich oats. The company has developed an eye-catching brand and should benefit from the considerable move away from traditional dairy to healthier and more environmentally friendly alternatives.

The names highlighted thus far are all classed as Rapid Growth in the Monks portfolio. We continue to invest across the other growth profiles (Stalwart, Cyclical and Latent), where growth will manifest in different ways. An example is the new holding in Japanese car parts supplier, DENSO. Historically tied to the Toyota group, DENSO has recently started to broaden its customer base to find new opportunities. Furthermore, the company's long-term plans are well aligned with the accelerating global shift to electric vehicles, and the rising proportion of a car's value being attributed to electronics. Growth here is likely to be more cyclical in nature, but perhaps less appreciated by the market as a result. In the Stalwart Growth category, software is an area of increasing enthusiasm, as it becomes increasingly important across a broad range of industries. Our conviction is evident in another new holding: Certara. This company develops bio-simulation software (the software modelling of biological processes). Certara's software enables biotechnology companies to simulate how their drugs will react in different human organs, which has the potential to save significant time and cost in physical human trials and therefore offers attractive returns on investment for Certara's customers. Also in the software-related sphere, we established a position in Topicus, an owner of a growing portfolio of software businesses. Topicus seeks to provide mission-critical software to a broad range of sectors and end-users.

Funding for these positions has come from the sale of a handful of portfolio holdings. Some of these have performed admirably, but relative growth prospects have dimmed. In some other cases, we believe that their competitive position is weakening. Examples of the former include Advantest and

Resmed. Advantest, the semi-conductor testing business, operates in a duopoly with another Monks holding, Teradyne. The company's strong performance against a hugely supportive backdrop of healthy demand in recent years has been fully reflected in the share price. Meanwhile, slowing growth and underwhelming efforts on the software side of the business have prompted the sale of Resmed, the provider of medical equipment for sufferers of sleep apnea. Similarly, Lending Tree, the US online credit card and mortgage platform has seen peers making more impressive headway in this space and we are concerned at slowing growth rates in its core markets.

We have sold both EOG Resources, the US oil and gas business, and Fairfax Financial, the Canadian insurance and investment company headed by Prem Watsa. EOG has been among the leaders in the US shale oil and gas market by improving efficiencies and reducing the environmental impact of its operations. Its management team have been strong stewards of the business and the corporate culture of innovation and improvement has impressed us. However, the inexorable direction of travel towards alternative energy has prompted us to sell and move on. In contrast, Fairfax has delivered disappointing investment results in recent years, having had a strong long-term track record. We have been disappointed by some recent Board appointments at Fairfax, which, in our opinion, were insufficiently independent and did not represent good governance.

Unlisted Holdings

Prior to the Company's 30 April 2021 year end, we successfully added to our holding in The Schiehallion Fund, a closed-end vehicle managed by Baillie Gifford, which invests in late-stage private companies. This makes Schiehallion the largest holding in the Monks portfolio and we continue to be excited by the long-term growth potential of the underlying portfolio. Whilst this is our core exposure to private company growth opportunities, we do invest directly in private companies where the investment case is particularly attractive. At 31 October 2021, the combined ordinary and C share Schiehallion holding

represented 4.3% of total assets and a further 1.7% of the portfolio was invested directly in private companies. It should be noted that the Schiehallion holdings are valued at market price and are deducted from the calculation of assets for management fee purposes.

Gearing

The level of invested gearing at the period end stood at 1.7%, compared to 0.8% six months earlier. The modest increase in gearing levels reflects the deployment of cash into equity markets. Over the medium term, and where the appropriate opportunity presents itself, we would expect to move the gearing level towards the intended long-term neutral position of 10%.

Dividend

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

Positioning and Outlook

The pandemic has triggered an avalanche of change and we believe that there will be structural consequences we do not yet fully understand or appreciate. Innovation is speeding up and spreading across the economy. In this regard, we believe that we are closer to the beginning of this process than the end. The approach taken by The Monks Investment Trust seeks to embrace this change – accepting that growth in revenues, earnings and cash flows can be delivered in different ways. We believe many of the companies in the Monks portfolio will be beneficiaries of change and seek to guard against complacency by ensuring that our view remains differentiated. By focusing on these fundamentals and by being open-minded about the sources of growth opportunities, we believe we can continue to grow savers' capital within The Monks Investment Trust.

Baillie Gifford & Co Limited
Managers and Secretaries
6 December 2021

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 6 and 7.
- 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 6 and 7.
- 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 22 to 24.

Thirty Largest Holdings as at 31 October 2021

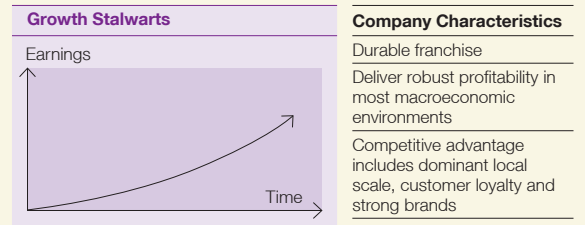
Name	Growth category	Business description	Fair value £'000	% of total assets *
The Schiehallion Fund	Rapid	Global unlisted growth equity investment trust	83,560	2.4
The Schiehallion Fund – C Shares	Rapid	Global unlisted growth equity investment trust	67,666	1.9
Sea Limited	Rapid	Online and digital gaming	151,226	4.3
Alphabet	Stalwart	Online search engine	81,151	2.3
Microsoft	Stalwart	Software and cloud computing enterprise	79,854	2.2
Tesla	Rapid	Electric cars and renewable energy solutions	77,781	2.2
Moody's	Rapid	Electric cars and renewable energy solutions	75,592	2.1
Prosus	Stalwart	Credit rating agency	75,036	2.1
Cloudflare	Rapid	Media and ecommerce company	73,151	2.1
Martin Marietta Materials	Rapid	Cloud based IT services business	70,358	2.0
Anthem	Cyclical	Cement and aggregates manufacturer	65,654	1.8
Amazon.com	Stalwart	Healthcare insurer	65,111	1.8
Ryanair	Rapid	Online retailer	60,476	1.7
Moderna	Latent	Low cost European airline	59,517	1.7
Shopify	Rapid	Drug discovery using mRNA technology	59,428	1.7
Prudential	Rapid	Online commerce platform	56,868	1.6
Arthur J. Gallagher	Stalwart	International life insurance	56,153	1.6
Reliance Industries	Stalwart	Insurance broker	48,997	1.4
Pernod Ricard	Rapid	Indian energy conglomerate	48,042	1.4
AIA	Stalwart	Global spirits manufacturer	47,533	1.3
Service Corporation International	Stalwart	Asian life insurer	47,244	1.3
Meituan Dianping	Stalwart	Death care services	46,860	1.3
CBRE Group	Rapid	Online commerce platform	46,600	1.3
Albemarle	Cyclical	Commercial real estate operator	44,419	1.2
TSMC	Cyclical	Speciality chemicals	42,325	1.2
Olympus	Cyclical	Semiconductor manufacturer	42,116	1.2
Meta	Stalwart	Optoelectronic products	42,084	1.2
Trupanion	Stalwart	Social networking website	41,119	1.2
BHP	Rapid	Pet health insurance provider	40,999	1.2
MasterCard	Latent	Mineral exploration and production	40,493	1.1
	Stalwart	Electronic payments network and related services	40,163	1.1
			1,726,350	48.6

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 22 to 24.

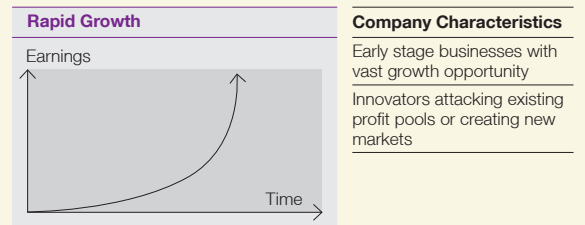
Investment Portfolio by Growth Category as at 31 October 2021*

Holding Size	Growth Stalwarts	26.7%	Rapid Growth	52.0%	Cyclical Growth	15.5%	Latent Growth	5.8%	Total	
Highest conviction holdings c.2.0% each	Alphabet	2.3	The Schiehallion Fund	2.4	Martin Marietta Materials	1.9	Ryanair	1.7	31.7	
	Microsoft	2.2	Sea Limited	2.3						
	Moody's	2.2	Tesla	2.2						
	Anthem	1.9	Prosus	2.1						
	Prudential	1.6	Cloudflare	2.0						
			The Schiehallion Fund – C Shares	1.9						
			Amazon.com	1.7						
			Moderna	1.7						
			Shopify	1.6						
Average sized holdings c.1.0% each	Arthur J. Gallagher	1.4	Reliance Industries	1.4	CBRE Group	1.3	BHP	1.2	46.7	
	Pernod Ricard	1.4	Meituan Dianping	1.3	Albemarle	1.2	Rio Tinto	1.0		
	Alia	1.4	Trupanion	1.2	TSMC	1.2				
	Service Corporation International	1.4	The Trade Desk	1.1	CRH	1.1				
	Olympus	1.2	Alibaba	1.0	SiteOne Landscape Supply	0.9				
	Meta	1.2	Farfetch	1.0	Teradyne	0.9				
	MasterCard	1.2	Doordash	0.9	Booking Holdings	0.9				
	Estée Lauder	1.1	HDFC	0.9	Atlas Copco	0.7				
	Thermo Fisher Scientific	1.0	Twilio	0.9	Richemont	0.7				
	S&P Global	1.0	Zillow	0.9	Charles Schwab	0.7				
	Sysmex	0.9	Illumina	0.9						
	Broadridge Financial Solutions	0.8	Schibsted	0.8						
	adidas	0.7	Adyen	0.8						
	Certara	0.7	Alnylam Pharmaceuticals	0.8						
			MercadoLibre	0.7						
			Datadog	0.7						
			Axon Enterprise	0.7						
			Naspers	0.7						
			Wayfair	0.7						
			Netflix	0.7						
		ByteDance	0.7							
		Snowflake	0.7							
Incubator holdings c.0.5% each	CoStar	0.6	Ping An Insurance	0.6	Markel	0.6	Sberbank of Russia	0.6	21.6	
	Topicus.com	0.3	Lemonade	0.6	Epiroc	0.6	Stericycle	0.4		
	Hoshizaki Corp	0.2	Spotify	0.6	SMC	0.6	Howard Hughes	0.3		
			Li Auto	0.6	Deutsche Boerse	0.4	IAC/Interactivecorp	0.3		
			ICICI Bank	0.6	Wizz Air Holdings	0.4	Brilliance China Automotive	0.2		
			M3	0.5	Lyft	0.4	Silk Invest Africa Food Fund	0.1		
			Teladoc	0.5	Hays	0.3				
			Carvana	0.5	PageGroup	0.3				
			CyberAgent	0.5	Sands China	0.2				
			Denali Therapeutics	0.5	Orica	0.2				
			Genmab	0.5						
			DENSO	0.5						
			Adevinta Asa	0.5						
			Appian	0.5						
			Bumble	0.4						
			ICICI Prudential Life Insurance	0.4						
			Epic Games	0.4						
			Staar Surgical	0.4						
			Abiomed	0.4						
			Renishaw	0.4						
		Oscar Health	0.4							
		Peloton Interactive	0.4							
		Chegg	0.3							
		Sensyne Health	0.3							
		Novocure	0.3							
		Exact Sciences	0.3							
		iRobot	0.3							
		Vimeo	0.3							
		Oatly	0.3							
		Mail.ru Group	0.3							
		Ant International	0.3							
		B3 Group	0.2							
		Ubisoft Entertainment	0.2							
		Tencent Music Entertainment	0.2							
		Autohome	0.1							
		Stripe	0.1							
		Ping An Healthcare & Technology	0.1							
		Istyle	0.1							
		Space Exploration Technologies	0.1							
		KE Holdings	0.1							

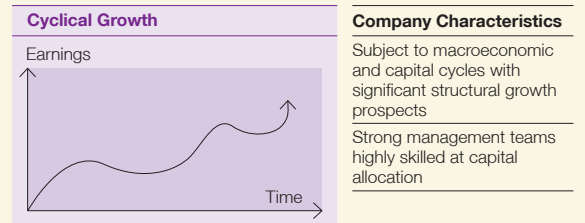
* Excludes net liquid assets.



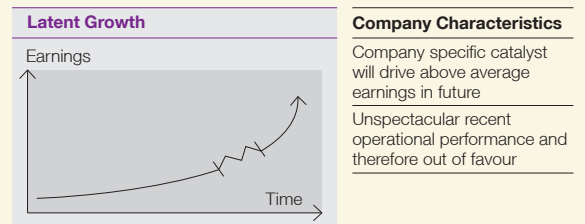
c.10% p.a. earnings growth.



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



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

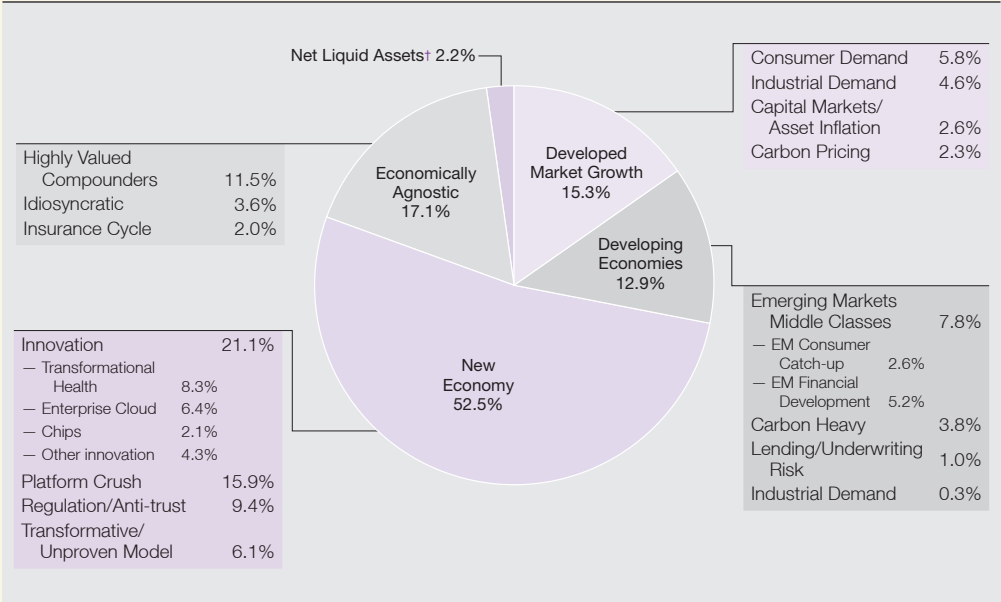


Earnings growth to accelerate over time.

Portfolio Positioning as at 31 October 2021**

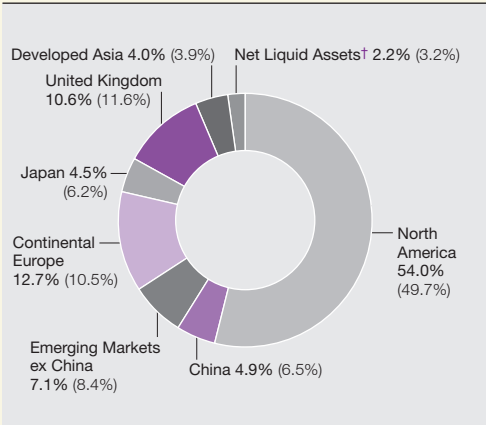
Although the Managers’ approach to stock picking is resolutely ‘bottom-up’ in nature and pays no attention to the structure of the index, it is essential to understand the risks of each investment and, in turn, where there may be concentrations of exposures. The charts below outline the key exposures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

Thematic Exposure – Risks and Opportunities



Geographical at 31 October 2021

(30 April 2021)

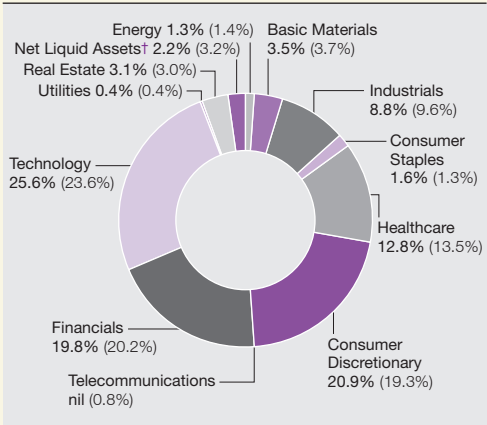


* Expressed as a percentage of total assets.

† For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 22 to 24.

Sectoral at 31 October 2021

(30 April 2021)



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 2021, 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 21 and 22 of that report, which is available on the Company's website: 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
6 December 2021

Income Statement (unaudited)

	Notes	For the six months ended 31 October 2021			For the six months ended 31 October 2020			For the year ended 30 April 2021 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments		–	203,591	203,591	–	513,864	513,864	–	1,069,700	1,069,700
Currency (losses)/gains		–	(383)	(383)	–	1,186	1,186	–	1,916	1,916
Income from investments and interest receivable		16,018	–	16,018	11,509	–	11,509	22,529	–	22,529
Investment management fee	3	(5,719)	–	(5,719)	(4,516)	–	(4,516)	(10,011)	–	(10,011)
Other administrative expenses		(869)	–	(869)	(776)	–	(776)	(1,656)	–	(1,656)
Net return before finance costs and taxation		9,430	203,208	212,638	6,217	515,050	521,267	10,862	1,071,616	1,082,478
Finance costs of borrowings		(2,507)	–	(2,507)	(2,621)	–	(2,621)	(5,027)	–	(5,027)
Net return on ordinary activities before taxation		6,923	203,208	210,131	3,596	515,050	518,646	5,835	1,071,616	1,077,451
Tax on ordinary activities	4	(910)	(793)	(1,703)	2,599	(170)	2,429	1,966	(958)	1,008
Net return on ordinary activities after taxation		6,013	202,415	208,428	6,195	514,880	521,075	7,801	1,070,658	1,078,459
Net return per ordinary share	5	2.54p	85.61p	88.15p	2.76p	229.51p	232.27p	3.42p	469.83p	473.25p

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.

Balance Sheet (unaudited)

	Notes	At 31 October 2021 £'000	At 30 April 2021 (audited) £'000
Fixed assets			
Investments held at fair value through profit or loss	7	3,470,415	3,238,130
Current assets			
Debtors		7,197	3,936
Cash and cash equivalents		78,736	108,723
		85,933	112,659
Creditors			
Amounts falling due within one year:			
Other creditors		(6,111)	(5,063)
		(6,111)	(5,063)
Net current assets		79,822	107,596
Total assets less current liabilities		3,550,237	3,345,726
Creditors			
Amounts falling due after more than one year:			
Loan notes	8	(99,851)	(99,848)
Debenture stock	8	(39,956)	(39,940)
Provision for tax liability	9	(1,751)	(958)
		(141,558)	(140,746)
		3,408,679	3,204,980
Capital and reserves			
Share capital		11,823	11,823
Share premium account		262,183	262,183
Capital redemption reserve		8,700	8,700
Capital reserve		3,061,629	2,859,214
Revenue reserve		64,344	63,060
Shareholders' funds	10	3,408,679	3,204,980
Shareholders' funds per ordinary share			
(borrowings at book value)	10	1,441.6p	1,355.4p
Net asset value per ordinary share*			
(borrowings at par value)		1,441.5p	1,355.3p
Net asset value per ordinary share*			
(borrowings at fair value)		1,444.8p	1,358.1p
Ordinary shares in issue	10	236,453,859	236,453,859

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 22 to 24.

Statement of Changes in Equity (unaudited)

For the six months ended 31 October 2021

	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 2021		11,823	262,183	8,700	2,859,214	63,060	3,204,980
Net return on ordinary activities after taxation		–	–	–	202,415	6,013	208,428
Dividends paid during the period	6	–	–	–	–	(4,729)	(4,729)
Shareholders' funds at 31 October 2021		11,823	262,183	8,700	3,061,629	64,344	3,408,679

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

* The Capital Reserve balance at 31 October 2021 includes holding gains on investments of £1,608,092,000 (31 October 2020 – gains of £1,045,847,000).

Condensed Cash Flow Statement (unaudited)

	Notes	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000
Cash flows from operating activities			
Net return on ordinary activities before taxation		210,131	518,646
Net gains on investments		(203,591)	(513,864)
Currency losses/(gains)		383	(1,186)
Finance costs of borrowings		2,507	2,621
Overseas tax incurred		(1,010)	(963)
Corporation tax refunded		–	3,597
Changes in debtors and creditors		1,392	1,482
Cash from operations*		9,812	10,333
Interest paid		(2,477)	(1,997)
Net cash inflow from operating activities		7,335	8,336
Net cash (outflow)/inflow from investing activities		(32,210)	16,107
Cash flow from financing activities			
Equity dividends paid	6	(4,729)	(5,603)
Ordinary shares issued		–	28,227
Loan notes issued		–	99,844
Net borrowings repaid		–	(63,178)
Net cash (outflow)/inflow from financing activities		(4,729)	59,290
(Decrease)/increase in cash and cash equivalents		(29,604)	83,733
Exchange movements		(383)	(1,904)
Cash and cash equivalents at start of period		108,723	19,537
Cash and cash equivalents at end of period		78,736	101,366

* Cash from operations includes dividends received of £17,208,000 (31 October 2020 – £12,133,000) and interest received of £nil (31 October 2020 – £361,000).

Notes to the Condensed Financial Statements (unaudited)

- 1 The condensed Financial Statements for the six months to 31 October 2021 comprise the statements set out on pages 10 to 14 together with the related notes on pages 15 to 18. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in November 2014 and updated in April 2021 with consequential amendments. They have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Financial Statements for the six months to 31 October 2021 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 2021.

Going Concern

The Directors have considered the Company's principal risks and uncertainties, as set out on page 9, together with the Company's current position, investment objective and policy, the level of demand for the Company's shares, the nature of its assets, its liabilities and projected income and expenditure. The Board has, in particular, considered the impact of market volatility during the Covid-19 pandemic. 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 2021 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's Report on those accounts was not qualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying its report, and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.
- 3 Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed by the Company as its Alternative Investment Fund Manager (AIFM) and Company Secretary. The investment management function has been delegated to Baillie Gifford & Co. The management agreement can be terminated on six months' notice. The annual management fee is 0.45% on the first £750 million of total assets, 0.33% on the next £1 billion of total assets and 0.30% on the remaining total assets. For fee purposes, total assets is defined as the total value of all assets held less all liabilities (other than any liability in the form of debt intended for investment purposes) and excludes the value of the Company's holdings in The Schiehallion Fund, a closed-ended investment company managed by Baillie Gifford & Co. The Company does not currently hold any other collective investment vehicles managed by Baillie Gifford & Co. Where the Company holds investments in open-ended collective investment vehicles managed by Baillie Gifford, such as OEICs, Monks' share of any fees charged within that vehicle will be rebated to the Company. All debt drawn down during the periods under review is intended for investment purposes.

4 Tax on ordinary activities

The revenue tax charge for the periods to 30 April 2021 and 31 October 2020 included £3,664,000 and £3,597,000 respectively of UK corporation tax repaid in respect of the Company's financial years to 2008 and 2009 (31 October 2020) and 2008, 2009 and 2010 (30 April 2021), 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 was therefore recognised on receipt. As it exceeded the overseas withholding tax suffered in the period, this resulted in a positive revenue tax charge for those periods.

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

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

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Year to 30 April 2021 (audited) £'000
5 Net return per ordinary share			
Revenue return on ordinary activities after taxation	6,013	6,195	7,801
Capital return on ordinary activities after taxation	202,415	514,880	1,070,658
Total net return	208,428	521,075	1,078,459

Net return per ordinary share is based on the above totals of revenue and capital and on 236,453,859 (31 October 2020 – 224,337,011; 30 April 2021 – 227,881,626) 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 2021 £'000	Six months to 31 October 2020 £'000	Year to 30 April 2021 (audited) £'000
6 Dividends			
Amounts recognised as distributions in the period:			
Previous year's final dividend of 2.00p (2020 – 2.50p), paid 7 September 2021	4,729	5,603	5,603
Amounts paid and payable in respect of the period:			
Final dividend (2021 – 2.00p)	–	–	4,729

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

7 Fair Value Hierarchy

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

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

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

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

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

As at 31 October 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	3,254,529	156,432	–	3,410,961
Unlisted equities	–	–	59,454	59,454
Total financial asset investments	3,254,529	156,432	59,454	3,470,415

As at 30 April 2021 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	3,039,527	129,609	–	3,169,136
Unlisted equities	–	–	68,994	68,994
Total financial asset investments	3,039,527	129,609	68,994	3,238,130

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 2021 the total book value of the Company's borrowings amounted to £139,807,000 (30 April 2021 – £139,788,000). This comprised a £40m 6% debenture stock repayable in 2023 (30 April 2021 – £40m), loan notes of £60m repayable in 2054 (30 April 2021 – £60m), loan notes of £40m repayable in 2045 (30 April 2021 – £40m). Bank loans were undrawn as at 31 October 2021 and 30 April 2021.

The fair value of borrowings at 31 October 2021 was £132,218,000 (30 April 2021 – £133,524,000).

9 Provision for Tax Liability

The tax liability provision at 31 October 2021 of £1,751,000 (30 April 2021 – £958,000) relates to a potential liability for Indian capital gains tax that may arise on the Company's Indian investments should they be sold in the future, based on the net unrealised taxable capital gain at the period end and on enacted Indian tax rates. The amount of any future tax amounts payable may differ from this provision, depending on the value and timing of any future sales of such investments and future Indian tax rates.

10 Shareholders' Funds

	31 October 2021	30 April 2021
Shareholders' funds	£3,408,679,000	£3,204,980,000
Number of ordinary shares in issue at the period end	236,453,859	236,453,859
Shareholders' funds per ordinary share	1,441.6p	1,355.4p

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 22.

- 11** In the six months to 31 October 2021 the Company issued no ordinary shares (31 October 2020 – 2,375,000 shares with a nominal value of £119,000 at a premium to net asset value, raising net proceeds of £26,799,000). No shares were bought back during the period and no shares were held in treasury at 31 October 2021. At 31 October 2021, the Company had authority to buy back 35,444,433 shares and to allot, or sell from treasury, 23,645,385 shares.
- 12** Transaction costs on purchases amounted to £73,000 (31 October 2020 – £489,000; 30 April 2021 – £714,000) and transaction costs on sales amounted to £69,000 (31 October 2020 – £111,000; 30 April 2021 – £192,000). Total transaction costs were £142,000 (31 October 2020 – £600,000; 30 April 2021 – £906,000).

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.

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 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 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 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 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
gov.uk/government/publications/exchange-of-information-account-holders.

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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 2021 £'000	31 October 2021 per share	30 April 2021 £'000	30 April 2021 per share
Shareholders' funds (borrowings at book value)	3,408,679	1,441.6p	3,204,980	1,355.4p
Add: book value of borrowings	139,807	59.1p	139,788	59.1p
Less: par value of borrowings	(140,000)	(59.2p)	(140,000)	(59.2p)
Net asset value (borrowings at par value)	3,408,486	1,441.5p	3,204,768	1,355.3p

The per share figures above are based on 236,453,859 (30 April 2021 – 236,453,859) 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 6½% 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 2021 £'000	31 October 2021 per share	30 April 2021 £'000	30 April 2021 per share
Shareholders' funds (borrowings at book value)	3,408,679	1,441.6p	3,204,980	1,355.4p
Add: book value of borrowings	139,807	59.1p	139,788	59.1p
Less: fair value of borrowings	(132,218)	(55.9p)	(133,524)	(56.4p)
Net asset value (borrowings at fair value)	3,416,268	1,444.8p	3,211,244	1,358.1p

The per share figures above are based on 236,453,859 (30 April 2021 – 236,453,859) 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 2021 NAV (par)	31 October 2021 NAV (fair)
Closing NAV per share	a	1,441.5p	1,444.8p
Dividend adjustment factor*	b	1.0014	1.0014
Adjusted closing NAV per share	c = a x b	1,443.6p	1,446.8p
Opening NAV per share	d	1,355.9p	1,358.1p
Total return	(c ÷ d) - 1	6.5%	6.5%

* The dividend adjustment factor is calculated on the assumption that the dividend of 2.00p 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 2021 Share price
Closing share price	a	1,382.0p
Dividend adjustment factor*	b	1.0014
Adjusted closing share price	c = a x b	1,383.9p
Opening share price	d	1,396.0p
Total return	(c ÷ d) - 1	(0.9%)

* The dividend adjustment factor is calculated on the assumption that the dividend of 2.00p 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.

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CM Boyle
BJ Richards
Professor Sir Nigel Shadbolt
JJ Tighe

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