

THIS PROSPECTUS AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this Prospectus, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside of the United Kingdom, without delay.

This document comprises a prospectus (the “**Prospectus**”) relating to The Monks Investment Trust PLC (the “**Company**”), in connection with the issue of Shares in the Company (the “**New Shares**”) pursuant to a scheme of reconstruction and members' voluntary winding up of The Independent Investment Trust PLC (“**IIT**”) under section 110 of the Insolvency Act 1986 (the “**Scheme**”), prepared in accordance with the UK version of the EU Prospectus Regulation ((EU) 2017/1129) which is part of UK law by virtue of the European Union Withdrawal Act 2018, as amended and supplemented from time to time, including, but not limited to, by the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (the “**UK Prospectus Regulation**”) and the prospectus regulation rules of the Financial Conduct Authority (the “**FCA**”) made pursuant to section 73A of FSMA (the “**Prospectus Regulation Rules**”).

This Prospectus has been approved by the FCA, as competent authority under the UK Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or of the quality of the Shares that are the subject of this Prospectus. This Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the UK Prospectus Regulation. IIT Shareholders should make their own assessment as to the suitability of investing in the Shares. This Prospectus will be made available to the public in accordance with the Prospectus Regulation Rules by being made available at the Company's website (<https://www.bailliegifford.com/en/uk/individual-investors/funds/monks-investment-trust/>).

Applications will be made to the FCA for the New Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. It is expected that such admission will become effective, and dealings in the New Shares will commence, on 9 November 2022.

THE MONKS INVESTMENT TRUST PLC

(Incorporated in England and Wales with registered number 00236964 and registered as an investment company under section 833 of the Companies Act 2006)

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

The Directors of the Company, whose names appear on page 32 of this Prospectus, and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

Baillie Gifford & Co Limited (the “**AIFM**” or “**BGL**”) accepts responsibility for the information and opinions contained in this Prospectus relating to it and all statements made by it. To the best of the knowledge of the AIFM, the information contained in this Prospectus related to or attributed to the AIFM and its affiliates is in accordance with the facts and such parts of this Prospectus make no omission likely to affect its import. The AIFM also accepts responsibility for the information and opinions contained in: (a) the risk factors contained under the heading ‘*Risks relating to the investment policy*’ in the Risk Factors section of this Prospectus; and (b) paragraph 2.4; paragraph 2.5; paragraph 2.6; paragraph 2.7; paragraph 2.8; and paragraph 2.15 of Part 1 of this Prospectus.

Investec Bank plc (“**Investec**” or the “**Sponsor**”), which is authorised in the United Kingdom by the PRA and regulated by the FCA and the PRA, is acting exclusively for the Company and for no one else in connection with the Issue, the Scheme and the other arrangements referred to in this Prospectus. Investec will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Issue, the Scheme and the other arrangements referred to in this Prospectus and will not

be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the Issue, the Scheme, the contents of this Prospectus or any transaction or arrangement referred to in this Prospectus. This does not exclude any responsibilities which Investec may have under FSMA or the regulatory regime established thereunder.

Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Investec makes no representations, express or implied, nor accepts any responsibility whatsoever for the contents of this Prospectus or for any statement made or purported to be made by it or on its behalf in connection with the Company, the Issue, the Scheme or the Shares. Investec (and its affiliates) accordingly, to the fullest extent permitted by law, disclaims all and any responsibility or liability, whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

Investec and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and/or the AIFM for which they would have received customary fees. Investec and its affiliates may provide such services to the Company and/or the AIFM and any of their respective affiliates in the future.

The contents of this Prospectus are not to be construed as legal, financial, business, investment or tax advice. IIT Shareholders should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, repurchase or other disposal of New Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of New Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of, or subscription for New Shares. Investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, financial, business, investment, tax, or any other related matters concerning the Company and an investment therein. None of the Company, the AIFM, the Investment Manager or Investec nor any of their respective representatives is making any representation to any offeree or purchaser of New Shares regarding the legality of an investment in the New Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. **IIT Shareholders should also consider the risk factors relating to the Company set out on pages 12 to 23 of this Prospectus.**

THE NEW SHARES ARE ONLY AVAILABLE TO IIT SHAREHOLDERS AND ARE NOT BEING OFFERED TO EXISTING SHAREHOLDERS (SAVE TO THE EXTENT AN EXISTING SHAREHOLDER IS ALSO AN IIT SHAREHOLDER) OR TO THE PUBLIC.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities by any person in any circumstances or jurisdiction in which such offer or solicitation would be unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the AIFM, the Investment Manager or the Sponsor.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. No action has been taken by the Company or Investec that would permit an offer of the New Shares or possession or distribution of this Prospectus or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than in the United Kingdom. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

In particular, the New Shares described in this Prospectus have not been, and will not be, registered under the securities laws of any of Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA Member State, or their respective territories or possessions. Accordingly, the New Shares may not (unless an exemption from such legislation or such laws is available) be offered, sold or delivered, directly or indirectly, in or into Australia, Canada, Japan, New Zealand or the Republic of South Africa or any EEA Member State, or their respective territories or possessions. Persons resident in territories other than the UK should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to apply for, acquire, hold or dispose of the New Shares.

In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940 (the “**US Investment Company Act**”), and, as such, investors in the New Shares will not be entitled to the benefits of the US Investment Company Act. The New Shares have not been and will not be registered under the United States Securities Act of 1933 (the “**US Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, any “U.S. persons” as defined in Regulation S under the US Securities Act (“**US Persons**”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not result in the Company being required to register under the US Investment Company Act. There has not been and there will not be any public offer of the New Shares in the United States.

This Prospectus does not address the US federal income tax considerations applicable to an investment in the New Shares. Each prospective investor should consult its own tax advisers regarding the US federal income tax consequences of any such investment. The New Shares are being offered or sold only (i) outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the US Securities Act, and (ii) to persons who are both “qualified purchasers” as defined in the US Investment Company Act (“**Qualified Purchasers**”) and “accredited investors” as defined in Regulation D under the US Securities Act (“**Accredited Investors**”), pursuant to an exemption from the registration requirements of the US Securities Act, and who, in the case of (ii), have executed an AI/QP Investor Letter which can be requested from the Registrars at independentqib@computershare.co.uk (“**AI/QP Investor Letter**”) and returned it to the Company and Computershare as Receiving Agent to IIT.

Neither the US Securities and Exchange Commission (the “SEC”) nor any securities regulatory authority of any state or other jurisdiction of the United States has approved or disapproved of the New Shares or passed upon or endorsed the merits of the offering of the New Shares or the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The New Shares are also subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions and may subject the holder to the forced transfer and other provisions set out in the Articles. For further information on restrictions on offers, sales and transfers of the New Shares, please refer to the section titled “Overseas IIT Shareholders and Sanctions Restricted Persons” at paragraph 9 of Part 3 (*Details of the Scheme and the Issue*) of this Prospectus.

Interests may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudan persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermudan legislation.

The publication or delivery of this Prospectus shall not under any circumstances imply that the information contained in this Prospectus is correct as at any time subsequent to the date of this Prospectus or that there has not been any change in the affairs of the Company since that date.

Without limitation, neither the contents of the Company’s website, the AIFM’s website, the Investment Manager’s website, Investec’s website, the Depositary’s website or any other website nor the content of any website accessible from hyperlinks on the Company’s website, the AIFM’s website the Investment Manager’s website, Investec’s website, the Depositary’s website or any other website is incorporated into, or forms part of this Prospectus, or has been approved by the FCA.

6 October 2022

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SUMMARY

INTRODUCTION AND WARNINGS

1. INTRODUCTION

This Prospectus relates to the issue of ordinary shares of 5 pence each (the **"New Shares"**) in the capital of The Monks Investment Trust PLC (the **"Company"**) in connection with a scheme of reconstruction and voluntary winding up of The Independent Investment Trust PLC (**"IIT"**) under the Insolvency Act (the **"Scheme"**). The ISIN of the New Shares is GB003051726 and the SEDOL is 3051726. The LEI of the Company is 213800MRI1JTUKG5AF64 and its registered office is at c/o Computershare Investor Services PLC, Moor House, 120 London Wall, London EC2Y 5ET.

This Prospectus was approved by the Financial Conduct Authority (the **"FCA"**) in the United Kingdom on 6 October 2022. The head office of the FCA is at 12 Endeavour Square, London E20 1JN (Tel: 020 7066 1000). Contact information for the FCA can be found at <https://www.fca.org.uk/contact>.

Warning

The following summary should be read as an introduction to this Prospectus. Any decision to invest in the New Shares should be based on a consideration of this Prospectus as a whole by the investor. An investor could lose all or part of the invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.

It should be remembered that the price of the New Shares, and the income from such New Shares (if any), may go down as well as up. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who understand the potential risk of capital loss (which may be equal to the whole amount invested).

2. KEY INFORMATION ON THE ISSUER

2.1. Who is the issuer of the securities?

The Company was incorporated and registered in England and Wales on 6 February 1929 as a public company limited by shares with registered number 00236964. The Company is an investment company under section 833 of the Companies Act. The Company's LEI number is 213800MRI1JTUKG5AF64. The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder.

The Company is a closed-ended investment company and operates as an investment trust approved by HMRC in accordance with the Corporation Tax Act. The Company's investment objective is to invest globally to achieve capital gains, which takes priority over income and dividends.

The Company has appointed Baillie Gifford & Co Limited (**"BGL"** or the **"AIFM"**) as the Company's alternative investment fund manager to provide overall portfolio and risk management services to the Company. The AIFM has delegated portfolio management services to Baillie Gifford & Co (**"Baillie Gifford"** or the **"Investment Manager"**). Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited.

The Directors of the Company are as follows:

- Karl Sternberg (Chairman);
- Claire Boyle;
- Belinda Richards;
- Professor Sir Nigel Shadbolt; and
- Jeremy Tigue.

All of the Directors are non-executive and are independent of the AIFM and the Investment Manager.

As at close of business on 3 October 2022, being the latest practicable date prior to the publication of this Prospectus, in so far as it is known to the Company, no persons held, directly or indirectly, 3.0 per cent. or more of the Company's issued Share capital.

As at close of business on 3 October 2022, being the latest practicable date prior to the publication of this Prospectus, the Company and the Directors are not aware of any person who could, directly or indirectly, jointly or severally, own or exercise control over the Company, or of any arrangement the operation of which may result in a change of control of the Company. There are no different voting rights for any Shareholder.

The Company's auditors are Ernst & Young LLP of Atria One, 144 Morrison Street, Edinburgh, Scotland EH3 8EX.

2.2. What is the key financial information regarding the issuer?

Selected historical financial information

Selected audited financial information relating to the Company, which summarises the financial condition of the Company for the financial years ended 30 April 2021 and 30 April 2022, is set out in the following tables:

Information relevant to closed-end funds

Share Class	Shareholders' funds (£'000)	No. of Shares (excluding treasury Shares)	Shareholders' funds per Share (p)	Historical performance of the fund (p)
Ordinary	2,479,164	227,645,309	1,089.0	1,355.4 Shareholders' funds per Share as at 30 April 2021 (audited)

Income statement for closed-end funds

	Annual report and audited financial statements for the year ended 30 April 2022			Annual report and audited financial statements for the year ended 30 April 2021		
	Revenue (£'000)	Capital (£'000)	Total (£'000)	Revenue (£'000)	Capital (£'000)	Total (£'000)
(Losses)/gains on investments	—	(631,829)	(631,829)	—	1,069,700	1,069,700
Currency (losses)/gains	—	(308)	(308)	—	1,916	1,916
Income	27,811	—	27,811	22,529	—	22,529
Investment management fee	(10,465)	—	(10,465)	(10,011)	—	(10,011)
Other administrative expenses	(1,888)	—	(1,888)	(1,656)	—	(1,656)
Net return before finance costs and taxation	15,458	(632,137)	(616,679)	10,862	1,071,616	1,082,478
Finance costs of borrowings	(5,298)	—	(5,298)	(5,027)	—	(5,027)
Net return on ordinary activities before taxation	10,160	(632,137)	(621,977)	5,835	1,071,616	1,077,451
Tax on ordinary activities	(1,516)	293	(1,223)	1,966	(958)	1,008
Net return on ordinary activities after taxation	8,644	(631,844)	(623,200)	7,801	1,070,658	1,078,459
Net return per ordinary share	3.67p	(268.58p)	(264.91p)	3.42p	469.83p	473.25p

Balance sheet for closed-end funds

	Annual report and audited financial statements for the year ended 30 April 2022	Annual report and audited financial statements for the year ended 30 April 2021
Shareholders' funds (£)	2,479,164,000	3,204,980,000
Shareholders' funds per Share(p)	1,089.0	1,355.4

Neither *pro forma* financial information nor any qualified audit report has been included in this Prospectus.

2.3. What are the key risks that are specific to the issuer?

The following are brief descriptions of what the Directors believe, at the time of publication of this Prospectus, to be the key material risks specific to the Company:

Risks relating to the Company

- The Company has no employees and the Directors have been appointed on a non-executive basis. The Company is therefore reliant upon the performance of third party service providers for its executive functions and is exposed to the risk that misconduct by employees of those service providers, any failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, and/or the termination of those appointments could have an adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

Risks relating to the investment policy

- The investments of the Company are subject to the risk of changes in market prices and/or macroeconomic factors, including those factors arising as a result of the current conflict in Ukraine which is beginning to have an impact on the global economy, ranging from decreases in the supply (and/or increases to the costs) of goods to increases (and increased volatility) in oil prices and inflation. In addition, the Company's investments are subject to risks arising from inflation driven by the knock-on effects of COVID-19 related disruptions to global supply chains, central bank stimulus and/or underinvestment in critical industries and services. Any such changes could have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.
- The due diligence process that the Investment Manager undertakes in evaluating the Company's investments may not reveal all facts that may be relevant in connection with such investments.
- The Company's investment strategy may involve the use of leverage, which exposes the Company to risks associated with borrowings and the related grant of security over its assets.
- The Company is exposed to currency and foreign exchange risk as a result of holding investments denominated in currencies other than Sterling which could have an adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.
- Underperformance by the companies in the Portfolio, or other market factors, may cause the Company to fail to deliver its target performance and may affect the ability of the Company to achieve its investment objective.
- The value of unquoted investments made by the Company are often more difficult to determine than the value of investments in listed companies and may be based on unaudited information and/or be subject to limited verification or other due diligence. If the realised value of an unquoted investment or other asset held by the Company is less than its valuation, this may have a material adverse effect on future Shareholder returns.

Risks relating to the AIFM and the Investment Manager

- The success of the Company is dependent on the AIFM and the Investment Manager and their expertise, key personnel, and ability to source and advise appropriately on investments. As a result of this, the Portfolio, financial condition, results of operations, prospects and the value of the Shares could be adversely affected by competitive pressures on the AIFM and/or the Investment Manager's ability to source and make successful investments.

Risks relating to regulation, taxation and the Company's operating environment

- The Company is subject to various political, economic and other risks (such as war, acts of terrorism, changes to any given country's political leader or significant economic downturns affecting global or more domestic markets) which may impact the economic conditions in which the Company and companies in the Portfolio operate and may adversely impact global financial markets and, consequently, the Company's performance.
- Changes in taxation legislation or practice in the United Kingdom or other jurisdictions to which the Company has exposure (including the jurisdictions in which companies in the Portfolio are based) may adversely affect the Company and the tax treatment for Shareholders investing in the Company.
- Changes in laws or regulations governing the Company's, the AIFM's or the Investment Manager's operations may adversely affect the business and performance of the Company.

3. KEY INFORMATION ON THE SECURITIES

3.1. What are the main features of the securities?

The New Shares are ordinary shares with a nominal value of 5 pence each and are denominated in Sterling. The ISIN of the New Shares is GB0030517261 and the SEDOL number is 3051726. The ticker code is MNKS.

As at 3 October 2022, being the latest practicable date prior to the publication of this Prospectus, the issued Share capital of the Company comprised 219,128,065 fully paid Shares and an additional 17,325,794 Shares held in treasury.

The New Shares will rank *pari passu* in all respects (including voting rights) with each other and the existing issued Shares (other than in respect of dividends or other distributions declared, made or paid on the existing Shares prior to the Calculation Date). In summary, the rights attaching to the Shares are:

<i>Dividend</i>	Subject to the provisions of the Companies Act, the Company may from time to time declare dividends and make other distributions on the Shares.
<i>Capital</i>	On a winding up or other return of capital, after meeting the liabilities of the Company, the surplus assets will be paid to Shareholders in proportion to their shareholdings.
<i>Voting</i>	Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to Shares, Shareholders shall have the right to receive notice of, attend and vote at general meetings of the Company. Each Shareholder present in person or by proxy at a general meeting of the Company shall on a show of hands have one vote and on a poll have one vote for each Share held.

Restrictions on the free transferability of Shares

Subject to the terms of the Articles and applicable securities laws, there are no restrictions on the transferability of the Shares.

Dividend policy

The Company does not have any formal policy to achieve any specified level of dividend. The Company conducts its business so as to satisfy the conditions to retain approval as an investment trust under section 1158 of the Corporation Tax Act. In accordance with regulation 19 of the Investment Trust Tax Regulations, the Company does not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period and seeks to distribute the minimum amount permissible to maintain investment trust status. The Board may resolve to pay dividends on the Shares from time to time in order to comply with these requirements.

There was one dividend of 2.35 pence per Share payable in respect of the financial year to 30 April 2022. This was paid on 9 September 2022.

3.2. Where will the securities be traded?

Applications will be made to the FCA for the New Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. It is expected that such admissions will become effective, and dealings in the New Shares will commence, on 9 November 2022.

3.3. What are the key risks specific to the securities?

The following is a brief description of what the Directors believe, at the time of publication of this Prospectus, to be the key material risks specific to an investment in the Shares:

- The market price of the Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors. The market value of the Shares may therefore vary considerably from the Company's underlying NAV. In particular, it is possible that the Shares could trade at a value materially below their NAV for a prolonged period of time and there can be no assurance, express or implied, that Shareholders will receive back the amount of their investment in the Shares.
- It may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Shares, and Shareholders have no right to have their Shares redeemed or repurchased by the Company.

4. KEY INFORMATION ON THE OFFER

4.1. Under which conditions and timetable can I invest in this security?

Terms and conditions

The Scheme is conditional on, amongst other things:

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

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

4.2. Expected timetable

2022

General Meeting

Publication of the Circular and Notice of General Meeting	6 October
Latest time and date for receipt of Forms of Proxy for the General Meeting	11.00 a.m. on 3 November
General Meeting	11.00 a.m. on 7 November
Announcement of results of the General Meeting	7 November

Scheme

Publication of this Prospectus	6 October
First IIT General Meeting	9.30 a.m. on 31 October
Record Date for entitlements under the Scheme	6.00 p.m. on 31 October
Calculation Date for the Scheme	market close on 2 November
Suspension of listing of IIT Shares and IIT Register closes	7.30 p.m. on 8 November
Second IIT General Meeting	9.30 a.m. on 8 November
Effective Date for implementation of Scheme	8 November
Announcement of results of the Scheme and respective FAVs	8 November
Admission and dealings in New Shares commence	8.00 a.m. on 9 November
CREST Accounts credited in respect of New Shares in uncertificated form	8.00 a.m. on 9 November
Certificates despatched by post in respect of New Shares	by 12 November (or as soon as practicable thereafter)
Cancellation of listing of IIT Shares	as soon as practicable after the Effective Date

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

Details of Admission

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

Distribution

The New Shares will be available to be issued in either certificated form or uncertificated form. Where applicable, share certificates are expected to be dispatched by post by 12 November (or as soon as practicable thereafter).

Dilution

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

For illustrative purposes only, if 10,620,790 New Shares were to be issued (being the estimated number of Shares that will be issued pursuant to the Issue, assuming that no IIT Shareholders exercise their right to dissent from participation in the Scheme, 50 per cent. of the total IIT Shares are elected for the Cash Option, and that the ratio between the MNKS FAV per Share and the IIT FAV per Share is 0.409225) then, based on the issued share capital of the Company as at 29 September 2022, and assuming that: (i) an Existing Shareholder is not an IIT Shareholder and is therefore not able to participate in the Issue; and (ii) there had been no change to the Company's issued share capital prior to Admission, an Existing Shareholder holding 1.0 per cent. of the Company's issued Share capital as at 29 September 2022 would then hold 0.954 per cent. of the Company's issued share capital following the Issue.

Expenses of the Scheme and Issue

Subject as noted below, in the event that the Scheme is implemented, the Company and IIT have each agreed to bear their own costs associated with the Scheme. The fixed costs of the Proposals payable by the Company are estimated to be approximately £600,000 (including irrecoverable VAT).

Any costs of realignment/realisation of the IIT Portfolio prior to the Scheme becoming effective will be borne by IIT. Any stamp duty, SDRT or other transaction tax, or investment costs incurred by the Company for the acquisition of the Rollover Pool or the deployment of the cash therein upon receipt will be borne by the Enlarged Company. In addition, the Company will also incur listing fees in respect of the listing of the New Shares issued under the Scheme.

In the event that the Company resolves not to proceed to implement the Proposals on the terms agreed (including if Shareholders do not approve any resolution required to implement the Proposals) then the Company will bear the reasonable costs incurred by the Company and IIT in connection with the Proposals, save to the extent that IIT's reasonable costs exceed £125,000 (exclusive of VAT). In the event that IIT resolves not to proceed to implement the Proposals on the terms agreed (including if IIT Shareholders do not approve any resolution required to implement the Scheme) then IIT will bear the reasonable costs incurred by the Company and IIT in connection with the Proposals, save to the extent that the Company's reasonable costs exceed £125,000 (exclusive of VAT). In the event that both the Company and IIT resolve not to proceed to implement the Proposals on the terms agreed or do not obtain the required approvals then each party will bear its own costs.

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

4.3. Why is the Prospectus being produced?

As announced on 9 August 2022, Max Ward, IIT's Managing Director and full-time portfolio manager, has informed the IIT Board of his intention to retire. Given the impact Mr Ward's retirement would have on IIT, the IIT Board carefully considered the various options available to IIT and decided that a combination with the Company offered the greatest benefits to IIT Shareholders. Accordingly, the Board agreed, in principle,

the heads of terms for a combination of the assets of the Company with IIT by means of a section 110 scheme of reconstruction under the Insolvency Act (the “**Scheme**”).

Under the proposed terms of the Scheme, subject to the passing of the resolutions to be proposed at the General Meeting to approve the issue of New Shares under the Scheme and subject to the satisfaction of the other conditions (details of which are set out above), IIT will be placed into members’ voluntary liquidation and part of its cash, assets and undertaking transferred to the Company in consideration for the issue of New Shares in the Company of an equivalent value to IIT Shareholders. Each IIT Shareholder (other than certain Overseas IIT Shareholders) may elect to receive New Shares and/or cash under the Scheme. IIT Shareholders who do not make a valid election under the Scheme will be deemed to have elected to receive New Shares.

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

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

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

The Proposals will not result in any equity capital being raised by the Company. The New Shares are being issued to the IIT Shareholders in consideration for the transfer of the IIT Portfolio.

The Issue has not been underwritten.

The AIFM, the Investment Manager and their affiliates serve as the alternative investment fund manager, investment manager and/or investment advisers to other clients, including funds and managed accounts that have similar investment objectives and policies to that of the Company. These investment management services may on occasion give rise to conflicts of interest with the Company and may have a material adverse effect on the Company’s business, financial condition, results of operations and the market price of the Shares. For example, the AIFM, the Investment Manager and/or their affiliates may have conflicts of interest in allocating its time and activity between the Company and their other clients, in allocating investments among the Company and their other clients and in effecting transactions between the Company and other clients, including ones in which the AIFM, the Investment Manager and/or their affiliates may have a greater financial interest. Furthermore, the AIFM and the Investment Manager may provide services to certain in-house funds into which the Company may invest which may give rise to a conflict of interest. For example, the AIFM manages The Schiehallion Fund, a closed-ended investment company in which the Company invests. For feeing purposes under the Management Agreement, the total assets of the Company excludes the value of the Company’s holding in The Schiehallion Fund. There can be no assurance that the AIFM and the Investment Manager will resolve all conflicts of interest in a manner that is favourable to the Company. Save as aforesaid, there are no conflicting interests that are material to the Issue.

RISK FACTORS

An investment in the Shares carries a number of risks including the risk that the entire investment may be lost. In addition to all other information set out in this Prospectus, the following specific factors should be considered when deciding whether to make an investment in, or otherwise acquire, the Shares. The risks set out below are those which are considered to be the material risks relating to an investment in the Shares as at the date of this Prospectus but are not the only risks relating to the Shares or the Company. No assurance can be given that Shareholders will realise profit on, or recover the value of, their investment in the Shares, or that the Company will achieve any of its target returns. It should be remembered that the price of securities, and the income from them, can go down as well as up.

The success of the Company will depend on the ability of the Investment Manager to pursue the investment policy of the Company successfully and on broader market conditions and the risk factors set out below.

IIT Shareholders should note that the risks relating to the Company, its investment policy and strategy and the Shares summarised in the section of this Prospectus headed “Summary” are the risks that the Directors believe to be the most essential to an assessment by an IIT Shareholder of whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, IIT Shareholders should consider not only the information on the key risks summarised in the section of this Prospectus headed “Summary” but also, among other things, the risks and uncertainties described in this “Risk Factors” section of this Prospectus. Additional risks and uncertainties not currently known to the Company or the Directors or that the Company or the Directors consider to be immaterial as at the date of this Prospectus may also have a material adverse effect on the Company’s financial condition, business, prospects and results of operations and, consequently, the Company’s NAV and/or the market price of the Shares.

IIT Shareholders should review this Prospectus carefully and in its entirety and consult with their professional advisers before making an election for the New Shares.

RISKS RELATING TO THE COMPANY

The Company has no employees and is reliant on the performance of third-party service providers

The Company has no employees and the Directors have been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third-party service providers for its executive functions. In particular, the AIFM, the Investment Manager, the Registrar and the Depositary will be performing services which are integral to the operation of the Company. Misconduct by employees of those service providers, any failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, and/or the termination of those appointments could have an adverse effect on the Portfolio and the Company’s financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

The Company is subject to the risk of cybersecurity breaches

The information and technology systems of the Company and its service providers (including, in particular, the AIFM and Investment Manager) may be vulnerable to operational, information security and related risks resulting from failures of or breaches in cybersecurity, including damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

A failure of, or breach in, cybersecurity (“**cyber incidents**”) may cause disruption and impact business operations, potentially resulting in financial losses, interference with the ability to calculate the Company’s Net Asset Value, impediments to trading, the inability of Shareholders to subscribe for, exchange or sell Shares, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

While the AIFM and the Investment Manager, along with other service providers, have established business continuity plans in the event of, and risk management strategies, systems, policies and procedures to seek to prevent, cyber incidents, there are inherent limitations in such plans, strategies, systems, policies and procedures, including the possibility that certain risks have not been identified. Furthermore, none of the Company, the AIFM or the Investment Manager and/or the other service providers can control the cybersecurity plans, strategies, systems, policies and procedures put in place by the entities in which the Company invests.

RISKS RELATING TO THE INVESTMENT POLICY

The investments of the Company are subject to the risk of changes in market prices and/or macroeconomic factors

The Company is dependent upon the Investment Manager's successful implementation of the Company's investment policy and ultimately on the Investment Manager's ability to create an investment portfolio capable of generating attractive returns. The Company is at risk from the failure of the investment policy adopted by the Investment Manager resulting from changes in market prices and/or macroeconomic factors, including those factors arising as a result of the current conflict in Ukraine which is beginning to have an impact on the global economy, ranging from decreases to supply (and/or increases to the costs) of goods to increases (and increased volatility) in oil prices and inflation. In addition, the Company's investments are subject to risks arising from inflation driven by the knock-on effects of COVID-19 related disruptions to global supply chains, central bank stimulus and/or underinvestment in critical industries and services. While the Company will hold a diversified Portfolio, there are certain general market conditions in which any investment strategy is unlikely to be profitable. The Investment Manager does not have the ability to control or predict such market conditions.

The performance of the Company's investments depends to a great extent on correct assessments of the future course of market price movements and economic cycles. There can be no assurance that the Investment Manager will be able to predict accurately these price movements or cycles.

General economic and market conditions, such as currency exchange rates, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances may affect the price level, volatility and liquidity of securities and result in losses for the Company. This could have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

Given that the Company invests predominantly in listed or quoted securities, the Company's NAV is inherently sensitive to the performance of world stock markets. If world stock markets experience volatility and disruption, the Company's NAV could also become volatile and it is likely that the Shares will trade at a discount to the NAV. In any event, although the Company has the ability to provide liquidity in the form of share buybacks, where the Shares trade at a discount to the NAV, this could make the Shares less liquid and more difficult to sell.

In addition, the effects of such adverse market conditions could be amplified by the presence of short-sellers on the Register.

The Company's investments may be adversely affected by poor performance of a particular sector or industry

The Company's investments are intended to be diversified by sector and industry. The diversification of its investments is intended to mitigate the Company's exposure to adverse events associated with specific investments and sectors. The Company's returns may, however, still be adversely affected by the unfavourable performance of particular sectors or industries if they affect the performance or prospects of companies in the Portfolio. This adverse effect may be amplified if more companies in the Portfolio are in, or connected to, the affected sector or industry (in other words, if the Portfolio has a greater concentration of investments in any affected sector or industry). This could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

The due diligence process that the Investment Manager undertakes in evaluating the Company's investments may not reveal all facts that may be relevant in connection with such investments

Before making investments in accordance with the Company's investment policy, the Investment Manager conducts such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. There can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating that investment opportunity.

Any failure by the Investment Manager to identify relevant facts through the due diligence process may lead to inappropriate investment decisions being made, or investments being made at a higher value than their fair value, which could have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

The Company may be exposed to legal, political or other market risks through investing in companies in the Portfolio located in overseas jurisdictions or traded on overseas stock markets

The Company invests in companies incorporated or traded on stock markets outside of the United Kingdom, which exposes the Company to the following risks:

- adverse changes in local economic and political stability in countries in which a company in the Portfolio is incorporated or the stock market on which the company in the Portfolio is traded, particularly where such situations impact the revenues generated by that company, returns made to overseas investors in that company, or other investor rights in relation to that company (such as liquidity rights);
- exchange rate fluctuations between Sterling and the currency of a jurisdiction in which a company in the Portfolio is domiciled or generates its income;
- unexpected changes in the regulatory environment, such as changes to a country's (or an overseas stock market's) rules relating to: (i) investor protection or liquidity rights; (ii) listing on that stock market, particularly where such rules become materially more burdensome for a company in the Portfolio; (iii) payment of returns to overseas investors (whether as capital or income); or (iv) eligibility of overseas investors to invest in a company in the Portfolio;
- tax systems that may have an adverse effect on the revenue received by the Company and, in particular, regulations relating to the imposition of any withholding taxes on the repatriation of capital or income from those jurisdictions in which companies in the Portfolio are domiciled or generate income; and
- the imposition, in the future, of any sanctions and corresponding banking restrictions in respect of a jurisdiction in which a company in the Portfolio is incorporated or the stock market on which the company in the Portfolio is traded.

Any of the above may have an adverse effect on the value of a company in the Portfolio and revenues received by the Company from the relevant company in the Portfolio, which would in turn have an adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Value and/or the market price of the Shares, and the returns generated for Shareholders.

The Company's exposure to emerging markets at any given time is expected to be relatively small in the context of the Portfolio (for example, as at 3 October 2022, the Company's exposure to emerging markets through its investment in the companies in the Portfolio is 11.30 per cent. of the Company's Net Asset Value). If the Company, in the future, increases its exposure to emerging markets, it would be susceptible to risks associated with making investments in emerging markets which, in addition to those set out above, may include exposure to less developed or less rigorously enforced investor protection laws or less favourable insolvency regimes for creditors. This may impact upon the value of a company in the Portfolio and revenues received from any companies in the Portfolio domiciled in (or traded on a stock market that is located in) such emerging jurisdictions, particularly in times of distress for the relevant company in the Portfolio. If any of these risks materialised, it could have an adverse

impact on the Company's Net Asset Value and/or the market price of the Shares, and the returns generated for Shareholders.

The Company's investment strategy may involve the use of leverage, which exposes the Company to risks associated with borrowings

The Company may use borrowings and other gearing to seek to enhance investment returns. Whilst the use of borrowings should enhance the total return on the Shares where the return on the Company's underlying assets is positive and exceeds the cost of the borrowings, it will have the opposite effect where the return on the Company's underlying assets is at a lower rate than the cost of the borrowings, reducing the total return on the Shares. As a result, the use of borrowings by the Company may increase the volatility of the NAV per Share.

As a result of gearing, any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its NAV (which is likely to adversely affect the price of a Share). Any reduction in the number of Shares in issue (for example, as a result of share buybacks) will, in the absence of a corresponding reduction in gearing, result in an increase in the Company's level of gearing.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce borrowings, which may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments. No assurance can be given that any sales of the Company's investments would realise proceeds which would be sufficient to repay any borrowings.

There is no guarantee that any borrowings of the Company will be refinanced on their maturity, either on terms that are acceptable to the Company or at all

The Company will pay interest on any borrowings and, as such, the Company will be exposed to interest rate risk due to fluctuations in the prevailing market rates. The Company may employ hedging techniques designed to reduce the risk of adverse movements in interest rates. However, such strategies may also result in losses and overall poorer performance than if the Company had not entered into such hedging transactions.

The Company must be able to operate within its banking covenants

The borrowings which the Company uses contain certain covenants, being the accepted market practice. If assets owned by the Company decrease in value, such covenants could be breached, and the impact of such an event could include: an increase in borrowing costs; a call for additional capital from the lender; payment of a fee to the lender; a sale of an asset; or a forfeit of any asset to a lender. This could result in a total or partial loss of equity value for each specific asset, or indeed the Company as a whole.

The Company is subject to risks associated with any hedging or derivative transactions in which it participates

The Company may use derivatives for the purpose of efficient portfolio management (including reducing, transferring or eliminating investment risk in its investments and protection against currency risk) and to achieve capital growth. Derivative transactions may be volatile and involve various risks different from, and in certain cases, greater than the risks presented by other instruments. The primary risks related to derivative transactions include counterparty, correlation, illiquidity, leverage, volatility and over-the-counter trading risks.

Counterparty risk is the risk that a counterparty in a derivative transaction will not fulfil its contractual or financial obligations to the Company or the risk that the reference entity in a swap or similar derivative will not fulfil its contractual or financial obligations. Correlation risk is the risk that an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Company from achieving the intended hedging effect or expose the Company to the risk of loss. Liquidity risk is the risk that derivative transactions may not be liquid in all circumstances, such that in volatile markets it may not be possible to close out a position without incurring a loss. Volatility risk is the risk resulting from the fact that the prices of many derivative

instruments, including many options and swaps, are highly volatile, due to being influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies, as well as (in the case of options and swaps agreements) the price of the securities or currencies underlying the relevant derivative agreement.

A small investment in derivatives could have a large potential impact on the Company's performance, effecting a form of investment leverage on the Portfolio. In certain types of derivative transactions, the entire amount of the investment could be lost. In other types of derivative transactions, the potential loss is theoretically unlimited.

The Company may make investments in unquoted companies

The Company may make investments in unlisted private companies and will make investments in unlisted private companies if the Investment Manager identifies attractive investment opportunities. It is unlikely that there will be a liquid market for the shares and other securities that the Company holds in unlisted investee companies and, therefore, it may be difficult for the Company to realise such investments. The values of unquoted investments are often more difficult to determine than the value of investments in listed companies. In addition, valuations of the unquoted investments may be based on unaudited information and may be subject to limited verification or other due diligence. If the realised value of an unquoted investment or other asset held by the Company is less than its valuation, this may have a material adverse effect on future Shareholder returns.

RISKS RELATING TO THE AIFM AND INVESTMENT MANAGER

The success of the Company is dependent on the AIFM and the Investment Manager and their expertise, key personnel, and ability to source and advise appropriately on investments

In accordance with the Management Agreement, the AIFM is solely responsible for the management of the Company's investments, with the AIFM delegating its portfolio management responsibilities to the Investment Manager. The Company does not have any employees and its Directors are appointed on a non-executive basis. All of its investment and asset management decisions are in the ordinary course made by the AIFM and the Investment Manager (and any of their delegates) and not by the Company. The Investment Manager is not required to, and generally does not, submit individual investment decisions for approval to the Board. The Company is therefore reliant upon, and its success depends on, the AIFM and the Investment Manager and their personnel, services and resources.

The Company is dependent on the services provided by the AIFM and the Investment Manager. The information contained in this Prospectus relating to the prior performance of investments made by the AIFM and the Investment Manager on behalf of the Company is being provided for illustrative purposes only and is not indicative of the likely future performance of the Company. In considering the prior performance information contained in this Prospectus, IIT Shareholders should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that the Company will achieve comparable results or be able to avoid losses.

Returns on Shareholders' investments in Shares will depend upon the AIFM's and the Investment Manager's ability to source and make successful investments on behalf of the Company in the face of competition from other entities seeking to invest in investment opportunities identified for the Company. Competition can create significant upward pressure on pricing, thereby reducing the potential investment returns. There is no guarantee that competitive pressures will not have a material adverse effect on the Company's financial position and returns for investors.

Many of the AIFM's and the Investment Manager's investment decisions will depend upon the ability of their employees and agents to carry out due diligence and obtain relevant information. There can be no guarantee that such information will be available or that the AIFM and the Investment Manager and their employees and agents will be able to obtain it. The AIFM and the Investment Manager may be required to make investment decisions without complete information, or in reliance upon information provided by third parties that is impossible or impracticable to fully verify. Further, the AIFM and the Investment Manager may not conduct due diligence which is wide enough in scope to reveal the potential risks of a particular investment. There can be no assurance that the AIFM and the Investment Manager will correctly identify and evaluate the nature and magnitude of the various factors that could affect the

value of and return on the Company's investments. Any failure by the AIFM and the Investment Manager to perform effective due diligence on potential investments may adversely affect the investment returns expected from a particular investment.

Further, the ability of the Company to pursue its investment policy successfully depends on the continued service of key personnel of the AIFM and the Investment Manager, and/or the AIFM's and the Investment Manager's ability to recruit individuals of similar experience and calibre. Whilst the AIFM and the Investment Manager seek to ensure that the principal members of its management teams are suitably incentivised, the retention of key members of those teams cannot be guaranteed. There is no guarantee that following the death, disability or departure from the AIFM or the Investment Manager of any key personnel the AIFM or the Investment Manager would be able to recruit a suitable replacement or avoid any delay in doing so. The loss of key personnel and any inability to recruit an appropriate replacement in a timely fashion could have an adverse effect on the future performance of the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

The AIFM and the Investment Manager are not required to commit all of their resources to the Company's affairs. Insofar as the AIFM and the Investment Manager devote resources to their responsibilities to other business interests, their ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the Company's profitability, the Company's NAV per Share and the market price of the Shares.

Potential conflicts of interest

The AIFM, the Investment Manager and their affiliates serve as the alternative investment fund manager, investment manager and/or investment adviser to other clients, including funds and managed accounts that have similar investment objectives and policies to that of the Company. These investment management services may on occasion give rise to conflicts of interest with the Company and may have a material adverse effect on the Company's business, financial condition, results of operations and the market price of the Shares. For example, the AIFM, the Investment Manager and/or their affiliates may have conflicts of interest in allocating their time and activity between the Company and their other clients, in allocating investments among the Company and their other clients and in effecting transactions between the Company and other clients, including ones in which the AIFM, the Investment Manager and/or their affiliates may have a greater financial interest. Furthermore, the AIFM and the Investment Manager may provide services to certain in-house funds into which the Company may invest which may give rise to a conflict of interest. There can be no assurance that the AIFM and the Investment Manager will resolve all conflicts of interest in a manner that is favourable to the Company.

There can be no assurance that the Board would be able to find a replacement alternative investment fund manager or investment manager if the AIFM or the Investment Manager were to resign or the Management Agreement were to be terminated

Under the terms of the Management Agreement, the AIFM may resign as the Company's manager by giving the Company not less than six months' written notice. Further, the Management Agreement may be terminated immediately upon notice by the AIFM or by the Company in certain circumstances.

The Board would, in such circumstances, have to find a replacement alternative investment fund manager and/or investment manager for the Company. There can be no assurance that a replacement with the necessary skills and experience would be available and could be appointed on terms acceptable to the Company. If the Management Agreement is terminated and a suitable replacement is not secured in a timely manner, this could have an adverse effect on the future performance of the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

Operational risks may disrupt the AIFM's and the Investment Manager's businesses, result in losses and/or limit the Company's growth

The Company relies heavily on the financial, accounting and other data processing systems of the AIFM and the Investment Manager. If any of these systems do not operate properly or are disabled, the Company could suffer financial loss or reputational damage. A disaster or a disruption in the infrastructure that supports the Company, or a disruption involving electronic communications or other

services used by the AIFM or the Investment Manager or third parties with whom the Company conducts business, could have a material adverse impact on the ability of the Company to continue to operate its business without interruption. The disaster recovery programmes used by the AIFM or the Investment Manager or third parties with whom the Company conducts business may not be sufficient to mitigate the harm that may result from such disaster or disruption. As such, this may have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

Reputational risks, including those arising from litigation against the AIFM, the Investment Manager or the Company, may disrupt the Company's investment strategy and growth

The Company may be exposed to reputational risks, including from time to time the risk that litigation, misconduct, operational failures, negative publicity and press speculation (whether or not valid) may harm the reputation of the AIFM, the Investment Manager or the Company. If the AIFM, the Investment Manager or the Company or any of its Directors is named as a party to litigation or becomes involved in regulatory inquiries, this could cause substantial reputational damage to the AIFM, the Investment Manager and the Company and result in potential counterparties, target companies and other third parties being unwilling to deal with the AIFM, the Investment Manager and/or the Company. Damage to the reputation of the AIFM, the Investment Manager and/or the Company may disrupt the Company's investment strategy, business or potential growth, which could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

RISKS RELATING TO REGULATION, TAXATION AND THE COMPANY'S OPERATING ENVIRONMENT

Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company

Any change in the Company's tax status, or in taxation legislation or practice in the United Kingdom or other jurisdictions to which the Company has exposure (including the jurisdictions in which companies in the Portfolio are based), could, depending on the nature of such change, adversely affect the value of investments in the Portfolio and the Company's ability to achieve its investment objective, or alter the post-tax returns to Shareholders. Statements in this Prospectus concerning the taxation of the Company and taxation of Shareholders are based upon current UK tax law and published practice, any aspect of which is in principle subject to change (potentially with retrospective effect) that could adversely affect the ability of the Company to pursue successfully its investment policy and/or which could adversely affect the taxation of the Company and the Shareholders.

In particular, the cost of the COVID-19 pandemic (and resultant increase in borrowing by many governments, particularly across Europe and North America (being areas in which the Company has significant exposure, as at the date of this Prospectus)) could result in increased taxes being levied over the short to medium term, which could adversely impact net cashflows received from the companies in the Portfolio and, in turn, adversely impact the Company's Net Asset Value and returns to Shareholders.

IIT Shareholders should consult their tax advisers with respect to their own tax position before deciding whether to invest in the Company.

Investment trust status

It is the intention of the Directors to continue to conduct the affairs of the Company so as to satisfy the conditions under section 1158 of the Corporation Tax Act and the Investment Trust Tax Regulations and, accordingly, for the Company to retain approval as an investment trust. In respect of each accounting period for which the Company is an approved investment trust, the Company will be exempt from UK corporation tax on chargeable gains. There is a risk that if the Company fails to maintain its status as an investment trust, the Company would be subject to the normal rates of corporation tax on chargeable gains arising on the transfer or disposal of investments and other assets, which could adversely affect the Company's financial performance, its ability to provide returns to its Shareholders or the post-tax returns received by its Shareholders. In addition, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status,

as the Shares are freely transferable. In the event that the Company fails to continue to satisfy the criteria for maintaining investment trust status, the Company will, as soon as reasonably practicable, notify Shareholders of this fact.

Changes in laws or regulations governing the Company's or the Investment Manager's operations may adversely affect the business and performance of the Company

The Company and the Investment Manager are subject to laws and regulations enacted by national and local governments.

The Company, as a closed-ended investment company incorporated in England and Wales, is subject to various laws and regulations in such capacity, including the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, UK MAR, the UK AIFMD Laws, the EU AIFM Directive, the UK PRIIPs Laws, the AIC Code and the Companies Act. The Company will be subject also to the continuing obligations imposed on all investment companies whose shares are admitted to trading on the Main Market and to listing on the premium listing category of the Official List. These rules, regulations and laws govern the way that, amongst other things, the Company is operated (i.e. its governance), how its Shares can be marketed and how it must deal with its Shareholders, together with requiring the Company to make certain reports, filings and notifications (and governing their respective content).

The laws and regulations affecting the Company, the AIFM and the Investment Manager are evolving. In particular, the United Kingdom voted in favour of withdrawing from the European Union in a referendum on 23 June 2016 and, on 29 March 2017, the UK Government exercised its right under Article 50 of the Treaty on the European Union to notify the European Union of the United Kingdom's intention to withdraw from the European Union. Although the United Kingdom and the European Union agreed a trading arrangement which took effect from 1 January 2021, there remains uncertainty with respect to the United Kingdom's trading relationship with the European Union and the political, economic, legal and social impact of such relationship going forward.

During this period of uncertainty, there may be significant volatility and disruption in: (i) the global financial markets generally, which could result in a reduction of the availability of capital and debt; and (ii) the currency markets as the value of Sterling fluctuates against other currencies. Such events may, in turn, contribute to worsening economic conditions, not only in the United Kingdom and Europe, but also in the rest of the world.

The nature of the United Kingdom's future relationship with the European Union may also impact and potentially require changes to the Company's regulatory position. With effect from 1 January 2021, historic EU legislation has largely been implemented into UK law, but it remains unclear as to how UK law will develop over time, including whether the UK will be required to adopt new EU legislation in the future for the purposes of proving equivalence and how UK law will diverge, if at all, from historic EU legislation. Accordingly, the impact on the Company of the United Kingdom's future relationship with the European Union and any resulting changes to the UK's legislative and regulatory framework is unclear. In addition, HM Treasury published a consultation in January 2021 titled "Review of the UK funds regime: A call for input", requesting input for the potential reform of the UK investment funds sector (which closed in April 2021). As at the date of this Prospectus, it is not clear what impact (if any) this consultation, and any changes implemented pursuant thereto, will have on the operations and prospects of the Company.

Any changes to the rules, laws and regulations affecting the Company, the AIFM and the Investment Manager could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

Shareholders may be subject to withholding and forced transfers under FATCA and there may also be reporting of Shareholders under other exchange of information arrangements

The UK has concluded an intergovernmental agreement ("IGA") with the US (the "US-UK IGA"), pursuant to which parts of FATCA have effectively been incorporated into UK law. Under the US-UK IGA a Foreign Financial Institution that is resident in the UK (a "Reporting FI") is not subject to withholding under FATCA provided that it complies with the terms of the US-UK IGA, including

requirements to register with the IRS and requirements to identify, and report certain information on, accounts held by certain US persons owning, directly or indirectly, an equity or debt interest in the company (other than equity and debt interests that are regularly traded on an established securities market, as described below) and report on accounts held by certain other persons or entities to HMRC, which will exchange such information with the IRS.

The Company expects that it will be treated as a Reporting FI pursuant to the US-UK IGA and that it will comply with the requirements under the US-UK IGA and relevant UK legislation. The Company also expects that its Shares may, in accordance with the current HMRC practice, comply with the conditions set out in the US-UK IGA to be “regularly traded on an established securities market” meaning that the Company should not have to report specific information on its Shareholders and their investments to HMRC.

However, there can be no assurance that the Company will be treated as a Reporting FI, that its Shares will be considered to be “regularly traded on an established securities market” or that it will not in the future be subject to withholding tax under FATCA or the US-UK IGA.

The UK has also implemented the CRS, under which the Company may be required to collect and report to HMRC certain information regarding Shareholders and HMRC may pass this information on to tax authorities in other jurisdictions.

The requirements under FATCA, the CRS and similar regimes and any related legislation, IGAs and/or regulations may impose additional burdens and costs on the Company or Shareholders. There is no guarantee that the Company will be able to satisfy such obligations and any failure to comply may materially adversely affect the Company’s business, financial condition, results of operations, NAV and/or the market price of the Shares. In addition, there can be no guarantee that any payments in respect of the Shares will not be subject to withholding tax under FATCA. To the extent that such withholding tax applies, the Company is not required to pay any additional amounts to Shareholders.

In acquiring Shares, each Shareholder is agreeing, upon the request of the Company or its delegate, to provide such information as is necessary to comply with FATCA, the CRS and other similar regimes and any related legislation, IGAs and/or regulations. In particular, investors should be aware that certain forced transfer provisions contained in the Articles may apply in the case that the Company suffers any pecuniary disadvantage as a result of the Company’s failure to comply with FATCA.

Investors should consult with their respective tax advisers regarding the possible implications of FATCA, the CRS and similar regimes concerning the automatic exchange of information and any related legislation, IGAs and/or regulations.

The Company has not, does not intend to and may be unable to become registered as an investment company under the US Investment Company Act and related rules

The Company has not, does not intend to and may be unable to become registered with the SEC as an “investment company” under the US Investment Company Act and related rules. The US Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered, does not intend to so register and may be unable to so register, none of these protections or restrictions are or will be applicable to the Company. However, if the Company were to become subject to the US Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the US Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect the operating results and financial performance of the Company. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the US Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity and shareholders in that entity may be entitled to withdraw their investment. In order to ensure compliance with exemptions that permit the Company to avoid being required to register as an investment company under the US Investment Company Act and related rules, the Company has implemented appropriate restrictions on the ownership and transfer of Shares, which may affect a US investor’s ability to hold or transfer Shares and may in certain circumstances require the US investor to transfer or sell its Shares.

RISKS RELATING TO AN INVESTMENT IN THE SHARES

Investors may not recover the full amount of their investment in the Shares

The Company's ability to achieve its investment objective and pursue its investment policy successfully may be adversely affected by the manifestation of any of the risks described in this "Risk Factors" section of this Prospectus or other market conditions (or significant changes thereto). The market price of the Shares may fluctuate significantly, particularly in the short term, and potential investors should regard an investment in the Shares as a medium to long term investment.

As with any investment, the price of the Shares may fall in value. The maximum loss on an investment in the Shares is equal to the value of the initial investment and, where relevant, any gains or subsequent investments made. IIT Shareholders therefore may not recover the full amount initially invested in the Shares, or any amount at all.

The Shares may trade at a discount to Net Asset Value and the price that can be realised for Shares will be subject to market fluctuations

It is unlikely that the price at which the Shares trade will be the same as their Net Asset Value (although they are related). The shares of an investment company such as the Company may trade at a discount to their net asset value. This could be due to a variety of factors, including due to market conditions or an imbalance between supply and demand for the Shares. While the Directors may seek to mitigate the discount to Net Asset Value through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such efforts will be successful. As a result of this, investors that dispose of their interests in the Shares in the secondary market may realise returns that are lower than they would have been if an amount equivalent to the Net Asset Value was distributed.

The market price of the Shares may fluctuate significantly and Shareholders may not be able to sell Shares at or above the price at which they purchased those Shares. Factors that may cause the price of the Shares to vary include those detailed in this "Risk Factors" section of this Prospectus, such as: changes in the Company's financial performance and prospects, or in the financial performance and market prospects of the Company's investments or those which are engaged in businesses that are similar to the Company's business; the termination of the Management Agreement or the departure of some or all of the AIFM's or the Investment Manager's key investment professionals; changes in or new interpretations or applications of laws and regulations that are applicable to the Company's business or to the companies in which the Company makes investments; general economic trends and other external factors, including those resulting from war (in particular, the current conflict in Ukraine which is beginning to have an impact on the global economy, ranging from decreases in the supply (and/or increases to the costs) of goods to increases (and increased volatility) in the price of oil), incidents of terrorism, pandemics or responses to such events; poor performance in any of the Investment Manager's activities or any event that affects the Company's or the Investment Manager's reputation; speculation in the press or investment community regarding the Company's business or investments, or factors or events that may directly or indirectly affect the Company's business or investments; and foreign exchange risk as a result of making and selling equity investments denominated in currencies other than Sterling.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance or fundamentals of individual companies. Market fluctuations may adversely affect the trading price of the Shares. As with any investment, the price of the Shares may fall in value with the maximum loss on such investments being equal to the value of the initial investment and, where relevant, any gains on subsequent investments made.

It may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Shares, and Shareholders have no right to have their Shares redeemed or repurchased by the Company

Admission should not be taken as implying that there will be an active and liquid market for the Shares. Limited liquidity in the Shares may affect: (i) an investor's ability to realise some or all of its/their investment; and/or (ii) the price at which such Shares trade in the secondary market. The price at which the Shares will be traded will be influenced by a variety of factors, some specific to the Company and its investments and some which may affect companies generally.

Further, the Company is a closed-ended investment company and Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Subject to the Companies Act, the Directors retain the right to effect repurchases of Shares. However, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors to exercise such powers. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Shares on the market. There can be no guarantee that a liquid market in the Shares will develop or that the Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value, or at all.

The Company may in the future issue new Shares which may dilute Shareholders' equity or have a detrimental effect on the market price of the Shares

Further issues of Shares may, subject to compliance with the relevant provisions of the Companies Act and the Articles, be made on a non pre-emptive basis. Any such issue may dilute the percentage of the Company held by Shareholders. Additionally, such issues could have an adverse effect on the market price of the Shares.

The Shares are subject to significant transfer restrictions for Shareholders in the United States

The New Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States and in a manner which would not result in the Company being required to register under the US Investment Company Act. There has been and will be no public offer of the New Shares in the United States.

There are significant restrictions on the purchase and resale of Shares by Shareholders who are located in the United States, are US Persons, or who hold Shares for the account or benefit of US Persons and on the resale of Shares by any Shareholders to any person who is located in the United States or to, or for the account or benefit of, a US Person. If in the future the initial purchaser, as well as any subsequent holder, decides to offer, sell, transfer, assign or otherwise dispose of the Shares, they may do so only: (i) outside the United States in an "offshore transaction" complying with the provisions of Regulation S under the US Securities Act to a person not known by the transferor to be a US Person, by pre-arrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

In order to avoid being required to register under the US Investment Company Act and to address certain ERISA, US Tax Code and other considerations, the Company has imposed significant restrictions on the transfer of the Shares which may materially affect the ability of Shareholders to transfer Shares in the United States, or to, or for the account or benefit of, US Persons. These restrictions may make it more difficult for a US Person or a Shareholder in the United States to resell the Shares and may have an adverse effect on the liquidity and market value of the Shares.

In connection with the Issue, the New Shares are being offered or sold/transferred only (i) outside the United States in "offshore transactions" to non-US Persons pursuant to Regulation S under the US Securities Act, and (ii) to persons who are both Qualified Purchasers and Accredited Investors pursuant to an exemption from the registration requirements of the US Securities Act, and who, in the case of (ii), have executed the AI/QP Investor Letter and returned it to the Company and Computershare. If any person does not execute and return the AI/QP Investor Letter to the Company and Computershare and the Board believes the acquisition/receipt of New Shares by such person would: (i) give rise to an obligation on the Company to register as an "investment company" under the US Investment Company Act or any similar legislation; (ii) give rise to an obligation on the Company to register under the US Exchange Act or any similar legislation; (iii) result in the Company no longer being considered a "foreign private issuer" for the purposes of the US Securities Act or the US Exchange Act; (iv) result in a Benefit Plan Investor acquiring/receiving New Shares; or (v) result in a US Person holding Shares in violation of the transfer restrictions put forth in any prospectus published by the Company from time to time (each person described in (i) to (v) above, being an "Ineligible US Shareholder"), such person will be deemed to have elected for the Cash Option in respect of their entire holding.

RISK RELATING TO THE SCHEME

Implementation of the Scheme is subject to certain conditions

Implementation of the Scheme is conditional, amongst other conditions, upon: (i) the passing of the Resolution to approve the issue of New Shares at the General Meeting; and (ii) IIT Shareholders approving the Scheme. If any condition of the Scheme is not met, the Scheme will not be implemented and certain costs and expenses incurred in connection with the Scheme may be borne by the Company. In these circumstances, the Company and IIT would remain as separate investment trusts.

IMPORTANT INFORMATION

General

This Prospectus should be read in its entirety. IIT Shareholders should rely only on the information contained in this Prospectus or any supplementary prospectus published by the Company prior to Admission. No person has been authorised to give any information or make any representations in connection with the Issue other than the information contained in, or incorporated by reference into, this Prospectus (or any supplementary prospectus published by the Company prior to the date of Admission) and, if given or made, such information or representations about the Company or the Issue must not be relied upon as having been authorised by or on behalf of the Company, the AIFM, the Investment Manager, Investec or any of their respective affiliates, officers, directors, members, employees or agents.

Without prejudice to the Company's obligations under the UK Prospectus Regulation, the Listing Rules, the Disclosure Guidance and Transparency Rules and UK MAR, neither the delivery of this Prospectus nor the issue of New Shares made pursuant to the Issue shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained herein, including any forward-looking statements, is correct as at any time subsequent to the date of this Prospectus.

The Shares are designed to be held over the long-term and are not suitable as a short-term investment. The value of an investment in the Company and any income derived from it, if any, may go down as well as up. An investment in the Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which might result from such an investment (which may be equal to the whole amount invested). Accordingly, typical investors in the Shares are institutional investors, private clients through their wealth managers, experienced investors, high net worth investors, professionally advised investors and retail investors (who may have basic or no knowledge and experience of investing in financial markets) who have taken appropriate steps to ensure that they understand the risks involved in investing in the Company.

There can be no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment. There can be no guarantee that the investment objectives of the Company will be achieved or will provide the returns sought by the Company. The investment objective of the Company is a target only and should not be treated as an assurance or guarantee of performance. The past performance of the Company is not a guarantee of the future performance of the Company. Shareholders will bear the rewards and risks of the success or otherwise of the Company's investments. Although the Shares are, and the New Shares will be, listed on the premium segment of the Official List and admitted to trading on the Main Market, it is possible that there may not be a liquid market in the Shares and Shareholders may have difficulty in selling them.

IIT Shareholders should carefully consider all of the information contained in this Prospectus. However, IIT Shareholders should not treat the contents of this Prospectus or any subsequent communication from the Company, the AIFM, the Investment Manager, Investec or any of their respective affiliates, officers, directors, members, employees or agents as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other related matters.

Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Investec makes no representations, express or implied, nor accepts any responsibility whatsoever for the contents of this Prospectus or for any statement made or purported to be made by it or on its behalf in connection with the Company, the Issue, the Scheme or the Shares. Investec (and its affiliates) accordingly, to the fullest extent permitted by law, disclaims all and any responsibility or liability, whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles of the Company. A summary of the provisions in the Articles relating to the

rights attaching to the Shares, including any limitation of those rights and procedures for the exercise of those rights is set out in paragraph 6 of Part 6 (*General Information*) of this Prospectus.

Statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes in such law and practice.

If you are in doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other professional or other financial adviser.

Selling restrictions

The New Shares are only available to IIT Shareholders and are not being offered to Existing Shareholders (save to the extent an Existing Shareholder is also an IIT Shareholder) or to the public.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any New Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

The distribution of this Prospectus and the offering of New Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of New Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction relevant to them in connection with any proposed applications for New Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction.

Save for in the United Kingdom and save as explicitly stated elsewhere in this Prospectus, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of New Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus in any other jurisdiction where action for that purpose is required.

Notice to prospective investors with respect to United States federal securities laws

The Company has not been and will not be registered under the US Investment Company Act and as such investors are not and will not be entitled to the benefits of the US Investment Company Act. The New Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not result in the Company being required to register under the US Investment Company Act. There has been and will be no public offer of the New Shares in the United States.

In connection with the Issue, the New Shares are being offered and sold only: (i) outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S; and (ii) to persons who are both Qualified Purchasers and Accredited Investors pursuant to an exemption from the registration requirements of the US Securities Act, and who, in the case of (ii), have executed the AI/QP Investor Letter and returned it to the Company and Computershare.

Neither the SEC nor any state securities commission has approved or disapproved this Prospectus or the issue of the New Shares or passed upon or endorsed the merits of the offering of the New Shares or the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Any failure to comply with such restrictions may constitute a violation of applicable securities laws and may subject the holder to the forced transfer and other provisions set out in the Articles. For further information on restrictions on transfers of the Shares, please refer to the section titled “Overseas IIT Shareholders and

Sanctions Restricted Persons” at paragraph 9 of Part 3 (*Details of the Scheme and the Issue*) of this Prospectus.

Notice to prospective investors in Bermuda

Interests may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudan persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermudan legislation.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) the UK’s implementation of EU Directive 2014/65/EU on markets in financial instruments, as amended (“**UK MiFID II**”); and (b) the UK’s implementation of Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing UK MiFID II, and, in particular, Chapter 3 of the Product Intervention and Product Governance Sourcebook of the FCA (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Shares have been subject to a product approval process, which has determined that the New Shares to be issued pursuant to the Issue are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in UK MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by UK MiFID II (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors (such term to have the same meaning as in the MiFID II Product Governance Requirements) should note that: (i) the price of the New Shares may decline and investors could lose all or part of their investment; (ii) the New Shares offer no guaranteed income and no capital protection; and (iii) an investment in the New Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may be equal to the whole amount invested from such an investment. Accordingly, typical investors in the New Shares are expected to be institutional investors, private clients through their wealth managers, experienced investors, high net worth investors, professionally advised investors and retail investors who may have basic or no knowledge and experience of investing in financial markets who have taken appropriate steps to ensure that they understand the risks involved in investing in the Company. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of UK MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares when determining appropriate distribution channels.

UK PRIIPs Laws

Investors should be aware that the UK PRIIPs Laws require the AIFM, as PRIIP manufacturer, to prepare a key information document (“**KID**”) in respect of the Company. This KID must be made available by the AIFM to retail investors prior to them making any investment decision and is available on the Company’s website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns referred to in the KID are prescribed by the law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

Non-mainstream pooled investments status and UK MiFID II

As the Company is a closed-ended investment company which is an investment trust domiciled in the United Kingdom, the New Shares will be “excluded securities” under the FCA’s rules on

non-mainstream pooled investments. Accordingly, the promotion of the Shares is not subject to the FCA's restriction on the promotion of non-mainstream pooled investments. The Board has reviewed UK MiFID II and the ESMA guidance published in relation thereto and has concluded that the Shares constitute a "non-complex" product for the purposes of UK MiFID II.

Data protection

The information that IIT provides to the Company or its agents in relation to the Issue or subsequently, by whatever means, which relates to the IIT Shareholders who are individuals or a third party individual ("**personal data**") will be held and processed by the Company in compliance with relevant data protection legislation and regulatory requirements. Such personal data may include:

- personal details such as name, title, date of birth, addresses, telephone numbers and email addresses;
- identification and verification information and documents, such as signatures, passports, driving licences, birth/marriage certificates and tax/credit references; and
- financial and transactional information, and instructions, relating to an investment.

By electing to receive the New Shares each IIT Shareholder acknowledges that such information will be held and processed by the Company for the following purposes:

- the performance of the Company's contract with an IIT Shareholder;
- acting in a way that is necessary for the Company's legitimate interests, including carrying out the business of the Company and the administering of interests in the Company;
- complying with the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere, including verifying the identity of an IIT Shareholder to comply with statutory and regulatory requirements in relation to anti-money laundering procedures; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Each IIT Shareholder acknowledges that, where appropriate, it may be necessary for the Company to:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to provide services to the IIT Shareholder; and
- transfer personal data outside of the UK and/or EEA Member States to countries or territories which may not offer the same level of protection of personal data provided that, in each case, adequate safeguards are in place for the protection of such personal data in accordance with the relevant data protection legislation and regulatory requirements in the United Kingdom and/or EEA (as applicable).

Personal data relating to IIT Shareholders shall be retained by the Company for as long as necessary to fulfil the purposes it was collected for, including for the purposes of satisfying any legal or regulatory requirements.

Individuals have certain rights in relation to their personal data – specifically, the right to be informed, the right of access, the right to rectification, the right to erasure, the right to restrict processing, the right to data portability, the right to object to processing and the right to complain to the relevant supervisory authority (which, in the United Kingdom, is the UK Information Commissioner's Office).

IIT Shareholders acknowledge that each of the AIFM and the Investment Manager will be a separate controller of the personal data and such personal data shall be held and processed by the AIFM and/or Investment Manager in compliance with relevant data protection legislation and regulatory requirements, and the AIFM and Investment Manager's privacy policy (available at <https://www.bailliegifford.com/en/uk/about-us/important-disclosures/business-contacts-privacy-notice/>). IIT Shareholders are responsible for informing and obtaining any required consent of any third party individual to whom the personal data relates to the disclosure and use of such data in accordance with these provisions.

Shareholders will be notified if an updated privacy policy has been published on the Company's website through a RIS.

Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts and include statements regarding the intentions, beliefs or current expectations of the Company, the Directors, the AIFM or the Investment Manager concerning, amongst other things, the Company’s investment objective and investment policy, the Company’s investment performance, results of operations, financial condition, prospects, and dividend policy and the markets in which the Company invests and/or operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur. The Company’s actual investment performance, results of operations, financial condition, dividends paid and its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition of the Company and its financing strategies are consistent with the forward-looking statements contained in this Prospectus, those results, its condition or strategies may not be indicative of results, its condition or strategies in subsequent periods. Important factors that could cause these differences include, but are not limited to, the factors set out in the “Risk Factors” section of this Prospectus.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this Prospectus reflect the Company’s view with respect to future events as at the date of this Prospectus and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s operations and strategy. The Company, the AIFM, the Investment Manager and the Sponsor undertake no obligation to revise or update any forward-looking statements contained herein (save where required by the Prospectus Regulation Rules, the Listing Rules, UK MAR, EU MAR, the Disclosure Guidance and Transparency Rules, the EU AIFM Directive or the UK AIFMD Laws), whether as a result of new information, future events, conditions or circumstances, any change in the Company’s, the AIFM’s or the Investment Manager’s expectations with regard thereto or otherwise. However, Shareholders are advised to read any communications that the Company may make directly to them, and any additional disclosures in announcements that the Company may make through an RIS following the date of this Prospectus.

Given these uncertainties, IIT Shareholders are cautioned not to place any undue reliance on such forward-looking statements and should carefully consider the section of this Prospectus titled “Risk Factors” for a discussion of additional factors that could cause the Company’s actual results to differ materially before making any investment decision.

Notwithstanding the foregoing, nothing contained in this Prospectus shall in any way be taken to qualify the working capital statement contained in paragraph 7 of Part 4 (*Financial Information (Including Portfolio Information)*) of this Prospectus.

Taxation

Any change in the Company’s tax status or in taxation legislation or accounting practice could affect the value of the investments held by the Company, affect the Company’s ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Representations in this Prospectus concerning the taxation of investors are based upon tax law and practice as at the date of this Prospectus, which are, in principle, subject to change. Any change in accounting standards may adversely affect the value of the Company’s assets and liabilities in its books of account or restrict the ability of the Company to pay dividends.

A guide to the general UK taxation position as at the date of this Prospectus is set out in Part 5 (*UK Taxation*) of this Prospectus.

Tax reporting, FATCA and Common Reporting Standard (“CRS”)

Shareholders should furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA or CRS. Shareholders may be subject to tax reporting under applicable laws. FATCA and CRS documentation and reporting

obligations can also arise in respect of Shareholders where third parties hold shares or act on their behalf.

Latest practicable date

In this Prospectus, where the context requires, references to 3 October 2022 should be treated as being references to the latest practicable date prior to the publication of this Prospectus.

Defined Terms

Capitalised terms contained in this Prospectus have the meanings ascribed to them in Part 7 (*Definitions*) of this Prospectus, save where the context indicates otherwise.

Documents incorporated by reference

The following sections of the annual report and audited financial statements of the Company for the financial years ended 30 April 2021 and 30 April 2022 are deemed relevant for the purposes of this Prospectus and are incorporated by reference into this Prospectus. The non-incorporated parts of these financial reports of the Company are either not relevant to investors or are covered elsewhere in this Prospectus.

- the sections listed in the section titled “Historical financial information” of Part 4 (*Financial information (Including Portfolio information)*) of this Prospectus; and
- the sections listed in the section titled “Operating and financial review” of Part 4 (*Financial information (Including Portfolio information)*) of this Prospectus.

The sections which have not been incorporated are not deemed relevant to investors for the purposes of this Prospectus.

The documents incorporated by reference can be obtained from the Company’s website (<https://www.bailliegifford.com/en/uk/individual-investors/funds/monks-investment-trust/>).

No incorporation of website information

Without limitation, neither the contents of the Company’s website nor the websites of the AIFM, the Investment Manager or Investec (or any other website) nor the content of any website accessible from hyperlinks on the Company’s or the AIFM’s or the Investment Manager’s or Investec’s website (or any other website) is incorporated into, or forms part of this Prospectus, or has been approved by the FCA. Investors should base their decision as to whether or not to invest in the Shares on the contents of this Prospectus alone.

Governing law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes therein.

EXPECTED TIMETABLE

2022

GENERAL MEETING

Publication of the Circular and notice of General Meeting	6 October
Latest time and date for receipt of Forms of Proxy for the General Meeting	11.00 a.m. on 3 November
General Meeting	11.00 a.m. on 7 November
Announcement of results of the General Meeting	7 November

SCHEME

Publication of this Prospectus	6 October
First IIT General Meeting	9.30 a.m. on 31 October
Record Date for entitlements under the Scheme	6.00 p.m. on 31 October
Calculation Date for the Scheme	market close on 2 November
Suspension of listing of IIT Shares and IIT Register closes	7.30 p.m. on 8 November
Second IIT General Meeting	9.30 a.m. on 8 November
Effective Date for implementation of Scheme	8 November
Announcement of results of the Scheme and respective FAVs	8 November
Admission and dealings in New Shares commence	8.00 a.m. on 9 November
CREST Accounts credited in respect of New Shares in uncertificated form	8.00 a.m. on 9 November
Certificates despatched by post in respect of New Shares	by 12 November (or as soon as practicable thereafter)
Cancellation of listing of IIT Shares	as soon as practicable after the Effective Date

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

ISSUE STATISTICS

Number of New Shares to be issued	Based on a ratio between the MNKS FAV per Share and IIT FAV per Share of 0.409225 (which, in turn, is based on the Company's NAV and the IIT NAV (each as at 29 September 2022) and adjusted as set out in this Prospectus), the Scheme would result in the issue of 10,620,790 New Shares ¹
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DEALING CODES

ISIN	GB0030517261
SEDOL	3051726
Ticker code	MNKS
Legal Entity Identifier (LEI) of the Company	213800MRI1JTUKG5AF64

¹ This is illustrative only and is based on the illustration provided in paragraph 2.3 of Part 3 (*Details of the Scheme and the Issue*) of this Prospectus. The number of New Shares to be issued pursuant to the Issue is not known at the date of this Prospectus and will depend on the ratio produced by the division of the IIT FAV per Share by the MNKS FAV per Share, multiplied by the number of IIT Shares that are elected (or deemed to be elected) for the Rollover Option. The total number of New Shares to be issued pursuant to the Issue will be notified by way of an RIS announcement on or around 8 November 2022.

DIRECTORS, AIFM, INVESTMENT MANAGER AND OTHER ADVISERS

Directors	Mr Karl Sternberg (<i>Chairman</i>) Ms Claire Boyle Ms Belinda Richards Professor Sir Nigel Shadbolt Mr Jeremy Tighe
Registered office	c/o Computershare Investor Services PLC Moor House 120 London Wall London EC2Y 5ET
Alternative Investment Fund Manager and Company Secretary	Baillie Gifford & Co Limited Calton Square 1 Greenside Row Edinburgh EH1 3AN
Investment Manager	Baillie Gifford & Co Calton Square 1 Greenside Row Edinburgh EH1 3AN
Corporate broker and sponsor in relation to the Issue	Investec Bank plc 30 Gresham Street London EC2V 7QP
UK legal adviser	Dickson Minto W.S. Broadgate Tower 20 Primrose Street London EC2A 2EW
Depository	The Bank of New York Mellon (International) Limited 1 Canada Square London E14 5AL
Auditors	Ernst & Young LLP Atria One 144 Morrison Street Edinburgh EH3 8EX
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ
Reporting Accountant	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG

PART 1

THE MONKS INVESTMENT TRUST PLC

1. INTRODUCTION AND HISTORY

The Monks Investment Trust PLC (the “**Company**”) is a closed-ended public limited company incorporated on 6 February 1929 in England and Wales with registered number 00236964. The Company has an unlimited life and is registered as an investment company under section 833 of the Companies Act. The Company 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 being The Friars Investment Trust and The Abbots Investment Trust. In 1931, Baillie Gifford took over the management of all three trusts and the Company became a founding member of the Association of Investment Trusts in 1932. In 1968, under a scheme of arrangement, the three trusts were merged with the Company acquiring the ordinary share capital of The Friars Investment Trust and The Abbots Investment Trust. The Company's investment objective is to invest globally to achieve capital gains, which takes priority over income and dividends. The Company's comparative index is the FTSE World Index. As at 3 October 2022, the Company had a Net Asset Value of approximately £2.34 billion.

The Company's Shares are listed on the premium segment of the Official List and traded on the Main Market.

Baillie Gifford & Co Limited (“**BGL**” or the “**AIFM**”), a wholly owned subsidiary of Baillie Gifford & Co, has been appointed as the Company's Alternative Investment Fund Manager and Company Secretary. The AIFM has delegated portfolio management services to Baillie Gifford & Co (“**Baillie Gifford**” or the “**Investment Manager**”). Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited.

Since 2015, the Company has been managed by Baillie Gifford's Global Alpha Team, and its lead investment managers are Spencer Adair and Malcolm MacColl. Mr Adair is the lead investment manager of the Company and Mr MacColl is the deputy investment manager. Mr Adair and Mr MacColl are both partners at Baillie Gifford and have been working together since 2005. Mr MacColl is one of Baillie Gifford's two joint senior partners. Short biographies in respect of both are set out in paragraph 2.15 of this Part 1.

2. BACKGROUND TO THE PUBLICATION OF THIS PROSPECTUS

2.1. Background to the Proposals

As announced on 9 August 2022, Max Ward, the Managing Director and full-time portfolio manager of IIT, informed the IIT Board of his intention to retire. Given the impact Mr Ward's retirement would have on IIT, the IIT Board carefully considered the various options available to IIT and decided that a combination with the Company by means of a scheme of reconstruction and voluntary winding up of IIT under the Insolvency Act 1986 (the “**Scheme**”) offered the greatest benefits to IIT Shareholders, with the combined portfolio to be managed by Baillie Gifford. Following completion of the Scheme, it is intended that the Company's Portfolio will continue to be managed on the same basis as it is currently. In particular, the Company's investment objective and investment policy will not be amended following the implementation of the Proposals and the Portfolio will continue to be managed by Spencer Adair, supported by Malcolm MacColl and Baillie Gifford's Global Alpha team.

Implementation of the Scheme is conditional upon, among other things, approval by Shareholders and IIT Shareholders.

2.2. The Proposals

The implementation of the Scheme will involve the members' voluntary liquidation of IIT, with IIT Shareholders who have so elected (or are deemed to have so elected) rolling over their investment in IIT (in whole or in part) into the Company (the “**Rollover Option**”) and/or electing for the Cash Option (as defined below).

Subject to the passing of the Resolution to be proposed at the General Meeting to approve the issue of New Shares under the Scheme, and subject to the satisfaction of the other conditions (details of which

are set out in Part 3 (*Details of the Issue and Scheme*) of this Prospectus), the Scheme provides for part of IIT's cash, assets and undertaking to be transferred to the Company in consideration for the issue by the Company of New Shares of an equivalent value to IIT Shareholders and will be effected on a formula asset value ("**FAV**") for FAV basis as at the Calculation Date. For the purposes of the Scheme, the NAVs of each of the Company and IIT will be adjusted to take account of debt calculated at fair value and dividends, or any other distributions, declared but not paid prior to the Effective Date, in order to determine their respective FAVs. The New Shares will be issued on a non pre-emptive basis and will rank equally in all respects with the existing issued Shares (other than in respect of dividends with a record date before the date of the Issue).

As part of the Proposals, IIT Shareholders may elect to receive cash instead of New Shares in respect of some or all of their holdings in IIT at a discount of 2 per cent. to the Residual NAV per IIT Share (the "**Cash NAV per IIT Share**") (the "**Cash Option**"). There will be no limit on the amount of IIT Shares which may be elected for the Cash Option.

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

Further details of the Scheme and the Issue are set out in Part 3 (*Details of the Issue and Scheme*) of this Prospectus.

2.3. Benefits of the Proposals

The Board and the IIT Board believe that the Proposals should prove attractive for IIT Shareholders, offering an investment in an enlarged investment trust that has significant scale, a strong investment track record, a low ongoing charges ratio and which historically has traded at a narrower discount to NAV than IIT prior to the announcement of the Proposals.

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

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

2.4. Investment outlook

Much of 2022 has been a perfect storm for growth investors. Falls in global equity prices have occurred amid a challenging backdrop of supply chain disruption and rising levels of inflation, both of which have contributed to a deteriorating macroeconomic outlook. Uncertainty around the regulatory regime in China, the tragic events in Ukraine and higher interest rates imposed by central banks across Europe and North America has resulted in a high degree of scepticism permeating global markets with regards to the future potential of companies yet to achieve sustained profitability. This has led to a surge in volatility and an extreme shift in sentiment characterised by a swing away from growth towards more value-oriented parts of the market. Accordingly, after five sequential years of outperformance, the Company's portfolio has suffered as a significant proportion of its portfolio companies' value is in the future.

Nevertheless, the Investment Manager firmly believes that its approach to growth investing will yield returns. Whatever the course of macroeconomic policy or conditions, the Investment Manager believes that companies that ultimately do well are those that capture and exploit change. This is what the Investment Manager seeks to do through its bottom-up, stock-picking approach. The Investment Manager believes that its identification and patient ownership of, in its view, exceptional companies driving fundamental change is likely to support real growth and remains the best source of wealth creation.

The Investment Manager defines exceptional companies as those that have the potential to deliver above market average rates of earnings growth over periods of five years or more. There is a very high correlation between companies that ultimately deliver on this potential and those that also outperform in share-price terms. Looking at the thousands of stocks in the global universe of equities dating back 30 years and categorising them according to their rates of earnings growth, share-price returns clearly and consistently follow operational performance. This relationship between the potential for long-term value creation and share-price performance may break down over shorter periods, but remains resilient in the long term and underpins the Investment Manager's steadfast approach to long-term investing.

2.5. Investment performance

Since the current Global Alpha team took over the management of the Portfolio on 31 March 2015, the Company's NAV per Share and share price appreciated by 147.8 per cent. and 94.1 per cent. to 3 October 2022, respectively.

Over the five years to 3 October 2022, the Company's NAV per Share and share price appreciated by 46.5 per cent. and 31.7 per cent., respectively.

Since the date of the Company's last financial year end, being 30 April 2022, to 3 October 2022, the Company's NAV per Share decreased by 2.8 per cent., which can be compared against the FTSE World Index which fell by 3.9 per cent. over the same period. The Share price over the same period fell by 10.1 per cent. to 945 pence and ended the period trading at a discount of 11.6 per cent. to the NAV per Share as at 3 October 2022.

2.6. The Company's performance track record

	As at 3 October 2022 (p)	6 months (%)	1 year (%)	3 years (%)	5 years (%)	10 years (%)
Share price	945.0	-15.13	-30.86	+9.15	+32.97	+217.19
NAV per share	1068.90	-10.72	-22.67	+26.60	+47.87	+207.60
FTSE World Index (in sterling terms)		-7.00	-2.05	+31.51	+54.79	+217.28

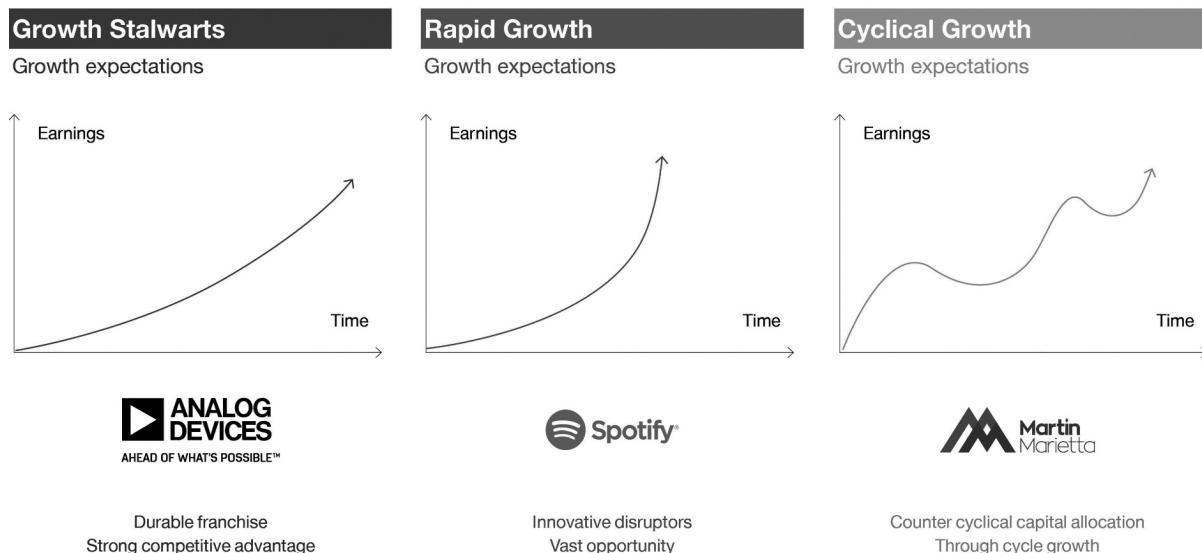
Source: Refinitiv. Data to 3 October 2022 (being the latest practicable date for this data). Total return; NAV to NAV, net income reinvested, GBP. Share price total return is on a mid-to-mid basis. Total return calculations assume dividend reinvestment as at the ex-dividend date. NAV per share and NAV total returns calculated with debt valued at fair value. Past performance is not a reliable indicator of future results.

2.7. Investment philosophy

The Investment Manager invests in growth companies using a 'bottom-up' investment process, in which the analysis of individual companies and their fundamentals takes priority over macroeconomic forecasts. The Investment Manager considers itself an index agnostic global investor that does not bind itself to investments in circumscribed locations or markets, focussing instead on companies which have, in the Investment Manager's opinion, the most attractive growth prospects, regardless of their location.

The Investment Manager firmly believes that, over the longer term, share prices follow fundamentals and that growth drives returns and therefore aims to produce a portfolio of investments with above average growth. By categorising holdings into three distinct growth types – growth stalwarts, rapid growth and cyclical growth – the Investment Manager takes a differentiated and disciplined approach to growth investing which ensures that the Company's portfolio benefits from a diverse array of growth drivers.

Global Alpha Growth Profiles



Multiple sources of growth, different perspectives

Source: Baillie Gifford. The above chart is provided for information purposes only and does not constitute a recommendation, a solicitation, an offer, advice or an invitation to purchase or sell any security and should under no circumstances be interpreted as such. Past performance is not a reliable indicator of future results.

This investment matrix is further layered with three broad holding sizes which allows the Investment Manager to back its judgement in those investments in which it has greatest conviction. The Company's holdings in smaller, or 'incubator', positions present a different risk/reward trade-off and while some may be unsuccessful, a handful may rise several fold: the latter should outweigh the former. This approach seeks to take advantage of this asymmetry of returns that equity investing offers (limited downside and uncapped upside).

The Investment Manager takes a long-term perspective to investment which allows company fundamentals to drive returns. Companies that are managed with a long-term mindset are prioritised over those which try to manage market expectations in the short term, thus enabling the Investment Manager to focus on what, in its opinion, is important to sustain growth during inevitable periods of underperformance. In turn, this enables the Company to have a greater influence on environmental, social and governance matters at portfolio company level. The Company takes the responsibility of being stewards of capital seriously. The approach seeks to identify and nurture companies which, in the Investment Manager's view, are capable of generating strong long-term returns. Core to this is the desire to invest in companies with vast opportunities and to build lasting relationships with those driving their success. The Investment Manager views its role as supporting ambition and helping what it considers are special businesses to meet their full potential. The Investment Manager believes that companies that behave responsibly towards their employees, customers, the environment and shareholders will, over the long-term, outperform. In other words, good governance leads to superior returns. The Investment Manager sees it as its duty to engage with, and challenge management teams to ensure sustainability forms a fundamental part of decision making.

2.8. Investment process

The Global Alpha investment managers spend the majority of their time researching stock ideas. The team also draws on the experience of the wider Baillie Gifford investment department, drawing on the stock ideas generated by different teams. Further research is then conducted on stocks which the Global Alpha Team believes may merit inclusion in the Portfolio. To ensure that the Global Alpha Team is able to draw upon the research being undertaken around the firm, they have seven 'Investment Scouts'. These scouts are senior members of other equity investment teams who explicitly dedicate a portion of their time to sharing ideas with the Global Alpha Team. To supplement regular informal interaction, the Global Alpha Team gather for a Portfolio Review Group ("PRG") meeting roughly every six weeks. The PRG consists of the three managers and dedicated analysts together with the Global Alpha Investment Scouts. At the PRG meeting, the Investment Scouts show their enthusiasm for stock

ideas by ranking the stocks that are currently in the Global Alpha portfolio, and those that they believe warrant inclusion in the future. Ideas are debated in a global context. If further work is required, the Global Alpha Team will either conduct this themselves or will ask the appropriate Investment Scout to undertake the work. Qualitative examination of companies is critical to the company research and selection process. Research is generated internally, using a wide range of sources including the companies themselves. For every investment under consideration, the Global Alpha Team analyses three aspects: the opportunity available to the relevant company, its ability to execute on that opportunity, and the valuation of the business.

The Investment Manager's core belief is that share prices ultimately follow earnings. For this reason, the Investment Manager aims to select stocks that offer the prospect of sustainable, above average growth in earnings and cash flow. The Investment Manager considers a wide variety of relevant valuation metrics for different companies across the Portfolio, depending on the nature of the companies in question. The Investment Manager's approach is to consider the range of possible scenarios for companies over the next five to ten years and consider the probabilities across these different outcomes. For example, on the resilience of the holdings to an economic downturn the Investment Manager will look at cash flows, debt covenants, ability to draw down funds etc. The Investment Manager then looks at what a sensible valuation multiple might be for that company five years out and considers whether the potential returns against the current share price are sufficiently attractive to justify a position in the Portfolio. Security valuation is driven by an assessment of a company's fundamental growth prospects.

2.9. Investment objective and policy

Investment objective

The Company's investment objective is to invest globally to achieve capital gains. This takes priority over income and dividends.

Investment policy

The Company seeks to meet its objective by investing principally in a portfolio of global quoted equities. Equities are selected for their inclusion within the portfolio solely on the basis of the strength of the investment case.

There are no limits to geographical or sector exposures, but these are reported to, and monitored by, the Board in order to ensure that adequate diversification is achieved. The number of holdings in equities typically ranges from 70 to 200.

Investment may also be made in funds (open and closed-ended), including those managed by Baillie Gifford. The maximum permitted investment in UK listed investment companies in aggregate is 15 per cent. of the Company's gross assets. Asset classes other than quoted equities may be purchased from time to time, including fixed interest holdings, unquoted securities and derivatives. The Company may use derivatives for the purpose of efficient portfolio management (including reducing, transferring or eliminating investment risk in its investments and protection against currency risk) and to achieve capital growth.

While there is a comparative index, the FTSE World Index, for the purpose of measuring performance, no attention is paid to the composition of this index when constructing the portfolio. The portfolio may, therefore, differ substantially from that of the index. A long-term view is taken and there may be periods when the Company's Net Asset Value per Share declines both in absolute terms and relative to the comparative index. The payment of dividends is secondary to achieving capital growth. The Shares are not considered to be a suitable investment for those seeking a regular or rising income.

Borrowings are invested in equities and other asset classes when this is considered to be appropriate on investment grounds. Gearing levels, and the extent of equity gearing, are discussed by the Board and the Investment Manager at every meeting of the Board and adjusted accordingly with regard to the investment outlook. New borrowings will not be taken out if this takes the level of effective equity gearing to over 30 per cent. of Shareholders' funds. Equity exposure may, on occasions, be below 100 per cent. of Shareholders' funds.

As an investment trust, the Company aims to comply with section 1158 of the Corporation Tax Act, which imposes on the Company an obligation to spread investment risk.

Any material change in the Company's investment policy will require the approval of Shareholders at a general meeting. In the event of a breach of the Company's investment policy, the Directors will announce through a Regulatory Information Service the actions which will be taken to rectify the breach.

2.10. Delivering the investment policy

Investments are made on an unconstrained basis. The Company is capable of expressing strong views about sectors, regions, and markets and it is no proxy for any index.

Rigorous, qualitative fundamental analysis is carried out to establish whether prospective investments have, in the Investment Manager's view, the necessary competitive, financial, and strategic advantages to provide above average earnings growth over the long-term.

2.11. Gearing

The Board is responsible for setting the Company's gearing policy and for the limits on gearing.

The Board has set a strategic borrowing target of ten per cent. of Net Asset Value at the time of drawdown and it is expected that gearing will be maintained in the range of minus 15 per cent. to plus 15 per cent. of Net Asset Value at the time of drawdown.

The Company currently has a three year £150 million unsecured floating rate revolving facility with National Australia Bank Limited, which expires on 29 November 2024. As at 3 October 2022, drawings under this facility were £75 million. The Company also has in place £40 million par value 6.375 per cent. 2023 debenture stock which is secured by a floating charge over the assets of the Company and two tranches of unsecured loan notes: namely £60 million par value 1.86 per cent. Series A 2054 notes; and £40 million par value 1.77 per cent. Series B 2045 notes.

The Company's gearing as at 3 October 2022 was 9.4 per cent. (being the Company's total gross debt as a proportion of its Shareholders' funds (being the sum of the issued Share capital of the Company, its retained profits and any other reserves)).

2.12. Share capital

The Company's share capital comprises of only ordinary shares of 5 pence each, all of which are listed on the premium segment of the Official List and admitted to trading on the Main Market. Shareholders are entitled to such dividends (if any) as are declared by the Company and are entitled, on a return of capital on a winding up or otherwise, to all undistributed revenue of the Company and to the residual capital of the Company which remains after satisfying any liabilities.

At the annual general meeting of the Company held on 6 September 2022, Shareholders granted the Board authority to: (i) allot Shares representing approximately 10 per cent. of the Company's issued Share capital as at 16 June 2022; (ii) allot Shares representing approximately 10 per cent. of the Company's issued Share capital as at 16 June 2022 on a non pre-emptive basis; and (iii) buy back up to 14.99 per cent. of the then issued Share capital of the Company.

As at 3 October 2022 the Directors have general authority to issue, on a non pre-emptive basis for cash, 22,480,758 Shares.

The Directors may consider utilising their authority to undertake Share buy backs:

- to enhance the Net Asset Value per Share for continuing Shareholders by purchasing Shares at a discount to the prevailing Net Asset Value per Share (cum income, with debt at par);
- to address any imbalance between the supply of and the demand for the Shares that results in a discount of the quoted market price to the published Net Asset Value per Share; and
- when the Directors believe that it is in the best interests of the Company and Shareholders to do so.

2.13. Dividend policy

The Company does not have any formal policy to achieve any specified level of dividend. The Company conducts its business so as to satisfy the conditions to retain approval as an investment trust under section 1158 of the Corporation Tax Act. In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations, the Company does not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period and seeks to distribute the minimum amount permissible to maintain investment trust status. The Board may resolve to pay dividends on the Shares from time to time in order to comply with these requirements.

There was one dividend of 2.35 pence per Share payable in respect of the financial year to 30 April 2022. This was paid on 9 September 2022.

2.14. Duration of the Company

The Company does not have a fixed life.

2.15. The AIFM and the Investment Manager

BGL is the Company's alternative investment fund manager for the purposes of the UK AIFMD Laws. BGL has sub-delegated certain responsibilities including the day-to-day management of the portfolio to Baillie Gifford, the Investment Manager. Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited.

BGL is a limited liability company, incorporated and registered in Scotland on 8 October 1979 with registration number SC069524. Baillie Gifford is a Scottish partnership whose registered office is at Calton Square, 1 Greenside Row, Edinburgh, Scotland EH1 3AN. BGL and Baillie Gifford are authorised and regulated by the FCA to conduct certain restricted activities in relation to collective investment schemes and general securities and derivatives.

Baillie Gifford is an investment management firm which was formed in 1927 out of the legal firm Baillie & Gifford, WS, which has been involved in investment management since 1908. Baillie Gifford is one of the largest investment trust managers in the UK and currently manages thirteen closed-ended investment companies. Baillie Gifford also manages open-ended investment companies, together with investment portfolios on behalf of pension funds, charities and other institutional clients, both in the UK and overseas. Funds under the management or advice of Baillie Gifford are approximately £231 billion in aggregate (as at 30 June 2022). Based in Edinburgh, Baillie Gifford is one of the leading privately owned investment management firms in the UK, with 51 partners and a staff of around 1,800.

Spencer Adair

Mr Adair joined Baillie Gifford in 2000 and is an investment manager in the Global Alpha Team, and Lead Manager of the Company. He became a partner in 2013 and has also spent time working in the Fixed Income, Japanese, European and UK Equity Teams. Mr Adair graduated BSc in Medicine from the University of St Andrews in 1997, followed by two years of clinical training in Edinburgh.

Malcolm MacColl

Mr MacColl is an investment manager in the Global Alpha Team, having been involved with Global Alpha since the product's inception in 2005, and is the Deputy Manager of the Company. He became a Partner of the firm in 2011 and, in 2021, he became Joint Senior Partner with overall oversight for the investment departments. Mr MacColl joined Baillie Gifford in 1999 and has spent time working in the UK Small Cap and North American Teams. He is a member of the UK Society of Investment Professionals. Mr MacColl graduated MA in Economics and History in 1998 and MLitt in Economics, Politics and Management, in 1999, both from the University of St Andrews. He is a member of the CFA Society of the UK.

PART 2

DIRECTORS, MANAGEMENT AND ADMINISTRATION OF THE COMPANY

1. DIRECTORS

The Directors, each of whom is non-executive and all of whom are independent of the AIFM and the Investment Manager, are responsible for the determination of the investment policy of the Company and the overall supervision of the Company, including the review of the Company's investment activity and performance and the control and supervision of the Investment Manager. The Company operates with an experienced non-executive Board of Directors, bringing investment and corporate skills and experience of closed-ended funds to their oversight roles. The Directors are as follows.

Mr Karl Sternberg (Chair): Karl Sternberg was appointed as a Director in 2013 and became Chair in 2020. He worked for Morgan Grenfell Asset Management (owned by Deutsche Bank) from 1992 to 2005 in a variety of roles, ultimately as the chief investment officer of Deutsche Asset Management Limited. He left that role to establish Oxford Investment Partners, an investment management company for a group of Oxford colleges, where he was chief executive officer until 2013. He is a non-executive director of JPMorgan Elect Plc, Herald Investment Trust plc, Jupiter Fund Management plc and Clipstone Logistics REIT plc.

Ms Claire Boyle: Claire Boyle was appointed a Director in 2020. Having qualified as a chartered accountant with Coopers & Lybrand, where she specialised in litigation support and forensic accounting, Ms Boyle then spent thirteen years working in equity investment management for: Robert Fleming Investment Management; American Express Asset Management; and, latterly, Oxburgh Partners LLP, where she was a partner with responsibility for their European Equity Hedge Fund. She is a non-executive director and chair of the audit committee of abrdn Japan Investment Trust PLC, a non-executive director and chair of the audit committee of Fidelity Special Values Plc, and the non-executive chair of Life Science REIT plc.

Ms Belinda Richards: Belinda Richards was appointed a Director in 2016. She is a former senior partner at Deloitte LLP with a thirty year career specialising in business operations and strategy development with a particular focus on the Financial Services and Consumer Products sectors. She is currently the chair of the audit committee of Schroder Japan Growth Fund plc and a non-executive director of Phoenix Group Holdings. In addition, she is a trustee of the Youth Sport Trust.

Professor Sir Nigel Shadbolt: Professor Sir Nigel Shadbolt was appointed a Director in 2017. He is Principal of Jesus College, Oxford, Professorial Research Fellow in the Department of Computer Science, University of Oxford and a visiting Professor of Artificial Intelligence at the University of Southampton. He specialises in open data and artificial intelligence and is currently also chair of the Open Data Institute.

Mr Jeremy Tigue: Jeremy Tigue was appointed a Director in 2014. He became chair of the Audit Committee in 2015 and Senior Independent Director in 2019. Mr Tigue was the fund manager of Foreign & Colonial Investment Trust PLC from 1997 to June 2014. He is a director of abrdn Equity Income Trust PLC and was a director of The Mercantile Investment Trust plc. He was a director of the Association of Investment Companies from 2003 to 2013.

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

2. MANAGERIAL, SECRETARIAL, ADMINISTRATION AND DEPOSITARY ARRANGEMENTS

2.1. Managerial arrangements

Baillie Gifford & Co Limited (the “AIFM”), a wholly owned subsidiary of Baillie Gifford & Co, has been appointed as the Company's Alternative Investment Fund Manager and Company Secretary. The AIFM has delegated portfolio management services to Baillie Gifford & Co (the “Investment Manager”). Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited.

The AIFM is registered under the UK AIFMD Laws as a full scope authorised UK AIFM and under the terms of the Management Agreement has acted as the Company's Alternative Investment Fund Manager since the EU AIFM Directive came into force in 2014. The Company entered into the Management Agreement with the AIFM on 10 June 2014. Under the terms of the Management Agreement, the AIFM has been appointed to provide to the Company discretionary portfolio management, risk management, company secretarial and administration services, subject to the overall supervision of the Directors in accordance with the policies laid down by the Directors from time to time and the investment guidelines referred to in the Management Agreement.

By way of sub-delegation from the AIFM, the Investment Manager manages the Portfolio and the Company's investments in accordance with the policies laid down by the Directors from time to time and in accordance with the investment guidelines referred to in the Management Agreement.

The Management Agreement is terminable on not less than six months' notice. The annual management fee payable to the AIFM by the Company is 0.45 per cent. on the first £750 million of the Company's total assets, 0.33 per cent. on the next £1 billion of total assets and 0.30 per cent. 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 the AIFM. Management fees are calculated and payable quarterly.

Further details of the terms of the Management Agreement are set out in paragraph 13.1 of Part 6 (*General Information*) of this Prospectus.

2.2. Secretarial and administration arrangements

Secretarial and administration services are provided by the Investment Manager. The costs of these services are included in the fee payable by the Company to the AIFM under the terms of the Management Agreement.

2.3. Depositary arrangements

The Bank of New York Mellon (International) Limited has been appointed as the Company's Depositary. The Depositary's responsibilities include cash monitoring, safekeeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. The Bank of New York Mellon (International) Limited and its delegates also undertake the function of custodian in respect of the Company. The annual fee payable to the Depositary is equal to 0.15 per cent. of the Company's Net Asset Value (plus applicable VAT).

A summary of the Depositary Agreement is set out in paragraph 13.3 of Part 6 (*General Information*) of this Prospectus.

2.4. Registrar

The Registrar is responsible for, among other things, the maintenance of the register of members and for the transfer and settlement of Shares, as applicable. In satisfaction of the services rendered by the Registrar pursuant to the Registrar Agreement for the year ended 30 April 2022, the Company paid to the Registrar a fee of £27,000. Details of the Registrar Agreement are set out in paragraph 13.2 of Part 6 (*General Information*) of this Prospectus.

2.5. Auditor

Ernst & Young LLP is registered to carry on audit work in the UK and the Republic of Ireland by the Institute of Chartered Accountants in England and Wales. Ernst & Young LLP was first appointed as auditor of the Company following a competitive tender process at the Company's AGM held on 2 August 2017 and has been appointed as auditor at each of the Company's AGMs since that date. The Company's financial statements are prepared under UK GAAP in accordance with FRS 102.

3. CORPORATE GOVERNANCE

The Board is committed to achieving and demonstrating high standards of corporate governance. The Board places considerable emphasis on running the Company in a way it believes is best suited to the successful management of an investment trust on behalf of its Shareholders. In doing so, the Board has considered the principles and recommendations of the AIC Code. The AIC Code addresses all of the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations which are of specific relevance to investment trusts.

The Company complies with the recommendations of the AIC Code and the relevant applicable provisions of the UK Corporate Governance Code, except in relation to the following provisions:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

Given that the Company is an externally managed investment trust, the Board considers these provisions to be inapplicable to the Company.

3.1. Board independence, composition and tenure

The Chairman and each of the other Directors is independent of the AIFM and the Investment Manager and each Director is non-executive. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The executive responsibilities for investment management have been delegated to the AIFM. The AIFM has delegated day-to-day management of the Portfolio to the Investment Manager. Mr Jeremy Tighe is the Senior Independent Director.

Directors do not serve on the Board for a specified period of time. Each Director will be subject to the election/re-election provisions as set out in the Articles, which provide that a Director appointed during the year is required to retire and seek election by Shareholders at the first annual general meeting following their appointment. Thereafter, Directors submit themselves for re-election annually in accordance with the provisions of the AIC Code. Provided that the Nomination Committee and the Board remain satisfied that the relevant Director's continuing appointment and independence is not impaired by length of service, the Board does not consider that there should be a set limit on a Director's length of service. The Board does not consider that the length of time served by a Director is as important as their contribution to the running of the Company, or that it necessarily impairs their independence. Each situation is rigorously reviewed on a case-by-case basis to ensure that a Director's independence is maintained and that their continuing appointment is in the best interests of the Company.

The AIC Code provides that the Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors, and the Board, accordingly, conducts an annual evaluation of its performance and that of its committees, the Chairman and individual Directors.

Directors' fees are considered by the Board as a whole within the limits as set out in the Articles and in accordance with the Company's remuneration policy which has been approved by Shareholders. The cap on the aggregate annual remuneration payable to the Directors as set out in the Articles was reviewed and increased to £400,000 per annum at the Company's annual general meeting held on 6 September 2022. There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for non-executive directors. The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

3.2. Audit Committee

The Audit Committee consists of Ms Claire Boyle, Ms Belinda Richards, Professor Sir Nigel Shadbolt and Mr Jeremy Tighe, who is the Chair of the Audit Committee. The role of the Audit Committee is, broadly to assist the Board in carrying out its responsibilities relating to the Company's accounting policies, internal controls, risk management and financial reporting functions. The Audit Committee meets at least twice per year and the Audit Committee's effectiveness is reviewed on an annual basis as part of the Board's performance evaluation process. At least once a year the Audit Committee meets with the external Auditor without any representative of the AIFM or Investment Manager being present.

3.3. Management Engagement Committee

The Management Engagement Committee comprises all of the Directors and is chaired by Karl Sternberg. The role of the Management Engagement Committee is to ensure that the Investment Manager remains suitable to manage the Portfolio, that the management contract is competitive and reasonable for Shareholders, and that the Company maintains appropriate administrative and company secretarial support. The Board considers each member of the Management Engagement Committee to be independent. To discharge its duties, the Management Engagement Committee meets at least once per year to consider: (i) the performance and suitability of the Investment Manager; (ii) the terms and conditions of the Management Agreement, including fees; and (iii) the Management Engagement Committee's terms of reference.

3.4. Nomination Committee

The Nomination Committee comprises all of the Directors and Karl Sternberg is the Chairman of the Nomination Committee. The Nomination Committee meets at least once per year and at such other times as may be required. The Nomination Committee has written terms of reference which include: (i) reviewing the composition of the Board; (ii) identifying and nominating new candidates for appointment to the Board; (iii) Board appraisal; (iv) succession planning; and (v) training. The Nomination Committee also considers whether Directors should be recommended for re-election by Shareholders.

4. CONFLICTS OF INTEREST

The AIFM and the Investment Manager and their officers and employees may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the AIFM manages The Schiehallion Fund, a closed-ended investment company in which the Company invests. For feeing purposes under the Management Agreement, the total assets of the Company excludes the value of the Company's holdings in The Schiehallion Fund.

In addition, the AIFM and the Investment Manager may provide investment management, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company.

The AIFM and the Investment Manager will have regard to their respective obligations under the Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to their obligations to other clients or funds, should potential conflicts of interest arise.

The AIFM and the Investment Manager have each established internal control frameworks to provide reasonable assurances as to the effectiveness of the internal control systems operated on behalf of their respective clients. The AIFM and Investment Manager both report to the Board on a regular basis with regard to the operation of their respective internal controls and risk management within their respective operations in so far as it impacts the Company.

5. TAXATION

The Company has been approved by HMRC as an investment trust. The Directors believe that the affairs of the Company have been conducted so as to continue to satisfy the conditions to qualify as an investment trust under section 1158 of the Corporation Tax Act and, on this basis, the Company should therefore be exempt from UK taxation on its capital gains in its Portfolio. The Company will be liable to UK corporation tax on its income in the normal way, with dividend income generally being exempt from corporation tax. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates but double taxation relief may be available.

A guide to the general UK taxation position as at the date of this Prospectus is set out in Part 5 (*UK Taxation*) of this Prospectus.

If you are in any doubt as to your taxation position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.

6. REPORTS TO SHAREHOLDERS, ACCOUNTING POLICIES AND NET ASSET VALUES

6.1. Financial reports

The Company's audited annual financial statements are drawn up in pounds Sterling and prepared under UK GAAP in accordance with FRS 102. They include an income statement, balance sheet, statement of changes in equity and cash flow statement, related notes and any additional information that the Board deems appropriate or that is required by applicable law.

The Company's annual report and audited annual financial statements are made up to 30 April each year and copies are sent to Shareholders within three months of the Company's financial year-end. Shareholders also receive an interim report and unaudited interim condensed financial statements covering the six months to 31 October each year which is usually despatched within two months of that date.

Information on performance, holdings and investment activity will be prepared by the AIFM and published monthly by the AIFM in the form of a factsheet to be made available on the Company's website.

In accordance with the UK AIFMD Laws, the AIFM will ensure that the following information in relation to the Portfolio is published in the Company's annual report and audited annual financial statements:

- the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;
- any new arrangements for managing the liquidity of the Company;
- the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks;
- any changes to the maximum level of leverage which the AIFM may employ on behalf of the Company as well as any right of the re-use of collateral or any guarantee granted under the leveraging arrangement. The Company will, in addition, notify Shareholders of any such changes, rights or guarantees without undue delay by issuing an announcement through a RIS; and
- the total amount of leverage employed by the Company.

6.2. Annual running expenses

In addition to the management, advisory, administration and secretarial fees referred to in section 2 of this Part 2 (*Directors, Management and Administration of the Company*) of this Prospectus, the Company will pay all other fees and expenses incurred in the operation of its business including, without limitation:

- Directors' fees and expenses;
- fees and expenses of the Registrar, corporate broker, legal, audit and other professional services;
- any borrowing costs;
- the ongoing costs of maintaining the listing of the Shares (where relevant) on the premium segment of the Official List and their continued admission to trading on the Main Market;
- NAV publication costs;
- directors' and officers' insurance premiums;
- promotional expenses (including membership of any industry bodies, including the AIC and promotional initiatives by the AIFM as approved by the Board); and
- costs of printing the Company's financial reports and posting them to Shareholders.

The Company's total fixed operational costs (excluding management fees, brokerage and other transaction charges and taxes, and any borrowing costs) are estimated, in the first year following the Issue, to amount to not more than approximately 0.08 per cent. per annum of the Enlarged Company's estimated NAV (based on the illustrative calculations as set out in paragraph 3 of Part 3 (*Details of the Scheme and the Issue*) of this Prospectus).

Shareholders do not bear any fees, charges and expenses directly, other than any fees, charges and expenses incurred as a consequence of acquiring, transferring, redeeming or otherwise selling Shares.

6.3. Allocation of ongoing costs

Interest expenses will be recognised within 'finance costs of borrowings' in the Income Statement within the Company's financial statements using the effective interest rate method. All other expenses will be recognised in the Income Statement in the period in which they are incurred (on an accruals basis). The Company charges 100 per cent. of investment management fees to revenue and zero per cent. to capital.

6.4. Net asset value calculations and valuation policy

Under the Management Agreement, the AIFM is responsible for calculating the Company's net asset value per Share. The AIFM has sub-delegated this responsibility to the Investment Manager. The unaudited net asset value per Share is calculated on each dealing day (on a cum-income basis) by the Investment Manager and is announced by the Company Secretary through a RIS. Unless otherwise disclosed, the net asset value is calculated in accordance with the recommendations of the AIC. In particular: (a) financial assets have been valued on a fair value basis using bid prices, or, if more appropriate, a last trade basis; (b) debt is valued at par and, where applicable, debt is also separately valued at market value; (c) diluted net asset values are disclosed where applicable (for this purpose, treasury shares are excluded for the purposes of calculation); and (d) provisions for performance fees are included where applicable (although, no performance fees are applicable to the Company).

The Board may determine that the Company should temporarily suspend the determination of the NAV per Share when the prices of any investments owned by the Company cannot be promptly, accurately or without undue expenditure, ascertained. Any suspension in the calculation of the NAV will be notified to Shareholders through a RIS as soon as practicable after such suspension occurs.

The Company may delay public disclosure of the net asset value to avoid prejudice to its legitimate interests, provided that such delay would not be likely to mislead the public and the Company has put in place appropriate measures to ensure confidentiality of that information.

For the purposes of valuing its investments, the Company uses UK GAAP methodology in accordance with FRS 102 and, for private companies, valuation techniques consistent with the International Private Equity and Venture Capital Valuation Guidelines 2018. All investments have been designated upon initial recognition at fair value through profit or loss. This is done because all investments are considered to form part of a group of financial assets which is evaluated on a fair value basis, in accordance with the Company's documented investment strategy, and information about the grouping is provided internally on that basis. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are measured initially at fair value. Subsequent to initial recognition, investments are valued at fair value through profit or loss. For listed investments, this is deemed to be bid market prices or closing prices for SETS (London Stock Exchange's electronic trading service) stocks sourced from the London Stock Exchange. Gains and losses arising from changes in fair value are included in the net return for the period as a capital item in the Income Statement and are ultimately recognised in the capital reserve.

6.5. UK MAR and the Disclosure Guidance and Transparency Rules

As a company whose shares are admitted to trading on the Main Market, the Company complies with all of the provisions of UK MAR and the Disclosure Guidance and Transparency Rules which are applicable to it. The Directors have adopted a share dealing code that is compliant with UK MAR. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors and other persons discharging managerial responsibilities.

The Disclosure Guidance and Transparency Rules provide that certain persons (including Shareholders) must notify the Company if the proportion of the Company's voting rights which they then hold directly or indirectly as a Shareholder or through a direct or indirect holding of certain financial instruments reaches, exceeds or falls below thresholds of three per cent., four per cent., five per cent., six per cent., seven per cent., eight per cent., nine per cent. and ten per cent. and each one per cent thereafter up to 100 per cent.

PART 3

DETAILS OF THE SCHEME AND THE ISSUE

1. INTRODUCTION

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

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

2. DETAILS OF THE SCHEME

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

The Scheme will be implemented in accordance with the terms of the Transfer Agreement that will be entered into by the Company, IIT and the Liquidators, which provides for the Rollover Pool to be transferred to the Company in consideration for the issue of New Shares of an equivalent value to IIT Shareholders who elect, or are deemed to elect, for the Rollover Option under the Scheme. Further details of the Transfer Agreement are provided in paragraph 13.5 of Part 6 (*General Information*) of this Prospectus. Any cash that is transferred in accordance with the terms of the Transfer Agreement will be invested by the Company in accordance with the Company's investment policy.

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

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

The default option under the Scheme is for IIT Shareholders to receive New Shares meaning that IIT Shareholders who, in respect of all or part of their holding of IIT Shares, do not make a valid election or who do not make an election at all under the Scheme will be deemed to have elected for New Shares in respect of such holding. However, IIT Shareholders resident in or citizens of, any jurisdiction outwith the UK should read paragraph 9 of this Part 3.

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

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

- second, there shall be appropriated to the Cash Pool and the Rollover Pool, in accordance with the Scheme, all the undertaking, cash and other assets of IIT remaining after the appropriation to the Liquidation Pool.

2.1. Liquidation Pool

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

2.2. Cash Option

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

2.3. Rollover Option

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

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

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

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

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

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

the “**MNKS FAV per Share**”.

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

For illustrative purposes only, had the Calculation Date been market close on 29 September 2022 and assuming 50 per cent. of IIT’s issued share capital is elected for the Cash Option, the IIT FAV per Share would have been 441.137783 pence and the MNKS FAV per Share would have been 1,077.983705 pence. On the basis of these figures, had the Calculation Date been market close on 29 September 2022, an IIT Shareholder who elected for the Rollover Option in respect of 1,000 IIT Shares would have

received 409 New Shares under the Scheme. On this basis and in aggregate, 10,620,790 New Shares would have been issued to IIT Shareholders under the Scheme, representing approximately 4.62 per cent. of the issued Share capital of the Enlarged Company.

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

The Scheme is conditional on, among other things:

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

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

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

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

3. DETAILS OF THE ISSUE

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

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

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

New Shares and SDRT on the acquisition of the Rollover Pool equal to 0.19 pence per Share, which would have resulted in a cum-income NAV per Share of 1,077.80 pence.

4. CONDITIONS OF THE ISSUE

The Issue is conditional upon:

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

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

5. DISSENTING SHAREHOLDERS

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

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

6. DILUTION

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

For illustrative purposes only, if 10,620,790 New Shares were to be issued under the Scheme (being the estimated number of Shares that will be issued pursuant to the Issue, assuming that no IIT Shareholders exercise their right to dissent from participation in the Scheme, and 50 per cent. of the total IIT Shares are elected for the Cash Option and that the ratio between the MNKS FAV per Share and the IIT FAV per Share is 0.409225 as outlined in paragraph 3 of this Part 3) then, based on the issued share capital of the Company as at 29 September 2022, and assuming that: (i) an Existing Shareholder is not an IIT Shareholder and is therefore not able to participate in the Issue; and (ii) there had been no change to the Company's issued share capital prior to Admission, an Existing Shareholder holding 1.0 per cent. of the Company's issued Share capital as at 29 September 2022 would then hold 0.954 per cent. of the Company's issued share capital following the Issue.

7. COSTS AND EXPENSES OF THE PROPOSALS

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

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

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

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

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

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

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

8. ADMISSION AND DEALINGS

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

The ISIN of the New Shares will be GB0030517261. The New Shares will be in registered form and may be held in either certificated or uncertificated form. IIT Shareholders who elect, or are deemed to have elected, for the Rollover Option and who hold their relevant IIT Shares in certificated form at the Record Date will receive their New Shares in certificated form and at their own risk. Temporary documents of title will not be issued. It is expected that certificates in respect of New Shares to be issued to such IIT Shareholders will be despatched by 12 November 2022 or as soon as practicable thereafter.

IIT Shareholders who elect, or are deemed to have elected, for the Rollover Option and who hold their relevant IIT Shares in uncertificated form as at the Record Date will receive their New Shares in uncertificated form on 9 November 2022, although the Company reserves the right to issue such securities in certificated form. In normal circumstances, this right is only likely to be exercised by the

Company in the event of an interruption, failure or breakdown of CREST or the facilities or system operated by the Company's Registrar in connection with CREST. The Company will procure that instructions are given to credit the appropriate stock accounts in the CREST system with the relevant entitlements to New Shares in uncertificated form.

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

9. OVERSEAS IIT SHAREHOLDERS AND SANCTIONS RESTRICTED PERSONS

The terms of the Proposals, as they relate to Overseas IIT Shareholders, may be affected by the laws of the relevant jurisdiction. Overseas IIT Shareholders should inform themselves about, and observe, any applicable legal requirements.

It is the responsibility of Overseas IIT Shareholders to satisfy themselves (and the Directors and IIT) as to the observance of the laws of the relevant jurisdiction in connection with the issue of New Shares, including the obtaining of any governmental or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction.

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

Overseas IIT Shareholders who are subject to taxation outside of the United Kingdom should consult their tax adviser as to the tax effect of the Proposals on them.

The New Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and the New Shares may not be offered, sold, pledged or otherwise transferred within the United States, or to or for the benefit of US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Company is not, and does not intend to be, registered under the US Investment Company Act and investors in the New Shares are not, and will not be, entitled to the benefits of the US Investment Company Act. There has been and will be no public offer of the New Shares in the United States.

In connection with the Issue, the New Shares are being offered or sold only (i) outside the United States in "offshore transactions" to non-US Persons pursuant to Regulation S under the US Securities Act, and (ii) to persons who are both Qualified Purchasers and Accredited Investors pursuant to an exemption from the registration requirements of the US Securities Act, and who, in the case of (ii), have executed an AI/QP Investor Letter and returned it to the Company and Computershare as Receiving Agent to IIT. Any person that does not execute and return the AI/QP Investor Letter to the Company and the Receiving Agent is deemed to represent that it is located outside of the United States and is not a US Person (and is not acting for the account or benefit of a US Person).

There are significant restrictions on the purchase and resale of New Shares by persons who are located in the United States, are US Persons, or who hold New Shares for the account or benefit of US Persons and on the resale of New Shares to any person who is located in the United States or to, or for the account or benefit of, a US Person. If in the future the initial purchaser, as well as any subsequent holder, decides to offer, sell, transfer, assign or otherwise dispose of the New Shares, they may do so only: (i) outside the United States in an "offshore transaction" complying with the provisions of Regulation S under the US Securities Act to a person not known by the transferor to be a US Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

The relevant clearances have not been, and will not be, obtained from the securities commission of any province of Australia, Canada, Japan, New Zealand or the Republic of South Africa. No offer is being made, directly or indirectly, under the Scheme, in or into by the use of mails, or by means of instrumentality (including, without limitation, facsimile, transmission, telex or telephone) of interstate or foreign commerce, or of any facility in a national securities exchange, of the United States (subject to certain exceptions described herein), Australia, Canada, Japan, New Zealand or the Republic of South Africa.

Overseas IIT Shareholders who wish to participate in the Issue should contact IIT directly by no later than 5.00 p.m. on 2 November 2022 if they are able to demonstrate, to the satisfaction of the Directors and the IIT Board, that they can be issued New Shares without breaching any relevant securities laws.

Overseas IIT Shareholders will not receive a copy of this Prospectus unless they have satisfied the Directors that they are entitled to receive and hold New Shares without breaching any relevant securities laws and without the need for compliance on the part of the Company or IIT with any overseas laws, regulations, filing requirements or the equivalent.

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

10. TAXATION

The attention of IIT Shareholders is drawn to the summary of tax matters set out in Part 5 (*UK Taxation*) of this Prospectus. IIT Shareholders should seek tax advice from their own tax adviser about the taxation consequences of acquiring/receiving, holding or disposing of New Shares.

PART 4

FINANCIAL INFORMATION (INCLUDING PORTFOLIO INFORMATION)

1. INTRODUCTION

The financial statements of the Company for the financial years ended 30 April 2021 and 30 April 2022 (“**Financial Statements**”) were prepared under UK GAAP in accordance with FRS 102. The Financial Statements were audited by Ernst & Young LLP whose report in both instances was unqualified and did not contain any statement under section 498(2) or (3) of the Companies Act.

Copies of the Financial Statements are available for inspection on the Company’s website at <https://www.baillieghifford.com/en/uk/individual-investors/funds/monks-investment-trust/>.

2. HISTORICAL FINANCIAL INFORMATION

Historical financial information relating to the Company on the matters referred to below is included in the published annual report and audited financial statements of the Company for the financial years ended 30 April 2021 and 30 April 2022 as set out in the table below and is expressly incorporated by reference into this Prospectus. The non-incorporated parts of these reports of the Company are either not relevant to investors or covered elsewhere in this Prospectus.

	Annual report and audited financial statements for the year ended 30 April 2022 Page No.	Annual report and audited financial statements for the year ended 30 April 2021 Page No.
Nature of information		
Financial highlights	1	1
Independent auditor’s report	38-43	37-41
Income statement	44	42
Balance sheet	45	43
Statement of changes in equity	46	44
Cash flow statement	47	45
Notes to the financial statements	48-64	46-56

3. SELECTED FINANCIAL INFORMATION

The information regarding the Company in this paragraph 3 has been prepared by the Company and has been extracted directly from the historical financial information referred to in paragraph 2 above. Selected historical audited financial information relating to the Company which summarises the financial condition of the Company for the two financial periods ended 30 April 2021 and 30 April 2022 is set out in the following table.

Income statement for closed-end funds

	Annual report and audited financial statements for the year ended 30 April 2022			Annual report and audited financial statements for the year ended 30 April 2021		
	Revenue (£'000)	Capital (£'000)	Total (£'000)	Revenue (£'000)	Capital (£'000)	Total (£'000)
(Losses)/gains on investments	—	(631,829)	(631,829)	—	1,069,700	1,069,700
Currency (losses)/gains	—	(308)	(308)	—	1,916	1,916
Income	27,811	—	27,811	22,529	—	22,529
Investment management fee	(10,465)	—	(10,465)	(10,011)	—	(10,011)
Other administrative expenses	(1,888)	—	(1,888)	(1,656)	—	(1,656)
Net return before finance costs and taxation	15,458	(632,137)	(616,679)	10,862	1,071,616	1,082,478
Finance costs of borrowings	(5,298)	—	(5,298)	(5,027)	—	(5,027)
Net return on ordinary activities before taxation	10,160	(632,137)	(621,977)	5,835	1,071,616	1,077,451
Tax on ordinary activities	(1,516)	293	(1,223)	1,966	(958)	1,008
Net return on ordinary activities after taxation	8,644	(631,844)	(623,200)	7,801	1,070,658	1,078,459
Net return per ordinary share	3.67p	(268.58p)	(264.91p)	3.42p	469.83p	473.25p

Balance sheet for closed-end funds

	Annual report and audited financial statements for the year ended 30 April 2022	Annual report and audited financial statements for the year ended 30 April 2021
Shareholders' funds(£)	2,479,164,000	3,204,980,000
Shareholders' funds per Share(p)	1,089.0	1,355.4

4. OPERATING AND FINANCIAL REVIEW

A description of changes in the performance of the Company, both capital and revenue, and changes to the Portfolio is set out in the sections headed "Chairman's statement", "Manager's report" and "List of investments" in the annual report and audited financial statements for the financial years ending 30 April 2022 and 30 April 2021 as follows:

	Annual report and audited financial statements for the year ended 30 April 2022 Page No.	Annual report and audited financial statements for the year ended 30 April 2021 Page No.
Nature of Information		
Chairman's statement	2-3	2-3
Managers' report	5-8	5-10
List of investments	12-14	14-16

5. SIGNIFICANT CHANGE

Since 30 April 2022 (being the end of the most recent financial period of the Company for which financial information has been published), there has been no significant change in the financial position of the Company.

6. CAPITALISATION AND INDEBTEDNESS

The following table sets out the capitalisation and indebtedness of the Company (distinguishing between guaranteed and unguaranteed, and secured and unsecured indebtedness) as at 31 August 2022:

	(£'000)
Total current debt (including current portion of non-current debt)	
– Guaranteed	—
– Secured	39,973
– Unguaranteed/unsecured	75,000
	<u>114,973</u>
Total non-current debt (excluding current portion of non-current debt)	
– Guaranteed	—
– Secured	—
– Unguaranteed/unsecured	99,853
	<u>99,853</u>
Shareholder equity	
– Share capital	11,823
– Legal reserve(s)	—
– Other reserves*	270,883
Total capitalisation	<u><u>282,706</u></u>

The information in the table above is unaudited financial information extracted from internal management accounting records as at 31 August 2022.

The following table shows the Company's total financial indebtedness as at 31 August 2022. The information in the following table is unaudited financial information extracted from internal management accounting records as at 31 August 2022.

	£'000
A. Cash	17,938
B. Cash equivalent	—
C. Other current financial assets	—
D. Liquidity (A+B+C)	17,938
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	114,973
F. Current portion of non-current financial debt	—
G. Current financial indebtedness (E+F)	114,973
H. Net current financial indebtedness (G-D)	97,035
I. Non-current financial debt (excluding current portion and debt instruments)	—
J. Debt instruments	99,853
K. Non-current trade and other payables	—
L. Non-current financial indebtedness (I+J+K)	99,853
M. Total financial indebtedness (H+L)	196,888

*Other reserves comprises Share premium and capital redemption reserve

Contingent indebtedness not recognised in the Capitalisation and Indebtedness Statement

Contingent indebtedness not recognised in the Capitalisation and Indebtedness Statement is composed of notional Indian tax on the unrealised (investment holding) gains on Indian investments held in the portfolio, and represents the potential Indian Capital Gains Tax liability that may arise on the Company's investments should they be sold in the future. The amount provided for in the calculation of the Company's Net Asset Value, but excluded from the table above, is £1,178,000

Other than as set out above, the Company had no indirect or contingent indebtedness as at the reporting date.

7. WORKING CAPITAL

The Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements (that is, for at least the next 12 months from the date of this Prospectus).

8. NET ASSET VALUE

The unaudited Net Asset Value per Share as at 3 October 2022 was 1,068.90 pence including current income, with borrowing at fair value.

9. ANALYSIS OF PORTFOLIO

As at close of business on 3 October 2022, the Portfolio comprised investments and cash with an aggregate unaudited value, calculated in accordance with the Company's usual accounting policies, of approximately £2.5 billion.

The Company's Portfolio was 97.4 per cent. invested in listed equities as at 3 October 2022.

The following table shows the distribution of the Portfolio by asset class as at 3 October 2022.

By asset class	Percentage of Portfolio (%) (based on NAV)
Level 1 listed equities	99.22
Level 2 listed equities	3.83
Level 3 suspended and private company investments	2.69
Net liquid assets	0.94
Loans	-6.69
	<u>100.00</u>

The Company's top ten investments within the Portfolio, as at 3 October 2022, were as follows.

Top Ten Investments Company Name	03 October 2022 Value (£'000)	Percentage of NAV (%)
Elevance Health	104,433	4.46
Schiehallion Ords & Cs	89,702	3.83
Prosus	70,323	3.00
Microsoft	68,591	2.93
Martin Marietta Materials	68,459	2.92
Reliance Industries	65,716	2.81
Alphabet	64,675	2.76
Arthur J Gallagher	59,811	2.56
Service Corp International	56,668	2.42
Moody's	56,567	2.42
	<u>704,945</u>	<u>30.12</u>

The information in this paragraph 9 is unaudited information on the Company, which has been extracted from the internal management accounting records held by the Company.

10. RECENT INVESTMENTS

The Company has not made any material investments since 30 April 2022 (being the date as at which audited financial information was last published).

In the ordinary course, there are a number of potential investments which are in progress, but no firm commitments have been made in respect of these.

PART 5

UK TAXATION

1. GENERAL

The information below, which relates only to the UK, summarises the advice received by the Board and is applicable to the Company and (except in so far as express reference is made to the treatment of other persons) to persons who are resident in the UK for taxation purposes and who hold Shares as an investment. It is based on current UK tax law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). It is not intended to be, nor should it be construed to be, legal or tax advice. Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring/receiving their Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder of investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

In particular, the information below does not address the US federal income tax considerations applicable to an investment in the New Shares. Each prospective investor should consult its own tax advisers regarding the US federal income tax consequences of any such investment.

All tax rates and allowances refer to those in force in the UK fiscal year 2022/23. Tax rates and allowances may change in subsequent years.

If you are in any doubt about your tax position, you should consult your tax adviser.

2. THE COMPANY

The Company is an investment trust under section 1158 of the Corporation Tax Act. The Board has conducted the affairs of the Company, and intends to conduct the affairs of the Company in the future, so as to enable it to satisfy the conditions necessary for it to continue to be eligible as an investment trust under sections 1158 and 1159 of Chapter 4 of Part 24 of the Corporation Tax Act and the Investment Trust Tax Regulations. However, neither the AIFM nor the Directors can provide assurance that this eligibility will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a "close company" for UK tax purposes. The Directors consider that the Company is not a close company as at the date of this Prospectus and should not be immediately following Admission.

In respect of each accounting period for which the Company is approved by HMRC as an investment trust, the Company will be exempt from UK taxation on its chargeable gains.

The Company will, however, (subject to the following) be liable to pay UK corporation tax on its income in the normal way. Income and gains arising from overseas investments may be subject to foreign withholding taxes (or foreign capital gains taxes) at varying rates, but double taxation relief may be available. The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non UK companies) fall within one of the "exempt classes" in Part 9A of the Corporation Tax Act 2009.

An investment trust approved under section 1158 and 1159 of Chapter 4 of Part 24 of the Corporation Tax Act is able to elect to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting period (referred to here as the "streaming" regime). The Company may, if it so chooses, designate as an "interest distribution" all or part of the amount it distributes to Shareholders as dividends out of distributable profits realised in the accounting period, to the extent that it has "qualifying interest income" for that accounting period. Were the Company to designate any dividend it pays in this manner, it should be able to deduct such interest distributions from its taxable income in calculating its taxable profit for the relevant accounting period.

3. SHAREHOLDERS

3.1. Taxation of capital gains

A disposal of Shares (including a disposal on a winding up of the Company) by an individual Shareholder who is resident in the UK for tax purposes, or a disposal by a non-UK resident individual who carries on a trade in the UK through a branch, agency or permanent establishment in connection with which their investment in the Company is used, held or acquired, may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains, depending on the individual Shareholder's circumstances and subject to any available exemption or relief.

UK-resident and domiciled individual Shareholders have an annual exemption (the "**Annual Exempt Amount**"), such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The Annual Exempt Amount is £12,300 for the tax year 2022/23. For such individual Shareholders, capital gains tax will be chargeable on a disposal of Shares at the applicable rate (currently 10 per cent. (to the extent that the gains fall within a taxpayer's basic rate band after income has been accounted for), or 20 per cent. (to the extent that the gains fall within a taxpayer's higher or additional rate bands)). Shareholders should note that, in a recent fiscal statement, the UK government announced changes to Income Tax rates and bands from 6 April 2023; although, this has not yet been legislated.

Generally, an individual Shareholder who has ceased to be resident in the UK for tax purposes for a period of five years or less and who disposes of Shares during that period may be liable, on their return to the UK, to UK taxation on any chargeable gain realised (subject to any available exemption or relief) under anti-avoidance legislation relating to temporary non-residents. Special rules apply to individual Shareholders who are subject to tax on a "split-year" basis, and they should seek specific tax advice if they are in any doubt about their position.

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax at the rate of corporation tax applicable to that Shareholder (currently at a rate of 19 per cent.) on chargeable gains arising on a disposal of their Shares.

The Finance Act 2021 has increased the main rate of UK corporation tax from 19 per cent. to 25 per cent.; the higher main rate of 25 per cent. will apply effective 1 April 2023 for those companies with profits over and above £250,000. The 19 per cent. rate will continue to be relevant where profits are below £50,000, with marginal relief for profits between £50,000 and £250,000.

Individual and corporate Shareholders who are neither resident in the UK, nor temporarily non-resident for the purposes of the anti-avoidance legislation referred to above, and who do not carry on a trade in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, should not be subject to United Kingdom taxation on chargeable gains on a disposal of their Shares; although, such Shareholders may be subject to taxation in their own jurisdiction.

3.2. Taxation of dividends

Individuals

The following statements summarise the expected UK tax treatment for individual Shareholders who receive dividends from the Company. The statements in the following three paragraphs apply in respect of dividends to which the "streaming" regime does not apply.

UK resident individuals are entitled to a nil rate of income tax on the first £2,000 of dividend income for the tax year 2022/23 (the "**Nil Rate Amount**"). Any dividend income received by a UK resident individual Shareholder in respect of the Shares in excess of the Nil Rate Amount will be subject to income tax at a rate of 8.75 per cent. where such a Shareholder is a basic rate taxpayer; 33.75 per cent. where such a Shareholder is a higher rate taxpayer; and 39.35 per cent. where such a Shareholder is an additional rate taxpayer. For Scottish taxpayers, references to income tax that would otherwise be charged at the basic rate, higher rate and additional rate are to be read as if the individual was not a Scottish taxpayer. Shareholders should note that, in a recent fiscal statement, the UK government announced changes to Income Tax rates and bands from 6 April 2023; although, this has not yet been legislated.

Dividend income that is within the Nil Rate Amount counts towards an individual's basic or higher rate limits – and will therefore affect the level of savings allowance to which they are entitled, and the rate

of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating which tax band any dividend income over the Nil Rate Amount falls into, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

The Company will not be required to withhold tax at source when paying a dividend to individuals (including such part of any dividend as may be designated an interest distribution as described above).

To the extent that an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an accounting period under the "streaming" regime, then the corresponding dividends paid by the Company will be taxed as interest income in the hands of UK resident individual shareholders. To the extent the Shareholder is within the basic rate band, interest received in excess of the savings allowance of £1,000 will be taxed at 20 per cent. To the extent the Shareholder is within the higher rate band, interest received in excess of the savings allowance of £500 will be taxed at 40 per cent. To the extent the Shareholder is within the additional rate band, interest received will be taxed at 45 per cent. The tax free savings income is not available for additional rate taxpayers. Shareholders should note that, in a recent fiscal statement, the UK government announced changes to Income Tax rates and bands from 6 April 2023; although, this has not yet been legislated.

Corporations

The statements in the following four paragraphs apply in respect of dividends to which the "streaming" regime does not apply.

A corporate Shareholder who is tax resident in the UK or carries on a trade in the UK through a permanent establishment in connection with which its Shares are held will be subject to UK corporation tax on the gross amount of any dividends paid by the Company, unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009.

It is anticipated that dividends paid on the Shares to UK tax resident corporate Shareholders would generally (subject to anti-avoidance rules) fall within one of those exempt classes. However, such Shareholders are advised to consult their tax advisers to determine whether such dividends will be subject to UK corporation tax. If the dividends do not fall within any of the exempt classes, the dividends will be subject to tax currently at a rate of 19 per cent. which is expected to increase to 25 per cent. from 1 April 2023 for those companies with profits over and above £250,000. The 19 per cent. rate will continue to be relevant where profits are below £50,000, with margin relief for profits between £50,000 and £250,000.

To the extent that an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an accounting period under the "streaming" regime, then the corresponding dividends paid by the Company will be taxed according to the loan relationship rules in the hands of UK resident corporate Shareholders and subject to corporation tax currently at a rate of 19 per cent. and expected to increase to 25 per cent. from 1 April 2023 for companies with profits over and above £250,000. The 19 per cent. rate will continue to be relevant where profits are below £50,000, with marginal relief for profits between £50,000 and £250,000.

The Company will not be required to withhold tax at source when paying a dividend to corporations (including such part of any dividend as may be designated an interest distribution as described above).

4. STAMP DUTY AND SDRT

4.1. Issue of New Shares pursuant to the Issue

The issue of New Shares pursuant to the Issue should not give rise to any stamp duty or SDRT.

4.2. Subsequent transfers

Subsequent transfers of New Shares held in certificated form will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the amount or value of the consideration given for the transfer (rounded up to the nearest £5.00). However, an exemption from stamp duty will be available on an instrument transferring New Shares where the amount or value of the consideration is £1,000 or less and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger

transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser normally pays the stamp duty.

An unconditional agreement to transfer New Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. However, if a duly stamped or exempt transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of New Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system (but in practice the cost will be passed on to the purchaser). Deposits of New Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration in the form of money or money's worth.

In certain circumstances, the transfer of New Shares will be chargeable to stamp duty or SDRT on the value of the New Shares transferred, rather than the amount or value of the consideration given.

5. ISAs

Shares acquired by a UK resident individual Shareholder may be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£20,000 in the tax year 2022/23). Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Junior ISAs are available to children under the age of 18 who are resident in the UK subject to the annual allowance of £9,000 for the 2022/23 tax year.

Individuals wishing to invest in New Shares through an ISA should contact their professional advisers regarding their eligibility.

6. INFORMATION REPORTING

The UK has entered into a number of international arrangements which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, FATCA, the Common Reporting Standard, the EU Directive on Administrative Cooperation in Tax Matters, and a number of other arrangements with particular jurisdictions.

In connection with such international agreements and obligations (and UK regulations implementing the same) the Company may, amongst other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to tax authorities in other jurisdictions in accordance with such UK regulations and relevant international agreements and obligations.

7. PREVENTION OF THE CRIMINAL FACILITATION OF TAX EVASION

Two United Kingdom corporate criminal offences for failure to prevent the facilitation of tax evasion ("**FTP**" offences) created by the Criminal Finances Act 2017 impose criminal liability on a company or a partnership (a "**relevant body**") if it fails to prevent the criminal facilitation of tax evasion by a person "when acting in the capacity of a person associated" with the relevant body. There is a defence to the charge if the relevant body can show that it had in place reasonable "prevention procedures" at the time the facilitation took place. In order to comply with the Criminal Finances Act 2017, the Company, the AIFM and the Investment Manager may require additional information from Shareholders or prospective investors in the Company regarding their tax affairs.

PART 6

GENERAL INFORMATION

1. THE COMPANY

- 1.1. The Company was incorporated in England and Wales on 6 February 1929 with registered number 00236964 as a public company limited by shares under the Companies Acts, 1908 to 1917. The Company is registered as an investment company under section 833 of the Companies Act. The Company's LEI is 213800MRI1JTUKG5AF64. The Company does not have a fixed life.
- 1.2. As a listed investment trust, the Company is not regulated as a collective investment scheme by the FCA. However, as a company with its shares admitted to listing on the premium segment of the Official List and to trading on the Main Market, it is subject to the Prospectus Regulation Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Takeover Code, UK MAR and the rules of the London Stock Exchange. The Company is domiciled in England. The Company is an alternative investment fund pursuant to the UK AIFMD Laws. The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder.
- 1.3. The address of the registered office and principal place of business of the Company is c/o Computershare Investor Services PLC Moor House, 120 London Wall, London EC2Y 5ET, with freephone telephone number: 0800 917 2112
- 1.4. The Company has no employees and its day-to-day activities are delegated to third parties.
- 1.5. The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the key conditions that must be met for approval by HMRC for any given accounting period as an investment trust are that:
 - 1.5.1. all, or substantially all, of the business of the Company is investing its funds in shares, land or other assets (being shares in the case of the Company) with the aim of spreading investment risk and giving members the benefit of the results of the management of its funds;
 - 1.5.2. the Company is not a close company at any time during the accounting period for which approval is sought;
 - 1.5.3. the Company is resident in the UK throughout that accounting period;
 - 1.5.4. the Company's ordinary share capital is admitted to trading on a regulated market (as defined in FSMA) throughout the accounting period; and
 - 1.5.5. the Company must not retain in respect of the accounting period an amount greater than the higher of: (i) 15 per cent. of its income for the period; and (ii) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount equal to or greater than the higher of the amounts mentioned in (i) and (ii) above, the Company may retain an amount equal to the amount of such losses.

2. THE AIFM AND THE INVESTMENT MANAGER

- 2.1. Baillie Gifford & Co Limited, a private limited company incorporated in Scotland under the Companies Act with registered number SC069524, is the Company's AIFM. The AIFM is authorised and regulated by the FCA. The registered office of the AIFM is at Calton Square, 1 Greenside Row, Edinburgh, Scotland EH1 3AN and its telephone number is 0131 275 2000.

- 2.2. Baillie Gifford & Co is the Company's Investment Manager. The Investment Manager is a Scottish partnership authorised and regulated by the FCA. The office of the Investment Manager is at Calton Square, 1 Greenside Row, Edinburgh, Scotland EH1 3AN.

3. THE DEPOSITARY

The Bank of New York Mellon (International) Limited has been appointed as depositary of the Company pursuant to the Depositary Agreement (further details of which are set out in paragraph 13.3 below). The Depositary is a private limited company incorporated in England and Wales under the Companies Act 1985 with company number 03236121. It is authorised by the PRA and regulated by the FCA and the PRA. The address of the registered office of the Depositary is at 1 Canada Square, London E14 5AL and its telephone number is +44 20 3322 4806. The Depositary's LEI is 549300KP56LL8NKKFL47.

4. SHARE CAPITAL

- 4.1. The ISIN of the Shares is GB0030517261, the SEDOL of the Shares is 3051726 and the ticker symbol is MNKS.

- 4.2. As at 3 October 2022 the issued and fully paid share capital of the Company (excluding Shares held in treasury) consisted of:

	Nominal value (£)	Number
Shares	10,956,403.25	219,128,065

- 4.3. As at 3 October 2022 the Company held 17,325,794 Shares in treasury. The Shares are admitted to the premium segment of the Official List and to trading on the Main Market. The Company has no authorised share capital.

- 4.4. *For illustrative purposes only*, had the Calculation Date been market close on 29 September 2022, and assuming that 10,620,790 New Shares are issued (such number being based on the illustration provided in paragraph 2.3 of Part 3 (*Details of the Scheme and the Issue*) of this Prospectus), the issued and fully paid share capital of the Company immediately following the Issue (excluding Shares held in treasury) would have been as follows:

	Nominal value (£)	Number
Shares	11,495,022.75	229,900,455

- 4.5. In addition to the ordinary business of the Company, resolutions were passed at the AGM held on 6 September 2022 as follows:

- 4.5.1. in substitution of any existing authority, the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (for the purpose of this paragraph 4.5.1, "**Securities**") provided that such authority be limited to the allotment of shares and the grant of rights in respect of shares with an aggregate nominal value of up to £1,124,037.90 (representing 10 per cent. of the Company's total issued share capital as at 16 June 2022), during the period expiring on the conclusion of the next Annual General Meeting or on the expiry of 15 months from 6 September 2022, whichever is earlier, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company be allowed at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired;

- 4.5.2. in substitution for any existing power, the Directors were generally empowered (pursuant to section 570 of the Companies Act) to allot equity securities for cash pursuant to the authority referred to in paragraph 4.5.1 above, or to sell treasury shares wholly for cash as if section 561 of the Companies Act did not apply to any such allotment or sale provided that this power:

- (a) expires at the conclusion of the next Annual General Meeting or on the expiry of 15 months from 6 September 2022, whichever is earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired;
 - (b) be limited to the allotment of equity securities or the sale of treasury shares up to an aggregate nominal value of £1,124,037.90 (being approximately 10 per cent. of the nominal value of the issued share capital of the Company as at 16 June 2022); and
- 4.5.3. in substitution for any existing authority, the Company was generally and unconditionally authorised, pursuant to and in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of fully paid Shares (either for retention as treasury shares for future reissue, resale, transfer or for cancellation), provided that:
 - (a) the maximum aggregate number of Shares authorised to be purchased is 33,698,657 Shares or, if less, the number representing 14.99 per cent. of the issued Share capital of the Company as at 6 September 2022;
 - (b) the minimum price (exclusive of expenses) which may be paid for a Share is 5 pence;
 - (c) the maximum price (exclusive of expenses) which may be paid for a Share shall not be more than the higher of: (i) five per cent. above the average closing price of a Share on the London Stock Exchange over the five Business Days immediately preceding the date of purchase; and (ii) the higher of the price of the last independent trade of, and the highest current independent bid for, a Share on the London Stock Exchange; and
 - (d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority so conferred will expire at the conclusion of the Annual General Meeting of the Company to be held in respect of the year ending 30 April 2023, save that the Company may, prior to such expiry, enter into a contract to purchase Shares under such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract.
- 4.6. At the General Meeting, the Directors will seek Shareholder authority generally and unconditionally, pursuant to section 551 of the Companies Act, to allot New Shares and to grant rights to subscribe for or to convert any securities into New Shares up to an aggregate nominal amount of £1,500,000 in connection with the Issue (such authority to expire on 31 December 2022). Such authority will be in addition to the authority referred to in paragraph 4.5.1 above.
- 4.7. The provisions of section 561 of the Companies Act which, to the extent not disapplied pursuant to section 570 or section 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment or sale of equity securities for cash, shall apply to any unissued share capital of the Company, except to the extent disapplied by the authority referred to in paragraph 4.5.2 above.
- 4.8. The Directors are entitled to exercise all powers of the Company to issue Shares in the Company under the Articles on a non pre-emptive basis and are expected to resolve to do so prior to the Admission in respect of the New Shares to be issued pursuant to the Issue.
- 4.9. As at 3 October 2022, being the latest practicable date prior to the publication of this Prospectus:
 - 4.9.1. no subscriptions, issues or options are to be given by the Company, or are already existing, in respect of any securities of the Company, including any that have a prior right over the Shares to a distribution of the profits or assets of the Company;

- 4.9.2. no shares which do not represent capital have been issued by the Company and remain outstanding;
 - 4.9.3. no convertible securities, exchangeable securities or securities with warrants have been issued by the Company and remain outstanding; and
 - 4.9.4. save in connection with the Issue, there are no acquisition rights and/or obligations over any of the Company's authorised but unissued capital and no undertakings to increase the Company's capital.
- 4.10. As at 3 October 2022 there have been no public takeover bids in respect of the Company's equity, since the financial year ended 30 April 2021.

5. REDEMPTIONS AT THE OPTION OF SHAREHOLDERS

There is no right or entitlement attaching to the Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

6. ARTICLES OF ASSOCIATION

Below is a summary of the provisions in the Articles relating to the rights attached to the Shares, including any limitation of those rights and procedures for the exercise of those rights.

6.1. Summary of the share rights in the Articles as at the date of this Prospectus

6.1.1. Variation of rights

Subject to the provisions of the Companies Act, all or any of the rights attached to any existing class of shares (whether or not the Company is being wound up) may be varied either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

At every such separate general meeting the necessary quorum shall be two persons entitled to vote and holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (excluding any shares of that class held as treasury shares), except that at any adjourned meeting any holder of shares of the class present in person or by proxy (whatever the number of shares held be him/her) shall be a quorum. At such separate general meeting, any holder of shares of the class present in person or by proxy and entitled to vote may demand a poll. The foregoing provisions shall apply to the variation of any special rights which only attach to some of the shares of any class as if each group of shares of the class differently treated formed a separate class and their special rights were to be varied.

6.1.2. Alteration of share capital

Any resolution authorising the Company to sub-divide its shares or any of them may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others.

Whenever as a result of a consolidation, consolidation and sub-division or sub-division of shares, any holders of the Company's shares would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit including by aggregating and selling them or by dealing with them in some other way. For the purposes of effecting any such sale, the Board may arrange for the shares representing the fractions to be entered in the Register as certificated shares. The Board may sell shares representing fractions to any person, including the Company, and may authorise any person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase money nor shall his/her title to the shares be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

Subject to any rights for the time being attached to any shares, the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in any manner permitted by, and in accordance with, the Companies Act.

Subject to the Companies Act and to any rights for the time being attached to any shares, the Company may purchase its own shares (including any redeemable shares) and may hold such shares as treasury shares or cancel them. On any purchase by the Company of its own shares neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any manner as between the holders of shares of the same class or as between them and the holders of shares of any other class.

6.1.3. *Issue of shares*

Subject to the Companies Act, the provisions of the Articles and to any resolution passed by the Company and without prejudice to any rights attached to existing shares, the Board may offer, allot, grant options over or warrants to subscribe for or otherwise deal with or dispose of shares in the Company to such persons, at such times and for such consideration and upon such terms as the Board may decide.

6.1.4. *Dividends*

The Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. Subject to the provisions of the Companies Act, the Board may pay interim dividends, or dividends payable at a fixed rate, if it appears to it that they are justified by the financial position of the Company. If the Board acts in good faith, it shall not incur any liability to the holders of any shares for any loss they may suffer in consequence of the payment of an interim or fixed dividend on any other class of shares ranking *pari passu* with or after those shares.

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide: (i) all dividends shall be declared and paid according to the amounts paid up on the share in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated as paid up on the share; (ii) all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the share during any portion or portions of the period in respect of which the dividend is paid; and (iii) dividends may be declared or paid in any currency.

6.1.5. *Reserves*

(a) *Sums carried to reserve*

The Board may set aside out of the profits of the Company and carry to reserves such sums as the Board thinks fit which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may properly be applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may think fit.

The Board may divide the reserves into such special funds as it thinks fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserves may have been divided. The Board may also, without placing the same to reserves, carry forward any profits which the Board may think prudent not to distribute. In carrying sums to reserves and in applying the same the Board shall comply with the provisions of the Companies Act.

(b) *Capital reserve*

The Board shall establish a reserve to be called the "capital reserve" and shall either carry to the credit of such reserve from time to time all capital profits or appreciations arising on the sale, transposition, payment off or revaluation of any investment or other capital asset of the Company in excess of the book value thereof or apply the same in providing for depreciation or contingencies. Any losses realised on the sale, transposition, payment off or revaluation of any investment or other capital asset and any other expense, loss or liability (or provision thereof) considered by the Board to be of a capital nature shall be carried to the debit of the capital reserve, except in so far as the Board may in its discretion decide to make good the same out of, or debit the same to, other funds or reserves of the Company.

Subject to the Companies Act and without prejudice to the foregoing generality, the Board may determine whether any amount received by the Company is to be dealt with as income or capital or partly one and partly the other. The Board may determine whether any cost, liability or

expense (including, without limitation, any costs incurred or sums expended in connection with the management of the assets of the Company or finance costs (including, without limitation, any interest payable by the Company in respect of any borrowings of the Company)) is to be treated as a cost, liability or expense chargeable to capital or to revenues or partly one and partly the other, having regard, *inter alia*, to the investment objectives of the Company, and to the extent the Board determines that any such cost, liability or expense should reasonably and fairly be charged or apportioned to capital the Board may debit or charge the same to the capital reserve.

Subject to the Companies Act, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes to which sums standing to any reserve referred to in paragraph 6.1.5.(a) may be applied, including without limitation by way of payment of dividends, and the redemption or purchase by the Company of its own shares, including treasury shares which may be subsequently reissued.

6.1.6. Voting rights

Subject to any special terms as to voting upon which any shares may be issued or may at the relevant time be held and to any other provisions of the Articles, members shall be entitled to vote at a general meeting whether on a show of hands or on a poll as provided in the Companies Act. For this purpose, where a proxy is given discretion as to how to vote (both on a show of hands and on a poll), this shall be treated as an instruction by the relevant member to vote in the way in which the proxy elects to exercise that discretion.

No member shall, unless the Board otherwise decides, be entitled in respect of any share held by the member to attend or vote (either personally or by proxy) at any general meeting of the Company or upon a poll or to exercise any other right conferred by membership in relation to general meetings or polls unless all calls or other sums presently payable by the member in respect of that share have been paid.

6.1.7. Transfer of shares

A share in certificated form may be transferred by an instrument of transfer, which may be in any usual form or in any other form approved by the Directors, executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. A share in uncertificated form may be transferred by means of the relevant electronic system concerned. The transferor of a share shall be deemed to remain the holder of that share until the name of the transferee is entered into the register of members of the Company in respect of it.

The Board can decline to register any transfer of any share which is not a fully paid share.

In addition, the Board may refuse to register a transfer of certified shares unless: (i) the instrument of transfer is duly stamped or duly certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty and is left at the registered office of the Company or such other place as the Board may from time to time determine accompanied (save in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the person signing the instrument of transfer to make the transfer and, if the instrument of transfer is signed by some other person on his behalf, the authority of that person so to do; (ii) the instrument of transfer is in respect of only one class of share; and (iii) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.

The Board may decline to register a transfer of an uncertificated share in the circumstances set out in the CREST Regulations or the rules of the relevant electronic system concerned, and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

For all purposes of the Articles relating to the registration of transfers of shares, the renunciation of the allotment of any shares by the allottee in favour of some other person shall be deemed to be a transfer and the Board shall have the same powers of refusing to give effect to such a renunciation as if it were a transfer.

If the Board declines to register a transfer of a share, it shall notify the transferee of its refusal and the reasons for it within two months after the date on which the transfer was lodged with the Company or the instructions to the Relevant System were received. The Board shall provide such further information about its reasons for declining to register a transfer to the transferee as the transferee may reasonably request. Any instrument of transfer which the Board declines to register shall be returned to the person depositing it (except if there is suspected or actual fraud).

No fee shall be charged by the Company for registering any transfer, document or instruction relating to or affecting the title to any share or for making any other entry in the register of members of the Company.

6.1.8. Distribution of assets on a winding up

If the Company is wound up, the liquidator(s) may, with the sanction of a special resolution and any other sanction required by law, divide amongst the members *in specie* or in kind the whole or any part of the assets of the Company (whether they shall consist of assets of the same kind or not) and, for that purpose, may set such value as the liquidator(s) deems fair upon any assets and may determine how the division shall be carried out as between the members or different classes of members. The liquidator(s) may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members or different classes of members as the liquidator(s) may with the like sanction determine, but no member shall be compelled to accept any assets upon which there is any liability.

6.1.9. Restrictions on rights: failure to respond to a section 793 notice

Where the holder of any shares in the Company, or any other person appearing to be interested in those shares, fails to comply within the relevant period with a statutory notice served by the Company in respect of those shares or, in purported compliance with a statutory notice, has made a statement which is false or inadequate in a material way, the Company may impose restrictions on those shares, including the suspension of the right to attend or vote (whether in person or by representative or proxy) at any general meeting or any separate meeting of the holders of any class or on any poll and, where those shares represent at least 0.25 per cent. of their class (excluding treasury shares), the withholding of any dividend payable in respect of those shares and Board refusal to register a transfer of the shares or any of them unless such a transfer is pursuant to an arm's length sale.

6.1.10. Untraced Shareholders

Subject to various notice requirements, the Company may sell any of a Shareholder's shares if, during a period of 12 years from the date of publication of two newspaper advertisements, at least three dividends on such shares have become payable and no cheque for amounts payable in respect of such shares has been presented and no warrant has been effected and no communication has been received by the Company from the Shareholder or person concerned.

6.1.11. General meetings

A general meeting shall be convened by at least such minimum period of notice as is required or permitted by the Companies Act. The Company may give such notice by any means or combination of means permitted by the Companies Act. Subject to the provisions of the Articles and to any rights or restrictions attached to any shares, notices of general meetings shall be given to all members, to all persons entitled by transmission to a share and to the Directors and Auditors.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting which shall not be treated as part of the business of the meeting. Save as otherwise provided by the Articles, two members present in person or by proxy (which shall include by means of an electronic platform and/or at a satellite location, if relevant) and entitled to vote shall be a quorum for all purposes.

A Shareholder is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at a meeting of the Company. If a member appoints more than one proxy and the proxy forms appointing those proxies would give those proxies the apparent right to exercise votes on behalf of the member in a general meeting over more shares than are held by the member, then each of those proxy forms will be invalid and none of the proxies so appointed will be entitled to attend, speak or vote at the relevant general meeting (unless the Board in its absolute discretion shall otherwise decide).

Any corporation which is a member of the Company may by resolution of its board of directors or other governing body authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any separate meeting of the holders of any class of shares. The corporation shall for the purposes of the Articles be deemed to be present in person at any such meeting at which a person or persons so authorised is present.

The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

The appointment of a proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

Each Director shall be entitled to attend and speak at any general meeting of the Company.

A poll on a resolution may be demanded at a general meeting before or on the declaration of the result of the show of hands by the chairman or by those members entitled under the Companies Act to demand a poll.

7. THE CITY CODE ON TAKEOVERS AND MERGERS

7.1. Mandatory bid

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

7.1.1. any person acquires, whether by a series of transactions over a period of time or otherwise, an interest in shares which, when taken together with shares in which they and persons acting in concert with them are interested, carry 30 per cent. or more of the voting rights in the Company; or

7.1.2. any person, together with persons acting in concert with them, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with them, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which they are interested,

such person would be required (except with the consent of the Panel) to make a cash or cash alternative offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by them or their concert parties during the previous 12 months. Such an offer must only be conditional on:

7.1.3. the person having received acceptances in respect of shares which (together with shares already acquired or agreed to be acquired) will result in the person and any person acting in concert with them holding shares carrying more than 50 per cent. of the voting rights; and

7.1.4. no reference having been made in respect of the offer to the Competition and Markets Authority by either the first closing date or the date when the offer becomes or is declared unconditional as to acceptances, whichever is the later.

A person not acting, or presumed not to be acting, in concert with any one or more of the directors of a company will not normally incur an obligation to make a mandatory offer under Rule 9 if, as a result of the redemption or repurchase of shares by that company, they come to exceed the percentage limits set out in Rule 9.

- 7.1.5. The Panel must be consulted in advance in any case where Rule 9 of the Takeover Code might be relevant.

7.2. Compulsory acquisition

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of a class of shares of a company (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares of that class held by holders that have not assented to the offer. It would do so by sending a notice to the holders of shares of that class indicating that it is desirous of acquiring such outstanding shares whereupon the offeror will become entitled and bound to acquire such shares. At the end of six weeks from the date of such notice it would execute a transfer of such outstanding shares in its favour and pay the consideration to the company, which would hold the consideration on trust for the holders of such outstanding shares subject to the transfer. The consideration offered to the holders whose outstanding shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares of a company (in value and by voting rights, pursuant to a takeover offer that relates to all the shares in the company) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire their shares on the same terms as the takeover offer ("sell-out rights").

The offeror would be required to give any relevant holder of shares notice of their right to be bought out within one month of that sell-out right arising. Such sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises their sell-out rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

8. DISCLOSURES UNDER UK MAR

The table below sets out a summary of the information disclosed by the company under UK MAR over the 12 month period preceding the date of this Prospectus and which is relevant as at the date of this Prospectus.

Date	Title of Announcement	Disclosure
9 August 2022	Proposed combination of Independent Investment Trust with Monks	Announcement of the intention to implement the Proposals

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

9.1. Directors' interests

Following implementation of the Issue, the interests (all of which are or will be beneficial unless otherwise stated) of the Directors (together with their connected persons) in the issued share capital of the Company are expected to be as follows:

Director	Number of Shares as at 29 September 2022	Percentage of issued share capital (%) as at 29 September 2022	Number of Shares following completion of the Issue	Estimated percentage issued share capital (%) following completion of the Issue*
Karl Sternberg (Chairman)**	19,189	0.01	24,713	0.01
Claire Boyle	—	0.00	—	0.00
Belinda Richards	11,397	0.01	11,397	<i>de minimis</i>
Professor Sir Nigel Shadbolt	—	0.00	—	0.00
Jeremy Tighe	41,320	0.02	41,320	0.02

* Assuming the total issued Share capital of the Company following completion of the Issue is 229,900,455, based on the illustrative calculations set out in paragraph 2.3 of Part 3 of this Prospectus.

** Karl Sternberg held 13,500 IIT Shares as at 29 September 2022.

As at the date of this Prospectus, save as disclosed above, no Director has any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

9.1.1. No Director of the Company has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company which was effected by the Company since its incorporation.

9.1.2. There are no outstanding loans granted by the Company to any of the Directors nor is any guarantee provided by the Company for the benefit of any of the Directors.

9.2. Directors' contracts with the Company

9.2.1. No Director has a service contract with the Company, nor are any such contracts proposed; each Director having been appointed pursuant to a letter of appointment entered into with the Company.

9.2.2. The Directors' appointments can be terminated in accordance with the Articles and without compensation or in accordance with the Companies Act or common law. The Directors are subject to annual retirement in accordance with the Articles.

9.2.3. There is no notice period specified in the letters of appointment or the Articles for the removal of the Directors. The Articles provide that the office of Director may be terminated by, among other things: (i) resignation; (ii) unauthorised absences from board meetings for more than six consecutive months; or (iii) a resolution of all the other Directors stating that the Director shall cease to be a director of the Company with immediate effect or with effect from such other time as is stated in the resolution.

9.2.4. As at the date of this Prospectus, Karl Sternberg, as Chairman, is entitled to receive £47,500 per annum, Jeremy Tigue, as chair of the Audit Committee and Senior Independent Director, is entitled to receive £41,500 per annum and all other Directors are entitled to receive £32,500 per annum for their services as Directors of the Company.

9.2.5. No amounts have been set aside or accrued by the Company to provide pension, retirement or similar benefits for the Directors.

9.3. Directors' other interests

9.3.1. Over the five years preceding the date of this Prospectus, the Directors have held the following directorships (apart from their directorships of the Company) and/or partnerships:

	Current directorships/partnerships	Past directorships/partnerships
Karl Sternberg (Chairman)	Clipstone Industrial REIT plc Herald Investment Trust plc Howard De Walden Estates Limited Howard De Walden Estates Holding Limited Island House Investments LLP JPMorgan Elect plc Jupiter Fund Management plc	Alliance Trust plc JPMorgan Income and Growth Investment Trust plc (<i>dissolved</i>) Lowland Investment Company plc Railway Pension Investments Limited
Claire Boyle	abrdn Japan Investment Trust plc Fidelity Special Values plc Life Science REIT plc	—

	Current directorships/partnerships	Past directorships/partnerships
Belinda Richards	Phoenix Group Holdings plc Schroder Japan Growth Fund plc Youth Sport Trust	Avast Limited Grainger plc Jupiter Fund Management plc PGH (Cayman)
Professor Sir Nigel Shadbolt	Augmented Intelligence Ltd Benevolent-UK Jesus College Developments (Oxford) Limited Open Data Institute Pinch Medical Systems Limited Seme4 Limited Tacit Connexions Limited Web Science Trust	—
Jeremy Tighe	William Harvey Research Foundation abrdn Equity Income Trust plc	ICG Enterprise Trust plc The Mercantile Investment Trust plc

9.3.2. As at the date of this Prospectus, save as set out in the table at paragraph 9.3.1 above, there are no potential conflicts of interest between any of the Directors' duties to the Company and their private interests and/or other duties.

9.3.3. There are no lock-up provisions regarding the disposal by any of the Directors of any Shares.

9.3.4. The Directors in the five years before the date of this Prospectus:

- (a) do not have any convictions in relation to fraudulent offences;
- (b) other than as disclosed in paragraph 9.3.5 below, have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- (c) do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

9.3.5 Mr Sternberg was a director of JPMorgan Income and Growth Investment Trust plc. JPMorgan Income and Growth Investment Trust plc entered into a members' voluntary liquidation on 30 November 2016 in connection with a scheme of reconstruction and voluntary winding up under section 110 of the Insolvency Act pursuant to which certain of its assets were transferred to JPMorgan Elect plc. Mr Sternberg became a director of JPMorgan Elect plc following the implementation of this scheme of reconstruction and winding up. JPMorgan Income and Growth Investment Trust plc was dissolved on 19 May 2019.

9.3.6. The Company shall maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

9.4. Major Shareholders

9.4.1. As at close of business on 3 October 2022, being the latest practicable date prior to the publication of this Prospectus, in so far as it is known to the Company, no persons held, directly or indirectly, 3.0 per cent. or more of the Company's issued Share capital.

- 9.4.2. As at the date of this Prospectus the Company is not aware of any person who, immediately following the Issue, will directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 9.4.3. None of the Shareholders has or will have voting rights attached to the Shares held by them which are different from the voting rights attached to any other Shares. So far as is known to the Company, as at the date of this Prospectus, the Company will not, immediately following the Issue, be directly or indirectly owned or controlled by any single person or entity and there are no arrangements known to the Company the operation of which may subsequently result in a change of control of the Company.

9.5. Related party transactions

Save for payment of fees and expenses to the AIFM and its affiliates pursuant to the Management Agreement, which is summarised in paragraph 13.1 below, the Company has not entered into any related party transaction (within the meaning of UK-adopted international accounting standards) at any time during the period from 30 April 2022 to the date of publication of this Prospectus.

9.6. Other material interests

- 9.6.1. The AIFM and the Investment Manager, any of their respective directors, officers, employees, agents and affiliates and the Directors, and any person or company with whom they are affiliated or by whom they are employed, may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company.
- 9.6.2. In particular, interested parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, the AIFM and the Investment Manager, any of their respective directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed may (subject to any restrictions contained in any relevant management agreement) acquire on behalf of a client an investment in which the Company may also invest.

10. SHARE OPTIONS AND SHARE SCHEME ARRANGEMENTS

No share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

11. PORTFOLIO

As at the date of this Prospectus, the Portfolio consists principally of investments in global quoted equities, in accordance with the Company's investment policy.

12. OTHER INVESTMENT RESTRICTIONS

- 12.1. The Company will at all times invest and manage its assets with the objective of spreading investment risk and in accordance with its published investment policy and the investment restrictions set out therein as set out in Part 1 (*Information on the Company*) of this Prospectus.
- 12.2. In the event of a material breach of the investment policy and/or restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Investment Manager via an RIS announcement.

13. MATERIAL CONTRACTS

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the Company is a party or which contains any provision under which the Company has any obligation or entitlement which is material to it as at the date of this Prospectus.

13.1. Management Agreement

The Company entered into the Management Agreement with the AIFM on 10 June 2014, under which the AIFM has been appointed to provide to the Company discretionary portfolio management, risk management, company secretarial and administration services, subject to the overall supervision of the Directors in accordance with the policies laid down by the Directors from time to time and the investment guidelines referred to in the Management Agreement. Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited.

By way of sub-delegation from the AIFM, the Investment Manager manages the Portfolio and the Company's investments in accordance with the policies laid down by the Directors from time to time and in accordance with the investment guidelines referred to in the Management Agreement.

The annual management fee payable to the AIFM by the Company is 0.45 per cent. on the first £750 million of the Company's total assets, 0.33 per cent. on the next £1 billion of total assets and 0.30 per cent. 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 the AIFM. Management fees are calculated and payable quarterly.

The Management Agreement is terminable by:

- (a) any of the parties to it on six months' prior written notice;
- (b) the Company immediately if, among other things: (i) an order has been made or an effective resolution passed for the winding-up or liquidation of the AIFM, or a receiver or similar officer has been appointed in respect of the AIFM or of any material part of the AIFM's assets, or the AIFM enters into an arrangement with its creditors or any of them, or the AIFM is, or is deemed to be, unable to pay its debts; (ii) the AIFM has committed a breach of its obligations under the Management Agreement that is material in the context of the Management Agreement and, where such breach is capable of remedy, fails to remedy such breach within 30 days after receiving notice from the Company requiring the same to be remedied; and/or (iii) the AIFM ceases to maintain its permission from the FCA to act as AIFM of the Company, or such permission is suspended; and
- (c) the AIFM immediately if an order has been made or an effective resolution passed for the winding-up or liquidation of the Company (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously consented to in writing by the AIFM).

The AIFM has, and shall maintain, the necessary expertise and resources to act as AIFM to the Company and shall ensure compliance with the UK AIFMD Laws and other applicable laws.

13.2. Registrar Agreement

The Registrar has been appointed by the Company pursuant to the Registrar Agreement entered into between the Company and the Registrar dated 7 June 2012, as amended from time to time, to provide registrar and receiving agent services to the Company. The Company shall pay to the Registrar as annual remuneration for the services to be rendered by the Registrar under the Registrar Agreement a fee of £27,000. The Registrar Agreement contains certain standard indemnities from the Company in favour of the Registrar and from the Registrar in favour of the Company. The Registrar's liabilities under the Registrar Agreement are subject to a financial limit.

13.3. Depositary Agreement

The Depositary Agreement is dated 30 May 2014 and entered into between the Company, the AIFM and the Depositary whereby the Depositary is appointed to act as custodian and depositary of the Company. The Depositary performs the customary services of a depositary in accordance with the UK AIFMD Laws. The Depositary may delegate its obligations in respect of the safekeeping of the Company's investments to third parties, subject to the UK AIFMD Laws and the certain conditions within the Depositary Agreement. The Depositary has not contractually discharged any of its liabilities under the Depositary Agreement in respect of any delegated services.

The Depositary Agreement may be terminated by either party on 90 days' prior written notice. The Depositary Agreement may be immediately terminated by either party in certain circumstances such as where either party ceases to be authorised to carry on its relevant regulated activity by the relevant regulatory authority. The Depositary Agreement contains customary indemnities given by the Company in favour of the Depositary.

13.4. Revolving Credit Facility

The Company entered into a revolving credit facility agreement ("**RCF**") with National Australia Bank Limited ("**NAB**") on 30 November 2015, as extended for 12 months on 30 November 2020 and as amended and restated on 29 November 2021, pursuant to which NAB will make available to the Company a facility of up to £150,000,000 for use in connection with the general investment activities associated with the Company's business.

The final maturity date of the RCF is 29 November 2024. Interest on drawings denominated in sterling is calculated at a rate determined by NAB to be the aggregate of: (i) 1.40 per cent. per annum; (ii) the daily compounded interest rate (five day fallback applies) of the relevant risk-free rate (SONIA) over the term of the drawing (available terms under the RCF being one, three, or six months); and (iii) the credit adjustment spread applicable for the relevant term. Interest on drawings denominated in US dollars would be calculated at a rate being the aggregate of: (i) 1.40 per cent. per annum and (ii) US LIBOR for the relevant term until such time as US LIBOR is withdrawn, following which the integrated switch mechanism will move the interest rate calculation to reference the US risk-free rate (SOFR). No drawings in US dollars are currently contemplated.

The RCF contains customary representations and warranties given by the Company in favour of NAB. Under the RCF, NAB is not bound to monitor or verify the application of any amount borrowed pursuant to the RCF. As at the date of this Prospectus, the commitment has not been cancelled or terminated in accordance with the terms of the RCF.

13.5. Transfer Agreement

If the resolution to be proposed at the Second IIT General Meeting is passed, the Company will enter into the Transfer Agreement on or about the Effective Date, pursuant to which the IIT Portfolio will be transferred to the Company in consideration for the issue of New Shares to IIT Shareholders under the Scheme. The parties to the Transfer Agreement have entered into irrevocable undertakings to enter into the Transfer Agreement on the Effective Date.

14. LITIGATION

During the 12 month period prior to the date of this Prospectus there have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, which may have, or have had, in the recent past, a significant effect on the Company and/or the financial position or profitability of the Company.

15. THIRD PARTY INFORMATION AND CONSENTS

- 15.1. Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 15.2. The Sponsor has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which it appears.
- 15.3. The AIFM and the Investment Manager have given and not withdrawn their written consent to the inclusion in this Prospectus of references to their names in the form and context in which they appear.
- 15.4. The AIFM accepts responsibility for the information and opinions contained in this Prospectus relating to it and all statements made by it. To the best of the knowledge of the AIFM, the information contained in this Prospectus related to or attributed to the AIFM and its affiliates is in accordance with the facts and such parts of this Prospectus make no omission likely to affect

their import. It has also given and not withdrawn its consent to, and has authorised, the inclusion in this Prospectus of the information and opinions contained in: (a) the risk factors contained the heading '*Risks relating to the investment policy*' in the Risk Factors section of this Prospectus; and (b) paragraph 2.4; paragraph 2.5; paragraph 2.6; paragraph 2.7; paragraph 2.8; and paragraph 2.15 of Part 1 of this Prospectus.

- 15.5. The Investment Manager accepts responsibility for the information and opinions contained in this Prospectus relating to it and all statements made by it. To the best of the knowledge of the Investment Manager, the information contained in this Prospectus related to or attributed to the Investment Manager and its affiliates is in accordance with the facts and such parts of this Prospectus make no omission likely to affect their import.

16. AUDITOR

The auditor of the Company is Ernst & Young LLP of 1 More London Place, London SE1 2AF, and a member firm of the Institute of Chartered Accountants in England and Wales.

17. PROFILE OF TYPICAL INVESTORS

The Directors believe that the Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who are seeking capital growth through investment in a portfolio principally of global equities, and who understand and are willing to accept the risks of exposure to equities and who view their investment in the Company as long-term in nature.

18. GENERAL MEETING

The Company will publish the Circular on or around the date of this Prospectus. The Notice of General Meeting which is included in the Circular sets out in full the Resolution to be tabled at the General Meeting of the Company to be held at 11.00 a.m. on 7 November 2022.

19. DOCUMENTS ON DISPLAY

- 19.1. The following documents will be available for inspection at the Company's website <https://www.bailliegifford.com/en/uk/individual-investors/funds/monks-investment-trust/> from the date of this Prospectus until the date of Admission:

19.1.1. this Prospectus dated 6 October 2022;

19.1.2. the statutory financial statements of the Company for the financial year ended 30 April 2022;

19.1.3. the statutory financial statements of the Company for the financial year ended 30 April 2021;

19.1.4. the Articles; and

19.1.5. the notice of General Meeting.

- 19.2. In addition, a copy of this Prospectus has been submitted to the National Storage Mechanism and is available for inspection at <https://data.fca.org.uk/a/nsm/nationalstoragemechanism>.

PART 7

DEFINITIONS

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

Accredited Investor or AI	an “accredited investor” as defined in Regulation D under the US Securities Act
Admission	the admission of the New Shares issued pursuant to the Issue to listing on the premium segment of the Official List and to trading on the premium segment of the Main Market becoming effective
AGM or Annual General Meeting	an annual general meeting of the Company
AI/QP Investor Letter	an Accredited Investor/Qualified Purchaser investor letter, the form of which can be requested from the Registrars at independentqib@computershare.co.uk
AIC	the Association of Investment Companies
AIC Code	the 2019 AIC Code of Corporate Governance, as revised or updated from time to time
AIFM or BGL or Company Secretary	Baillie Gifford & Co Limited, a company incorporated in Scotland (registered number SC069524) whose registered office is Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Annual Exempt Amount	the annual exemption available to UK-resident and domiciled individual Shareholders, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of that figure, being £12,300 for the tax year 2022/23
Articles	the articles of association of the Company, as amended from time to time
Audit Committee	the committee of this name established by the Board and having the duties described in paragraph 3.2 of Part 2 (<i>Directors, Management and Administration of the Company</i>) of this Prospectus
Auditor	Ernst & Young LLP
Benefit Plan Investor	as defined in Section 3(3) of ERISA
Board	the board of Directors of the Company, including any duly constituted committee thereof
Business Day	a day on which the London Stock Exchange and banks in the UK are normally open for business
Calculation Date	the time and date to be determined by the IIT Board (but expected to be market close on 2 November 2022) at which the value of IIT’s assets and liabilities will be determined for the purposes of creating the Liquidation Pool, the Cash Pool and the Rollover Pool, and at which the IIT FAV per Share, the Cash NAV per IIT Share and the MNKS FAV per Share will be calculated for the purposes of the Scheme

Cash NAV per IIT Share	the Residual NAV per IIT Share attributable to the IIT Shares elected for the Cash Option under the Scheme less a discount of 2 per cent. (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
Cash Option	the option for IIT Shareholders to receive cash under the terms of the Scheme
Cash Pool	the fund comprising the pool of IIT's assets attributable to the IIT Shares elected for the Cash Option under the Scheme
Cash Pool NAV	the Cash NAV per IIT Share multiplied by the total number of IIT Shares elected for the Cash Option under the Scheme
certificated or in certificated form	a share or other security which is not in uncertificated form
Chairman	the chairman of the Board
Circular	the Shareholder circular relating to the General Meeting and the Resolution published by the Company on or around the date of this Prospectus
Companies Act	the UK Companies Act 2006, as amended
Company	The Monks Investment Trust PLC, a public limited company incorporated in England and Wales with company number 00236964, whose registered office is at c/o Computershare Investor Services PLC, Moor House, 120 London Wall, London EC2Y 5ET
Corporation Tax Act	the UK Corporation Tax Act 2010, as amended
CREST	the Relevant System as defined in the CREST Regulations in respect of which Euroclear is operator (as defined in the CREST Regulations), in accordance with which securities may be held in uncertificated form
CREST Account	an account in CREST
CREST Regulations	the UK Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/ 3755), as amended
CRS	the global standard for the automatic exchange of financial information between tax authorities developed by the OECD
Depository	The Bank of New York Mellon (International) Limited, a limited liability company incorporated in England and Wales with company number 03236121, whose registered office is at 1 Canada Square, London, E14 5AL
Depository Agreement	the agreement dated 30 May 2014 and entered into between the Company, the AIFM and the Depository, which is summarised in paragraph 13.3 of Part 6 (<i>General Information</i>) of this Prospectus
Directors	the directors of the Company

Disclosure Guidance and Transparency Rules	the UK disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
Dissenting IIT Shareholders	an IIT Shareholder who validly dissents from the Scheme pursuant to section 111(2) of the Insolvency Act
EEA	the European Economic Area
EEA Member State	any member state within the EEA from time to time
Effective Date	the date on which the Scheme becomes effective, which is expected to be 8 November 2022
Enlarged Company	the Company following completion of the Proposals
ERISA	the US Employment Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder
EU	the European Union
EU AIFM Delegated Regulation	the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
EU AIFM Directive	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and the EU AIFM Delegated Regulation
EU Market Abuse Regulation or EU MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing the Directive of the European Parliament and of the Council of 28 January 2003 and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
EU PRIIPs Regulation	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (“ PRIIPs ”) and its implementing and delegated acts
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
Euroclear	Euroclear UK & International Limited, in its capacity as the operator of CREST
Existing Shareholders	holders of Shares prior to the Effective Date

FATCA	Sections 1471 to 1474 of the US Tax Code, known as the US Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such sections and any applicable IGA or information exchange agreement and related statutes, regulations, rules and other guidance thereunder)
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom and any organisation which may replace it or take over the conduct of its affairs
First IIT General Meeting	the general meeting of IIT in relation to the Scheme convened for 9.30 a.m. on 31 October 2022 or any adjournment of that meeting
FRS 102	financial reporting standard 102 applicable in the UK and Republic of Ireland
FSMA	the UK Financial Services and Markets Act 2000, as amended
General Meeting or GM	the general meeting of the Company convened for 11.00 a.m. on 7 November 2022 or any adjournment of that meeting
HMRC	HM Revenue & Customs in the UK
IGA	intergovernmental agreement
IIT	The Independent Investment Trust PLC, a public limited company incorporated in Scotland with registered number SC210685 and whose registered office is at Calton Square, 1 Greenside Row, Edinburgh, Scotland EH1 3AN
IIT Board	the board of directors of IIT, including any duly constituted committee thereof
IIT Directors	the directors of IIT
IIT FAV per Share	the difference between the Residual IIT Net Asset Value and the Cash Pool NAV divided by the total number of IIT Shares elected, or deemed to have elected, for the Rollover Option (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
IIT General Meetings	the First IIT General Meeting and/or the Second IIT General Meeting, as the context requires
IIT Portfolio	IIT's portfolio of investments prior to the Effective Date
IIT Register	the register of members of IIT
IIT Resolution or IIT Resolutions	the special resolutions to be proposed at the First IIT General Meeting and the Second IIT General Meeting, or any of them as the context may require
IIT Shares	ordinary shares of 25 pence each in the capital of IIT
IIT Shareholders	holders of IIT Shares whose names are entered on the IIT Register as at the Record Date

Ineligible US Shareholder	a US Shareholder which does not execute and return the AI/QP Investor Letter to the Company and Computershare as registrar to IIT and which, by acquiring New Shares, the Board believes would: (i) give rise to an obligation on the Company to register as an “investment company” under the US Investment Company Act or any similar legislation; (ii) give rise to an obligation on the Company to register under the US Exchange Act or any similar legislation; (iii) result in the Company no longer being considered a “foreign private issuer” for the purposes of the US Securities Act or the US Exchange Act; (iv) result in a Benefit Plan Investor acquiring New Shares; or (v) result in a US Person holding Shares in violation of the transfer restrictions put forth in any prospectus published by the Company from time to time
Insolvency Act	the UK Insolvency Act 1986, as amended
Investment Manager	Baillie Gifford & Co, a Scottish partnership whose principal place of business is at Calton Square, 1 Greenside Row, Edinburgh, Scotland EH1 3AN
Investment Trust Tax Regulations	The Investment Trust (Approved Company) (Tax) Regulations 2011
IRS	the US Internal Revenue Service
ISA	an individual savings account approved in the UK by HMRC
Issue	the issue of New Shares to IIT Shareholders who have elected, or are deemed to have elected, for the Rollover Option pursuant to the Scheme
LEI	legal entity identifier
Liquidation Pool	the pool of assets of IIT to be retained by the Liquidators to meet all known and unknown liabilities of IIT and other contingencies, as further described in paragraph 2 of Part 3 (<i>Details of the Scheme and the Issue</i>) of this Prospectus
Liquidators	the liquidators of IIT being, initially, the persons appointed jointly and severally upon the resolution to be proposed at the Second IIT General Meeting becoming effective
Liquidators’ Retention	an amount to be retained by the Liquidators to meet any unknown or unascertained liabilities of IIT and the entitlements of any Dissenting IIT Shareholders, which is currently estimated by IIT at £100,000
Listing Rules	the listing rules made by the FCA under Part VI of FSMA
London Stock Exchange	London Stock Exchange plc, a limited liability company registered in England and Wales with registered number 02075721, whose registered office is at 10 Paternoster Square, London, EC4M 7LS

Main Market	the main market for listed securities operated by the London Stock Exchange
Management Agreement	the amended and restated investment management agreement dated 10 June 2022, between the Company and the AIFM, as summarised in paragraph 13.1 of Part 6 (<i>General Information</i>) of this Prospectus
Management Engagement Committee	the committee of this name established by the Board and having the duties described in paragraph 3.3 of Part 2 (<i>Directors Management and Administration of the Company</i>) of this Prospectus
MiFID II Product Governance Requirements	has the definition given in the section titled “Information to Distributors” in the Part titled “Important Information” of this Prospectus
MNKS FAV	the Net Asset Value of the Company, calculated as at the Calculation Date, post the costs of the Proposals and adjusted to exclude any dividends declared but not paid prior to the Effective Date by the Company to Shareholders
MNKS FAV per Share	the MNKS FAV divided by the number of Shares in issue (excluding treasury shares) as at the Calculation Date (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
NAB	National Australia Bank Limited
NAV or Net Asset Value	the net assets attributable to the Shares or the IIT Shares in issue, calculated in accordance with the respective company’s usual accounting policies on a cum income basis adjusted for borrowings calculated at fair value
NAV per IIT Share	the NAV of IIT divided by the number of IIT Shares in issue (excluding any IIT Shares held in treasury) at the relevant time
Net Asset Value per Share or NAV per Share	the NAV divided by the number of Shares in issue (excluding any Shares held in treasury) at the relevant time
New Shares	the Shares to be issued to IIT Shareholders who have elected, or are deemed to have elected, for the Rollover Option pursuant to the Scheme
Nomination Committee	the committee of this name established by the Board and having the duties described in paragraph 3.4 of Part 2 (<i>Directors, Management and Administration of the Company</i>) of this Prospectus
OECD	the Organisation for Economic Co-operation and Development
Overseas IIT Shareholder	IIT Shareholders who have a registered address in or who are resident in, or citizens, residents or nationals of, any jurisdiction outside of the United Kingdom
Panel	The Panel on Takeovers and Mergers

PDMR	persons discharging managerial responsibilities (as defined in UK MAR)
personal data	has the meaning given in the subsection entitled “ <i>Data protection</i> ” in the section titled “ <i>Important Information</i> ” of this Prospectus
Portfolio	the portfolio of investments in which the funds of the Company are invested from time to time
PRA	the Prudential Regulation Authority of the United Kingdom and any organisation which may replace it or take over the conduct of its affairs
Proposals	the proposals for the Company’s participation in the Scheme, as set out in further detail in this Prospectus and the Circular
Prospectus	this document
Prospectus Regulation Rules	the UK prospectus rules and regulations made by the FCA under Part VI of FSMA
Qualified Purchaser or QP	a “qualified purchaser” as defined in the US Investment Company Act
RCF	the revolving credit facility agreement entered into with National Australia Bank Limited on 30 November 2015, as amended and restated on 29 November 2021
Receiving Agent or Registrar	Computershare Investor Services PLC, a company incorporated in England and Wales (registered number 03498808), whose registered office is at The Pavilions, Bridgwater Road, Bristol BS13 8AE
Record Date	the record date for entitlements of IIT Shareholders to New Shares pursuant to the Scheme, being 6.00 p.m. on 31 October 2022 (or such other date as determined at the sole discretion of the IIT Board)
Register	the register of members of the Company
Registrar Agreement	the agreement dated 22 January 2018, between the Company and the Registrar, as summarised in paragraph 13.2 of Part 6 (<i>General Information</i>) of this Prospectus
Regulation S	Regulation S under the US Securities Act
Relevant System	means a computer-based system which enables title to units of a security to be evidenced and transferred without written instruments pursuant to the CREST Regulations
Residual IIT Net Asset Value	the gross assets of IIT as at the Calculation Date less the value of the cash and other assets appropriated to the Liquidation Pool
Residual NAV per IIT Share	the Residual IIT Net Asset Value divided by the number of IIT Shares in issue as at the Calculation Date (excluding any IIT Shares held in treasury) (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)

Resolution	the resolution to be proposed at the General Meeting to approve the issue of New Shares under the Scheme
RIS	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
Rollover Option	the option under the Scheme for IIT Shareholders to elect to receive such number of New Shares as have a value (at the MNKS FAV per Share) equal to the proportion of the Rollover Pool attributable to the number of IIT Shares so elected
Rollover Pool	the pool of cash, undertaking and other assets to be established under the Scheme to be transferred from IIT to the Company pursuant to the Transfer Agreement
Sanctions Authority	each of: (i) the United States government; (ii) the United Nations; (iii) the United Kingdom; (iv) the European Union (or any of its member states); (v) any other relevant governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and Her Majesty's Treasury
Sanctions Restricted Person	each person or entity: (i) that is organised or resident in a country or territory which is the target of comprehensive country sanctions administered or enforced by any Sanctions Authority; or (ii) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (a) the current "Specially Designated Nationals and Blocked Persons" list (which as of the date of this Prospectus can be found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf; and/or (b) the current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date of this Prospectus can be found at: https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en); or the current "Consolidated list of financial sanctions targets in the UK" (which as of the date of this

Prospectus can be found at: <https://ofsistorage.blob.core.windows.net/publishlive/2022format/ConList.html>)

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

Scheme	the proposed scheme of reconstruction and voluntary winding up of IIT under section 110 of the Insolvency Act, pursuant to which the Issue shall be undertaken
SDRT	stamp duty reserve tax imposed under Part IV of the UK Finance Act 1986
SEC	the US Securities and Exchange Commission and any organisation which may replace it or take over the conduct of its affairs
Second IIT General Meeting	the general meeting of IIT in relation to the Scheme convened for 9.30 a.m. on 8 November 2022 or any adjournment of that meeting
Shareholder	a holder of Shares including a holder of New Shares if the context so requires
Shares	ordinary shares with a nominal value of 5 pence each in the capital of the Company, including the New Shares following their issue if the context so requires
Sponsor or Investec	Investec Bank plc, a public limited company incorporated in England and Wales with company number 00489604, whose registered office is at 30 Gresham Street, London EC2V 7QP
Sterling, £ or GBP	pounds sterling, the lawful currency of the UK
Takeover Code	the City Code on Takeovers and Mergers
Target Market Assessment	has the meaning given in the subsection entitled “ <i>Information to distributors</i> ” in the section entitled “ <i>Important Information</i> ” of this Prospectus
Transfer Agreement	the agreement for the transfer of assets from IIT to the Company pursuant to the Scheme to be dated on or around the Effective Date between the Company, IIT and the Liquidators, with the terms of the agreed form of such agreement being summarised in paragraph 13.5 of Part 6 (<i>General Information</i>) of this Prospectus
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland

UK AIFMD Laws	(i) the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and any other implementing measure which operated to transpose the EU AIFM Directive into UK law before 31 January 2020 (as amended from time to time); and (ii) the UK versions of the EU AIFM Delegated Regulation and any other delegated regulations in respect of the EU AIFM Directive, each being part of UK law by virtue of the European Union (Withdrawal) Act 2018, as further amended and supplemented from time to time
UK Corporate Governance Code	UK Corporate Governance Code published by the Financial Reporting Council in July 2018
UK MAR	the UK version of the EU Market Abuse Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time
UK MiFID II	the UK's implementation of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (" MiFID "), together with the UK version of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (" MiFIR "), which forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time
UK PRIIPs Laws	the UK version of the EU PRIIPs Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time
UK Prospectus Regulation	the UK version of the EU Prospectus Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including by the UK Prospectus Amendment Regulations 2019)
uncertificated or in uncertificated form	a share recorded on the register of members of a company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
Uncertificated Securities Regulations	any provision of the Companies Act relating to uncertificated shares (including the holding, evidencing of title to, or transfer of uncertificated shares) and any legislation, rules or other arrangements made under or by virtue of such provision, including without limitation the Uncertificated Securities Regulations 2001

United States or US	The United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US Exchange Act	the US Securities Exchange Act of 1934, as amended
US Investment Company Act	the US Investment Company Act of 1940, as amended
US Person	a “U.S. person” as such term is defined under Regulation S
US Securities Act	the US Securities Act of 1933, as amended
US Tax Code	the US Internal Revenue Code of 1986, as amended
US-UK IGA	the IGA between the UK and the US pursuant to which parts of FATCA have effectively been incorporated into UK law