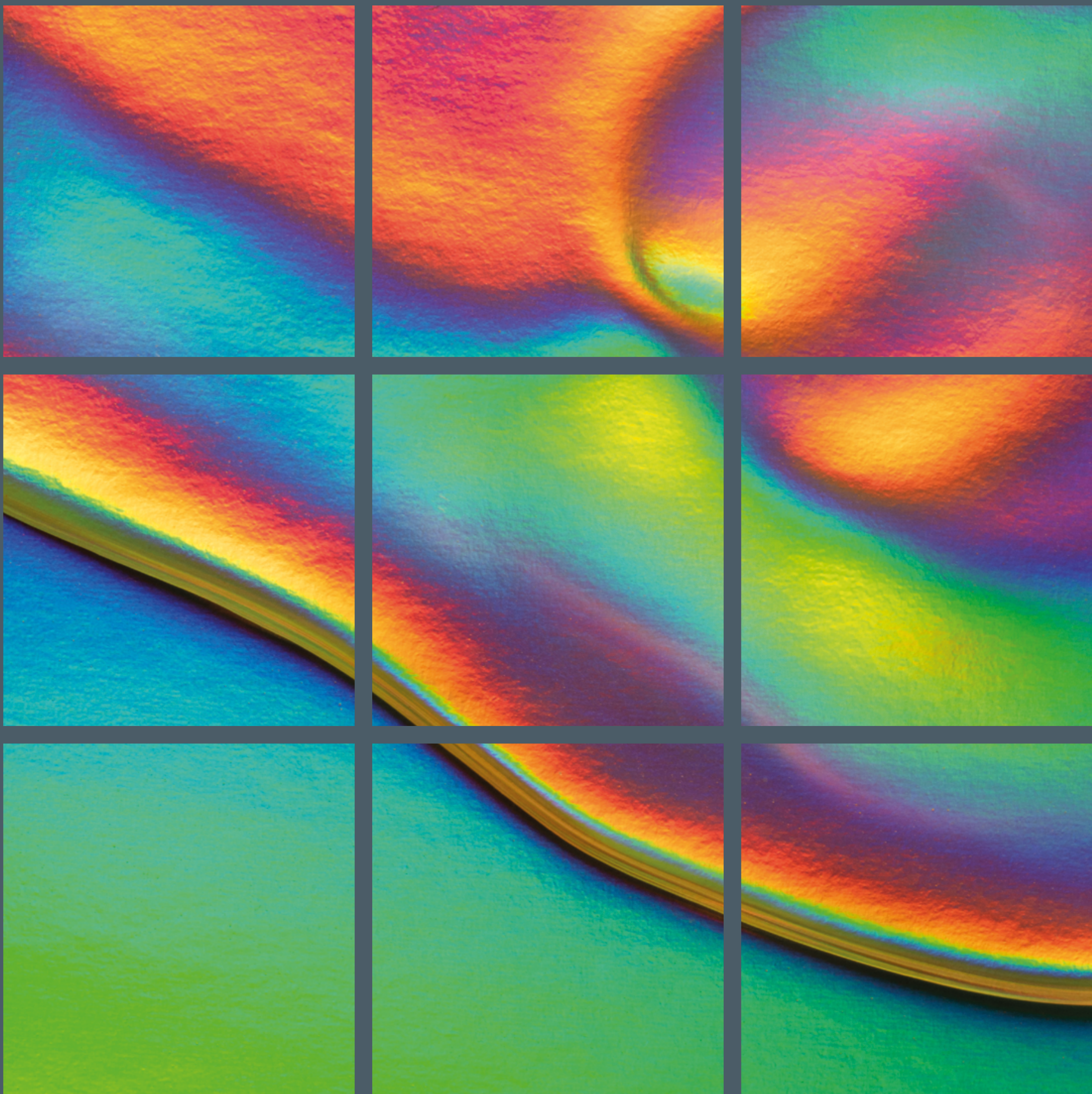
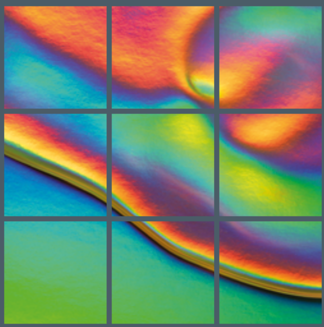
THE MONKS INVESTMENT TRUST PLC

Global growth from different perspectives



Annual Report and Financial Statements
30 April 2021

BAILLIE GIFFORD



Front cover
Dynamic Flowing Water on multi coloured holographic background.

Global growth from different perspectives

The Monks Investment Trust aims to deliver above average long-term returns for shareholders by keeping fees and costs low and harnessing the long-term growth potential of companies.

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Investor Disclosure Document

The UK Alternative Investment Fund Managers Regulations require certain information to be made available to investors prior to their investment in the Company. The Company's Investor Disclosure Document is available for viewing at monksinvestmenttrust.co.uk.

Notes

None of the views expressed in this document should be construed as advice to buy or sell a particular investment.

Investment trusts are UK public listed companies and as such comply with the requirements of the UK Listing Authority. They are not authorised or regulated by the Financial Conduct Authority (FCA).

Monks currently conducts its affairs, and intends to continue to conduct its affairs, so that the Company's Ordinary Shares can qualify to be considered as a mainstream investment product and can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the rules of the FCA in relation to non-mainstream investment products.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial advisor authorised under the Financial Services and Markets Act 2000 immediately if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser.

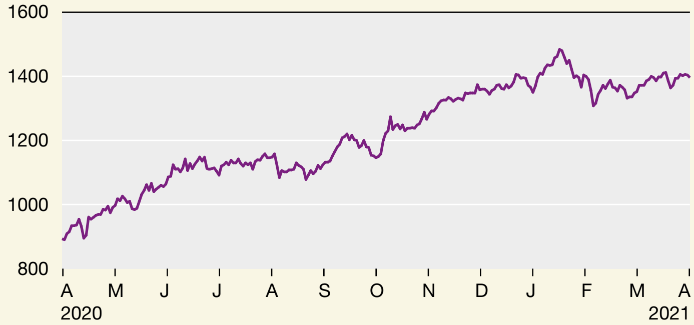
If you have sold or otherwise transferred all of your ordinary shares in The Monks Investment Trust PLC, please forward this document, together with accompanying documents, but not your personalised Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is being effected for delivery to the purchaser or transferee.

Financial Highlights – Year to 30 April 2021

Share Price* +53.1%	NAV* +54.7% (borrowings at par)	NAV* +55.5% (borrowings at fair value)	Benchmark*† +33.9%

Share Price (pence)

Share price

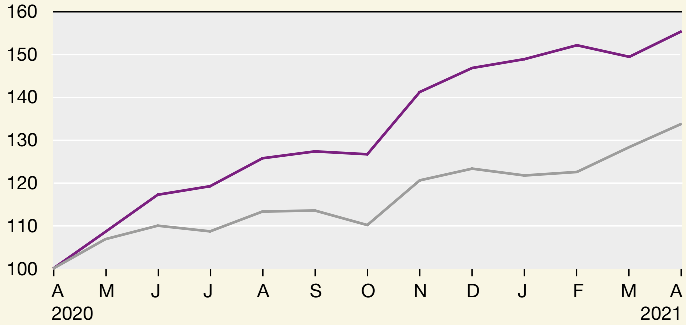


NAV and Benchmark

(figures rebased to 100 at 30 April 2020)

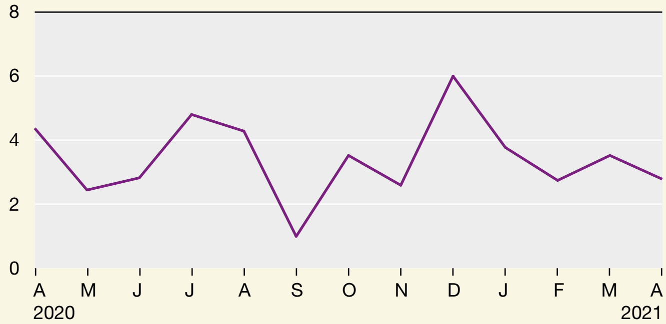
NAV total return (after deducting borrowings at fair value#)

Benchmark† total return



Premium/(Discount)#

Premium/(Discount) (after deducting borrowings at fair value#) plotted as at month end dates



* Source: Refinitiv/Baillie Gifford. All figures are stated on a total return basis. Total return is an Alternative Performance Measure – see Glossary of Terms and Alternative Performance Measures on pages 64 to 65.

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

\# Alternative Performance Measure – see Glossary of Terms and Alternative Performance Measures on pages 64 to 65.

Past performance is not a guide to future performance. See disclaimer on page 63.

Chairman's Statement

In last year's statement, written as the Covid-19 virus took hold, my predecessor noted that the 'pandemic is likely to accelerate trends that were already in play, driven by technological change and environmental necessity'. One year on, this has proven to be a prescient commentary, and the value of Monks' shares have risen in excess of 50% as strong fundamentals drove impressive increases in revenues across a range of portfolio holdings.

Reviewing a single 12-month period can be misleading and the Board expects the year to April 2021 to be an outlier for many reasons, but the real progress for many of the Company's holdings has been significant. That the portfolio coped so well with the world of lockdown is testament to the robustness of the strategy put in place in 2015, and the excellent stock selection since then.

Over and above the tremendous share price appreciation, much has been achieved during the period: a record level of share issuance; we raised long-term debt; the portfolio was turned over at a steady pace as share prices rose; and we increased our focus on governance and sustainability. In addition, as announced last year, we saw: the retirement of one of the three named managers; the retirement of two non-executive Directors, including my predecessor as Chairman; and the appointment of one new Director. The workings of the Company have continued uninterrupted by the pandemic with the Managers and the Board working and meeting remotely throughout this period.

Performance

During the year the NAV total return, with borrowings calculated at fair value, was 55.5% and the share price total return was 53.1%, while the FTSE World Index returned 33.9%. It is now six years since the change in investment approach was implemented in March 2015. Five years and beyond are appropriate yardsticks by which to measure the long-term strategy of the Company. Since the end of March 2015 the NAV total return has been 184.1%* against the comparative index at 107.6%*. Over the same period the share price total return was 229.9%*.

Share Issuance

One of the strategic objectives the Board had in 2015 was to eradicate the discount. With the shares trading at a consistent premium throughout the year, the Company was able to issue 12.9 million new shares at prices in excess of NAV, raising over £168 million of new funds for investment. The premium to NAV with borrowings calculated at fair value stood at 2.8% at 30 April 2021, slightly down from the 4.4% at the start of the financial year. A larger Company is important for liquidity and making our shares attractive to wealth managers, and it helps to reduce costs by diluting the fixed element and benefiting from the tiered fee structure agreed with the Managers in 2018. Monks has one of the lowest cost ratios of any investment trust listed in the UK.

Borrowings and Gearing

Our Investment Trust structure allows gearing, which will enhance long-term returns, even if future equity returns are closer to the long-run average than we have experienced over the last five years. The Board's strategic borrowing target is 10% and it is expected that gearing will be maintained in the range of minus 15% to plus 15%. Gearing fell through the year, from 6.5% at the start, to 3.2% at the interim stage and to 0.8% by year end. After a year of such impressive stock market returns, the managers decided to crystallise some profits. Combined with share issuance, this caused gearing to fall beneath our long-term target. In the medium term we would expect gearing to rise again. Given our closed-end structure, the Board decided to take advantage of very low long rates and issue some fixed debt. Short-term debt is often less readily available when there is any volatility in markets, which is precisely when gearing is more attractive. I am pleased to report that the Company successfully raised £100 million in two tranches with an average duration of 30 years and coupon of 1.8%.

Management Expenses

Monks is competitive on fees and expenses, which helps to enhance returns to shareholders. The total ongoing charges ratio for the year to 30 April 2021 was 0.43%, down from 0.48% in the prior year and 0.58% at April 2015. The current tiered management fee scale (see note 3 to the Financial Statements) should ensure that all shareholders will benefit from economies of scale.

Earnings and Dividend

Monks invests with the aim of maximising capital growth rather than income. All costs are therefore charged to the Revenue Account. The Company's policy is to pay the minimum dividend required to maintain investment trust status. Retained earnings are reinvested in the portfolio. The Board is recommending that a single final dividend of 2.0p should be paid, compared to 2.5p last year.

Governance and Sustainability

The Company's Managers continue to be very focused on ensuring the holdings in the portfolio address the needs of all stakeholders. At the same time, they wish to back and encourage ambition amongst the companies that they own for you. This requires deep understanding of individual companies and the patience to engage with management. Just as Monks invests for the long term, we encourage the investee companies to do the same. Each year the Managers have material engagements with well over half the holdings in the portfolio. At present, an industry is emerging around the narrow measurement of Environmental, Social and Governance factors. Whilst we will pay close attention to these and in time will report on metrics we feel are appropriate, we think that patient engagement and encouragement of companies that are both sustainable and progressive is the best way to enhance long-term returns, and much of this cannot be

* Total returns from 31 March 2015 to 30 April 2021.

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For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

captured quantitatively. I would encourage you to refer to the Monks Stewardship Report 2020 on the Company's page of the Managers' website, and read more on this important subject and how the Managers thoughtfully engage with the companies they invest in on your behalf.

Unlisted Holdings

Our strategy for unquoted investments is to have Schiehallion, a diversified portfolio of unlisted companies also managed by Baillie Gifford, as our core holding (currently the combined ordinary and C share holdings represent the Company's largest position at 3.7% of total assets), and to co-invest selectively in companies that our managers find particularly attractive. At the year end, a further 2.3% of the portfolio was invested directly in private companies.

The Board and The Managers

This year has seen the retirement of three individuals from Monks. At the AGM in September the long-standing Chairman, James Ferguson retired. He joined the board in 2002, was made Chairman in 2005, and since then has calmly coped with the disruption of the financial crisis of 2007–2009; the switch to the Global Alpha Team at Baillie Gifford in 2015; and most recently, the effects of the Covid-19 pandemic.

Edward Harley retired as a non-executive Director in March; having served on the board since 2003 he has also steered the Company through all these ups and downs.

The triumvirate of retirees is completed by Charles Plowden who has been the lead manager since March 2015. Charles retired from Baillie Gifford at the end of April 2021. He had been the senior investor in the Global Alpha team since he established the strategy in 2005, and it was his record there and the clarity of the process that attracted the Board when we switched strategy in 2015. Charles quickly put in place the building blocks which have allowed Monks to flourish – a clear philosophy and process, outstanding performance and effective communication to generate greater demand for the shares. I would like to thank James, Edward and Charles for all they have done for Monks Investment Trust and the Board wishes all of them the best for their future endeavours.

As Monks has been in existence since 1929, Directors and Managers come and go. We are in the fortunate position of having considerable continuity. Spencer Adair, formerly a deputy manager, has taken on the role of investment manager and is ably assisted by Malcolm MacColl who continues as deputy. Spencer and Malcolm have worked together for over 15 years and in advance of Charles' retirement strengthened their wider research team.

Claire Boyle was appointed as an independent non-executive Director with effect from 1 May 2020. She has nearly two decades of experience in financial services and investment management. She has already made a useful contribution to our deliberations, despite having joined in lockdown.

Outlook

Monks has made progress on many fronts, thanks to the patient application of a tried and tested investment approach which is based on bottom-up stock picking and a focus on growth companies anywhere in the world. Central to the approach is to constantly challenge established beliefs to identify further changes, which might generate ideas that lead to future profitable investments. We think the pace of change will not abate and our objective is to stay ahead of change in technology, data, cultural shifts, consumer behaviour and many other factors. We seek to invest in strong and flexible companies capable of navigating, driving, or benefiting from change. Returns will not be linear – we should expect greater volatility as policy responds to economic recovery – but it is during just such periods that many opportunities come to light.

Annual General Meeting

The Company's AGM has been scheduled to take place on 2 September 2021 at the Institute of Directors, Pall Mall, London, SW1Y 5ED but, given the ongoing uncertainty about a further wave of infections, or a new variant, the Board will continue to monitor developments and may be forced to prohibit shareholders from attending in person. We hope not. Nevertheless, the Board encourages all shareholders to exercise their votes at the AGM by completing and submitting a form of proxy. We would encourage shareholders to monitor the Company's website at monksinvestmenttrust.co.uk where any updates will be posted and market announcements will also be made.

Should shareholders have questions for the Board or the Managers or any queries as to how to vote, they are welcome as always to submit them by email to trustenquiries@bailliegifford.com or call 0800 917 2112.

KS Sternberg
Chairman
17 June 2021

The Managers' Core Investment Beliefs

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

Active Management

— We invest in attractive companies using a 'bottom-up' investment process. Macroeconomic forecasts are of relatively little interest to us.

— High active share* provides the potential for adding value.

— We ignore the structure of the index – for example the location of a company's HQ and therefore its domicile are less relevant to us than where it generates sales and profits.

— Large swathes of the market are unattractive and of no interest to us.

— As index agnostic global investors we can go anywhere and only invest in the best ideas.

— As the portfolio is very different from the index, we expect portfolio returns to diverge – sometimes substantially and often for prolonged periods.

Committed Growth Investors

— In the long run, share prices follow fundamentals; growth drives returns.

— We aim to produce a portfolio of stocks with above average growth – this in turn underpins the ability of Monks to add value.

— We have a differentiated approach to growth, focusing on the type of growth that we expect a company to deliver. All holdings fall into one of four growth categories – as set out on pages 12 and 13.

— The use of these four growth categories ensures a diversity of growth drivers within a disciplined framework.

Long-term Perspective

— Long-term holdings mean that company fundamentals are given time to drive returns.

— We prefer companies that are managed with a long-term mindset, rather than those that prioritise the management of market expectations.

— We believe our approach helps us focus on what is important during the inevitable periods of underperformance.

— Short-term portfolio results are random.

— As longer-term shareholders we are able to have greater influence on environmental, social and governance matters.

Dedicated Team with Clear Decision-making Process

— Senior and experienced team drawing on the full resources of Baillie Gifford.

— Alignment of interests – the investment team responsible for Monks all own shares in the Company.

Portfolio Construction

— Investments are held in three broad holding sizes – as set out on pages 12 and 13.

— This allows us to back our judgement in those stocks for which we have greater conviction, and to embrace the asymmetry of returns through 'incubator' positions in higher risk/return stocks.

— 'Asymmetry of returns': some of our smaller positions will struggle and their share prices will fall; those that are successful may rise many fold. The latter should outweigh the former.

Low Cost

— Investors should not be penalised by high management fees.

— Low turnover and trading costs benefit shareholders.

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

Managers' Report

Background

While we are reporting on the twelve months to the end of April 2021, it is more useful to stretch our time horizon back to the Autumn of 2019, prior to the pandemic. At the time of the Interim Report of 31 October 2019, the Company's NAV was 861.0p and equity markets were around 10 years into the long recovery from the 2008–9 financial crisis. We had already started withdrawing from 'Cyclical Growth' holdings and re-cycling the proceeds into other areas of the portfolio. We did not foresee the calamitous collapse in the world economy that was precipitated by Covid-19, but we felt a decade into a cyclical rebound there were companies that were more vulnerable if, and when, that recovery stalled.

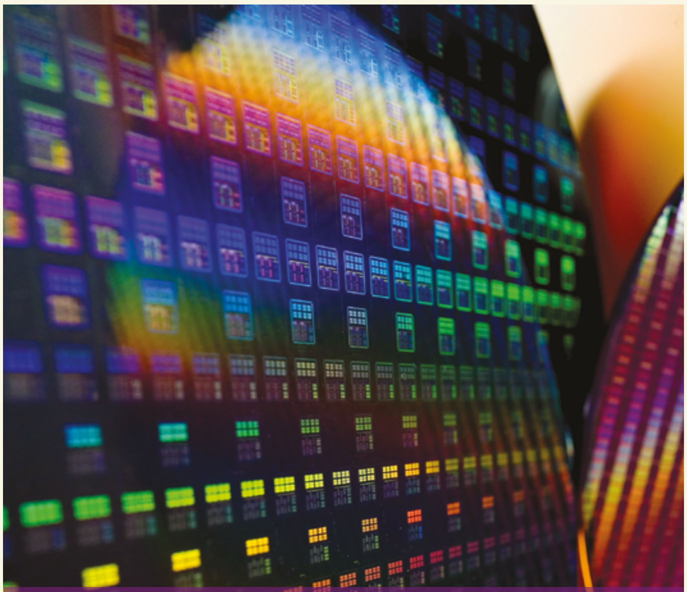
The Company's NAV hit a low of 721.3p in mid-March 2020, just prior to the period under review, and then bounced to 875.6p by the end of April 2020. From this point, the NAV rose very strongly to end the financial year at 1,358.1p in April 2021 (total return +55.5%). The strong recovery from the low has been driven by fundamental performance from what might broadly be called technology companies. These companies are profiting from the move from offline to online, from physical to virtual, from educated guesswork to data driven science.

While we pay no heed to economic indicators, it is useful to note that during 2020 the world economy went through its biggest economic shock since the Second World War. Real GDP fell 3.3% according to the IMF, this compares to the 0.6% decline recorded in 2009[1] . We are emerging from a quite unprecedented period. We salute the stoicism of health workers, front line workers, scientists, teachers and many more who have had their worlds turned upside down by the coronavirus yet have adapted and continued to work through this very challenging period.

Looking back on this roller-coaster ride, what has been consistent is our approach, albeit we have continued to work from home so that the approach to meeting company management, colleagues and other external parties has had to adapt. The swift move online for the office environment has been replicated in many other parts of the global economy and this has positively impacted many of the portfolio holdings who were already used to selling goods and services in a virtual world. Above all, we have retained a long-term and optimistic viewpoint.

Performance

Consistent with that long-term perspective, we look back to the performance of the 6 years since the Global Alpha team took over the management of The Monks Investment Trust. Over this period, we have delivered a cumulative NAV total return of +184.1%* (share price +229.9%*) compared to the comparative index (FTSE World) which is up +107.6%*. The year to April 2021 significantly enhanced these long-term numbers with the NAV total return rising by 55.5%* against the comparative index which increased by 33.9%*.



TSMC, the Taiwan Semiconductor Manufacturing Company, is one of the more traditional holdings in the portfolio.

The last 12 months have been exceptional for stock markets, with May 2020 coinciding with the early stages of a very strong recovery from the bottom of the pandemic sell-off. Of the top ten positive contributors to performance, in sterling terms, two rose four-fold (Tesla and Sea Limited), one rose three-fold (Farfetch) and three more rose two-fold (Meituan Dianping, Trupanion and Zillow Group). The top ten also featured established winners, Alibaba (through SoftBank), Amazon, Shopify and Alphabet.

The portfolio has prospered from owning these stocks and many others which are beneficiaries of commerce moving online. We think the move from bricks and mortar to digital will take many years so many of these companies are still in the early stages of penetrating vast new markets. For example, ecommerce in the US rose from 11% before the pandemic to 16% currently but will not level out until it is 50–60% so can grow at strong rates for many years.

Tesla is an exceptional company with a maverick leader. It was the most significant contributor to 12-month performance as it continued its march to dominance in the automobile world. Despite factory shutdowns during the pandemic, the company increased production by over 30% to 500,000 vehicles. It will soon have capacity to manufacture 1.5 million vehicles in California, Berlin and Shanghai and it is building a plant in Texas that will be the main production location for the Tesla Semi (truck) and Cybertruck (pickup). Whilst traditional auto makers are now producing electric vehicles at scale, we think Tesla's technology lead is very significant and there are interesting options around solar power and autonomous driving, where Tesla also has a leading edge.

[1] World Economic Outlook, April 2021: Managing Divergent Recoveries.

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Meituan Dianping, the Chinese food-delivery and local services company, was a top contributor to performance in the year.

The consistent theme in the remainder of the top ten positive contributors is the move online. As noted, these are a combination of established ecommerce companies (Amazon, Shopify, Alphabet, Alibaba via SoftBank) as well as companies in niche or emerging areas of virtual consumption. Sea Limited is a gaming, ecommerce and payments company operating in South East Asia. Sea has backing from Tencent which operates similar platforms in China and in which we have invested for over a decade through Naspers. Luxury goods companies have traditionally been cautious about selling products through online portals but the pandemic may have changed that as many of their traditional distribution routes (airport duty free, travel) have been closed. A beneficiary of this trend has been British-Portuguese portal, Farfetch which has quickly established itself as the online luxury shopping destination.

The top contributors are rounded off by China's largest food-delivery and local services company Meituan Dianping, a company that provides medical insurance for pets in Trupanion and another US company which is disrupting the domestic property market – Zillow.

It is worth commenting upon SoftBank. This is a Japanese holding company run by a maverick who rivals Tesla's Mr Musk. We commented upon the purchase of SoftBank in last year's report at which point we had just taken an initial position when SoftBank was trading at around a 50% discount to its net asset value. Its leader, Masayoshi Son may have struck one of the greatest deals in history when he paid US$20 million for a 30% stake in Alibaba in 1999. At the time of our own purchase of SoftBank last year, we sold down some of the stake in Alibaba to buy the SoftBank position. This trade has worked well as the discount to net asset value for SoftBank has narrowed considerably whilst at the same time Alibaba has suffered from regulatory concerns and the cancellation of the valuable Ant Financial IPO. Monks also holds a small stake in Ant Financial which continues to be private. Towards the end of the year, we trimmed the position in SoftBank, having seen the share price almost double in just over 12 months.

The portfolio was fortunate to have very little exposure to the front line of the pandemic – travel, oil and gas, traditional retail and property. The top ten detractors from performance are an eclectic group. They include two large Japanese financials, Sumitomo Mitsui Trust and MS&AD Insurance whose potential insurance losses have led us to sell during the period and two companies exposed to commodity prices in Kirby (a US inland barge operator, also sold) and Orica (explosives). There are a number of disruptive Chinese companies – the recently purchased Li Auto (which we hope could turn out to be China's Tesla), Brilliance Automotive (the manufacturer and distributor of BMW cars in China) and Ping An Health and Technology (a telemedicine company). We have high hopes for telemedicine; most simple medical problems can be diagnosed quickly and efficiently via an online consultation and Ping An uses a significant level of artificial intelligence to aid the on-screen doctors.

The remaining significant detractors are LendingTree (US online financial services, which suffered a pause in activity during lockdowns), Just Eat Takeaway (which we sold as it was ceding market share) and a newer purchase, Oscar Health. The latter is a disruptive health insurer using insightful and personal data to better price its customers' risk. Oscar's customer base rose by 75% in 2020.

In between these performance outliers, a vast swathe of other companies have produced strong results during the period. Many of these one might class as more traditional – TSMC (semi-conductors), Arthur J. Gallagher (insurance), Martin Marietta (construction materials) and MasterCard (credit cards). Whilst the online disruptors provide a lot of excitement, we do not lose sight of the fact that Monks benefits from balance and diversity across its stock holdings and this is an aspect we have been thinking of carefully as we look out over the next five years and beyond, which is our typical time horizon.

Portfolio Changes

The most significant changes over the longer term have been the reduction in the Cyclical Growth category and increase in Rapid Growth companies. At April 2015, Rapid accounted for around 22% and has now increased to 52%. Cyclical started at 31% six years ago and is now around half that level (16%).

In the last 12 months, portfolio turnover remained the same at 16%. In total there were 30 new purchases and 24 complete sales, with the activity being weighted to the first six months of the period (i.e. May-October 2020) when the opportunities of the pandemic sell off were at their most significant.

Whilst everything we do is driven by bottom-up stock picking and the individual circumstances of the companies it helps to make sense of quite a long list of trading activity by talking to some broader themes. The growth in the weight of Rapid holdings has been the result of a number of moving parts.

First, over time we have reduced our positions in the mega-platforms notably Alibaba, Amazon, Alphabet, Facebook, Tesla and Visa. We sold Visa in the first half of 2020 after achieving consistent growth for many years with the tailwind of commerce moving online. We continue to have exposure through MasterCard.

Second, some of the proceeds of these reductions have been re-invested in a new wave of digital companies, so in payments, rather than owning Visa we now have Adyen and Stripe. We sold SAP as an incumbent software company and purchased a number of digital 'natives' which don't have the baggage of legacy businesses which could act as a brake on growth – these include Twilio (customer communications), Cloudflare (web performance and security), Datadog (monitoring of cloud software platforms), and Snowflake (data platforms and analysis). The Cloud is one of the most important technology leaps since the personal PC became mainstream in the mid 1980s. New online entrants looking to disrupt traditional businesses now have very low barriers to entry, as a key raw material in data and storage can be rented cheaply from day one. We think these companies have huge growth opportunities if they can go on to dominate in their respective niches.

Third, also within the Rapid Growth category, we have continued to add healthcare stocks. These include Moderna (mRNA technology), Exact Sciences (molecular diagnostics), Staar Surgical (implantable lenses), Oscar Health (insurance), and Certara (biosimulation in drug discovery). We also sold one successful healthcare investment, Seagen (formerly Seattle Genetics) as its price reached our estimate of long-term fair value.

Fourth, we have purchased some fast-growing personal consumption and entertainment businesses such as Bumble (online dating), ByteDance (the owner of TikTok), Wayfair (online furniture), Epic Games (computer games such as Fortnite), Tencent Music Entertainment (China's Spotify) and IAC/Interactive. The latter is a holding company headed by Barry Diller. Mr Diller has a strong history of incubating and then spinning off successful online companies, and the current holdings include ANGI (home services such as plumbing, lawncare), and Vimeo (a video platform).

The last factor that has boosted the weight of Rapid Growth holdings has been share price performance, which we referenced above. Such significant gains, even when accompanied by fast revenue growth, do lead us to consider the balance of the portfolio and since early 2020 we have been looking to identify a more diverse set of exposures. These include the purchase of high-quality Stalwart companies which we had admired for a long time and where the pandemic sell-off provided an entry point. They are household names in adidas (branded sportswear), Estée Lauder (cosmetics) and S&P Global Inc (formerly Standard and Poors, a financial ratings agency).

After a crisis, capital gets withdrawn from certain industries so we have sought out companies that can improve their market positions and emerge stronger. These include Lyft (ride sharing), Bookings Holdings (the dominant online travel agent), Rio Tinto (mining), and Wizz Air (a low-cost airline mainly operating in Eastern Europe). We have also added to Ryanair which the portfolio has owned for many years and will benefit from a further retrenchment of its competitors.

The complete sales in the portfolio have made way for many of the stocks mentioned above. As well as selling Kirby and Orica with commodity exposure we also sold MRC Global and DistributionNOW (both suppliers to the energy industry), and Ferro-Alloy Resources (a Vanadium miner). We sold GrubHub and Just Eat Takeaway as we have settled on Doordash being the potential winner in food delivery. Sales also include companies whose shares have done well and are now more expensive in the context of their fundamentals such as earnings per share – Chipotle Mexican Grill, and Waters (scientific instruments).

Governance and Sustainability

The Chairman has referred to this important area. Our wider team has a dedicated Governance and Sustainability (G&S) analyst, and Baillie Gifford's broader research department has over twenty full time G&S personnel dedicated to engagement, research, and proxy voting. Our starting point is that we only buy companies that we feel have strong foundations and will need nudging towards even better standards rather than frequent or public criticism. We think it achieves more in the long term to tend to be a supportive shareholder, so we don't start with bad companies and plan to make them better.

We want to back and encourage ambition amongst the companies that we own for you. This requires understanding of an individual company and the patience to engage. We get good access to management by being a supportive long-term holder who can hold significant stakes in companies. This access brings engagement, which in turn helps us encourage behaviours that support all stakeholders in a business. Just as we invest for the long term, we encourage the investee companies to do the same. We are prepared to be tough with companies and their management teams, continuing to own and engage rather than sell because they do not fit a narrow quantitative model which purports to measure Environmental, Social and Governance factors precisely.

If corporate behaviour is not progressive, we will sell but only after engagement has been fulsome and clear. We have done this over the last 12–18 months with Jefferies Financial Group (formerly Leucadia) which we have ultimately sold. When we bought the company in 2015, we felt we had identified an investment bank

Farfetch, a British-Portuguese portal for luxury goods, overcame the traditional caution over selling such products online.


Trupanion, a US company providing medical insurance for pets, was among the Company's top contributors to performance in the year.

with a management team which was much better aligned than the average in that industry. For example, by 2020 the CEO (Rich Handler) and President (Brian Friedman) had a combined 9% ownership and have never sold a share other than for charity purposes. During our ownership Jefferies had re-organised itself from a holding company into a purer-play investment bank. This generated value but the banking business was subject to rising costs (compensation) as the M&A cycle extended.

One of our five core ESG beliefs is 'Long-term focused remuneration with stretching targets[2]'. When the remuneration committee saw fit to pay management cash bonuses despite missing a key target for ROE, we engaged with the committee chairperson. This call demonstrated a lack of independence, and when challenged it became apparent that the cash awards were partly to help the executives pay tax bills for unvested share awards. We opposed the re-election of the chairperson, and the compensation plan. The latter was 31% opposed and we sold the shares after the post pandemic recovery. Overall, Jefferies has not been a good investment and it shows the importance of corporate culture to the success of a business.

A more encouraging engagement took place during the year with Service Corp International. As America's largest chain of undertakers, it was very much on the front line during the pandemic. This is a company we are still getting to know, having purchased it in 2018. Since then we have been engaging with the company and have good progress to report. We spoke to the CEO and CFO about changes to the proxy statement and the operational impact of Covid-19.

In 2019, we requested greater board refreshment and changes to executive remuneration. The company has made progress on both fronts. Average director tenure has fallen from 24 to 16 years. A balance is being struck between fresh challenge and deep domain expertise. With regards to pay, we are delighted that they have introduced customer satisfaction metrics into the short-term remuneration plan and an above midcap-average return on equity trigger to the long-term incentive plan (LTIP). There remains more to go with the LTIP and we have asked for further recommendations to be put to the compensation committee.

[2] The other four are: Prioritisation of long-term value creation; A constructive and purposeful board; Fair treatment of stakeholders; and Sustainable business practices.

The discussion during the pandemic revealed the extraordinary steps Service Corp has taken in the fight against Covid-19. For example, it suspended all planned price increases, wishing to do right by society rather than pursue profit maximisation. We fully support this policy. Many industry participants are small, independent undertakers who are struggling to adapt – in some cases they 'stopped answering the phone'. Service Corp has stepped in, deploying assets and people to areas most in need. This conversation left us increasingly impressed at the culture of the organisation and the management team's care of staff, the communities they serve and the long-term sustainability of the business.

Further examples of our engagement with companies can be seen in the Monks Stewardship Report 2020, which is available on the Company's page of the Baillie Gifford website, under 'Documents' and 'Investment Intelligence'.

Management Team

In May 2020, we announced that Charles Plowden would retire from Baillie Gifford at the end of April 2021 which coincided with the Monks year end. Charles has been a fount of wisdom and wit for nearly four decades while at Baillie Gifford and was instrumental in the Monks portfolio changes since 2015 which have driven excellent returns and healthy demand for Monks shares. We are grateful for the many insights he has shared with us since we started working together on the Global Alpha team in 2005. Above all, he has made sure that we can sustain his legacy by leaving in place a team of diverse thinkers for the management of Monks Investment Trust.

In anticipation of Charles' retirement, we have strengthened the team which supports the managers. That team was five people when we took on responsibility for Monks in 2015, and today it is seven. The new investment manager, Spencer Adair, has 21 years' experience. Deputy manager, Malcolm MacColl, has 22 years' experience and both have worked together as Monks' deputies for six years.

Outlook

We look forward not backwards, we expect change not stasis. It is understandable that many are alighting on the post-pandemic phase as a turning point for stock markets but we think it more likely that it accelerates the trends we are backing through careful stock selection. We are growth investors, we concede we have enjoyed a tailwind in the last few years but we also feel strongly that ambitious companies will continue to drive stock market returns and our focus should be on identifying those that have that potential.

Each year we write the Monks Research Agenda, which shapes how we approach certain aspects of our research. Whilst bottom-up stock picking dominates our approach, the agenda can lead us on journeys that help us find the stocks that will generate long-term returns. This year we are continuing to focus on new areas that technology has not yet touched – healthcare, education, real estate and energy. We are also thinking of the next stage of development of online services; we referred to this above in our comments about the cloud being one of the most significant evolutions of the last forty years. We continue to look at ensuring companies do the right thing by society and trying to understand the implications of the great energy transition as solar and wind energy potentially drive energy costs down while at the same time allowing entities around the world to reach carbon neutral or zero carbon targets.

Whilst these trends may endure for a decade or more, we remain pragmatic and opportunistic in shaping the portfolio around a range of growth companies that might prosper as cycles change. Above all, optimism is built into our DNA and we look forward to seeking the changes that can provide further profitable investments.

Spencer Adair
Malcolm MacColl

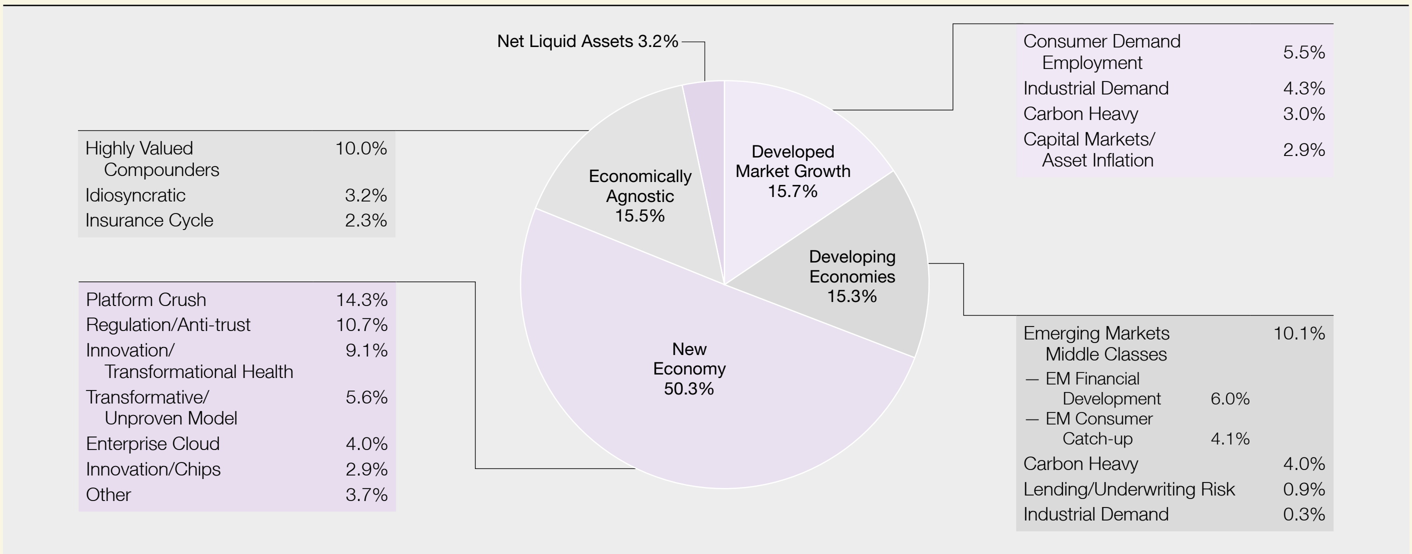
Baillie Gifford & Co
17 June 2021

Further examples of our engagement with companies can be seen in the Monks Stewardship Report 2020.

Portfolio Positioning

As at 30 April 2021

Thematic Exposure



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

— 15.7% of the portfolio is classified as Developed Market Growth. This includes exposure to industrial and consumer sectors, among others. Industrial businesses include Martin Marietta, a leading US aggregates supplier. In the consumer setting, there is exposure to Estée Lauder, a global cosmetics brand, and Ryanair, the low-cost airline.

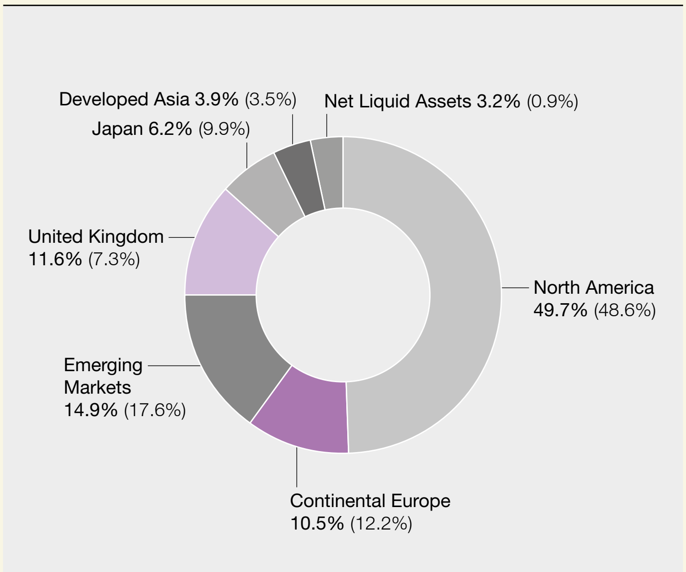
— 15.3% of the portfolio is invested in stocks identified to be the beneficiaries of growth in Developing Economies. There is meaningful exposure to companies likely to profit from increasing consumption levels and financial development in emerging markets. In the former category is Alibaba, a Chinese online retailer. Examples of the latter include HDFC, an Indian mortgage provider, and Ping An Insurance, one of China's most innovative insurance companies.

— 50.3% of the portfolio is identified as being exposed to the New Economy. This brackets a diverse range of businesses from internet winners in developed and emerging economies to healthcare and semiconductor companies. Internet winners include companies such as Amazon, the US online retailer, and Naspers, the South African internet business. Prominent names in healthcare include Teladoc, the US telemedicine company and Moderna, the mRNA drug discovery company. TSMC makes semiconductor 'chips', whilst Advantest and Teradyne provide testing equipment and services to the industry.

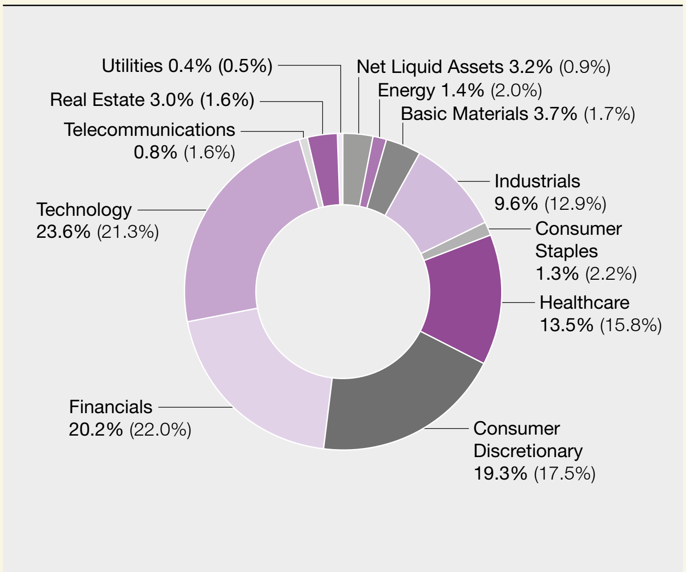
— 15.5% of the portfolio is classified as Economically Agnostic/ Idiosyncratic. This includes a diversified range of companies, many of which are growth stalwart businesses, such as Anthem, the US health insurance provider, Service Corporation, the crematoria business and the digital payments business, MasterCard. US insurance specialists Arthur J. Gallagher and Markel make up part of the exposure to the insurance cycle.

— The remaining 3.2% is composed of net liquid assets.

Geographical 2021 (2020)



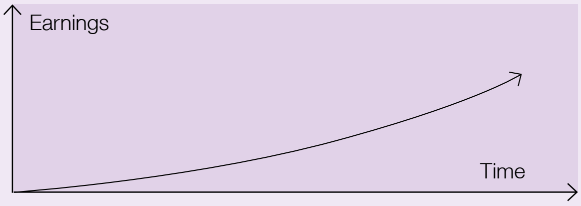
Sectoral 2021 (2020)



Investment Portfolio by Growth Category*

As at 30 April 2021

Growth Stalwarts



c.10% p.a. earnings growth

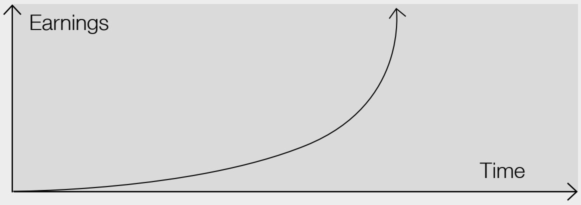
Company characteristics

Durable franchise

Deliver robust profitability in most macroeconomic environments

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

Rapid Growth



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

Company characteristics

Early stage businesses with vast growth opportunity

Innovators attacking existing profit pools or creating new markets

Highest conviction holdings c.2.0% each

Growth Stalwarts

Moody's	1.9
Microsoft	1.8
Prudential	1.8
Anthem	1.7
MasterCard	1.7
AIA	1.6

Rapid Growth

The Schiehallion Fund†	3.8
Naspers	2.7
Amazon.com	2.3
Alphabet	1.9
Sea Limited	1.8
Shopify	1.6
Meituan Dianping	1.6
Alibaba	1.5
Tesla	1.5

Average sized holdings c.1.0% each

Growth Stalwarts

Pernod Ricard	1.3
Arthur J. Gallagher	1.3
Facebook	1.3
Olympus	1.2
Estée Lauder	1.1
S&P Global	0.9
Thermo Fisher Scientific	0.8
Resmed	0.8
Sysmex	0.8
Broadridge Financial Solutions	0.7
adidas	0.7
Service Corporation International	0.7

Rapid Growth

Farfetch	1.3
Trupanion	1.0
Ping An Insurance	1.0
Moderna	0.9
Cloudflare	0.9
Lemonade	0.9
The Trade Desk	0.9
Zillow	0.9
Prosus	0.9
MercadoLibre	0.8
HDFC	0.8
Reliance Industries	0.8
Alnylam Pharmaceuticals	0.7
Denali Therapeutics	0.7
CyberAgent	0.7
M3	0.7
Novocure	0.7
Teladoc	0.7

Incubator holdings c.0.5% each

Growth Stalwarts

CoStar	0.4
Hoshizaki Corp	0.3

Rapid Growth

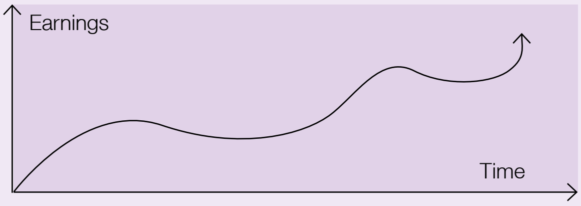
Sensyne Health	0.6
Illumina	0.6
Axon Enterprise	0.6
Appian	0.6
Adyen	0.6
ByteDance	0.6
Chegg	0.6
Schibsted	0.6
Certara	0.6
Bumble	0.5
Netflix	0.5
Renishaw	0.5
Spotify	0.5
Epic Games	0.5
Twilio	0.5
Doordash	0.5
Wayfair	0.5
ICICI Bank	0.5
Genmab	0.4
Exact Sciences	0.4
Abiomed	0.4
Tencent Music Entertainment	0.4
iRobot	0.4
Staar Surgical	0.4
Datadog	0.4
ICICI Prudential Life Insurance	0.4
GRAIL	0.4
B3 Group	0.4
Autohome	0.4
Li Auto	0.4
Ant International	0.4
Ping An Healthcare & Technology	0.3
Interactive Brokers Group	0.3
Mail.ru Group	0.3
Oscar Health	0.3
Ubisoft Entertainment	0.3
Adevinta Asa	0.2
LendingTree	0.2
Istyle	0.2
KE Holdings	0.2
Snowflake	0.2
Space Exploration Technologies	0.1
Stripe	<0.1

	Growth Stalwarts	Rapid Growth
Total in this growth category	**22.8%**	**51.7%**

* Excludes net liquid assets.

† Combined ordinary and C share holdings.

Cyclical Growth



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

Company characteristics

Subject to macroeconomic and capital cycles with significant structural growth prospects

Strong management teams highly skilled at capital allocation

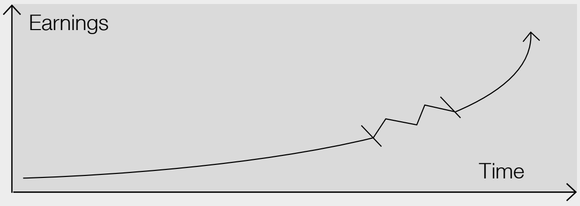
Martin Marietta Materials	1.8

TSMC	1.3
CRH	1.1
Booking Holdings	1.0
Teradyne	0.9
Albemarle	0.9
Advantest	0.8
SiteOne Landscape Supply	0.8
Atlas Copco	0.7

EOG Resources	0.6
SMC	0.6
Charles Schwab	0.6
Richemont	0.6
Markel	0.6
Epiroc	0.6
Lyft	0.5
Deutsche Boerse	0.5
Wizz Air Holdings	0.4
Sands China	0.4
Hays	0.3
Wabtec	0.3
PageGroup	0.3
Orica	0.2

Total in this growth category 15.8%

Latent Growth



Earnings growth to accelerate over time

Company characteristics

Company specific catalyst will drive above average earnings in future

Unspectacular recent operational performance and therefore out of favour

Ryanair	1.9

BHP Billiton	1.4
Rio Tinto	1.4
CBRE Group	1.1
SoftBank Group	0.8

IAC/Interactivecorp	0.6
Sberbank of Russia	0.5
Howard Hughes	0.5
Fairfax Financial	0.4
Stericycle	0.4
Toyota Tsusho	0.3
Silk Invest Africa Food Fund	0.2
Brilliance China Automotive	0.2

Total in this growth category 9.7%

Total in this holding size 32.9%

Total in this holding size 39.1%

Total in this holding size 28.0%

List of Investments

As at 30 April 2021

Name	Business	Growth category	Fair value £'000	% of total assets	Cumulative % of total assets
Equities					
The Schiehallion Fund*	Global unlisted growth equity investment trust	Rapid	63,080	1.9	
The Schiehallion Fund C Shares*	Global unlisted growth equity investment trust	Rapid	61,366	1.8	
			124,446	3.7	
Naspers	Media and ecommerce company	Rapid	87,615	2.6	
Amazon.com	Online retailer	Rapid	75,975	2.3	
Alphabet	Online search engine	Rapid	62,891	1.9	
Ryanair	Low cost European airline	Latent	61,113	1.8	
Moody's	Credit rating agency	Stalwart	60,017	1.8	
Sea Limited	Online and digital gaming	Rapid	59,062	1.8	
Microsoft	Software and cloud computing enterprise	Stalwart	58,559	1.8	
Martin Marietta Materials	Cement and aggregates manufacturer	Cyclical	58,423	1.7	**19.4**
Prudential	International life insurance	Stalwart	57,656	1.7	
Anthem	Healthcare insurer	Stalwart	56,233	1.7	
MasterCard	Electronic payments network and related services	Stalwart	54,786	1.6	
AIA	Asian life insurer	Stalwart	52,712	1.6	
Shopify	Online commerce platform	Rapid	52,317	1.6	
Meituan Dianping	Online commerce platform	Rapid	51,041	1.5	
Alibaba	Online commerce company	Rapid	48,729	1.5	
Tesla	Electric cars and renewable energy solutions	Rapid	47,670	1.4	
BHP Billiton	Mineral exploration and production	Latent	45,719	1.4	
Rio Tinto	Global commodities businesses	Latent	45,536	1.4	**34.8**
Farfetch	Online fashion retailer	Rapid	42,460	1.3	
TSMC	Semiconductor manufacturer	Cyclical	42,214	1.3	
Pernod Ricard	Global spirits manufacturer	Stalwart	42,065	1.3	
Arthur J. Gallagher	Insurance broker	Stalwart	41,936	1.3	
Facebook	Social networking website	Stalwart	40,897	1.2	
Olympus	Optoelectronic products	Stalwart	39,701	1.2	
CRH	Diversified building materials company	Cyclical	36,619	1.1	
CBRE Group	Commercial real estate operator	Latent	35,991	1.1	
Estée Lauder	Global cosmetic brands business	Stalwart	35,122	1.0	
Trupanion	Pet health insurance provider	Rapid	32,224	1.0	**46.6**
Ping An Insurance	Chinese life insurer	Rapid	32,079	1.0	
Booking Holdings	Online travel agency	Cyclical	30,929	0.9	
Moderna	Drug discovery using mRNA technology	Rapid	30,477	0.9	
Cloudflare	Cloud based IT services business	Rapid	30,328	0.9	
Lemonade	Data and insurance company	Rapid	29,996	0.9	
The Trade Desk	Advertising technology company	Rapid	29,712	0.9	
Teradyne	Semiconductor testing equipment manufacturer	Cyclical	28,906	0.9	
Zillow	US online real estate services	Rapid	28,797	0.9	
Prosus	Media and ecommerce company	Rapid	28,498	0.9	
Albemarle	Speciality chemicals	Cyclical	28,154	0.8	**55.6**
S&P Global	Global credit rating agency	Stalwart	27,701	0.8	
MercadoLibre	Latin American ecommerce platform	Rapid	27,197	0.8	
HDFC	Indian mortgage provider	Rapid	27,133	0.8	

* The Schiehallion Fund is managed by Baillie Gifford. The Company's holdings in The Schiehallion Fund are excluded from its assets when calculating the management fee. See note 3 on page 47. The ordinary and C share portfolios of The Schiehallion Fund are managed as distinct investment pools, until such time as the C shares are converted into ordinary shares.

Name	Business	Growth category	Fair value £'000	% of total assets	Cumulative % of total assets
Equities (continued)					
Advantest	Semiconductor testing services	Cyclical	26,235	0.8	
Thermo Fisher Scientific	Scientific instruments, consumables and chemicals	Stalwart	26,221	0.8	
SoftBank Group	Technology focused investment group	Latent	26,055	0.8	
Resmed	Develops and manufactures medical equipment	Stalwart	25,658	0.8	
Sysmex	Medical testing equipment	Stalwart	25,266	0.8	
Reliance Industries	Indian energy conglomerate	Rapid	25,052	0.7	
SiteOne Landscape Supply	US distributor of landscaping supplies	Cyclical	24,580	0.7	**63.4**
Broadridge Financial Solutions	Provides technology based solutions to the financial services industry	Stalwart	23,912	0.7	
adidas	Sports apparel manufacturer	Stalwart	23,295	0.7	
Alnylam Pharmaceuticals	RNA interference based biotechnology	Rapid	23,066	0.7	
Atlas Copco	Industrial equipment	Cyclical	23,036	0.7	
Denali Therapeutics	Early stage biotech company	Rapid	22,215	0.7	
CyberAgent	Japanese internet advertising and content	Rapid	22,091	0.7	
M3	Online medical services	Rapid	21,869	0.7	
Service Corporation International	Death care services	Stalwart	21,753	0.7	
Novocure	Biotechnology company focusing on solid tumour treatment	Rapid	21,473	0.6	
Teladoc	Healthcare services provider	Rapid	21,259	0.6	**70.2**
Sensyne Health	Healthcare technology company	Rapid	20,944	0.6	
Illumina	Gene sequencing business	Rapid	20,580	0.6	
EOG Resources	Natural gas explorer and producer	Cyclical	20,122	0.6	
Axon Enterprise	Manufacturer of law enforcement devices	Rapid	20,112	0.6	
SMC	Producer of factory automation equipment	Cyclical	19,957	0.6	
Appian	Enterprise software developer	Rapid	19,910	0.6	
Charles Schwab	Online savings and trading platform	Cyclical	19,893	0.6	
Richemont	Luxury goods company	Cyclical	19,862	0.6	
Markel	Markets and underwrites speciality insurance products	Cyclical	19,395	0.6	
Adyen	Digital payments	Rapid	18,790	0.6	**76.2**
ByteDance[u]	Online content platform including TikTok	Rapid	18,285	0.5	
Chegg	Online educational platform	Rapid	18,253	0.5	
Epiroc	Contruction and mining machinery	Cyclical	18,189	0.5	
Schibsted	Media and classified advertising platforms	Rapid	18,175	0.5	
IAC/Interactivecorp	Holding company for online properties	Latent	18,143	0.5	
Certara	Drug discovery and development company	Rapid	18,092	0.5	
Bumble	Dating application	Rapid	17,369	0.5	
Netflix	Subscription service for TV shows and movies	Rapid	17,284	0.5	
Renishaw	World leading metrology company	Rapid	17,249	0.5	
Spotify	Online music streaming service	Rapid	17,148	0.5	**81.2**
Epic Games[u]	Gaming software developer	Rapid	16,925	0.5	
Twilio	Cloud based communications platform	Rapid	16,925	0.5	
Doordash	Online commerce platform	Rapid	15,887	0.5	
Wayfair	Online home furnishings business	Rapid	15,880	0.5	
Sberbank of Russia	Russian commercial bank	Latent	15,501	0.5	
Lyft	Ride hailing platform	Cyclical	15,437	0.5	

[u] Denotes unlisted (private company) investment.

Name	Business	Growth category	Fair value £'000	% of total assets	Cumulative % of total assets
Equities (continued)					
Howard Hughes	US real estate developer	Latent	14,703	0.4	
ICICI Bank	Indian retail and corporate bank	Rapid	14,673	0.4	
Deutsche Boerse	Stock exchange operator	Cyclical	14,594	0.4	
Genmab	Biotechnology company	Rapid	14,543	0.4	**85.8**
Fairfax Financial	Commercial insurance	Latent	14,543	0.4	
Stericycle	Regulated medical waste management services	Latent	14,538	0.4	
Exact Sciences	Cancer detection and treatment	Rapid	14,255	0.4	
Wizz Air Holdings	Low-cost East European airline	Cyclical	14,025	0.4	
Abiomed	Medical implant manufacturer	Rapid	13,849	0.4	
Tencent Music Entertainment	Online music streaming and social media	Rapid	13,561	0.4	
CoStar	Commercial property portal	Stalwart	13,510	0.4	
Sands China	Macau casino operator	Cyclical	13,368	0.4	
iRobot	Domestic and military robot manufacturer	Rapid	13,028	0.4	
Staar Surgical	Implantable contact lenses	Rapid	12,978	0.4	**89.8**
Datadog	Cloud based IT system monitoring application	Rapid	12,730	0.4	
ICICI Prudential Life Insurance	Life insurance services	Rapid	12,723	0.4	
GRAIL[u]	Blood testing for early cancer detection	Rapid	11,979	0.4	
B3 Group	Brazilian stock exchange operator	Rapid	11,714	0.4	
Autohome	Chinese online automobile website	Rapid	11,680	0.3	
Li Auto	Electric cars with a focus on China	Rapid	11,555	0.3	
Ant International[u]	Chinese online payments and financial services business	Rapid	11,494	0.3	
Ping An Healthcare & Technology	Chinese telemedicine business	Rapid	11,301	0.3	
Toyota Tsusho	African auto distributor	Latent	11,136	0.3	
Hays	Recruitment consultancy	Cyclical	10,975	0.3	**93.2**
Interactive Brokers Group	Global electronic trading platform	Rapid	10,725	0.3	
Wabtec	Rail and transit products and services	Cyclical	10,549	0.3	
Mail.ru Group	Russian internet and communication services	Rapid	10,253	0.3	
Oscar Health	Disruptive personal insurance provider	Rapid	10,106	0.3	
Ubisoft Entertainment	Game development platform	Rapid	9,257	0.3	
Hoshizaki Corp	Commerical kitchen equipment manufacturer	Stalwart	8,717	0.3	
PageGroup	Recruitment consultancy	Cyclical	8,214	0.2	
Adevinta Asa	Media and classified advertising platforms	Rapid	7,156	0.2	
Silk Invest Africa Food Fund[u]	Africa focused private equity fund	Latent	6,065	0.2	
LendingTree	US online loan marketplace	Rapid	5,960	0.2	**95.8**
Orica	Australian industrial explosives company	Cyclical	5,739	0.2	
Istyle	Japanese cosmetics business	Rapid	5,544	0.2	
Brilliance China Automotive†	Manufacture and sale of minibuses and automotive components	Latent	5,163	0.2	
KE Holdings	Chinese real estate portal	Rapid	5,028	0.2	
Snowflake	Cloud based data insight application	Rapid	4,974	0.1	
Space Exploration Technologies[u]	Space rockets and satellites	Rapid	3,033	0.1	
Stripe[u]	Payments platform	Rapid	1,213	<0.1	
Total Investments#			**3,238,130**	**96.8**	
Net Liquid Assets#			106,638	3.2	
Total Assets#			**3,344,768**	**100.0**	

[u] Denotes unlisted (private company) investment.
† Suspended investment.
# For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

One Year Summary*

	30 April 2021	30 April 2020	% change
Total assets (before deduction of borrowings)	£3,344.8m	£2,107.4m	
Borrowings (at book value)	£139.8m	£143.8m	
Shareholders' funds	£3,205.0m	£1,963.6m	
Shareholders' funds per share (borrowings at book value)	1,355.4p	878.4p	54.3
Net asset value per ordinary share (borrowings at par)†	1,355.3p	878.3p	54.3
Net asset value per ordinary share (borrowings at fair value)†	1,358.1p	875.6p	55.1
Share price	1,396.0p	914.0p	52.7
FTSE World Index (in sterling terms)#			31.2
Revenue earnings per ordinary share	3.42p	4.24p	(19.3)
Dividends paid and payable in respect of the financial year	2.00p	2.50p	(20.0)
Ongoing charges†	0.43%	0.48%	
Premium (over NAV with borrowings at par)†	3.0%	4.1%	
Premium (over NAV with borrowings at fair value)†	2.8%	4.4%	
Active share†	86%	87%	

Year to 30 April	**2021**	**2020**
Total return performance‡		
Net asset value (borrowings at par)†	54.7%	3.3%
Net asset value (borrowings at fair value)†	55.5%	3.4%
Share price†	53.1%	3.7%
FTSE World Index (in sterling terms)#	33.9%	(1.0%)

Year to 30 April	**2021**	**2021**	**2020**	**2020**
Year's high and low	**High**	**Low**	**High**	**Low**
Net asset value (borrowings at par)†	1,426.6p	861.1p	990.6p	726.0p
Net asset value (borrowings at fair value)†	1,424.6p	858.4p	988.1p	721.3p
Share price	1,484.0p	890.0p	1,026.0p	647.0p

During the year to 30 April 2021 the price at which the Company's share price traded relative to its net asset value (with borrowings at fair value†) ranged from a premium† of 7.0% to a discount† of 1.8% (year to 30 April 2020 – premium† of 6.2% to a discount† of 12.1%). The premium/(discount) graphs on page 1 and the following page do not reflect these extremes, being plotted on a monthly basis.

Year to 30 April	**2021**	**2020**
Net return per ordinary share		
Revenue	3.42p	4.24p
Capital	469.83p	22.26p
Total	**473.25p**	**26.50p**

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 64 and 65.
† Alternative performance measure – see Glossary of Terms and Alternative Performance Measures on pages 64 and 65.
# The FTSE World Index (in sterling terms) is the principal index against which performance is measured.
‡ Source: Baillie Gifford/Refinitiv and relevant underlying index providers. See disclaimer on page 63.

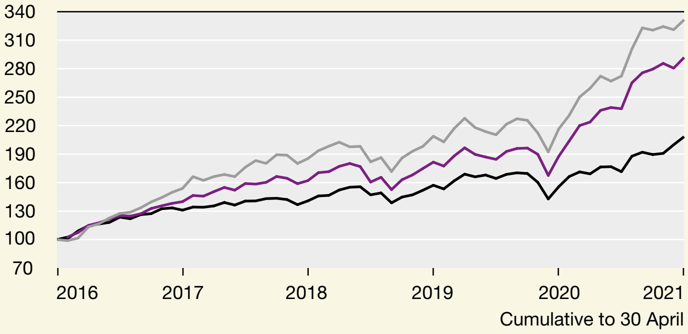
Past performance is not a guide to future performance.

Five Year Summary

The following charts indicate how an investment in Monks has performed relative to its comparative index* and its underlying net asset value over the five year period to 30 April 2021.

5 Year Total Return Performance†

(figures rebased to 100 at 30 April 2016)



Source: Refinitiv and relevant underlying index providers#.

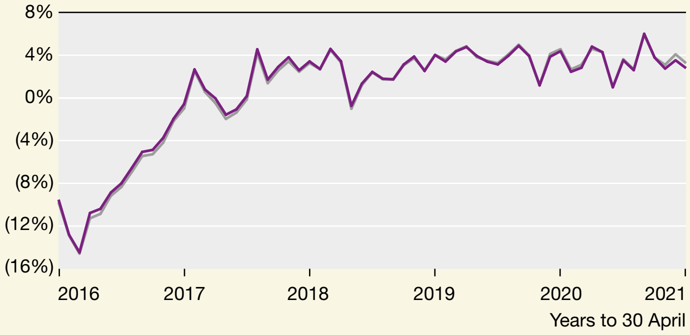
NAV total return†‡

Share price total return†

FTSE World Index* total return

Premium/(discount) to Net Asset Value†

(plotted on a monthly basis)

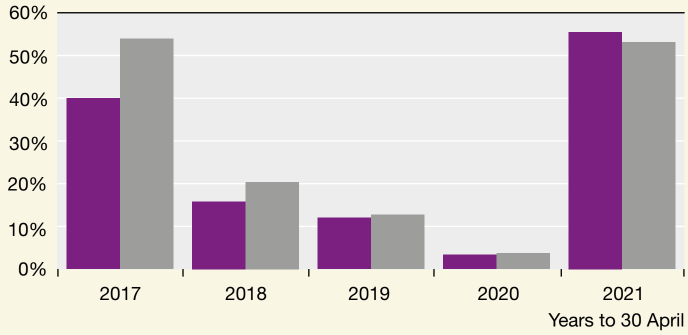


Source: Refinitiv/Baillie Gifford.

Monks premium/(discount) (after deducting borrowings at fair value)†

Monks premium/(discount) (after deducting borrowings at par)†

Annual Net Asset Value and Share Price Total Returns†



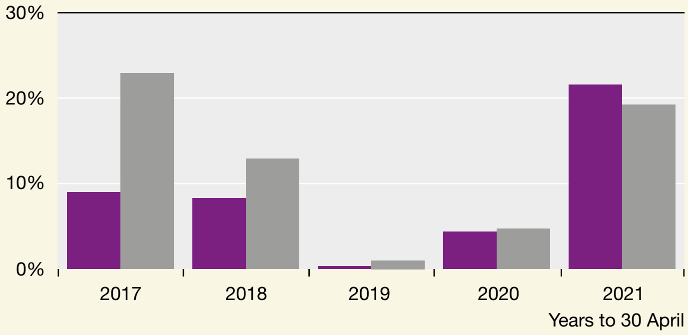
Source: Refinitiv/Baillie Gifford.

Dividends are reinvested.

NAV total return†‡

Share price total return†

Relative Annual Net Asset Value and Share Price Total Returns† (relative to the FTSE World Index* total return)



Source: Refinitiv/Baillie Gifford and relevant underlying index providers#.

Dividends are reinvested.

NAV total return†‡

Share price total return†

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

† Alternative performance measure – see Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

See disclaimer on page 63.

‡ With borrowings deducted at fair value.

Past performance is not a guide to future performance.

Ten Year Summary*

Capital

At 30 April	Total assets * £'000	Borrowings £'000	Shareholders' funds * £'000	Shareholders' funds per share † p	NAV per share † (par) p	NAV per share † (fair) p	Share price p	Premium/* (discount) # (par) %	Premium/* (discount) # (fair) %
2011	1,220,493	159,614	1,060,879	406.8	406.7	403.9	364.0	(10.5)	(9.9)
2012	1,149,366	159,647	989,719	386.4	386.3	382.8	338.5	(12.4)	(11.6)
2013	1,065,906	79,679	986,227	410.4	410.2	408.1	355.0	(13.5)	(13.0)
2014	1,012,608	39,712	972,896	426.9	426.8	425.2	370.0	(13.3)	(13.0)
2015	1,147,620	124,029	1,023,591	478.4	478.3	476.0	435.1	(9.0)	(8.6)
2016	1,096,804	85,855	1,010,949	472.5	472.4	470.1	425.3	(10.0)	(9.5)
2017	1,521,130	107,056	1,414,074	660.9	660.8	656.8	653.0	(1.2)	(0.6)
2018	1,759,541	103,007	1,656,534	762.9	762.8	759.0	785.0	2.9	3.4
2019	2,001,977	139,162	1,862,815	852.2	852.1	848.9	883.0	3.6	4.0
2020	2,107,386	143,762	1,963,624	878.4	878.3	875.6	914.0	4.1	4.4
2021	**3,344,768**	**139,788**	**3,204,980**	**1,355.4**	**1,355.3**	**1,358.1**	**1,396.0**	**3.0**	**2.8**

Revenue

Year to 30 April	Gross revenue £'000	Available for ordinary shareholders £'000	Revenue earnings per ordinary share ‡ p	Dividend paid and proposed per share net p	Ongoing * charges ¶ %
2011	27,366	10,600	4.06	3.00	0.63
2012	31,424	13,889	5.35	3.95	0.63
2013	22,983	11,778	4.68	3.95	0.60
2014	21,585	11,181	4.87	3.95	0.57
2015	20,215	10,549	4.74	3.95	0.58
2016	15,149	4,954	2.31	1.50	0.59
2017	17,593	5,043	2.36	1.25	0.59
2018	19,759	5,588	2.61	1.40	0.52
2019	23,268	7,186	3.30	1.85	0.50
2020	26,691	9,319	4.24	2.50	0.48
2021	**22,529**	**7,801**	**3.42**	**2.00**	**0.43**

Gearing Ratios

Year to 30 April	Gearing # %	Potential gearing #§ %
2011	10	15
2012	(7)	16
2013	1	8
2014	(1)	4
2015	7	12
2016	7	8
2017	7	8
2018	5	6
2019	6	7
2020	6	7
2021	**1**	**4**

Cumulative Performance (taking 2011 as 100)

At 30 April	NAV per share (fair) *	NAV total return ^ (fair) *	Share price	Share price total * return ^	Comparative Index ^	Comparative Index total return ^	Revenue earnings per share	Dividend paid and proposed per share (net)	Retail price index ^
2011	100	100	100	100	100	100	100	100	100
2012	95	96	93	94	95	97	132	132	103
2013	101	103	98	100	112	118	115	132	106
2014	105	108	102	105	116	126	120	132	109
2015	118	122	120	125	134	149	117	132	110
2016	116	122	117	123	131	150	57	50	112
2017	163	170	179	189	168	196	58	42	115
2018	188	197	216	228	176	211	64	47	119
2019	210	221	243	257	192	236	81	62	123
2020	217	229	251	266	185	233	104	83	125
2021	**336**	**355**	**384**	**408**	**243**	**312**	**84**	**67**	**128**
Compound annual returns									
5 year	23.6%	23.9%	26.8%	27.1%	13.1%	15.8%	8.2%	5.9%	2.9%
10 year	12.9%	13.5%	14.4%	15.1%	9.3%	12.1%	(1.7%)	(4.0%)	2.5%

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

† Shareholders' funds per share has been calculated after deducting borrowings at book value (see note 15 on page 52). Net asset value (NAV) per share has been calculated after deducting borrowings at either par value or fair value. See Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

Alternative Performance Measure. See Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

‡ The calculation of revenue earnings per share is based on the revenue from ordinary activities after taxation and the weighted average number of ordinary shares in issue (see note 7 on page 49).

¶ From 2012 calculated as total operating costs divided by average net asset value (with debt at fair value) in accordance with AIC guidelines. Prior years have not been recalculated as the change in methodology is not considered to result in a materially different figure.

§ Total borrowings expressed as a percentage of shareholders' funds (see Glossary of Terms and Alternative Performance Measures on pages 64 and 65).

^ Source: Refinitiv and relevant underlying index providers. See disclaimer on page 63.

Past performance is not a guide to future performance.

Business Review

Business Model

Business and Status

The Monks Investment Trust PLC ('the Company') is a public company limited by shares and is incorporated in England and Wales with its registered office address c/o Computershare Investor Services PLC, Moor House, 120 London Wall, London EC2Y 5ET. The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust. Investment trusts are UK public listed companies and their shares are traded on the London Stock Exchange. They invest in a portfolio of assets in order to spread risk. The Company has a fixed share capital although, subject to shareholder approval sought annually, it may purchase its own shares or issue shares. The price of the Company's shares is determined, like other listed shares, by supply and demand.

The Company has been approved as an investment trust by HM Revenue & Customs subject to the Company continuing to meet the eligibility conditions. The Directors are of the opinion that the Company has continued to conduct its affairs so as to enable it to comply with the ongoing requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011.

The Company is an Alternative Investment Fund (AIF) for the purposes of the UK Alternative Investment Fund Managers Regulations.

Purpose

The Monks Investment Trust aims to deliver above average long-term returns for shareholders by keeping fees and costs low and harnessing the long-term growth potential of companies.

Objective and Policy

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

Monks seeks to meet its objective by investing principally in a portfolio of global quoted equities. 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. At the financial year end, the portfolio contained 127 equity holdings. A portfolio review by the investment managers is given on pages 5 to 10 and the investments held at the year end are listed on pages 14 to 16.

Investment may also be made in funds (open and closed-ended) including those managed by Baillie Gifford & Co. The maximum permitted investment in UK listed investment companies in aggregate is 15% of 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 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 net asset value per share declines both in absolute terms and relative to the comparative index. 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 investment managers at every Board meeting and adjusted accordingly with regard to the outlook. New borrowings will not be taken out if this takes the level of effective equity gearing to over 30% of shareholders' funds. Equity exposure may, on occasions, be below 100% of shareholders' funds.

Performance

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives.

Key Performance Indicators

The Board uses performance indicators (KPIs) to measure the progress and performance of the Company over time when discharging its duties as set out on page 28 and evaluating the Managers as noted on page 25. These KPIs are established industry measures and are as follows:

- the movement in net asset value per ordinary share on a total return basis;
- the movement in the share price on a total return basis;
- the premium/discount; and
- ongoing charges.

An explanation of these measures can be found in the Glossary of Terms and Alternative Performance Measures on pages 64 and 65. The one, five and ten year records of the KPIs are shown on pages 17 to 19.

In addition to the above, the Board also has regard to the total return of the Company's principal comparative index (FTSE World Index in sterling terms) and considers the performance of comparable companies.

Borrowings

The Company's borrowings at 30 April 2021 comprised £40 million 6⅜% debenture stock repayable in 2023 (30 April 2020 – £40 million), £60 million 1.86% Series A Notes repayable in 2054 (30 April 2020 – nil) and £40 million 1.77% Series B Notes repayable in 2045 (30 April 2020 – nil). At 30 April 2021 there were no borrowings under the £100 million floating rate facility with National Australia Bank (30 April 2020 – US$124.7 million) or the short-term loan facility with Scotiabank (Ireland), initially for £5 million but with the ability to increase it to £50 million (30 April 2020 – £5 million). Further details of the Company's borrowings are set out in notes 11 and 12 on page 51 and details of the Company's gearing levels are included in the Chairman's Statement on page 2 and the Ten Year Summary on page 19.

Principal and Emerging Risks

As explained on page 30 there is an ongoing process for identifying, evaluating and managing the risks faced by the Company on a regular basis. The Directors have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. A description of these risks and how they are being managed or mitigated is set out below.

The Board considers the ongoing Covid-19 pandemic and the impact of Brexit to be factors which exacerbate existing risks, rather than discrete risks, within the context of an investment trust. Their impact is considered within the relevant risks.

Financial Risk – the Company's assets consist mainly of listed securities and its principal and emerging financial risks are therefore market related and include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. An explanation of those risks and how they are managed is contained in note 19 to the Financial Statements on pages 53 to 56. The Board has, in particular, considered the impact of market volatility during the Covid-19 pandemic. To mitigate this risk, the composition and diversification of the portfolio by geography, industry, growth category, holding size and thematic risk category are considered at each Board meeting along with sales and purchases of investments. Individual investments are discussed with the investment managers together with their general views on the various investment markets and sectors. A strategy meeting is held annually. The Board has considered the potential impact on sterling following the UK's departure from the European Union and subsequent trade agreement. The value of the Company's investment portfolio would be affected by any impact, positively or negatively, on sterling. The portfolio diversification noted above limits the extent of such impact.

Investment Strategy Risk – pursuing an investment strategy to fulfil the Company's objective which the market perceives to be unattractive or inappropriate, or the ineffective implementation of an attractive or appropriate strategy, may lead to reduced returns for shareholders and, as a result, a decreased demand for the Company's shares. This may lead to the Company's shares trading at a widening discount to their Net Asset Value. To mitigate this risk, the Board regularly reviews and monitors: the Company's objective and investment policy and strategy; the investment portfolio and its performance; the level of discount/premium to Net Asset Value at which the shares trade; and movements in the share register, and raises any matters of concern with the Managers.

Regulatory Risk – failure to comply with applicable legal and regulatory requirements such as the tax rules for investment trust companies, the FCA Listing rules and the Companies Act could lead to the Company being subject to tax on capital gains, suspension of the Company's Stock Exchange listing, financial penalties or a qualified audit report. To mitigate this risk, Baillie Gifford's Business Risk, Internal Audit and Compliance Departments provide regular reports to the Audit Committee on Baillie Gifford's monitoring programmes. Major regulatory change could impose disproportionate compliance burdens on the Company. In such circumstances representation is made to ensure that the special circumstances of investment trusts are recognised. Shareholder documents and announcements, including the Company's published Interim and Annual Report and Financial Statements, are subject to stringent review processes and procedures are in place to ensure adherence to the Transparency Directive and the Market Abuse Directive with reference to inside information.

Custody and Depositary Risk – safe custody of the Company's assets may be compromised through control failures by the Depositary, including breaches of cyber security. To mitigate this risk, the Board receives six-monthly reports from the Depositary confirming safe custody of the Company's assets held by the Custodian. Cash and portfolio holdings are independently reconciled to the Custodian's records by the Managers. The Custodian's audited internal controls reports are reviewed by Baillie Gifford's Business Risk Department and a summary of the key points is reported to the Audit Committee and any concerns investigated.

Operational Risk – failure of Baillie Gifford's systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets. To mitigate this risk, Baillie Gifford has a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption (including any disruption resulting from the Covid-19 pandemic) or major disaster. Since the introduction of the Covid-19 restrictions, almost all Baillie Gifford staff have been working from home and operations have continued largely as normal. The Board reviews Baillie Gifford's Report on Internal Controls and the reports by other third party providers are reviewed by Baillie Gifford on behalf of the Board. The other key third party service providers have not experienced significant operational difficulties affecting their respective services to the Company.

Discount Risk – the discount/premium at which the Company's shares trade relative to its Net Asset Value can change. The risk of a widening discount is that it may undermine investor confidence in the Company. To manage this risk, the Board monitors the level of discount/premium at which the shares trade and the Company has authority to buy back its existing shares when deemed by the Board to be in the best interests of the Company and its shareholders.

Political Risk – political change in areas in which the Company invests or may invest may increasingly have practical consequences for the Company. To mitigate this risk, developments are closely monitored and considered by the Board. Following the departure of the UK from the European Union and the subsequent trade agreement between the UK and the European Union, the Board continues to assess the potential consequences for the Company's future activities, including those that may arise from further constitutional change. The Board believes that the Company's global portfolio, with only 11.6% of the portfolio exposed to the United Kingdom, positions the Company to be suitably insulated from Brexit-related risk.

Leverage Risk – the Company may borrow money for investment purposes (sometimes known as 'gearing' or 'leverage'). If the investments fall in value, any borrowings will magnify the extent of this loss. If borrowing facilities are not renewed, the Company may have to sell investments to repay borrowings. The Company can also make use of derivative contracts. To mitigate this risk all borrowings require the prior approval of the Board and leverage levels are discussed by the Board and investment managers at every meeting. Covenant levels are monitored regularly. The majority of the Company's investments are in quoted securities that are readily realisable. Further information on leverage can be found on page 61 and in the Glossary of Terms and Alternative Performance measures on pages 64 and 65.

Viability Statement

Having regard to provision 31 of the UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a three year period. The Directors believe, having taken into account a number of factors including the investment managers' investment horizon, this period to be appropriate as, in the absence of any adverse change to the regulatory environment and the favourable tax treatment afforded to UK investment trusts, it is a period over which they do not expect there to be any significant change to the current principal risks and to the adequacy of the mitigating controls in place. The Directors do not envisage any change in strategy or objectives or any events that would prevent the Company from continuing to operate over that period.

In making this assessment the Directors have taken into account the Company's current position and have conducted a robust assessment of the Company's principal and emerging risks and uncertainties (as detailed on pages 21 and 22), in particular the impact of market risk where a significant fall in global equity markets would adversely impact the value of the investment portfolio. The Directors have also considered the Company's investment objective and policy, the level of demand for the Company's shares, the nature of its assets, its liabilities and projected income and expenditure. The vast majority of the Company's investments are readily realisable and can be sold to meet its liabilities as they fall due, the main liabilities currently being the debenture stock repayable in 2023 and loan notes repayable in 2045 and 2054. The Company's primary third party suppliers, including its Managers and Secretaries, Custodian and Depositary, Registrar, Auditor and Broker, are not experiencing significant operational difficulties affecting their respective services to the Company during this period of remote working. In addition, as substantially all of the essential services required by the Company are outsourced to third party service providers, this allows key service providers to be replaced at relatively short notice where necessary. Specific leverage and liquidity stress testing was conducted during the year, including consideration of the risk of further market deterioration resulting from the Covid-19 pandemic. The stress testing did not indicate any matters of concern. The Board continues to monitor the economic impact of the UK's departure from the European Union but does not consider that such impact would affect the going concern status or viability of the Company.

Based upon the Company's processes for monitoring operating costs, share price premium/discount, the Managers' compliance with the investment objective, the portfolio risk profile, leverage, counterparty exposure, liquidity risk and financial controls, the Board believes that the prospects of the Company are sound and the Directors are able to confirm that they have a reasonable expectation that it will continue in operation and meet its liabilities as they fall due over a period of three years.

Promoting the Success of the Company (Section 172 Statement)

Under section 172 of the Companies Act 2006, the directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters and to the extent applicable) to: a) the likely consequences of any decision in the long term, b) the interests of the company's employees, c) the need to foster the company's business relationships with suppliers, customers and others, d) the impact of the company's operations on the community and the environment, e) the desirability of the company maintaining a reputation for high standards of business conduct, and f) the need to act fairly as between members of the company.

In this context, having regard to Monks being an externally-managed investment company with no employees, the Board considers the Company's key stakeholders to be: its existing and potential new shareholders and debenture stockholders; its externally-appointed managers (Baillie Gifford); other professional service providers (corporate broker, registrar and depositary); lenders; wider society and the environment.

The Board considers that the interests of the Company's key stakeholders are aligned, in terms of wishing to see the Company deliver sustainable long-term growth, in line with the Company's stated objective and strategy, and meet the highest standards of legal, regulatory, and commercial conduct, with the differences between stakeholders being merely a matter of emphasis on those elements. The Board's methods for assessing the Company's progress in the context of its stakeholders' interests are set out below.

The Board places great importance on communication with shareholders. The Annual General Meeting provides the key forum for the Board and Managers to present to shareholders on the Company's performance, future plans and prospects. Under normal circumstances it also allows shareholders the opportunity to meet with the Board and Managers and raise questions and concerns. While the 2020 Annual General Meeting was closed, in accordance with government Covid-19 guidelines, shareholder questions were invited and responded to by email, and a Managers' presentation was published on the Company's page of the Managers' website, in order to maintain shareholder communication despite the restrictions on physical gatherings. The Chairman is available to meet with shareholders as appropriate. The Managers meet regularly with shareholders and their representatives, reporting their views back to the Board. Directors also attend certain shareholder presentations, in order to gauge shareholder sentiment first hand. Shareholders may also communicate with members of the Board at any time by writing to them at the Company's registered office or to the Company's broker. These communication opportunities help inform the Board when considering how best to promote the success of the Company for the benefit of all shareholders over the long term.

The Board seeks to engage with its Managers and other service providers in a collaborative and collegiate manner, encouraging open and constructive discussion and debate, whilst also ensuring that appropriate and regular challenge is brought and evaluation conducted. This approach aims to enhance service levels and strengthen relationships with the Company's providers, with a view to ensuring the interests of the Company's shareholders and stockholders are best served by keeping cost levels proportionate and competitive, and by maintaining the highest standards of business conduct.

Whilst the Company's operations are limited, as third party service providers conduct all substantive operations, the Board is aware of the need to consider the impact of the Company's investment strategy and policy on wider society and the environment. The Board considers that its oversight of environmental, social and governance ('ESG') matters is an important part of its responsibility to all stakeholders and that proper consideration of ESG factors sits naturally with Monks' longstanding aim of providing a sustainable basis for adding value for shareholders. The Board's review of the Managers includes an assessment of their ESG approach and its application in making investment decisions. The Board supports the Managers' Long-term Perspective as set out in their Core Investment Beliefs on page 4 and regularly reviews Governance Engagement reports, which document the Managers' interactions with investee companies on ESG matters. The Company's Annual Stewardship Report is published on the Managers' website at monksinvestmenttrust.co.uk.

The Board recognises the importance of keeping the interests of the Company's shareholders, and of acting fairly between them, firmly front of mind in its key decision making. The Company Secretaries are at all times available to the Board to ensure that suitable consideration is given to the range of factors to which the Directors should have regard. In addition to ensuring that the Company's stated investment objective was being pursued, key decisions and actions during the year which required the Directors to have regard to applicable section 172 factors included:

— the decision not to replace Mr JGD Ferguson and Mr EM Harley immediately following their departure from the Board, in order to assess the complementary skill set required of a new Director and identify candidates that meet the Nomination Committee's objective of developing a diverse pipeline for Board succession;

— the issuance of £100 million in private placement loan notes, maturing in 2054 and 2045, increasing the Company's borrowing capacity in order to generate improved returns to shareholders through the deployment of gearing;

— the raising of over £168 million from new share issuance, at a premium to net asset value, in order to satisfy investor demand over the year, which also serves the interests of current shareholders by reducing costs per share and helping to further improve liquidity; and

— the decision to declare a dividend of 2.0p, the minimum distribution permissible under investment trust regulations, in order to retain funds for reinvestment, consistent with Monks' growth focus and its shareholders' priorities.

Employees, Human Rights and Community Issues

The Board recognises the requirement to provide information about employees, human rights and community issues. As the Company has no employees, all its Directors are non-executive and all its functions are outsourced, there are no disclosures to be made in respect of employees, human rights and community issues.

Gender Representation

The Board currently comprises five Directors, three male and two female, following the retirals of Mr Ferguson and Mr Harley, and complies with the Hampton Alexander target of 33% female membership. The Company has no employees. The Board's policy on diversity is set out on page 23.

Environmental, Social and Governance Policy

Details of the Company's policy on socially responsible investment can be found under Corporate Governance and Stewardship on page 31.

The Company considers that it does not fall within the scope of the Modern Slavery Act 2015 and it is not, therefore, obliged to make a slavery and human trafficking statement. In any event, the Company considers its supply chains to be of low risk as its suppliers are typically professional advisers. A statement by the Managers under the Act has been published on the Managers' website at bailliegifford.com.

Future Developments of the Company

The outlook for the Company is dependent to a significant degree on economic events and the financial markets. Potential threats are discussed in the Principal Risks analysis on pages 21 and 22 and factors which the Board consider to indicate the Company's positive prospects and financial health are discussed in the Viability Statement on page 22. Further comments on the outlook for the Company and its investment portfolio are set out in the Chairman's Statement on pages 2 and 3 and the Managers' Report on pages 5 to 10.

The Strategic Report which includes pages 2 to 23 was approved by the Board of Directors and signed on its behalf on 17 June 2021.

KS Sternberg
Chairman

Directors and Management

Directors

KS Sternberg

Karl Sternberg was appointed a Director in 2013 and became Chairman 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 director of JPMorgan Elect Plc, Herald Investment Trust plc, Jupiter Fund Management plc and Clipstone Logistics REIT plc. He is also a director of Alliance Trust PLC, until 30 June 2021, and of Lowland Investment Company PLC, from which he will retire later this year (date to be confirmed).

C 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 Aberdeen Japan Investment Trust PLC and a non-executive director and chair of the audit committee of Fidelity Special Values Plc.

BJ 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 Avast 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 chairman of the Open Data Institute.

JJ Tigue

Jeremy Tigue was appointed a Director in 2014. He became Chairman of the Audit Committee on 1 May 2015 and Senior Independent Director on 3 September 2019. Mr Tigue was the fund manager of Foreign & Colonial Investment Trust PLC from 1997 to June 2014. He is a director of The Mercantile Investment Trust plc and Aberdeen Standard Equity Income Trust PLC. He was a director of the Association of Investment Companies from 2003 to 2013.

All of the Directors are members of the Audit Committee with the exception of Mr KS Sternberg.

Managers and Secretaries

The Company has appointed Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Manager ('AIFM') and Company Secretary. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Baillie Gifford & Co is an investment management firm formed in 1927 out of the legal firm Baillie & Gifford, WS, which had 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 total around £330 billion. Based in Edinburgh, it is one of the leading privately owned investment management firms in the UK, with 47 partners and a staff of around 1,500.

Following Charles Plowden's retirement on 30 April 2021, the investment managers of Monks are Spencer Adair and Malcolm MacColl. Spencer and Malcolm are both partners at Baillie Gifford and have been working together since 2005. Malcolm is one of Baillie Gifford's two joint senior partners.

Baillie Gifford & Co and Baillie Gifford & Co Limited are both authorised and regulated by the Financial Conduct Authority.

Directors' Report

The Directors present their Report together with the audited Financial Statements of the Company for the year to 30 April 2021.

Corporate Governance

The Corporate Governance Report is set out on pages 28 to 31 and forms part of this Report.

Managers and Company Secretaries

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

The Investment Management Agreement sets out the matters over which the Managers have authority in accordance with the policies and directions of, and subject to restrictions imposed by, the Board. The Investment Management Agreement is terminable on not less than six months' notice. Compensation fees would only be payable in respect of the notice period if termination were to occur sooner. The annual management fee is 0.45% on the first £750 million of total assets, 0.33% on the next £1 billion of total assets and 0.30% on the remaining total assets (see note 3 on page 47 for more details).

The Board considers the Company's investment management and secretarial arrangements on an ongoing basis and a formal review is conducted by the Management Engagement Committee annually. The Committee considered, amongst others, the following topics in its review: the quality of the personnel assigned to handle the Company's affairs; the investment process and the results achieved to date; investment performance; the administrative services provided by the Secretaries and the quality of information provided; the marketing efforts undertaken by the Managers; the relationship with the Managers; and, comparative peer group charges and fees. Following the most recent review, the Management Engagement Committee concluded that the continuing appointment of Baillie Gifford & Co Limited as AIFM and the delegation of investment management services to Baillie Gifford & Co, on the terms agreed, is in the interests of shareholders as a whole. This was subsequently approved by the Board.

Depositary

The Bank of New York Mellon (International) Limited has been appointed as the Company's Depository in accordance with the requirements of the UK Alternative Investment Fund Managers (AIFM) Regulations.

The Company's Depositary also acts as the Company's Custodian. The Depositary's responsibilities include cash monitoring, safe keeping 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.

Directors

Information about the Directors who were in office at the year end and up to the date the Financial Statements were signed, including their relevant experience, can be found on page 24.

All Directors will retire at the Annual General Meeting and all offer themselves for re-election. Following formal performance evaluation, externally facilitated by Lintstock corporate advisors, the Chairman confirms that the Board considers that the Directors' performance continues to be effective and that they remain committed to the Company. The Board therefore recommends their re-election to shareholders.

Directors' Indemnity and Insurance

The Company has entered into qualifying third party deeds of indemnity in favour of each of its Directors. The deeds, which were in force during the year to 30 April 2021 and up to the date of approval of this report, cover any liabilities that may arise to a third party, other than the Company, for negligence, default or breach of trust or duty. The Directors are not indemnified in respect of liabilities to the Company, any regulatory or criminal fines, any costs incurred in connection with criminal proceedings in which the Director is convicted or civil proceedings brought by the Company in which judgement is given against him/her. In addition, the indemnity does not apply to any liability to the extent that it is recovered from another person. The Company also maintains Directors' and Officers' liability insurance.

Conflicts of Interest

Each Director submits a list of potential conflicts of interest to the Board on an annual basis. The Board considers these carefully, taking into account the circumstances surrounding them and, if considered appropriate, they are approved for a period of one year. Having considered the lists of potential conflicts there were no actual direct or indirect interests of a Director which conflicted with the interests of the Company.

Dividends

The Board recommends a final dividend of 2.0p per ordinary share for the year. If approved, the recommended final dividend on the ordinary shares will be paid on 7 September 2021 to shareholders on the register at the close of business on 30 July 2021. The ex-dividend date is 29 July 2021. The Company's Registrar offers a Dividend Reinvestment Plan (see page 61) and the final date for elections for this dividend is 16 August 2021.

Share Capital

Capital Structure

The Company's capital structure consists of 236,453,859 ordinary shares of 5p each as at 30 April 2021. There are no restrictions concerning the holding or transfer of the Company's ordinary shares and there are no special rights attached to any of the shares.

Dividends

The ordinary shares carry a right to receive dividends. Interim dividends are determined by the Directors, whereas the proposed final dividend requires shareholder approval.

Capital entitlement

On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to ordinary shareholders in proportion to their shareholdings.

Voting

Each ordinary shareholder present in person or by proxy is entitled to one vote on a show of hands and, on a poll, to one vote for every share held.

Information on the deadlines for proxy appointments can be found on page 58.

Major Interests in the Company's Shares

The Company has not received any notifications of major interests in the voting rights of the Company as at 30 April 2021. There have been no notifications of major interests in the Company's shares intimated up to 15 June 2021.

Annual General Meeting

Issuance of Shares

At the last Annual General Meeting, the Directors were granted shareholders' approval for a general authority to allot shares and also an authority to issue shares or sell shares held in treasury on a non pre-emptive basis (without first offering such shares to existing shareholders pro-rata to their existing holdings up to a maximum nominal amount of £1,119,394.25). During the year to 30 April 2021 the Company issued a total of 12,900,000 shares on a non pre-emptive basis (nominal value £645,000, representing 5.8% of the issued share capital at 30 April 2020) at a premium to net asset value (on the basis of debt valued at par value) on 89 separate occasions at an average price of 1,294.1 pence per share raising net proceeds of £168,500,000. Between 1 May and 15 June 2021, the Company issued no further shares. No shares were held in treasury as at 15 June 2021.

Both authorities expire at the forthcoming Annual General Meeting and the Directors are seeking shareholders' approval to renew them for a further year, as detailed below.

Resolution 11 in the Notice of Annual General Meeting seeks a general authority for the Directors to allot shares up to an aggregate nominal amount of £1,182,269.25. This amount represents 10% of the Company's total ordinary share capital in issue at 15 June 2021 and meets institutional guidelines. This authority will continue until the conclusion of the Annual General Meeting to be held in 2022 or on the expiry of 15 months from the passing of the resolutions, if earlier.

Resolution 12, which is proposed as a special resolution, seeks authority for the Directors to issue shares or sell shares held in treasury on a non pre-emptive basis for cash up to an aggregate nominal amount of £1,182,269.25 (representing 10% of the issued ordinary share capital of the Company as at 15 June 2021). This authority will only be used to issue shares or sell shares from treasury at a premium to net asset value on the basis of debt valued at par value and only when the Directors believe that it would be in the best interests of the Company to do so. This authority will continue until the conclusion of the Annual General Meeting to be held in 2022 or on the expiry of 15 months from the passing of the resolutions, if earlier.

Purchase of Own Shares

At the last Annual General Meeting the Company was granted authority to purchase up to 33,559,440 ordinary shares (equivalent to approximately 14.99% of its issued share capital), such authority to expire at the Annual General Meeting in respect of the year ended 30 April 2021. No shares were bought back during the year under review and no shares are held in treasury. The principal reason for share buy-backs is to enhance net asset value per share for continuing shareholders by purchasing shares at a discount to the prevailing net asset value.

The Company may hold bought-back shares 'in treasury' and then:

(i) sell such shares (or any of them) for cash (or its equivalent under the Companies Act 2006); or

(ii) cancel the shares (or any of them).

Shares will only be sold from treasury at a premium to net asset value.

The Directors are seeking shareholders' approval at the Annual General Meeting to renew the authority to purchase up to 14.99% of the Company's ordinary shares in issue at the date of passing of the resolution, such authority to expire at the Annual General Meeting of the Company to be held in respect of the year ended 30 April 2022.

In accordance with the Listing Rules, the maximum price (excluding expenses) that may be paid on the exercise of the authority must not exceed the higher of:

(i) 5 per cent. above the average closing price on the London Stock Exchange of an ordinary share over the five business days immediately preceding the date of purchase; and

(ii) the higher of the price of the last independent trade and the highest current independent bid for a share on the London Stock Exchange.

The minimum price (exclusive of expenses) that may be paid is 5p per share. Purchases of shares will be made within guidelines established, from time to time, by the Board. The Company does not have any warrants or options in issue. Your attention is drawn to Resolution 13 in the Notice of Annual General Meeting on page 58. This authority, if conferred, will be exercised only if to do so would result in an increase in net asset value per ordinary share for the remaining shareholders and if it is in the best interests of shareholders generally.

Articles of Association

The Company's Articles of Association may only be amended by special resolution at a general meeting of shareholders.

Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances, borrowings and debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 19 to the Financial Statements.

Disclosure of Information to Auditor

The Directors confirm that so far as each of the Directors is aware there is no relevant audit information of which the Company's Auditor is unaware and the Directors have taken all the steps that they might reasonably be expected to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Post Balance Sheet Events

The Directors confirm that there have been no post Balance Sheet events which require adjustment of, or disclosure in, the Financial Statements or notes thereto up to 17 June 2021.

Independent Auditor

The Auditor, Ernst & Young LLP, is willing to continue in office and, in accordance with section 489 and section 491(1) of the Companies Act 2006, resolutions concerning Ernst & Young LLP's reappointment and remuneration will be submitted to the Annual General Meeting.

Greenhouse Gas Emissions and Streamlined Energy & Carbon Reporting ('SECR')

All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. For the same reasons as set out above, the Company considers itself to be a low energy user under the SECR regulations and therefore, is not required to disclose energy and carbon information.

Bribery Act

The Company has a zero tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Managers also adopt a zero tolerance approach and have policies and procedures in place to prevent bribery.

Criminal Finances Act 2017

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

Recommendation

The Directors unanimously recommend you vote in favour of the resolutions to be proposed at the Annual General Meeting as it is their view that the resolutions are in the best interests of shareholders as a whole.

On behalf of the Board
KS Sternberg
Chairman
17 June 2021

Corporate Governance Report

The Board is committed to achieving and demonstrating high standards of Corporate Governance. This statement outlines how the principles of the 2018 UK Corporate Governance Code (the 'Code') which can be found at **frc.org.uk**, and the relevant principles of the Association of Investment Companies (AIC) Code of Corporate Governance were applied throughout the financial year. The AIC Code provides a framework of best practice for investment companies and can be found at **theaic.co.uk**.

Compliance

The FRC has confirmed that AIC member companies who report against the AIC Code will be meeting their obligations in relation to the UK Code (the AIC Code can be found at **theaic.co.uk**). The Company has complied throughout the year under review with the relevant provisions of the Code and the recommendations of the AIC Code except that the Company does not have a separate internal audit function, as explained on page 32.

The Board

The Board has overall responsibility for the Company's affairs. It has a number of matters reserved for its approval including strategy, investment policy, currency hedging, borrowings, gearing, treasury matters, dividend and corporate governance policy. A separate strategy session is held annually. The Board also reviews the Financial Statements, investment transactions, revenue budgets and performance. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities.

The Board currently comprises five Directors all of whom are non-executive.

The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The executive responsibility for investment management has been delegated to the Company's Alternative Investment Fund Manager ('AIFM'), Baillie Gifford & Co Limited, and, in the context of a Board comprising only non-executive Directors, there is no chief executive officer.

The Senior Independent Director (SID) is Mr JJ Tigue, and, as such, is available to shareholders if they have concerns not properly addressed to the Chairman. The SID leads the Chairman's performance appraisal and chairs the Nomination Committee when it considers the Chairman's succession.

The Directors believe that the Board has a balance of skills and experience that enables it to provide effective strategic leadership and proper governance of the Company. Information about the Directors, including their relevant experience, can be found on page 24.

There is an agreed procedure for Directors to seek independent professional advice, if necessary, at the Company's expense.

Diversity Policy

Appointments to the Board are made on merit with due regard for the benefits of diversity, including gender, social and ethnic backgrounds, cognitive and personal strengths. The priority in appointing new Directors is to identify the candidate with the best range of skills and experience to complement existing Directors. The Board therefore does not consider it appropriate to set diversity targets.

Appointments to the Board

Following the Nomination Committee's annual review of the Board's composition and bearing in mind the level of Board refreshment over recent years, it was determined that a period of stabilisation would benefit the Board. No immediate need was identified, to initiate recruitment following the departures of Mr Ferguson and Mr Harley. Given the Board's ambition to develop a diverse pipeline for succession, the Committee determined that the necessary time should be taken, in order to identify the requisite skills and experience sought in any potential candidate, with particular regard to the recommendations of the Parker Review.

The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for inspection on request.

A Director appointed during the year is required to retire and seek election by shareholders at the next Annual General Meeting. In accordance with the Code, all Directors offer themselves for re-election annually.

Independence of Directors

All the Directors are considered by the Board to be independent of the Managers and free of any business or other relationship which could interfere with the exercise of their independent judgement.

The Directors recognise the importance of succession planning for company boards and the Board's composition is reviewed annually. The Board is of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company, where continuity and experience can be a benefit to the Board.

Policy on Chairman's Tenure

The Board considers that the tenure of the Chair should be determined principally by the Board's role in providing strategic leadership, governance, challenge and support to the Managers, whilst balancing the importance of independence, refreshment and diversity with retention of the corporate memory. It firmly believes that an appropriate combination of these factors is essential for an effective Board. This, at times, will naturally result in some longer serving directors, including the Chair. The Nomination Committee of the Board considers long term succession planning for this role as part of its broader remit to ensure an appropriate level of refreshment and diversity on the Board. It does not believe the imposition of hard time limits to be helpful in respect of this role, any more than for the tenure of Directors overall.

Meetings

There is an annual cycle of Board meetings which is designed to address, in a systematic way, overall strategy, review of investment policy, investment performance, marketing, revenue budgets, dividend policy and communication with shareholders. The Board considers that it meets sufficiently regularly to discharge its duties effectively. The table below shows the attendance record for the core Board and Committee meetings held during the year, excluding ancillary and sub-committee meetings. The Annual General Meeting was attended by all the Directors.

Directors' Attendance at Meetings

	Board	Audit Committee	Management Engagement Committee	Nomination Committee
Number of meetings	**4**	**2**	**1**	**1**
C Boyle	4	2	1	1
BJ Richards	4	2	1	1
Professor Sir Nigel Shadbolt	4	2	1	1
KS Sternberg	4	2*	1	1
JJ Tigue	4	2	1	1
JGD Ferguson	2	1	–	–
EM Harley	4	2	1	1

* Mr KS Sternberg is not a member of the Audit Committee but attends by invitation.

Performance Evaluation

An appraisal of the Chairman, each Director and a performance evaluation and review of the Board as a whole and the Audit Committee was carried out during the year. After considering and responding to an evaluation questionnaire prepared, circulated and analysed by Lintstock corporate advisors, each Director had an interview with the Chairman. The Chairman's appraisal was led by Mr JJ Tigue, the Senior Independent Director. The appraisals and evaluations considered, amongst other criteria, the balance of skills of the Board, training and development requirements, the contribution of individual Directors and the overall effectiveness of the Board and its Committees. Following this process it was concluded that the performance of each Director, the Chairman, the Board and its Committees continues to be effective and that each Director and the Chairman remain committed to the Company. The Board secured the services of Lintstock, an independent corporate advisor which has no other relationship with the Company or its Directors, in accordance with the requirement for FTSE 350 companies to have Board evaluations externally facilitated every three years.

A review of the Chairman's and other Directors' commitments was carried out and the Board is satisfied that they are capable of devoting sufficient time to the Company. The Chairman's retiral from the boards of Lowland Investment Company Plc (announced, with date to be confirmed) and Alliance Trust (announced, effective 30 June 2021) represented a significant reduction in his other commitments during the year, which ensured that he would have sufficient time to devote to the role.

Induction and Training

New Directors are provided with an induction programme which is tailored to the particular circumstances of the appointee. During the year briefings on industry and regulatory matters were provided to the Board by the Managers and Secretaries. Directors receive other relevant training as necessary.

Management Engagement Committee

The role of the Management Engagement Committee is to ensure that the Manager remains suitable to manage the portfolio, that the management contract is competitive and reasonable for the shareholders, and that the Company maintains appropriate administrative and company secretarial support. All Directors are members of the Management Engagement Committee, which is chaired by the Chairman of the Board. The Board considers each member of the Committee to be independent. To discharge its duties, the Committee met on one occasion during the year to consider: the performance and suitability of the Manager; the terms and conditions of the AIFM Agreement, including fees; and the Committee's Terms of Reference. The Committee's Terms of Reference are available on request from the Company and on the Company's page of the Managers' website: **monksinvestmenttrust.co.uk**.

Nomination Committee

The Nomination Committee consists of all the Directors and Karl Sternberg is the Chairman of the Committee. The Committee meets on an annual basis and at such other times as may be required. The Committee has written terms of reference which include reviewing the composition of the Board, identifying and nominating new candidates for appointment to the Board, Board appraisal, succession planning and training. The Committee also considers whether Directors should be recommended for re-election by shareholders. The Committee's Terms of Reference are available on request from the Company and on the Company's page of the Managers' website: **monksinvestmenttrust.co.uk**.

Remuneration

As the Board considers all its members to be independent, and all the Directors are non-executive, the Board does not consider it necessary to form a separate Remuneration Committee. Directors' fees are considered by the Board as a whole within the limits approved by shareholders. The Company's policy on remuneration is set out in the Directors' Remuneration Report on pages 34 and 35.

Audit Committee

The report of the Audit Committee is set out on pages 32 and 33.

Internal Controls and Risk Management

The Directors acknowledge their responsibility for the Company's risk management and internal control systems and for reviewing their effectiveness. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company in accordance with the FRC guidance 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'.

The practical measures in relation to the design, implementation and maintenance of control policies and procedures to safeguard the Company's assets and to manage its affairs properly, including the maintenance of effective operational and compliance controls have been delegated to the Managers and Secretaries.

The Board oversees the functions delegated to the Managers and Secretaries and the controls managed by the AIFM in accordance with the UK Alternative Investment Fund Managers Regulations (as detailed below). Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provide the Audit Committee with regular reports on their monitoring programmes. The reporting procedures for these departments are defined and formalised within a service level agreement. Baillie Gifford & Co conducts an annual review of its system of internal controls which is documented within an internal controls report which complies with ISAE 3402 – Assurance Reports on Controls at a Service Organization. This report is independently reviewed by Baillie Gifford & Co's Auditors and a copy is submitted to the Audit Committee.

A report identifying the material risks faced by the Company and the key controls employed to manage these risks is reviewed by the Audit Committee.

These procedures ensure that consideration is given regularly to the nature and extent of risks facing the Company and that they are being actively monitored. Where changes in risk have been identified during the year they also provide a mechanism to assess whether further action is required to manage these risks.

The Directors confirm that they have reviewed the effectiveness of the Company's risk management and internal controls systems, which accord with the FRC 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting', and they have procedures in place to review their effectiveness on a regular basis. No significant weaknesses were identified in the year under review and up to the date of this Report.

The Board confirms that these procedures have been in place throughout the Company's financial year and continue to be in place up to the date of approval of this Report.

To comply with the UK Alternative Investment Fund Managers Regulations, The Bank of New York Mellon (International) Limited acts as the Company's Depositary and Baillie Gifford & Co Limited acts as its AIFM.

The Depositary's responsibilities include cash monitoring, safe keeping 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 Depositary is liable for the loss of financial instruments held in custody. The Depositary will ensure that any delegate segregates the assets of the Company. The Company's Depositary also acts as the Company's Custodian. The Custodian prepares reports on its key controls and safeguards which are independently reviewed by its appointed auditors, KPMG LLP. The reports are reviewed by Baillie Gifford's Business Risk Department and a summary of the key points is reported to the Audit Committee and any concerns are investigated.

The Depositary provides the Audit Committee with a report on its monitoring activities.

The AIFM has established a permanent risk management function to ensure that effective risk management policies and procedures are in place and to monitor compliance with risk limits. The AIFM has a risk management policy which covers the risks associated with the management of the portfolio, and the adequacy and effectiveness of this policy is reviewed and approved at least annually. This review includes the risk management processes and systems and limits for each risk area.

The risk limits, which are set by the AIFM and approved by the Board, take into account the objectives, strategy and risk profile of the portfolio. These limits, including leverage (see page 61), are monitored and the sensitivity of the portfolio to key risks is reviewed periodically as appropriate to ascertain the impact of changes in key variables in the portfolio. Exceptions from limits monitoring and stress testing undertaken by Baillie Gifford's Business Risk Department are escalated to the AIFM and reported to the Board along with remedial measures being taken. No exceptions occurred during the year.

Going Concern

In accordance with The Financial Reporting Council's guidance on going concern and liquidity risk, including its Covid-19 guidance, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern and specifically in the context of the Covid-19 pandemic.

The Company's principal risks are market related and include market risk, liquidity risk and credit risk. An explanation of these risks and how they are managed is contained on pages 21 and 22 and in note 19 to the Financial Statements. The Board has, in particular, considered the impact of market volatility during the Covid-19 pandemic but does not believe the Company's going concern status is affected.

The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis.
The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) Regulations 2011. The Company's primary third party suppliers, including its Managers and Secretaries, Custodian and Depositary, Registrar, Auditor and Broker, are not experiencing significant operational difficulties affecting their respective services to the Company. Accordingly, the Financial Statements have been prepared on the going concern basis as it is the Directors' opinion, having assessed the principal and emerging risks and other matters including the impact of the Covid-19 pandemic set out in the Viability Statement on page 22, which assesses the prospects of the Company over a period of three years, that the Company will continue in operational existence for the period to 31 July 2022.

Relations with Shareholders

The Board places great importance on communication with shareholders. The Company's Managers meet regularly with shareholders and report shareholders' views to the Board. The Chairman has maintained open lines of communication with market participants and investors in the Company, separate of Manager involvement, in order to ascertain views on corporate matters. The Chairman is available to meet with shareholders as appropriate. Shareholders wishing to communicate with any members of the Board may do so by writing to them at the Secretaries' address or through the Company's Broker, Investec Bank plc (see contact details on the back cover).

The Company's Annual General Meeting provides a forum for communication with all shareholders. The level of proxies lodged for each resolution is announced at the meeting and is published at **monksinvestmenttrust.co.uk** subsequent to the meeting. The notice period for the Annual General Meeting is at least twenty working days.

Shareholders and potential investors may obtain up-to-date information on the Company at **monksinvestmenttrust.co.uk**.

Corporate Governance and Stewardship

The Board has given discretionary voting powers to Baillie Gifford & Co. The Managers vote against resolutions they consider may damage shareholders' rights or economic interests and report their actions to the Board.

The Board believes that it is in the shareholders' interests to consider environmental, social and governance (ESG) factors when selecting and retaining investments and has asked the Managers to take these issues into account. The Managers do not exclude companies from their investment universe purely on the grounds of ESG factors. A positive engagement approach is employed whereby matters are discussed with management with the aim of improving the relevant policies and management systems and enabling the Managers to consider how ESG factors could impact long-term investment returns. The Managers' statement of compliance with the UK Stewardship Code can be found on the Managers' website at **bailliegifford.com**. The Managers' policy has been reviewed and endorsed by the Board. In addition, the Monks Stewardship Report, which outlines the Managers' approach to engagement and provides examples, is prepared annually, and is available on the Company's page of the Managers' website at **monksinvestmenttrust.co.uk**.

The Managers are signatories to the United Nations Principles for Responsible Investment and the Carbon Disclosure Project, and are also members of the International Corporate Governance Network.

On behalf of the Board
KS Sternberg
Chairman
17 June 2021

Audit Committee Report

The Audit Committee consists of Ms C Boyle, Ms BJ Richards, Professor Sir Nigel Shadbolt and Mr JJ Tigue, who is the Chairman of the Committee. The members of the Committee consider that they have the requisite financial skills and experience to fulfil the responsibilities of the Committee. The Committee's authority and duties are clearly defined within its written terms of reference which are available on request from the Company Secretary and at **monksinvestmenttrust.co.uk**. The terms of reference are reviewed annually.

The Committee's effectiveness is reviewed on an annual basis as part of the Board's performance evaluation process.

At least once a year the Committee meets with the external Auditor without any representative of the Managers being present.

Main Activities of the Committee

The Committee met twice during the year and the external Auditor, Ernst & Young LLP, attended one of those meetings. Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provided reports on their monitoring programmes for these meetings. In addition, the external Auditor met with the Audit Committee Chair on an ad-hoc basis to discuss matters pertinent to the Committee as they arose.

The matters considered, monitored and reviewed by the Committee during the course of the year included the following:

— the results announcement and the Annual and Interim Reports;

— the Company's accounting policies and practices and the implementation of the Managers' valuation policy for investments in unquoted companies;

— the regulatory changes impacting the Company;

— the fairness, balance and understandability of the Annual Report and Financial Statements and whether it provided the information necessary for shareholders to assess the Company's performance, business model and strategy;

— the effectiveness of the Company's internal control environment;

— reappointment, remuneration and terms of engagement of the external Auditor;

— whether the audit services contract should be put out to tender;

— the policy on the engagement of the external Auditor to supply non-audit services;

— the independence and objectivity of the external Auditor and effectiveness of the external audit process;

— the need for the Company to have its own internal audit function;

— internal controls reports received from the Managers and Custodians; and

— the arrangements in place within Baillie Gifford & Co whereby their staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

Internal Audit

The Committee continues to believe that the compliance and internal control systems and the internal audit function in place within the Managers provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investment and the Company's assets, is maintained. An internal audit function, specific to the Company, is therefore considered unnecessary.

Financial Reporting

The Committee considers that the most significant issues likely to impact the Financial Statements are the existence and valuation of investments, as they represent 96.8% of total assets, and the accuracy and completeness of income from investments.

The majority of the investments are in quoted securities and market prices are readily available from independent external pricing sources. The Committee reviewed the Managers' Report on Internal Controls which details the controls in place regarding recording and pricing of investments and the reconciliation of investment holdings to third party data.

The value of all the listed investments as at 30 April 2021 were agreed to external price sources. The Committee considered the value of all unquoted and suspended investments at 30 April 2021, which are determined using valuation techniques based upon net asset values, comparable company multiples and performance, achievement of company milestones and other information as appropriate, and assessed the appropriateness of the judgements and assumptions used in valuing such investments. The Managers agreed the portfolio holdings to confirmations from the Company's Custodian.

The Committee reviewed the Managers' Report on Internal Controls which details the controls in place regarding completeness and accurate recording of investment income. The accounting treatment of each special dividend received or receivable during the year was reviewed by the Managers.

The Committee considered the factors, including the impact of Covid-19, that might affect the Company's viability over a period of three years and its ability to continue as a going concern for the period to 31 July 2022, together with reports from the Managers on the cash position and cash flow projections of the Company, the liquidity of its investment portfolio, compliance with debt covenants, availability of borrowing facilities, and the Company's ability to meet its obligations as they fall due. The Committee also reviewed the Viability Statement on page 22 and statement on Going Concern on page 30 including the potential impact of Covid-19. Following this assessment, the Committee recommended to the Board the appropriateness of the Going Concern basis in preparing the Financial Statements and confirmed the accuracy of the Viability Statement and statement on Going Concern.

The Managers confirmed to the Committee that they were not aware of any material misstatements in the context of the Financial Statements as a whole and that the Financial Statements are in accordance with applicable law and accounting standards.

Internal Controls and Risk Management

The Committee reviewed the effectiveness of the Company's risk management and internal controls systems as described on page 30. No significant weaknesses were identified in the year under review.

External Auditor

To fulfil its responsibility regarding the independence and objectivity of the external Auditor, the Committee reviewed the Auditor's audit plan, which includes a description of the Auditor's arrangements to manage independence, a report from the Auditor on the conclusion of the audit setting out why the Auditor remains independent and the extent and nature of non-audit services provided by the Auditor. Non-audit fees incurred by the Company for the year to 30 April 2021 amount to £1,250 and related to the certification of financial information to the debenture trustee.

The Committee has reviewed and approved the non-audit services provided by the Auditor during the year and does not believe that they have impaired the Auditor's independence as the amount involved is immaterial.

To assess the effectiveness of the Auditor and the external audit process, the Committee reviewed and considered the audit plan, the fulfilment by the Auditor of the agreed audit plan, a report from the Auditor on the conclusion of the audit, feedback from the Secretaries on the performance of the audit team and the Audit Quality Inspection Report on Ernst & Young LLP issued by the FRC's Audit Quality Review Team (AQRT).

Following a competitive tender process, Ernst & Young LLP was appointed as the Company's Auditor at the Annual General Meeting held on 2 August 2017, with Caroline Mercer as the lead audit partner. The audit partners responsible for the audit are to be rotated at least every five years in accordance with professional and regulatory standards in order to protect independence and objectivity and to provide fresh challenge to the business. This is Caroline Mercer's fourth year as lead audit partner for the Company's audit.

Ernst & Young LLP has confirmed that it believes it is independent within the meaning of regulatory and professional requirements and that the objectivity of the audit partner and staff is not impaired. Having carried out the review described above, the Committee is satisfied that the Auditor remains independent and effective for the purposes of this year's audit and, as such, has not considered it necessary to put the audit services contract out to tender. In accordance with regulations in relation to the statutory audits of listed companies, the Company is required to put the audit out to tender for the 2028 year end.

There are no contractual obligations restricting the Committee's choice of external Auditor.

Regulatory Compliance

The Committee confirms that the Company is in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, which relates to the frequency and governance of tenders for the appointment of the external auditor and the setting of policy on the provision of non-audit services.

Accountability and Audit

The respective responsibilities of the Directors and the Auditor in connection with the Financial Statements are set out on pages 36 to 41.

On behalf of the Board
JJ Tigue
Chairman of the Audit Committee
17 June 2021

Directors' Remuneration Report

This report has been prepared in accordance with the requirements of the Companies Act 2006.

Statement by the Chairman

The Directors' Remuneration Policy is subject to shareholder approval every three years or sooner if an alteration to the policy is proposed. The Remuneration Policy which is set out below, was approved by shareholders at the last Annual General Meeting, held in September 2020, and no changes are proposed.

The Board reviewed the level of fees during the year and it was agreed that with effect from 1 May 2021 the Chairman's Fee should increase by £2,000 per annum, Directors' Fees should increase by £1,000 per annum, the increment for the Audit Chair should increase by £1,000 per annum and an increment for the Senior Independent Director, of £3,000 per annum, should be introduced. The fee levels were last increased on 1 May 2019.

Directors' Remuneration Policy

The Board is composed wholly of non-executive Directors, none of whom has a service contract with the Company. There is no separate remuneration committee and the Board as a whole considers changes to Directors' fees from time to time. Baillie Gifford & Co Limited, the Company Secretaries, provide comparative information when the Board considers the level of Directors' fees.

The Board's policy is that the remuneration of Directors should be set at a reasonable level that is commensurate with the duties and responsibilities of the role and consistent with the requirement to attract and retain Directors of the appropriate quality and experience. The Board believes that the fees paid to the Directors should reflect the experience of the Board as a whole, be fair and should take account of the level of fees paid by comparable investment trusts. Any views expressed by shareholders on the fees being paid to Directors will be taken into consideration by the Board when reviewing the Board's policy on remuneration.

Non-executive Directors are not eligible for any other remuneration or benefits apart from the reimbursement of allowable expenses. There are no performance conditions relating to Directors' fees and there are no long-term incentive schemes or pension schemes. There is no notice period and no compensation is payable on loss of office.

Limits on Directors' Remuneration

The fees for the non-executive Directors are payable quarterly in arrears and are determined within the limit set out in the Company's Articles of Association, which is currently £300,000 in aggregate. Any change to this limit requires shareholder approval.

The fees paid to Directors in respect of the year ended 30 April 2021 and the expected fees payable in respect of the year ending 30 April 2022 are set out in the table below. The fees payable to the Directors in the subsequent financial periods will be determined following an annual review of the Directors' fees.

	Expected fees for year ending 30 Apr 2022 £	Fees as at 30 Apr 2021 £
Chairman's fee	46,000	44,000
Non-executive Director fee	31,000	30,000
Additional fee for Chairman of the Audit Committee*	6,000	5,000
Additional fee for the Senior Independent Director*	3,000	–

* The Audit Chair performs additional responsibilities as noted in the Audit Committee Report on pages 32 and 33. The Senior Independent Director performs additional responsibilities as noted on page 28.

Annual Report on Remuneration

An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's Auditor to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in the Independent Auditor's Report on pages 32 to 33.

Directors' Remuneration for the Year (audited)

The Directors who served during the year received the following remuneration in the form of fees and taxable benefits. This represents the entire remuneration paid to the Directors.

Name	2021 Fees £	2021 Taxable benefits† £	2021 Total £	% change in year	2020 Fees £	2020 Taxable benefits† £	2020 Total £
C Boyle (appointed 1 May 2020)	30,000	–	**30,000**	–	–	–	**–**
JGD Ferguson (retired 1 September 2020)	14,836	196	**15,032**	(65.8)	43,000	1,002	**44,002**
EM Harley (retired 16 March 2021)	26,685	–	**26,685**	(8.0)	29,000	–	**29,000**
DCP McDougall (retired 3 September 2019)	–	–	**–**	–	10,001	252	**10,253**
BJ Richards	30,000	–	**30,000**	3.4	29,000	–	**29,000**
Professor Sir Nigel Shadbolt	30,000	–	**30,000**	3.4	29,000	–	**29,000**
KS Sternberg (Chair from 1 September 2020)	39,333	–	**39,333**	35.6	29,000	–	**29,000**
JJ Tigue (Audit Committee Chair)	35,000	–	**35,000**	4.5	33,500	–	**33,500**
	205,854	**196**	**206,050**	**1.1**	**202,501**	**1,254**	**203,755**

† Comprises expenses incurred by Directors in the course of travel to attend Board and Committee meetings held at the London offices of Baillie Gifford & Co Limited, the Company's Secretaries. These amounts have been grossed up for income tax.

Directors' Interests (audited)

The Directors at the year end, and their interests (including those of connected persons) in the Company are as shown in the following table. There have been no changes intimated in the Directors' interests up to 15 June 2021.

Name	Nature of interest	Ordinary 5p shares held at 30 April 2021	Ordinary 5p shares held at 30 April 2020
C Boyle	Beneficial	–	–
BJ Richards	Beneficial	11,397	9,840
Professor Sir Nigel Shadbolt	Beneficial	–	–
KS Sternberg	Beneficial	18,189	13,483
JJ Tigue	Beneficial	41,176	41,086

Statement of Voting at Annual General Meeting

At the last Annual General Meeting, of the proxy votes received in respect of the Directors' Remuneration Report, 99.8% were in favour, 0.1% were against and votes withheld were 0.1%. At the last Annual General Meeting at which the Directors' Remuneration Policy was considered (September 2020) 99.8% of the proxy votes received were in favour, 0.1% were against and 0.1% were withheld.

Relative Importance of Spend on Pay

The table below shows the actual expenditure during the year in respect of Directors' remuneration and distributions to shareholders by way of dividends.

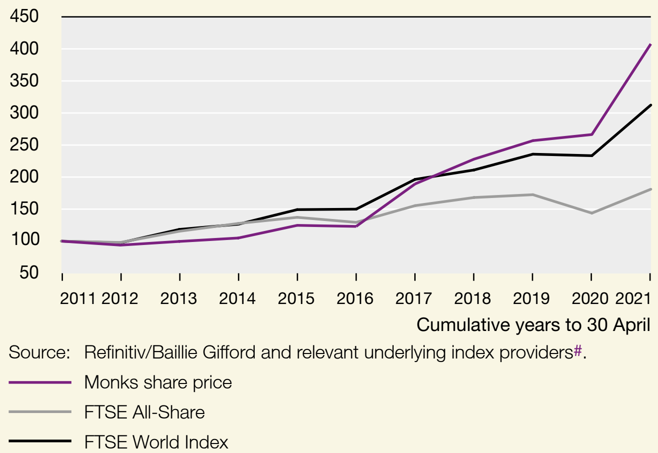
	2021 £'000	2020 £'000	Change %
Directors' remuneration	206	204	1.0
Dividends paid to shareholders	4,729	5,589	(15.4)

Company Performance

The following graph compares the share price total return (assuming all dividends are reinvested) to Monks' ordinary shareholders compared with the total shareholder return on a notional investment made up of shares in the component parts of the FTSE All-Share Index. This index was chosen for comparison purposes as it is a widely used measure of performance for UK listed companies (FTSE World Index, which is the Company's comparative index, is provided for information purposes only).

Performance Graph

(figures rebased to 100 at 30 April 2011)



Source: Refinitiv/Baillie Gifford and relevant underlying index providers#.

Past performance is not a guide to future performance.

All figures are total returns (see Glossary of Terms and Alternative Performance Measures on pages 64 and 65).

See disclaimer on page 63.

Approval

The Directors' Remuneration Report on pages 34 and 35 was approved by the Board of Directors and signed on its behalf on 17 June 2021.

KS Sternberg
Chairman

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

— select suitable accounting policies and then apply them consistently;

— make judgements and accounting estimates that are reasonable and prudent;

— state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;

— assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

— prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable laws and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, a Directors' Remuneration Report and a Corporate Governance Statement that complies with that law and those regulations.

The Directors have delegated responsibility to the Managers for the maintenance and integrity of the Company's page of the Managers' website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions. The work carried out by the Auditor does not involve any consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

Each of the Directors, whose names and functions are listed within the Directors and Management section, confirm that, to the best of their knowledge:

— the Financial Statements, which have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', give a true and fair view of the assets, liabilities, financial position and net return of the Company;

— the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; and

— the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board
KS Sternberg
Chairman
17 June 2021

Notes

The following notes relate to financial statements published on a website and are not included in the printed version of the Annual Report and Financial Statements:

— The maintenance and integrity of the Baillie Gifford & Co website is the responsibility of Baillie Gifford & Co; the work carried out by the Auditors does not involve consideration of these matters and accordingly, the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

— Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report
To the Members of The Monks Investment Trust PLC

Opinion

We have audited the financial statements of The Monks Investment Trust PLC (the 'Company') for the year ended 30 April 2021, which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

— give a true and fair view of the Company's affairs as at 30 April 2021 and of its profit for the year then ended;

— have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

— have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC) Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included

— We confirmed our understanding of the Company's going concern assessment process and engaged with the Directors and the Company Secretary to determine if all key factors were considered in their assessment.

— We inspected the Directors' assessment of going concern, including the revenue forecast, for the period to 31 July 2022 which is at least 12 months from the date the financial statements were authorised for issue. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.

— We have reviewed the factors and assumptions, including the impact of the COVID-19 pandemic, as applied to the revenue forecast and the liquidity assessment of the investments. We considered the appropriateness of the methods used to calculate the forecast and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised were appropriate to be able to make an assessment for the Company.

— In relation to the Company's borrowing arrangements, we inspected the Directors' assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. We recalculated the Company's compliance with debt covenants in the scenarios assessed by the Directors and performed reverse stress testing in order to identify what factors would lead to the Company breaching the financial covenants.

— We considered the mitigating factors included in the revenue forecasts and covenant calculations that are within control of the Company. This included a review of the Company's assessment of the liquidity of the investments held and evaluating the Company's ability to sell investments in order to repay borrowings or cover the working capital requirements of the Company should revenue decline significantly.

— We reviewed the Company's going concern disclosures included in the annual report in order to assess whether the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period assessed by the Directors, being the period to 31 July 2022, which is at least 12 month from when the financial statements are authorised for issue.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of Our Audit Approach

Key audit matters	Risk of incorrect valuation or ownership of the investment portfolio Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Income Statement
Materiality	Overall materiality of £32.05m which represents 1% of shareholders' funds.

An Overview of the Scope of Our Audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation or ownership of the investment portfolio (as described on page 32 in the Report of the Audit Committee and as per the accounting policy set out on page 46). The valuation of the investment portfolio at 30 April 2021 was £3,238.13m (2020 – £2,088.83m) consisting of quoted equities with an aggregate value of £3,163.98m (2020 – £2,067.84m), unquoted equities with an aggregate value of £68.99m (2020 – £20.99m) and a suspended investment with a value of £5.16m (2020 – £0m). The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or a failure to maintain proper legal title to the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders. The fair value of quoted investments is determined by reference to bid value or the last traded price depending on the convention of the exchange on which the investment is quoted. Unquoted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Baillie Gifford Fair Value Pricing Group. The unquoted investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation guidelines ('IPEV'). The valuation of the unquoted investments, and the resultant impact on the unrealised gains/(losses), is the area requiring the most significant judgement and estimation in the preparation of the financial statements.	**We performed the following procedures:** We obtained an understanding of Baillie Gifford's processes and controls surrounding legal title and pricing of quoted and unquoted securities by performing walkthrough procedures. For quoted investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year-end. We inspected the stale pricing reports produced by Baillie Gifford to identify prices that have not changed within one business day and verified whether the quoted price is a valid fair value. For a sample of unquoted investments held as at the year-end we utilised our specialist Valuations and Business Modelling team to review and challenge the valuations. This included: — Reviewing the valuation papers prepared by the Manager for the final quarter of the year; — Assessing whether the valuations have been performed in line with the IPEV guidelines; — Assessing the appropriateness of the data inputs and challenging the assumptions used to support the valuations; — Assessing other facts and circumstances, such as market movement and comparative Company information, that have an impact on the fair market value of the investments; and — Determining a fair value range for the valuation and assessing whether Management's valuation is reasonable. For the remaining unquoted and suspended investments, we obtained and assessed the valuation papers to support the valuation of the investments as at 30 April 2021. We recalculated the unrealised gains/losses on investments as at the year-end using the book-cost reconciliation. We compared the Company's investment holdings at 30 April 2021 to independent confirmations received directly from the Company's Depositary or from the investee company.	**The results of our procedures identified no material misstatements in relation to the incorrect valuation or ownership of the investment portfolio.**

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Income Statement (per the Audit Committee report set out on page 32 and the accounting policy set out on page 46). The total revenue for the year to 30 April 2021 was £22.53m, consisting primarily of dividend income from quoted equity investments. There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. The Directors may be required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Income Statement.	**We performed the following procedures:** We obtained an understanding of Baillie Gifford's processes and controls surrounding revenue recognition including the classification of special dividends by performing walkthrough procedures. For a sample of dividends, we recalculated the income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which was agreed to an independent data vendor. We agreed this sample to bank statements and, where applicable, we also agreed the exchange rates to an external source. To test completeness of recorded income, we tested that dividends had been recorded for a sample of investee companies with reference to investee company announcements obtained from an independent data vendor. For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the dividend obligation arose prior to 30 April 2021. We agreed the dividend rate to corresponding announcements made by the investee company, recalculated the dividend amount receivable and confirmed this was consistent with cash received as shown on post year end bank statements, where paid. We performed a review of the income and acquisition and disposal reports produced by Baillie Gifford to identify all special dividends received and accrued during the period, above our testing threshold. The Company recognised two special dividends above our testing threshold. We have confirmed that the classification of revenue for both payments was consistent with the underlying motives and circumstances for the two special dividends.	**The results of our procedures identified no material misstatement in relation to incomplete or inaccurate revenue recognition, including incorrect classification of special dividends as revenue or capital in the Income Statement.**

In the prior year, our auditor's report included a key audit matter in relation to the impact of COVID-19. The impact of COVID-19 on going concern continued to be relevant to our audit of the Company and we considered this as part of our overall work on going concern which is set out under 'Conclusions relating to going concern'. The other elements of the prior year key audit matter have not been included as a separate key audit matter as it was determined that they did not have a significant impact on our audit strategy for this year's audit.

Our Application of Materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £32.05m (2020 – £19.64m), which is 1% (2020 – 1%) of shareholders' funds. We believe that shareholders' funds provides us with materiality aligned to the key measurement of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2020 – 75%) of our planning materiality, namely £24.04m (2020 – £14.73m).

Given the importance of the distinction between revenue and capital for the Company, we have also applied a separate testing threshold for the revenue column of the Income Statement of £1.60m (2020 – £0.98m) which is set as our reporting threshold, calculated as 5% of our planning materiality.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £1.60m (2020 – £0.98m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Reports have been prepared in accordance with applicable legal requirements.

Matters on which we are Required to Report by Exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 30;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 29;
- Directors' statement on fair, balanced and understandable set out on page 36;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 21;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 30; and;
- The section describing the work of the Audit Committee set out on page 32.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 36, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to What Extent the Audit was Considered Capable of Detecting Irregularities, Including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, the Association of Investment Companies Code of Corporate Governance, The Association of Investment Companies Statement of Recommended Practice, the Listing Rules, the UK Corporate Governance Code, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of Board minutes and the Company's documented policies and procedures
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified fraud risks with respect to the incorrect valuation and the resulting impact on the unrealised gains/(losses) of the unquoted investments and incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital. Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Company at its Annual General Meeting on 2 August 2017 to audit the financial statements for the year ending 30 April 2018 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is four years, covering the years ending 30 April 2018 to 30 April 2021.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Caroline Mercer (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh
17 June 2021

Income Statement

For the year ended 30 April

	Notes	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Gains on investments	9	–	1,069,700	**1,069,700**	–	50,247	**50,247**
Currency gains/(losses)	14	–	1,916	**1,916**	–	(1,277)	**(1,277)**
Income	2	22,529	–	**22,529**	26,691	–	**26,691**
Investment management fee	3	(10,011)	–	**(10,011)**	(7,644)	–	**(7,644)**
Other administrative expenses	4	(1,656)	–	**(1,656)**	(1,677)	–	**(1,677)**
Net return before finance costs and taxation		10,862	1,071,616	**1,082,478**	17,370	48,970	**66,340**
Finance costs of borrowings	5	(5,027)	–	**(5,027)**	(6,046)	–	**(6,046)**
Net return on ordinary activities before taxation		5,835	1,071,616	**1,077,451**	11,324	48,970	**60,294**
Tax on ordinary activities	6	1,966	(958)	**1,008**	(2,005)	–	**(2,005)**
Net return on ordinary activities after taxation		**7,801**	**1,070,658**	**1,078,459**	**9,319**	**48,970**	**58,289**
Net return per ordinary share	7	**3.42p**	**469.83p**	**473.25p**	**4.24p**	**22.26p**	**26.50p**
Note: Dividends per share paid and payable in respect of the year	8	**2.00p**			**2.50p**		

The total column of this Statement represents the profit and loss account of the Company. The supplementary revenue and capital columns are prepared under guidance issued by the Association of Investment Companies.

All revenue and capital items in this Statement derive from continuing operations.

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

The accompanying notes on pages 46 to 56 are an integral part of the Financial Statements.

Balance Sheet

As at 30 April

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Investments held at fair value through profit or loss	9		3,238,130		2,088,827
Current assets					
Debtors	10	3,936		7,566	
Cash and cash equivalents	19	108,723		19,537	
		112,659		27,103	
Creditors					
Amounts falling due within one year	11	(5,063)		(112,398)	
Net current assets/(liabilities)			107,596		(85,295)
Total assets less current liabilities			3,345,726		2,003,532
Creditors and Provisions					
Amounts falling due after more than one year:					
Debenture stock	12	(39,940)		(39,908)	
Loan notes	12	(99,848)		–	
Provision for tax liability	12	(958)		–	
			(140,746)		(39,908)
			3,204,980		**1,963,624**
Capital and reserves					
Share capital	13		11,823		11,178
Share premium account	14		262,183		94,328
Capital redemption reserve	14		8,700		8,700
Capital reserve	14		2,859,214		1,788,556
Revenue reserve	14		63,060		60,862
Shareholders' funds	15		**3,204,980**		**1,963,624**
Shareholders' funds per ordinary share (borrowings at book value)	15		**1,355.4p**		**878.4p**
Net asset value per ordinary share* (borrowings at par)			**1,355.3p**		**878.3p**
Net asset value per ordinary share* (borrowings at fair value)			**1,358.1p**		**875.6p**

The Financial Statements of The Monks Investment Trust PLC (Company registration number 236964) on pages 42 to 56 were approved and authorised for issue by the Board and were signed on 17 June 2021.

KS Sternberg
Chairman

The accompanying notes on pages 46 to 56 are an integral part of the Financial Statements.

* Alternative Performance Measure – see Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

Statement of Changes in Equity

For the year ended 30 April 2021

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 May 2020		11,178	94,328	8,700	1,788,556	60,862	**1,963,624**
Net return on ordinary activities after taxation		–	–	–	1,070,658	7,801	**1,078,459**
Ordinary shares issued	13	645	167,855	–	–	–	**168,500**
Dividends paid during the year	8	–	–	–	–	(5,603)	**(5,603)**
Shareholders' funds at 30 April 2021		**11,823**	**262,183**	**8,700**	**2,859,214**	**63,060**	**3,204,980**

For the year ended 30 April 2020

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 May 2019		10,930	48,007	8,700	1,739,586	55,592	**1,862,815**
Net return on ordinary activities after taxation		–	–	–	48,970	9,319	**58,289**
Ordinary shares issued	13	248	46,321	–	–	–	**46,569**
Dividends paid during the year	8	–	–	–	–	(4,049)	**(4,049)**
Shareholders' funds at 30 April 2020		**11,178**	**94,328**	**8,700**	**1,788,556**	**60,862**	**1,963,624**

The accompanying notes on pages 46 to 56 are an integral part of the Financial Statements.

Cash Flow Statement

For the year ended 30 April

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Cash flows from operating activities					
Net return on ordinary activities before taxation			1,077,451		60,294
Net gains on investments			(1,069,700)		(50,247)
Currency (gains)/losses			(1,916)		1,277
Finance costs of borrowings			5,027		6,046
Overseas tax incurred			(1,718)		(1,997)
Corporation tax refund			3,664		–
Changes in debtors and creditors			1,650		(148)
Cash from operations*			14,458		15,225
Interest paid			(4,547)		(6,154)
Net cash inflow from operating activities			9,911		9,071
Cash flows from investing activities					
Acquisitions of investments		(573,161)		(353,934)	
Disposals of investments		490,209		293,267	
Net cash outflow from investing activities			(82,952)		(60,667)
Cash flows from financing activities					
Equity dividends paid	8	(5,603)		(4,049)	
Ordinary shares issued		169,924		45,973	
Private placement debt notes issued		99,844		–	
Borrowings repaid		(99,596)		–	
Borrowings drawn down		–		1,065	
Net cash inflow from financing activities			164,569		42,989
Increase/(decrease) in cash and cash equivalents			91,528		(8,607)
Exchange movements			(2,342)		2,225
Cash and cash equivalents at 1 May			19,537		25,919
Cash and cash equivalents at 30 April			**108,723**		**19,537**

* Cash from operations includes dividends received of £22,668,000 (2020 – £26,536,000) and interest received of £365,000 (2020 – £306,000).

The accompanying notes on pages 46 to 56 are an integral part of the Financial Statements.

Notes to the Financial Statements

The Monks Investment Trust PLC ('the Company') is a public company limited by shares and is incorporated in England and Wales. The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust.

1 Principal Accounting Policies

The Financial Statements for the year to 30 April 2021 have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' on the basis of the accounting policies set out below which are unchanged from the prior year and have been applied consistently.

(a) Basis of Accounting

All of the Company's operations are of a continuing nature and the Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of fixed asset investments at fair value through profit or loss, and on the assumption that approval as an investment trust under section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 will be retained. The Board has, in particular, considered the impact of market volatility during the Covid-19 pandemic but does not believe the Company's going concern status is affected. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) Regulations 2011. The Company's primary third party suppliers, including its Managers and Secretaries, Custodian and Depositary, Registrar, Auditor and Broker, are not experiencing significant operational difficulties affecting their respective services to the Company. Accordingly, the Financial Statements have been prepared on the going concern basis as it is the Directors' opinion, having assessed the principal and emerging risks and other matters including the impact of the Covid-19 pandemic set out in the Viability Statement on page 22, which assesses the prospects of the Company over a period of three years, that the Company will continue in operational existence for the period to 31 July 2022.

The Financial Statements have been prepared in accordance with the Companies Act 2006, applicable United Kingdom Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies (AIC) in October 2019.

In order to reflect better the activities of the Company and in accordance with guidance issued by the AIC, supplementary information which analyses the profit and loss account between items of a revenue and capital nature has been presented in the Income Statement.

The Directors consider the Company's functional currency to be sterling as the Company's shareholders are predominantly based in the UK, the Company is subject to the UK's regulatory environment and it is the currency in which its dividends and expenses are generally paid.

(b) Financial Instruments

Financial assets and financial liabilities are recognised in the Company's Balance Sheet when it becomes a party to the contractual provisions of the instrument.

(c) Accounting Estimates, Assumptions and Judgements

The preparation of the Financial Statements requires the use of estimates, assumptions and judgements. These estimates, assumptions and judgements affect the reported amounts of assets and liabilities, at the reporting date. While estimates are based on best judgement using information and financial data available, the actual outcome may differ from these estimates. The key sources of estimation and uncertainty relate to the assumptions used in the determination of the fair value of the unlisted and suspended investments, which are detailed in note 9 on pages 49 and 50.

(d) Investments

The Company's investments are classified, recognised and measured at fair value through profit and loss in accordance with sections 11 and 12 of FRS 102. Investment purchases and sales are recognised on a trade date basis. Investments are initially measured at fair value, which is taken to be their cost excluding expenses incidental to purchases which are expensed to capital on acquisition. Gains and losses on investments, including those arising from foreign currency exchange differences and expenses incidental to the purchase and sale of investments, are recognised in the Income Statement as capital items.

The fair value of listed investments is either the bid price or the last traded price depending on the convention of the exchange on which the investment is listed. The fair value of suspended investments is the last traded price, adjusted for the estimated impact on the business of the suspension.

Unlisted investments are valued at fair value following a detailed review and appropriate challenge of the valuations proposed by the Managers. The Managers' unlisted (private company) investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation guidelines ('IPEV'). These methodologies can be categorised as follows: (a) market approach (multiples, industry valuation benchmarks and available market prices); (b) income approach (discounted cash flows); and (c) replacement cost approach (net assets). The valuation process recognises also, as stated in the IPEV Guidelines, that the price of a recent investment may be an appropriate starting point for estimating fair value, however it should be evaluated using the techniques described above.

(e) Cash and Cash Equivalents

Cash equivalents comprise short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(f) Income

(i) Income from equity investments is brought into account on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Company's right to receive payment is established. Equity investment income includes distributions from Collective Investment Schemes, other than those that relate to equalisation which are treated as capital items. Special dividends are treated as revenue or capital items depending on the facts of each particular case.

If scrip is taken in lieu of dividends in cash, the net amount of the cash dividend declared is credited to the revenue account. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised as capital.

(ii) Interest from fixed interest securities is recognised on an effective yield basis.

(iii) Unfranked investment income and overseas dividends include the taxes deducted at source.

(iv) Interest receivable on deposits is recognised on an accruals basis.

(g) Expenses
All expenses are accounted for on an accruals basis and are charged to the revenue account except where: (i) they relate to expenses incidental to the purchase or sale of investments (transaction costs) which are charged to capital. Transaction costs are detailed in note 9 on page 50; or (ii) they relate directly to the buy-back/issuance of shares, in which case they are added to the buy-back cost or deducted from the share issuance proceeds.

(h) Borrowings and Finance Costs
Borrowings, which comprise interest bearing bank loans, loan notes and debentures are recognised initially at the fair value of the consideration received, net of any issue expenses, and subsequently at amortised cost using the effective interest rate method. The finance costs of such borrowings are accounted for on an accruals basis using the effective interest rate method and are allocated to revenue in the Income Statement.

(i) Taxation
The taxation charge represents the sum of current tax and the movement in the provision for deferred taxation during the year. Current taxation represents non-recoverable overseas taxes which is charged to the revenue accounts where it relates to income received and to capital where it relates to items of a capital nature. Deferred taxation is provided on all timing differences which have originated but not reversed by the Balance Sheet date, calculated on a non-discounted basis at the tax rates expected to apply when the timing differences reverse, based on what has been enacted or substantively enacted, relevant to the benefit or liability. Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

(j) Dividend Distributions
Where relevant, interim dividends are recognised in the period in which they are paid. Final dividends are recognised in the period in which the dividends are approved by the Company's shareholders.

(k) Foreign Currencies
Transactions involving foreign currencies are converted at the rate ruling at the time of the transaction. Monetary assets and liabilities and fixed asset investment in foreign currencies are translated at the closing rates of exchange at the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the Income Statement as capital or revenue as appropriate.

(l) Capital Reserve
Gains and losses on realisation of investments, changes in the fair value of investments held and exchange differences of a capital nature are dealt with in this reserve. Purchases of the Company's own shares for cancellation are also funded from this reserve. The nominal value of such shares is transferred from share capital to the capital redemption reserve.

(m) Single Segment Reporting
The Company is engaged in a single segment of business, being that of an investment trust company, consequently no business segmental analysis is provided.

2 Income

	2021 £'000	2020 £'000
Income from investments		
UK dividends	4,785	4,121
Overseas dividends	17,379	22,264
Other Income	22,164	26,385
Deposit Interest	365	306
Total Income	**22,529**	**26,691**
Total income comprises:		
Dividends from financial assets designated at fair value through profit or loss	22,164	26,385
Interest from financial assets not at fair value through profit or loss	365	306
	22,529	**26,691**

3 Investment Management Fee

	2021 £'000	2020 £'000
Investment management fee	**10,011**	**7,644**

Details of the Investment Management Agreement are disclosed on page 25. The annual management fee payable to Baillie Gifford & Co Limited is 0.45% on the first £750 million of total assets, 0.33% on the next £1 billion of total assets and 0.30% on the remaining total assets. For fee purposes, total assets is defined as the total value of all assets held less all liabilities (other than any liability in the form of debt intended for investment purposes) and excludes the value of the Company's holdings in The Schiehallion Fund, a closed-ended investment company managed by Baillie Gifford & Co. The Company does not currently hold any other collective investment vehicles managed by Baillie Gifford & Co. Where the Company holds investments in open-ended collective investment vehicles managed by Baillie Gifford, such as OEICs, Monks' share of any fees charged within that vehicle will be rebated to the Company. All debt drawn down during the periods under review is intended for investment purposes.

4 Other Administrative Expenses

	2021 £'000	2020 £'000
General administrative expenses	1,407	1,438
Directors' fees (see Directors' Remuneration Report on page 34)	206	203
Auditor's remuneration – statutory audit of annual Financial Statements	42	35
Auditor's non-audit remuneration – non-audit services (see page 32)	1	1
	1,656	**1,677**

5 Finance Costs of Borrowings

	2021 £'000	2020 £'000
Bank loans	1,113	3,463
Debenture stocks	2,583	2,583
Loan notes	1,331	–
	5,027	**6,046**

6 Tax on Ordinary Activities

	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Overseas taxation	1,698	–	1,698	2,005	–	2,005
UK corporation tax refunded	(3,664)	–	(3,664)	–	–	–
Provision for tax liability in respect of Indian capital gains tax	–	958	958	–	–	–
	(1,966)	**958**	**(1,008)**	**2,005**	**–**	**2,005**

	2021 £'000	2020 £'000
The tax charge for the year is lower (2020 – lower) than the standard rate of corporation tax in the UK of 19% (2020 – 19%). The differences are explained below:		
Net return before taxation	1,077,451	60,294
Net return before taxation multiplied by the average standard rate of corporation tax in the UK of 19% (2020 – 19%)	204,716	11,456
Capital returns not taxable	(203,607)	(9,304)
Income not taxable	(3,927)	(4,629)
Taxable expenses in the year not utilised	2,818	2,477
Overseas tax	1,698	2,005
Corporation tax refund in respect of prior years	(3,664)	–
Revenue tax charge for the year	**(1,966)**	**2,005**
Provision for tax liability in respect of Indian capital gains tax	**958**	**–**
Total tax charge for the year	**(1,008)**	**2,005**

As an investment trust, the Company's capital returns are not taxable.

The revenue tax charge for the period includes £3,664,000 UK corporation tax repaid in respect of the Company's financial years to 2008, 2009 and 2010, following successful legal action regarding the tax treatment of overseas dividend income. This amount had not previously been provided for, as recovery was not considered sufficiently probable. It has therefore been recognised on receipt. As it exceeds the overseas withholding tax suffered in the period, this has resulted in a positive revenue tax charge.

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

The capital tax charge results from the provision for tax liability in respect of Indian capital gains tax as detailed in note 12.

6 Tax on Ordinary Activities (continued)

Factors that may affect future tax charges

At 30 April 2021 the Company had a potential deferred tax asset of £5,946,000 (2020 – £17,350,000) in respect of taxable losses which are available to be carried forward and offset against future taxable profits. A deferred tax asset has not been provided on these losses as it is considered unlikely that the Company will make suitable taxable revenue profits in excess of deductible expenses in future periods. The potential deferred tax asset has been calculated using a corporation tax rate of 19% (2020 – 19%). The UK Government announced on 3 March 2021 its intention to increase the UK rate of corporation tax to 25% from 19% from 1 April 2023. As this rate was not substantively enacted at the year end, the unrecognised deferred tax has been calculated based on the prevailing rate of 19%. Due to the Company's status as an investment trust, and the intention to continue meeting the conditions required in the foreseeable future, the Company has not provided for deferred UK tax on any capital gains and losses arising on the revaluation or disposal of investments.

7 Net Return per Ordinary Share

	2021 Revenue	2021 Capital	2021 Total	2020 Revenue	2020 Capital	2020 Total
Net return per ordinary share	**3.42p**	**469.83p**	**473.25p**	**4.24p**	**22.26p**	**26.50p**

Revenue return per ordinary share is based on the net revenue return on ordinary activities after taxation of £7,801,000 (2020 – £9,319,000) and on 227,881,626 (2020 – 219,986,605) ordinary shares of 5p, being the weighted average number of ordinary shares in issue during the year.

Capital return per ordinary share is based on the net capital gain for the financial year of £1,070,658,000 (2020 – gain of £48,970,000) and on 227,881,626 (2020 – 219,986,605) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

There are no dilutive or potentially dilutive shares in issue.

8 Ordinary Dividends

	2021	2020	2021 £'000	2020 £'000
Amounts recognised as distributions in the year:				
Previous year's final (paid 4 September 2020)	2.50p	1.85p	5,603	4,049

We also set out below the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of section 1158 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £7,801,000 (2020 – £9,319,000).

	2021	2020	2021 £'000	2020 £'000
Amounts paid and payable in respect of the financial year:				
Proposed final (payable 7 September 2021)	2.00p	2.50p	4,729	5,603

9 Investments

Investments in securities are financial assets held at fair value through profit or loss. In accordance with Financial Reporting Standard 102, the tables below provide an analysis of these investments based on the fair value hierarchy described on page 50, which reflects the reliability and significance of the information used to measure their fair value. During the year, the Company acquired further shares in an infrequently traded listed equity investment classified as Level 2, at a book cost of £50,830,000. In addition, a listed equity investment with a fair value at the previous year end of £11,184,000 was transferred from Level 1 to Level 2 when its shares were suspended and a write-down from the last traded price was applied, to reflect the reputational impact of the suspension on the underlying business.

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

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

9 Investments (continued)

Fair Value Hierarchy

The fair value hierarchy used to analyse the basis on which the fair values of financial instruments held at fair value through the profit and loss account are measured is described below. Fair value measurements are categorised on the basis of the lowest level input that is significant to the fair value measurement.

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

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

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

The Company's unlisted investments at 30 April 2021 were valued using a variety of techniques. These include using comparable company multiples, net asset values, assessment of comparable company performance and assessment of milestone achievement at the investee companies. The determinations of fair value included assumptions that the trading multiples and comparable companies chosen for the multiples approach provide a reasonable basis for the determination of fair value. Valuations are cross-checked for reasonableness to alternative multiples-based approaches or benchmark index movements as appropriate. In some cases the latest dealing price is considered to be the most appropriate valuation basis, but only following assessment using the techniques described above.

	2021 £'000	2020 £'000
Cost of investments at start of year	1,445,130	1,326,374
Investment holding gains at start of year	643,697	653,406
Value of investments at start of year	**2,088,827**	**1,979,780**
Movements in year:		
Purchases at cost	568,212	351,191
Sales proceeds received	(488,609)	(292,391)
Gains on investments	1,069,700	50,247
Value of investments at end of year	**3,238,130**	**2,088,827**
Cost of investments at end of year	1,739,132	1,445,130
Investment holding gains at end of year	1,498,998	643,697
Value of investments at end of year	**3,238,130**	**2,088,827**

The purchases and sales proceeds figures above include transaction costs of £714,000 (2020 – £338,000) and £192,000 (2020 – £145,000) respectively. The Company received £488,609,000 (2020 – £292,391,000) from investments sold during the year. The book cost of these investments when they were purchased was £274,210,000 (2020 – £232,435,000). These investments have been revalued over time and, until they were sold, any unrealised gains/losses were included in the fair value of the investments. Of the realised gains on sales of investments during the year of £214,399,000 (2020 – £59,956,000), a net gain of £117,824,000 (2020 – gain of £72,420,000) was included in investment holding gains at the previous year end.

	2021 £'000	2020 £'000
Gains on investments:		
Realised gains on sales	214,399	59,956
Changes in investment holding gains	855,301	(9,709)
	1,069,700	**50,247**

Significant Holdings Disclosure Requirements - Companies Act 2006

The following is provided in accordance with the disclosure requirements of the Companies Act 2006 in relation to investments which amount to 20% or more of the nominal value of any class of shares in an undertaking.

During the year the Company had a holding in class A shares of Silk Invest Private Equity Fund S.A. SICAR, compartment 'Silk Invest Africa Food Fund' which is incorporated in Luxembourg. At 30 April Monks holding was:

	2021 Shares held	2021 Value £'000	2021 % of Shares held	2020 Shares held	2020 Value £'000	2020 % of Shares held
Silk Invest Africa Food Fund	10,000	6,065	42.6	10,000	3,037	46.3

10 Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Accrued income	2,719	3,204
Investment sales awaiting settlement	–	1,600
Share issuance proceeds awaiting settlement	60	1,484
Overseas taxation recoverable	1,032	1,155
Other debtors and prepaid expenses	125	123
	3,936	**7,566**

None of the above debtors are financial assets held at fair value through profit or loss. The carrying amount of debtors is a reasonable approximation of fair value.

11 Creditors – Amounts falling due within one year

	2021 £'000	2020 £'000
National Australia Bank Limited loan	–	98,854
Scotiabank (Ireland) loan	–	5,000
Investment purchases awaiting settlement	941	5,890
Corporation tax	45	45
Other creditors and accruals	4,077	2,609
	5,063	**112,398**

None of the above creditors are financial liabilities held at fair value through profit or loss. Included in other creditors is £2,771,000 (2020 – £1,901,000) in respect of the investment management fee.

Borrowing facilities

At 30 April 2021 the Company had a 1 year £100 million unsecured floating rate revolving facility with National Australia Bank Limited, which expires on 30 November 2021 and a 4 year £5 million unsecured floating rate revolving facility with Scotiabank (Ireland), with the ability to increase it to £50 million, which expires on 13 March 2022.

At 30 April 2021 drawings were as follows:

— National Australia Bank Limited: nil (2020 – US$124.7 million at an interest rate of 2.309%).

— Scotiabank (Ireland): nil (2020 – £5 million at an interest rate of 1.72775%).

The main covenants relating to the above loans are that total borrowings shall not exceed 30% of the Company's adjusted net asset value and the Company's minimum adjusted net asset value shall be £650 million.

There were no breaches of loan covenants during the year.

12 Creditors and Provisions – Amounts falling due after more than one year

	Repayment date	Nominal rate	Effective rate	2021 £'000	2020 £'000
£40 million 6⅜% debenture stock 2023	1/3/2023	6.375%	6.5%	39,940	39,908
£60 million 1.86% Series A notes 2054	7/8/2054	1.86%	1.86%	59,898	–
£40 million 1.77% Series B notes 2045	7/8/2045	1.77%	1.77%	39,950	–
				139,788	**39,908**
Provision for tax liability in respect of Indian capital gains tax				958	–
				140,746	**39,908**

Debenture stock

The debenture stock is stated at amortised cost (see note 1(h) on page 47); the cumulative effect is to decrease the carrying amount of borrowings by £60,000 (2020 – £92,000). The debenture stock is secured by a floating charge over the assets of the Company. Under the terms of the Debenture Agreement, total borrowings should not exceed net assets and the Company cannot undertake share buy-backs if this would result in total borrowings exceeding 66.67%.

12 Creditors and Provisions – Amounts falling due after more than one year (continued)

Unsecured Loan Notes

During the year the Company issued the following private placement unsecured loan notes:

— £60 million at a coupon of 1.86% maturing on 7 August 2054

— £40 million at a coupon of 1.77% maturing on 7 August 2045

The unsecured loan notes are stated at the cumulative amount of net proceeds after issue. The cumulative effect is to reduce the carrying amount of borrowings by £152,000.

Provision for Tax Liability

The tax liability provision at 30 April 2021 of £958,000 (30 April 2020 - nil) relates to a potential liability for Indian capital gains tax that may arise on the Company's Indian investments should they be sold in the future, based on the net unrealised taxable capital gains at the period end and on enacted Indian tax rates. The amount of any future tax amounts payable may differ from this provision, depending on the value and timing of any future sales of such investments and future Indian tax rates.

13 Share Capital

	2021 Number	2021 £'000	2020 Number	2020 £'000
Allotted, called up and fully paid ordinary shares of 5p each	**236,453,859**	**11,823**	**223,553,859**	**11,178**

In the year to 30 April 2021, the Company issued 12,900,000 ordinary shares (nominal value of £645,000) at a premium to net asset value, raising net proceeds of £168,500,000 (2020 – £46,569,000). No shares were bought back during the year and no shares are held in treasury. At 30 April 2021 the Company had authority to buy back 33,559,440 ordinary shares and to allot or sell from treasury 10,417,885 ordinary shares without application of pre-emption rights. Under the provisions of the Company's Articles of Association share buy-backs are funded from the capital reserve.

14 Capital and Reserves

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
At 1 May 2020	11,178	94,328	8,700	1,788,556	60,862	**1,963,624**
Gains on investments	–	–	–	1,069,700	–	**1,069,700**
Exchange differences on bank loans	–	–	–	4,258	–	**4,258**
Other exchange differences	–	–	–	(2,342)	–	**(2,342)**
Movement in provision for tax on Indian notional capital gains	–	–	–	(958)	–	**(958)**
Revenue return on ordinary activities after taxation	–	–	–	–	7,801	**7,801**
Ordinary shares issued	645	167,855	–	–	–	**168,500**
Dividends paid in the year	–	–	–	–	(5,603)	**(5,603)**
At 30 April 2021	**11,823**	**262,183**	**8,700**	**2,859,214**	**63,060**	**3,204,980**

The capital reserve balance at 30 April 2021 includes investment holding gains on investments of £1,498,988,000 (2020 – gains of £643,697,000) as detailed in note 9 on page 50. The revenue reserve is distributable by way of dividend. The Company's Articles of Association prohibit distributions by way of dividend from realised capital profits.

15 Shareholders' Funds Per Ordinary Share

	2021	2020
Shareholders' funds	£3,204,980,000	£1,963,624,000
Number of ordinary shares in issue at the year end	236,453,859	223,553,859
Shareholders' funds per ordinary share	1,355.4p	878.4p

The shareholders' funds figures above have been calculated after deducting borrowings at book value, in accordance with the provisions of FRS 102. The net asset value figures shown on the Balance Sheet on page 43 have been calculated after deducting borrowings at either par value or fair value. Reconciliations between shareholders' funds and both NAV measures are shown in the Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

16 Analysis of Change in Net Debt

	At 1 May 2020 £'000	Cash flows £'000	Other non-cash changes £'000	Exchange movement £'000	At 30 April 2021 £'000
Cash at bank and in hand	19,537	91,528	–	(2,342)	108,723
Loans due within one year	(103,854)	99,596	–	4,258	–
Debenture stocks	(39,908)	–	(32)	–	(39,940)
Loan notes	–	(99,844)	(4)	–	(99,848)
	(124,225)	**91,280**	**(36)**	**1,916**	**(31,065)**

17 Contingent Liabilities, Guarantees and Financial Commitments

At 30 April 2021 and 30 April 2020 the Company had no contingent liabilities, guarantees or financial commitments.

18 Transactions with Related Parties and the Managers and Secretaries

The Directors' fees and shareholdings are detailed in the Directors' Remuneration Report on pages 34 and 35. No Director has a contract of service with the Company. During the year no Director was interested in any contract or other matter requiring disclosure under section 412 of the Companies Act 2006.

Baillie Gifford & Co Limited has been appointed as the Company's Alternative Investment Fund Manager ('AIFM') and Company Secretaries. Details of the terms of the Investment Management Agreement are set out on page 25 and details of the fees during the year and the balances outstanding at the year end are shown in notes 3 and 11 respectively.

19 Financial Instruments

As an investment trust, the Company invests in equities and makes other investments so as to secure its investment objective of capital growth. The Company borrows money when the Board and investment managers have sufficient conviction that the assets funded by borrowed monies will generate a return in excess of the cost of borrowing. In pursuing its investment objective, the Company is exposed to a variety of risks that cause short term variation in the Company's net assets and could result in either a reduction in the Company's net assets or a reduction in the profits available for dividend.

These risks are categorised here as market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Board monitors closely the Company's exposures to these risks but does so in order to reduce the likelihood of a permanent reduction in the Company's net assets rather than to minimise the short term volatility.

The risk management policies and procedures outlined in this note have not changed substantially from the previous accounting period.

Market Risk

The fair value or future cash flows of a financial instrument or other investment held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. The Board reviews and agrees policies for managing these risks and the Company's investment managers both assess the exposure to market risk when making individual investment decisions and monitor the overall level of market risk across the investment portfolio on an ongoing basis.

Details of the Company's investment portfolio are shown in note 9.

Currency Risk

Certain of the Company's assets, liabilities and income are denominated in currencies other than sterling (the Company's functional currency and that in which it reports its results). Consequently, movements in exchange rates may affect the sterling value of those items.

The investment managers monitor the Company's exposure to foreign currencies and report to the Board on a regular basis. The Investment Manager assesses the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. However, the currency in which a company's share price is quoted is not necessarily the one in which it earns its profits.

The movement in exchange rates on overseas earnings may have a more significant impact upon a company's valuation than a simple translation of the currency in which the share price of the company is quoted.

Foreign currency borrowings can limit the Company's exposure to anticipated future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments.

Exposure to currency risk through asset allocation, which is calculated by reference to the currency in which the asset or liability is quoted, is shown below.

19 Financial Instruments (continued)

Currency Risk (continued)

At 30 April 2021	Investments £'000	Cash and cash equivalents £'000	Loans, loan notes and debentures £'000	Other debtors and creditors * £'000	Net exposure £'000
US dollar	2,118,184	438	–	122	**2,118,744**
Euro	203,677	–	–	1,032	**204,709**
Japanese yen	206,572	–	–	699	**207,271**
Other overseas currencies	452,759	4,686	–	957	**458,402**
Total exposure to currency risk	2,981,192	5,124	–	2,810	**2,989,126**
Sterling	256,938	103,599	(139,788)	(4,895)	**215,854**
	3,238,130	**108,723**	**(139,788)**	**(2,085)**	**3,204,980**

* Includes non-monetary assets of £76,000.

At 30 April 2020	Investments £'000	Cash and cash equivalents £'000	Loans, loan notes and debentures £'000	Other debtors and creditors * £'000	Net exposure £'000
US dollar	1,258,762	7,633	(98,854)	491	**1,168,032**
Euro	142,611	439	–	1,155	**144,205**
Japanese yen	207,850	–	–	1,640	**209,490**
Other overseas currencies	349,098	7,836	–	(4,656)	**352,278**
Total exposure to currency risk	1,958,321	15,908	(98,854)	(1,370)	**1,874,005**
Sterling	130,506	3,629	(44,908)	392	**89,619**
	2,088,827	**19,537**	**(143,762)**	**(978)**	**1,963,624**

* Includes non-monetary assets of £59,000.

Currency Risk Sensitivity

At 30 April 2021, if sterling had strengthened by 5% in relation to all currencies, with all other variables held constant, total net assets and total return on ordinary activities would have decreased by the amounts shown below. A 5% weakening of sterling against all currencies, with all other variables held constant, would have had an equal but opposite effect on the Financial Statement amounts. The analysis is performed on the same basis for 2020.

	2021 £'000	2020 £'000
US dollar	105,937	58,402
Euro	10,235	7,210
Japanese yen	10,364	10,475
Other overseas currencies	22,920	17,614
	149,456	**93,701**

Interest Rate Risk

Interest rate movements may affect directly:

— the fair value of any investments in fixed interest rate securities;

— the level of income receivable on cash deposits;

— the fair value of the Company's fixed-rate borrowings; and

— the interest payable on any variable rate borrowings which the Company may take out.

Interest rate movements may also impact upon the market value of the Company's investments. The effect of interest rate movements upon the earnings of an investee company may have a significant impact upon the valuation of that company's equity. The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions and when entering borrowing agreements. The Board reviews on a regular basis the amount of investments in cash and fixed income securities and the income receivable on cash deposits, floating rate notes and other similar investments. The Company finances part of its activities through borrowings at approved levels. The amount of such borrowings and the approved levels are monitored and reviewed regularly by the Board.

19 Financial Instruments (continued)

Interest Rate Risk (continued)

Movements in interest rates, to the extent that they affect the fair value of the Company's fixed rate borrowings, may also affect the amount by which the Company's share price is at a discount or a premium to the net asset value (with borrowings at fair value) assuming that the Company's share price is unaffected by movements in interest rates.

Financial Assets

The Company's interest rate risk exposure on its financial assets at 30 April 2021 amounted to £108,723,000 (2020 – £19,537,000), comprising its cash and short term deposits.

The cash deposits generally comprise call or short term money market deposits of less than one month which are repayable on demand. The benchmark rate which determines the interest payments received on cash balances is the bank base rate.

Financial Liabilities

The interest rate risk profile of the Company's bank loans and debentures (at amortised cost) and the maturity profile of the undiscounted future cash flows in respect of the Company's contractual financial liabilities at 30 April are shown below.

Interest Rate Risk Profile

	2021 £'000	2020 £'000
Floating rate – US dollar	–	98,854
Floating rate – sterling	–	5,000
Fixed rate – sterling	139,788	39,908
	139,788	**143,762**

Maturity Profile

	2021 Within 1 year £'000	2021 Between 1 and 5 years £'000	2021 More than 5 years £'000	2020 Within 1 year £'000	2020 Between 1 and 5 years £'000	2020 More than 5 years £'000
Repayment of loans and debentures	–	40,000	100,000	103,854	40,000	–
Interest on loans and debentures	4,374	9,846	45,612	3,155	5,100	–
	4,374	**49,846**	**145,612**	**107,009**	**45,100**	**–**

Interest Rate Risk Sensitivity

An increase of 100 basis points in bond yields applied to the Company's financial liabilities as at 30 April 2021 would have had no effect on total net assets and total return on ordinary activities (2020 – nil) and would have increased the net asset value per share (with borrowings at fair value) by 9.8p (2020 – 0.5p). A decrease of 100 basis points would have had no effect on total net assets and total return on ordinary activities (2020 – nil) and would have decreased net asset value per share (with borrowings at fair value) by 9.8p (2020 – 0.5p).

Other Price Risk

Changes in market prices other than those arising from interest rate risk or currency risk may also affect the value of the Company's net assets. The Board manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Board meets regularly and at each meeting reviews investment performance, the investment portfolio and the rationale for the current investment positioning to ensure consistency with the Company's objective and investment policy.

Other Price Risk Sensitivity

A full list of the Company's investments is shown on pages 14 to 16. In addition, various analyses of the portfolio by growth category, thematic risk category, geography and broad industrial or commercial sector are contained in the Strategic Report. 98.9% of the Company's net assets are invested in quoted equities (2020 – 105.3%). A 10% increase in quoted equity valuations at 30 April 2021 would have increased total assets and total return on ordinary activities by £316,914,000 (2020 – £206,874,000). A decrease of 10% would have had an equal but opposite effect.

Liquidity Risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is not significant as the majority of the Company's assets are investments in quoted securities that are readily realisable. The Board also sets parameters for the degree to which the Company's net assets are invested in quoted equities. The Company has the power to take out borrowings, which give it access to additional funding when required. The Company's current borrowing facilities are detailed in notes 11 and 12 and the maturity profile of its borrowings is set out above.

19 Financial Instruments (continued)

Credit Risk

This is the risk that a failure of a counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss. This risk is managed as follows:

— where the investment managers make an investment in a bond or other security with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question;

— the Depositary is liable for the loss of financial instruments held in custody. The Depositary will ensure that any delegate segregates the assets of the Company. The Managers monitor the Company's risk by reviewing the Depositary's internal control reports and reporting their findings to the Board;

— investment transactions are carried out with a large number of brokers whose creditworthiness is reviewed by the Managers. Transactions are ordinarily done on a delivery versus payment basis whereby the Company's custodian bank ensures that the counterparty to any transaction entered into by the Company has delivered on its obligations before any transfer of cash or securities away from the Company is completed; and

— cash is only held at banks that have been identified by the Managers as reputable and of high credit quality.

Credit Risk Exposure

The amount that best represents the Company's maximum exposure to direct credit risk at 30 April was:

	2021 £'000	2020 £'000
Cash and cash equivalents	108,723	19,537
Debtors	3,936	7,566
	112,659	**27,103**

None of the Company's financial assets are past due or impaired.

Fair Value of Financial Assets and Financial Liabilities

The Directors are of the opinion that there is no difference between the amounts at which the financial assets and liabilities of the Company are carried in the Balance Sheet and their fair values, with the exception of long term borrowings. The fair values of the Company's borrowings are shown below. The fair value of the 6⅜% debenture stock 2023 is based on the closing market offer price as sourced from Barclays BXEC (2020 – source Peel Hunt/London Stock Exchange). The revised price source was approved by the Board and adopted by the Company 30 November 2020, as it was considered more responsive to market movements. Using the current price source as at 30 April 2020 would have reduced the fair value of the debenture by £1,319,000 and increased the fair value NAV by 0.6p per share. The fair values of the loan notes are calculated by reference to UK Gilts with comparable maturities, applying a fair value spread using non-Gilt bond indices of similar duration.

	2021 Par value £'000	2021 Book value £'000	2021 Fair value £'000	2020 Par value £'000	2020 Book value £'000	2020 Fair value £'000
Bank loans due within one year	–	–	–	103,854	103,854	103,854
6⅜% debenture stock 2023	40,000	39,940	43,207	40,000	39,908	46,000
Series A Notes 1.86% 2054	60,000	59,898	54,302	–	–	–
Series B Notes 1.77% 2045	40,000	39,950	36,015	–	–	–
	140,000	**139,788**	**133,524**	**143,854**	**143,762**	**149,854**

20 Capital Management

The capital of the Company is its share capital and reserves as set out in note 14 together with its borrowings (see notes 11 and 12).

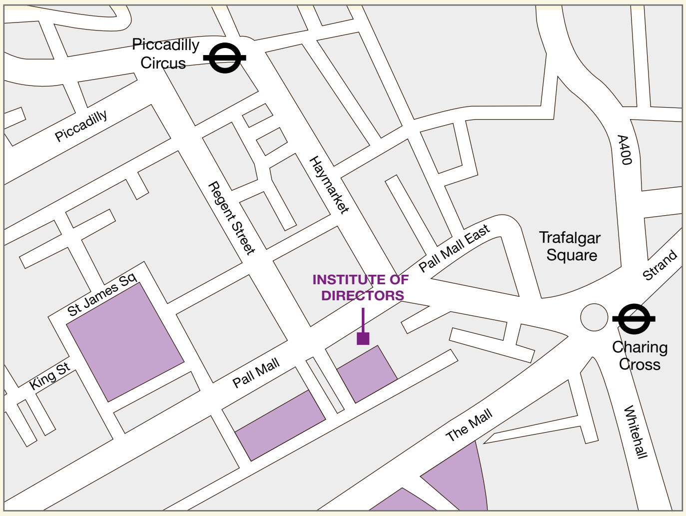
The objective of the Company is to invest globally to achieve capital growth, which takes priority over income and dividends.

The Company's investment policy is set out on page 20. In pursuit of the Company's objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern and details of the related risks and how they are managed are set out on pages 21, 22 and 30.

The Company has the ability to issue and buy back its shares (see page 26) and any changes to the share capital during the year are set out in note 13.

The Company does not have any externally imposed capital requirements other than the covenants on its loans, loan notes and debentures which are detailed in notes 11 and 12.

Notice of Annual General Meeting



Subject to Government measures restricting public gatherings, and related public health guidance associated with the Covid-19 pandemic, the Annual General Meeting of the Company will be held at the Institute of Directors, 116 Pall Mall, London SW1Y 5ED on Thursday, 2 September 2021, at 11.00am. Given the ongoing uncertainty, the Board will continue to monitor developments and may be forced to prohibit shareholders from attending in person. The Board therefore encourages all shareholders to exercise their votes at the Annual General Meeting by completing and submitting a form of proxy; and to monitor the Company's website where any updates will be posted.

If you have any queries as to how to vote or how to attend the meeting, please call us on 0800 917 2112.

Baillie Gifford may record your call.

Notice is hereby given that the ninety-second Annual General Meeting of The Monks Investment Trust PLC will be held at the Institute of Directors, 116 Pall Mall, London SW1Y 5ED on Thursday, 2 September 2021, at 11.00am for the following purposes:

Ordinary Business

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. To receive and adopt the Financial Statements of the Company for the year ended 30 April 2021 with the Reports of the Directors and of the Independent Auditor thereon.
2. To approve the Directors' Annual Report on Remuneration for the year ended 30 April 2021.
3. To declare a final dividend of 2.0p per ordinary share.
4. To re-elect Mr KS Sternberg as a Director.
5. To re-elect Mr JJ Tigue as a Director.
6. To re-elect Ms BJ Richards as a Director.
7. To re-elect Professor Sir Nigel Shadbolt as a Director.
8. To re-elect Ms C Boyle as a Director.
9. To reappoint Ernst & Young LLP as Independent Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which the Financial Statements are laid before the Company.
10. To authorise the Directors to determine the remuneration of the Independent Auditor.
11. That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the '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 ('Securities') provided that such authority shall be limited to the allotment of shares and the grant of rights in respect of shares with an aggregate nominal value of up to £1,182,269.25 (representing 10% of the Company's total issued share capital as at 15 June 2021), such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may 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 shall be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired.

To consider and, if thought fit, to pass resolutions 12 and 13 as special resolutions:

12. That, subject to the passing of resolution 11 above, and in substitution for any existing power but without prejudice to the exercise of any such power prior to the date hereof, the Directors of the Company be and they are hereby generally empowered, pursuant to sections 570 and 573 of the Companies Act 2006 ('the Act') to allot equity securities (within the meaning of section 560(1) of the Act) for cash either pursuant to the authority given by resolution 12 above or by way of the sale of treasury shares wholly for cash as if section 561(1) of the 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 of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and
    (b) shall be limited to the allotment of equity securities or the sale of treasury shares up to an aggregate nominal value of £1,182,269.25, being approximately 10% of the nominal value of the issued share capital of the Company as at 15 June 2021.

13. That, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with section 701 of the Companies Act 2006 (the 'Act'), to make market purchases (within the meaning of section 693(4) of the Act) of fully paid ordinary shares of 5p each in the capital of the Company ('Shares'), (either for retention as treasury shares for future reissue, resale, transfer or for cancellation) provided that:
    (a) the maximum aggregate number of Shares hereby authorised to be purchased is 35,444,433, or, if less, the number representing approximately 14.99% of the issued ordinary share capital of the Company as at the date of the passing of this resolution;
    (b) the minimum price (exclusive of expenses) which may be paid for each Share is 5p;
    (c) the maximum price (exclusive of expenses) which may be paid for a Share shall be not more than the higher of: (i) 5 per cent above the average closing price on the London Stock Exchange of a Share 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 hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in respect of the year ending 30 April 2022, 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.

By order of the Board
Baillie Gifford & Co Limited
Company Secretary
30 June 2021

Notes

1. As a member you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the AGM. A proxy need not be a member of the Company but must attend the AGM to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You can only appoint a proxy using the procedure set out in these notes and the notes to the proxy form. You may not use any electronic address provided either in this notice or any related documents (including the Financial Statements and proxy form) to communicate with the Company for any purpose other than those expressly stated.
2. To be valid any proxy form or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand at the Registrars of the Company at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or **eproxyappointment.com** no later than two days (excluding non-working days) before the time of the meeting or any adjourned meeting.
3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and/or by logging on to the website **euroclear.com/CREST**. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
4. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's registrar (ID 3RA50) no later than two days (excluding non-working days) before the time of the meeting or any adjournment. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
5. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or

sponsored member, or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

6. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. The return of a completed proxy form or other instrument of proxy will not prevent you attending the AGM and voting in person if you wish.
8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 311 of the Companies Act 2006 the Company specifies that to be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company no later than the close of business two days (excluding non-working days) prior to the commencement of the AGM or any adjourned meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
9. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
10. The statement of the rights of shareholders in relation to the appointment of proxies in notes 1 and 2 above does not apply to Nominated Persons. The rights described in those notes can only be exercised by shareholders of the Company.
11. Under section 338 of the Companies Act 2006, members meeting the qualification criteria set out in note 14 below may, subject to certain conditions, require the Company to circulate to members notice of a resolution which may properly be moved and is intended to be moved at that meeting. The conditions are that: (a) the resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise); (b) the resolution must not be defamatory of any person, frivolous or vexatious; and (c) the request: (i) may be in hard copy form or in electronic form; (ii) must identify the resolution of which notice is to be given by either setting out the resolution in full or, if supporting a resolution sent by another member, clearly identifying the resolution which is being supported; (iii) must be authenticated by the person or persons making it; and (iv) must be received by the Company not later than Wednesday 21 July 2021.
12. Under section 338A of the Companies Act 2006, members meeting the qualification criteria set out at note 14 below may require the Company to include in the business to be dealt with at the Annual General Meeting a matter (other than a proposed resolution) which may properly be included in the business (a matter of business). The request must have been received by the Company not later than Wednesday 21 July 2021. The conditions are that the matter of business must not be defamatory of any person, frivolous or vexatious. The request must identify the matter of business by either setting it out in full or, if supporting a statement sent by another member, clearly identify the matter of business which is being supported. The request must be accompanied by a statement setting out the grounds for the request. Members seeking to do this should write to the Company providing their full name and address.
13. Under section 527 of the Companies Act 2006, members meeting the qualification criteria set out at note 14 below may require the Company to publish, on its website, (without payment) a statement (which is also passed to the Auditor) setting out any matter relating to the audit of the Company's Financial Statements, including the Auditor's Report and the conduct of the audit. Such requests must be made in writing and must state your full name and address.
14. In order to be able to exercise the members' rights in notes 11 to 13, the relevant request must be made by: (a) members representing at least 5% of the total voting rights of all the members who have a right to vote on the resolution to which the requests relate; or (b) at least 100 members who have a right to vote on the resolution to which the requests relate and hold shares in the Company on which there has been paid up an average sum, per member, of at least £100. Such requests should be sent to the Company at Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN. Electronic requests permitted under section 338 (see note 11) should be sent to **trustenquiries@bailliegifford.com**.
15. Information regarding the Annual General Meeting, including information required by section 311A of the Companies Act 2006, is available from the Company's page of the Managers' website at **monksinvestmenttrust.co.uk**.
16. Members have the right to ask questions at the meeting in accordance with section 319A of the Companies Act 2006.
17. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
18. As at 15 June 2021 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consisted of 236,453,859 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 15 June 2021 were 236,453,859 votes.
19. Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chairman of the meeting as his/her proxy will need to ensure that both he/she and his proxy complies with their respective disclosure obligations under the UK Disclosure and Transparency Rules.
20. No Director has a contract of service with the Company.

Further Shareholder Information

Company History

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

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

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

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

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

How to Invest

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

Sources of Further Information on the Company

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

Monks Share Identifiers

ISIN GB0030517261

Sedol 3051726

Ticker MNKS

Legal Entity Identifier 213800MRI1JTUKG5AF64

The ordinary shares of the Company are listed on the London Stock Exchange and their price is shown in the Financial Times under 'Investment Companies'.

Key Dates

The Interim Report is issued in December and the Annual Report is normally issued in June. The 2021 AGM is being held at the start of September. Dividends will be paid by way of a single final payment shortly after the Company's AGM.

Capital Gains Tax

For Capital Gains Tax indexation purposes, the market value of an ordinary share in the Company as at 31 March 1982 (as adjusted for the five for one share split in July 2001) was 14.1p.

Analysis of Shareholders at 30 April

Name	2021 Number	2021 %	2020 Number	2020 %
Institutions	35,471,681	15.0	37,673,933	16.9
Intermediaries	185,179,929	78.3	172,326,985	77.1
Individuals	14,363,343	6.1	13,068,090	5.8
Marketmakers	1,438,906	0.6	484,851	0.2
	236,453,859	**100.0**	**223,553,859**	**100.0**

Share Register Enquiries

Computershare Investor Services PLC maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the Registrars on 0370 707 1170. This helpline also offers an automated self-service functionality (available 24 hours a day, 7 days a week) which allows you to:

- hear the latest share price;
- confirm your current share holding balance;
- confirm your payment history; and
- order Change of Address, Dividend Bank Mandate and Stock Transfer forms.

You can also check your holding on the Registrars' website at investorcentre.co.uk. They also offer a free, secure share management website service which allows you to:

- view your share portfolio and see the latest market price of your shares;
- calculate the total market price of each shareholding;
- view price histories and trading graphs;
- register to receive communications from the Company, including the Annual Report, in electronic format;
- update bank mandates and change address details; and
- use online dealing services.

To take advantage of this service, please log in at investorcentre.co.uk and enter your Shareholder Reference Number and Company Code (this information can be found on the last dividend voucher or your share certificate).

Dividend Reinvestment Plan

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

Electronic Proxy Voting

If you hold stock in your own name you can choose to vote by returning proxies electronically at **eproxyappointment.com**.

If you have any questions about this service please contact Computershare on 0370 707 1170.

CREST Proxy Voting

If you are a user of the CREST system (including a CREST Personal Member), you may appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. For further information please refer to the CREST Manual.

Automatic Exchange of Information

In order to fulfil its obligations under UK tax legislation relating to the automatic exchange of information, the Company is required to collect and report certain information about certain shareholders.

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. Accordingly, the Company will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

Shareholders, excluding those whose shares are held in CREST, who come on to the share register will be sent a certification form for the purposes of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders gov.uk/government/publications/exchange-of-information-account-holders.

Alternative Investment Fund Managers (AIFM) Directive

In accordance with the AIFM Directive, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Baillie Gifford & Co Limited, is required to be made available to investors. In accordance with the Directive, the AIFM remuneration policy is available at bailliegifford.com or on request (see contact details on the back cover). The numerical remuneration disclosures in respect of the AIFM's relevant reporting period (year ended 31 March 2021) are also available at bailliegifford.com.

The Company's maximum and actual leverage levels (see Glossary of Terms and Alternative Performance Measures on pages 64 and 65) at 30 April 2021 are as follows:

Leverage

	Gross method	Commitment method
Maximum limit	2.50:1	2.00:1
Actual	1.01:1	1.04:1

Risks

Past performance is not a guide to future performance.

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

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

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

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

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

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

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

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

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

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

Monks is listed on the London Stock Exchange and as such complies with the requirements of the UK Listing Authority. It is not authorised or regulated by the Financial Conduct Authority.

Further details of the risks associated with investing in the Company, including a Key Information Document and how charges are applied, can be found at **monksinvestmenttrust.co.uk**, or by calling Baillie Gifford on 0800 917 2112. This information has been issued and approved by Baillie Gifford & Co Limited, the Managers and Secretaries, and does not in any way constitute investment advice.

The Financial Statements have been approved by the Directors of The Monks Investment Trust PLC. The information and opinions expressed in this document are subject to change without notice. The staff of Baillie Gifford and Monks Directors may hold shares in Monks and may buy or sell such shares from time to time.

Communicating with Shareholders

Monks on the Web

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

Trust Magazine

Trust is the Baillie Gifford investment trust magazine which is published twice a year. It provides an insight to our investment approach by including interviews with our fund managers, as well as containing investment trust news, investment features and articles about the trusts managed by Baillie Gifford, including Monks. *Trust* plays an important role in helping to explain our products so that readers can really understand them.

You can subscribe to *Trust* magazine or view a digital copy at bailliegifford.com/trust.

Suggestions and Questions

Any suggestions on how communications with shareholders can be improved are welcome. Please contact the Baillie Gifford Client Relations Team (see contact details in the 'Further Information' box on the back cover) and give them your suggestions. They will also be very happy to answer questions that you may have about Monks.

Client Relations Team Contact Details

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

Please note that Baillie Gifford is not permitted to give financial advice. If you would like advice please ask an authorised intermediary.

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Glossary of Terms and Alternative Performance Measures (APM)

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

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

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

Net Asset Value (Borrowings at Par Value) (APM)
Borrowings are valued at nominal par value.

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

	2021 £'000	2021 per share	2020 £'000	2020 per share
Shareholders' funds (borrowings at book value)	3,204,980	1,355.4p	1,963,624	878.4p
Add: book value of borrowings	139,788	59.1p	143,762	64.3p
Less: par value of borrowings	(140,000)	(59.2p)	(143,854)	(64.4p)
Net asset value (borrowings at par value)	**3,204,768**	**1,355.3p**	**1,963,532**	**878.3p**

The per share figures above are based on 236,453,859 (2020 – 223,553,859) ordinary shares of 5p, being the number of ordinary shares in issue at the year end.

Net Asset Value (Borrowings at Fair Value) (APM)
Borrowings are valued at an estimate of market worth. The fair value of the Company's 6⅜% debenture stock 2023 is based on the closing market offer price on the London Stock Exchange. The fair value of the Company's short term bank borrowings is equivalent to its book value.

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

	2021 £'000	2021 per share	2020 £'000	2020 per share
Shareholders' funds (borrowings at book value)	3,204,980	1,355.4p	1,963,624	878.4p
Add: book value of borrowings	139,788	59.1p	143,762	64.3p
Less: fair value of borrowings	(133,524)	(56.4p)	(149,854)	(67.1p)
Net asset value (borrowings at fair value)	**3,211,244**	**1,358.1p**	**1,957,532**	**875.6p**

The per share figures above are based on 236,453,859 (2020 – 223,553,859) ordinary shares of 5p, being the number of ordinary shares in issue at the year end.

Discount/Premium (APM)
As stockmarkets and share prices vary, an investment trust's share price is rarely the same as its NAV. When the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium.

Net Liquid Assets
Net liquid assets comprise current assets less current liabilities (excluding borrowings) and provisions.

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

Unlisted, Unquoted and Private Company Investments
'Unlisted', 'Unquoted' and 'Private Company' investments are investments in securities not traded on a recognised exchange.

Total Return (APM)

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

		2021 NAV (par)	2021 NAV (fair)	2021 Share Price	2020 NAV (par)	2020 NAV (fair)	2020 Share Price
Closing NAV per share/share price	a	1,355.3p	1,358.1p	1,396.0p	878.3p	875.6p	914.0p
Dividend adjustment factor*	b	1.0024	1.0024	1.0023	1.0020	1.0020	1.0019
Adjusted closing NAV per share/share price	c = a x b	1,358.5p	1,361.3p	1,399.2p	880.0p	877.4p	915.8p
Opening NAV per share/share price	d	878.3p	875.6p	914.0p	852.1p	848.9p	883.0p
Total return	(c ÷ d)-1	**54.7%**	**55.5%**	**53.1%**	**3.3%**	**3.4%**	**3.7%**

* The dividend adjustment factor is calculated on the assumption that the dividend of 2.50p (2020 – 1.85p) paid by the Company during the year was reinvested into shares of the Company at the cum income NAV/share price, as appropriate, at the ex-dividend date.

Ongoing Charges (APM)

The total expenses (excluding dealing and borrowing costs) incurred by the Company as a percentage of the daily average net asset value (with borrowings at fair value), as detailed below.

		2021	2020
Investment management fee		£10,011,000	£7,644,000
Other administrative expenses		£1,656,000	£1,677,000
Total expenses	a	£11,667,000	£9,321,000
Average net asset value (with borrowings deducted at fair value)	b	£2,697,905,000	£1,933,065,000
Ongoing charges	a ÷ b	0.43%	0.48%

Gearing (APM)

At its simplest, gearing is borrowing. Just like any other public company, an investment trust can borrow money to invest in additional investments for its portfolio. The effect of the borrowing on the shareholders' assets is called 'gearing'. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets. The level of gearing can be adjusted through the use of derivatives which affect the sensitivity of the value of the portfolio to changes in the level of markets. The gearing ratios described below are included in the Ten Year Summary on page 19.

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

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

Effective gearing, as defined by the Board and Managers of Monks, is the Company's borrowings at par less cash, brokers' balances and investment grade bonds maturing within one year, expressed as a percentage of shareholders' funds*.

* As adjusted to take into account the gearing impact of any derivative holdings.

Leverage (APM)

For the purposes of the Alternative Investment Fund Managers (AIFM) Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other. The leverage figures at 30 April 2021 are detailed on page 61.

Compound Annual Return (APM)

The compound annual return converts the return over a period of longer than one year to a constant annual rate of return applied to the compounded value at the start of each year.

Directors

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KS Sternberg

CM Boyle
BJ Richards
Professor Sir Nigel Shadbolt
JJ Tigue

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Alternative Investment Fund Managers and Secretaries

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Company Details

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Company Registration
No. 00236964
ISIN GB0030517261
Sedol 3051726
Ticker MNKS

Legal Entity Identifier:
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Further Information

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