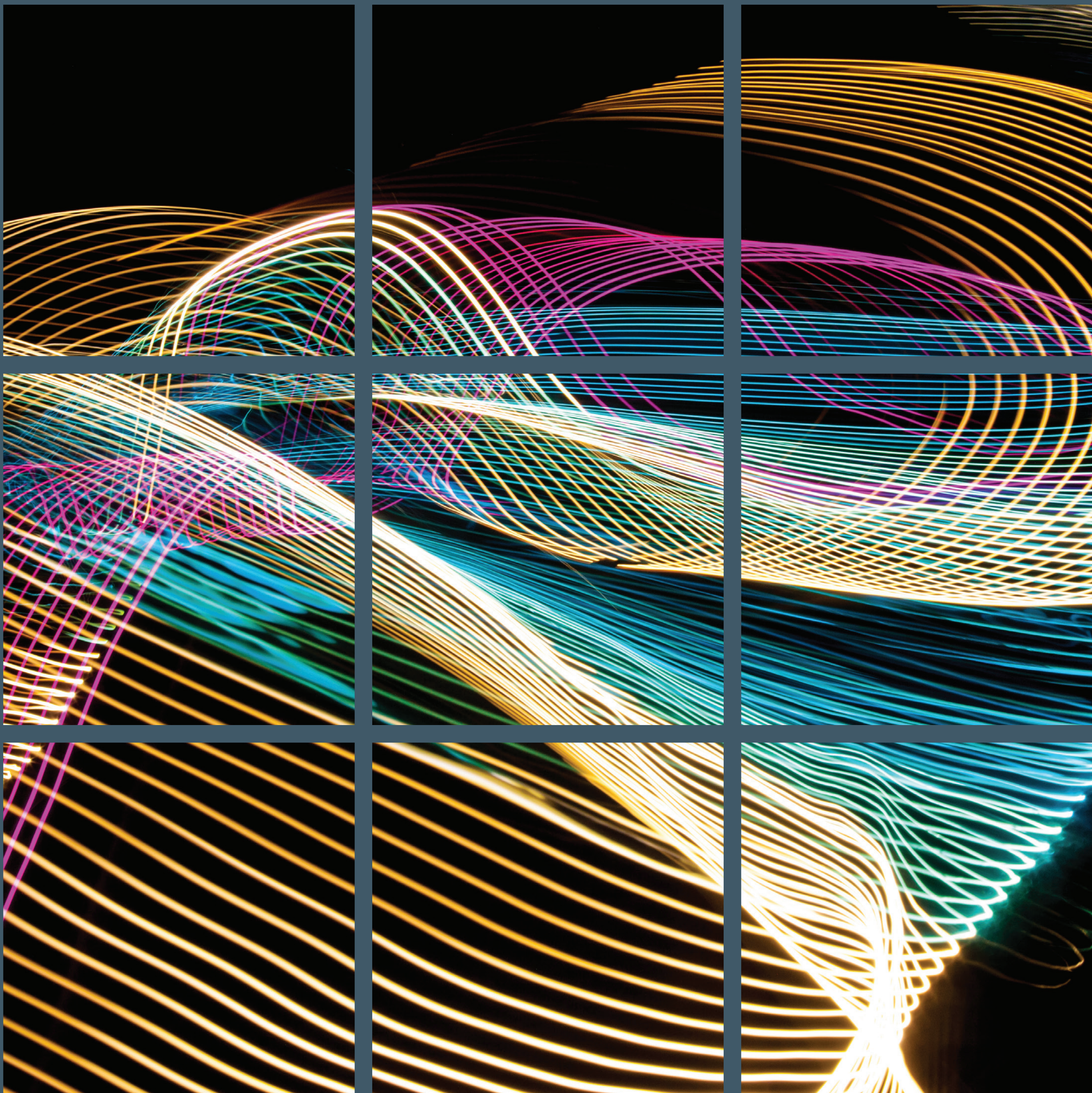
THE MONKS INVESTMENT TRUST PLC

Global growth from different perspectives



Annual Report and Financial Statements
30 April 2019

BAILLIE GIFFORD

Front cover
Abstract Light Painting.

Global growth from different perspectives

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

Contents

Investor Disclosure Document

The EU Alternative Fund Managers Directive requires 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 **www.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.

Total Return Performance*

To 30 April 2019

	1 year	3 years	5 years	10 years
Net Asset Value (NAV)*†	12.0	81.6	104.4	259.7
Share Price*	12.7	108.8	144.8	308.8
FTSE World Index#	11.7	57.2	86.5	247.5

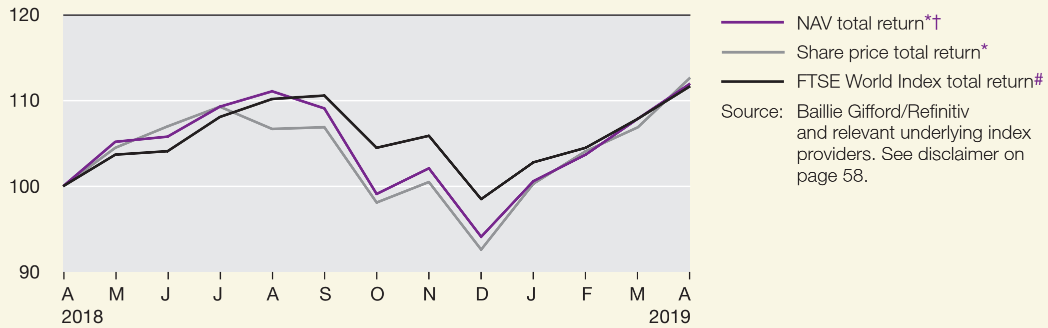
Source: Baillie Gifford/Refinitiv and relevant underlying index providers. See disclaimer on page 58.

Premium*, Ongoing Charges* and Active Share*

	2019	2018
Premium*†	4.0%	3.4%
Ongoing Charges*	0.50%	0.52%
Active Share*	90%	91%

Total Return Performance*

Year to 30 April 2019



Source: Baillie Gifford/Refinitiv and relevant underlying index providers. See disclaimer on page 58.

* Alternative Performance Measure – see Glossary of Terms and Alternative Performance Measures on pages 59 and 60.

† With borrowings deducted at fair value.

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

Past performance is not a guide to future performance.

Chairman's Statement

In the year to 30 April 2019 Monks produced a satisfactory return after a weak first half and a second half recovery, with the net asset value (NAV) and share price reaching an all-time high shortly before the year end. This supported the Board's view that short-term volatility, while inevitable, is of little relevance to long-term returns.

The managers continue to build a strong track record, based on a consistent investment approach and a clear exposition of their investment beliefs. This approach is founded on long-term perspectives which result in low stock turnover and a differentiated actively managed portfolio, with exposure to a range of companies with above average growth. The Managers' Report highlights that fundamental revenue and profit growth by the underlying holdings has again been the main determinant of returns.

The consistency of investment approach combined with an increase in marketing efforts has contributed to a material change in the Monks share register over recent years. Intermediaries such as discretionary wealth managers and individuals have increased their combined shareholding from 61.7% in April 2015 to 83% currently. This is gratifying, as the Board believes that Monks represents a sound long-term savings vehicle for such investors, who benefit from high quality professional portfolio management together with independent board oversight at a competitive cost.

Performance

The Board believes that performance should only be assessed over longer term periods, ideally of five years or more but is encouraged to note that in the year to 30 April 2019 the NAV total return, with borrowings calculated at fair value, was 12.0% and the share price total return was 12.7%, while the FTSE World Index returned 11.7%. Since the change in investment approach implemented in March 2015 the NAV total return at fair value has been 76.8% against the comparative index at 56.7%*. Over the same period the share price total return was 107.8%, benefiting from the closing of the discount to NAV at which the shares had previously traded.

Share Issuance

Share issuance is only undertaken at a premium to the NAV so as to benefit existing investors. As a result of our shares consistently trading close to NAV during the year the Company was able to issue 1,450,000 new shares at a premium to NAV, being 0.7% of Monks share capital and raising £12m of new funds for investment. The premium to NAV with borrowings calculated at fair value stood at 4.0% at 30 April 2019, up from 3.4% at the start of the year.

Borrowings and Gearing

Among the advantages of investment trusts over other forms of collective investment is the ability to invest borrowed funds to enhance shareholder returns over the long term. At the financial year end, the invested gearing was 6.4% which remains below the 10% level that the Board and managers believe should be the long-term neutral position. The managers stand ready to take advantage of attractive investment opportunities with flexible short-term bank facilities in place (see page 16 for details).

Management Expenses

Monks aims to be competitive on fees and expenses, which helps to enhance returns to shareholders. Having agreed two reductions in the management fee in recent years the total ongoing charges ratio for the year to 30 April 2019 was 0.50%, down from 0.52% in the prior year and 0.58% at April 2015. The current tiered management fee scale (see page 20) should ensure that shareholders will benefit from economies of scale should Monks continue to grow.

Unquoted Investments

The managers believe that a growing part of Monks investment opportunities consist of companies which are not yet listed and that investment in such private companies has the potential to enhance future returns, especially as more successful growth companies are remaining private for longer. The Board has increased the limit on private company exposure to 5% of the portfolio (from 2%) and has approved an investment of 2% of assets in The Schiehallion Fund, a listed Baillie Gifford managed vehicle dedicated to investing in late-stage high-growth private businesses. This will give Monks exposure to a wider range of investment opportunities in such businesses than would otherwise be the case. Schiehallion will not charge any fee on uninvested funds and the value of our investment will be excluded from calculation of Monks own fee.

Earnings and Dividend

Monks invests with the aim of maximising capital growth rather than income and all costs are charged to the Revenue Account. The Board is recommending that a single final dividend of 1.85p should be paid, compared to 1.40p last year. This is the minimum required to maintain investment trust status. Retained earnings are reinvested in the portfolio to benefit future capital returns.

The Board

Douglas McDougall is retiring from the Board at the AGM. He has been a Director since 1999 and was the manager of Monks from 1984 to 1999. In both capacities he has made a major contribution to the development and success of Monks. We are very grateful to him for many years of wise investment advice. It is our intention to recruit a new Director in the near future.

Outlook

Recent years have been characterised by a plethora of economic anxieties, especially relating to the possible impact of rising interest rates on asset prices around the world. A decade on from the depths of the financial crisis, these rates remain close to trough levels and inflation is subdued, reflecting weak economic momentum. Yet at the same time the growth opportunity for many companies is expanding dramatically, as new technologies totally transform the way that business is conducted. This is creating new corporate champions across a widening swathe of markets and industries, at a pace and to a scale which may be unprecedented. Monks is well placed to benefit from such opportunities whilst also holding a balanced and diversified portfolio of growth stocks which should prosper, whatever the prevailing macro-economic backdrop.

Annual General Meeting

I would encourage shareholders to attend the Annual General Meeting, which will be held on 3 September 2019 at 11.00am at the Institute of Directors (see map on page 52). Our managers will give a presentation and there will be an opportunity to ask questions and to meet them and the Directors informally.

James Ferguson
Chairman
19 June 2019

* Total returns from 31 March 2015 to 30 April 2019.

Past performance is not a guide to future performance. Total return information is sourced from Baillie Gifford/Refinitiv. See disclaimer on page 58.
For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 59 and 60.

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 8 and 9.
- 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 8 and 9.
- 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 59 and 60.

Managers' Report

Background

The financial year to end April 2019 saw global markets agitated by fears over trade wars, the mis-use of technology and data and the possible stalling of a ten-year bull market. Such fears calmed during the early months of 2019 and markets recovered somewhat. In truth, the economic background has remained largely unchanged from a year ago, with a familiar list of concerns juxtaposed with continuing good progress from companies around the world. As previously, the headlines are dominated by the macro concerns, whereas we believe the progress of the corporate sector is far more important to long-term value creation.

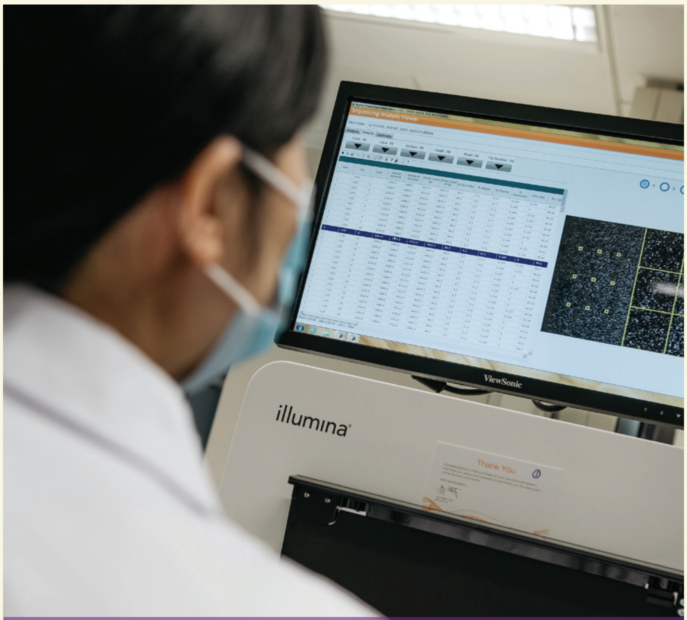
Performance

During the year the Company's net asset value (NAV), with borrowings at fair value, returned 12.0%, in line with the FTSE World Index at 11.7%. The market's behaviour was typical of any short-run 'random walk'. Indeed, as any dog owner will know, the distance travelled and directions taken by a dog during its daily meanderings are of little consequence to the result, which is that both dog and owner arrive at the same destination at the same time. The dog has been distracted by many sights and smells along the way while the owner has stuck to the path and expended far less energy.

As investment managers, we identify with the dog's owner and we stick to the path of a tried and tested investment philosophy and process which seeks to identify outstanding growth businesses, defined by long-term progress in profit and cashflows. The stock market is represented by the dog – it gets distracted by Mr Trump's tweets, Brexit deliberations, economic statistics, commodity prices and all manner of other influences. When markets are choppy, as they have been, we remain firmly focused on company fundamentals. In our view the return earned by Monks over the year was fully justified by the underlying growth delivered by the portfolio holdings.

Examples of strong performers included several well-known online technology companies. On average Facebook, Amazon, Netflix, Alphabet (Google), Baidu, Alibaba and Tencent (which we own through the South African media company, Naspers) grew revenues by 34% despite significant investment in the future. These stocks accounted for 13.9% of total assets at the year end.

Over the past two years we have tended to reinvest some of the gains from these technology leaders towards newer, more specialist online operators. Many of these are also growing very rapidly, such as LendingTree (US financials services aggregator), MercadoLibre (Latin American e-commerce), Chegg (US online education) and Shopify. Headquartered in Ottawa and founded by a German, Tobias Lütke, Shopify offers a platform for small businesses to sell their goods and services online. A sole trader can buy a domain name, create a website, take orders, arrange delivery and use Shopify's back office accounting and inventory software to create an impressive online presence. Shopify is also



Illumina is the leading manufacturer of gene sequencing technology.

increasingly attracting mid and large sized customers as it expands its capabilities with businesses such as Budweiser, Penguin Books and The Lady Gaga Official Shop using its platform.

A key attribute of the Monks portfolio is 'balance and diversification'. Whilst online technology is exciting, we also value proven business models which we think won't get disrupted by online revolutionaries. In Emerging Markets, we have seen impressive progress from Banco Bradesco (Brazil) and ICICI Bank (India). In the US, Visa and Mastercard are the rails on which so many financial transactions rest, and continue to prosper with both seeing 2018 earnings rise by more than 30%. Moody's also fared well despite cyclical headwinds in its traditional bond ratings business, as Moody's Analytics continued to grow steadily and is now incorporating data analytics to help companies understand and mitigate risks.

As always there were inevitably some holdings that produced less pleasing performance. Apache was hit by lower oil and gas prices and has not yet developed the infrastructure to get its large reserves from its Texan oil fields to market. Ryanair has made several gaffes, notably the piloting rota errors, which forced a strategic re-think of its decision not to employ unionised workers. Ryanair's success in disrupting the European airline industry has been based on an unconventional approach with a relentless focus on low costs. Success brings responsibility to employees, customers and other stakeholders and we have engaged with the board on how best to get through the current growing pains. A new chairman will arrive in 2020 and we believe the company is already demonstrating a more mature attitude.

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To demonstrate that online technology companies do not all grow consistently in a straight line, Grubhub, CyberAgent and Zillow each had a more difficult year. Zillow has immense promise as a disruptor in the inefficient and expensive US real estate market but it continues to evolve as it seeks to find the optimal business model. CyberAgent is also attempting to grow in new directions, through developing a totally new and original mobile TV service in Japan, whose route to profitability is as yet unproven. Grubhub, which was among our very strongest investments in the previous year, suffered from an increase in competitive heat.

Over the last five years the share price of Prudential has been somewhat disappointing despite strong operational performance and we have used periods of weakness to build our position to a point where it is now one of our very largest holdings. Our rationale is simple: at least half of its value comes from its under-appreciated yet fast growing Asian operations; it trades on a significant discount to fair value; it is hard to disrupt with many years of growth potential ahead and it is well run. Prudential's new business profits in Asia have compounded at 18% and 19% respectively over the last five and ten years. It is interesting to note that Ping An and AIA, both of which are pure Asian insurance companies, were among our top contributors to performance over the past twelve months.

Portfolio Changes

New Purchases	Complete Sales
Abiomed	Abiomed
Albemarle	Advanced Micro Devices
Ant International	CH Robinson Worldwide
Axon Enterprise	China Biologic Products
BHP Billiton	Dia
Chipotle Mexican Grill	HTC
ICICI Prudential Life Insurance	IP Group
Illumina	Kansai Paint
Istyle	Lincoln Electric
Just Eat	Line
Meituan Dianping	MTN
Microsoft	NetEase
Novocure	NVIDIA
Ping An Insurance	OC Oerlikon
Reliance Industries	Rohm
Service Corporation International	Samsung Electronics
Shopify	Svenska Handelsbanken
The Schiehallion Fund	Yandex

During the year we purchased eighteen new holdings and sold eighteen. These transactions are summarised above. Portfolio turnover fell modestly from 20% to 16%. This equates to a holding period of six years and is consistent with our long-term time horizon.

We categorise our holdings into four growth categories – Stalwarts, Rapid, Cyclical and Latent. These titles reflect the way we expect our holdings to grow over the long term. The year end weights in each category and the individual holdings can be seen on pages 8 to 12. Over the past three years there has been a notable reduction in the exposure to Cyclical Growth stocks (from 29.3% to 17.9%) and a similar increase in Rapid Growth companies (from 32.8% to 41.5%).

Reliance's mobile data network, Reliance Jio, has grown rapidly in recent years.

The Interim Report mentioned a number of new buys, so here we focus on some of the holdings bought since then. In the Stalwart category we purchased Microsoft. This company is still early in a period of rejuvenation under the current CEO, Satya Nadella, who has brought a new dynamism to what was always a famously strong business. Cloud computing and the shift to a subscription model are opening up many new growth opportunities which should help Microsoft to accelerate revenue growth and more than double its earnings over the next five years.

Three new Rapid Growth holdings are worthy of mention. We have re-purchased Abiomed which makes the world's smallest heart pump. We held it briefly in 2017 and 2018 during which time the shares rose 350%, so we sold on valuation grounds. The fundamentals remain excellent for this company which has a strong competitive advantage but the shares declined significantly in late 2018 and we have, once again, taken a holding. Illumina is the leading manufacturer of gene sequencing technology and the key enabler of the revolution in better understanding of human biology, improved diagnosis and personalised medicine. The company has executed admirably as it has scaled up its activities and we have bought a holding. We also took a position in Reliance Industries. This Indian company is best known for its giant, modern and highly efficient oil refineries which account for 80%+ of the firm's profits today. However, the cash flows from this division are now being re-directed into two businesses with huge potential in India. First, Reliance has become the country's largest formal retailer by revenue (grocery, fashion and consumer electronics), having grown at high rates over the last four years. Second, it has built up the world's largest mobile data network, Reliance Jio, which offers free voice calls and has added a remarkable 250 million subscribers in just two years, disrupting the incumbent industry. The future should see Reliance combine these two activities to form India's leading e-commerce and data infrastructure company.

Cloud computing and the shift to a subscription model are opening up many new growth opportunities for Microsoft.

A noteworthy addition to the portfolio is a holding in The Schiehallion Fund, a Baillie Gifford managed vehicle dedicated to investing in late-stage high-growth private businesses. Companies are staying private for longer given lower capital and regulatory requirements and the fund seeks to generate attractive returns from this growing and exciting opportunity set. This complements three directly held unquoted investments, including, GRAIL Inc, the gene sequencing business, and Ant Financial, the Chinese payment and savings platform.

Recent sales include some investments which had disappointed relative to our expectations and where we lost confidence in their ability to deliver the quantum of growth necessary to support strong returns to investors. These included Line, IP Group, NetEase, HTC, MTN and Rohm which are all in the broad area of technology. Technology companies tend to be subject to myriad challengers and often rapidly shifting industry dynamics, so it is not surprising that many struggle to realise their full potential. We also sold some more traditional businesses that had generally fared better including US industrial cyclical companies Lincoln Electric and CH Robinson. We follow a disciplined process through monitoring each investment's progress against our long-term expectations; when this breaks down over a meaningful time period we re-evaluate and sell if the prospects are not seen to be improving.

Outlook

The Monks Investment Trust is managed in accordance with four overriding themes. As mentioned, we believe in the benefits of 'balance and diversification'. We are also 'reward seeking'; we invest for long-term upside potential and look to own companies where there is a strong chance that we can double your money in five years. We also seek to 'embrace asymmetry'; stock market returns are not normally distributed but are heavily skewed towards a small minority of companies that produce disproportionate gains, such as Amazon and Microsoft in the current era. We are ambitious in our approach. Last but not least, an increasingly important factor which we have always focused on is being 'long-term stewards of capital'. We see our role as helping companies to realise their full potential, by encouraging good governance, growth-focused capital allocation and consideration of broader sustainability factors. Exceptional investments tend to be ambitious, bold, flexible and long term in focus; we believe successful investors need similar qualities.

We continue to focus on individual companies which have strong competitive advantages in growth markets and the skills to capitalise on those opportunities. Politicians, economists, Tweeters and headline writers will no doubt frequently throw markets off the scent of the steady path to success. We intend to stick to our tried and tested philosophy and process to keep the Monks portfolio on track and we remain excited by the opportunities that continue to present themselves to help us in that endeavour.

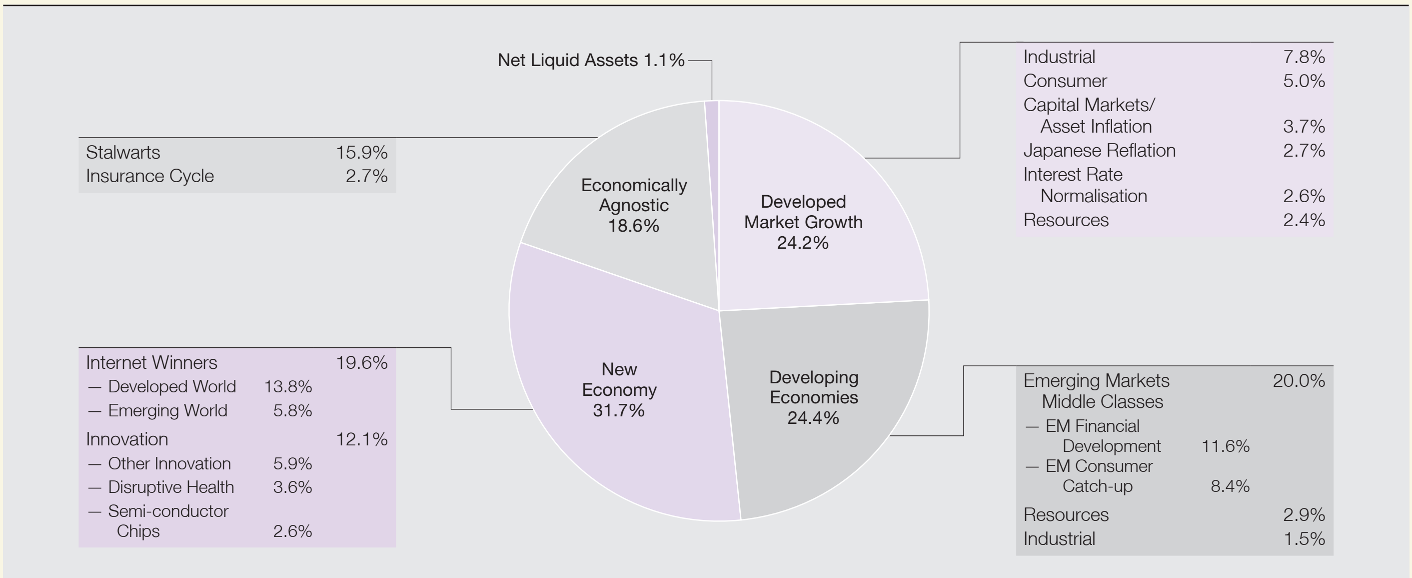
Charles Plowden
Spencer Adair
Malcolm MacColl

Baillie Gifford & Co
19 June 2019

Portfolio Positioning

As at 30 April 2019

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:

— 24.2% 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, and Schindler, a lift manufacturer. In the consumer setting, there is exposure to Chipotle Mexican Grill, a US fast-casual dining chain and Lindblad Expeditions, a specialist vacation operator.

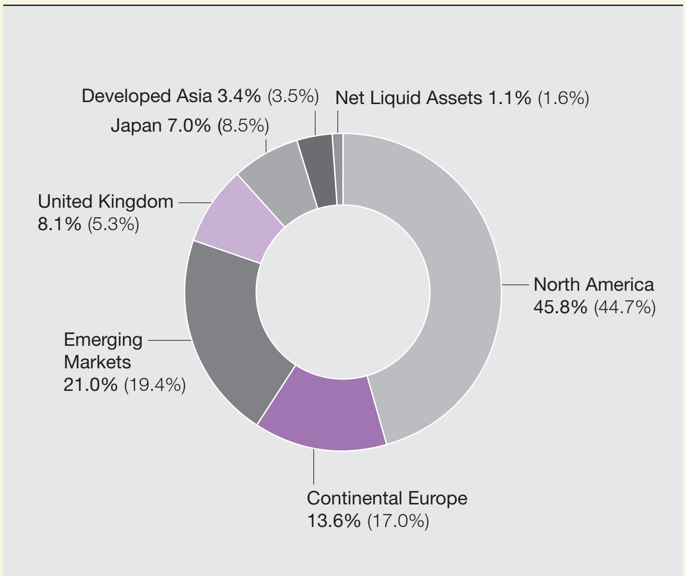
— 24.4% of the portfolio is invested in stocks identified to be the beneficiaries of growth in Developing Economies. There is meaningful exposure to companies likely to profit from increasing consumption levels and financial development in emerging markets. Examples of the former include Chinese companies Alibaba, an online retailer, and Ctrip, an online travel agency, whilst examples of the latter include HDFC, an Indian mortgage provider, and Banco Bradesco, a Brazilian bank.

— 31.7% 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 Abiomed, a US cardiac device manufacturer and Myriad Genetics, which focuses on genetic testing. TSMC and Infineon Technologies are examples of companies which make up the 'chips' exposure.

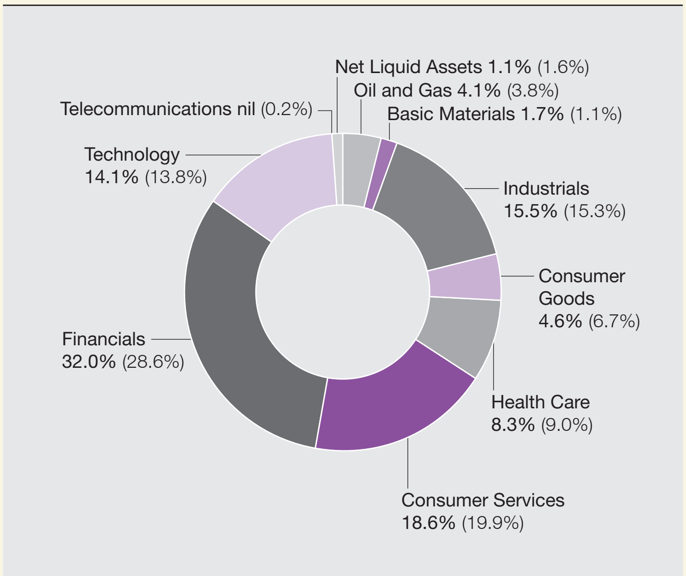
— 18.6% of the portfolio is classified as Economically Agnostic. This includes a diversified range of companies, many of which are growth stalwart businesses, such as Anthem, the US health insurance provider, Service Corporation, the crematoria business and the digital payments business, MasterCard. US insurance specialists Arthur J. Gallagher, Fairfax Financial and Markel make up exposure to the insurance cycle.

— The remaining 1.1% is comprised of net liquid assets.

Geographical 2019 (2018)



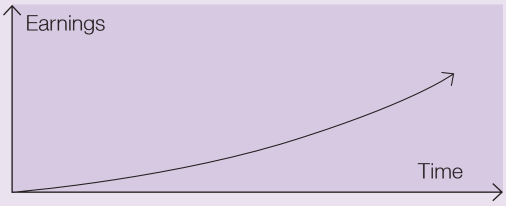
Sectoral 2019 (2018)



Investment Portfolio by Growth Category*

As at 30 April 2019

Growth Stalwarts

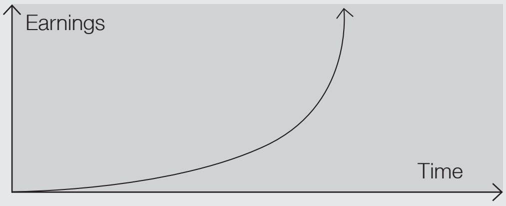


c.10% p.a. earnings growth

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	%	Rapid Growth	%
Prudential	3.3	Naspers	3.6
AIA	2.3	Amazon.com	3.3
Anthem	2.1	Alibaba	2.8
MasterCard	1.9	The Schiehallion Fund	2.1
Moody's	1.9	Alphabet	2.0
Visa	1.7	Ping An Insurance	1.6
SAP	1.6		

Average sized holdings c.1.0% each

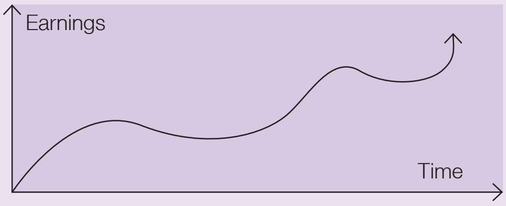
Growth Stalwarts	%	Rapid Growth	%
Pernod Ricard	1.4	ICICI Bank	1.5
Thermo Fisher Scientific	1.3	HDFC	1.3
Microsoft	1.2	Facebook	1.1
Schindler	1.0	MarketAxess	1.0
Arthur J. Gallagher	1.0	Reliance Industries	1.0
Resmed	1.0	Seattle Genetics	0.9
Verisk Analytics	0.9	Ryanair	0.8
Service Corporation International	0.9	LendingTree	0.8
Olympus	0.9	MercadoLibre	0.8
Bureau Veritas	0.8	Autohome	0.8
Waters	0.8	Trupanion	0.7
		Ctrip.com International	0.7
		Netflix	0.7
		iRobot	0.7

Incubator holdings c.0.5% each

Growth Stalwarts	%	Rapid Growth	%
		Shopify	0.6
		Chegg	0.6
		Baidu	0.6
		Renishaw	0.6
		58.com	0.6
		Zillow	0.6
		B3 Group	0.6
		CyberAgent	0.6
		Chipotle Mexican Grill	0.6
		Grubhub	0.5
		Schibsted	0.5
		Tesla	0.5
		M3	0.5
		Spotify	0.5
		Myriad Genetics	0.5
		Istyle	0.5
		Ant International	0.5
		Infineon Technologies	0.5
		Alnylam Pharmaceuticals	0.4
		Interactive Brokers Group	0.4
		Just Eat	0.4
		GRAIL	0.4
		Genmab	0.4
		Meituan Dianping	0.3
		Illumina	0.3
		Mail.ru Group	0.3
		Novocure	0.2
		Adevinta Asa	0.2
		Abiomed	0.1
		Axon Enterprise	–
Total in this growth category	**26.0%**	**Total in this growth category**	**41.5%**

* Excludes net liquid assets.

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

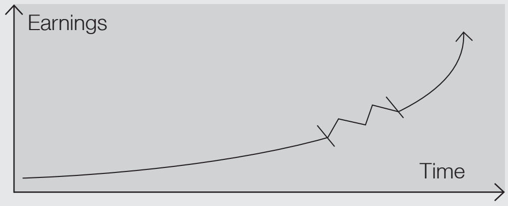
Strong management teams highly skilled at capital allocation

CRH	1.4
Martin Marietta Materials	1.2
Banco Bradesco	1.1
Royal Caribbean Cruises	1.1
Markel	0.9
TSMC	0.9
SMC	0.8
Richemont	0.7
EOG Resources	0.7
TD Ameritrade	0.7
First Republic Bank	0.7
Advantest	0.7

Atlas Copco	0.6
Teradyne	0.6
Deutsche Boerse	0.6
Jefferies Financial Group	0.6
Wabtec	0.5
Epiroc	0.5
Hays	0.5
Jardine Strategic Holdings	0.5
Ritchie Bros Auctioneers	0.4
PageGroup	0.4
Sands China	0.4
Orica	0.4
Persol Holdings	0.4
Albemarle	0.3
SiteOne Landscape Supply	0.3

Total in this growth category 17.9%

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

Apache	1.4
MS&AD Insurance	1.2
Kirby	1.1
BHP Billiton	0.9
Fairfax Financial	0.8
Sberbank of Russia	0.8
Sumitomo Mitsui Trust Holdings	0.7
Signify	0.7
Lindblad Expeditions Holdings	0.7

Stericycle	0.6
Tsingtao Brewery	0.6
Bank of Ireland	0.6
DistributionNOW	0.6
AP Moller-Maersk	0.5
ICICI Prudential Life Insurance	0.5
Toyota Tsusho	0.5
MRC Global	0.4
Howard Hughes	0.4
Iida Group Holdings	0.4
Fiat Chrysler Autos	0.4
Veeco Instruments	0.4
Silk Invest Africa Food Fund	0.2
Multichoice Group	0.1
Ferro Alloy Resources	0.1

Total in this growth category 14.6%

Total in this holding size 30.2%

Total in this holding size 43.2%

Total in this holding size 26.6%

List of Investments

As at 30 April 2019

Name	Business	Growth category	Fair value £'000	% of total assets	Cumulative % of total assets
Equities					
Naspers	Media and e-commerce company	Rapid	71,043	3.5	
Amazon.com	Online retailer	Rapid	66,143	3.3	
Prudential	International life insurance	Stalwart	65,190	3.3	
Alibaba	Online commerce company	Rapid	54,687	2.7	
AIA	Asian life insurer	Stalwart	44,826	2.2	
Anthem	Healthcare insurer	Stalwart	41,388	2.1	
The Schiehallion Fund	Global unlisted growth equity investment company	Rapid	41,002	2.0	
Alphabet	Online search engine	Rapid	39,115	2.0	
MasterCard	Electronic payments network and related services	Stalwart	38,711	1.9	
Moody's	Credit rating agency	Stalwart	38,373	1.9	**24.9**
Visa	Electronic payments network and related services	Stalwart	33,858	1.7	
SAP	Enterprise software provider	Stalwart	31,573	1.6	
Ping An Insurance	Life insurance services	Rapid	31,089	1.6	
ICICI Bank	Indian retail and corporate bank	Rapid	29,191	1.5	
Apache	Oil and gas exploration and production	Latent	27,771	1.4	
CRH	Diversified building materials company	Cyclical	27,363	1.4	
Pernod Ricard	Global spirits manufacturer	Stalwart	27,314	1.4	
Thermo Fisher Scientific	Scientific instruments, consumables and chemicals	Stalwart	25,619	1.3	
HDFC	Indian mortgage provider	Rapid	25,299	1.3	
Microsoft	Software and cloud computing enterprise	Stalwart	23,782	1.2	**39.3**
Martin Marietta Materials	Cement and aggregates manufacturer	Cyclical	23,753	1.2	
MS&AD Insurance	Japanese insurer	Latent	23,432	1.2	
Kirby	US barge operator	Latent	22,580	1.1	
Banco Bradesco	Brazilian commercial bank	Cyclical	22,308	1.1	
Royal Caribbean Cruises	Global cruise company	Cyclical	21,295	1.1	
Facebook	Social networking website	Rapid	21,102	1.1	
MarketAxess	Electronic bond trading platform	Rapid	20,048	1.0	
Reliance Industries	Indian energy conglomerate	Rapid	19,733	1.0	
Schindler	Elevator and escalator company	Stalwart	19,405	1.0	
Arthur J. Gallagher	Insurance broker	Stalwart	19,119	1.0	**50.1**
Resmed	Develops and manufactures medical equipment	Stalwart	18,986	0.9	
Verisk Analytics	Risk assessment services and decision analytics	Stalwart	18,796	0.9	
Markel	Markets and underwrites speciality insurance products	Cyclical	18,710	0.9	
BHP Billiton	Mineral exploration and production	Latent	18,075	0.9	
Service Corporation International	Death care services	Stalwart	17,991	0.9	
Olympus	Optoelectronic products	Stalwart	17,804	0.9	
TSMC	Semiconductor manufacturer	Cyclical	17,494	0.9	
Seattle Genetics	Antibody based therapies	Rapid	17,253	0.9	
Ryanair	Low cost European airline	Rapid	16,841	0.8	
LendingTree	US online loan marketplace	Rapid	16,711	0.8	**58.9**
MercadoLibre	Latin American e-commerce platform	Rapid	16,364	0.8	
Bureau Veritas	Global testing services company	Stalwart	16,294	0.8	
Fairfax Financial	Commercial insurance	Latent	16,044	0.8	
Waters	Liquid chromatography products and services	Stalwart	15,596	0.8	

Name	Business	Growth category	Fair value £'000	% of total assets	Cumulative % of total assets
Equities (continued)					
Autohome	Chinese online automobile website	Rapid	15,442	0.8	
SMC	Producer of factory automation equipment	Cyclical	15,100	0.8	
Richemont	Luxury goods company	Cyclical	15,021	0.7	
Sberbank of Russia	Russian commercial bank	Latent	14,920	0.7	
EOG Resources	Natural gas explorer and producer	Cyclical	14,614	0.7	
TD Ameritrade	Online brokerage firm	Cyclical	14,558	0.7	**66.5**
Sumitomo Mitsui Trust Holdings	Japanese trust bank and investment manager	Latent	14,549	0.7	
Signify	Lighting products, systems and services	Latent	13,895	0.7	
Trupanion	Pet health insurance provider	Rapid	13,838	0.7	
Ctrip.com International	Online travel agency	Rapid	13,836	0.7	
First Republic Bank	US retail bank	Cyclical	13,681	0.7	
Advantest	Semiconductor testing services	Cyclical	13,516	0.7	
Lindblad Expeditions Holdings	Specialist vacation operator	Latent	13,322	0.7	
Netflix	Subscription service for TV shows and movies	Rapid	13,241	0.7	
iRobot	Domestic and military robot manufacturer	Rapid	13,168	0.7	
Shopify	Online commerce platform	Rapid	12,838	0.6	**73.4**
Chegg	Online educational platform	Rapid	12,743	0.6	
Baidu	Chinese online search engine	Rapid	12,684	0.6	
Atlas Copco	Industrial equipment	Cyclical	12,523	0.6	
Renishaw	World leading metrology company	Rapid	12,433	0.6	
58.com	Chinese online marketplace	Rapid	12,043	0.6	
Teradyne	Semiconductor testing equipment manufacturer	Cyclical	12,028	0.6	
Zillow	US online real estate services	Rapid	11,982	0.6	
Deutsche Boerse	Stock exchange operator	Cyclical	11,932	0.6	
Stericycle	Regulated medical waste management services	Latent	11,809	0.6	
Tsingtao Brewery	Chinese brewer	Latent	11,709	0.6	**79.4**
B3 Group	Brazilian stock exchange operator	Rapid	11,418	0.6	
Bank of Ireland	Irish bank	Latent	11,393	0.6	
CyberAgent	Japanese internet advertising and content	Rapid	11,344	0.6	
Chipotle Mexican Grill	Fast casual Tex-Mex restaurants	Rapid	11,117	0.6	
DistributionNOW	Oilfield drilling equipment distributor	Latent	11,049	0.5	
Jefferies Financial Group	Investment bank	Cyclical	10,981	0.5	
AP Moller-Maersk	Transport and logistics company	Latent	10,730	0.5	
Grubhub	US online food service	Rapid	10,311	0.5	
Schibsted	Media and classified advertising platforms	Rapid	10,248	0.5	
ICICI Prudential Life Insurance	Life insurance services	Latent	10,182	0.5	**84.8**
Wabtec	Rail and transit products and services	Cyclical	10,110	0.5	
Tesla	Electric cars and renewable energy solutions	Rapid	9,953	0.5	
M3	Online medical services	Rapid	9,813	0.5	
Spotify	Online music streaming service	Rapid	9,802	0.5	
Myriad Genetics	Genetic testing company	Rapid	9,712	0.5	
Istyle	Japanese cosmetics business	Rapid	9,595	0.5	
Toyota Tsusho	African auto distributor	Latent	9,246	0.5	
Ant International Ⓤ	Chinese online payments and financial services business	Rapid	9,205	0.5	

Ⓤ Denotes unlisted security.

Name	Business	Growth category	Fair value £'000	% of total assets	Cumulative % of total assets
Equities (continued)					
Epiroc	Construction and mining machinery	Cyclical	9,137	0.5	
Infineon Technologies	German semiconductor manufacturer	Rapid	9,050	0.5	**89.8**
Hays	Recruitment consultancy	Cyclical	9,017	0.4	
Jardine Strategic Holdings	Asian retail/auto dealerships and property	Cyclical	8,918	0.4	
Alnylam Pharmaceuticals	RNA interference based biotechnology	Rapid	8,694	0.4	
MRC Global	Oilfield drilling equipment distributor	Latent	8,636	0.4	
Interactive Brokers Group	Global electronic trading platform	Rapid	8,622	0.4	
Howard Hughes	US real estate developer	Latent	8,389	0.4	
Just Eat	Online takeaway ordering service	Rapid	8,230	0.4	
Ritchie Bros Auctioneers	Industrial equipment auctioneer	Cyclical	8,135	0.4	
Iida Group Holdings	Japanese house builder	Latent	8,118	0.4	
PageGroup	Recruitment consultancy	Cyclical	7,855	0.4	**93.8**
Sands China	Macau casino operator	Cyclical	7,659	0.4	
Fiat Chrysler Autos	Automobile manufacturer	Latent	7,615	0.4	
Orica	Australian industrial explosives company	Cyclical	7,614	0.4	
Persol Holdings	Employment and outsourcing services	Cyclical	7,409	0.4	
Veeco Instruments	Semiconductor equipment company	Latent	7,205	0.4	
GRAIL (u)	Blood testing for early cancer detection	Rapid	7,119	0.4	
Genmab	Biotechnology company	Rapid	6,991	0.3	
Meituan Dianping	Online commerce platform	Rapid	6,986	0.3	
Albemarle	Speciality chemicals	Cyclical	6,939	0.3	
Illumina	Gene sequencing business	Rapid	6,823	0.3	**97.4**
SiteOne Landscape Supply	US distributor of landscaping supplies	Cyclical	6,714	0.3	
Mail.ru Group	Russian internet and communication services	Rapid	5,640	0.3	
Novocure	Biotechnology company focusing on solid tumour treatment	Rapid	4,919	0.2	
Silk Invest Africa Food Fund (u)	Africa focused private equity fund	Latent	4,137	0.2	
Adevinta Asa	Media and classified advertising platforms	Rapid	4,084	0.2	
Multichoice Group	African pay-TV business	Latent	2,480	0.1	
Ferro Alloy Resources	Vanadium mining	Latent	2,140	0.1	
Abiomed	Medical implant manufacturer	Rapid	1,240	0.1	
Axon Enterprise	Manufacturer of law enforcement devices	Rapid	560	–	
Total Investments*			**1,979,780**	**98.9**	**98.9**
Net Liquid Assets*			22,197	1.1	
Total Assets*			**2,001,977**	**100.0**	**100.0**

(u) Denotes unlisted security.

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 59 and 60.

One Year Summary*

	30 April 2019	30 April 2018	% change
Total assets (before deduction of borrowings)	£2,002m	£1,760m	
Borrowings (at book value)	£139m	£103m	
Shareholders' funds	£1,863m	£1,657m	
Shareholders' funds per share (after deducting borrowings at book value)	852.2p	762.9p	11.7
Net asset value per ordinary share (after deducting borrowings at par)†	852.1p	762.8p	11.7
Net asset value per ordinary share (after deducting borrowings at fair value)†	848.9p	759.0p	11.8
Share price	883.0p	785.0p	12.5
FTSE World Index (in sterling terms)#			8.9
Revenue earnings per ordinary share	3.30p	2.61p	26.4
Dividends paid and payable in respect of the financial year	1.85p	1.40p	32.1
Ongoing charges†	0.50%	0.52%	
Premium (after deducting borrowings at par)†	3.6%	2.9%	
Premium (after deducting borrowings at fair value)†	4.0%	3.4%	
Active share†	90%	91%	

Year to 30 April	**2019**	**2018**
Total return performance‡		
Net asset value (after deducting borrowings at par)†	11.9%	15.6%
Net asset value (after deducting borrowings at fair value)†	12.0%	15.8%
Share price†	12.7%	20.4%
FTSE World Index (in sterling terms)#	11.7%	7.5%

Year to 30 April	**2019**	**2019**	**2018**	**2018**
Year's high and low	**High**	**Low**	**High**	**Low**
Net asset value (after deducting borrowings at par)†	862.3p	683.6p	799.5p	665.9p
Net asset value (after deducting borrowings at fair value)†	859.1p	680.7p	795.7p	661.9p
Share price	891.0p	710.0p	825.0p	653.0p

During the year to 30 April 2019 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 5.7% to a discount† of 1.4% (year to 30 April 2018 – premium† of 4.9% to a discount† of 2.0%).

Year to 30 April	**30 April 2019**	**30 April 2018**
Net return per ordinary share		
Revenue	3.30p	2.61p
Capital	87.23p	100.08p
Total	**90.53p**	**102.69p**

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 59 and 60.
† Alternative performance measure – see Glossary of Terms and Alternative Performance Measures on pages 59 and 60.
# 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 58.

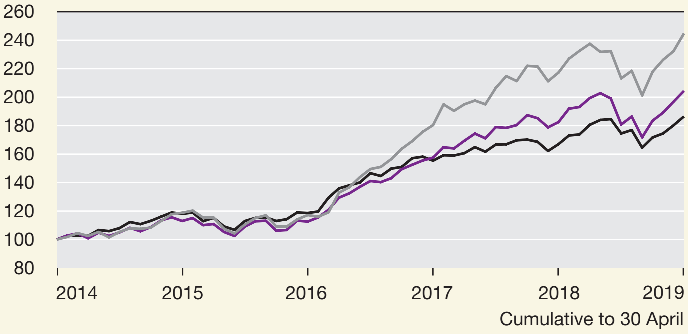
Past performance is not a guide to future performance.

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 2019.

5 Year Total Return Performance†

(figures rebased to 100 at 30 April 2014)



Source: Refinitiv and relevant underlying index providers#.

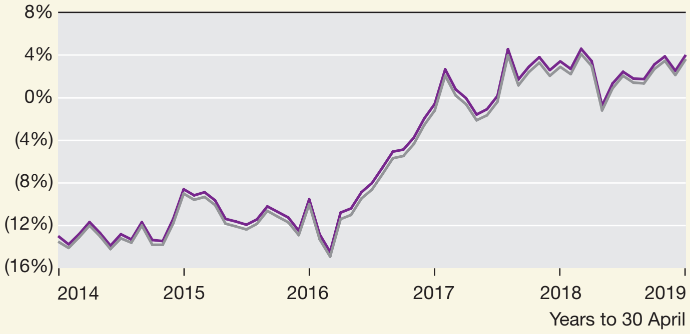
NAV total return†‡

Share price total return†

FTSE World Index total return

Premium/(discount) to Net Asset Value†

(plotted on a monthly basis)

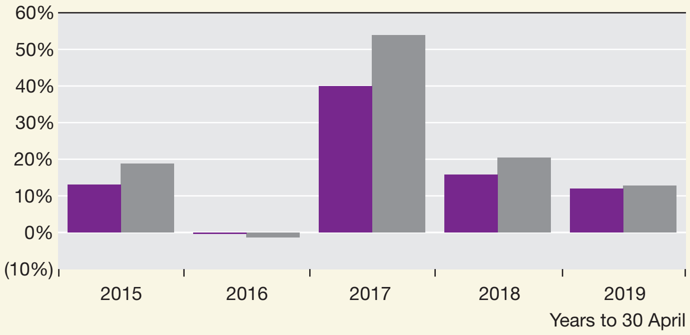


Source: Refinitiv/Baillie Gifford.

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†

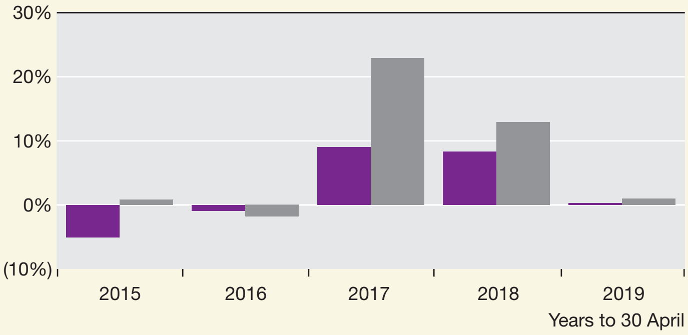


Source: Refinitiv/Baillie Gifford.
Dividends are reinvested.

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 59 and 60.
# See disclaimer on page 58.
‡ 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) %
2009	760,305	79,549	680,756	258.2	258.0	255.0	236.5	(8.3)	(7.3)
2010	1,077,918	119,582	958,336	367.2	367.0	364.1	313.0	(14.7)	(14.0)
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**

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 ¶ %
2009	33,949	18,384	6.97	6.00	0.62
2010	23,887	10,569	4.02	3.00	0.62
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**

Gearing Ratios

Gearing § %	Potential gearing ^ %
(2)	12
10	12
10	15
(7)	16
1	8
(1)	4
7	12
7	8
7	8
5	6
6	**7**

Cumulative Performance (taking 2009 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 **
2009	100	100	100	100	100	100	100	100	100
2010	143	146	132	136	131	135	58	50	105
2011	158	163	154	159	140	147	58	50	111
2012	150	156	143	149	133	144	77	66	115
2013	160	167	150	158	157	174	67	66	118
2014	167	176	156	167	163	186	70	66	121
2015	187	199	184	198	188	220	68	66	122
2016	184	198	180	196	184	221	33	25	124
2017	258	277	276	301	235	289	34	21	128
2018	298	321	332	363	246	311	37	23	132
2019	**333**	**360**	**373**	**409**	**268**	**347**	**47**	**31**	**136**
Compound annual returns									
5 year	14.8%	15.4%	19.0%	19.6%	10.5%	13.3%	(7.5%)	(14.1%)	2.4%
10 year	12.8%	13.7%	14.1%	15.1%	10.4%	13.3%	(7.2%)	(11.1%)	3.1%

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 59 and 60.

† Shareholders' funds per share has been calculated after deducting borrowings at book value (see note 15 on page 46). Net asset value (NAV) per share has been calculated after deducting borrowings at either par value or fair value (see note 16 on page 47) and Glossary of Terms and Alternative Performance Measures on pages 59 and 60.

Premium/(discount) is the difference between Monks' quoted share price and its underlying net asset value with borrowings at either par value or fair value.

‡ 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 43).

¶ 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.

§ The figures from 2011 onwards represent effective gearing (see Glossary of Terms and Alternative Performance Measures on pages 59 and 60). The figures for previous years represent invested gearing, being total borrowings less all cash and brokers' balances expressed as a percentage of shareholders' funds.

^ Total borrowings expressed as a percentage of shareholders' funds (see Glossary of Terms and Alternative Performance Measures on pages 59 and 60).

** Source: Refinitiv and relevant underlying index providers. See disclaimer on page 58.

Past performance is not a guide to future performance.

Business Review

Business Model

Business and Status

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 EU Alternative Fund Managers Directive.

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 119 equity holdings. A portfolio review by the investment managers is given on pages 4 to 6 and the investments held at the year end are listed on pages 10 to 12.

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 key performance indicators (KPIs) used to measure the progress and performance of the Company over time 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 59 and 60. The one, five and ten year records of the KPIs are shown on pages 13 to 15.

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 2019 comprised a £40 million $6\tfrac{3}{8}$% debenture stock repayable in 2023 (30 April 2018 – £40 million) and short-term bank loans of US$129.4 million (30 April 2018 – US$87.0 million) with National Australia Bank Limited, drawn under a £100 million floating rate facility. The Company also has a short-term loan facility with Scotiabank (Ireland), initially for £5 million but with the ability to increase it to £50 million, which has not been utilised. Further details of the Company's borrowings are set out in notes 11 and 12 on page 45 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 15.

Principal Risks

As explained on pages 24 and 25 there is an ongoing process for identifying, evaluating and managing the risks faced by the Company. The Directors have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. There have been no significant changes to the principal risks during the year. A description of these risks and how they are being managed or mitigated is set out below.

Financial Risk – the Company's assets consist mainly of listed securities and its principal 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 47 to 51. 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.

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.

Regulatory Risk – failure to comply with applicable legal and regulatory requirements such as the tax rules for investment trust companies, the UKLA 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. In addition, the existence of assets is subject to annual external audit.

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 or major disaster. 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.

Discount Risk – the discount 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. The Board continues to monitor developments as they occur regarding the UK Government's intention that the UK should leave the European Union and to assess the potential consequences for the Company's future activities. Whilst there remains considerable uncertainty, the Board does not consider this would have a material impact on the Company as only around 8% of the Company's total assets are currently invested in UK securities.

Leverage Risk – the Company may borrow money for investment purposes. 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 56.

Viability Statement

Having regard to provision C.2.2 of the 2016 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 risks and uncertainties (as detailed on pages 16 and 17), 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 short-term bank borrowings. In addition, 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. The Board has considered the uncertainties regarding the UK Government's continuing negotiations to leave the European Union and does not consider that any of the possible outcomes would affect the going concern status or viability of the Company.

Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over at least the next three years.

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 seven Directors, six male and one female. Mr McDougall is to stand down from the Board after the conclusion of the forthcoming Annual General Meeting and it is the Board's intention to recruit a new director in the near future with a view to complying with the Hampton Alexander target of 33% female membership of the Board by December 2020. 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 25.

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 **www.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. The Board has considered the uncertainties surrounding Brexit and does not believe that these are likely to have a material impact on the long-term performance of the Company. Currently, a modest proportion of the Company's assets (around 8% of total assets) is invested in UK-listed securities, most of which are global rather than domestically-focused businesses. As the vast majority of the Company's net assets are denominated in foreign currencies, the Company's main Brexit-related exposure is to fluctuations in the exchange rates at which these assets are converted into sterling (the Company's functional currency and that in which it reports its results). The portfolio consists of a diverse range of companies operating around the world which serves to mitigate pronounced currency effects. Further depreciation of the sterling currency would be beneficial for Monks given its global exposure. Conversely, a strengthening sterling currency is likely to reflect an improving outlook for companies, which may offset the resulting currency headwinds. Further details on the Company's exposure to currency risk and how this risk is managed is contained in note 19 the Financial Statements on pages 47 and 48. Further comments on the outlook for the Company and its investment portfolio are set out in the Chairman's Statement on page 2 and the Managers' Report on pages 4 to 6.

The Strategic Report which includes pages 2 to 18 was approved by the Board of Directors and signed on its behalf on 19 June 2019.

JGD Ferguson
Chairman

Directors and Management

Directors

JGD Ferguson

James Ferguson was appointed a Director in 2002 and became Chairman in 2005. He is chairman of Value & Income Trust plc, The Scottish Oriental Smaller Companies Trust Plc, The North American Income Trust PLC and Northern 3 VCT Plc. He is a director of The Independent Investment Trust PLC. He joined Stewart Ivory in 1970, becoming chairman and chief executive in 1989 and retiring in 2000. He is a former deputy chairman of the Association of Investment Companies.

EM Harley

Edward Harley was appointed a Director in 2003. He joined Cazenove & Co in 1983, becoming a partner in 1994. He has considerable experience of overseas markets, having worked in New York and latterly with responsibility for the firm's business in Latin America, S.E. Asia and Australia. He is currently a Senior Advisor at Cazenove Capital Management. He is involved with the charitable sector both as a trustee and as a member of investment committees and is chairman of the Acceptance in Lieu Panel.

DCP McDougall

Douglas McDougall was appointed a Director in 1999 and is the Senior Independent Director. He is chairman of The Independent Investment Trust PLC. From 1969 to 1999 he was a partner in Baillie Gifford & Co and from 1989 to 1999 was joint senior partner and chief investment officer. He is a former chairman of the Investment Management Regulatory Organisation, the Fund Managers' Association and the Association of Investment Companies.

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 Wm Morrison Supermarkets PLC, 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.

KS Sternberg

Karl Sternberg was appointed a Director in 2013. 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, Alliance Trust PLC, Herald Investment Trust plc, Lowland Investment Company PLC, Jupiter Fund Management plc and Clipstone Logistics REIT plc.

JJ Tigue

Jeremy Tigue was appointed a Director in 2014 and became Chairman of the Audit Committee on 1 May 2015. Mr Tigue was the fund manager of Foreign & Colonial Investment Trust PLC from 1997 to June 2014. He is currently chairman of ICG Enterprise Trust plc and Syncona Limited and 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 EM Harley, Mr JGD Ferguson and Mr DCP McDougall.

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 nine investment trusts. Baillie Gifford also manages a listed investment company, unit trusts and 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 £201 billion as at 17 June 2019. Based in Edinburgh, it is one of the leading privately owned investment management firms in the UK, with 43 partners and a staff of around 1,200.

The investment manager of Monks is Charles Plowden and the deputy managers are Spencer Adair and Malcolm MacColl. Charles, Spencer and Malcolm are all partners at Baillie Gifford and have been working together since 2005. Charles 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 2019.

Corporate Governance

The Corporate Governance Report is set out on pages 23 to 25 and forms part of this Report.

Managers and 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.

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 41 for more details).

The function of the Management Engagement Committee is fulfilled by those members of the Board who are also members of the Audit Committee ('Qualifying Directors'). The Board reviews investment performance and monitors the arrangements for the provision of investment management and secretarial services to the Company on a continuous basis. A formal evaluation of the Managers by the Qualifying Directors is conducted annually. The Qualifying Directors' annual evaluation considered, amongst others, the following topics: the quality of the personnel assigned to handle the Company's affairs; the quality of policy guidance and explanations; the investment strategy and performance; administrative competence; the quality and coverage of papers; the marketing efforts undertaken by the Managers; communication with shareholders; and the service level provided by, and relationship with, the Managers generally.

Following the most recent evaluation in March 2019, the Qualifying Directors are in agreement 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 interest of shareholders as a whole.

The Qualifying Directors consider that maintaining a low ongoing charge ratio is in the best interest of shareholders. The Qualifying Directors continue to give careful consideration to the basis of the management fee.

Depositary

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

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 19.

All of the Directors are retiring at the Annual General Meeting and are offering themselves for re-election, with the exception of Mr McDougall, who will stand down after the conclusion of the Annual General Meeting. Following formal performance evaluation, 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.

It is the Board's intention to recruit a new director in the near future with a view to complying with the Hampton Alexander target of 33% female membership of the Board by December 2020.

The Board considers that Mr Ferguson, Mr Harley and Mr McDougall remain independent notwithstanding having served on the Board for more than nine years, as explained on page 23.

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 2019 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 1.85p per ordinary share for the year. If approved, the recommended final dividend on the ordinary shares will be paid on 6 September 2019 to shareholders on the register at the close of business on 2 August 2019. The ex-dividend date is 1 August 2019. The Company's Registrar offers a Dividend Reinvestment Plan (see page 56) and the final date for elections for this dividend is 15 August 2019.

Share Capital

Capital Structure

The Company's capital structure consists of 218,593,859 ordinary shares of 5p each as at 30 April 2019. 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 53.

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 2019. There have been no notifications of major interests in the Company's shares intimated up to 17 June 2019.

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 £1,086,219). During the year to 30 April 2019 the Company issued a total of 1,450,000 shares on a non pre-emptive basis (nominal value £73,000, representing 0.7% of the issued share capital at 30 April 2018) at a premium to net asset value (on the basis of debt valued at par value) on thirteen separate occasions at an average price of 835.8 pence per share raising net proceeds of £12,107,000. Between 1 May and 17 June 2019, the Company issued a further 130,000 shares at a premium to net asset value raising proceeds of £1,139,000. No shares were held in treasury as at 17 June 2019.

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 12 in the Notice of Annual General Meeting seeks a general authority for the Directors to allot shares up to an aggregate nominal amount of £1,093,619.25. This amount represents 10% of the Company's total ordinary share capital in issue at 17 June 2019 and meets institutional guidelines. This authority will continue until the conclusion of the Annual General Meeting to be held in 2020 or on the expiry of 15 months from the passing of the resolutions, if earlier.

Resolution 13, 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 £1,093,619.25 (representing 10% of the issued ordinary share capital of the Company as at 17 June 2019). 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 2020 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 32,564,854 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 2019. 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 2020.

In accordance with the Listing Rules of the UK Listing Authority, 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 as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy back programmes and stabilisation of financial instruments (No. 2273/2003).

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 14 in the Notice of Annual General Meeting on page 53. 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 19 June 2019.

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

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.

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
JGD Ferguson
Chairman
19 June 2019

Corporate Governance Report

The Board is committed to achieving and demonstrating high standards of Corporate Governance. This statement outlines how the principles of the 2016 UK Corporate Governance Code (the 'Code') which can be found at **www.frc.org.uk**, and the relevant principles of the Association of Investment Companies (AIC) Code of Corporate Governance issued in 2016 were applied throughout the financial year. The AIC Code provides a framework of best practice for investment companies and can be found at **www.theaic.co.uk**.

The Board has noted the new UK Corporate Governance Code published in July 2018 and the new AIC Code of Corporate Governance published in February 2019. The Company will report against these codes for the year ending 30 April 2020.

Compliance

The Company has complied throughout the year under review with the relevant provisions of the Code and the recommendations of the AIC Code except as follows:

— a Nomination Committee has not been established. As the Board comprises seven non-executive Directors all of whom are considered to be independent, a Nomination Committee is considered unnecessary. The appointment of new Directors is considered by the Board as a whole. The Board conducts an annual review of its composition having regard to the present and future needs of the Company;

— the evaluation of the Board has not been externally facilitated. The Board is of the opinion that the use of external consultants to assist with the evaluation is unlikely to bring any meaningful benefit to the process, though the option to do so is kept under review; and

— the Company does not have a separate internal audit function, as explained on page 26.

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 seven 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 is Mr DCP McDougall.

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 19.

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

Appointments to the Board

Appointments to the Board are made on merit with due regard for the benefits of diversity, including gender. 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 or apply a diversity policy. With Mr McDougall standing down at the forthcoming Annual General Meeting, it is the Board's intention to recruit a new director in the near future with a view to complying with the Hampton Alexander target of 33% female membership of the Board by December 2020.

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.

Mr McDougall, who is standing down from Monks Board at the forthcoming Annual General Meeting, and Mr Ferguson are both directors of The Independent Investment Trust PLC. Mr Ferguson, Mr Harley and Mr McDougall have served for more than nine years. Following a formal performance evaluation the Board has concluded that, notwithstanding the above, Mr McDougall, Mr Ferguson and Mr Harley continue to demonstrate independence of character and judgement. Their skills and experience add significantly to the strength of the Board.

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 on page 24 shows the attendance record for the core Board and Audit 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
Number of meetings	**4**	**2**
JGD Ferguson	4	–*
EM Harley	4	–*
DCP McDougall	4	–*
BJ Richards	4	2
Professor Sir Nigel Shadbolt	4	2
KS Sternberg	4	2
JJ Tigue	4	2

* Mr JGD Ferguson, Mr EM Harley and Mr DCP McDougall are not members of the Audit Committee.

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 each Director had an interview with the Chairman. The Chairman's appraisal was led by Mr DCP McDougall, 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 the Audit Committee. Following this process it was concluded that the performance of each Director, the Chairman, the Board and the Audit Committee continues to be effective and that each Director and the Chairman remain committed to the Company. The Board has considered the requirement for FTSE 350 companies to have Board evaluations externally facilitated every three years and is of the opinion that the use of external consultants to assist with the evaluation is unlikely to bring any meaningful benefit to the process, though the option to do so is kept under review.

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. There were no significant changes to the Chairman's other commitments during the year.

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.

Remuneration

As all the Directors are non-executive there is no requirement for 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 28 and 29.

Audit Committee

The report of the Audit Committee is set out on pages 26 and 27.

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 Alternative Investment Fund Managers Directive (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 and Technical Release AAF 01/06 – Assurance Reports on Internal Controls of Service Organisations made available to Third Parties. 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 Alternative Investment Fund Managers Directive, 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 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 56), are monitored and the sensitivity of the portfolio to key risks is undertaken 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.

Going Concern

Having assessed the principal risks and other matters set out in the Viability Statement on pages 17 and 18, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements and confirm that they are not aware of any material uncertainties which may effect the Company's ability to continue to do so over a period of at least twelve months from the date of approval of these Financial Statements.

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 **www.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 **www.monksinvestmenttrust.co.uk**.

Corporate Governance and Stewardship

The Company 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 Company 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 but adopt a positive engagement approach 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 **www.bailliegifford.com**. The Managers' policy has been reviewed and endorsed by the Board.

The Managers are signatories to the United Nations Principles for Responsible Investment and the Carbon Disclosure Project.

On behalf of the Board
JGD Ferguson
Chairman
19 June 2019

Audit Committee Report

The Audit Committee consists of Ms BJ Richards, Professor Sir Nigel Shadbolt, Mr KS Sternberg 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 **www.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.

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

— the preliminary results announcement and the Annual and Interim Reports;

— the Company's accounting policies and practices;

— 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;

— the terms of the Investment Management Agreement; 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 98.9% 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 2019 were agreed to external price sources. The Committee considered the value of all unquoted investments at 30 April 2019, 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 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 pages 24 and 25. 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 2019 amount to £1,200 and related to the certification of financial information to the debenture trustee. Ernst & Young LLP also provide an iXBRL logging service to the Company.

The engagement for this service is with Baillie Gifford & Co and the Company is not recharged for the cost of this service which amounted to £1,500. 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.

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 by 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 30 to 35.

On behalf of the Board
JJ Tigue
Chairman of the Audit Committee
19 June 2019

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 last approved at the Annual General Meeting in August 2017 and no changes are proposed.

The Board reviewed the level of fees during the year and it was agreed that there would be no changes to Directors' fees. The fee levels were last increased on 1 May 2018.

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, provides 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 2019 and the expected fees payable in respect of the year ending 30 April 2020 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 2020 £	Fees as at 30 Apr 2019 £
Chairman's fee	43,000	43,000
Non-executive Director fee	29,000	29,000
Additional fee for Chairman of the Audit Committee	4,500	4,500

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 31 to 35.

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	2019 Fees £	2019 Taxable benefits* £	2019 Total £	2018 Fees £	2018 Taxable benefits* £	2018 Total £
JGD Ferguson	43,000	1,105	**44,105**	42,000	1,505	**43,505**
EM Harley	29,000	–	**29,000**	28,000	–	**28,000**
DCP McDougall	29,000	1,053	**30,053**	28,000	1,477	**29,477**
BJ Richards	29,000	–	**29,000**	28,000	–	**28,000**
Professor Sir Nigel Shadbolt	29,000	–	**29,000**	28,000	–	**28,000**
KS Sternberg	29,000	–	**29,000**	28,000	–	**28,000**
JJ Tigue	33,500	–	**33,500**	32,000	–	**32,000**
	221,500	**2,158**	**223,658**	**214,000**	**2,982**	**216,982**

* 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.

Directors' Interests (audited)

The Directors during the year under review 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 17 June 2019.

Name	Nature of interest	Ordinary 5p shares held at 30 April 2019	Ordinary 5p shares held at 30 April 2018
JGD Ferguson	Beneficial	10,000	10,000
JGD Ferguson	Non-beneficial	26,000	–
EM Harley	Beneficial	200,000	200,000
DCP McDougall	Beneficial	1,408,172	1,408,170
BJ Richards	Beneficial	7,581	7,573
Professor Sir Nigel Shadbolt	Beneficial	–	–
KS Sternberg	Beneficial	13,483	13,483
JJ Tigue	Beneficial	41,006	40,937

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, 99.3% were in favour, 0.3% were against and votes withheld were 0.4%. At the last Annual General Meeting at which the Directors' Remuneration Policy was considered (August 2017) 96.5% of the proxy votes received were in favour, 1.3% were against and 2.2% 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.

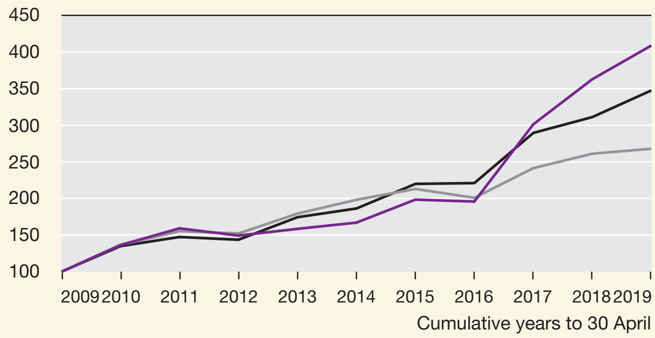
	2019 £'000	2018 £'000	Change %
Directors' remuneration	224	217	3.2
Dividends paid to shareholders	4,044	3,047	32.7

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 2009)



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

Monks share price
FTSE All-Share
FTSE World Index

Past performance is not a guide to future performance.

All figures are total returns (see Glossary of Terms and Alternative Performance Measures on pages 59 and 60).

#See disclaimer on page 58.

Approval

The Directors' Remuneration Report on pages 28 and 29 was approved by the Board of Directors and signed on its behalf on 19 June 2019.

JGD Ferguson
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; 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
JGD Ferguson
Chairman
19 June 2019

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 Directors are responsible for the maintenance and integrity of the Company's website, and hence for taking reasonable steps for the preservation of the website integrity; 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 2019 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 19, 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'.

In our opinion, the Financial Statements:

— give a true and fair view of the Company's affairs as at 30 April 2019 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 below. 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 FRC's 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

We have nothing to report in respect of the following information in the Annual Report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

— the disclosures in the Annual Report set out on pages 16 and 17 that describe the principal risks and explain how they are being managed or mitigated;

— the Directors' confirmation set out on page 16 in the Annual Report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;

— the Directors' statement set out on page 25 in the Financial Statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the Financial Statements;

— whether the Directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or

— the Directors' explanation set out on pages 17 and 18 in the Annual Report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of Our Audit Approach

Key audit matters	Risk of incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Income Statement Risk of incorrect valuation and defective title of the investment portfolio
Materiality	Overall materiality of £18.63m which represents 1% of shareholders' funds

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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
Incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Income Statement (per the Audit Committee Report set out on page 26 and the accounting policy set out on page 40). The income received for the year to 30 April 2019 was £23.27m (2018 – £19.76m), consisting primarily of dividend income from the investment portfolio. The income receivable by the Company during the year directly affects the Company's revenue return. There is a risk of incomplete or inaccurate recognition of income through the failure to recognise proper income entitlements or applying appropriate accounting treatment. In addition to the above, the Directors are required to exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital'.	**We have performed the following procedures:** We obtained an understanding of Baillie Gifford's processes and controls surrounding revenue recognition and the classification of special dividends by reviewing their internal controls report and performing our walkthrough procedures to evaluate the design and implementation of controls. We agreed a sample of dividends received from the income report to the corresponding announcement made by the investee company. We recalculated the dividend amount receivable using exchange rates obtained from an independent data vendor and confirmed that the cash received as shown on bank statements was consistent with the recalculated amount. We agreed a sample of investee company dividend announcements from an independent data vendor to the income recorded by the Company to test completeness of the income recorded. For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the obligation arose prior to 30 April 2019. We agreed the dividend rate to corresponding announcements made by the investee company. We recalculated the dividend amount receivable and confirmed this was consistent with cash received as shown on post year end bank statements, where paid. We reviewed the income report and the acquisition and disposal report produced by Baillie Gifford to identify special dividends received or accrued in excess of our revenue testing threshold. The Company received no special dividends above our revenue testing threshold. However, for two special dividends we reviewed the underlying circumstances and motives for the payments to verify the classification as revenue and capital respectively.	**The results of our procedures are:** We have no issues to communicate with respect to our procedures performed over the risk of incomplete or inaccurate revenue recognition, including the classification as revenue and capital respectively.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation and/or defective title of the investment portfolio (as described on page 26 in the Audit Committee Report and as per the accounting policy set out on page 40). The valuation of the investment portfolio at 30 April 2019 was £1,979.78m (2018 – £1,730.51m) consisting primarily of listed equities with an aggregate value of £1,959.32m (2018 – £1,716.26m) and unlisted investments with an aggregate value of £20.46m (2018 – £14.25m). 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 of 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 listed 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 listed. Unlisted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by Baillie Gifford. The unlisted investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation guidelines ('IPEV'). The valuation of the unlisted investments 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 investment valuation and legal title, including an understanding of the operation of Baillie Gifford's Unlisted Securities Valuation Group and the Directors' process for review of the unlisted valuations, by performing a walkthrough in which we evaluated the design and implementation of controls. For all listed investments in the portfolio, we compared the market values and exchange rates applied to an independent pricing vendor. We reviewed the price exception and stale pricing reports produced by Baillie Gifford to highlight and investigate any unexpected price movements and stale prices in investments held as at the year end. We attended the two relevant meetings of Baillie Gifford's Unlisted Securities Valuation Group in the final quarter of the year to discuss and challenge the significant assumptions and judgements made in the preparation of the unlisted valuations. For a sample of two out of three unlisted investments held as at the year end we utilised our specialist Valuations and Business Modelling team to review and challenge the valuations. This included: — Assessing whether the valuations have been performed in line with the IPEV guidelines; — Assessing the appropriateness of the data inputs and assumptions used to support the valuations; and — 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. For the remaining unlisted investment, we obtained and reviewed the valuation papers produced for the Unlisted Valuation Securities Group to support the valuation of the investment as at 30 April 2019. We agreed the Company's investments to the independent confirmation received from the Company's Custodian and Depositary to confirm existence and legal title as at 30 April 2019.	**The results of our procedures are:** We have no issues to communicate with respect to our procedures performed over the risk of incorrect valuation and defective title to the investment portfolio.

There have been no changes to the areas of key focus raised in the above risk table from the prior year.

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.

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 £18.63m (2018 – £16.56m) which is 1% of shareholders' funds. We believe that shareholders' funds provides us with materiality aligned to the users interests as it represents a key measurement of the Company's position.

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% (2018 – 50%) of our planning materiality, namely £13.97m (2018 – £8.28m). We have set performance materiality at this percentage this year due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected. The 2018 threshold was set at 50% as it was the first year we had audited the Company.

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 £0.93m (2018 – £0.83m) being the greater of 5% of the net return on ordinary activities before taxation and our reporting threshold which is set at 5% of 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 £0.93m (2018 – £0.83m) 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.

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.

In connection with our audit of the Financial Statements, 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 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 or a material misstatement of the other information. 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.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable set out on page 30** – the statement given by the Directors that they consider 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, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit Committee reporting set out on pages 26 and 27** – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code set out on page 23** – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

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' Report 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 30, 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

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the Financial Statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

— We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102, the Companies Act 2006, AIC SORP, the Listing Rules, the UK Corporate Governance Code and section 1158 of the Corporation Tax Act 2010.

— We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretaries and review of 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 incomplete or inaccurate revenue recognition through incorrect classification of special dividends between revenue and capital and incorrect valuation of the unlisted investments. 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 of 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 engagements including previous renewals and reappointments is two years, covering the years ending 30 April 2018 to 30 April 2019.

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
19 June 2019

Income Statement

For the year ended 30 April

	Notes	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000
Gains on investments	9	–	194,084	**194,084**	–	211,299	**211,299**
Currency (losses)/gains	14	–	(4,049)	**(4,049)**	–	3,216	**3,216**
Income	2	23,268	–	**23,268**	19,759	–	**19,759**
Investment management fee	3	(6,992)	–	**(6,992)**	(6,568)	–	**(6,568)**
Other administrative expenses	4	(1,673)	–	**(1,673)**	(1,598)	–	**(1,598)**
Net return before finance costs and taxation		14,603	190,035	**204,638**	11,593	214,515	**226,108**
Finance costs of borrowings	5	(5,518)	–	**(5,518)**	(4,410)	–	**(4,410)**
Net return on ordinary activities before taxation		9,085	190,035	**199,120**	7,183	214,515	**221,698**
Tax on ordinary activities	6	(1,899)	–	**(1,899)**	(1,595)	–	**(1,595)**
Net return on ordinary activities after taxation		**7,186**	**190,035**	**197,221**	**5,588**	**214,515**	**220,103**
Net return per ordinary share	7	**3.30p**	**87.23p**	**90.53p**	**2.61p**	**100.08p**	**102.69p**
Note: Dividends per share paid and payable in respect of the year	8	**1.85p**			**1.40p**		

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 published 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 40 to 51 are an integral part of the Financial Statements.

Balance Sheet

As at 30 April

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Investments held at fair value through profit or loss	9		1,979,780		1,730,513
Current assets					
Debtors	10	7,617		9,009	
Cash and cash equivalents	19	25,919		22,974	
		33,536		31,983	
Creditors					
Amounts falling due within one year	11	(110,626)		(66,120)	
Net current liabilities			(77,090)		(34,137)
Total assets less current liabilities			1,902,690		1,696,376
Creditors					
Amounts falling due after more than one year	12		(39,875)		(39,842)
			1,862,815		**1,656,534**
Capital and reserves					
Share capital	13		10,930		10,857
Share premium account	14		48,007		35,973
Capital redemption reserve	14		8,700		8,700
Capital reserve	14		1,739,586		1,549,551
Revenue reserve	14		55,592		51,453
Shareholders' funds	15		**1,862,815**		**1,656,534**
Shareholders' funds per ordinary share (after deducting borrowings at book value)	15		**852.2p**		**762.9p**
Net asset value per ordinary share (after deducting borrowings at par)	16		**852.1p**		**762.8p**
Net asset value per ordinary share (after deducting borrowings at fair value)	16		**848.9p**		**759.0p**

The Financial Statements of The Monks Investment Trust PLC (Company registration number 236964) on pages 36 to 51 were approved and authorised for issue by the Board and were signed on 19 June 2019.

JGD Ferguson
Chairman

The accompanying notes on pages 40 to 51 are an integral part of the Financial Statements.

Statement of Changes in Equity

For the year ended 30 April 2019

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 May 2018		10,857	35,973	8,700	1,549,551	51,453	**1,656,534**
Net return on ordinary activities after taxation		–	–	–	190,035	7,186	**197,221**
Ordinary shares issued	13	73	12,034	–	–	–	**12,107**
Dividends paid during the year	8	–	–	–	–	(3,047)	**(3,047)**
Shareholders' funds at 30 April 2019		**10,930**	**48,007**	**8,700**	**1,739,586**	**55,592**	**1,862,815**

For the year ended 30 April 2018

	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 2017		10,698	11,100	8,700	1,335,036	48,540	**1,414,074**
Net return on ordinary activities after taxation		–	–	–	214,515	5,588	**220,103**
Ordinary shares issued	13	159	24,873	–	–	–	**25,032**
Dividends paid during the year	8	–	–	–	–	(2,675)	**(2,675)**
Shareholders' funds at 30 April 2018		**10,857**	**35,973**	**8,700**	**1,549,551**	**51,453**	**1,656,534**

The accompanying notes on pages 40 to 51 are an integral part of the Financial Statements.

Cash Flow Statement

For the year ended 30 April

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Cash flows from operating activities					
Net return on ordinary activities before taxation			199,120		221,698
Net (gains) on investments			(194,084)		(211,299)
Currency losses/(gains)			4,049		(3,216)
Amortisation of income from fixed interest investments			–		(170)
Finance costs of borrowings			5,518		4,410
Overseas tax incurred			(1,905)		(1,536)
Changes in debtors and creditors			40		(1,069)
Cash from operations*			12,738		8,818
Interest paid			(5,372)		(4,347)
Net cash inflow from operating activities			7,366		4,471
Cash flows from investing activities					
Acquisitions of investments		(320,097)		(331,951)	
Disposals of investments		273,472		315,713	
Net cash outflow from investing activities			(46,625)		(16,238)
Cash flows from financing activities					
Equity dividends paid	8	(3,047)		(2,675)	
Ordinary shares issued		13,177		23,074	
Borrowings drawn down		32,133		–	
Net cash inflow from financing activities			42,263		20,399
Increase in cash and cash equivalents			3,004		8,632
Exchange movements			(59)		(866)
Cash and cash equivalents at 1 May			22,974		15,208
Cash and cash equivalents at 30 April			**25,919**		**22,974**

* Cash from operations includes dividends received of £23,153,000 (2018 – £18,613,000) and interest received of £196,000 (2018 – £78,000).

The accompanying notes on pages 40 to 51 are an integral part of the Financial Statements.

Notes to the Financial Statements

1 Principal Accounting Policies

The Financial Statements for the year to 30 April 2019 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 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 November 2014 and updated in February 2018 with consequential amendments.

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 investments, which are detailed in note 9 on page 44.

(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. They are managed and evaluated on a fair value basis in accordance with the Company's investment strategy and information about the investments are provided to the Board on that basis. 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.

Unlisted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Managers. The Managers' unlisted investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation guidelines ('IPEV'). These methodologies can be categorised as follows: (a) market approach (multiples, industry valuation benchmarks and available market prices); (b) income approach (discounted cash flows); and (c) replacement cost approach (net assets). The 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 44; and (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 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

Interim dividends are recognised in the period in which they are paid and 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

	2019 £'000	2018 £'000
Income from investments		
UK dividends	3,699	2,580
UK unfranked investment income	–	170
Overseas dividends	19,373	16,931
Other Income	23,072	19,681
Deposit Interest	196	78
Total Income	**23,268**	**19,759**
Total income comprises:		
Dividends from financial assets designated at fair value through profit or loss	23,072	19,511
Interest from financial assets designated at fair value through profit or loss	–	170
Interest from financial assets not at fair value through profit or loss	196	78
	23,268	**19,759**

3 Investment Management Fee

	2019 £'000	2018 £'000
Investment management fee	**6,992**	**6,568**

Details of the Investment Management Agreement are disclosed on page 20. With effect from 1 May 2018, 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. In the year to 30 April 2018 the annual management fee was 0.45% on the first £750 million of total assets and 0.33% on the remaining total assets. For fee purposes, total assets is defined as the total value of all assets held less all liabilities (other than any liability in the form of debt intended for investment purposes) and excludes the value of the Company's holding in The Schiehallion Fund, a closed-ended investment company managed by Baillie Gifford & Co. The Company does not currently hold any other collective investment vehicles managed by Baillie Gifford & Co. Where the Company holds investments in open-ended collective investment vehicles managed by Baillie Gifford, such as OEICs, Monks' share of any fees charged within that vehicle will be rebated to the Company. All debt drawn down during the periods under review is intended for investment purposes.

4 Other Administrative Expenses

	2019 £'000	2018 £'000
General administrative expenses	1,429	1,363
Directors' fees (see Directors' Remuneration Report on page 28)	222	214
Auditor's remuneration – statutory audit of annual Financial Statements	21	20
Auditor's non-audit remuneration – non-audit services (see page 26)	1	1
	1,673	**1,598**

5 Finance Costs of Borrowings

	2019 £'000	2018 £'000
Bank loans	2,935	1,827
Debenture stocks	2,583	2,583
	5,518	**4,410**

6 Tax on Ordinary Activities

	2019 £'000	2018 £'000
Analysis of charge in year		
Overseas tax	**1,899**	**1,595**
Factors affecting tax charge for the year		
The tax assessed for the year is lower (2018 – lower) than the average standard rate of corporation tax in the UK of 19% (2018 – 19%). The differences are explained below:		
Net return on ordinary activities before taxation	199,120	221,698
Net return on ordinary activities multiplied by the average standard rate of corporation tax in the UK of 19% (2018 – 19%)	37,833	42,122
Capital returns not taxable	(36,107)	(40,758)
Income not taxable	(4,020)	(3,489)
Taxable expenses in the year not utilised	2,294	2,125
Overseas tax	1,899	1,595
Tax charge for the year	**1,899**	**1,595**

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

Factors that may affect future tax charges

At 30 April 2019 the Company had a potential deferred tax asset of £13,267,000 (2018 – £11,172,000) 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 17% (2018 – 17%). 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 tax on any capital gains and losses arising on the revaluation or disposal of investments.

7 Net Return per Ordinary Share

	2019 Revenue	2019 Capital	2019 Total	2018 Revenue	2018 Capital	2018 Total
Net return per ordinary share	**3.30p**	**87.23p**	**90.53p**	**2.61p**	**100.08p**	**102.69p**

Revenue return per ordinary share is based on the net revenue return on ordinary activities after taxation of £7,186,000 (2018 – £5,588,000) and on 217,844,955 (2018 – 214,344,215) 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 £190,035,000 (2018 – gain of £214,515,000) and on 217,844,955 (2018 – 214,344,215) 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

	2019	2018	2019 £'000	2018 £'000
Amounts recognised as distributions in the year:				
Previous year's final (paid 7 September 2018)	1.40p	1.25p	3,047	2,675

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 £7,186,000 (2018 – £5,588,000).

	2019	2018	2019 £'000	2018 £'000
Amounts paid and payable in respect of the financial year:				
Proposed final (payable 6 September 2019)	1.85p	1.40p	4,044	3,047

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 44, which reflects the reliability and significance of the information used to measure their fair value. During the year, a listed equity investment with a fair value at the previous year end of £23,190,000 was transferred from Level 2 to Level 1 following the resumption of trading in its shares, which had been temporarily suspended due to an impending corporate action, and an equity investment with a fair value at the previous year end of £3,432,000 was transferred from a Level 3 unlisted equity to a Level 1 listed equity after its shares were listed on a recognised stock exchange. A Level 3 unlisted equity was purchased during the year at a cost of £8,937,000.

As at 30 April 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	1,959,319	–	–	**1,959,319**
Unlisted equities	–	–	20,461	**20,461**
Total financial asset investments	**1,959,319**	**–**	**20,461**	**1,979,780**

As at 30 April 2018	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	1,693,072	23,190	–	**1,716,262**
Unlisted equities	–	–	14,251	**14,251**
Total financial asset investments	**1,693,072**	**23,190**	**14,251**	**1,730,513**

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 2019 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.

	£'000
Cost of investments at 1 May 2018	1,162,966
Investment holding gains at 1 May 2018	567,547
Value of investments at 1 May 2018	**1,730,513**
Movements in year:	
Purchases at cost	328,222
Sales – proceeds	(273,039)
– realised gains on sales	108,225
Changes in investment holding gains	85,859
Value of investments at 30 April 2019	**1,979,780**
Cost of investments at 30 April 2019	1,326,374
Investment holding gains at 30 April 2019	653,406
Value of investments at 30 April 2019	**1,979,780**

The purchases and sales proceeds figures above include transaction costs of £488,000 (2018 – £258,000) and £293,000 (2018 – £166,000) respectively. Of the realised gains on sales of investments during the year of £108,225,000 (2018 – £96,901,000), a net gain of £87,068,000 (2018 – gain of £63,057,000) was included in investment holding gains at the previous year end.

	2019 £'000	2018 £'000
Gains on investments:		
Realised gains on sales	108,225	96,901
Changes in investment holding gains	85,859	114,398
	194,084	**211,299**

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:

	2019 Shares held	2019 Value £'000	2019 % of Shares held	2018 Shares held	2018 Value £'000	2018 % of Shares held
Silk Invest Africa Food Fund	10,000	4,137	46.3	10,000	5,009	46.3

10 Debtors

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Accrued income	3,364	3,439
Investment sales awaiting settlement	2,476	2,909
Share issuance proceeds awaiting settlement	888	1,958
Overseas taxation recoverable	811	648
Other debtors and prepaid expenses	78	55
	7,617	**9,009**

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

	2019 £'000	2018 £'000
National Australia Bank Limited loan	99,287	63,165
Investment purchases awaiting settlement	8,633	508
Corporation tax	45	45
Other creditors and accruals	2,661	2,402
	110,626	**66,120**

None of the above creditors are financial liabilities held at fair value through profit or loss. Included in other creditors is £1,827,000 (2018 – £1,677,000) in respect of the investment management fee.

Borrowing facilities

At 30 April 2019 the Company had a 5 year £100 million unsecured floating rate loan facility with National Australia Bank Limited, which expires on 30 November 2020, and a 4 year £5 million unsecured floating rate facility with Scotiabank (Ireland), with the ability to increase it to £50 million, which expires on 13 March 2022.

At 30 April 2019 drawings were as follows:

— National Australia Bank Limited: US$99 million at an interest rate of 3.80088% and US$30.4 million at an interest rate of 3.83038% (2018 – US$87 million at an interest rate of 3.55539%), both maturing in July 2019.

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 – Amounts falling due after more than one year

	Repayment date	Nominal rate	Effective rate	2019 £'000	2018 £'000
£40 million 6⅜% debenture stock 2023	1/3/2023	6.375%	6.5%	39,875	39,842

Debenture stock

The debenture stock is stated at amortised cost (see note 1(h) on page 40); the cumulative effect is to decrease the carrying amount of borrowings by £125,000 (2018 – £158,000). 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%.

13 Share Capital

	2019 Number	2019 £'000	2018 Number	2018 £'000
Allotted, called up and fully paid ordinary shares of 5p each	**218,593,859**	**10,930**	**217,143,859**	**10,857**

In the year to 30 April 2019, the Company issued 1,450,000 ordinary shares (nominal value of £73,000) at a premium to net asset value, raising net proceeds of £12,107,000 (2018 – 25,032,000). No shares were bought back during the year and no shares are held in treasury. At 30 April 2019 the Company had authority to buy back 32,564,854 ordinary shares and to allot or sell from treasury 16,766,380 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 2018	10,857	35,973	8,700	1,549,551	51,453	**1,656,534**
Gains on investments	–	–	–	194,084	–	**194,084**
Exchange differences on bank loans	–	–	–	(3,990)	–	**(3,990)**
Other exchange differences	–	–	–	(59)	–	**(59)**
Revenue return on ordinary activities after taxation	–	–	–	–	7,186	**7,186**
Ordinary shares issued	73	12,034	–	–	–	**12,107**
Dividends paid in the year	–	–	–	–	(3,047)	**(3,047)**
At 30 April 2019	**10,930**	**48,007**	**8,700**	**1,739,586**	**55,592**	**1,862,815**

The capital reserve balance at 30 April 2019 includes investment holding gains on investments of £653,406,000 (2018 – gains of £567,547,000) as detailed in note 9 on page 44. 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

	2019	2018
Shareholders' funds	£1,862,815,000	£1,656,534,000
Number of ordinary shares in issue at the year end	218,593,859	217,143,859
Shareholders' funds per ordinary share	852.2p	762.9p

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 in note 16 have been calculated after deducting borrowing at either par value or fair value. Reconciliations between shareholders' funds and both NAV measures are shown on page 59.

16 Net Asset Value per Ordinary Share

The net asset value figures with borrowings deducted at par value and fair value at the year end are set out in the table below. Reconciliations between both NAV measures and shareholders' funds, which is calculated after deducting borrowings at book value in accordance with the provisions of FRS 102, are shown on page 59.

	2019 £'000	2019 per share	2018 £'000	2018 per share
Net asset value (after deducting borrowings at par value)	1,862,690	852.1p	1,656,376	762.8p
Net asset value (after deducting borrowings at fair value)	1,855,690	848.9p	1,648,176	759.0p

The per share figures above are based on 218,593,859 (2018 – 217,143,859) ordinary shares of 5p, being the number of ordinary shares in issue at the year end.

Deducting borrowings at fair value would have the effect of reducing net asset value per ordinary share from 852.1p to 848.9p. Taking the market price of the ordinary shares at 30 April 2019 of 883.0p, this would have given a premium to net asset value of 4.0% as against 3.6% on a par basis. At 30 April 2018 the effect would have been to reduce net asset value per ordinary share from 762.8p to 759.0p. Taking the market price of the ordinary shares at 30 April 2018 of 785.0p, this would have given a discount to net asset value of 3.4% as against 2.9% on a par basis.

17 Contingent Liabilities, Guarantees and Financial Commitments

At 30 April 2019 and 30 April 2018 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 28 and 29. 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 20 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.

19 Financial Instruments (continued)

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.

At 30 April 2019	Investments £'000	Cash and cash equivalents £'000	Loans and debentures £'000	Other debtors and creditors * £'000	Net exposure £'000
US dollar	1,165,217	19,222	(99,287)	(5,855)	**1,079,297**
Euro	150,044	385	–	490	**150,919**
Japanese yen	139,926	–	–	1,299	**141,225**
Other overseas currencies	374,290	2,978	–	818	**378,086**
Total exposure to currency risk	1,829,477	22,585	(99,287)	(3,248)	**1,749,527**
Sterling	150,303	3,334	(39,875)	(474)	**113,288**
	1,979,780	**25,919**	**(139,162)**	**(3,722)**	**1,862,815**

* Includes non-monetary assets of £29,000.

At 30 April 2018	Investments £'000	Cash and cash equivalents £'000	Loans and debentures £'000	Other debtors and creditors * £'000	Net exposure £'000
US dollar	943,362	18,665	(63,165)	3,154	**902,016**
Euro	166,737	–	–	834	**167,571**
Japanese yen	148,476	508	–	591	**149,575**
Other overseas currencies	351,976	1,823	–	956	**354,755**
Total exposure to currency risk	1,610,551	20,996	(63,165)	5,535	**1,573,917**
Sterling	119,962	1,978	(39,842)	519	**82,617**
	1,730,513	**22,974**	**(103,007)**	**6,054**	**1,656,534**

* Includes non-monetary assets of £17,000.

Currency Risk Sensitivity

At 30 April 2019, 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 2018.

	2019 £'000	2018 £'000
US dollar	53,965	45,101
Euro	7,546	8,378
Japanese yen	7,061	7,479
Other overseas currencies	18,904	17,738
	87,476	**78,696**

19 Financial Instruments (continued)

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 other than any fixed income securities. The effect of interest rate movements upon the earnings of a 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.

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 2019 amounted to £25,919,000 (2018 – £22,974,000), comprising of 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

	2019 £'000	2018 £'000
Floating rate – US dollar	99,287	63,165
Fixed rate – sterling	39,875	39,842
	139,162	**103,007**

Maturity Profile

	2019 Within 1 year £'000	2019 Between 1 and 5 years £'000	2019 More than 5 years £'000	2018 Within 1 year £'000	2018 Between 1 and 5 years £'000	2018 More than 5 years £'000
Repayment of loans and debentures	99,287	40,000	–	63,165	40,000	–
Interest on loans and debentures	3,586	7,650	–	3,124	10,200	–
	102,873	**47,650**	**–**	**66,289**	**50,200**	**–**

19 Financial Instruments (continued)

Interest Rate Risk Sensitivity

An increase of 100 basis points in bond yields applied to the Company's financial liabilities as at 30 April 2019 would have had no effect on total net assets and total return on ordinary activities (2018 – nil) and would have increased the net asset value per share (with borrowings at fair value) by 0.7p (2018 – 0.9p). A decrease of 100 basis points would have had no effect on total net assets and total return on ordinary activities (2018 – nil) and would have decreased net asset value per share (with borrowings at fair value) by 0.7p (2018 – 0.9p).

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 10 to 12. 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. 105.2% of the Company's net assets are invested in quoted equities (2018 – 103.6%). A 5% increase in quoted equity valuations at 30 April 2019 would have increased total assets and total return on ordinary activities by £97,966,000 (2018 – £85,813,000). A decrease of 5% 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 on page 49.

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:

	2019 £'000	2018 £'000
Cash and cash equivalents	25,919	22,974
Debtors and prepayments*	7,617	9,009
	33,536	**31,983**

* Includes non-monetary assets of £29,000 (2018 – £17,000).

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

19 Financial Instruments (continued)

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 on the London Stock Exchange.

	2019 Par value £'000	2019 Book value £'000	2019 Fair value £'000	2018 Par value £'000	2018 Book value £'000	2018 Fair value £'000
Bank loans due within one year	99,287	99,287	99,287	63,165	63,165	63,165
6⅜% debenture stock 2023	40,000	39,875	47,000	40,000	39,842	48,200
	139,287	**139,162**	**146,287**	**103,165**	**103,007**	**111,365**

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).

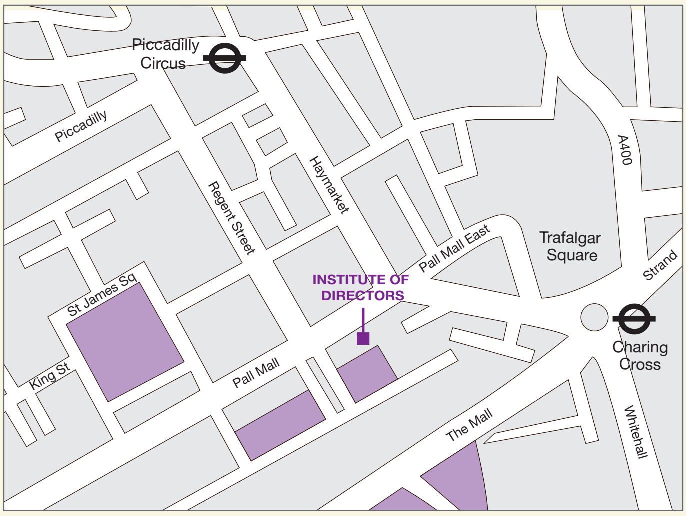
The objective of the Company is to invest globally to achieve capital growth, which takes priority over income and dividends.

The Company's investment policy is set out on page 16. 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 16, 17, 24 and 25.

The Company has the ability to issue and buy back its shares (see pages 21 and 22) 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 and debentures which are detailed in notes 11 and 12.

Notice of Annual General Meeting



The Annual General Meeting of the Company will be held at the Institute of Directors, 116 Pall Mall, London SW1Y 5ED on Tuesday, 3 September 2019, at 11.00 am.

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 ninetieth Annual General Meeting of The Monks Investment Trust PLC will be held at the Institute of Directors, 116 Pall Mall, London SW1Y 5ED on Tuesday, 3 September 2019, at 11.00 am 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 2019 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 2019.
3. To declare a final dividend of 1.85p per ordinary share.
4. To re-elect Mr JGD Ferguson as a Director.
5. To re-elect Mr EM Harley as a Director.
6. To re-elect Mr KS Sternberg as a Director.
7. To re-elect Mr JJ Tigue as a Director.
8. To re-elect Ms BJ Richards as a Director.
9. To re-elect Professor Sir Nigel Shadbolt as a Director.
10. 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.
11. To authorise the Directors to determine the remuneration of the Independent Auditor.
12. 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 £1,093,619.25 (representing 10% of the Company's total issued share capital as at 17 June 2019), 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 13 and 14 as special resolutions:

13. That, subject to the passing of resolution 12 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 £1,093,619.25, being approximately 10% of the nominal value of the issued share capital of the Company as at 17 June 2019.

14. 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 32,786,706, 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 as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy back programmes and stabilisation of financial instruments (No. 2273/2003); 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 2020, 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
27 June 2019

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 **www.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 **www.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 system 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 Monday 22 July 2019.

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 Monday 22 July 2019. 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 **www.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 17 June 2019 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consisted of 218,723,859 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 17 June 2019 were 218,723,859 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 **www.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 **www.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, Daily Telegraph and The Scotsman under 'Investment Companies'.

Key Dates

The Interim Report is issued in December and the Annual Report is normally issued in June. The 2019 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	2019 Number	2019 %	2018 Number	2018 %
Institutions	37,931,202	17.4	38,910,857	17.9
Intermediaries	142,979,984	65.4	139,517,704	64.3
Individuals	14,221,788	6.5	15,485,382	7.1
Baillie Gifford Share Plans/ISA	23,238,016	10.6	22,845,967	10.5
Marketmakers	222,869	0.1	383,949	0.2
	218,593,859	**100.0**	**217,143,859**	**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 **www.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 **www.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 **www.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 **www.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 **https://www.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 **www.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 2019) are also available at **www.bailliegifford.com**.

The Company's maximum and actual leverage levels (see Glossary of Terms and Alternative Performance Measures on pages 59 and 60) at 30 April 2019 are as follows:

Leverage

	Gross method	Commitment method
Maximum limit	2.50:1	2.00:1
Actual	1.07:1	1.07:1

Risks

Past performance is not a guide to future performance.

Monks is listed 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.

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

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

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

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

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

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

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

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

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

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

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 **www.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 **www.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.

Literature in Alternative Formats

It is possible to provide copies of the literature in alternative formats, such as large print or on audio tape. Please contact the Baillie Gifford Client Relations Team for more information.

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.

	2019 £'000	2019 per share	2018 £'000	2018 per share
Shareholders' funds (borrowings at book value)	1,862,815	852.2p	1,656,534	762.9p
Add: book value of borrowings	139,162	63.6p	103,007	47.4p
Less: par value of borrowings	(139,287)	(63.7p)	(103,165)	(47.5p)
Net asset value (borrowings at par value)	**1,862,690**	**852.1p**	**1,656,376**	**762.8p**

The per share figures above are based on 218,593,859 (2018 – 217,143,859) 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.

	2019 £'000	2019 per share	2018 £'000	2018 per share
Shareholders' funds (borrowings at book value)	1,862,815	852.2p	1,656,534	762.9p
Add: book value of borrowings	139,162	63.6p	103,007	47.4p
Less: fair value of borrowings	(146,287)	(66.9p)	(111,365)	(51.3p)
Net asset value (borrowings at fair value)	**1,855,690**	**848.9p**	**1,648,176**	**759.0p**

The per share figures above are based on 218,593,859 (2018 – 217,143,859) 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).

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.

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.

		2019 NAV (par)	2019 NAV (fair)	2019 Share Price	2018 NAV (par)	2018 NAV (fair)	2018 Share Price
Closing NAV per share/share price	a	852.1p	848.9p	883.0p	762.8p	759.0p	785.0p
Dividend adjustment factor*	b	1.0017	1.0017	1.0016	1.0018	1.0018	1.0018
Adjusted closing NAV per share/share price	c = a x b	853.5p	850.3p	884.4p	764.2p	760.4p	786.4p
Opening NAV per share/share price	d	762.8p	759.0p	785.0p	660.8p	656.8p	653.0p
Total return	(c ÷ d)-1	**11.9%**	**12.0%**	**12.7%**	**15.6%**	**15.8%**	**20.4%**

* The dividend adjustment factor is calculated on the assumption that the dividend of 1.40p (2018 – 1.25p) 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.

		2019	2018
Investment management fee		£6,992,000	£6,568,000
Other administrative expenses		£1,673,000	£1,598,000
Total expenses	a	£8,665,000	£8,166,000
Average net asset value (with borrowings deducted at fair value)	b	£1,727,928,000	£1,570,354,000
Ongoing charges	a ÷ b	0.50%	0.52%

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 15.

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 2019 are detailed on page 56.

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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JGD Ferguson

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

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ISIN GB0030517261
Sedol 3051726
Ticker MNKS

Legal Entity Identifier:
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