Interim
Financial Report

31 October 2023

The Monks Investment Trust PLC

Managed by

Baillie Gifford™

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.

Comparative index

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

Principal risks and uncertainties

The principal risks facing the Company, which have not changed since the date of the Company's Annual Report and Financial Statements for the year ended 30 April 2023, are financial risk, investment strategy risk, climate and governance risk, regulatory risk, custody and depositary risk, operational risk, discount risk, political and associated economic risk and leverage risk. An explanation of these risks and how they are managed is set out on pages 19 and 20 of that report, which is available on the Company's website: **monksinvestmenttrust.co.uk**.

Responsibility statement

We confirm that to the best of our knowledge:

a. the condensed set of Financial Statements has been prepared in accordance with FRS 104 'Interim Financial Reporting';

b. the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months, and their impact on the Financial Statements, and a description of principal risks and uncertainties for the remaining six months of the year); and

c. the Interim Financial Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of the Board
KS Sternberg
Chairman
7 December 2023

Summary of unaudited results

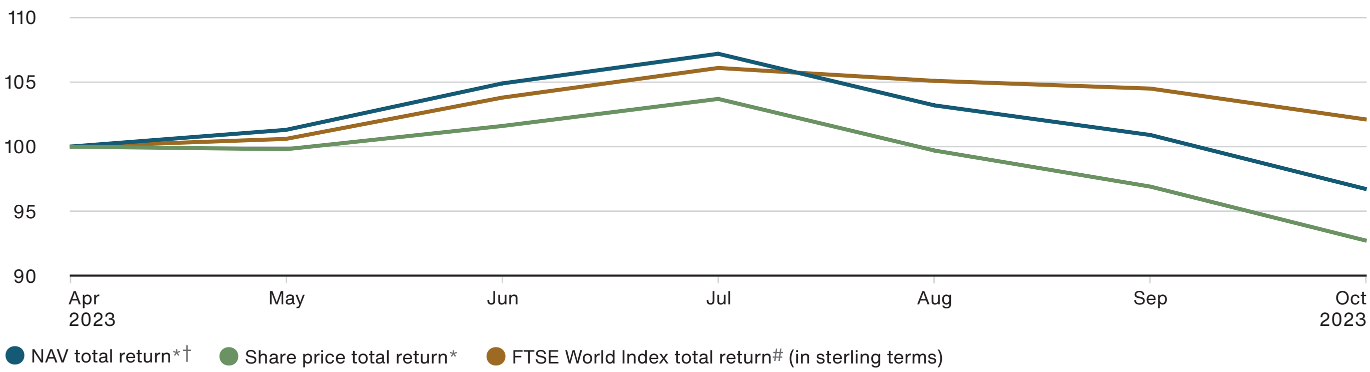
	31 October 2023	30 April 2023	% change
Net asset value per share (NAV)*†	1,042.1p	1,080.0p	(3.5)
Share price	901.0p	975.0p	(7.6)
FTSE World Index#‡			1.0
Discount (to NAV with borrowings at fair value)*†	13.5%	9.7%	
Active share*	83%	86%	

Total returns to 31 October 2023*	Six months %	1 year %	3 years %	5 years %	10 years %
Net asset value*†	(3.3)	0.5	(5.3)	40.2	143.5
Share price	(7.3)	(6.7)	(20.8)	18.5	141.9
FTSE World Index#	2.1	5.7	35.8	58.4	178.6

	Six months to 31 October 2023		Year to 30 April 2023	
Period's high and low	**High**	**Low**	**High**	**Low**
Share price	1,020.0p	890.0p	1,098.0p	888.0p
Net asset value per ordinary share (borrowings at fair value)*†	1,160.1p	1,028.1p	1,184.2p	977.8p
Discount*†	14.8%	9.3%	13.0%	4.5%

For six months to 31 October 2023

(figures plotted on a monthly basis and rebased to 100 at 30 April 2023)



Notes

* Alternative Performance Measure see Glossary of Terms and Alternative Performance Measures on pages 29 to 32.

† With borrowings deducted at fair value.

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

‡ Source: Baillie Gifford/LSEG and relevant underlying index providers. See disclaimer on page 27.

Past performance is not a guide to future performance.

Chair's statement

Performance

During the first half of the financial year, the Company produced a net asset value (NAV*) total return of -3.3% compared to +2.1% for the comparative index (FTSE World in sterling). The share price total return was -7.3%, as the discount* widened from 9.7% to 13.5%. The investment trust sector is trading at discounts last seen during the financial crisis.

This is disappointing. Beyond the seven mega-cap stocks in the US, growth stocks have been out of favour during a period of rising interest rates. We believe that in the long run growth stocks will continue to deliver better investment returns, particularly as technology continues to transform economies in sometimes unpredictable ways. We also share the investment managers' optimism that the period of sharply rising rates is now behind us. Some of the underperformance, however, has been driven by specific stock selection, and commentary on the largest detractors from performance over the period is included in the Managers' report.

Discount management

Apart from challenging the manager, an essential role of an investment company board is to determine the company's policy in respect of discount management.

Monks has bought back approximately £300m of its own stock since the beginning of last year, when the Company's shares moved from a premium to a discount. Repurchasing shares provides NAV accretion, reduces share price volatility and reassures shareholders and potential investors that the Board is alive to the question of discount management. The Board therefore intends to continue to buy back while the Company's shares trade at a substantial discount to NAV. It continues to evaluate the range of alternative options at its disposal to seek to address the discount.

Gearing

An advantage of the investment trust structure is that the Company can deploy borrowing to enhance returns in the long run. In 2020, the Board took advantage of low interest rates to issue debt to an insurer to provide structural gearing, securing £100m of borrowing with a maturity of 30 years at an interest rate of 1.8%. The Board believes that it is beneficial for the Company to have flexibility in its capital structure, so not all of the Company's borrowing is structural. The Company also has a revolving debt facility of £150m at a floating rate of interest, the cost of which has risen with market rates. This facility expires in November 2024. The Board is considering potential options to replace this facility and will update shareholders in due course.

The Board

As previously reported, Jeremy Tigue has indicated his intention not to offer himself for re-election at the AGM in September 2024 and, accordingly, Belinda Richards has succeeded him as Senior Independent Director ('SID') in order to oversee the necessary recruitment and succession planning. A recruitment process is under way to add further members to the Board. We expect to be in a position to announce the new appointments before the end of the Company's current financial year.

Outlook

Monks has a well-diversified portfolio of growth stocks, with less than 4% underlying exposure to unquoted companies. The Board believes that the Company's diversified approach offers investors exposure to a wide range of growth opportunities that are likely to drive returns in the years ahead.

Karl Sternberg
Chairman
7 December 2023

* NAV with borrowings at fair value. For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 29 to 32.

Total return information is sourced from Baillie Gifford/LSEG and relevant underlying index providers. See disclaimer on page 27.

Interim management report

The investment performance of Monks' portfolio in the first half of its financial year has been disappointing. This continues a run of poor relative returns that began two years ago, which has erased – for the time being – the superior returns delivered for shareholders since the Global Alpha team took over eight years ago. This stands in contrast to our view of the long-term growth prospects of the companies in the Monks portfolio.

Rapidly rising inflation and the increases in interest rates that began in the first half of 2022 suppressed investors' appetite for growth assets and precipitated sharp share price falls of companies held in the Monks portfolio. The portfolio was too concentrated in rapidly growing, earlier-stage companies that bore the brunt of share price declines. We have taken action by selling holdings poorly positioned in an environment of persistently higher inflation and interest rates, while restoring greater balance across the portfolio's three growth profiles (Stalwart, Rapid, Cyclical). Furthermore, we have strengthened the analytical inputs to our investment process, specifically, those related to valuations and stock correlations.

We believe that good times are ahead for the portfolio. The inflation and interest rate environment is stabilising and we expect the portfolio to deliver substantially higher levels of earnings growth than the market. Indeed, the three-year forecast earnings growth of portfolio companies is more than double the market average (+12.8% p.a. compared to +5.5% p.a.), its highest level relative to the index in a decade. The forecast price-to-earnings ratio of the portfolio companies in 2024 is 17.5x, an +18% premium to the index (14.8x). This is an attractive trade-off that we believe will drive future returns for Monks shareholders.

Performance

During the first half of the financial year, the Company produced a net asset value (NAV*) total return of -3.3% compared to +2.1% for the comparative index (FTSE World in sterling). The share price total return was -7.3%. Since our team took over the management of the portfolio in March 2015, the Company has produced a NAV* total return +119.3% compared to +132.2% for the comparative index. The share price total return was +114.4%.

Among the largest detractors from performance were the holdings in The Schiehallion Fund (a closed-ended investment company managed by Baillie Gifford that invests in late-stage private companies), Pernod Ricard (spirits and drinks), and Shiseido (cosmetics).

Although the NAV of the Schiehallion Fund fell by 5%, it was a widening discount between the share price and NAV (from 25% to 50% in the period) that drove its underperformance. This reflects a more challenging operating environment for companies and investors' aversion to assets whose valuations are founded on long-term potential. This has contributed to share price weakness across the portfolio more broadly too. We continue to favour a modest level of exposure to private companies (3.9% of the portfolio, of which Schiehallion is 1.5%), but are enthusiastic about the potential of both Schiehallion and the handful of directly held private securities (which include ByteDance and SpaceX that are also held in Schiehallion).

The sharp share price falls (20–30%) for Pernod Ricard, the French spirits business, and Shiseido, the Japanese cosmetics company have, in part, been down to weaker demand from the Chinese market. Consumer appetite in China has been

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Past performance is not a guide to future performance.

slower to return post-pandemic, which has been felt most acutely in 'premium' products of the type sold by Pernod and Shiseido. We believe that these developments are temporary. For example, in the case of Shiseido, it continues to focus on its 'prestige' brands (Cle de Peu, Anessa and Zanessa) in the Chinese market where we believe volumes and operating margins will be materially higher (versus 2019 levels) in the next 2–3 years.

On a sector basis, the portfolio's healthcare holdings have accounted for around 40% of the underperformance relative to the index over the period. For most of these, we remain enthusiastic about their long-term growth potential. For example, Moderna, the infectious disease vaccine producer, has seen revenue growth slow after demand for Covid vaccines fell. Whilst the share price spiked through the pandemic to over $400 and has fallen sharply, Moderna remains a relatively new position for Monks (purchased just two years ago) and the current price is above our initial purchase price (~$77 per share). Moderna has proven itself capable of executing and we believe that focusing on near-term demand for Covid vaccines ignores the strength of Moderna's pipeline of treatments (36 programs in clinical trials deploying mRNA technology to make infectious disease vaccines). Our conviction in Moderna's ability to be one of the leading biotech companies of the future, solving health challenges for millions of people, remains intact.

In contrast, where long-term growth prospects are faltering, we have taken action. This is true for Illumina (gene sequencing). We have sold the portfolio's holding as a result of significant management changes and poor operational execution of its acquisition of Grail (cancer testing), which it continues to contest with regulators.

Despite the poor share price reactions we have seen, the operational progress of a majority of holdings remains on track. Several of our long-established cyclical operators, such as building and aggregates businesses Martin Marietta and CRH, have contributed positively to NAV. These companies continue to demonstrate exceptional capital allocation discipline and very strong pricing power that has driven robust growth in profitability. For example, Martin Marietta increased pricing by 17% and grew gross profits by 38% year-on-year.

The strongest contributors have demonstrated increasing earnings power this year. This is true of Meta (social media) and Amazon (ecommerce and cloud). Mark Zuckerberg announced 2023 as Meta's 'year of efficiency', indeed, revenue growth is returning to faster growth (+23% year-on-year) and net income rose 164% year-on-year. We believe this is only the beginning of a material uptick in Meta's profitability. Its advertising estate (that includes Facebook, Instagram and Whatsapp platforms) reaches 3.6 billion users and is under-monetised. We are excited about its potential and have added twice this year. Amazon invested heavily in its logistics network during the pandemic. Utilisation rates are growing and its retail division is becoming more profitable, while its highly profitable Cloud computing division, Amazon Web Services, continues to make strong progress. Recent deals struck with other ecommerce platforms (such as Shopify and Pinterest) to provide fulfillment services for transactions on their platforms have underlined Amazon's credentials as the leading provider of infrastructure in this market.

Elsewhere, there are similar stories of strong execution at the likes of The Trade Desk (programmatic advertising) and DoorDash (food and grocery delivery). DoorDash – led by founder Tony Xu – has a relentless focus on improving customer service and profitability. The business has taken its time to develop its business model in the suburbs of the US and is now proving its strength in city centre locations. The latest results saw its earnings grow just under 300% year-on-year.

Gearing

We continue to believe in the value of gearing to enhance long-term shareholder returns. Gross gearing has increased from 7.2% to 8.3% in the period. We drew down a modest sum from Monks' revolving debt facility which has supported both ongoing share buybacks and additions to existing positions. The £100m of structurally low-cost (1.8%)

gearing secured for a 30-year term in 2020 has provided an excellent foundation from which to generate future excess return for shareholders and afforded us the latitude to consider the merits of further borrowing on behalf of investors.

Positioning and opportunity

Macroeconomic factors have been a key driver of share prices. Nevertheless, we continue to revisit the underlying growth drivers that underpin Monks' portfolio. We remain confident that the growth tailwinds will either endure despite global economic challenges or strengthen because of them.

The critical imperatives for upgrading crumbling infrastructure, decarbonising the economy and better meeting the needs of ageing populations have not gone away. Nor have structural bottlenecks in critical resources, cloud infrastructure and logistics networks. At the same time, we believe that machine learning remains in the foothills and that deepening fissures between the US and China will broaden innovation into new developing markets. All these tailwinds remain intact, regardless of the market's focus.

These themes are consistent with our **Research Agenda** which outlines a handful of potentially rich seams for stock pickers. We have continued to pursue opportunities in these areas and have been adding selectively to the Monks portfolio. We highlight below some of the themes and positions which informed recent additions to the portfolio:

01. New Growth Frontiers – if the growth engines of the past decade were the internet, mobile, and software, the next decade will be based on the cloud, data, and artificial intelligence. These technologies are likely to bridge the digital and physical world, having potentially profound implications for a range of industries.

    We consider semiconductors to be the 'picks and shovels' of this modern 'Gold Rush', underpinning many of these exciting growth trends. Research on various semiconductor opportunities has seen Monks' overall exposure to semiconductors double to 6% of assets in the past twelve months. Among the most recent new purchases in this area are Advanced Micro Devices, Samsung Electronics and NVIDIA. The latter is a market leader in graphics processing units (GPUs) that are essential in a world that has an insatiable demand for ever-increasing computing power. Around 90% of generative AI (artificial intelligence) programs are trained on NVIDIA hardware, and 3 million of the world's machine learning engineers (nearly all of them) have used NVIDIA's tools. Its dominant position in GPUs (as a fundamental enabler of AI model learning) supports attractive upside. We can see a plausible case for NVIDIA's revenue growing at 40% per annum over the next five years. Its dominant position should afford it pricing power and control of margins. While, even with a derating, the expected operational performance can drive a doubling of NVIDIA's share price through to 2028.

02. Infrastructure Upgrade – we have continued to invest where companies may be beneficiaries of an 'Infrastructure Upgrade', particularly in the US. There are several factors including re-shoring trends and infrastructure spending bills which are likely to support a material uptick in capital spending on areas including roads, energy and digital networks.

    The most recent purchase is Comfort Systems, an installer of heating, ventilation and air conditioning systems in the US. Over the last 25 years, Comfort has grown earnings before interest and tax at an annualised rate of 17%, and yet the opportunity to maintain this growth for many more years remains enormous. Industrial policy is spurring record construction starts, accelerating the growth outlook for various companies across the portfolio. Comfort joins that cohort. To meet our growth hurdle, Comfort needs to continue to consolidate the industry, although we are optimistic that growth may in fact accelerate on account of its strategic focus on smaller cities and large towns in the US. This affords it a cost advantage and allows it to better serve these communities by being based locally.

03. Increased Return from Patience – during periods of fear and uncertainty, time horizons shrink and investors focus on the here and now. As long-term investors, this gives us a heightened advantage in identifying secular growth companies that are facing near-term headwinds that are obscuring the potential for long-term growth.

We have been seeking opportunities to pick up a bargain where valuations look materially lower than history but the fundamental growth prospects remain intact. An example of this is the recent purchase of YETI Holdings (purchased on 16x forward earnings), a premium North American outdoor brand. Its appeal lies in its superior quality, built-to-last products such as beverage cups and coolers which are seen as premium outdoor products. Management is thoughtful in its approach to managing the brand while expanding the product range and growing the business outside North America. Another is Nippon Paint. A Japanese paint products manufacturing company, Nippon has a strong position in the Chinese market via its subsidiary, Nipsea. Brand and distribution are key competitive advantages and a well-aligned management team has a strong track record of success. China's per capita spend on paint is one-third that of developed markets and we believe it has huge growth potential. Nipsea is already the market leader and well-positioned to capture growth in China and Asia more broadly.

On the other side of the ledger, we have moved on from holdings that looked more fully valued or where the growth outlook had diminished. Examples of the former include Booking Holdings (online travel) and Axon Enterprises (security and law enforcement services). In the case of Booking Holdings, we felt a combination of a strong post-pandemic recovery in travel and a sharp increase in the share price diminished the upside for the business, but were also cognisant of the potential competitive threat that artificial intelligence applications might pose to Booking's online search platform. In Axon's case, the share price had doubled in the prior 12 months taking the valuation on a price-to-sales basis to over 10x. This has been a successful investment for Monks since first investing in 2019 (its share price grew nearly three-fold), but the probability of hitting our returns hurdle (a doubling in share price over the next 5 years) had fallen significantly. A diminishing growth outlook underpins the sales of long-term holding and financial exchange operator Deutsche Boerse, Japanese auto part manufacturer DENSO, and Chinese food delivery business, Meituan. The latter was subject to regulatory pressure to reduce take rates and increase staff benefits which reduced profitability. The scale of the opportunity perhaps led us to hold on too long, but we have exited with the shares up nearly two-fold since purchase five years ago. Ultimately, an increasingly competitive marketplace and a capped upside led us to sell the shares.

Outlook

It has been a bruising period performance-wise. But beneath the difficult headline numbers resides a portfolio in robust health. Forecast earnings growth – at nearly twice the market average – is coiled and ready to drive returns for shareholders in the years ahead. At the same time, portfolio companies boast superior gross and net margins relative to the index (37.2% versus 28.7% and 11.3% versus 9.0%, respectively) and are materially less indebted, with net debt-to-equity of 20% versus the index at 50%. The superior financial robustness of our holdings supports their ability to allocate more capital to Research and Development (R&D to sales for Monks holdings is 7.3% compared to the index at 4.6%). These investments will extend their competitive advantages and enable our companies to outcompete peers in years to come.

We know from experience that this is exactly the kind of environment where patience will be handsomely rewarded. Managing the assets of the Monks Investment Trust is a privilege. Holding course and owning a portfolio of high-quality companies that will deliver superior earnings is the best way to deliver attractive returns for Monks shareholders in the years ahead.

Baillie Gifford & Co
Managers
7 December 2023

The Managers' core investment beliefs

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

Active management

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

Committed growth investors

- In the long run, share prices follow fundamentals; growth drives returns.
- We aim to produce a portfolio of stocks with above average growth – this in turn underpins the ability of Monks to add value.
- We have a differentiated approach to growth, focusing on the type of growth that we expect a company to deliver. All holdings fall into one of three growth categories – as set out on pages 14 and 15.
- The use of these three 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 14 and 15.
- 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 29 to 32.

List of investments

as at 31 October 2023

Name	Business	Value £'000	% of total assets *
Microsoft	Software and cloud computing enterprise	91,934	3.7
Elevance Health	Healthcare insurer	85,258	3.5
Martin Marietta Materials	Cement and aggregates manufacturer	79,776	3.2
Amazon.com	Online retailer	77,219	3.1
Moody's	Credit rating agency	67,202	2.7
Meta Platforms	Social networking website	62,061	2.5
CRH	Diversified building materials company	61,598	2.5
Alphabet	Online search engine	59,970	2.4
Reliance Industries	Indian energy conglomerate	55,101	2.2
Prosus	Media and ecommerce company	52,586	2.1
MasterCard	Electronic payments network and related services	52,322	2.1
Service Corporation International	Death care services	51,414	2.1
Ryanair	Low cost European airline	48,746	2.0
Pernod Ricard	Global spirits manufacturer	46,753	1.9
AIA	Asian life insurer	37,537	1.5
The Schiehallion Fund	Global unlisted growth equity investment company	36,820	1.5
TSMC	Semiconductor manufacturer	35,510	1.4
Arthur J. Gallagher	Insurance broker	34,806	1.4
Royalty Pharma	Biopharmaceutical royalties portfolio	30,543	1.2
Analog Devices	Integrated circuits	30,422	1.2
BHP Group	Mineral exploration and production	29,354	1.2
Broadridge Financial Solutions	Administrative solutions for financial services	29,350	1.2
Olympus	Optoelectronic products	29,079	1.2
The Trade Desk	Advertising technology company	29,065	1.2
HDFC	Indian mortgage provider	28,231	1.1
Li Auto	Chinese electric vehicle manufacturer	27,098	1.1
S&P Global	Global credit rating agency	27,055	1.1
Adobe Systems	Software products and technologies	26,619	1.1
Markel	Markets and underwrites speciality insurance products	24,973	1.0
Prudential	International life insurance	24,701	1.0
MercadoLibre	Latin American ecommerce platform	24,452	1.0
Alnylam Pharmaceuticals	RNA interference based biotechnology	24,067	1.0

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 29 to 32.

Ⓤ Denotes unlisted/private company holding.

† New purchase during the period. Complete sales during the period were: Axon Enterprise; Booking Holdings; Bumble; DENSO; Deutsche Boerse; Meituan; On the Beach; Team 17 Group; and Wizz Air Holdings.

Name	Business	Value £'000	% of total assets *
Eaton	Industrial engineering products	23,674	1.0
Richemont	Luxury goods company	23,395	0.9
Charles Schwab	Online savings and trading platform	22,503	0.9
Atlas Copco	Industrial equipment	22,369	0.9
Teradyne	Semiconductor testing equipment manufacturer	21,967	0.9
DoorDash	Online commerce platform	21,810	0.9
Ping An Insurance	Chinese life insurer	21,455	0.9
Alibaba	Online commerce company	21,391	0.9
Entegris	Supplier of materials to high-tech industries	21,346	0.9
B3 Group	Brazilian stock exchange operator	20,698	0.8
Shopify	Online commerce platform	20,669	0.8
Rio Tinto	Global commodities businesses	20,495	0.8
Cloudflare	Cloud based IT services business	19,985	0.8
ByteDance[U]	Social media and ecommerce	19,467	0.8
CoStar	Commercial property portal	19,322	0.8
Advanced Drainage Systems	Manufacturer of pipes and drainage systems	19,090	0.8
Tesla	Electric cars and renewable energy solutions	18,974	0.8
Shiseido	Japanese cosmetics manufacturer	18,577	0.8
SiteOne Landscape Supply	US distributor of landscaping supplies	18,403	0.7
Thermo Fisher Scientific	Scientific instruments, consumables and chemicals	18,357	0.7
CBRE Group	Commercial real estate operator	18,145	0.7
SMC	Producer of factory automation equipment	17,789	0.7
NVIDIA†	Graphics processing, gaming, AI technology	17,665	0.7
Schibsted	Media and classified advertising platforms	17,144	0.7
Netflix	Subscription service for TV shows and movies	15,810	0.6
Albemarle	Speciality chemicals	15,657	0.6
Epiroc	Construction and mining machinery	15,609	0.6
Coupang	South Korean ecommerce	15,523	0.6
YETI Holdings†	Outdoor lifestyle company	15,515	0.6
adidas	Sports apparel manufacturer	15,179	0.6
Moderna	Vaccine manufacturer	14,764	0.6
Sysmex	Medical testing equipment	13,623	0.6

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 29 to 32.

[U] Denotes unlisted/private company holding.

† New purchase during the period.

Name	Business	Value £'000	% of total assets *
ASM International	Semiconductor component supplier	13,260	0.5
Sands China	Macau casino operator	13,231	0.5
Estée Lauder	Global cosmetic brands business	12,217	0.5
LVMH†	French luxury goods conglomerate	12,000	0.5
Pool Corporation	Swimming pool supplies and equipment	11,955	0.5
Genmab	Biotechnology company	11,737	0.5
Stripe^U	Payments platform	11,663	0.5
ICICI Prudential Life Insurance	Life insurance services	11,612	0.5
PDD Holdings†	Chinese ecommerce	11,507	0.5
Nexans	Subsea electric cabling	11,443	0.5
Bytes Technology Group	Computer software	11,423	0.5
Samsung Electronics†	Semiconductors and consumer electronics	11,400	0.5
Comfort Systems USA†	HVAC systems and solutions	11,384	0.5
Floor & Décor Holdings	Hard flooring retailer	11,256	0.5
Topicus.com	Software and solutions	10,714	0.4
Snowflake	Cloud based data insight application	10,625	0.4
Block†	Financial technology	10,431	0.4
Epic Games^U	Gaming software developer	10,383	0.4
Howard Hughes	US real estate developer	10,298	0.4
Adevinta Asa	Media and classified advertising platforms	9,994	0.4
Redrow	Housebuilding company	9,720	0.4
Sea Limited	Gaming and ecommerce	9,718	0.4
Ashtead Group	Industrial equipment rental company	9,406	0.4
Nippon Paint†	Japanese paint manufacturing company	9,144	0.4
Advanced Micro Devices†	American multinational semiconductor company	8,840	0.4
Chewy	Online pet supplies retailer	8,801	0.4
Spotify	Online music streaming service	8,628	0.3
Bellway	Housebuilder	8,344	0.3
Datadog	Cloud based IT system monitoring application	8,187	0.3
Sartorius Stedim Biotech†	Biotechnology company, specialised equipment for research	7,706	0.3
Exact Sciences	Cancer detection and treatment	7,610	0.3
Hoshizaki Corp	Commercial kitchen equipment manufacturer	7,176	0.3

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 29 to 32.

U Denotes unlisted/private company holding.

† New purchase during the period.

Name	Business	Value £'000	% of total assets *
Certara	Drug discovery and development	6,844	0.3
Woodside Energy Group	Australian oil and gas extractor	6,762	0.3
Space Exploration Technologies[U]	Space rockets and satellites	6,675	0.3
CyberAgent	Japanese internet advertising and content	6,391	0.3
Midwich	Distributor of technology solutions	6,029	0.2
Staar Surgical	Implantable contact lenses	5,840	0.2
BIG Technologies	Electronic monitoring solutions	5,340	0.2
Persimmon	Housebuilder	5,080	0.2
Ant International[U]	Chinese online payments and financial services business	5,008	0.2
Adyen	Digital payments	4,957	0.2
Lemonade	Data and insurance	4,682	0.2
Wayfair	Online home furnishings business	4,003	0.2
Silk Invest Africa Food Fund[U]	Africa focused private equity fund	3,562	0.1
Jet2	Low cost airline	2,978	0.1
Illumina	Gene sequencing business	2,671	0.1
Farfetch	Online fashion retailer	2,580	0.1
Novocure	Biotechnology company focusing on solid tumour treatment	1,598	0.1
Illumina CVR[U]	Gene sequencing business	1,327	0.1
Sberbank of Russia	Russian commercial bank	–	–
Abiomed CVR[U]	Medical implant manufacturer	–	–
Total investments		**2,442,132**	**98.8**
Net liquid assets*		29,236	1.2
Total assets*		**2,471,368**	**100.0**
Borrowings		(189,860)	(7.7)
Shareholders' funds		**2,281,508**	**92.3**

	Listed equities %	Schiehallion Fund %	Unlisted securities # %	Net liquid assets * %	Total assets * %
31 October 2023	**94.9**	**1.5**	**2.4**	**1.2**	**100.0**
30 April 2023	94.4	2.0	1.9	1.7	100.0

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 29 to 32.

U Denotes unlisted/private company holding.

† New purchase during the period.

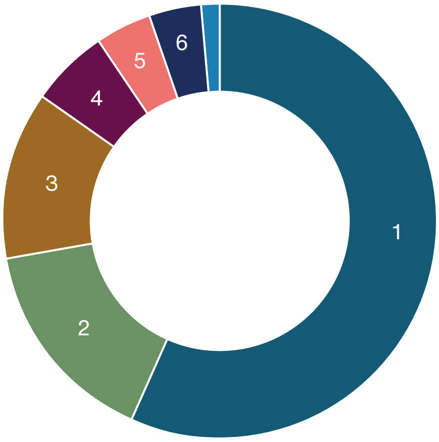
\# Includes holdings in preference shares, ordinary shares and contingent value rights (CVR).

Portfolio positioning

as at 31 October 2023*†

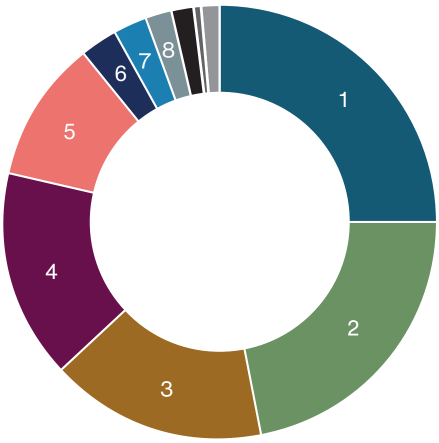
Although the Managers' approach to stock picking is resolutely 'bottom-up' in nature and pays no attention to the structure of the index, it is essential to understand the risks of each investment and, in turn, where there may be concentrations of exposures. The charts below outline the key exposures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

Geographical at 31 October 2023



	Geographical region	% at 31 October 2023	% at 30 April 2023
1	North America	56.9	52.4
2	Continental Europe	15.4	16.3
3	Emerging Markets	12.6	10.9
4	United Kingdom	5.7	8.6
5	Japan	4.3	5.2
6	Developed Asia	3.9	4.9
7	Net liquid assets	1.2	1.7

Sectoral at 31 October 2023



	Sector	% at 31 October 2023	% at 30 April 2023
1	Technology	25.2	21.6
2	Consumer discretionary	21.9	22.4
3	Financials	16.1	17.8
4	Industrials	15.5	13.3
5	Healthcare	10.7	12.5
6	Basic materials	2.6	4.0
7	Energy	2.5	2.6
8	Consumer staples	1.9	2.3
9	Real estate	1.9	1.8
10	Telecommunications	0.5	–
11	Net liquid assets	1.2	1.7

* Expressed as a percentage of total assets.

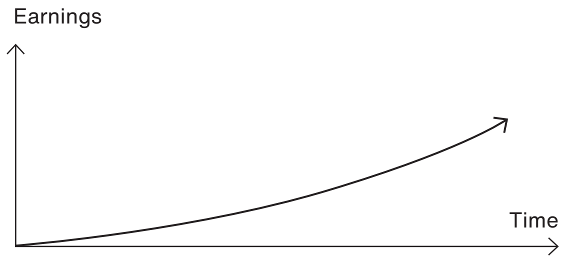
† For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 29 to 32.

Past performance is not a guide to future performance.

Investment portfolio by growth category

as at 31 October 2023*

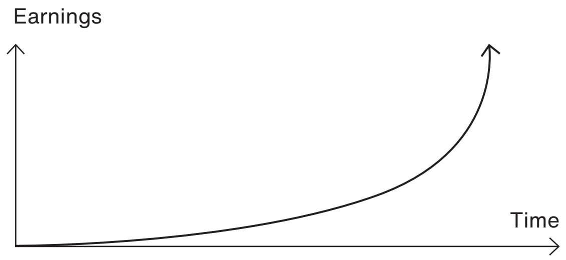
Growth stalwarts



c.10% p.a. earnings

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

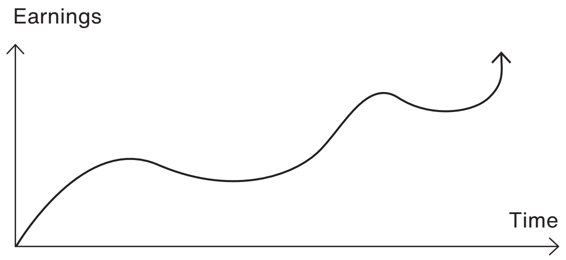
Rapid growth



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

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

Holding size	Growth stalwarts			37.7%	Rapid growth			30.8%	Cyclical growth			31.5%	Holding size
Highest conviction holdings c.2.0% each	Microsoft	3.8	MasterCard	2.1	Amazon.com	3.2	Prosus	2.2	Martin Marietta Materials	3.3	CRH	2.5	**Total in this holding size 36.7%**
	Elevance Health	3.5	Service Corporation International	2.1	Reliance Industries	2.3					Ryanair	2.0	
	Moody's	2.8	Pernod Ricard	1.9									
	Meta Platforms	2.5											
	Alphabet	2.5											
Average sized holdings c.1.0% each	AIA	1.5	S&P Global	1.1	The Schiehallion Fund	1.5	Alibaba	0.9	TSMC	1.5	Ping An Insurance	0.9	**Total in this holding size 41.4%**
	Arthur J. Gallagher	1.4	Adobe Systems	1.1	The Trade Desk	1.2	B3 Group	0.8	Royalty Pharma	1.2	Entegris	0.9	
	Analog Devices	1.2	Prudential	1.0	Li Auto	1.1	Shopify	0.8	BHP Group	1.2	Rio Tinto	0.8	
	Broadridge Financial Solutions	1.2	CoStar	0.8	MercadoLibre	1.0	Cloudflare	0.8	HDFC	1.2	Advanced Drainage Systems	0.8	
	Olympus	1.2	Shiseido	0.8	Alnylam Pharmaceuticals	1.0	ByteDance	0.8	Markel	1.0	SiteOne Landscape Supply	0.8	
			Thermo Fisher Scientific	0.7	DoorDash	0.9	Tesla	0.8	Eaton	1.0	CBRE Group	0.7	
							NVIDIA	0.7	Richemont	1.0	SMC	0.7	
							Schibsted	0.7	Charles Schwab	0.9			
									Atlas Copco	0.9			
									Teradyne	0.9			
Incubator holdings c.0.5% each	YETI Holdings	0.6	Chewy	0.4	Netflix	0.6	Datadog	0.3	Albemarle	0.6	Redrow	0.4	**Total in this holding size 21.9%**
	adidas	0.6	Sartorius Stedim Biotech	0.3	Coupang	0.6	Exact Sciences	0.3	Epiroc	0.6	Ashtead Group	0.4	
	Sysmex	0.6	Hoshizaki Corp	0.3	Moderna	0.6	Space Exploration Technologies	0.3	ASM International	0.5	Nippon Paint	0.4	
	Estée Lauder	0.5	Certara	0.3	Genmab	0.5	CyberAgent	0.3	Sands China	0.5	Bellway	0.3	
	LVMH	0.5			Stripe	0.5	Midwich	0.2	Pool Corporation	0.5	Woodside Energy Group	0.3	
	Topicus.com	0.4			ICICI Prudential Life Insurance	0.5	Staar Surgical	0.2	Nexans	0.5	Persimmon	0.2	
					PDD Holdings	0.5	BIG Technologies	0.2	Samsung Electronics	0.5	Silk Invest Africa Food Fund	0.1	
					Bytes Technology Group	0.5	Ant International	0.2	Comfort Systems USA	0.5	Jet2	0.1	
					Snowflake	0.4	Adyen	0.2	Floor & Décor Holdings	0.5	Sberbank of Russia	–	
					Block	0.4	Lemonade	0.2	Howard Hughes	0.4			
					Epic Games	0.4	Wayfair	0.2					
					Adevinta Asa	0.4	Illumina	0.1					
					Sea Limited	0.4	Farfetch	0.1					
					Advanced Micro Devices	0.4	Novocure	0.1					
					Spotify	0.4	Illumina CVR	0.1					
							Abiomed CVR	–					

* Excludes net liquid assets.

Income statement (unaudited)

	Notes	For the six months ended 31 October 2023 Revenue £'000	Capital £'000	Total £'000	For the six months ended 31 October 2022 Revenue £'000	Capital £'000	Total £'000	For the year ended 30 April 2023 (audited) Revenue £'000	Capital £'000	Total £'000
Losses on investments		–	(96,176)	**(96,176)**	–	(164,112)	**(164,112)**	–	(78,421)	**(78,421)**
Currency (losses)/gains		–	(50)	**(50)**	–	(120)	**(120)**	–	293	**293**
Income from investments and interest receivable		16,092	–	**16,092**	15,932	–	**15,932**	30,211	–	**30,211**
Investment management fee	3	(4,592)	–	**(4,592)**	(4,419)	–	**(4,419)**	(8,878)	–	**(8,878)**
Other administrative expenses		(830)	–	**(830)**	(1,000)	–	**(1,000)**	(1,833)	–	**(1,833)**
Net return before finance costs and taxation		**10,670**	**(96,226)**	**(85,556)**	**10,513**	**(164,232)**	**(153,719)**	**19,500**	**(78,128)**	**(58,628)**
Finance cost of borrowings		(3,892)	–	**(3,892)**	(3,515)	–	**(3,515)**	(7,225)	–	**(7,225)**
Net return on ordinary activities before taxation		**6,778**	**(96,226)**	**(89,448)**	**6,998**	**(164,232)**	**(157,234)**	**12,275**	**(78,128)**	**(65,853)**
Tax on ordinary activities	4	(1,219)	(559)	**(1,778)**	(863)	(183)	**(1,046)**	(1,561)	(430)	**(1,991)**
Net return on ordinary activities after taxation		**5,559**	**(96,785)**	**(91,226)**	**6,135**	**(164,415)**	**(158,280)**	**10,714**	**(78,558)**	**(67,844)**
Net return per ordinary share	5	2.44p	(42.41p)	**(39.97p)**	2.75p	(73.78p)	**(71.03p)**	4.70p	(34.47p)	**(29.77p)**

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

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

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

Balance sheet (unaudited)

	Notes	At 31 October 2023 £'000	At 30 April 2023 (audited) £'000
Fixed assets			
Investments held at fair value through profit or loss	7	2,442,132	2,574,408
Current assets			
Debtors		7,785	20,441
Cash and cash equivalents		29,072	42,191
		36,857	62,632
Creditors			
Amounts falling due within one year:			
National Australia Bank Limited Loan		(90,000)	(75,000)
Other creditors		(5,902)	(18,142)
		(95,902)	(93,142)
Net current liabilities		(59,045)	(30,510)
Total assets less current liabilities		**2,383,087**	**2,543,898**
Creditors			
Amounts falling due after more than one year:			
Loan notes	8	(99,860)	(99,858)
Provision for tax liability	9	(1,719)	(1,160)
		(101,579)	(101,018)
Net assets		**2,281,508**	**2,442,880**
Capital and reserves			
Share capital		12,659	12,659
Share premium account		433,714	433,714
Capital redemption reserve		8,700	8,700
Capital reserve		1,755,662	1,915,385
Revenue reserve		70,773	72,422
Shareholders' funds	10	**2,281,508**	**2,442,880**
Shareholders' funds per ordinary share (borrowings at book value)	10	**1,017.3p**	**1,058.5p**
Net asset value per ordinary share* (borrowings at par value)		**1,017.2p**	**1,058.5p**
Net asset value per ordinary share* (borrowings at fair value)		**1,042.1p**	**1,080.0p**
Ordinary shares in issue	10	**224,275,666**	**230,796,666**

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 29 to 32.

Statement of changes in equity (unaudited)

For the six months ended 31 October 2023

	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 2023		12,659	433,714	8,700	1,915,385	72,422	**2,442,880**
Net return on ordinary activities after taxation		–	–	–	(96,785)	5,559	**(91,226)**
Ordinary shares bought back	11	–	–	–	(62,938)	–	**(62,938)**
Dividends paid during the period	6	–	–	–	–	(7,208)	**(7,208)**
Shareholders' funds at 31 October 2023		**12,659**	**433,714**	**8,700**	**1,755,662**	**70,773**	**2,281,508**

For the six months ended 31 October 2022

	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 2022		11,823	262,183	8,700	2,129,483	66,975	**2,479,164**
Net return on ordinary activities after taxation		–	–	–	(164,415)	6,135	**(158,280)**
Ordinary shares issued/bought back	11	–	(548)	–	(98,615)	–	**(99,163)**
Dividends paid during the period	6	–	–	–	–	(5,267)	**(5,267)**
Shareholders' funds at 31 October 2022		**11,823**	**261,635**	**8,700**	**1,866,453**	**67,843**	**2,216,454**

* The Capital Reserve balance at 31 October 2023 includes holding gains on investments of £520,850,000 (31 October 2022 – gains of £598,370,000).

Condensed cash flow statement (unaudited)

	Notes	Six months to 31 October 2023 £'000	Six months to 31 October 2022 £'000
Cash flows from operating activities			
Net return on ordinary activities before taxation		(89,448)	(157,234)
Net losses on investments		96,176	164,112
Currency losses		50	120
Finance costs of borrowings		3,892	3,515
Overseas tax incurred		(1,244)	(894)
Changes in debtors and creditors		1,302	1,308
Cash from operations*		10,728	10,927
Interest paid		(3,427)	(3,443)
Net cash inflow from operating activities		**7,301**	**7,484**
Net cash inflow from investing activities		**39,429**	**90,862**
Cash flow from financing activities			
Equity dividends paid	6	(7,208)	(5,267)
Ordinary shares bought back		(67,591)	(105,473)
Borrowings drawn down		15,000	–
Net cash outflow from financing activities		**(59,799)**	**(110,740)**
Decrease in cash and cash equivalents		**(13,069)**	**(12,394)**
Exchange movements		(50)	(120)
Cash and cash equivalents at start of period		42,191	35,879
Cash and cash equivalents at end of period		**29,072**	**23,365**

* Cash from operations includes dividends received of £16,998,000 (31 October 2022 – £17,838,000) and deposit interest received of £727,000 (31 October 2022 – £94,000).

Notes to the condensed financial statements (unaudited)

01 Basis of accounting

The condensed Financial Statements for the six months to 31 October 2023 comprise the statements set out on pages 16 to 20 together with the related notes on pages 21 to 23. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in November 2014 and updated in July 2022 with consequential amendments. They have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Financial Statements for the six months to 31 October 2023 have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements at 30 April 2023.

Going concern

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

02 Financial information

The financial information contained within this Interim Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 30 April 2023 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's Report on those accounts was not qualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying its report, and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

03 Investment managers

Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed by the Company as its Alternative Investment Fund Managers (AIFM) and Company Secretary. The investment management function has been delegated to Baillie Gifford & Co. The management agreement can be terminated on six months' notice. The annual management fee is 0.45% on the first £750 million of total assets, 0.33% on the next £1 billion of total assets and 0.30% on the remaining total assets. For fee purposes, total assets is defined as the total value of all assets held less all liabilities (other than any liability in the form of debt intended for investment purposes) and excludes the value of the Company's holding in The Schiehallion Fund a closed-ended investment company managed by Baillie Gifford & Co. The Company does not currently hold any other collective investment vehicles managed by Baillie Gifford & Co. Where the Company holds investments in open-ended collective investment vehicles managed by Baillie Gifford, such as OEICs, Monks' share of any fees charged within that vehicle will be rebated to the Company. All debt drawn down during the periods under review is intended for investment purposes.

04 Tax on ordinary activities

The revenue tax charge arises from withholding tax suffered on overseas dividends. The capital tax charge results from the Provision for Tax Liability in respect of Indian capital gains tax as detailed in note 9.

05 Net return per ordinary share

	Six months to 31 October 2023 £'000	Six months to 31 October 2022 £'000	Year to 30 April 2023 (audited) £'000
Revenue return on ordinary activities after taxation	5,559	6,135	10,714
Capital return on ordinary activities after taxation	(96,785)	(164,415)	(78,558)
Total net return	**(91,226)**	**(158,280)**	**(67,844)**

Net return per ordinary share is based on the above totals of revenue and capital and on 228,211,498 (31 October 2022 – 222,840,019; 30 April 2023 – 227,887,889) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

There are no dilutive or potentially dilutive shares in issue.

06 Dividends

	Six months to 31 October 2023 £'000	Six months to 31 October 2022 £'000	Year to 30 April 2023 (audited) £'000
Amounts recognised as distributions in the period: Previous year's final dividend of 3.15p (2022 – 2.35p), paid 13 September 2023	7,208	5,267	5,267
Amounts paid and payable in respect of the period: Final dividend (2023 – 3.15p)	–	–	7,208

07 Fair value hierarchy

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

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

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

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

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

As at 31 October 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	2,347,227	36,820	–	2,384,047
Unlisted securities	–	–	58,085	58,085
Total financial asset investments	**2,347,227**	**36,820**	**58,085**	**2,442,132**

As at 30 April 2023 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	2,466,713	53,277	–	2,519,990
Unlisted securities	–	–	54,418	54,418
Total financial asset investments	**2,466,713**	**53,277**	**54,418**	**2,574,408**

07 Fair value hierarchy (continued)

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

08 Financial liabilities

At 31 October 2023 the total book value of the Company's borrowings amounted to £189,860,000 (30 April 2023 – £174,858,000). This comprised loan notes of £60m repayable in 2054 (30 April 2023 – £60m), loan notes of £40m repayable in 2045 (30 April 2023 – £40m) and £90m drawn under the revolving credit facility with National Australia Bank Limited (30 April 2023 – £75m).

The fair value of borrowings at 31 October 2023 was £134,261,000 (30 April 2023 – £125,404,000).

09 Provision for tax liability

The tax liability provision at 31 October 2023 of £1,719,000 (30 April 2023 – £1,160,000) relates to a potential liability for Indian capital gains tax that may arise on the Company's Indian investments should they be sold in the future, based on the net unrealised taxable capital gain at the period end and on enacted Indian tax rates. The amount of any future tax amounts payable may differ from this provision, depending on the value and timing of any future sales of such investments and future Indian tax rates.

10 Shareholders' funds

	31 October 2023	**30 April 2023**
Shareholders' funds	£2,281,508,000	£2,442,880,000
Number of ordinary shares in issue excluding treasury shares	224,275,666	230,796,666
Shareholders' funds per ordinary share	1,017.3p	1,058.5p

The shareholders' funds figures above have been calculated after deducting borrowings at book value, in accordance with the provisions of FRS 104. Reconciliations between shareholders' funds and net asset values, calculated after deducting borrowings at par value and fair value, are shown on page 29.

11 Share capital

In the six months to 31 October 2023 the Company bought back 6,521,000 ordinary shares into treasury (31 October 2022 – 9,796,244 shares bought back). No shares were issued during the period and 28,895,794 shares were held in treasury at 31 October 2023. At 31 October 2023, the Company had authority to buy back 31,323,652 shares and to allot, or sell from treasury, 22,988,666 shares.

12 Related party transactions

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

Baillie Gifford's approach to valuing private companies

We aim to hold our private company investments at 'fair value' i.e., the price that would be paid in an open-market transaction. Valuations are adjusted both during regular valuation cycles and on an ad hoc basis in response to 'trigger events'. Our valuation process ensures that private companies are valued in both a fair and timely manner.

The valuation process is overseen by a valuations group at Baillie Gifford which takes advice from an independent third party (S&P Global). The valuations group is independent from the investment team, with all voting members being from different operational areas of the firm, and the portfolio managers only receive final valuation notifications once they have been applied.

We revalue the private holdings on a three-month rolling cycle, with one-third of the holdings reassessed each month. During stable market conditions, and assuming all else is equal, each investment would be valued four times in a twelve month period. For investment trusts, the prices are also reviewed twice per year by the respective investment trust boards and are subject to the scrutiny of external auditors in the annual audit process.

Recent market volatility has meant that recent pricing has moved much more frequently than would have been the case with the quarterly valuations cycle.

Beyond the regular cycle, the valuations team also monitors the portfolio for certain 'trigger events'. These may include: changes in fundamentals; a takeover approach; an intention to carry out an Initial Public Offering (IPO); company news which is identified by the valuation team or by the portfolio managers or significant changes to the valuation of comparable public companies. Any ad hoc change to the fair valuation of any holding is implemented swiftly and reflected in the next published NAV. There is no delay.

The valuations team also monitors relevant market indices on a weekly basis and updates valuations in a manner consistent with our external valuer's (S&P Global) most recent valuation report where appropriate. When market volatility is particularly pronounced the team undertakes these checks daily.

In addition to the 2.4% of the portfolio holdings in direct private company investments, 1.5% of the portfolio is in The Schiehallion Fund, a closed ended investment company investing predominantly in private companies, which Monks values by reference to its market price.

Further shareholder information

Company history

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

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

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

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

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

How to invest

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

Sources of further information on the Company

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

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

Client relations team contact details

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

Share register enquiries

Computershare Investor Services PLC maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the Registrars on 0370 707 1170.

Dividend reinvestment plan

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

Automatic exchange of information

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

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

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

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

Third party data provider disclaimer

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FTSE Index Data

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Sustainable Finance Disclosure Regulation ('SFDR')

The EU Sustainable Finance Disclosure Regulation ('SFDR') does not have a direct impact in the UK due to Brexit, however, it applies to third-country products marketed in the EU. As The Monks Investment Trust PLC is marketed in the EU by the AIFM, BG & Co Limited, via the National Private Placement Regime ('NPPR') the following disclosures have been provided to comply with the high-level requirements of SFDR.

The AIFM has adopted Baillie Gifford & Co's Governance and Sustainable Principles and Guidelines as its policy on integration of sustainability risks in investment decisions.

Baillie Gifford & Co's approach to investment is based on identifying and holding high quality growth businesses that enjoy sustainable competitive advantages in their marketplace. To do this it looks beyond current financial performance, undertaking proprietary research to build up an in-depth knowledge of an individual company and a view on its long-term prospects. This includes the consideration of sustainability factors (environmental, social and/or governance matters) which it believes will positively or negatively influence the financial returns of an investment.

More detail on the Investment Managers' approach to sustainability can be found in the Governance and Sustainability Principles and Guidelines document, available publicly on the Baillie Gifford website **bailliegifford.com**.

Taxonomy Regulation

The Taxonomy Regulation establishes an EU-wide framework or criteria for environmentally sustainable economic activities in respect of six environmental objectives. It builds on the disclosure requirements under SFDR by introducing additional disclosure obligations in respect of Alternative Investment Funds that invest in an economic activity that contributes to an environmental objective.

The Company does not commit to make sustainable investments as defined under SFDR. As such, the underlying investments do not take into account the EU criteria for environmentally sustainable economic activities.

Glossary of terms and alternative performance measures ('APM')

Total assets

This is the Company's definition of adjusted total assets, being the total value of all assets held less all liabilities (other than liabilities in the form of borrowings).

Shareholders' funds

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

Net Asset Value (APM)

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

Net Asset Value (borrowings at par value) (APM)

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

	31 October 2023 £'000	31 October 2023 per share	30 April 2023 £'000	30 April 2023 per share
Shareholders' funds (borrowings at book value)	2,281,508	1,017.3p	2,442,880	1,058.5p
Add: book value of borrowings	189,860	84.6p	174,858	75.8p
Less: par value of borrowings	(190,000)	(84.8p)	(175,000)	(75.8p)
Net asset value (borrowings at par value)	**2,281,368**	**1,017.2p**	**2,442,738**	**1,058.5p**

The per share figures above are based on 224,275,666 (30 April 2023 – 230,796,666) ordinary shares of 5p, being the number of ordinary shares in issue at the period end excluding treasury shares.

Net Asset Value (borrowings at fair value) (APM)

Borrowings are valued at an estimate of market worth. The fair values of the loan notes are calculated using a comparable debt approach, by reference to a basket of corporate debt. The fair value of the Company's short term bank borrowings is equivalent to its book value.

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

	31 October 2023 £'000	31 October 2023 per share	30 April 2023 £'000	30 April 2023 per share
Shareholders' funds (borrowings at book value)	2,281,508	1,017.3p	2,442,880	1,058.5p
Add: book value of borrowings	189,860	84.6p	174,858	75.8p
Less: fair value of borrowings	(134,261)	(59.9p)	(125,404)	(54.3p)
Net asset value (borrowings at fair value)	**2,337,107**	**1,042.1p**	**2,492,334**	**1,080.0p**

The per share figures above are based on 224,275,666 (30 April 2023 – 230,796,666) ordinary shares of 5p, being the number of ordinary shares in issue at the period end excluding treasury shares.

Net liquid assets

Net liquid assets comprise current assets less current liabilities (excluding borrowings) and provisions for deferred liabilities.

Discount/premium (APM)

As stock markets 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.

		31 October 2023	30 April 2023
Closing NAV per share (borrowings at par)	(a)	1,017.2p	1,058.5p
Closing NAV per share (borrowings at fair value)	(b)	1,042.1p	1,080.0p
Closing share price	(c)	901.0p	975.0p
Discount to NAV with borrowings at par	(c - a) ÷ a	**(11.4%)**	**(7.9%)**
Discount to NAV with borrowings at fair value	(c - b) ÷ b	**(13.5%)**	**(9.7%)**

Active share (APM)

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

Total return (APM)

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

Net Asset Value total return

		31 October 2023 NAV (par)	31 October 2023 NAV (fair)
Closing NAV per share	(a)	1,017.2p	1,042.1p
Dividend adjustment factor*	(b)	1.0028	1.0026
Adjusted closing NAV per share	(c = a x b)	1,020.0p	1,044.8p
Opening NAV per share	(d)	1,058.5p	1,080.0p
Total return	(c ÷ d) -1	**(3.6%)**	**(3.3%)**

* The dividend adjustment factor is calculated on the assumption that the dividend of 3.15p paid by the Company during the period was reinvested into shares of the Company at the cum income NAV at the ex-dividend date.

Share price total return

		31 October 2023 share price
Closing share price	(a)	901.0p
Dividend adjustment factor*	(b)	1.0031
Adjusted closing share price	(c = a x b)	903.8p
Opening share price	(d)	975.0p
Total return	(c ÷ d) -1	**(7.3%)**

* The dividend adjustment factor is calculated on the assumption that the dividend of 3.15p paid by the Company during the period was reinvested into shares of the Company at the share price at the ex-dividend date.

Gearing (APM)

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

Gross gearing, also referred to as potential gearing is the Company's borrowings expressed as a percentage of shareholders' funds (a ÷ c in the table below).

Net gearing, also referred to as invested gearing is borrowings at book value less cash and cash equivalents (any certificates of deposit are not deducted) and brokers' balances expressed as a percentage of shareholders' funds (b ÷ c in the table below)*.

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.

		31 October 2023	30 April 2023
Borrowings (at book cost)	(a)	£189,860,000	£174,858,000
Less: cash and cash equivalents		(£29,072,000)	(£42,191,000)
Less: sales for subsequent settlement		(£5,096,000)	(£16,520,000)
Add: purchases for subsequent settlement		£1,801,000	£14,546,000
Adjusted borrowings	(b)	£157,493,000	£130,693,000
Shareholders' funds	(c)	£2,281,508,000	£2,442,880,000
Gross (potential) gearing	(a ÷ c)	**8.3%**	**7.2%**
Net (invested) gearing	(b ÷ c)	**6.9%**	**5.3%**

Unlisted, unquoted and private company investments

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

Treasury shares

The Company has the authority to make market purchases of its ordinary shares for retention as treasury shares for future reissue, resale, transfer, or for cancellation. Treasury shares do not receive distributions and the Company is not entitled to exercise the voting rights attaching to them.

Turnover

Turnover is a measure of portfolio change or trading activity. Monthly turnover is calculated as the minimum of purchases and sales in a month, divided by the average market value of the fund. Monthly numbers are added together to get the rolling 12 month turnover data.

Company information

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CM Boyle
Dr D Chaya
BJ Richards
Professor Sir Nigel Shadbolt
JJ Tigue

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monksinvestmenttrust.co.uk

Company Registration No. 00236964

ISIN: GB0030517261

Sedol: 3051726

Ticker: MNKS

Legal Entity Identifier
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