



Manchester and London Investment Trust Public Limited Company

HALF-YEARLY REPORT
FOR THE SIX MONTHS ENDED
31 JANUARY 2020

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SUMMARY OF RESULTS

	At 31 January 2020	At 31 July 2019	Change
Net assets attributable to Shareholders (£'000)	189,178	166,981	13.3%
Net asset value ("NAV") per Ordinary Share (pence)	580.11	568.66	2.0%

	Six months to 31 January 2020
Total return to Shareholders*	3.4%
Benchmark - MSCI UK Investable Market Index (MXGBIM)*	(0.8%)

* Total NAV return including dividends reinvested, as sourced from Bloomberg.

	Six months to 31 January 2020	Six months to 31 January 2019	Change
Interim dividend per Ordinary Share (pence)	7.00	6.00	16.67%

Dates for the interim dividend

Ex-dividend date	9 April 2020
Record date	14 April 2020
Payment date	5 May 2020

CHAIRMAN'S STATEMENT

Results for the half year ended 31 January 2020

During the half year under review, the **total NAV per Share return was 3.4 per cent**, compared to a **decrease in the benchmark of 0.8 per cent**. The Manager's Report sets out the reasons for this outperformance against the benchmark, but the portfolio has remained focused on stocks with business models that are aligned with key forward-looking trends. The outperformance against the benchmark was achieved despite an 8.6 per cent increase in the value of the British Pound compared to the US Dollar, which was a material FX translation headwind for the portfolio's NAV per Share return.

Dividends

With these results, we have announced an interim dividend of 7 pence per Ordinary Share. This is an increase of over 16 per cent (31 January 2019: 6.0 pence per Ordinary Share).

Other

After entering the FTSE Small Cap Index in June 2019, we have moved up the index table to being ranked as the 212th largest company in that index as at the end of February.

The fund was shortlisted for, but did not win, the 2019 Citywire Investment Trust awards in the Global Equities section.

Outlook

Key variables for our second half performance are likely to be the extent of economic disruption from Covid-19, the upcoming US election, the trajectory of Central Bank balance sheets, movements in the US Sovereign Yield curve and the regulation of Technology companies globally. As the Manager says: "the longer-term Journey will continue through the Era of Software." Do not forget to consider the fund for this year's ISA allowance.

David Harris

Chairman

19 March 2020

MANAGER'S REPORT

Portfolio management

The portfolio delivered a **4.2 per cent** outperformance against the benchmark.

The Total return of the portfolio broken down by sector holdings in local currency (excluding costs and foreign exchange) is shown below:

Total return of underlying sector holdings in local currency (excluding costs and foreign exchange)

Information technology	7.3%
Consumer services	3.1%
Consumer discretionary	2.6%
Other investments (including beta hedges)	(1.9%)
Foreign exchange, costs & carry	(7.7%)
Total NAV per Share return	3.4%

Source: Bloomberg L.P.

Information Technology

The Information Technology sector had a positive half year, illustrated by the Nasdaq rising low double digits over the period. Material positive contributors to the portfolio's performance included **Microsoft Corporation, Salesforce.com Inc., NVIDIA Corporation, Adobe Inc., Visa Inc.** and **Mastercard Inc.** There were no material negative contributors.

The portfolio's delta-adjusted exposure to the sector at period end was around **41 per cent** of net assets.

Communication Services

Material positive contributors from the sector for the portfolio included **Alphabet Inc.** and **Facebook, Inc.** There were no material negative contributors.

The portfolio's delta-adjusted exposure to the sector at period end was around **26 per cent** of net assets.

Consumer Discretionary

Key positive performers were **Alibaba Group Holding Ltd** and **Amazon.com, Inc.** The only material negative contributor was **Expedia Group Inc.** which was disposed of during the period.

Overall, the portfolio's delta-adjusted exposure to the sector at period end was around **20 per cent** of net assets, of which the vast majority relates to Amazon and Alibaba.

Other investments including beta hedges

Other investments, primarily beta hedges, represented around minus 18 percent of the portfolio's delta-adjusted exposure of net assets. It should be expected that these hedges perform adversely in a rising market as their role is to provide some downside protection in a falling market. It should be noted that since opening the average local currency return on these short positions was lower than

that of the portfolio's long positions, hence these hedges have been seen as working as intended. With the arrival of Covid-19, we have closed all the hedge positions in a profit.

A more up to date analysis of our portfolio can be found in our Fund Factsheets: <https://mlcapman.com/manchester-london-investment-trust-plc/>

Long the Future: <https://mlcapman.com/about/>

M&L Capital Management Limited

Manager

@MLCapMan

19 March 2020

EQUITY EXPOSURES

Equity exposures (longs)

As at 31 January 2020

Company	Sector*	Valuation	% of net assets
Amazon.com, Inc.	Consumer Discretionary	28,768	15.21
Microsoft Corporation**	Information Technology	28,279	14.95
Alphabet Inc.**	Communication Services	26,393	13.95
Alibaba Group Holding Ltd**	Consumer Discretionary	19,463	10.29
Facebook, Inc.**	Communication Services	16,526	8.74
Salesforce.com, inc.**	Information Technology	14,057	7.43
Tencent Holdings Ltd**	Communication Services	12,200	6.45
VISA Inc.	Information Technology	12,180	6.44
Adobe Inc.**	Information Technology	11,786	6.23
Mastercard Inc.**	Information Technology	10,892	5.76
NVIDIA Corporation**	Information Technology	6,860	3.63
Paypal Holdings Inc.**	Information Technology	6,466	3.42
The Walt Disney Company**	Communication Services	5,844	3.09
M&L SAAS**	CFD*** Basket	5,017	2.65
Polar Capital Technology Trust plc	Information Technology	4,566	2.41
Match Group, Inc**	Communication Services	4,397	2.32
Dassault Systèmes SE**	Information Technology	3,952	2.09
Synopsys, Inc.**	Information Technology	3,933	2.08
LVMH Moët Hennessy - Louis Vuitton SE**	Consumer Discretionary	3,456	1.83
L&G Cyber Security UCITS ETF	Information Technology	2,074	1.10
Vaneck Video Gaming Esports	Communication Services	204	0.11
SPDR S&P Health Care Equipment ETF	Other	100	0.05
Zynga Inc.	Communication Services	29	0.01
Total long equities exposure		227,442	120.24
Unlisted debentures		137	0.07
Total long positions		227,579	120.31
Short positions exposure > 1%			
MSMLEURC**	CFD Basket	(6,201)	(3.28)
M&L Weak Pricing Power Basket**	CFD Basket	(5,174)	(2.73)
US BBB Downgrade Basket**	CFD Basket	(4,627)	(2.45)
MSMNCBBB**	CFD Basket	(4,616)	(2.44)
EU O&G Exposed Cap Goods**	CFD Basket	(4,304)	(2.28)
EU Low quality**	CFD Basket	(4,274)	(2.26)
Total short position exposure > 1 %		(29,196)	(15.44)
Cash and other assets and liabilities		(9,205)	(4.87)
Net assets		189,178	100.00

* GICS – Global Industry Classification Standard.

** Including equity swap exposures.

*** CFD – Contract for differences

INTERIM MANAGEMENT REPORT

The important events that have occurred during the period under review and the key factors influencing the financial statements are set out in the Chairman's Statement on page 3 and the Manager's Report on pages 4 and 5.

The principal risks facing the Company are substantially unchanged since the date of the latest Annual Report and Financial Statements and continue to be as set out in the Strategic Report and note 16 of that report. Risks faced by the Company include, but are not limited to, investment performance risk; key man risk and reputational risk; fund valuation risk; risk associated with engagement of third-party service providers; regulatory risk; fiduciary risk; fraud risk; market risk; interest rate risk; liquidity risk; currency rate risk; and credit and counterparty risk. Details of the Company's management of these risks are set out in the Annual Report and Financial Statements.

M&M Investment Company plc is the controlling Shareholder of the Company. This company was controlled throughout the six months ended 31 January 2020, and continues to be controlled by Mark Sheppard, who forms part of the investment management team at M&L Capital Management Limited. Details of related party disclosures are set out in note 7 of this Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union; and gives a true and fair view of the assets, liabilities, financial position and return of the Company; and
- this Half-Yearly Report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

This Half-Yearly Report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

David Harris
Chairman

19 March 2020

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2020

	(Unaudited) Six months ended 31 January 2020			(Unaudited) Six months ended 31 January 2019			(Audited) Year ended 31 July 2019		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gains / (losses) on investments at fair value through profit or loss	(305)	8,938	8,633	-	(8,622)	(8,498)	-	17,777	17,694
Investment income	400	-	400	487	-	363	749	-	832
Gross return	95	8,938	9,033	487	(8,622)	(8,135)	749	17,777	18,526
Expenses									
Management fee	(673)	-	(673)	(522)	-	(522)	(1,115)	-	(1,115)
Other operating expenses	(245)	-	(245)	(179)	-	(179)	(406)	-	(406)
Total expenses	(918)	-	(918)	(701)	-	(701)	(1,521)	-	(1,521)
Return before finance costs and taxation	(823)	8,938	8,115	(214)	(8,622)	(8,836)	(772)	17,777	17,005
Finance costs	(15)	(956)	(971)	(14)	(440)	(454)	(37)	(1,020)	(1,057)
Return on ordinary activities before tax	(838)	7,982	7,144	(228)	(9,062)	(9,290)	(809)	16,757	15,948
Taxation	(38)	-	(38)	(24)	-	(24)	(48)	-	(48)
Return on ordinary activities after tax	(876)	7,982	7,106	(252)	(9,062)	(9,314)	(857)	16,757	15,900
Return per Ordinary Share: Basic and fully diluted (pence)	(2.88)	26.20	23.32	(0.98)	(35.34)	(36.32)	(3.17)	61.92	58.75

The total column of this statement represents the Condensed Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union. The supplementary revenue and capital columns are both prepared under the Statement of Recommended Practice published by the Association of Investment Companies ("AIC SORP").

All items in the above statement are derived from continuing operations. No operations were acquired or discontinued during the period.

There is no other comprehensive income, and therefore the return for the period after tax is also the total comprehensive income.

The notes on pages 12 to 15 form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2020

For the six months from 1 August 2019 to 31 January 2020 (unaudited)	Share capital £'000	Share premium £'000	Capital reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 August 2019	7,341	68,987	73,365	17,288	166,981
Total comprehensive income / (loss)	-	-	7,982	(876)	7,106
Shares issued	812	16,888	-	-	17,700
Equity dividends paid	-	-	-	(2,609)	(2,609)
Balance at 31 January 2020	8,153	85,875	81,347	13,803	189,178

For the six months from 1 August 2018 to 31 January 2019 (unaudited)	Share capital £'000	Share premium £'000	Capital reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 August 2018	6,118	45,606	56,608	22,056	130,388
Total comprehensive income / (loss)	-	-	(9,062)	(252)	(9,314)
Shares issued	784	14,682	-	-	15,466
Equity dividends paid	-	-	-	(2,209)	(2,209)
Balance at 31 January 2019	6,902	60,288	47,546	19,595	134,331

For the year from 1 August 2018 to 31 July 2019 (audited)	Share capital £'000	Share premium £'000	Capital reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 August 2018	6,118	45,606	56,608	22,056	130,388
Total comprehensive income / (loss)	-	-	16,757	(857)	15,900
Shares issued	1,223	23,381	-	-	24,604
Equity dividends paid	-	-	-	(3,911)	(3,911)
Balance at 31 July 2019	7,341	68,987	73,365	17,288	166,981

The notes on pages 12 to 15 form part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 January 2020

	(Unaudited) 31 January 2020 £'000	(Unaudited) 31 January 2019 £'000	(Audited) 31 July 2019 £'000
Non-current assets			
Investments held at fair value through profit and loss	130,406	96,879	132,059
Current assets			
Unrealised derivative assets	16,929	3,341	8,887
Trade and other receivables	35	5,465	137
Cash and cash equivalents	52,419	35,479	32,880
	69,383	44,285	41,904
Gross assets	199,789	141,164	173,963
Current liabilities			
Unrealised derivative liabilities	(10,355)	(2,785)	(6,512)
Trade and other payables	(256)	(4,048)	(470)
	(10,611)	(6,833)	(6,982)
Net assets	189,178	134,331	166,981
Equity attributable to equity holders			
Ordinary Share capital	8,153	6,902	7,341
Share premium	85,875	60,288	68,987
Capital reserves	81,347	47,546	73,365
Retained earnings	13,803	19,595	17,288
Total equity Shareholders' funds	189,178	134,331	166,981
Net asset value per Ordinary Share (pence)	580.11	486.58	568.66

The notes on pages 12 to 15 form part of these financial statements.

CONDENSED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2020

	Six months to 31 January 2020 (Unaudited) £'000	Six months to 31 January 2019 (Unaudited) £'000	Year ended 31 July 2019 (Audited) £'000
Cash flow from operating activities			
Return on operating activities before tax	7,144	(9,290)	15,948
Interest expense	971	454	1,057
(Gains) / losses on investments held at fair value through profit or loss	(10,346)	8,720	(16,649)
(Increase) / decrease in receivables	102	(2,208)	(106)
(Decrease) / increase in payables	(32)	(37)	34
Derivative instruments cash flows	(110)	(2,861)	(2,334)
Tax paid	(38)	(24)	(48)
Net cash generated from operating activities	(2,309)	(5,246)	(2,098)
Cash flow from investing activities			
Purchase of investments	(11,079)	(23,850)	(57,456)
Sale of investments	18,989	21,279	45,000
Net cash used in investing activities	7,910	(2,571)	(12,456)
Cash flow from financing activities			
Equity dividends paid	(2,609)	-	(3,911)
Share issue	17,700	15,466	24,604
Interest paid	(1,153)	(28)	(1,117)
Net cash generated from financing activities	13,938	15,438	19,576
Net increase in cash and cash equivalents	19,539	7,621	5,022
Cash and cash equivalents at the beginning of the period	32,880	27,858	27,858
Cash and cash equivalents at the end of the period	52,419	35,479	32,880

The notes on pages 12 to 15 form part of these financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Significant accounting policies

Basis of preparation

The condensed financial statements of the Company have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by the EU.

The accounting policies used by the Company are as set out in the Annual Report for the year ended 31 July 2019.

Going concern

The financial statements have been prepared on the going concern basis and on the basis that approval as an investment trust will continue to be met.

The Directors have made an assessment of the Company’s ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future (being a period of 12 months from the date these financial statements were approved). Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern, having taken into account the liquidity of the Company’s investment portfolio and the Company’s financial position in respect of its cash flows, borrowing facilities and investment commitments.

Comparative information

The financial information contained in this Half-Yearly Report does not constitute statutory accounts as defined by the Companies Act 2006. The financial information for the periods ended 31 January 2020 and 31 January 2019 have not been audited or reviewed by the Company’s Auditors. The comparative figures for the year ended 31 July 2019 are an extract from the latest published audited statements and do not constitute the Company’s statutory accounts for that financial year. Those accounts have been reported on by the Company’s Auditor and delivered to the Registrar of Companies. The report of the Auditor was unqualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report, and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

2. Return per Ordinary Share

Returns per Ordinary Share are based on the weighted average number of Shares in issue during the period. Normal and diluted return per Share are the same as there are no dilutive elements of share capital.

	Six months to 31 January 2020 (unaudited)		Six months to 31 January 2019 (unaudited)		Year ended 31 July 2019 (audited)	
	Net return £’000	Per Share pence	Net return £’000	Per Share Pence	Net Return £’000	Per Share Pence
Return on ordinary activities after tax						
Revenue	(876)	(2.88)	(252)	(0.98)	(857)	(3.17)
Capital	7,982	26.20	(9,062)	(35.34)	16,757	61.92
Total return on ordinary activities	7,106	23.32	(9,314)	(36.32)	15,900	58.75
Weighted average number of Ordinary Shares	30,470,490		25,639,432		27,061,801	

3. Share capital

Six months to

Six months to

Year ended

25p Ordinary Shares	31 January 2020 (unaudited)		31 January 2019 (unaudited)		31 July 2019 (audited)	
	Number	£'000	Number	£'000	Number	£'000
Opening Ordinary Shares in issue	29,363,930	7,341	24,471,985	6,118	24,471,985	6,118
Shares issued	3,246,808	812	3,135,007	784	4,891,945	1,223
Closing Ordinary Shares in issue	32,610,738	8,153	27,606,992	6,902	29,363,930	7,341

The Company's Share capital comprises Ordinary Shares of 25p each with one vote per Share. At 31 January 2020, no Shares were held in treasury (31 January 2019: none; 31 July 2019: none). During the six months to 31 January 2020, no Shares were bought into or sold from treasury (six months to 31 January 2019: none; year ended 31 July 2019: none).

During the six months to 31 January 2020, the Company issued 3,246,808 Ordinary Shares (six months to 31 January 2019: 3,135,007; year ended 31 July 2019: 4,891,945), with net consideration of £17,700,000 (six months to 31 January 2019: £15,466,000; year ended 31 July 2019: £24,604,000).

4. Dividends per Ordinary Share

The Board has declared an interim dividend of 7p per Ordinary Share (2019: interim dividend of 6.0p per Ordinary Share) which will be paid on 5 May 2020 to Shareholders registered at the close of business on 14 April 2020.

This dividend has not been included as a liability in these financial statements.

5. Net asset value per Ordinary Share

Net asset value per Ordinary Share is based on net assets of £189,178,000 (31 January 2019: £134,331,000; 31 July 2019: £166,981,000) at the period end and 32,610,738 (31 January 2019: 27,606,992; 31 July 2019: 29,363,930) Ordinary Shares in issue at the period end.

6. Fair value hierarchy

The Company measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value is the amount at which the asset could be sold in an ordinary transaction between market participants, at the measurement date, other than a forced or liquidation sale.

The Company measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements. Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 – valued using quoted prices, unadjusted in active markets for identical assets and liabilities.
- Level 2 – valued by reference to valuation techniques using observable inputs for the asset or liability other than quoted prices included in Level 1.
- Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data for the asset or liability.

The tables below set out fair value measurement of financial instruments, by the level in the fair value hierarchy into which the fair value measurement is categorised.

Financial assets at fair value through profit or loss at 31 January 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	130,269	-	-	130,269
Debentures	-	137	-	137

Derivatives – assets	-	16,929	-	16,929
Total	130,269	17,066	-	147,335

Financial assets at fair value through profit or loss at 31 January 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	96,655	-	-	96,655
Debentures	-	224	-	224
Derivatives – assets	-	3,341	-	3,341
Total	96,655	3,565	-	100,220

Financial assets at fair value through profit or loss at 31 July 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	132,023	-	-	132,023
Debentures	-	36	-	36
Derivatives – assets	-	8,887	-	8,887
Total	132,023	8,923	-	140,946

There have been no transfers during the period between Level 1 and 2 fair value measurements and no transfers into or out of Level 3 fair value measurement.

Financial liabilities at fair value through profit or loss at 31 January 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Derivatives – liabilities	-	10,355	-	10,355

Financial liabilities at fair value through profit or loss at 31 January 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Derivatives – liabilities	-	2,785	-	2,785

Financial liabilities at fair value through profit or loss at 31 July 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Derivatives – liabilities	-	6,512	-	6,512

7. Transactions with the Manager and related parties

M&L Capital Management Limited (“MLCM”), a company controlled by Mark Sheppard, acts as Manager to the Company. On 17 January 2018, MLCM was appointed as the AIFM of the Company. Mark Sheppard is also a director of M&M Investment Company plc (“MMIC”) which is the controlling Shareholder of the Company.

Prior to the appointment of MLCM as AIFM on 17 January 2018, the annual fee payable to the Manager was 0.5% of the Company’s NAV, payable quarterly in arrears. Subsequent to the appointment as the AIFM, an additional Risk Management and Valuation fee equating to £59,000 on an annualised basis is charged to the Company.

In May 2018, the fee arrangement was revised. Under the new agreement, the fee payable to the Manager is equal to 0.5% per annum of the Company’s NAV (the “Base Fee”), calculated as at the last business day of each calendar month (the “Calculation Date”), and is paid monthly in arrears. An uplift of 0.25% of the NAV will be applied to the fee, should the performance of the Company over the 36-month period to the Calculation Date be above that of the Company’s benchmark. Should the performance of the Company over the 36-month period to the Calculation Date be below that of the Company’s benchmark, the fee will be reduced to the lower adjusted amount of 0.25% of the NAV. In addition, the Risk Management and Valuation fee equating to £59,000 on an annualised basis continues to be charged by the AIFM. The Manager is also reimbursed any expenses incurred by

it on behalf of the Company. Total fees charged by the Manager for the six months to 31 January 2020 were £673,406 (six months to 31 January 2019: £522,000; year ended 31 July 2019: £1,115,000), of which £125,000 was outstanding as at 31 January 2020.

Management fees are charged to revenue as set out in the Condensed Statement of Comprehensive Income.

During the period, MMIC subscribed for additional Ordinary Shares of 25 pence each on the dates indicated below:

Date of subscription	Number of shares	Price paid (pence)	Total consideration paid
01/10/2019	807,573	535.00	4,321,000
10/12/2019	781,985	547.10	4,278,000
23/12/2019	1,500,000	550.10	8,251,000
14/01/2020	157,250	580.50	913,000

Following these transactions, MMIC was interested in a total of 32,610,738 Ordinary Shares of 25 pence each in the Company, representing 58.14% of the issued share capital. As at 31 January 2020, MMIC was interested in a total of 18,565,165 Ordinary Shares of 25 pence each in the Company, representing 56.93% of the issued share capital.

The fees payable to Directors are set out in the 2019 Annual Report.

There were no other related party transactions in the period.

8. Post Statement of Financial Position event

On 18 February 2020, MMIC subscribed for 1,250,000 new Ordinary Shares for a total consideration of £7,619,000. Following this transaction and as at the date of this report, the Company has 33,860,738 Ordinary Shares in Issue, none of which are held in treasury. As at the date of this report, MMIC holds 19,740,165 Ordinary Shares, representing 58.30% of the issued share capital.

There were no other significant events since the end of the reporting period.

INVESTMENT OBJECTIVE

The investment objective of the Company is to achieve capital appreciation together with a reasonable level of income.

INVESTMENT POLICY

Asset allocation

The Company's investment objective is sought to be achieved through a policy of actively investing in a diversified portfolio, comprising UK and/or overseas equities and fixed interest securities. The Company seeks to invest in companies whose shares are admitted to trading on a regulated market. However, it may invest in a small number of equities and fixed interest securities of companies whose capital is not admitted to trading on a regulated market. Investment in overseas equities is utilised by the Company to increase the risk diversification of the Company's portfolio and to reduce dependence on the UK economy in addressing the growth and income elements of the Company's investment objective.

The Company may invest in derivatives, money market instruments, currency instruments, contracts for differences ("CFDs"), futures, forwards and options for the purposes of (i) holding investments; and (ii) hedging positions against movements in, for example, equity markets, currencies and interest rates.

There are no maximum exposure limits to any one particular classification of equity or fixed interest security. The Company's investments are not limited to any one industry sector and its current investment portfolio is spread across a range of sectors. The Company has no specific criteria regarding market capitalisation or credit ratings in respect of investee companies.

Risk diversification

The Company intends to maintain a relatively focused portfolio, seeking capital growth by investing in approximately 20 to 40 securities. The Company will not invest more than 15% of the gross assets of the Company at the time of investment in any one security. However, the Company may invest up to 50% of the gross assets of the Company at the time of investment in an investment company subsidiary, subject always to other restrictions set out in this investment policy and the Listing Rules.

The Company intends to be fully invested whenever possible. However, during periods in which changes in economic conditions or other factors so warrant, the Manager may reduce the Company's exposure to one or more asset classes and increase the Company's position in cash and/or money market instruments.

Gearing

The Company may borrow to gear the Company's returns when the Manager believes it is in Shareholders' interests to do so. The Company's investment policy and the Articles permit the Company to incur borrowing up to a sum equal to two times the adjusted total of capital and reserves. Any change to the Company's borrowing policy will only be made with the approval of Shareholders by special resolution.

The effect of gearing may be achieved without borrowing by investing in a range of different types of investments including derivatives. The Company will not enter into any investments which have the effect of increasing the Company's net gearing beyond the above limit.

INVESTMENT POLICY (continued)

General

In addition to the above, the Company will observe the investment restrictions imposed from time to time by the Listing Rules which are applicable to investment companies with shares listed on the Official List of the Financial Conduct Authority (“FCA”) under Chapter 15.

In accordance with the Listing Rules, the Company will manage and invest its assets in accordance with the Company’s investment policy. Any material changes in the principal investment policies and restrictions (as set out above) of the Company will only be made with the approval of Shareholders by ordinary resolution.

In the event of any breach of the investment restrictions applicable to the Company, Shareholders will be informed of the remedial actions to be taken by the Board and the Manager by an announcement issued through a regulatory information service approved by the FCA.

Investment Strategy and Style

The fund’s portfolio is constructed with flexibility but is more often than not focused on stock that exhibit the attributes of growth.

Target Benchmark

The Company was originally set up by Brian Sheppard as a vehicle for British retail investors to invest in with the hope that total returns would exceed the total returns on the UK equity market. Hence, the benchmark the Company uses to assess performance is one of the many available UK equity indices being the MSCI UK Investable Market Index (MXGBIM). The Company is not set on just using this index for the future and currently uses this particular UK index because at the current time it is viewed as the most cost advantageous. However, once the Company announces the use of an index, then this index will be used across all of the Company’s documentation.

Investments for the portfolio are not selected from constituents of this index and hence the investment remit is in no way constrained by the index, although the Manager’s management fee is varied depending on performance against the benchmark. It is suggested that Shareholders review the Company’s Active Share Ratio that is on the fund factsheets as this illustrates to what degree the holdings in the portfolio vary from the underlying benchmark.

Environmental, Social, Community and Governance

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.

Every year a number of Shareholders who win the All England Lawn Tennis Wimbledon Championship debenture ticket draw do not come forward and claim their tickets by the due date notified to them by the Company. In such circumstances, they are notified that their tickets will be sold back to the All England Lawn Tennis and Croquet Club (“AELTC”) and the proceeds from these ticket sales gifted to charity. In the last six months, a sum of £9,950 was donated by the Company in respect of such AELTC return ticket sales to Client Earth (<https://www.clientearth.org>).

In its oversight of the Manager and the Company’s other service providers, the Board seeks assurances that they have regard to the benefits of diversity and promote these within their respective organisations. The Company has given discretionary voting powers to the Manager. The Manager votes against resolutions they consider may damage Shareholders’ rights or economic interests and report their actions to the Board. The Company believes it is in the Shareholders’ interests to consider environmental, social, community and governance factors when selecting and retaining investments and has asked the Manager to take these issues into account. The Manager does not exclude companies from their investment universe purely on the grounds of these factors but adopts a positive approach towards companies which promote these factors.

SHAREHOLDER BENEFITS

All Shareholders (including Nominee Shareholders) with 2,500 Shares or more (excluding the officers of the Company) are entitled to participate in a draw undertaken by the Directors before the Annual General Meeting in respect of The All England Lawn Tennis Ground Limited Debentures listed below. Once a Shareholder's holding exceeds 2,500 Shares, the probability of success in this draw will increase for every additional Share held.

In the event that holding these Debentures did not align with the investment strategy of the Company, the Debentures would be sold; in such case, the above benefit would cease.

Centre Court

The Company owns two Debentures entitling it to two Centre Court seats (together with two badges admitting entry to the Debenture Holders' Lounge) for the thirteen days play of the championships. There will be thirteen draws, each draw entitling the successful Shareholder to one pair of adjacent seats for one day's play.

The Sheppard family remove their Shares from the draw to manage conflicts of interest, hence the probability of success for the other Shareholders more than doubles.

SHAREHOLDER INFORMATION

Investing in the Company

The Shares of the Company are listed on the Official List of the FCA and traded on the London Stock Exchange. Private investors can buy or sell Shares by placing an order either directly with a stockbroker or through an independent financial adviser.

Electronic communications from the Company

Shareholders now have the opportunity to be notified by email when the Company's Annual Report, Half-Yearly Report and other formal communications are available on the Company's website, instead of receiving printed copies by post. This reduces the cost to the Company as well as having an environmental benefit in the reduction of paper, printing, energy and water usage. If you have not already elected to receive electronic communications from the Company and now wish to do so, **visit www.signalshares.com. All you need to register is your investor code, which can be found on your Share certificate or your dividend confirmation statement.**

Alternatively, you can contact Link's Customer Support Centre which is available to answer any queries you have in relation to your shareholding:

By phone – UK – 0871 664 0300, from overseas call +44 (0) 371 664 0300 (calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales).

By email – shareholder.enquiries@linkgroup.co.uk

By post – Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Frequency of NAV publication

The Company's NAV is released to the London Stock Exchange on a weekly basis and also published in the Investment Companies sector of *The Financial Times*.

Sources of further information

Copies of the Company's Annual and Half-Yearly Reports, factsheets and further information on the Company can be obtained from its website: www.mlcapman.com/manchester-london-investment-trust-plc.

Key dates

Half-Yearly results announced	March
Interim dividend payment	April
Company's year end	31 July
Annual results announced	October
Annual General Meeting	January
Expected final dividend payment	February
Company's half-year end	31 January

CORPORATE INFORMATION

DIRECTORS AND ADVISERS

Directors

David Harris (Chairman)
Brett Miller
Daniel Wright (Senior Independent Director)

Auditor

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Company Secretary

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COMPANY DETAILS

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12a Princes Gate Mews
London SW7 2PS

Country of incorporation

Registered in England and Wales
Company Number: 01009550

Company website

www.mlcapman.com/manchester-london-investment-trust-plc