



# Manchester and London Investment Trust plc

## Fact Sheet July 2020

### Investment Objective:

The principal objective of the Manchester and London Investment Trust plc ("MNL" or the "Company") is to achieve capital appreciation together with a reasonable level of income.

### Manchester and London Investment Trust plc:

The Company's investment objective is sought to be achieved through a policy of actively investing in a diversified portfolio, comprising UK and overseas equities and fixed interest securities.

The Company intends to maintain a relatively focused portfolio but will not invest more than 15 per cent of the gross assets of the Company at the time of investment in any one security.

Before making an investment you should ensure that you have read and understood Manchester and London Investment Trust plc's latest Annual Report in detail, which can be found on the following website: [www.mlcapman.com](http://www.mlcapman.com).

Information in this factsheet is at the last valuation point of the month of issue (except where indicated). Please ensure you read the important information & risk warnings section overleaf.

### Fund Information:

Launch date:	January 1972
NAV per share:	623.8p
Share mid price:	658.0p
(Premium)/Discount:	(5.5)%
Ongoing Charge (excluding performance fee) <sup>2,3</sup> :	0.8%
Shares in issue:	36,135,738
Net Assets:	£225.4m
Net Long/Net Assets <sup>4</sup> :	106.1%
Epic:	MNL.L
ISIN:	GB0002258472
Listed:	London Stock Exchange
Availability:	SIPP; ISA; SSAS
Year end:	31 July
DPS paid last 12 months:	15p
Historic Dividend Yield:	2.3%
Beta <sup>1</sup> :	1.0x
See through P/E <sup>1,5</sup> :	33.6x
See through EV/EBITDA <sup>1,5</sup> :	20.8x
Active Share Ratio <sup>1</sup> :	115.9%
Sustainalytics Env. % <sup>1</sup> :	75.1% (Med. 50)

<sup>1</sup> Source: Bloomberg LP, Data as at 28 July 2020.

<sup>2</sup> Calculated as a percentage of average net assets and using expenses, excluding interest costs for the year ended 31 July 2019. Based on the Association of Investment Companies (AIC) methodology for calculating the Ongoing Charge figure.

<sup>3</sup> Figure excludes the performance element of the management fee. <sup>4</sup> Options valued at MTM. <sup>5</sup> Forward 12m.

### Fund News

#### Results for the quarter ending 30th June:

**Amazon** reported 41% YoY revenue growth, up from 27% in the prior quarter driven by e-commerce.

**Microsoft** reported revenue growth of 15% led by Azure (50% growth)

**Alphabet** flat lined due to the Covid impact on the ad business, though the company noted improving trends.

**Facebook** reported 11% revenue growth and guided to ~10% ad growth for Q3.

**Visa and Mastercard** both reported revenue double digit declines of 17%, though Visa noted improving trends.

Other holdings reported revenue growth rates as follows: **Netflix** 25%, **Dassault Systems** 10%, **SAP** 2%.

#### Portfolio Changes:

During the month: we sold **Unilever** and **Nvidia**, increased **Alibaba**, **Salesforce**, and **Netflix**, and opened new longs in **SAP**, **Netease** and **MS China Software Basket**.

After the month: we closed **PayPal**.

### Market Update

July was a poor month for the Fund. We lost 2.6 per cent which was better than the UK market's loss of 4.1 per cent but the Nasdaq Composite saw an increase of ~1 per cent in GBP terms. This was not the month to have zero holdings in Apple and Tesla. We made 9 notable changes to the portfolio as detailed above although we suspect our reluctance to hold some of the 'white hot' trading stocks will remain a short term relative headwind for us.

### Top 25 Net Asset Exposures as a percentage of Net Assets<sup>4</sup>

AMAZON.COM INC	16.0%	US SAAS BASKET	0.7%
ALIBABA GROUP HOLDING LTD	13.6%	US RESTAURANTS BASKET	(0.4)%
ALPHABET INC	12.9%	<b>Liquidity Analysis:</b>	
MICROSOFT CORP	12.5%	<b>Market Capitalisation:</b>	<b>% of Net Assets:</b>
FACEBOOK INC	8.0%	Large Cap	110.2%
SALESFORCE.COM INC	7.1%	Mid Cap	0.0%
TENCENT HOLDINGS LTD	7.0%	Small Cap	0.0%
VISA INC	5.4%	Options	(9.5)%
ADOBE INC	5.1%	ETFs, Funds & Baskets	5.4%
MASTERCARD INC	4.5%	<b>Net Long/ Net Assets</b>	<b>106.1%</b>
NETFLIX INC	3.7%		
POLAR CAPITAL TECHNOLOGY TR	2.5%	Leverage - Gross basis:	187.9%
SAP SE	1.9%	Leverage - Commitment basis:	100.8%
NETEASE INC	1.8%		
DASSAULT SYSTEMES SA	1.8%		
CHINA SOFTWARE BASKET	1.8%		
INVESCO QQQ ETF	0.8%		
PAYPAL HOLDINGS INC	(0.8)%		

Data as at 28 July 2020

Source: Bloomberg L.P., MNL

### Fund Ratings

#### The ratings are not a recommendation to buy.

Latest available FE Crown, Lipper and Morningstar ratings provided at time of publication from [www.trustnet.com](http://www.trustnet.com), [www.lipperleaders.com](http://www.lipperleaders.com) & <http://essentials.morningstar.com>. All ratings are based on 3 years' worth of data.

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### Issued by:

M&L Capital Management Ltd ("MLCM") who are authorised and regulated by the Financial Conduct Authority under Firm Reference Number 672181.

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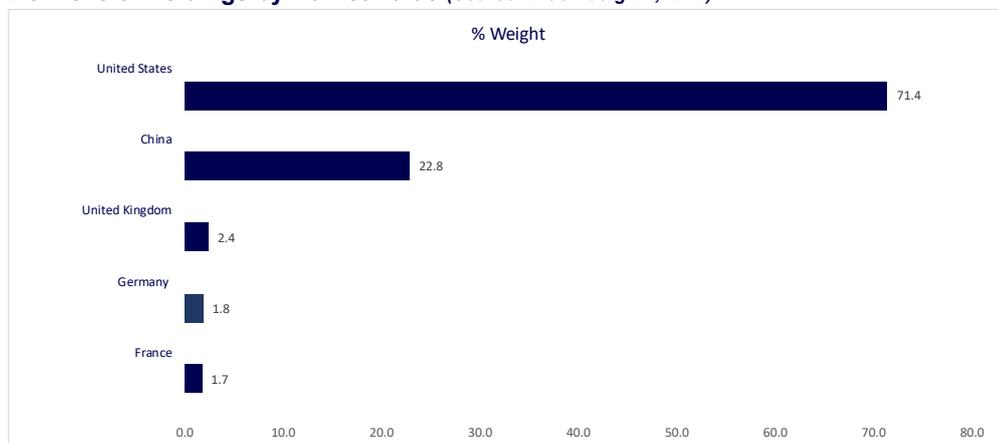
MLCM, MNL nor any of their respective affiliates, officers, directors, agents and employees make any warranty, expressed or implied, of any kind whatsoever, and none of these parties shall be liable for any losses, damages, costs or expenses, of every kind and description, relating to the adequacy, accuracy or completeness of any information in this document or the use of this information. As with all historical performance data, it may not be used to predict future characteristics or performance or relied on in making any investment decisions.

There are various risks associated with investing in any form of business and with investing in the stock market generally. The value of the Ordinary Shares will depend on general stock market and economic conditions as well as the specific performance of the Company.

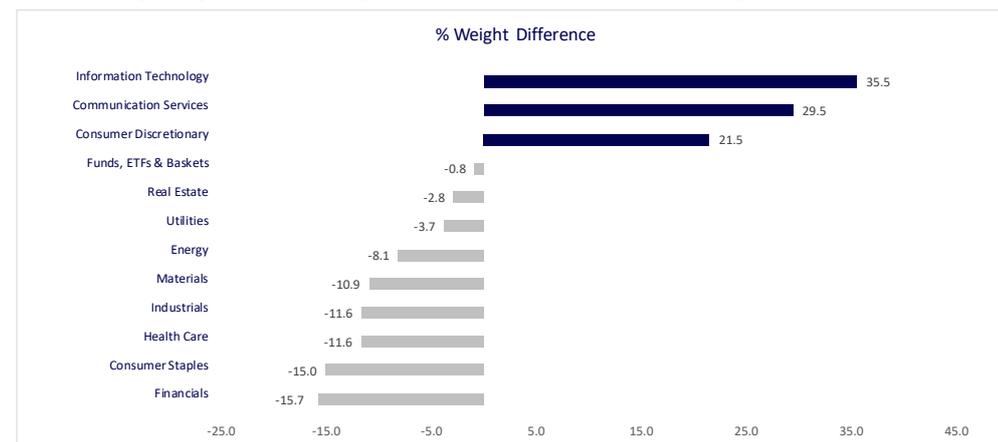
There is no guarantee of the future financial performance and returns achieved by the Company or the price at which the Ordinary Shares will trade on the London Stock Exchange. Share market conditions may affect the price of the Company's listed securities regardless of operating performance.

Share market conditions are affected by many factors such as: general economic outlook, movement in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand and supply for capital. As a result, the price of the Ordinary Shares could be highly volatile and can go up or down. Past performance should not be seen as an indication of future performance.

### Domicile of Holdings by Market Value (Source: Bloomberg LP, MNL)



### Sector Weightings (of Net Longs) v Benchmark<sup>4</sup> (Source: Bloomberg LP, MNL)



### Risk Management (annualised 1 year) (Source: Bloomberg LP, MNL)

Share Price volatility:	37.8%
Portfolio volatility:	22.3%
Sharpe:	0.6x
Benchmark volatility:	28.5%

Portfolio and Benchmark volatility is calculated using the Bloomberg Risk Model on underlying security returns in base currency (GBP). Sharpe is calculated by Bloomberg LP from underlying security returns in base currency (GBP).

### Synthetic Risk Reward Indicator ("SRRI")



The Fund is categorised as a 6 on the SRRI scale, which is calculated based on the Fund's 5 year annualised NAV volatility. Liquidity, Counterparty & Currency risks are not captured by the scale.

### Key Risk Considerations

The value of investments can go down as well as up and investors may not get back the amount originally invested.

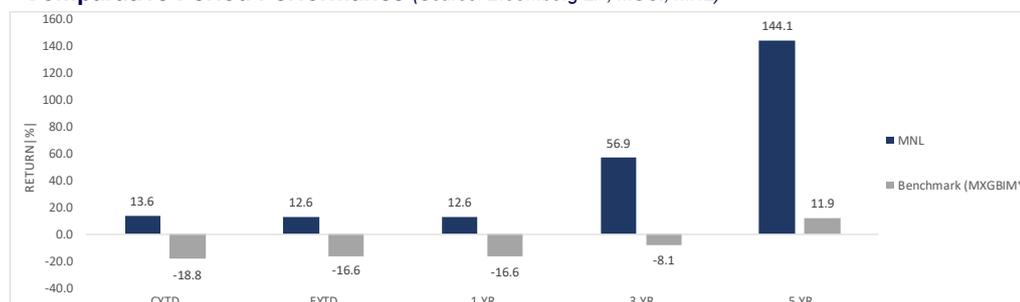
Holdings in overseas investments are subject to changes in currency exchange rates, which may cause the value of such investments to go down as well as up.

Gearing, sometimes referred to as leverage, can be used by the Company to borrow to gain additional exposure to investments. Gearing works by magnifying the performance, this can result in either greater losses or profit had the Company not used Gearing.

Derivatives can be utilised by the Company, these instruments also give rise to leverage without the need to borrow. Derivatives may in addition also give rise to counterparty risk, the risk the issuer of the derivative cannot fulfil its obligations (profit that maybe due to the Company).

For a full list of risks and definitions of the portfolio risk statistics provided please refer to the Investment Disclosure Document and KID at [www.mlcapman.com](http://www.mlcapman.com).

### Comparative Period Performance (Source: Bloomberg LP, MSCI, MNL)



This comparison is illustrative only. All figures are sourced from Bloomberg LP. NAV return is on a total return basis (dividends reinvested), net of all costs incurred. Calculation time periods depend on the timing of NAV releases and so may differ slightly to the column headings. The figures shown relate to past performance. \*MSCI UK Investable Market Index (GBP).

Past performance is not a reliable indicator of current or future results.