



# Manchester and London Investment Trust plc

## Fact Sheet October 2020

INVESTMENT  
100 CLUB  
Member 2018

### Investment Objective:

The principal objective of the Manchester and London Investment Trust plc ("MNL" or the "Company") is to achieve capital appreciation.

### Fund Information:

<b>Launch date:</b>	January 1972
<b>NAV per share:</b>	638.2p
<b>Share mid price:</b>	643.0p
<b>(Premium)/Discount:</b>	(0.8)%
<b>Ongoing Charge</b> (excluding performance fees) <sup>2, 3</sup> :	0.8%
<b>Shares in issue:</b>	37,398,238
<b>Net Assets:</b>	£238.7m
<b>Tickers:</b>	MNL LN; MNL.L
<b>ISIN:</b>	GB0002258472
<b>Listed:</b>	London Stock Exchange
<b>Tax Wrapper Friendly:</b>	SIPP;ISA:SSAS
<b>Historic Dividend Yield:</b>	2.2%
<b>Active Share Ratio<sup>1</sup>:</b>	131.3%
<b>ESG<sup>1,5</sup>:</b>	71.2% (Med. 50%)

<sup>1</sup> Source: Bloomberg LP, Data as at 03 November 2020.

<sup>2</sup> Calculated as a percentage of average net assets and using expenses, excluding interest costs for the year ended 31 July 2020. 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> Net of delta adjusted exposure of options.

<sup>5</sup> Sustainalytics Environment Percentile.

Before making an investment you should ensure that you have read and understood Manchester and London Investment Trust plc's latest Annual Report, KID and Investor Disclosure Document 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.

The fund ratings shown in header 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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[http://corporate.morningstar.com/US/documents/MethodologyDocuments/MethodologyPapers/morningstarFundRating\\_Methodology.pdf](http://corporate.morningstar.com/US/documents/MethodologyDocuments/MethodologyPapers/morningstarFundRating_Methodology.pdf)

### Fund News

#### Results:

**Microsoft** reported 12% revenue growth led by the Cloud.

**Amazon** net sales increased 37% with ecommerce growth remaining materially above pre Covid levels. The moat is growing.

**Facebook** reported 22% revenue growth, materially better than expected, and guided to further acceleration in Q4.

**Visa** and **Mastercard** revenues declined 17% and 14% respectively, driven by weak cross border volumes.

**Alibaba** reported revenue growth of 30% with 29% growth in core commerce and 60% growth in Cloud operations. The IPO of financial services affiliate, Ant Group, was suspended by the regulators - we expect this to be only a temporary setback for Alibaba and we increased our holding on the subsequent price weakness.

#### Key Portfolio Changes:

We cut underperforming positions in SAP and Dassault Systemes and added to positions in Microsoft, Alibaba, Tencent, Amazon and a Medical Devices ETF.

### Market Update

October was poor for equity markets as further US stimulus failed to be agreed, there were concerns regarding the fiscal implications of a Democrat sweep in the US elections and the resurgence of the Covid pandemic leading into winter. The Fund has not travelled as fast as Nasdaq on the way up and so it is pleasing to see the Fund has outperformed Nasdaq (GBP) by ~2 per cent this month as markets eased. The media mumbled on that the era of Technology was approaching its dusk but they had confused dusk with dawn. November started with a powerful upwards surge that has already seen intra day All Time Highs for the Fund's NAV. **Always...Long the Future.**

### Top 15 Net Asset Exposures as a percentage of Net Assets<sup>4</sup>

		<b>Liquidity Analysis:</b>	<b>% of Net Assets:</b>
MICROSOFT CORP	14.5%		
ALIBABA GROUP HOLDING LTD	13.9%	<b>Market Capitalisation:</b>	
AMAZON.COM INC	13.9%	Large Cap	118.1%
ALPHABET INC	8.8%	Mid Cap	0.0%
ADOBE INC	7.8%	Small Cap	0.0%
FACEBOOK INC	6.7%	Options	(28.8)%
SALESFORCE.COM INC	5.9%	ETFs, Funds & Baskets	9.6%
TENCENT HOLDINGS LTD	5.5%	<b>Portfolio Net Delta Adj Exposure % of NAV</b>	<b>98.9%</b>
ISHARES U.S. MEDICAL DEVICES	4.5%		
VISA INC	4.3%		
MASTERCARD INC	3.6%	AIFMD Leverage - Gross:	189.2%
POLAR CAPITAL TECHNOLOGY TR	2.5%	AIFMD Leverage - Commitment:	129.7%
ALIBABA GROUP HOLDING ADR	2.4%		
ISHARES TECH-SOFTWARE (IGV)	1.9%		
HANG SENG TECH INDEX	1.9%		

Data as at 03 November 2020

Source: Bloomberg L.P., MNL

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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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### Key Risk Considerations - Capital At Risk

This material is not a solicitation or an offer to invest with Manchester and London Investment Trust plc ("MNL" or the "Company"). MLCM has not taken any steps to verify the adequacy, accuracy or completeness of any information.

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 relied on in making any investment decisions.

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.

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.

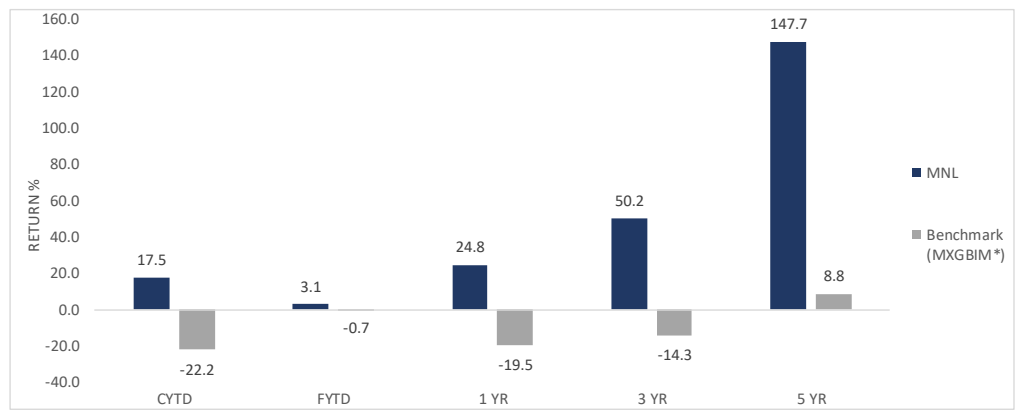
Gearing, sometimes referred to as leverage, can be used by the Company to borrow to gain additional exposure to investments. Gearing works by magnifying the performance, this can result in either greater losses or profit had the Company not used Gearing.

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).

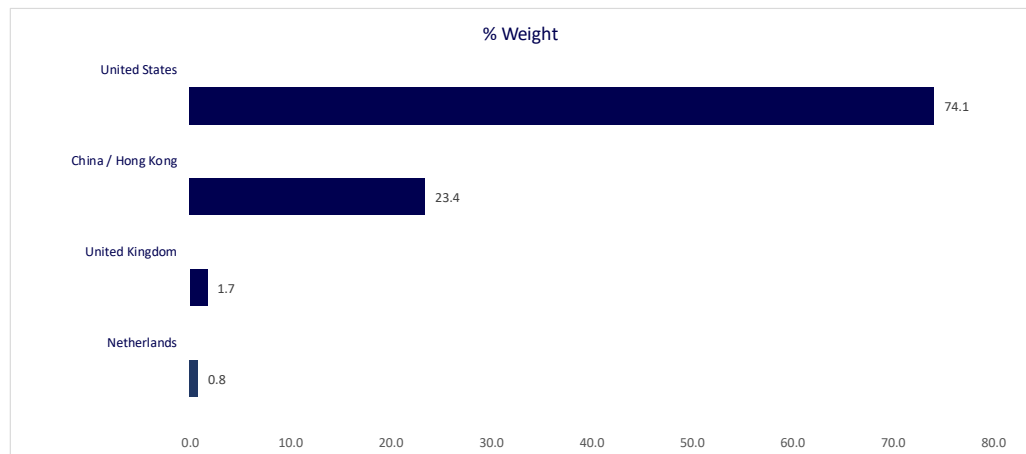
**Past performance is not a reliable indicator of current or future results.**

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

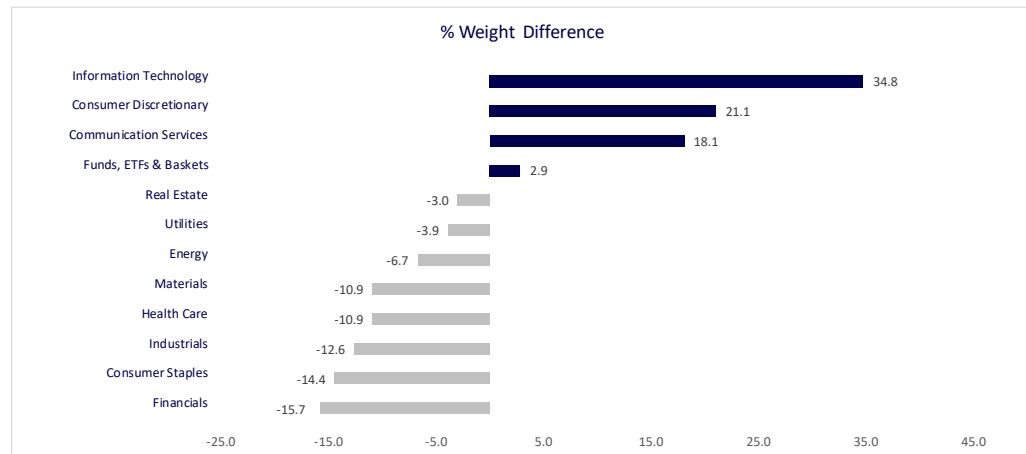


This comparison is illustrative only. All figures are sourced from Bloomberg LP. NAV return is on a total return basis (dividends reinvested), net of all costs incurred. Calculation time periods depend on the timing of NAV releases and so may differ slightly to the column headings. The figures shown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

### 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 & Valuation Metrics (Source: Bloomberg LP, MNL)

Share Price volatility:	37.9%	See through P/E <sup>1</sup> :	32.7x
Portfolio volatility:	25.6%	See through EV/EBITDA <sup>1</sup> :	20.2x
Benchmark volatility:	25.4%		
Beta:	1.2x		
Sharpe:	1.1x		

Source: Bloomberg LP, Data as at 03 November 2020.

Portfolio and Benchmark volatility are calculated using the Bloomberg Risk Model on underlying security returns, annualised, in base currency (GBP). Sharpe is calculated by Bloomberg LP from underlying security returns in base currency (GBP). <sup>1</sup>Forward 12m.

### 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.