



Manchester and London Investment Trust Public Limited Company

HALF-YEARLY REPORT
FOR THE SIX MONTHS ENDED
31 JANUARY 2021

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SUMMARY OF RESULTS

	At 31 January 2021	At 31 July 2020	Change
Net assets attributable to Shareholders (£'000)	256,791	225,933	13.66%
Net asset value ("NAV") per Ordinary Share (pence)	633.62	625.23	1.34%

	Six months to 31 January 2021
Total return to Shareholders*	2.4%
Benchmark - MSCI UK Investable Market Index (MXGBIM)*	11.8%

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

	Six months to 31 January 2021	Six months to 31 January 2020	Change
Interim dividend per Ordinary Share (pence)	7.00	7.00	0.00

Dates for the interim dividend

Ex-dividend date	15 April 2021
Record date	16 April 2021
Payment date	4 May 2021

CHAIRMAN'S STATEMENT

Results for the half year ended 31 January 2021

During the half year under review, the **total NAV per Share return was 2.4 per cent**, compared to an **increase in the benchmark of 11.8 per cent**.

It has been a period where small capitalisation stocks, unprofitable Technology hopes, Cryptocurrencies and Reflation Value plays have been in vogue, whilst mega-capitalisation Technology (with the exception of Apple and Tesla) has lagged.

The portfolio has remained focused on stocks with profitable and cash generative business models that are aligned with some of the most exciting forward-looking themes.

The Manager's Report sets out in more detail the reasons for the underperformance against the benchmark.

Dividends

With these results, we have announced an interim dividend of 7.0 pence per Ordinary Share. This is the same level as the prior year (31 January 2020: 7.0 pence per Ordinary Share).

Other

During the period the Company has actively increased its issued share capital with the aim of improving liquidity in the shares and spreading fixed operating costs over a larger asset base. The Company released a prospectus at the end 2020 providing material capacity for future fund raising and issued its first shares under this authority to the market via a new Blocklisting programme. The number of Shares in issue at the period end was roughly 12 per cent higher than at the start of the year.

The Company has also applied to reduce its Share Premium account, thereby increasing the amount of distributable reserves available for future dividends.

Outlook

Key variables for our second half performance are likely to be the success of Covid-19 vaccine rollouts, movements in the US sovereign yield curve, the GBPUSD foreign exchange rates, whether there is any material shakeout in certain crowded trades (such as unprofitable Technology stocks), and the regulation of Technology companies globally. Since this interim period end, the Fund has reported a new all-time high Net Asset Value per Share hence our exciting Journey continues through the Era of Software.

Please do not forget to consider the fund for this year's ISA allowance.

David Harris

Chairman
16 March 2021

MANAGER'S REPORT

Portfolio management

The portfolio delivered a total return of **2.4 per cent** which was a **9.4 per cent** underperformance against the benchmark. The relative underperformance was driven partly by a period of rotation from growth to value stocks, which saw Big Technology plays materially lag cyclical sectors (to which the benchmark is significantly more exposed). The 4.7 per cent increase in value of the British Pound compared to the US Dollar, was once again a strong foreign exchange translation headwind for the portfolio's Net Asset Value per Share return.

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

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	2.7%
Consumer services	3.6%
Consumer discretionary	(0.1%)
Other investments (including beta hedges)	2.5%
Foreign exchange, costs & carry	(6.3%)
Total NAV per Share return	2.4%

Source: Bloomberg L.P.

Information Technology

Material positive contributors to the portfolio's performance included **Microsoft Corporation** (which accounted for more than half of the sector's return), **AMSL Holding NV** and **Visa Inc.**

Material negative contributors included **Adobe Inc.** and **Salesforce.com Inc.**

During the period, we disposed of both Visa and Mastercard Inc. due to their greater sensitivity to Covid lockdowns, the growth of Cryptocurrencies and their failure to fit with our new requirement that our investments have predominantly virtual or digital business models rather than physical.

The portfolio's delta-adjusted exposure to this sector at period end was around **28 per cent** of net assets.

Communication Services

Material positive contributors from this sector for the portfolio included **Alphabet Inc.** and **Tencent Holdings Ltd** which together accounted for nearly all of the sector's return. There were no material negative contributors.

The portfolio's delta-adjusted exposure to this sector at the period end was around **29 per cent** of net assets.

Consumer Discretionary

Amazon.com, Inc was the only material positive contributor to this sector. There were no material negative contributors, although **Alibaba Group Holding Ltd** had a volatile 2nd half of the period due to the suspension of the ANT IPO and expectations of increased regulatory scrutiny going forward.

Overall, the portfolio's delta-adjusted exposure to the sector at the period end was around **29 per cent** of net assets, of which the vast majority related to Amazon and Alibaba.

Other investments including beta hedges

Material positive contributors for the portfolio included **the CSOP Hang Seng Tech Index ETF** and **the iShares Expanded Tech-Software Sector ETF (IGV)**. There were no material negative contributors.

The portfolio's delta-adjusted exposure to equity investments in this sector at the period end was around **15 per cent** of net assets.

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Long the Future.

M&L Capital Management Limited

Manager

@MLCapMan

16 March 2021

EQUITY EXPOSURES

Equity exposures (longs)

As at 31 January 2021

Company	Sector*	Exposure	% of net assets
Amazon.com, Inc.**	Consumer Discretionary	44,615	17.37
Microsoft Corporation**	Information Technology	43,859	17.08
Alphabet Inc.**	Communication services	39,749	15.48
Alibaba Group Holdings Ltd***	Consumer Discretionary	32,712	12.74
Tencent Holdings Ltd***	Information Technology	29,909	11.65
Adobe Inc.**	Information Technology	22,321	8.69
Csop Hang Seng Tech Index ETF**	ETF	22,257	8.67
Facebook Inc.**	Communication services	21,732	8.46
Salesforce.com, inc.**	Information Technology	17,686	6.89
Netflix, Inc.**	Communication services	17,178	6.69
ASML Holding N.V. CFD ***	Information Technology	11,082	4.32
Kraneshares CSI China Internet F**	ETF	10,773	4.20
Prosus N.V.**	Consumer Discretionary	10,132	3.95
Polar Capital Technology Trust plc	Fund	6,470	2.52
Zynga Inc.**	Communication services	5,338	2.08
iShares MSCI China ETF**	ETF	4,143	1.61
NetEase, Inc. CFD***	Communication services	229	0.08
Total long equities exposure		340,185	132.48
Cash and other assets and liabilities (inc Options)		(83,394)	(32.48)
Net assets		256,791	100

* 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 2021, 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; 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

16 March 2021

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2021

	(Unaudited) Six months ended 31 January 2021			(Unaudited) Six months ended 31 January 2020			(Audited) Year ended 31 July 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains / (losses) on investments at fair value through profit or loss	93	7,932	8,025	(305)	8,938	8,633	(285)	27,368	27,083
Investment income	375	-	375	400	-	400	647	-	647
Gross return	468	7,932	8,400	95	8,938	9,033	362	27,368	27,730
Expenses									
Management fee	(941)	-	(941)	(673)	-	(673)	(1,470)	-	(1,470)
Other operating expenses	(464)		(464)	(245)	-	(245)	(555)	-	(555)
Total expenses	(1,405)		(1,405)	(918)	-	(918)	(2,025)	-	(2,025)
Return before finance costs and taxation	(937)	7,932	6,995	(823)	8,938	8,115	(1,663)	27,368	25,705
Finance costs	(19)	(501)	(520)	(15)	(956)	(971)	(37)	(1,572)	(1,609)
Return on ordinary activities before tax	(956)	7,431	6,475	(838)	7,982	7,144	(1,700)	25,796	24,096
Taxation	(26)	-	(26)	(38)	-	(38)	(59)	-	(59)
Return on ordinary activities after tax	(982)	7,431	6,449	(876)	7,982	7,106	(1,759)	25,796	24,037
Return per Ordinary Share: Basic and fully diluted (pence)	(2.63)	19.90	17.27	(2.88)	26.20	23.32	(5.47)	80.21	74.74

The total column of this statement represents the Condensed Statement of Comprehensive Income, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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 2021

For the six months from 1 August 2020 to 31 January 2021 (unaudited)	Share capital £'000	Share premium £'000	Capital reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 August 2020	9,034	107,188	99,161	10,550	225,933
Total comprehensive income / (loss)	-	-	7,431	(982)	6,449
Shares issued	1,098	25,929	-	-	27,027
Equity dividends paid	-	-	-	(2,618)	(2,618)
Balance at 31 January 2021	10,132	133,117	106,592	6,950	256,791

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 year from 1 August 2019 to 31 July 2020 (audited)	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)	-	-	25,796	(1,759)	24,037
Shares issued	1,693	38,201	-	-	39,894
Equity dividends paid	-	-	-	(4,979)	(4,979)
Balance at 31 July 2020	9,034	107,188	99,161	10,550	225,933

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

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 January 2021

	(Unaudited) 31 January 2021 £'000	(Unaudited) 31 January 2020 £'000	(Audited) 31 July 2020 £'000
Non-current assets			
Investments held at fair value through profit and loss	165,834	130,406	137,333
Current assets			
Unrealised derivative assets	34,673	16,929	29,229
Trade and other receivables	(25)	35	18
Cash and cash equivalents	73,064	52,419	86,177
	107,712	69,383	115,424
Gross assets	273,546	199,789	252,757
Current liabilities			
Unrealised derivative liabilities	(16,476)	(10,355)	(24,278)
Trade and other payables	(279)	(256)	(2,546)
	(16,755)	(10,611)	(26,824)
Net assets	256,791	189,178	225,933
Equity attributable to equity holders			
Ordinary Share capital	10,132	8,153	9,034
Share premium	133,117	85,875	107,188
Capital reserves	106,592	81,347	99,161
Retained earnings	6,950	13,803	10,550
Total equity Shareholders' funds	256,791	189,178	225,933
Net asset value per Ordinary Share (pence)	633.62	580.11	625.23

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 2021

	Six months to 31 January 2021 (Unaudited) £'000	Six months to 31 January 2020 (Unaudited) £'000	Year ended 31 July 2020 (Audited) £'000
Cash flow from operating activities			
Return on operating activities before tax	6,475	7,144	24,096
Interest expense	520	971	1,609
(Gains) / losses on investments held at fair value through profit or loss	(9,244)	(10,346)	(30,119)
(Increase) / decrease in receivables	33	102	32
(Decrease) / increase in payables	(58)	(32)	192
Derivative instruments cash flows	(13,039)	(110)	(3,028)
Tax paid	(26)	(38)	(59)
Net cash generated from operating activities	(15,339)	(2,309)	(7,277)
Cash flow from investing activities			
Purchase of investments	(80,249)	(11,079)	(38,134)
Sale of investments	58,586	18,989	65,630
Net cash used in investing activities	(21,663)	7,910	27,496
Cash flow from financing activities			
Equity dividends paid	(2,618)	(2,609)	(4,979)
Share issue	27,027	17,700	39,894
Interest paid	(520)	(1,153)	(1,837)
Net cash generated from financing activities	23,889	13,938	33,078
Net increase in cash and cash equivalents	(13,113)	19,539	53,297
Cash and cash equivalents at the beginning of the period	86,177	32,880	32,880
Cash and cash equivalents at the end of the period	73,064	52,419	86,177

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 standards, International Accounting Standard 34 “Interim Financial Reporting”, in conformity with the requirements of the Companies Act 2006.

The accounting policies used by the Company are as set out in the Annual Report for the year ended 31 July 2020.

Going concern

The financial statements have been prepared on a going concern basis and on the basis that approval as an investment trust company 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 the resources to continue in business for the foreseeable future, being a period of at least 12 months from the date these financial statements were approved. In making the assessment, the Directors have considered the likely impacts of the current COVID-19 pandemic on the Company, its operations and the investment portfolio.

The Directors noted that the cash balance exceeds any short term liabilities, the Company holds a portfolio of liquid listed investments and is able to meet the obligations of the Company as they fall due. The surplus cash enables the Company to meet any funding requirements and finance future additional investments. The Company is a closed end fund, where assets are not required to be liquidated to meet day to day redemptions. The Directors have completed stress tests assessing the impact of changes in market value and income with associated cashflows. Whilst the economic future is uncertain, and it is possible the Company could experience further reductions in income and/or market value the Directors believe that this should not be to a level which would threaten the Company’s ability to continue as a going concern.

The Directors, the Manager and other service providers have put in place contingency plans to minimise disruption. 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 (of which there are none of significance). Therefore, the financial statements have been prepared on the going concern basis.

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 2021 and 31 January 2020 have not been audited or reviewed by the Company’s Auditors. The comparative figures for the year ended 31 July 2020 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 2021 (unaudited)		Six months to 31 January 2020 (unaudited)		Year ended 31 July 2020 (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	(982)	(2.63)	(876)	(2.88)	(1,759)	(5.47)
Capital	7,431	19.90	7,982	26.20	25,796	80.21
Total return on ordinary activities	6,449	17.27	7,106	23.32	24,037	74.74
Weighted average number of Ordinary Shares	37,333,536		25,639,432		32,160,449	

3. Share capital

25p Ordinary Shares	Six months to 31 January 2021 (unaudited)		Six months to 31 January 2020 (unaudited)		Year ended 31 July 2020 (audited)	
	Number	£'000	Number	£'000	Number	£'000
Opening Ordinary Shares in issue	36,135,738	9,034	29,363,930	7,341	29,363,930	7,341
Shares issued	4,392,500	1,098	3,246,808	812	6,771,808	1,693
Closing Ordinary Shares in issue	40,528,238	10,132	32,610,738	8,153	36,135,738	9,034

The Company's Share capital comprises Ordinary Shares of 25p each with one vote per Share.

During the six months to 31 January 2021, the Company issued 4,392,500 Ordinary Shares (six months to 31 January 2020: 3,246,808; year ended 31 July 2020: 6,771,808), with net consideration of £27,027,000 (six months to 31 January 2020: £17,700,000; year ended 31 July 2020: £39,938,000).

4. Dividends per Ordinary Share

The Board has declared an interim dividend of 7p per Ordinary Share (2020: interim dividend of 7p per Ordinary Share) which will be paid on 4 May 2021 to Shareholders registered at the close of business on 16 April 2021.

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 £256,791,000 (31 January 2020: £189,178,000; 31 July 2020: £225,933,000) at the period end and 40,528,238 (31 January 2020: 32,610,738; 31 July 2020: 36,135,738) 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 2021

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	165,834	-		165,834
Derivatives – assets	-	34,673		34,673
Total	165,834	34,673		200,507

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 July 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	137,333	-		137,333
Derivatives – assets	-	29,229		29,229
Total	137,333	29,229		166,562

Financial liabilities at fair value through profit or loss at 31 January 2021

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Derivatives – liabilities	-	16,476	-	16,476

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 July 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Derivatives – liabilities	-	24,278		24,278

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. Mark Sheppard is also a director of M&M Investment Company plc (“MMIC”) which is the controlling Shareholder of the Company.

During the six months to 31 January 2021, MMIC subscribed for 4,392,500 Ordinary, with net consideration of £27,027,000. As at 31 January 2021, MMIC was interested in a total of 22,619,772 Ordinary Shares of 25 pence each in the Company, representing 55.81% of the issued share capital.

Total fees charged by the Manager for the six months to 31 January 2021 were £941,000 (six months to 31 January 2020: £673,000; year ended 31 July 2020: £1,470,000), of which £168,000 was outstanding as at 31 January 2021 (31 January 2020: £125,000; 31 July 2020: £148,000).

The fees payable to Directors are set out in the 2020 Annual Report.

There were no other related party transactions in the period.

8. Post Statement of Financial Position event

Following Court approval and the subsequent registration of the Court order with the Registrar of Companies on 10 February 2021, the reduction of the Company’s share premium account became effective. Accordingly, the amount of £107,188,488 previously held in the share premium account was transferred to the special reserve. The special reserve is distributable.

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.

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 any of global equities and/or fixed interest securities and/or derivatives.

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.

The Company seeks investment exposure to companies whose shares are listed, quoted or admitted to trading. However, it may invest up to 10% of gross assets (at the time of investment) in the equities and/or fixed interest securities of companies whose shares are not listed, quoted or admitted to trading.

Risk diversification

The Company intends to maintain a diversified portfolio and it is expected that the portfolio will have between approximately 20 to 100 holdings. No single holding will represent more than 20% of gross assets at the time of investment. In addition, the Company's five largest holdings (by value) will not exceed (at the time of investment) more than 75% of gross assets.

Although there are no restrictions on the constituents of the Company's portfolio by geography, industry sector or asset class, it is intended that the Company will hold investments across a number of geographies and industry sectors. During periods in which changes in economic, political or market 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.

The Company will not invest more than 15% of its total assets in other listed closed-ended investment funds. However, the Company may invest up to 50% of gross assets (at the time of investment) in an investment company subsidiary, subject always to the other restrictions set out in this investment policy and the Listing Rules.

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 Articles of Association ("Articles") restrict the level of borrowings that the Company may incur up to a sum equal to two times the net asset value of the Company as shown by the then latest audited balance sheet of the Company.

The effect of gearing may be achieved without borrowing by investing in a range of different types of investments including derivatives. Save with the approval of Shareholders, the Company will not enter into any investments which have the effect of increasing the Company's net gearing beyond the limit on borrowings stated in the Articles.

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").

No material change will be made to the investment policy without 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.

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. The portfolio's Sustainalytic's Environmental Percentile was 75.8 per cent as at the Latest Factsheet date.

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: 0371 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 Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

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	May
Company's year end	31 July
Annual results announced	October
Annual General Meeting	November
Expected final dividend payment	November
Company's half-year end	31 January

CORPORATE INFORMATION

DIRECTORS AND ADVISERS

Directors

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

Manager and Alternative Investment Fund Manager

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Bank

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COMPANY DETAILS

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Company website

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

Country of incorporation

Registered in England and Wales
Company Number: 01009550