

# Manchester and London Investment Trust plc

## Fact Sheet August 2021

### Investment Objective:

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

### Fund Information:

<b>Launch date:</b>	January 1972
<b>NAV per share<sup>1</sup>:</b>	696.8p
<b>Share last price<sup>2</sup>:</b>	576.0p
<b>(Premium)/Discount<sup>1</sup>:</b>	17.3%
<b>Ongoing Charge (excluding vm fees)<sup>3</sup>:</b>	0.8%
<b>Shares in issue<sup>1</sup>:</b>	40,528,238
<b>Net Assets<sup>1</sup>:</b>	£282.4m
<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<sup>5</sup>:</b>	2.4%
<b>Active Share Ratio (vs Benchmark)<sup>2</sup>:</b>	135.9%
<b>Active Share Ratio (vs Nasdaq Comp)<sup>2</sup>:</b>	109.6%
<b>ESG<sup>2,4</sup>:</b>	80.7% (Med. 50%)
<b>Benchmark:</b>	MSCI UK IMI Index (GBP)

<sup>1</sup> Calculated by Link Alternative Fund Administrators Ltd ("Link") as at 31 August 2021.

<sup>2</sup> Source Bloomberg L.P. (inc PORT) as at 31 August 2021.

<sup>3</sup> Calculated by Link Alternative Fund Administrators Ltd, 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. Figure excludes the variable element of the management fee (which may be either positive or negative).

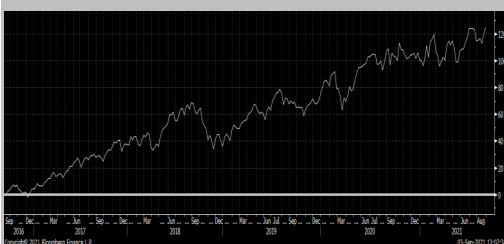
<sup>4</sup> Sustainalytics Environment Percentile.

<sup>5</sup> Based on the last 2 semi annual dividends paid by the Fund divided by the MNL share last price as at 31 August 2021.

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).

Please ensure you read the Key Risk Considerations section overleaf.

MNL - 5 year NAV per Share total return Chart



Source: Bloomberg

### Fund News

#### Results & News:

**Tencent** and **Salesforce** reported 20% and 23% year on year revenue growth for the last quarter respectively.

**Zynga** Q2 revenues grew 59% year on year, however the company lowered guidance for full year bookings, highlighting softer spend from newer players (amongst other factors). Though short term uncertainties remain around the impact of iOS privacy changes and post Covid normalisation, these seem adequately compensated by the valuation multiples.

#### Key Portfolio Changes:

We took profits on the remainder of our US Tech ETF momentum longs and also took profits on a number of sold put positions. Our overall portfolio Net Delta Adjusted exposure is now marginally below 100% reflecting a slightly more cautious market positioning.

### Market Update

After a perennial poor July, we have had a good August pushing the Fund back up 4.7 per cent to a new **ALL TIME HIGH** and so very close to breaking through 700p Net Asset Value per Share for the first time. We would remind Shareholders that 5 years ago our NAV per Share was just 347.1p (roughly half of the value today) and so we are grateful for what has been the outturn. To be very clear, if we double again over the next 5 years we will be ecstatic.

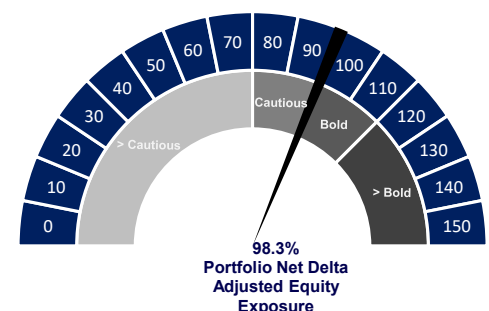
We have positioned the fund slightly more cautiously during the month. Our concerns are driven by signs that inflation (even if temporary) is spooking some markets and various alternative asset prices are displaying bubble characteristics hence the combined pressure to Taper grows by the day. Taper may well be a non-event as second time out events often are but we feel some caution is warranted especially after a strong and continuous run up in Equity markets. On a longer term basis, we remain very confident that the growth in Cloud Computing has many years of strong growth remaining which will be followed by equally strong growth from the further penetration of AI into data systems.

### Top 20 Equity & Bond Net\* Exposures as a percentage of Net Assets

<u>Holding:</u>	<u>Net:*</u>	<u>Net Equity Exposure Breakdown:</u>	<u>Net:*</u>
MICROSOFT CORP	17.9%	Large Cap Equity	119.7%
AMAZON.COM INC	15.7%	Mid Cap Equity	0.0%
ALPHABET INC	9.8%	Small Cap Equity	0.0%
ISHARES CHINA BOND ETF	8.3%	Equity Options	(29.5)%
ALIBABA GROUP HLDG LTD	7.7%	Equity ETFs, Funds & Baskets	8.1%
TENCENT HOLDINGS LTD	7.4%		
ADOBE INC	7.3%		
SALESFORCE.COM INC	6.5%		
FACEBOOK INC	5.7%		
NETFLIX INC	5.5%		
CSOP HANG SENG TECH ETF	5.5%		
ASML HOLDING NV	4.3%		
POLAR CAPITAL TECH	2.6%		
ZYNGA INC	2.1%		
NETEASE INC	0.1%		
DISCOVERY INC	0.0%		
NVIDIA CORP	0.0%		
MONSTER BEVERAGE CORP	0.0%		

\*Net = Exposure on a marked-to-market basis combined with the delta adjusted exposure of options (as defined in the Fund Investor Disclosure Document). Ranked on a modulus basis.

#### Current Total Net Equity Exposure:



For further info on delta adjusted exposure please see fund FAQs: <https://mlcapman.com/faq/>

Data as at 31 August 2021

Source: Bloomberg PORT, Link Alternative Fund Administrators Ltd ("Link")

# Manchester and London Investment Trust plc

## Fact Sheet August 2021

### Issued by:

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

### Registered Office of MLCM:

12a Princes Gate Mews, London, SW7 2PS.

Registered in England & Wales: 04089418

### Enquiries:

Website: [www.mlcapman.com](http://www.mlcapman.com)

E-mail: [ir@mlcapman.com](mailto:ir@mlcapman.com)

### Registered Office of MNL:

12a Princes Gate Mews, London, SW7 2PS.

Registered in England & Wales: 01009550

### Certificates, Dividends and Other Shareholding Enquiries :

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

Tel: 0871 664 0300

E-mail: [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk)

### 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 "Fund"). 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 Fund 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 Fund not used Gearing.

Derivatives can be utilised by the Fund, 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 Fund).

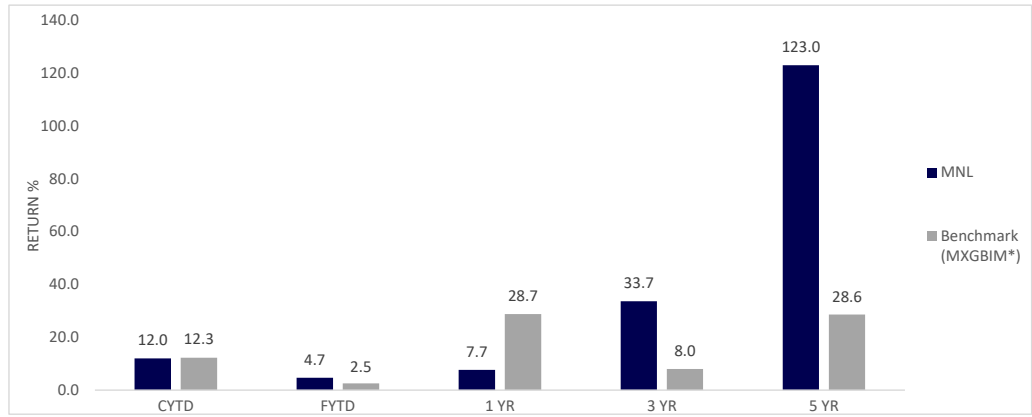
For a full list of risks and definitions of the portfolio risk statistics provided please refer to the Investment Disclosure Document and KID at [www.mlcapman.com](http://www.mlcapman.com).

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

### Notes for Risk Management & Valuation Metrics:

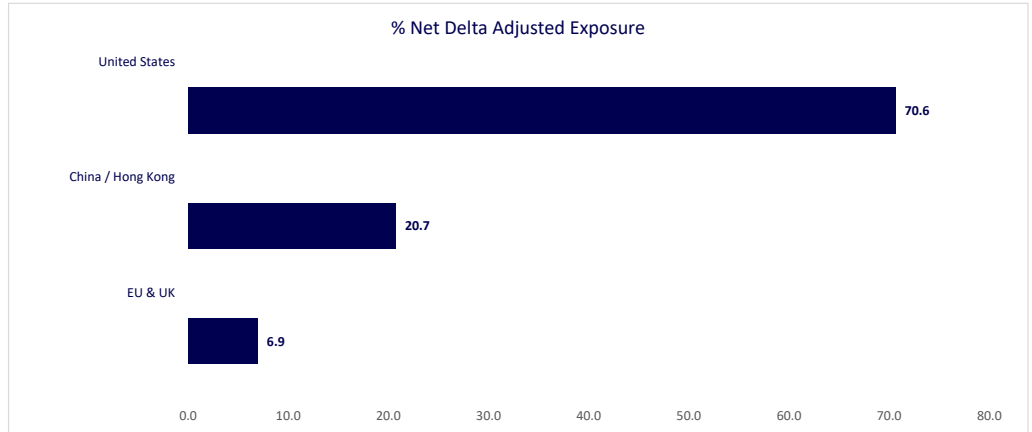
<sup>1</sup>Source: Bloomberg L.P. (inc PORT) as at 31 August 2021. <sup>2</sup>As defined by the Alternative Investment Fund Managers Directive (as implemented in the UK on 22 July 2013), calculated using data from Bloomberg PORT and Link. <sup>3</sup>Portfolio and Benchmark volatility are calculated using the Bloomberg Risk Model on underlying security returns, annualised, in base currency (GBP). <sup>4</sup>Sharpe is calculated by Bloomberg L.P. from underlying security returns in base currency (GBP). <sup>5</sup>Forward 12m. <sup>6</sup>Historic weekly correlation over 5yrs in GBP using MNL share price. Nasdaq = Nasdaq Composite Index.

### Comparative Period NAV TR Performance (Source: Bloomberg L.P., Link, MSCI)



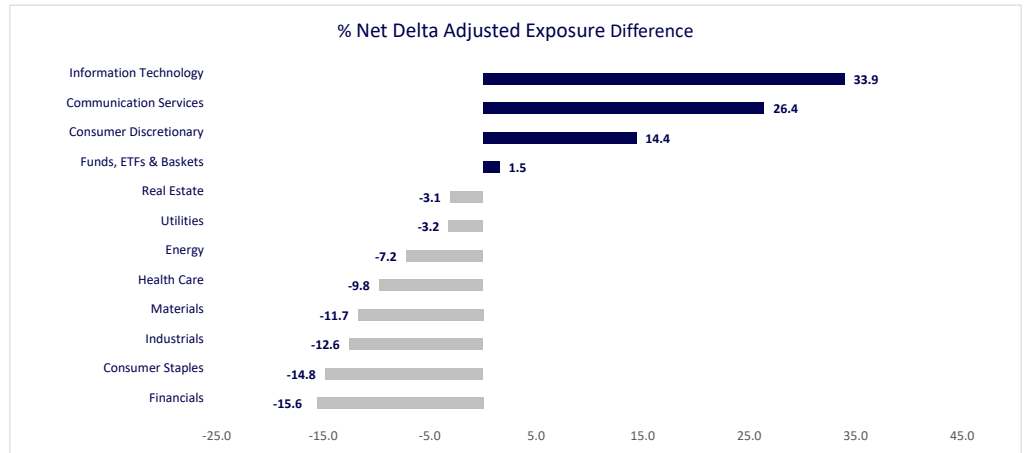
Data as at 31 August 2021. This comparison is illustrative only. All return figures are sourced from Bloomberg L.P. NAV return is on a total return basis (dividends reinvested), net of all costs incurred. Fund NAV is calculated weekly by Link Alternative Fund Administrators Ltd ("Link"). Calculation time periods depend on the timing of NAV releases and so may differ slightly to the axis labels. The figures shown relate to past performance. FYTD is from the end of July 2021. \*MSCI UK IMI Index (GBP).

### Domicile of Net Equity Exposures (Source: Bloomberg PORT, Link, MNL)



Data as 31 August 2021

### Sector Weightings of Net Equity Exposures v Benchmark (Source: Bloomberg PORT, Link, MNL)

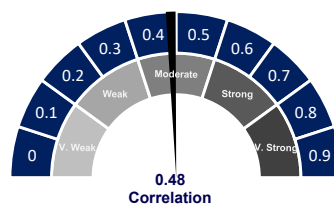


Data as 31 August 2021

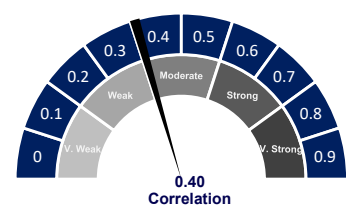
### Risk Management & Valuation Metrics (Source: Bloomberg L.P. (inc PORT), Link)

<b>1yr Share Price volatility<sup>1</sup>:</b>	<b>27.4%</b>	<b>AIFMD Leverage<sup>2</sup> - Commitment:</b>	<b>121.1%</b>
<b>Portfolio volatility<sup>1,3</sup>:</b>	<b>20.4%</b>	<b>1yr Sharpe<sup>1,4</sup>:</b>	<b>0.6x</b>
<b>Benchmark volatility<sup>1,3</sup>:</b>	<b>17.2%</b>	<b>See through P/E<sup>1,5</sup>:</b>	<b>29.9x</b>
<b>AIFMD Leverage<sup>2</sup> - Gross:</b>	<b>184.3%</b>	<b>See through EV/EBITDA<sup>1,5</sup>:</b>	<b>19.2x</b>

### 5yr Historic Correlation<sup>1,6</sup> - MNL vs Nasdaq



### 5yr Historic Correlation<sup>1,6</sup> - MNL vs Benchmark



### PRIIPS Summary Risk Indicator ('SRI')



The Fund is categorised as a 5 on the SRI scale, which is a "medium-high" risk class. This is calculated on past performance data using the prescribed PRIIPS methodology and actual risk may vary significantly. For further information on SRI - including key risk disclaimers - please read the Fund Key Information Document available at [www.mlcapman.com](http://www.mlcapman.com).