



Manchester and London Investment Trust Public Limited Company

HALF-YEARLY REPORT
FOR THE SIX MONTHS ENDED
31 JANUARY 2022

Contents

SUMMARY OF RESULTS.....	2
CHAIRMAN'S STATEMENT.....	3
MANAGER'S REPORT.....	5
INTERIM MANAGEMENT REPORT.....	7
STATEMENT OF DIRECTORS' RESPONSIBILITIES	8
CONDENSED STATEMENT OF COMPREHENSIVE INCOME.....	9
CONDENSED STATEMENT OF CHANGES IN EQUITY	10
CONDENSED STATEMENT OF FINANCIAL POSITION.....	11
CONDENSED STATEMENT OF CASH FLOWS.....	12
NOTES TO THE CONDENSED FINANCIAL STATEMENTS	13
INVESTMENT OBJECTIVE.....	18
INVESTMENT POLICY.....	18
SHAREHOLDER INFORMATION	20
CORPORATE INFORMATION	21

SUMMARY OF RESULTS

	At 31 January 2022	At 31 July 2021	Change
Net assets attributable to Shareholders (£'000)	247,783	269,686	(8.1)%
Net asset value ("NAV") per Ordinary Share (pence)	614.92	665.43	(7.6)%

	Six months to 31 January 2022
Total return to Shareholders*	(6.6)%
Benchmark - MSCI UK Investable Market Index (MXGBIM)*	6.2%

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

	Six months to 31 January 2022	Six months to 31 January 2021	Change
Interim dividend per Ordinary Share (pence)	7.00	7.00	0.00
Special dividend per Ordinary Share (pence)	7.00	0.00	7.00

Dates for the interim dividend

Ex-dividend date	14 April 2022
Record date	19 April 2022
Payment date	4 May 2022

CHAIRMAN'S STATEMENT

Results for the half year ended 31 January 2022

During the half year under review, the NAV per Share total return was -6.6 per cent, compared to an increase in the benchmark of 6.2 per cent.

The Company entered the period with 22.7 per cent of its portfolio listed on the Hong Kong market. Whilst the Hang Seng Tech index saw a total return (GBP) of -17.6 per cent over the period, the remainder of the portfolio is predominantly listed on Nasdaq which saw a total return (GBP) of 0.7 per cent. In addition, we did not own Apple Inc. or Tesla Inc. which combined provided a contribution of 3.4 per cent to the Nasdaq return.

Looking at it another way, the North American Software sector's total return was -8.5 per cent for the period and the software classification is the most common for our portfolio's holdings. The Manager's preference remains to hold software stocks rather than hardware stocks which explains the lack of holdings in Tesla Inc and Apple Inc. The Manager's Report sets out in detail the stock specific contributions to this performance.

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

Dividends

With these results, we have announced an ordinary interim dividend of 7.0 pence per Ordinary Share. This is the same level as the prior year (31 January 2021: 7.0 pence per Ordinary Share). The Company was initially admitted to the London Stock Exchange in January 1972, so in celebration of our 50th anniversary, we are also announcing a special dividend of 7.0 pence per Ordinary Share to be paid at the same time as the ordinary dividend.

Share buy backs

During the period the Company has bought back 233,183 shares into Treasury at an average discount of 17.3 per cent. We will continue to buy back shares when the circumstances appear attractive.

Board Succession

David Harris retired from the Board during the period after over 12 years of service. We are all highly appreciative of David's contribution to the company's growth from a Net Asset Value of approximately £42.1m when he joined the Board to £285m when he resigned from the Board. We welcome Daren Morris to the Board following his appointment as Audit Committee Chairman in December 2021. Daren is a seasoned financial and PLC practitioner and brings a wealth of knowledge and experience to our Board.

Other matters

The Manager has reviewed the Shareholder Register and estimates that over 99.5 per cent of shareholders have addresses located within the United Kingdom. As previously reported, over our history, we have decided to apply our benchmark to the location of our shareholders rather than what would happen to be the best fit for our portfolio at any such time.

Outlook

Key variables for our second half performance are likely to be movements in the US sovereign yield curve and inflation expectations, how the Federal Reserve and other Central Banks respond to the aforementioned, whether there is any further material shakeout in certain crowded trades (such as unprofitable Technology stocks, cryptocurrencies), and the regulation of Technology companies globally (especially with regulation impending in Europe).

Whilst geopolitical, inflationary and energy transition pressures have recently weighed on markets, we remain confident that our investment approach, focused on software, digitalisation, data management and AI offers more pricing power to ward off inflationary threats and more significant secular growth than more traditional sectors.

We remain confident in our dynamic investment framework and the quality of the resultant underlying portfolio.

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

Daniel Wright

Chairman

21 March 2022

MANAGER'S REPORT

Portfolio management

Further to the performance statistics provided in the Chairman's report, we have broken down the total return of the portfolio by sector holdings in local currency (excluding costs and foreign exchange).

Total return of underlying sector holdings in local currency (excluding costs and foreign exchange)	2022
Information Technology	(1.0%)
Communication Services	(1.2%)
Consumer Discretionary	(5.1%)
Other investments (including funds, ETFs and beta hedges)	(1.3%)
Foreign Exchange, operating costs & financing	2.0%
Total NAV per Share return	(6.6%)

A more up to date analysis of our portfolio can be found in our Fund Factsheets:

<https://mlcapman.com/manchester-london-investment-trust-plc/>

Information Technology

The only positive contributor to the portfolio's performance from this sector was **Microsoft Corporation** which is why it is our largest holding. **AMSL Holding NV** and **Adobe Inc.** were both material negative contributors and yet both have produced satisfactory financial results.

The portfolio's delta-adjusted exposure to this sector at the period end was around **48.7 per cent** of net assets which is up materially from 28 per cent when we reported last year's Interims.

Communication Services

The only positive contributor to the portfolio's performance from this sector was **Alphabet Inc.** which is why it is our third largest holding. Both **Meta Platforms Inc** and **Netflix Inc** were material negative contributors, and both saw a slowdown in growth which was disappointing. We remain positive on both stocks for the longer term mainly due to Meta's low valuation and Netflix's exposure to the secular growth in humans' digital leisure time. Contrary to the mood in the media for Hong Kong names, **Tencent Holdings Ltd** provided a positive contribution although very marginal.

The portfolio's delta-adjusted exposure to this sector at the period end was around **41.5 per cent** of net assets also up materially from 29 per cent last year.

Consumer Discretionary

There were no positive contributors from this sector. Both **Alibaba Group Holding Ltd** and **Amazon.com, Inc** performed badly in the period. Following the end of the period, Amazon has reported some better than expected results and most importantly the resumption of share buy backs.

Overall, the portfolio's delta-adjusted exposure to the sector at the period end was around **22.2 per cent** of net assets, which has dropped from last year due to poor performance.

Other investments including beta hedges

The only material negative contributor for the portfolio from these holdings was the **CSOP Hang Seng Tech Index ETF**.

The portfolio's delta-adjusted exposure to equity investments in this sector at the period end was around **7.9 per cent** of net assets, also a reduction from last year.

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Read our previous articles at: <https://www.linkedin.com/company/m-&-l-capital-management-ltd/>

Long the Future.

M&L Capital Management Limited

Manager

@MLCapMan

21 March 2022

EQUITY EXPOSURES AND PORTFOLIO SECTOR ANALYSIS

Equity exposures (longs)

As at 31 January 2022

Company	Sector*	Valuation £'000	% of net assets
Microsoft Corporation**	Information Technology	60,166	24.28
Alphabet Inc.**	Communication Services	60,129	24.27
Amazon.com Inc.**	Consumer Discretionary	42,594	17.19
Meta Platforms Inc.**	Communication Services	26,965	10.88
Adobe Inc.**	Information Technology	26,600	10.74
Tencent Holdings Ltd***	Communication Services	21,077	8.51
Salesforce.com Inc**	Information Technology	18,720	7.55
ASML Holding NV***	Information Technology	16,034	6.47
Alibaba Group Holding Ltd***	Consumer Discretionary	15,374	6.20
Netflix Inc.**	Communication Services	14,102	5.69
CSOP Hang Seng Tech Index HKD**	ETF	12,913	5.21
Polar Capital Technology TR	Fund	6,634	2.68
Zynga Inc. – CL A**	Communication Services	4,999	2.02
The Walt Disney Co	Communication Services	2,238	0.90
JD.com Inc.***	Consumer Discretionary	595	0.24
Netease Inc.**	Communication Services	422	0.17
Shopify Inc.	Information Technology	108	0.05
Total long equities exposure		329,670	133.05
Other net assets and liabilities		(81,887)	(33.05)
Net assets		247,783	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 4, and the Manager's Report on pages 5 and 6.

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 Limited is the controlling Shareholder of the Company. This company was controlled throughout the six months ended 31 January 2022, 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 profit and loss 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:

Daniel Wright
Chairman

21 March 2022

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2022

	(Unaudited) Six months ended 31 January 2022			(Unaudited) Six months ended 31 January 2021			(Audited) Year ended 31 July 2021		
	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	134	(15,994)	(15,860)	93	7,932	8,025	250	25,117	25,367
Investment income	116	-	116	375	-	375	823	-	823
Gross return	250	(15,994)	(15,744)	468	7,932	8,400	1,073	25,117	26,190
Expenses									
Management fee	(1,057)	-	(1,057)	(941)	-	(941)	(1,958)	-	(1,958)
Other operating expenses	(260)		(260)	(464)		(464)	(725)		(725)
Total expenses	(1,317)		(1,317)	(1,405)		(1,405)	(2,683)		(2,683)
Return before finance costs and taxation	(1,067)	(15,994)	(17,061)	(937)	7,932	6,995	(1,610)	25,117	23,507
Finance costs	(125)	(489)	(614)	(19)	(501)	(520)	(205)	(1,038)	(1,243)
Return on ordinary activities before tax	(1,192)	(16,483)	(17,675)	(956)	7,431	6,475	(1,815)	24,079	22,264
Taxation	(17)	-	(17)	(26)	-	(26)	(42)	-	(42)
Return on ordinary activities after tax	(1,209)	(16,483)	(17,692)	(982)	7,431	6,449	(1,857)	24,079	22,222
Return per Ordinary Share: Basic and fully diluted (pence)	(2.99)	(40.79)	(43.78)	(2.63)	19.90	17.27	(4.77)	61.87	57.10

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 13 to 17 form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2022

For the six months from 1 August 2021 to 31 January 2022 (unaudited)	Share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 August 2021	10,132	25,888	107,188	123,240	3,238	269,686
Shares issued	-	-	-	-	-	-
Ordinary shares bought back and held in treasury	-	-	(1,379)	-	-	(1,379)
Total comprehensive (loss)	-	-	-	(16,483)	(1,209)	(17,692)
Dividends paid	-	-	(803)	-	(2,029)	(2,832)
Balance at 31 January 2022	10,132	25,888	105,006	106,757	-	247,783

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

For the year from 1 August 2020 to 31 July 2021 (audited)	Share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 August 2020	9,034	107,188	-	99,161	10,550	225,933
Shares issued	1,098	25,888	-	-	-	26,986
Cancellation of share premium account	-	(107,188)	107,188	-	-	-
Total comprehensive income/(loss)	-	-	-	24,079	(1,857)	22,222
Dividends paid	-	-	-	-	(5,455)	(5,455)
Balance at 31 July 2021	10,132	25,888	107,188	123,240	3,238	269,686

The notes on pages 13 to 17 form part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 January 2022

	(Unaudited) 31 January 2022 £'000	(Unaudited) 31 January 2021 £'000	(Audited) 31 July 2021 £'000
Notes			
Non-current assets			
Investments held at fair value through profit and loss	153,271	165,834	156,919
Current assets			
Unrealised derivative assets	16,921	34,673	44,903
Trade and other receivables	48	(25)	42
Cash and cash equivalents	87,804	73,064	82,970
	104,773	107,712	127,915
Gross assets	258,044	273,546	284,834
Current liabilities			
Unrealised derivative liabilities	(9,995)	(16,476)	(14,871)
Trade and other payables	(266)	(279)	(277)
	(10,261)	(16,755)	(15,148)
Net assets	247,783	256,791	269,686
Equity attributable to equity holders			
Ordinary Share capital	10,132	10,132	10,132
Share premium	25,888	133,117	25,888
Special reserves	105,006	-	105,006
Capital reserves	106,757	106,592	123,240
Retained earnings	-	6,950	3,238
Total equity Shareholders' funds	247,783	256,791	269,686
Net asset value per Ordinary Share – basic and diluted(pence)	614.92	633.62	665.43
Number of shares in issue excluding Treasury	3	40,295,055	40,528,238

The notes on pages 13 to 17 form part of these financial statements.

CONDENSED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2022

	Six months to 31 January 2022 (Unaudited) £'000	Six months to 31 January 2021 (Unaudited) £'000	Year ended 31 July 2021 (Audited) £'000
Cash flow from operating activities			
Return on operating activities before tax	(17,675)	6,475	22,264
Interest expense	614	520	1,075
(Gains) / losses on investments held at fair value through profit or loss	17,528	(9,244)	(26,633)
(Increase) / decrease in receivables	(11)	33	(10)
(Decrease) / increase in payables	(1)	(58)	(92)
Derivative instruments cash flows	7,676	(13,039)	(21,704)
Tax paid	(17)	(26)	(42)
Net cash generated from operating activities	8,114	(15,339)	(25,142)
Cash flow from investing activities			
Purchase of investments	(28,157)	(80,249)	(82,898)
Sale of investments	29,708	58,586	84,370
Net cash used in investing activities	1,551	(21,663)	1,472
Cash flow from financing activities			
Ordinary shares issued	-	27,027	26,986
Shares bought for treasury	(1,379)	-	-
Interest paid	(620)	(520)	(1,068)
Equity dividends paid	(2,832)	(2,618)	(5,455)
Net cash generated from financing activities	(4,831)	23,889	20,463
Net increase/(decrease) in cash and cash equivalents	4,834	(13,113)	(3,207)
Cash and cash equivalents at the beginning of the period	82,970	86,177	86,177
Cash and cash equivalents at the end of the period	87,804	73,064	82,970

The notes on pages 13 to 17 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 2021.

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 2022 and 31 January 2021 have not been audited or reviewed by the Company’s Auditors.

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 comparative figures for the year ended 31 July 2021 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 2022 (unaudited)		Six months to 31 January 2021 (unaudited)		Year ended 31 July 2021 (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	(1,209)	(2.99)	(982)	(2.63)	(1,857)	(4.77)
Capital	(16,483)	(40.79)	7,431	19.90	24,079	61.87
Total return on ordinary activities	(17,692)	(43.78)	6,449	17.27	22,222	57.10
Weighted average number of Ordinary Shares	40,405,648		37,333,536		38,917,758	

3. Share capital

	Six months to 31 January 2022 (unaudited)		Six months to 31 January 2021 (unaudited)		Year ended 31 July 2021 (audited)	
	Number	£'000	Number	£'000	Number	£'000
25p Ordinary Shares						
Opening Ordinary Shares in issue	40,528,238	10,132	36,135,738	9,034	36,135,738	9,034
Shares issued	-	-	4,392,500	1,098	4,392,500	1,098
Closing Ordinary Shares in issue	40,528,238	10,132	40,528,238	10,132	40,528,238	10,132

Treasury shares:

Balance at beginning of the year	-
Buyback of Ordinary shares in treasury	233,183
Balance at end of year	233,183

Total Ordinary Share capital excluding treasury shares 40,295,055

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

During the six months to 31 January 2022, the Company issued no Ordinary Shares (six months to 31 January 2021: 4,392,500; year ended 31 July 2021: 4,392,500), with net consideration of £0 (six months to 31 January 2021: £27,027,000; year ended 31 July 2021: £27,070,000).

The Company during the six months to 31 January 2022, bought back and placed in treasury 233,183 Ordinary Shares with a nominal value of £58,296 for an aggregate consideration of £1,379,000 (six months to 31 January 2021: Nil; year ended 31 July 2021: Nil).

4. Dividends per Ordinary Share

The Board has declared an interim dividend of 7p per Ordinary Share and a special dividend of 7p per Ordinary Share (2021: interim dividend of 7p per Ordinary Share) which will be paid on 4 May 2022 to Shareholders registered at the close of business on 19 April 2022 (ex-dividend 14 April 2022).

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 £247,783,000 (31 January 2021: £256,791,000; 31 July 2021: £269,686,000) at the period end and 40,295,055 (31 January 2021: 40,528,238; 31 July 2021: 40,528,238) being the number of Ordinary Shares excluding Treasury 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 2022

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	153,271	-	-	153,271
Derivatives – assets	-	16,921	-	16,921
Total	153,271	16,921	-	170,192

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 July 2021

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	156,919	-	-	156,919
Derivatives – assets	-	44,903	-	44,903
Total	156,919	44,903	-	201,822

Financial liabilities at fair value through profit or loss at 31 January 2022

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Derivatives – liabilities	-	9,995	-	9,995

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

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

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

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Derivatives – liabilities	-	14,871	-	14,871

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 Limited (“MMIC”) which is the controlling Shareholder of the Company.

During the six months to 31 January 2022, MMIC purchased 18,449 Ordinary shares, with net consideration of £105,103. As at 31 January 2022, MMIC was interested in a total of 22,920,721 Ordinary Shares of 25 pence each in the Company, representing 56.54% of the issued share capital.

Total fees charged by the Manager for the six months to 31 January 2022 were £1,057,000 (six months to 31 January 2021: £941,000; year ended 31 July 2021: £1,958,000), of which £163,000 was outstanding as at 31 January 2022 (31 January 2021: £168,000; 31 July 2021: £177,000).

The fees payable to Directors are set out in the 2021 Annual Report.

There were no other related party transactions in the period.

8. Post Statement of Financial Position event

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 81.3 per cent as at the January 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.

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

Daniel Wright (Chairman)
Brett Miller
Sir James Waterlow
Daren Morris (appointed on 10 December 2021)
David Harris (resigned on 26 November 2021)

Auditor

Deloitte LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2DB

Manager and Alternative Investment Fund Manager

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Administrator

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Exeter EX4 4EP

Company Secretary

Link Company Matters Limited
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Exeter EX4 4EP
Tel: 01392 477 500

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Tel: 0871 664 0300
Email: shareholder.enquiries@linkgroup.co.uk

Depository

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London EC3M 7AF

Bank

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Manchester M60 2DB

COMPANY DETAILS

Registered office

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