

Manchester and London Investment Trust plc

Fact Sheet April 2022

Investment Objective:

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

Fund Information:

Launch date:	January 1972
NAV per share¹:	470.8p
Share last price²:	408.5p
(Premium)/Discount¹:	13.2%
Ongoing Charge (excluding vm fees)³:	0.8%
Shares in issue^{1,6}:	40,270,055
Net Assets¹:	£189.6m
Tickers:	MNL LN; MNL.L
ISIN:	GB0002258472
Listed:	London Stock Exchange
Tax Wrapper Friendly:	SIPP;ISA:SSAS
Historic Dividend Yield⁵:	3.4%
Active Share Ratio (vs Benchmark)²:	112.7%
Active Share Ratio (vs Nasdaq Comp)²:	87.7%
ESG^{2,4}:	85.7% (Med. 50%)
Benchmark:	MSCI UK IMI Index (GBP)

¹ Calculated by Link Alternative Fund Administrators Ltd ("Link") as at 03 May 2022.

² Source Bloomberg L.P. (inc PORT) as at 03 May 2022.

³ 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 2021. 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).

⁴ Sustainalytics Environment Percentile.

⁵ Based on the last 2 semi annual dividends paid by the Fund divided by the MNL share last price as at 03 May 2022.

⁶ Excluding shares held in treasury.

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.micapman.com.

Please ensure you read the Key Risk Considerations section overleaf.

This material is not a solicitation or an offer to invest with Manchester and London Investment Trust plc ("MNL" or the "Fund") or any other security.

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.

Fund News

Amazon results were weak on outlook, particularly for Operating Income. Whilst we remain positive on the AWS business (which grew 37 per cent in the quarter), the retail business is becoming increasingly less attractive in an environment of high inflation. We materially reduced the position ahead of results.

Microsoft continues to exhibit one of the most reliable business models in mega tech, growing revenues 18 per cent in the last quarter, with Azure growth of 46 per cent.

Other holdings reported quarterly revenue growth rates as follows: **Alphabet** 23 per cent, **Netflix** 10 per cent, **PayPal** 7 per cent, **Meta** 7 per cent, **Cadence** 23 per cent, **ASML** -19 per cent (20 per cent growth expected for full year), **Intuitive Surgical** 15 per cent and **Godaddy** 11 per cent.

Market Update

Around 50 per cent of companies traded on the Nasdaq are now down more than 50 per cent. For Growth Investors, this is now a very painful bear market. The FANG+ index (NYFANG) was down 15.3 per cent for the month which was in line with the decline seen by the Fund.

We were criticised leading into this fall that we had been too cautious into what the data is now telling us was an over-hyped QE driven market. As we entered this drop, we believed we were cautiously positioned in the more boring mega-Tech names. We then saw some of the more expensive but quality names that we had sold last year fall back to the prices we had previously sold them at. Clearly, if a stock is back to where it was say a year ago but it has also enjoyed 20 to 30 per cent growth during that time one can do the value arithmetic. So with this price reset we moved to being more positive. After the very upbeat updates we heard at the Morgan Stanley TMT conference, detailed in our last [Newsletter](#), we hoped that last week's reporting season from mega-Tech would calm nerves. We and, according to Barron's, a large part of the rest of the market were wrong in this false hope.

So what happens now? QE is not coming, the Fed is unlikely to save us, we have QT approaching and Gilts becoming much more attractive by the day. We would remind you of what we said in our latest Newsletter:

1. "For companies involved in AI, Data, Semiconductors and the increasing shift to digitalization by enterprises then conditions are not just good but close to boom conditions.
2. To be clear, we have not said that the Covid rates of growth will continue in **Social Media, Gaming, Streaming, Metaverse**. We do see the growth subsiding from spectacular and elevated Covid levels. We shaved down our FB holding in response."

The underlying trading turn around for **Social Media, Gaming, Streaming, Metaverse** will be longer in coming so we have materially reduced holdings in these "Soft Tech" areas and refocused on more "Hard Tech" areas such as **Software** and **Semiconductors**. To be clear, the underlying operations of our Software and Semiconductor holdings are thriving.

We sold \$26.8m worth of Amazon and \$12.3m worth of Netflix before their results and we have sold \$21.7m of Meta Platforms starting in Q1. In addition, we will hedge against further market falls **as the market falls** and some of these early hedges can be seen in our holdings report below.

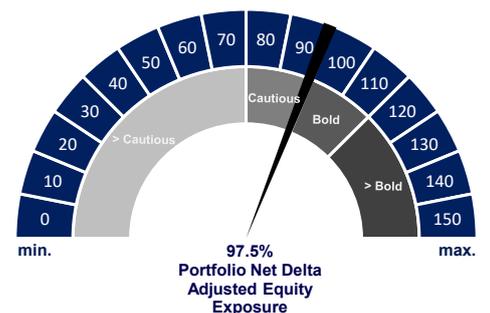
The Equity market is currently **100 per cent blind to underlying operational performance**, it is purely being driven by flows and excess selling. These phases **don't last forever** and **operational excellence will be rewarded again**.

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	30.5%	Large Cap Equity	95.5%
ALPHABET INC	25.0%	Mid Cap Equity	0.0%
AMAZON.COM INC	10.1%	Small Cap Equity	0.0%
ASML HOLDING NV	8.4%	Equity Options	6.8%
SPDR S&P 500 ETF TRUST	(6.0)%	Equity ETFs, Funds & Baskets	(4.8)%
SALESFORCE.COM INC	5.1%		
SYNOPSIS INC	4.9%		
CADENCE DESIGN SYS INC	4.9%		
ADOBE INC	3.9%		
POLAR CAPITAL TECH	3.1%		
NVIDIA CORP	2.2%		
ISHARES CORE DAX ETF	(2.0)%		
META PLATFORMS INC	1.9%		
WALT DISNEY CO/THE	1.4%		
NETFLIX INC	1.3%		
GODADDY INC	1.1%		
INTUITIVE SURGICAL INC	0.9%		
PAYPAL HOLDINGS INC	0.5%		
TAKE-TWO INTERACTIVE	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://micapman.com/faq/>

Data as at 03 May 2022

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

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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

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.

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.

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

Notes for Risk Management & Valuation Metrics:

¹Source: Bloomberg L.P. (inc PORT) as at 03 May 2022.

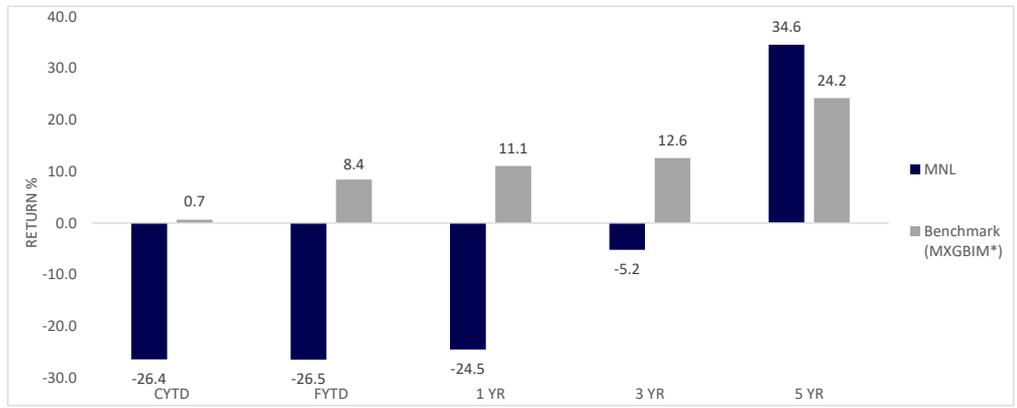
²As defined by the Alternative Investment Fund Managers Directive (as implemented in the UK on 22 July 2013), calculated using data from Bloomberg PORT and Link.

³Portfolio and Benchmark volatility are calculated using the Bloomberg Risk Model on underlying security returns, annualised, in base currency (GBP).

⁴Forward 12m.

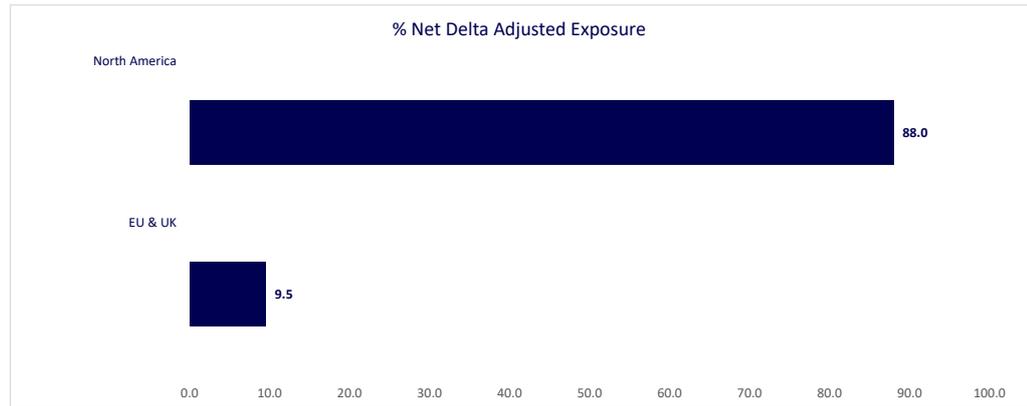
⁵Historic weekly Correlation over 5yrs in GBP using MNL share price. Nasdaq = Nasdaq Composite Index.

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



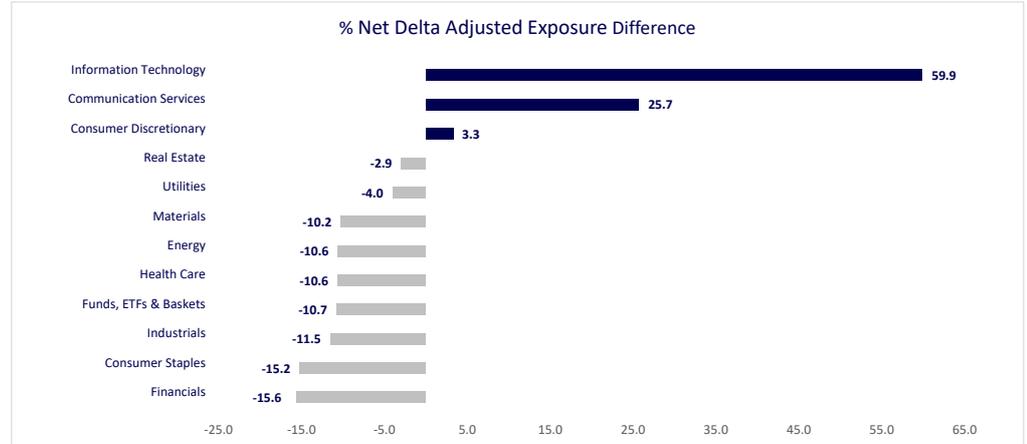
Data as at 03 May 2022. This comparison is illustrative only. All return figures are sourced from Bloomberg L.P. NAV return is on a total return basis (dividends reinvested), net of all costs incurred. Fund NAV is calculated weekly by Link Alternative Fund Administrators Ltd ("Link"). Calculation time 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 at 03 May 2022

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



Data as at 03 May 2022

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

1yr Share Price volatility¹:	30.7%	AIFMD Leverage² - Commitment:	144.3%
Portfolio volatility^{1,3}:	24.1%	See through P/E^{1,4}:	25.1x
Benchmark volatility^{1,3}:	15.0%	See through EV/EBITDA^{1,4}:	15.3x
AIFMD Leverage² - Gross:	154.9%		

5yr Historic Correlation^{1,6} - MNL vs Nasdaq



5yr Historic Correlation^{1,6} - 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.