

Manchester and London Investment Trust plc

Fact Sheet May 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:	453.8p
Share last price²:	370.0p
(Premium)/Discount¹:	18.5%
Ongoing Charge (excluding vm fees)³:	0.8%
Shares in issue^{1,6}:	40,270,055
Net Assets¹:	£182.7m
Tickers:	MNL LN; MNL.L
ISIN:	GB0002258472
Listed:	London Stock Exchange
Tax Wrapper Friendly:	SIPP;ISA:SSAS
Historic Dividend Yield⁵:	3.8%
Active Share Ratio (vs Benchmark)²:	116.5%
Active Share Ratio (vs Nasdaq Comp)²:	90.4%
ESG^{2,4}:	86.6% (Med. 50%)
Benchmark:	MSCI UK IMI Index (GBP)

¹ Calculated by Link Alternative Fund Administrators Ltd ("Link") as at 31 May 2022.

² Source Bloomberg L.P. (inc PORT) as at 31 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 31 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.mlcapman.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

NVidia reported revenue growth of 46 per cent, driven by Data Center chip sales (+83 per cent YoY).

Salesforce posted revenue growth of 24 per cent for the last quarter. We reduced our exposure as, despite some recent comments around cost discipline, the management remains materially behind the curve on the importance of margins, cash flow and buybacks in the QT era. They are not actively shortening the duration of their equity.

Synopsis and Intuit reported revenue growth of 25 per cent and 35 per cent respectively for the last quarter.

Portfolio changes this month included the disposal of Walt Disney ("Soft Tech"), reduction in Amazon ("Soft Tech") and increased exposure to Nvidia, Intuit, Adobe & Godaddy. In general, we continue to prefer "Hard Tech" & B2B over "Soft Tech" & B2C in this more uncertain macro environment.

Market Update

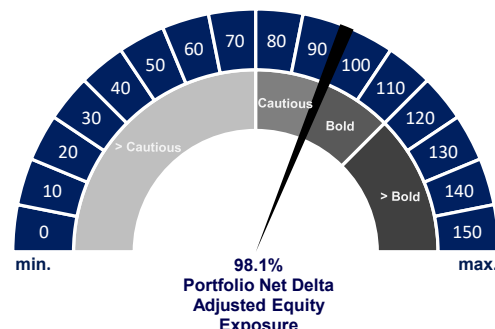
The first stage of the 2021-? Bear Market was a **Duration Crash** that is why **long dated** assets like US Sovereign Debt **declined in price** by a similar quantum to profitable Technology stocks. Duration Crashes are very bad news for Technology stocks. Around the middle of May, we appeared to enter the second stage of the 2021-? Bear Market which was a **Recession Compression**, this is when the economy is forecast to slow down and analysts (especially for cyclicals) start to downgrade their earnings forecasts. Retailers now appear to have way too much inventory. Then last week, the SPX fell by 6 per cent Wednesday through Friday. The 10y burst back above 3 per cent, Crude rose above \$120 (and it is starting to look like prices will extend to \$150) and the CPI hit a new peak and showed very little signs of easing. So are we now in the third stage of the 2021-202? Bear Market: **Duration & Recession?**

Inflation always seems to be **about to** decline next month but the truth is it is not even levelling off yet. Estimates of US inflation for Q2 and Q3 2022 have risen month by month. Our guess is we get further disappointment in June and we see a Summer of very worrying Oil price rises. Inflation has moved from **transitory to solvable to sticky** and the result is forecast rates materially higher than anticipated just weeks ago. The game changer with the last CPI print was that the University of Michigan 5-10 year inflation expectations moved up by 0.3 per cent to 3.3 per cent, after four stable readings of 3 per cent. The probability that we enter a recession in the US before this tightening cycle is over is now material and we are relieved that we shifted some of our holdings from "Soft Tech" to "Hard Tech" (as we detailed in our last Factsheet). But let's not delude ourselves, this Market offers few hiding places. There are so many issues driving market weakness but one must remember that possibly THE key issue is the supply side constraints driven by labour and lower productivity. It is important to note that our "Hard Tech" holdings are positioned to assist with a further shift of workflows from Man to Machine.

To fathom the future: note that that an increasing amount (now 12 per cent) of US Economists see inflation greater than 3 per cent by the end of 2023 yet the Market has also started to price Fed rate cuts 18 to 24 months from here. Go figure! How behaviourally entrenched is inflation? Can the Saudi's increase production by 750k boe per day within 12 months? Does increased investment in renewable energy **actually** happen? How long before the Labour market responds to a slow down? How much excess personal savings are left? To provide a point of reference for all these questions, David Einhorn (talking his own book) posits that the Fed needs to move rates above 7 per cent. Yet others say the Fed will balk at rates above 3.5 per cent as this level would severely damage the over-indebted economy and the Fed is, in reality, political. We are in uncharted waters.

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	30.7%	Large Cap Equity	97.0%
ALPHABET INC	25.7%	Mid Cap Equity	0.0%
ASML HOLDING NV	8.8%	Small Cap Equity	0.0%
AMAZON.COM INC	8.2%	Equity Options	9.3%
SPDR S&P 500 ETF TRUST	(6.1)%	Equity ETFs, Funds & Baskets	(8.2)%
SYNOPTSYS INC	5.5%		
NVIDIA CORP	5.1%		
CADENCE DESIGN SYS INC	5.1%		
ADOBE INC	4.5%		
ISHARES CORE DAX ETF	(3.2)%		
POLAR CAPITAL TECH	3.1%		
GODADDY INC	2.9%		
NETFLIX INC	2.8%		
META PLATFORMS INC	2.7%		
INVESCO QQQ NASDAQ 100 ETF	(2.0)%		
SALESFORCE.COM INC	1.8%		
INTUIT INC	1.0%		
INTUITIVE SURGICAL INC	0.9%		
PAYPAL HOLDINGS INC	0.6%		
TAKE-TWO INTERACTIVE	0.0%		



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

Data as at 31 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 31 May 2022.

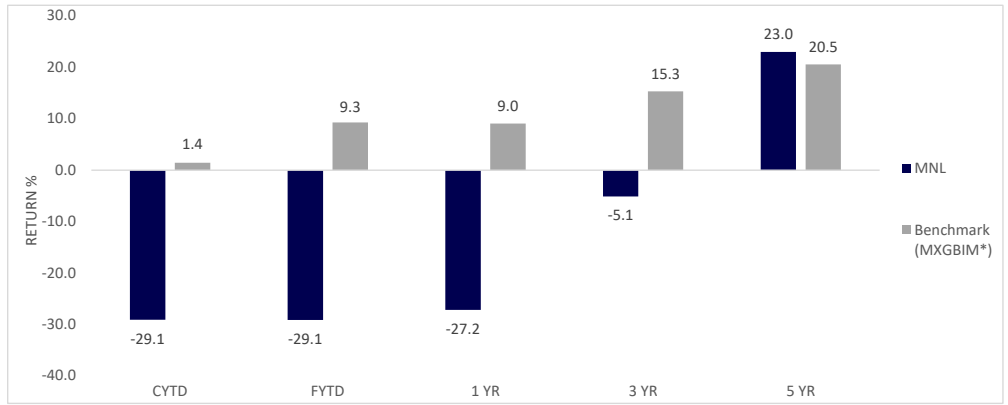
²As defined by the Alternative Investment Fund Managers Directive (as implemented in the UK on 22 July 2013), calculated using data from Bloomberg PORT and Link.

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

⁴Forward 12m.

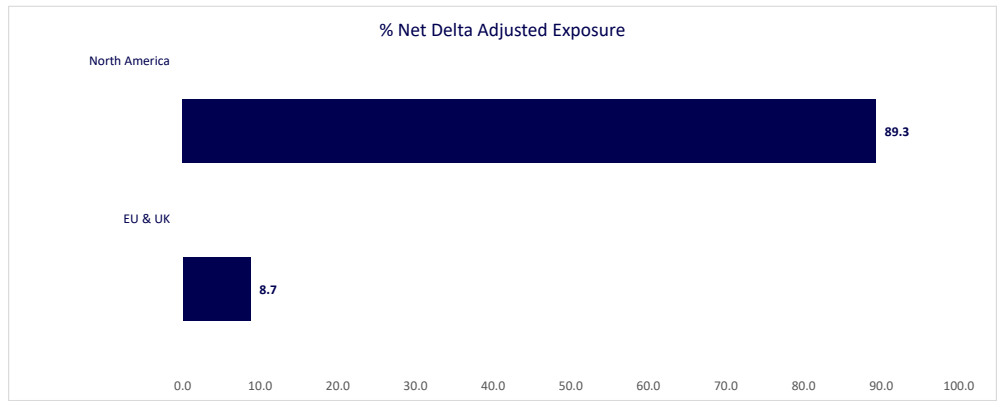
⁵Historic weekly Correlation over 5yrs in GBP using MNL share price. Nasdaq = Nasdaq Composite Index.

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



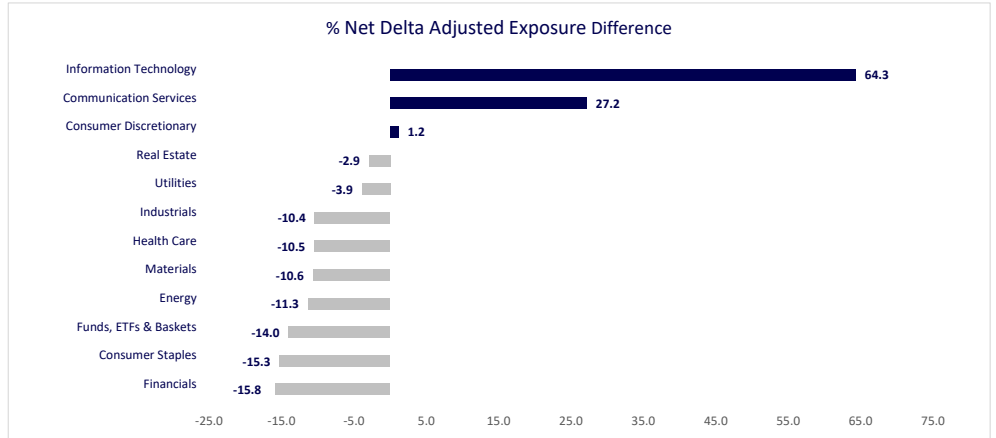
Data as at 31 May 2022. This comparison is illustrative only. All return figures are sourced from Bloomberg L.P. NAV return is on a total return basis (dividends reinvested) net of all costs incurred. Fund NAV is calculated weekly by Link Alternative Fund Administrators Ltd ("Link"). Calculation time 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 31 May 2022

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

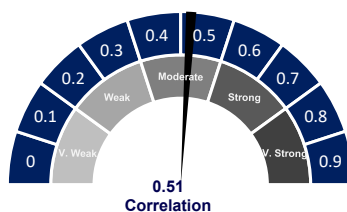


Data as at 31 May 2022

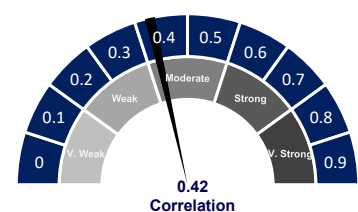
Risk Management & Valuation Metrics (Source: Bloomberg L.P. (inc PORT), Link)

1yr Share Price volatility¹:	31.8%	AIFMD Leverage² - Commitment:	152.2%
Portfolio volatility^{1,3}:	26.5%	See through P/E^{1,4}:	24.0x
Benchmark volatility^{1,3}:	14.8%	See through EV/EBITDA^{1,4}:	14.5x
AIFMD Leverage² - Gross:	159.5%		

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.