

# Manchester and London Investment Trust plc

## Fact Sheet April 2023

### 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>	472.9p
<b>Share last price<sup>2</sup>:</b>	386.0p
<b>(Premium)/Discount<sup>1</sup>:</b>	18.4%
<b>Ongoing Charge (excluding vm fees)<sup>3</sup>:</b>	0.7%
<b>Shares in issue<sup>1,6</sup>:</b>	40,193,018
<b>Net Assets<sup>1</sup>:</b>	£190.1m
<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>	3.6%
<b>Active Share Ratio (vs Benchmark)<sup>2</sup>:</b>	110.7%
<b>Active Share Ratio (vs Nasdaq Comp)<sup>2</sup>:</b>	86.6%
<b>ESG<sup>2,4</sup>:</b>	84.3% (Med. 50%)
<b>Benchmark:</b>	MSCI UK IMI Index (GBP)

<sup>1</sup> Calculated by Link Alternative Fund Administrators Ltd (“Link”) as at 2 May 2023.

<sup>2</sup> Source Bloomberg L.P. (inc PORT) as at 2 May 2023.

<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 2022. 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 2 May 2023.

<sup>6</sup> 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](http://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

**Microsoft** reported 10 per cent FX adjusted revenue growth for the last quarter, with Azure growth of 31 per cent. Importantly, the company guided to a slower rate of Azure deceleration than had been feared by the market during the current period of “optimisation” in cloud workloads.

Other Top 20 holdings reported quarterly revenue growth rates as follows: **AMD** –9 per cent, **Alphabet** 4 per cent, **Amazon** 9 per cent, **Ansys** 19 per cent, **Apple** –3 per cent, **ASML** 91 per cent, **Cadence** 13 per cent, **Godaddy** 3 per cent, **Intuitive Surgical** 14 per cent and **NXP** 0 per cent.

This month witnessed the first Profits Warning blamed on AI (Chegg - not held). We suspect this is the start of a wave of AI disruption in the tech, media & software space as AI enables a radical shift in how problems can be solved. We have been pairing down positions that we feel are vulnerable to AI competition (such as Adobe) and reinforcing those that have AI core & central to their investment thesis (such as AMD & NVDA).

### Market Update

Since the last Factsheet, the Fund is up over 3 per cent (Total Return) stringing together 4 months up for calendar 2023. We hate voodoo adages but we would guess that the May to September period (“Sell in May...”) with debt ceilings, further zombie company culling (especially Commercial Real Estate) and persistent inflation could be a tougher period for the Market. We are now in the last third of our Financial Year and our Total Return for the period is only negative to the tune of 1 per cent. It would be heartening if we could make 2022/23 a positive return year.

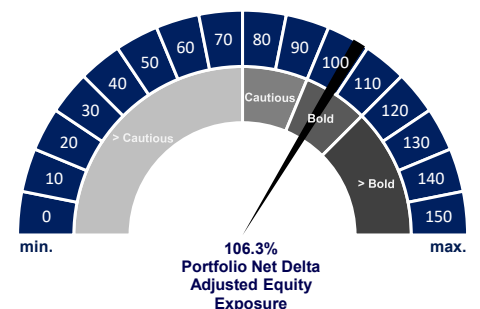
During this month, we have become convinced that AI is going to destroy a large proportion of legacy business models. To quote our forthcoming Newsletter: “Now is a very dangerous time to be an Investor and potentially it’s worse for Technology investors. Half your portfolio could see their moats drain away before your eyes. This is a valuation apocalypse for legacy businesses, and we have a feeling that we are just at the beginning.” However, very attractive returns could be earned by those that keep their portfolio focused on stocks where AI is core & central to their business model not something they hope to adapt with or to.

### 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	29.8%	Large Cap Equity	107.3%
ASML HOLDING NV	9.2%	Mid Cap Equity	0.0%
CADENCE DESIGN SYS INC	8.6%	Small Cap Equity	0.0%
SYNOPTSYS INC	7.4%	Equity Options	(3.8)%
NVIDIA CORP	7.3%	Equity ETFs, Funds & Baskets	2.9%
ADVANCED MICRO DEVICES INC	7.0%		
ADOBE INC	5.2%		
ALPHABET INC	3.9%		
PAYPAL HOLDINGS INC	3.4%		
ROBO GLOBAL ROBOTICS ETF	3.2%		
SAGE GROUP PLC	2.4%		
GODADDY INC	2.1%		
INTUIT INC	2.0%		
INTUITIVE SURGICAL INC	1.9%		
ANALOG DEVICES INC	1.7%		
NXP SEMICONDUCTORS NV	1.6%		
AMAZON.COM INC	1.5%		
AMDOCS LTD	1.3%		
ANSYS INC	1.3%		
APPLE INC	1.1%		

\*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 2 May 2023

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

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## Fact Sheet April 2023

### 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:

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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](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 2 May 2023.

<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.

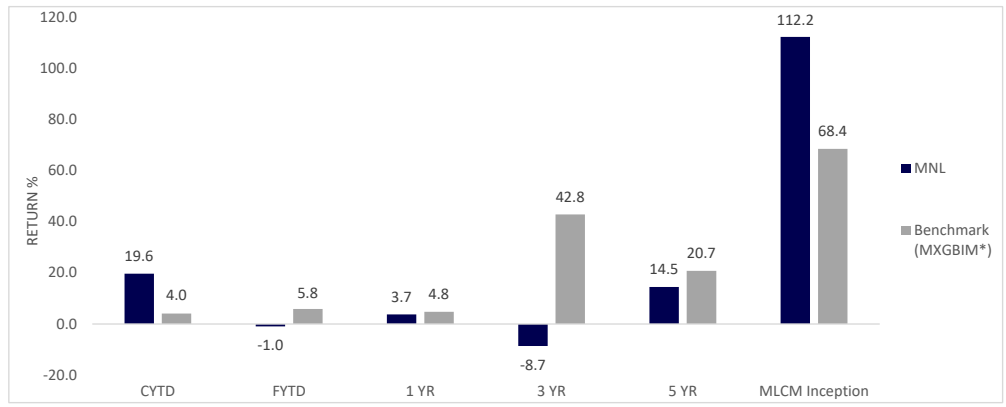
<sup>3</sup>Portfolio and Benchmark volatility are calculated using the Bloomberg Risk Model on underlying security returns, annualised, in base currency (GBP).

<sup>4</sup>Forward 12m.

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

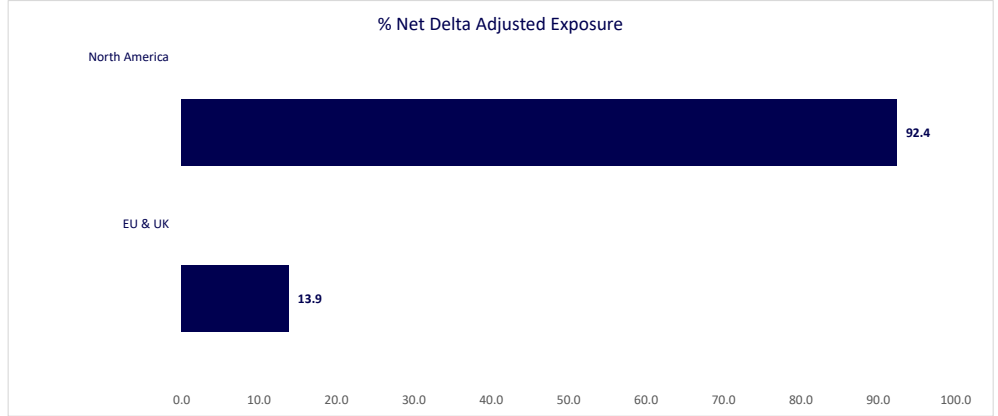
<sup>6</sup>Estimated weighted average sales exposure to China & Taiwan. Where sales exposure to these countries has not been disclosed by our holdings, broker estimated ranges or other subjective measures have had to be used instead. Therefore, there is a high degree of subjectivity within this figure and it should only be viewed as a rough guide.

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



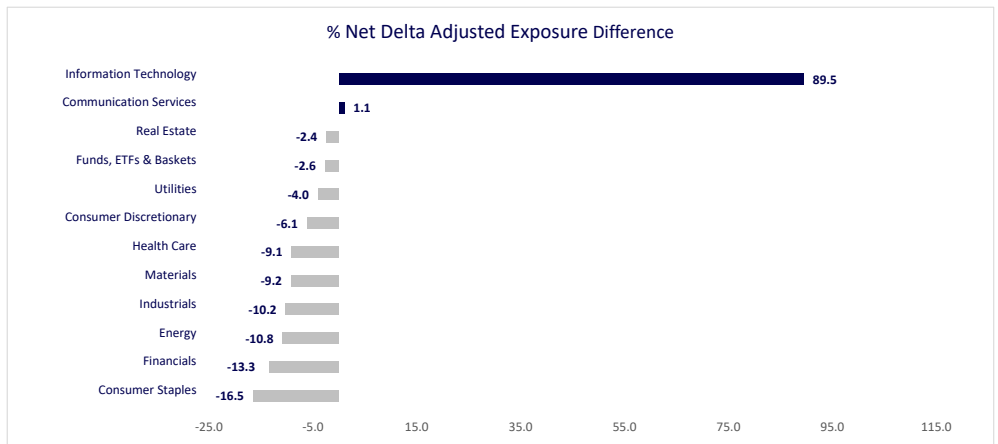
Data as at 2 May 2023. This comparison is illustrative only. Return figures are sourced from Bloomberg L.P. NAV return is on a total return basis (dividends reinvested), net of all costs incurred. Fund NAV is calculated weekly by Link Alternative Fund Administrators Ltd ("Link"). Calculation time periods 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 2022. MLCM Inception time period is performance since 22/09/2015. \*MSCI UK IMI Index (GBP).

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



Data as at 2 May 2023

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

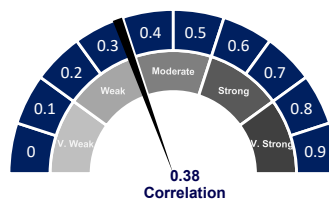


Data as at 2 May 2023

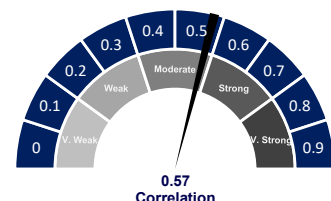
### Risk Management & Valuation Metrics (Source: Bloomberg L.P. (inc PORT), Link)

1yr Share Price volatility <sup>1</sup> :	36.9%	AIFMD Leverage <sup>2</sup> - Commitment:	119.7%
Portfolio volatility <sup>1,3</sup> :	24.3%	See through P/E <sup>1,4</sup> :	26.7x
Benchmark volatility <sup>1,3</sup> :	14.2%	See through EV/EBITDA <sup>1,4</sup> :	17.5x
AIFMD Leverage <sup>2</sup> - Gross:	135.4%	China & Taiwan est. Sales exp. <sup>6</sup> :	19.4%

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



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



### 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).