



Manchester & London Investment Trust Plc

Assessment of Value

March 2024



Manchester & London Investment Trust PLC

Introduction

This Assessment of Value report has been prepared in compliance with the Financial Conduct Authority's (FCA) Consumer Duty. The purpose of this report is to evaluate the value provided to investors by Manchester & London Investment Trust Plc (the "Trust"). This document has been produced by M&L Capital Management Ltd in its role as Manager of the Trust.

Important Information

Past performance is not a guide to future performance. The value of your investment can fall as well as rise, and you may get back less than originally invested. **This document is for informational purposes only and is not investment advice.** We recommend you discuss any investment decisions with a financial adviser, particularly if you are unsure whether an investment is suitable. M&L Capital Management Ltd is unable to provide investment advice. For further information on the Trust, including risks, please refer to the Trust's latest Annual Report as well as the Factsheet and Key Information Document, issued by M&L Capital Management Ltd, which is authorised and regulated by the Financial Conduct Authority.

Overview of the Trust

The Trust is a closed-end investment trust, comprising a diversified portfolio of global equities and/or fixed interest securities and/or derivatives. The objective of the Trust is to achieve capital appreciation.

Assessment of Value

We have assessed the following in determining whether the Trust offers Fair Value to investors:

1. **Net Asset Value (NAV) Performance:** We have evaluated the Trust's NAV performance against the benchmark index and other similarly sector invested funds listed on the London Stock Exchange (collectively referred to as the "Peer Group") over a 3-year period.
2. **Costs and Fees:**

Management Fees: The level of management fees charged by the Trust has been assessed in comparison to the Peer Group, taking into consideration the relative size of the Trust compared to the Peer Group.

Other Costs and Transaction Fees: Additional costs such as administration fees, transaction fees, custodian fees, and other operational expenses have been evaluated to ensure they remain reasonable and justifiable relative to the Peer Group and to the size of the Trust.

3. **Board Oversight:** The effectiveness of the Trust's board of directors in overseeing the Manager and safeguarding the interests of shareholders has been assessed.
4. **Engagement and Voting:** The Trust's engagement with investee companies and exercise of voting rights on behalf of shareholders have been reviewed to ensure alignment with shareholders' long-term interests and effective corporate governance practices.

NAV Performance

Figure 1: 3 Year NAV Total Return vs Peer Group and Benchmark:



Security	Currency	Price Change	Total Return	Difference	Annual Eq
1) MNL LN Equity	GBP	23.84%	36.01%	14.71%	10.90%
2) MXGBIM Index	GBP	8.93%	21.31%	--	6.71%
3) ATT LN Equity	GBP	32.86%	32.86%	11.55%	10.03%
4) SMT LN Equity	GBP	-23.83%	-22.92%	-44.22%	-8.38%
5) HRI LN Equity	GBP	-.93%	-.93%	-22.24%	-.31%
6) PCT LN Equity	GBP	36.29%	36.29%	14.98%	10.98%



Source: Bloomberg

As demonstrated in Figure 1, the Trust has performed in line with the best performing trusts in the Peer Group on a NAV per share total return basis. The fund has outperformed its Benchmark (on a total return basis) over the period.

Fees

Figure 2: Peer Group – PRIIPS KID cost disclosures & TER ratios:

Fund	Source	Other Ongoing Costs %	Perf Fees	Transaction Costs %	Total
Polar Capital Technology Trust Plc	KID	0.90%	0.09%	0.32%	1.31%
Scottish Mortgage Investment Trust Plc	KID	0.88%		0.08%	0.96%
Herald Investment Trust	KID	1.08%		0.03%	1.11%
Allianz Technology Trust Plc	KID	0.69%	0.80%	0.88%	2.37%
Average		0.89%	0.45%	0.33%	1.44%

Manchester and London	KID	0.70%	0.19%	0.09%	0.98%
------------------------------	------------	--------------	--------------	--------------	--------------

Fund	Source	Ongoing Charges (TER%)
Polar Capital Technology Trust Plc	AR	0.81%
Scottish Mortgage Investment Trust Plc	AR	0.34%
Herald Investment Trust	AR	1.07%
Allianz Technology Trust Plc	AR	0.70%
Average		0.73%

Manchester and London	AR	0.54%
------------------------------	-----------	--------------

Figure 3: Peer Group – Investment Management Fee

Fund	IM Fee % at equivalent size to MNL	Fee Notes
Polar Capital Technology Trust Plc*	0.80%	0.8% £0-2bn, 0.7% £2-3.5bn, 0.6% >£3.5bn
Scottish Mortgage Investment Trust Plc	0.30%	0.3% £0-4bn, 0.25% >£4bn
Herald Investment Trust	1.00%	1% £0-1.25bn, 0.8% >£1.25bn
Allianz Technology Trust Plc*	0.80%	0.8% £0-0.4bn, 0.6% £0.4-1bn, 0.5% >£1bn
Average	0.73%	

Manchester and London Lower	0.25%
Manchester and London Higher	0.75%

* ATT and PCT also charge performance fees: **ATT** - "The performance fee will be calculated as 10% of outperformance against the benchmark, after adjusting for changes in share capital and will be capped at 1.75% of the Company average daily NAV over the relevant year." **PCT** - "10% over Benchmark - The performance fee is subject to a highwater mark and cap"

The above comparison shown in Figures 2 and 3 demonstrates that fees paid the Trust's shareholders, both in terms of Management Fee and Other Costs, are materially below the Peer Group average.

Board Effectiveness

The effectiveness of the Trust's board of directors in overseeing the investment manager and safeguarding the interests of shareholders is paramount to maintaining trust and ensuring sound governance practices. The board plays a crucial role in setting the strategic direction of the Trust, overseeing its operations, and representing the interests of shareholders.

The board of directors of Manchester and London Investment Trust comprises experienced professionals with diverse expertise in finance, investment management, accounting, corporate governance, and related fields. Board composition is regularly reviewed to ensure a balanced mix of skills, knowledge, and independence.

The board includes independent directors who are not affiliated with the Manager or any other related parties. Independence is a core principle guiding board appointments, ensuring that directors can exercise objective judgment and act in the best interests of shareholders without undue influence.

The board conducts regular meetings to review performance, discuss strategic initiatives, and address any matters requiring board approval.

The board regularly evaluates its own performance, as well as the performance of individual directors and board committees, to ensure effectiveness and adherence to best practices. Feedback from shareholders, regulatory authorities, and external advisors may also be solicited to identify areas for improvement and implement necessary changes.

Voting and Engagement

The Trust recognises the importance of active engagement with investee companies and exercising voting rights as a fundamental aspect of responsible stewardship. Over the last 3 years, the Trust has diligently fulfilled its fiduciary duty by engaging with investee companies and participating in proxy voting on behalf of shareholders.

The Manager has attended a number of conferences where management of companies and other issuers are present as part of its active investment process. The manager has attended a number of meetings with Portfolio companies.



Engagement, where required, has been conducted through meetings with company management or through email communication with company management or Investor Relations.

Conclusion

Based on our assessment, we conclude that Manchester and London Investment Trust Plc delivers Fair Value to investors through its competitive performance, reasonable costs, and effective governance structure. However, we recognise the importance of ongoing monitoring and continuous improvement to ensure the Trust continues to meet the expectations and needs of its shareholders.