Manchester and London Investment Trust Public Limited Company

HALF-YEARLY REPORT
FOR THE SIX MONTHS ENDED
31 JANUARY 2024

Contents

SUMMARY OF RESULTS

	At 31 January 2024	At 31 July 2023	Change
Net assets attributable to Shareholders (£'000)	**272,871**	221,379	23.3%
Net asset value ("NAV") per Ordinary Share (pence)	**678.90**	550.79	23.3%

	Six months to 31 January 2024
Total return to Shareholders*	24.9%
Benchmark - MSCI UK Investable Market Index (MXGBIM)*	1.5%

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

	Six months to 31 January 2024	Six months to 31 January 2023	Change
Interim dividend per Ordinary Share (pence)	7.00	7.00	0.0%

Dates for the interim dividend

Ex-dividend date	11 April 2024
Record date	12 April 2024
Payment date	7 May 2024

CHAIRMAN'S STATEMENT

Results for the half year ended 31 January 2024

The Global Technology sector has continued to rally on Ai excitement, the hope that inflation is in retreat and the perception the US may pull off a rare soft landing for its economy. It is becoming ever more evident that corporate digitalisation and automation of the labour force command increasing significance, and the Manager's three favourite secular growth themes of Cloud Computing, Artificial Intelligence and Semiconductor Use gather further momentum. The academic studies undertaken by Mark and Richard into Artificial Intelligence over the last three years look prescient in the context of markets today. The Manager's Report sets out the performance of the portfolio in more detail including stock specific contributions to this performance but a total return on Net Asset value per Share of 24.9 per cent is a great result for Shareholders.

In summary, the portfolio remains focused on larger capitalisation, liquid, listed stocks with profitable and cash generative business models that are aligned with some of the most exciting forward-looking themes of the day. The Company exited the period with a Portfolio Net Delta Adjusted Equity Exposure (including Options) of 107 per cent which effectively means the Company had portfolio exposure gearing of around 7 per cent of Net Assets.

The Board

There have been no changes to the Board during the period. Biographical details of all the directors can be found in the latest AGM notice and the latest Annual Report.

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 2023: 7.0 pence per Ordinary Share).

Discount & Share Buy-Backs

The Board monitors the discount at which the Company's shares trade in relation to the underlying NAV per Share. The discount has narrowed over the period in line with similar sector invested funds also listed on the London Stock Exchange. The Company does not have a target discount level at which it buys back shares and considers a range of factors before it does so, including the direction of recent market moves, the reasons for any discounts and whether they are short term or long term in nature and the overall benefit to Shareholders of any buy backs considering the onerous reporting requirements of such buy backs and the ongoing cost per Share implications.

It should be noted that the average discount for the Company for the last 5 years sits at ~10.8 per cent (Source: Bloomberg) which, considering the free float of the Company is less than £150m, could be argued as 'in line' with expectations (if not ideal). The number of shares now in treasury is 335,220 representing ~1 per cent of the issued share capital.

Auditor

Deloitte LLP were re-appointed as the Company's auditor at the AGM held in 2023.

Outlook & Risks

The world has continued to splinter into Sino and US spheres with a corresponding re-gauging of supply chains, and inflation continues to print above the required Federal Reserve target rate of two per cent. The principal risks and uncertainties faced by the Company for the remaining six months of the financial year, which could have a material impact on performance, remain consistent with those outlined in the Annual Report for the year ended 31 July 2023. A detailed explanation of the Company's principal risks and uncertainties, and how they are managed through mitigation and controls, can be found in the Annual Report for the year ended 31 July 2023. The Company has a risk management framework that provides a structured process for identifying, assessing and managing the risks associated with the Company's business.

The investment portfolio is diversified by geography which reduces risk but is focused on the US technology sector and has a high proportion of US Dollar investments. The concentration of investment in the two largest holdings is material and all shareholders should consider whether they are comfortable with this concentration risk when deciding whether to continue to invest in the Company.

The key variables for our second half performance are likely to be movements in the US sovereign yield curve and inflation expectations, the price of hydrocarbons and energy, how the Federal Reserve and other Central Banks respond to the aforementioned, whether the expectations for the monetisation of Ai meets expectations, the performance of Microsoft Corporation and Nvidia Inc., the pace of growth of our key three themes (as described above), further conflict in the Middle East, further aggressive action by Russia, and the regulation of technology companies globally. We remain optimistic that our investment exposure, focused on software, digitalisation, cloud computing, data management, semiconductors, semiconductor capital equipment and Ai, offers longer-term pricing power to ward off inflationary threats and significant secular growth opportunities.

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

Daniel Wright
Chairman
13 March 2024

MANAGER'S REPORT

Portfolio management

During the half year under review, the NAV per Share total return was **24.9 per cent**, compared to an increase in the benchmark of **1.5 per cent.** The NASDAQ-100 Technology Sector Index ("NDXT"), to which some of the portfolio is exposed, had a total return of **15.7 per cent in GBP**.

The **total return of the portfolio by sector** holdings in local currency (excluding costs and foreign exchange) is shown below.

Total return of underlying sector holdings in local currency (excluding costs and foreign exchange)	**2024**
Information Technology	24.6%
Communication Services	0.4%
Consumer Discretionary	0.1%
Other investments (including funds, ETFs and hedges)	(0.5%)
Foreign Exchange, operating costs & financing	0.3%
Total NAV per Share return	24.9%

It should be noted that the data and views in this report are now dated and potentially stale. A more up to date analysis of our portfolio can be found in our Fund Factsheets: https://mlcapman.com/manchester-london-investment-trust-plc/ and more current views can be found in our Tweets (https://twitter.com/MLCapMan) & Newsletters (https://mlcapman.com/).

The 1.0 per cent decrease in the value of Sterling against the US Dollar over the period was a small tailwind for performance due to the significant level of US Dollar exposure in the portfolio. Overall, we estimate the increase in portfolio performance from Foreign Exchange movements was roughly +0.9 per cent.

Information Technology

Material positive contributors to the portfolio's performance from this sector were **Nvidia Corp, Microsoft Corp, Advanced Micro Devices Inc, Arista Networks Inc, Cadence Design Systems Inc, ASML Holding NV and Synopsys Inc.** Of these, **Nvidia Corp** and **Microsoft Corp**, which are the fund's largest holdings, delivered roughly half of the sector's total return. This performance validates our strategy of shifting from "Soft Technology" to "Hard Technology" as articulated in the Annual Report, factsheets and newsletters over the last 12 months. There will come a time, if interest rates fall more sharply, when short duration assets will be the alpha generator of choice. We would guess that such a shift will not occur in calendar H1 2024.

There were no material negative contributors.

The portfolio's weighting to this sector (including options on a MTM basis) at the period end was 105.2 per cent of net assets, up from 97.3 per cent at the end of the previous financial year.

Outlook

We see the Cloud Computing market progressing through the ongoing, short-term optimisation and consolidation period towards secular growth. We estimate a doubling in the size of the market over the next decade as “On Premise” cannot compete with the enhanced security, lower costs and deeper functionality offered by the Cloud. Most importantly, it has become clear that in order to extract value from your data using tools such as Ai you need the data managed and on the Cloud.

Longer term, we see Artificial Intelligence ("Ai") being a material positive driver for the Cloud and Semiconductor markets. It is easy to focus on the growth in GPUs from Ai but please note networking, security and compute all benefit too. To be explicit, we are still taking the “picks and shovels” route to capture the gains from the growth of Ai. The semiconductor market will likely be resurgent during 2024 and, longer term, we see the secular growth in Electric Vehicles, Artificial Intelligence, Cloud Computing, IoT, Digitalisation and Automation driving the Semiconductor market to double over the next decade.

High Impact Risk events

The Great Hack: We lose sleep imagining a cyber breach of one of the hyper-scalers causing a loss of faith in the industry and punitive regulation. In such an event, we would suggest looking to the counter-factual of whether the situation would have been even worse if the data had been stored “On Premises”.

China: The potentially impending hot conflict in Taiwan initiated by China has been the primary subject of Academy (see https://mlcapman.com/academy/). A large proportion of our portfolio would suffer material falls in value should this event be the outturn, which is why sharp-eyed Factsheet readers see we have intermittently hedged these positions with **EWT US**. Generally, the “cold war” developing between the US and China has multiple risks for Technology stocks (which is why we have been concerned about investing in AAPL for years) and a progression through further sanctions, closing of markets, IP theft etc. is likely to be a strong headwind for a number of our holdings. We are very keen on the Semi-Cap sector but their high exposure to China has always deterred us from owning more of these names. China is unlikely to accept the US desire to make it a number two player in High Technology and hence it may decide to invest huge amounts into R&D to break down some of the IP moats that the non-Chinese semiconductor, semi-cap and EDA software companies maintain, making competition much tougher in these markets. We are already seeing China dominate the solar energy market and the EV market, and we expect more encroachment in the less advanced semiconductor space. We expect further restrictions on US technology exports and, should we see Trump as President, we could see material reductions in sales for some of our holdings.

Concentration Risk: The portfolio is now materially concentrated in just 2 holdings; it is also highly concentrated in the Information Technology sector. The fund has a high Active Share Ratio and it is very likely that our performance will vary markedly from all of the better known technology index performances. Should either Nvidia or Microsoft have materially adverse events, or the monetisation of Ai by the sector in general be slower than expected, then the fund will suffer material losses. Humans have a tendency to want everything now! Shareholders should consider if this totality of risk fits with their risk profile. The consensus solution to concentration risk is diversification but so often when one does diversify, one has to diversify into lower quality holdings.

Communication Services

There were no contributors which had an attribution of -/+1% for the portfolio from this sector.

The portfolio's weighting to this sector (including options on a MTM basis) at the period end was 4.5 per cent of net assets, down from 5.1 per cent at the end of the previous financial year.

The only holding in this sector is **Alphabet Inc.** which we joke is our "Value investment" holding. Like all Value investments, Alphabet has issues (Search being disrupted by LLM Ai, weak management, over-woke corporate ethos, vanity other-Bets projects, inefficient cost structures, ineffectiveness to move R&D to commercial application) that we have written extensively about in Tweets and Newsletters. However, if Alphabet took some simple logical steps forward the valuation has material upside potential.

Consumer Discretionary

There were no contributors which had an attribution of -/+1% for the portfolio from this sector.

The portfolio's weighting to this sector (including options on a MTM basis) at the period end was 0.0 per cent of net assets, down from 0.3 per cent at the end of the previous financial year.

Our single holding in the sector was **LVMH SE** which we felt had derated too extensively during 2023. We sold our holding in **Amazon Inc.** which we see as two businesses: one being an excellent cloud computing business that is nonetheless being out-competed by Microsoft; and a low margin e-commerce business that could become highly unionised and out-competed by new Chinese entrants to its market.

Other investments including hedges

There were no contributors which had an attribution of -/+1% for the portfolio from these holdings.

The portfolio's weighting to this sector (including options on a MTM basis) at the period end was 2.6 per cent of net assets (please note this includes 2.2 per cent of net assets held in a US money market ETF which effectively operates as a cash alternative rather than an equity exposure). This sector weighting is down from 7.0 per cent at the end of the previous financial year.

During the period, we paired traded one semiconductor stock (Long position) against another semiconductor stock (as a Short position) based on valuation differences. You may see our hedge positions increase and similar positions becoming more common if we see the market rise further and faster.

Current Focus of Investment Process

We use a Data Framework to select the stock universe from which we select specific stock candidates for the portfolio.

From this stock universe, we select stocks whilst keeping the following attributes in mind:

1. Exposure to "Hard Technology" (high IP, mission critical, recurring, low churn) rather than "Soft Technology" (social media, easily created apps such as food delivery);
2. Exposure to the Ai revolution within the Information Technology sphere as an Enabler rather than just a Beneficiary (pseudo-Ai exposure);
3. The Management Teams of holdings should be undertaking pragmatic cost cutting or productivity drives;
4. Cash flow per Share and Earnings per Share metrics are considered more important than Sales Growth;
5. Once Cash Flow is earned then it should be invested wisely in one of: high ROIC investment, buy backs or dividends (or divesting non-core, capital hungry activities);
6. Manageable exposure to a China/Taiwan "hot war"; and
7. Realistic Stock Based Compensation schemes.

We have noticed a divergence across the Information Technology sector in the way companies are forecasting their future Ai opportunities. Some companies are offering very optimistic prognostications which is reminiscent of the daft additions of the postfix ".com" in the 2000's. We would suggest that Investors view this as a Red Flag. The true enablers of Ai will be pragmatic and patient and view themselves as Era-long winners from Ai. Many software companies will be disrupted by Ai, making investing in Technology a dangerous landscape to navigate.

Economy, Market & Technology

The US economy remains robust which is unsurprising considering its make-up is driven by consumption and the latter has a high correlation to high employment and wage growth. We have consistently said that US Interest Rates will have to be 'Higher for Longer' and Technology shares hate surprise increases in discount rates. To be specific, our portfolio has a strong negative correlation to surprise increases in 10-year Treasury yields. There are many forecasts for an impending recession in the USA because that is what happened historically each time rates were raised so steeply. We believe that "every time is different". We are not so convinced that the recession outturn is already written but we do worry about escalating global debt levels.

When/if interest rates do come down there may be a wave of funds that exit Money Market Funds and look for a new home in Equities which could drive Equity markets materially higher.

General IT spending is likely to pick up through 2024 as companies focus on optimisation and automation. Spending is being prioritised into Ai, Cloud, Digitalisation and Security and these are the areas we have refocused our "Hard Technology" portfolio on. Spending will likely focus on platforms that can offer a wide spectrum of services including the management of your data. The era of the networked desktop has moved to the data centre connected end point and this means that those with the scale and resources to invest will win. For the minnows, we have further bad news, which is that in a few further years we may start to see Quantum Computing applications become more prevalent and these will require even greater scale.

We have entered the Era of Ai. We believe that we still have a long way to travel down this road and that those that bank quick profits now will rue the day they did so. We are Era-long investors, and our portfolio is firmly focused on Ai Enablers not ".ai show-boaters". Having said that, we have sold down one holding post the period end that we felt had become overvalued on Ai hype. We will be pragmatic.

The Inflation Reduction Act & CHIPS Act have changed the geopolitical landscape of trade. Relations with China are unlikely to improve. The world is a far more dangerous place which could drive further funds to dollar assets.

The regulation and statis of the Eurozone surely lead to a slow and withering aging of Europe as it is outcompeted on either side by the USA and China.

We have no idea what the future holds but we believe that since 1771 there has been a glacial shift in the utility as economic units from Man to the Machine. Those that have backed the technological advancement of the Machine over this period have quite commonly made excess investment returns. We believe that Ai is, in part, just an extension of software, albeit with non-sequential processing and non-deterministic outcomes. Hence, we feel that expecting the Era of Ai to develop along the same rough path as the Era of Software is not irrational and offers investors some comfort and guidance. The next decade could be one of the most interesting eras for technology investing ever.

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Long the Future.

M&L Capital Management Limited
@MLCapMan

13 March 2024

EQUITY EXPOSURES AND PORTFOLIO SECTOR ANALYSIS

Equity exposures (longs)

As at 31 January 2024

Company	Sector*	Exposure £'000	% of net assets
Microsoft Corporation**	Information Technology	79,685	29.2
NVIDIA Corporation**	Information Technology	60,387	22.1
Advanced Micro Devices Inc	Information Technology	26,339	9.7
ASML Holding NV**	Information Technology	23,012	8.4
Cadence Design Systems Inc	Information Technology	20,683	7.6
Synopsys Inc	Information Technology	18,661	6.8
Arista Networks Inc	Information Technology	15,968	5.9
Alphabet Inc**	Communication services	12,384	4.5
ANSYS Inc**	Information Technology	10,563	3.9
Oracle Corporation	Information Technology	8,053	3.0
Micron Technology Inc	Information Technology	5,792	2.1
Broadcom Inc	Information Technology	5,607	2.1
Intuitive Surgical Inc	Health Care	5,258	1.9
Motorola Solutions Inc	Information Technology	3,488	1.3
Applied Materials Inc**	Information Technology	3,006	1.1
Cisco Systems Inc	Information Technology	2,286	0.8
Rambus Inc**	Information Technology	1,991	0.7
Polar Capital Technology Trust Plc	Fund	1,903	0.7
Super Micro Computer Inc	Information Technology	1,040	0.4
Jenoptik AG	Information Technology	632	0.2
Dell Technologies Inc	Information Technology	91	0.0
Total Long Equity exposure		306,829	112.4
Other net assets and liabilities***		(33,958)	(12.4)
Net assets		**272,871**	**100.0**

* GICS – Global Industry Classification Standard.

** Including equity swap exposures.

***Includes Short Equity exposures and Options valued at marked to market.

Exposure is related to Delta Adjusted Exposure (Glossary).

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 4 and the Manager's Report on pages 6 to 10.

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 plc is the controlling shareholder of the Company. This company was controlled throughout the six months ended 31 January 2024, 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.

DIRECTORS' REPORT

Going Concern

As detailed in the notes to the financial statements and in the Annual Report for the year ended 31 July 2023, the Board continually monitors the financial position of the Company and has considered for the six months ended 31 January 2024 an assessment of the Company's ability to meet its liabilities as they fall due. The review also included consideration of the level of readily realisable investments and current cash and debt ratios of the Company and the ability to repay any outstanding prime broking facilities. In light of the results of these tests on the Company's cash balances and liquidity position, the Directors consider that the Company has adequate financial resources to enable it to continue in operational existence. Having carried out the assessment, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial results of the Company. The Directors have not identified any material uncertainties or events that might cast significant doubt upon the Company's ability to continue as a going concern. The assets of the Company comprise mainly of securities that are readily realisable and accordingly, the Company has adequate financial resources to meet its liabilities as and when they fall due and to continue in operational existence for the foreseeable future.

Related Party Transactions

In accordance with DTR 4.2.8R there have been no new related party transaction agreements during the six-month period to 31 January 2024 and therefore nothing to report on any material effect by such transactions on the financial position or performance of the Company during that period. There have therefore been no changes in any related party transaction agreements described in the last Annual Report that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year or to the date 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 return 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

13 March 2024

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2024

	(Unaudited) Six months ended 31 January 2024			(Unaudited) Six months ended 31 January 2023			(Audited) Year ended 31 July 2023		
	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	**155**	**54,995**	**55,150**	110	(20,870)	(20,760)	296	29,284	29,580
Investment income	**526**	**-**	**526**	232	-	232	575	-	575
Interest income	**659**	**-**	**659**	1,049	-	1,049	1,754	-	1,754
Gross return	**1,340**	**54,995**	**56,335**	1,391	(20,870)	(19,479)	2,625	29,284	31,909
Expenses									
Management fee	**(327)**	**-**	**(327)**	(250)	-	(250)	(532)	-	(532)
Other operating expenses	**(270)**	**-**	**(270)**	(245)	-	(245)	(499)	-	(499)
Total expenses	**(597)**	**-**	**(597)**	(495)	-	(495)	(1,031)	-	(1,031)
Return before finance costs and taxation	**743**	**54,995**	**55,738**	896	(20,870)	(19,974)	1,594	29,284	30,878
Finance costs	**(36)**	**(1,319)**	**(1,355)**	(15)	(922)	(937)	(38)	(2,009)	(2,047)
Return on ordinary activities before tax	**707**	**53,676**	**54,383**	881	(21,792)	(20,911)	1,556	27,275	28,831
Taxation	**(77)**	**-**	**(77)**	(29)	-	(29)	(77)	-	(77)
Return on ordinary activities after tax	**630**	**53,676**	**54,306**	852	(21,792)	(20,940)	1,479	27,275	28,754
Return per Share: Basic and fully diluted (pence)	**1.57**	**133.54**	**135.11**	2.12	(54.12)	(52.00)	3.67	67.78	71.45

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 UK IFRS 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 18 to 22 form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2024

For the six months from 1 August 2023 to 31 January 2024 (unaudited)	**Share capital £'000**	**Share premium £'000**	**Special reserve* £'000**	**Capital reserve* £'000**	**Retained earnings* £'000**	**Total £'000**
Balance at 1 August 2023	**10,132**	**25,888**	**94,338**	**91,021**	**-**	**221,379**
Ordinary shares bought back and held in treasury	-	-	-	-	-	-
Total comprehensive income	-	-	-	**53,676**	**630**	**54,306**
Dividends paid	-	-	**(2,184)**	-	**(630)**	**(2,814)**
Balance at 31 January 2024	**10,132**	**25,888**	**92,154**	**144,697**	**-**	**272,871**

For the six months from 1 August 2022 to 31 January 2023 (unaudited)	Share capital £'000	Share premium £'000	Special reserve* £'000	Capital reserve* £'000	Retained earnings* £'000	Total £'000
Balance at 1 August 2022	10,132	25,888	98,780	63,746	-	198,546
Ordinary shares bought back and held in treasury	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	(21,792)	852	(20,940)
Dividends paid	-	-	(1,967)	-	(852)	(2,819)
Balance at 31 January 2023	10,132	25,888	96,813	41,954	-	174,787

For the year from 1 August 2022 to 31 July 2023 (audited)	Share capital £'000	Share premium £'000	Special reserve* £'000	Capital reserve* £'000	Retained earnings* £'000	Total £'000
Balance at 1 August 2022	10,132	25,888	98,780	63,746	-	198,546
Ordinary shares bought back and held in treasury	-	-	(289)	-	-	(289)
Total comprehensive income	-	-	-	27,275	1,479	28,754
Dividends paid	-	-	(4,153)	-	(1,479)	(5,632)
Balance at 31 July 2023	10,132	25,888	94,338	91,021	-	221,379

* These reserves are distributable, excluding any unrealised capital reserve. The balance of the unrealised capital reserve at 31 January 2024 was £114,428,000 (31 January 2023: £11,187,000; 31 July 2023: £57,681,000).

The notes on pages 18 to 22 form part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 January 2024

	Notes	**(Unaudited) 31 January 2024 £'000**	(Unaudited) 31 January 2023 £'000	(Audited) 31 July 2023 £'000
Non-current assets				
Investments held at fair value through profit and loss		**244,388**	124,849	188,264
Current assets				
Unrealised derivative assets		**11,894**	1,237	5,680
Trade and other receivables		**124**	237	147
Cash and cash equivalents		**6,711**	36,021	17,049
Cash collateral receivable from brokers		**13,755**	17,346	12,186
		32,484	54,841	35,062
Creditors – amounts falling due within one year				
Unrealised derivative liabilities		**(1,858)**	(3,840)	(1,411)
Trade and other payables		**(274)**	(1,063)	(277)
Cash collateral payable to brokers		**(1,869)**	-	(259)
		(4,001)	(4,903)	(1,947)
Net current assets/(liabilities)		**28,483**	49,938	33,115
Net assets		**272,871**	174,787	221,379
Equity attributable to equity holders				
Ordinary Share capital		**10,132**	10,132	10,132
Share premium		**25,888**	25,888	25,888
Special reserves		**92,154**	96,813	94,338
Capital reserves		**144,697**	41,954	91,021
Retained earnings		**-**	-	-
Total equity Shareholders' funds		**272,871**	174,787	221,379
Net asset value per Ordinary Share – basic and diluted (pence)		**678.90**	434.04	550.79
Number of shares in issue excluding Treasury	**3**	**40,193,018**	40,270,055	40,193,018

The notes on pages 18 to 22 form part of these financial statements.

CONDENSED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2024

	Six months to 31 January 2024 (Unaudited) £'000	Six months to 31 January 2023 (Unaudited) £'000	Year ended 31 July 2023 (Audited) £'000
Cash flow from operating activities			
Return on operating activities before tax	**54,383**	(20,911)	28,831
Interest expense	**1,355**	937	2,047
Losses on investments held at fair value through profit or loss	**(54,753)**	22,776	(27,810)
(Increase)/decrease in receivables	**23**	(208)	(116)
(Decrease)/increase in payables	**(32)**	(16)	26
Exchange gains on currency balances	**(240)**	(1,902)	(1,473)
Tax	**(77)**	(29)	(77)
Net cash generated/(used in) from operating activities	**659**	647	1,428
Cash flow from investing activities			
Purchase of investments	**(45,084)**	(70,222)	(116,934)
Sale of investments	**33,376**	49,012	73,120
Derivative instrument cashflows	**4,611**	9,556	17,023
Net cash (used)/generated in investing activities	**(7,097)**	(11,654)	(26,791)
Cash flow from financing activities			
Ordinary shares bought back and held in treasury	**-**	-	(289)
Equity dividends paid	**(2,814)**	(2,819)	(5,632)
Interest paid	**(1,326)**	(895)	(1,980)
Net cash (used)/generated in financing activities	**(4,140)**	(3,714)	(7,901)
Net (decrease)/ increase in cash and cash equivalents	**(10,578)**	(14,721)	(33,264)
Exchange gains on currency balances	**240**	1,902	1,473
Cash and cash equivalents at the beginning of the period	**17,049**	48,840	48,840
Cash and cash equivalents at the end of the period	**6,711**	36,021	17,049

The notes on pages 18 to 22 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.

In the current period, the Company has applied amendments to IFRS. These include annual improvements to IFRS, changes in standards, legislative and regulatory amendments, changes in disclosure and presentation requirements. The adoption of these has not had any material impact on these financial statements and the accounting policies used by the Company followed in these half-year financial statements are consistent with the most recent Annual Report for the year ended 31 July 2023.

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 adequate 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 international and economic uncertainties on the Company, operations and the investment portfolio. These include, but are not limited to, the war in Ukraine, political and economic instability in the UK, supply shortages and inflationary pressures.

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 current 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 cash flows. In making this assessment, they have considered severe but plausible downside scenarios. These tests apply equally to any set of circumstances in which asset value and income are significantly impaired. The conclusion was that in a plausible downside scenario the Company could continue to meet its liabilities. Whilst the economic future is uncertain, and the Directors believe that it is possible the Company could experience further reductions in income and/or market value, and changes in expenses, the opinion of the Directors is that this should not be to a level which would threaten the Company’s ability to continue as a going concern.

The Directors also regularly assess the resilience of key third party service providers, most notably the Manager and Fund Administrator. The Directors do not have any concerns about the financial viability of the Company’s third party service providers. 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 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 2024 and 31 January 2023 have not been audited or reviewed by the Company's Auditors.

The comparative figures for the year ended 31 July 2023 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 2024 (unaudited)		Six months to 31 January 2023 (unaudited)		Year ended 31 July 2023 (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	**630**	**1.57**	852	2.12	1,479	3.67
Capital	**53,676**	**133.54**	(21,792)	(54.12)	27,275	67.78
Total return on ordinary activities	**54,306**	**135.11**	(20,940)	(52.00)	28,754	71.45
Weighted average number of Ordinary Shares		**40,193,018**		40,270,055		40,242,768

3. Share capital

25p Ordinary Shares	**Six months to 31 January 2024 (unaudited) Number**	**£'000**	Six months to 31 January 2023 (unaudited) Number	£'000	Year ended 31 July 2023 (audited) Number	£'000
Opening Ordinary Shares in issue	**40,528,238**	**10,132**	40,528,238	10,132	40,528,238	10,132
Shares issued	-	-	-	-	-	-
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 period/year	**335,220**		258,183		258,183	
Buyback of Ordinary shares into treasury	**-**		-		77,037	
Balance at end of period/year	**335,220**		258,183		335,220	
Total Ordinary Share capital excluding treasury shares	**40,193,018**		40,270,055		40,193,018	

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

During the period no Ordinary Shares were issued (six months to 31 January 2023: nil; year ended 31 July 2023: nil), with net consideration of £nil (six months to 31 January 2023: £nil; year ended 31 July 2023: £nil).

During the period no Ordinary Shares were bought back and placed in treasury (six months to 31 January 2023: nil; year ended 31 July 2023: 77,037).

4. Dividends per Ordinary Share

The Board has declared an interim dividend of 7p per Ordinary Share (2023: interim dividend of 7p per Ordinary Share) which will be paid on 7 May 2024 to Shareholders registered at the close of business on 12 April 2024 (ex-dividend 11 April 2024).

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 £272,871,000 (31 January 2023: £174,787,000; 31 July 2023: £221,379,000) at the period end and 40,193,018 (31 January 2023: 40,270,055; 31 July 2023: 40,193,018) 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/liabilities at fair value through profit or loss at 31 January 2024

	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investments	**244,388**	**-**	**-**	**244,388**
Unrealised derivatives assets	**-**	**11,894**	**-**	**11,894**
Unrealised derivative liability	**-**	**(1,858)**	**-**	**(1,858)**
Total	**244,388**	**10,036**	**-**	**254,424**

Financial assets/liabilities at fair value through profit or loss at 31 January 2023

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	124,849	-	-	124,849
Unrealised derivatives assets	-	1,237	-	1,237
Unrealised derivative liability	-	(3,840)	-	(3,840)
Total	124,849	(2,603)	-	122,246

Financial assets/liabilities at fair value through profit or loss at 31 July 2023

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	188,264	-	-	188,264
Unrealised derivatives assets	-	5,680	-	5,680
Unrealised derivative liability	-	(1,411)	-	(1,411)
Total	188,264	4,269	-	192,533

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 plc ("MMIC") which is the controlling Shareholder of the Company.

During the six months to 31 January 2024, MMIC (including connected parties) purchased 93,140 Ordinary shares, with net consideration of £444,289.93. As at 31 January 2024, MMIC (including connected parties) was interested in a total of 23,031,354 Ordinary Shares of 25 pence each in the Company, representing 57.3% of the issued share capital.

Total fees charged by the Manager for the six months to 31 January 2024 were £327,000 (six months to 31 January 2023: £250,000; year ended 31 July 2023: £532,000), of which £63,000 was outstanding as at 31 January 2024 (31 January 2023: £42,000; 31 July 2023: £52,000).

The fees payable to Directors are set out in the 2023 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.

9. Glossary

Reference should be made to the Glossary in our Annual Report for the year ended 31 July 2023 (pages 89 to 91) for a definition of key terms and Alternative Performance Measures (such as NAV, NAV per Share and Total Return).

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 primarily focused on stocks 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 has used this benchmark to assess performance for over five years but is not set on using this particular UK Equity index forever into the future and currently uses this particular UK Equity index because at the current time it is viewed as the most cost advantageous of the currently available UK Equity indices (which have a high degree of correlation and hence substitutability). However, once the Company announces the use of an index, then this index should 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 Sustainalytics Environmental Percentile was 81.8 per cent as at 31 January 2024.

The Company notes the Task Force on Climate-related Financial Disclosures (‘TCFD’) reporting recommendations. However, as a listed investment company, the Company is not subject to the Listing Rule requirement to report against the framework. The Company fully recognises the impact climate change has on the environment and society, and the Manager continues to work with the investee companies to raise awareness on climate change risks, carbon emission and energy efficiency.

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 are charged at the standard geographic rate and will vary by provider. 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 – shareholderenquiries@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	September
Annual General Meeting	November
Expected final dividend payment	November
Company's half-year end	31 January

CORPORATE INFORMATION

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Sir James Waterlow
Daren Morris

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