

# Maitland

**MI Metropolis Valuefund**

**Interim Report 31 March 2023**

# MI Metropolis Valuefund

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## Directory

### Authorised Corporate Director ('ACD') & Registrar

Maitland Institutional Services Limited  
Hamilton Centre, Rodney Way, Chelmsford, Essex, CM1 3BY  
Telephone: 01245 398950  
Fax: 01245 398951  
Website: [www.maitlandgroup.com](http://www.maitlandgroup.com)  
(Authorised and regulated by the Financial Conduct Authority)

### Customer Service Centre

Hamilton Centre, Rodney Way, Chelmsford, Essex, CM1 3BY  
Telephone: 0345 241 3565  
Fax: 0845 280 0507  
E-mail: [metropolis@maitlandgroup.co.uk](mailto:metropolis@maitlandgroup.co.uk)

### Directors of the Authorised Corporate Director

A.C. Deptford  
P.J. Foley-Brickley  
C. O'Keeffe  
D. Phillips (Non-Executive Director)  
J. Thompson (Non-Executive Director)

### Investment Manager

Metropolis Capital Ltd  
Amersham Court, 154 Station Road, Amersham, Buckinghamshire HP6 5DW  
(Authorised and regulated by the Financial Conduct Authority)

### Fund Managers

Jonathan Mills  
Simon Denison-Smith

### Depositary

Northern Trust Investor Services Limited  
50 Bank Street, Canary Wharf, London E14 5NT  
(Authorised and regulated by the Financial Conduct Authority)

### Independent Auditor

Grant Thornton UK LLP  
Statutory Auditors, Chartered Accountants  
30 Finsbury Square, London EC2A 1AG

## Investment Objective and Policy

### Investment objective

The investment objective of the Company is to achieve long term capital growth mainly through investment in a concentrated portfolio of securities in listed companies.

### Investment policy

It is the Company's policy to invest mainly in securities (including shares and debt securities) of companies whose securities are admitted to or dealt in on Eligible Markets (as defined in Appendix II of the Prospectus) established in the EEA, the United States or Canada. At its discretion, the Company may invest in securities (including shares and debt securities) of companies whose securities are admitted to or dealt in on other Eligible Markets. The Company may also invest in money market instruments, UK government and public securities, deposits, cash and near cash, closed end funds, and regulated collective investment schemes. The Company may utilise derivatives for efficient portfolio management purposes, including hedging. The Company may invest in new issues but is unlikely to invest in new issues to any significant extent. The Company will aim to maintain a concentrated portfolio, typically consisting of up to 25 companies at one time. However the Company reserves the right to a less concentrated portfolio should they regard it as in the interests of Shareholders.

In pursuing the investment objective and policy, the Company will seek to identify for investment companies which it considers to have some or all of the following characteristics: a history of strong cashflow generation, a strong balance sheet, a strong competitive position in a market with high barriers to entry and security of future revenue streams (through, for example, long-term contracts, a unique brand, infrastructure which is difficult to replicate, patents or licenses). In addition, the Company will only invest in such companies when it considers them to be undervalued by the market.

## Investment Manager's Report

for the period ended 31 March 2023

### Performance & Investment Activity

During the period under review the Net Asset Value of the Fund increased by +13.92%<sup>1</sup>.

With margins of safety for each position continuing to be at high levels, trading volume in the final quarter of 2022 was low. We took advantage of price weakness to further build our position in Microsoft and added to Alphabet. In October, we increased our position in Adidas, we then took the opportunity in late December to trim at a materially higher price. We also added to Visa. The main sources of cash were State Street, Andritz, and Ashtead; for all three, share prices over the quarter responded positively to strong trading updates.

Up until the end of February, trading was relatively subdued. In March, market volatility induced by concerns about another banking crisis presented some good trading opportunities to enhance the risk-reward profile of the portfolio. Microsoft's share price started the year considerably lower than its peak 12 months earlier. We used this weakness to increase the position. By March, the share price had recovered, and we were trimming at prices significantly higher than what we paid for them in January. Conversely, we were trimming our position in State Street as the share price headed higher but were able to rebuild this position in March when it was hit by the broader bank sell off. State Street has a programme to buy back as much as 15% of its share capital in 2023. The lower the share price, the higher our share of its profits will be in the future, even if we purchase no more shares. We had a similar opportunity with Ashtead, which was a source of cash in February but then presented the opportunity to buy those shares back in late March. The Oracle share price is recovering back to previous highs, as such it has been a source of cash. We also exited our position in The Progressive Corp as its share price hit new all-time highs. The cash raised was used to increase our positions in News Corporation, Kubota and to initiate one new position.

Following fresh information from the new Adidas management team, we reappraised our model for the company, which led to a reduction in intrinsic value. Whilst the margin of safety remains healthy, we reduced our exposure and reallocated this to rebuild our position in Berkshire Hathaway at prices well below the level at which we significantly trimmed the position 12 months ago. Overall, the impact of the Adidas reduction in intrinsic value was offset by the positive impact of our trading, leaving intrinsic value flat over the quarter.

<sup>1</sup> Based on the price of the MI Metropolis Valuefund A Class Accumulation; please see share class table on page 3.

# MI Metropolis Valuefund

## Investment Manager's Report

continued

We started the final quarter of 2022 with a record level of margin of safety in the portfolio. With the NAV up over this period, the margin of safety has compressed a little but remains well above the long-term average.

Share Class	30.09.22	31.03.23	Change
MI Metropolis Valuefund A Class Accumulation (NAV, pence) <sup>2</sup>	268.66	306.07	+13.92%

<sup>2</sup> NAV's of the Accumulation share classes are based on the published single price and provided by Maitland Institutional Services Ltd, the Fund ACD and Administrator; historical prices for other share classes can be provided on request.

### Past performance is not a guide to future performance

Metropolis Capital Ltd

Investment Manager to the MI Metropolis Valuefund

31 May 2023

# MI Metropolis Valuefund

## Portfolio Statement

as at 31 March 2023

Holding	Security	Market value £	% of total net assets 2023
<b>TECHNOLOGY 38.32% (35.90%)</b>			
<b>Software and Computer Services 27.63% (26.39%)</b>			
360,741	Alphabet	29,909,631	9.09
34,566	Mastercard	10,132,719	3.08
107,404	Microsoft	24,670,319	7.50
145,572	Oracle	10,845,826	3.30
84,609	Visa	15,307,382	4.66
		<hr/>	
		90,865,877	27.63
<b>Technology Hardware and Equipment 10.69% (9.51%)</b>			
356,529	Cisco	14,935,110	4.54
99,721	Texas Instruments	14,934,370	4.54
70,792	Taiwan Semiconductor	5,306,968	1.61
		<hr/>	
		35,176,448	10.69
<b>FINANCIALS 20.27% (21.50%)</b>			
<b>Banks 0.72% (1.28%)</b>			
125,169	Avanza Bank	2,373,191	0.72
<b>Investment Banking and Brokerage Services 15.67% (16.06%)</b>			
75,787	Berkshire Hathaway	18,788,082	5.71
1,588,476	Hargreaves Lansdown	12,695,100	3.86
331,198	State Street	20,069,726	6.10
		<hr/>	
		51,552,908	15.67
<b>Nonlife Insurance 3.88% (4.16%)</b>			
626,016	Admiral	12,773,856	3.88
<b>CONSUMER DISCRETIONARY 24.23% (25.32%)</b>			
<b>Personal Goods 4.84% (6.60%)</b>			
111,567	Adidas	15,906,931	4.84
<b>Media 10.04% (10.08%)</b>			
426,408	Comcast	12,943,728	3.94
934,003	News Corporation - A	12,925,496	3.93
191,280	News Corporation - B	2,668,735	0.81
250,243	Paramount Global	4,483,579	1.36
		<hr/>	
		33,021,538	10.04
<b>Retailers 4.68% (4.18%)</b>			
2,194,578	Howden Joinery	15,375,213	4.68
<b>Travel and Leisure 4.67% (4.46%)</b>			
7,161	Booking	15,368,220	4.67
<b>CONSUMER STAPLES 2.83% (2.39%)</b>			
<b>Food Producers 2.83% (2.39%)</b>			
760,521	Gruma	9,306,558	2.83
		<hr/>	

# MI Metropolis Valuefund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	<b>INDUSTRIALS 13.14% (14.37%)</b>		
	<b>Industrial Engineering 7.19% (8.08%)</b>		
166,702	Andritz	9,145,736	2.78
1,191,868	Kubota	14,495,741	4.41
		23,641,477	7.19
	<b>Industrial Transportation 5.95% (6.29%)</b>		
397,580	Ashtead	19,562,924	5.95
	<b>Investment assets</b>	<b>324,925,147</b>	<b>98.79</b>
	<b>Net other assets</b>	<b>3,984,428</b>	<b>1.21</b>
	<b>Net assets</b>	<b>328,909,575</b>	<b>100.00</b>

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.09.22.

Total purchases for the period: £118,864,909

Total sales for the period: £50,697,677

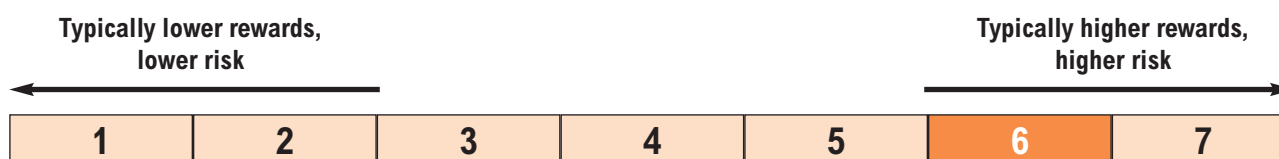
## Net Asset Value and Shares in Issue

Class	Net Asset Value	Shares in issue	Net Asset Value per share	Operating Charge*
A Income	£7,129,981	2,484,652	286.96p	1.15%
A Accumulation	£30,231,608	9,877,819	306.06p	1.15%
B Income	£7,683,202	2,843,602	270.19p	0.90%
B Accumulation	£30,596,767	10,764,910	284.23p	0.90%
S Income	£32,953,567	11,636,906	283.18p	0.80%
S Accumulation	£186,237,001	61,599,843	302.33p	0.80%
S Accumulation (EUR)	€38,805,696	36,063,162	107.60€c	0.80%

\*Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting period.

## Risk and Reward Profile

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



The Fund is ranked 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:

- For funds investing globally, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For further risk information please see the Prospectus.

## Risk warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.



## MI Metropolis Valuefund

### Statement of Total Return

for the period ended 31 March 2023

	31.03.23		31.03.22	
	£	£	£	£
Income				
Net capital gains/(losses)		39,759,690		(1,778,449)
Revenue	2,245,532		1,606,369	
Expenses	(1,225,160)		(804,299)	
Interest payable and similar charges	–		(403)	
Net revenue before taxation	1,020,372		801,667	
Taxation	(252,084)		(218,442)	
Net revenue after taxation		768,288		583,225
<b>Total return before distributions</b>		<b>40,527,978</b>		<b>(1,195,224)</b>
Distributions		(737,210)		(583,194)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>39,790,768</b>		<b>(1,778,418)</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the period ended 31 March 2023

	31.03.23		31.03.22	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		<b>217,917,906</b>		<b>166,145,618</b>
Breach Compensation received	31,043		–	
Amounts receivable on issue of shares	82,508,271		57,790,990	
Less: Amounts payable on cancellation of shares	(12,015,681)		(18,031,808)	
		70,523,633		39,759,182
Dilution levy		–		117,643
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		39,790,768		(1,778,418)
Retained distributions on accumulation shares		677,268		559,333
<b>Closing net assets attributable to Shareholders</b>		<b>328,909,575</b>		<b>204,803,358</b>

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# MI Metropolis Valuefund

## Balance Sheet

as at 31 March 2023

	31.03.23		30.09.22	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Investments		324,925,147		216,784,300
<b>Current Assets</b>				
Debtors	1,731,540		833,958	
Cash and bank balances	2,643,450		2,254,951	
<b>Total current assets</b>		<b>4,374,990</b>		<b>3,088,909</b>
<b>Total assets</b>		<b>329,300,137</b>		<b>219,873,209</b>
<b>LIABILITIES</b>				
<b>Creditors</b>				
Bank overdrafts	(615)		(1,271,703)	
Distribution payable	(90,480)		(416,484)	
Other creditors	(299,467)		(267,116)	
<b>Total creditors</b>		<b>(390,562)</b>		<b>(1,955,303)</b>
<b>Total liabilities</b>		<b>(390,562)</b>		<b>(1,955,303)</b>
<b>Net assets attributable to Shareholders</b>		<b>328,909,575</b>		<b>217,917,906</b>


The interim financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 and the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014 and amended in June 2017.

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 30 September 2022.

The financial statements have been prepared on the going concern basis.

### Certification of the Interim Report by the Authorised Corporate Director

This report has been prepared in accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('the COLL Sourcebook') and the Statement of Recommended Practice issued by the IA.



**C. O'Keeffe**

**P.J. Foley-Brickley**

Directors

Maitland Institutional Services Limited

31 May 2023

# MI Metropolis Valuefund

## Distribution Tables

for the period ended 31 March 2023

### Income Share Distributions

Share class	Distribution	Shares	Net revenue	Equalisation	Distribution payable 2023	Distribution paid 2022
A Income	Interim	Group 1	0.1613p	–	0.1613p	0.6776p
		Group 2 <sup>^</sup>	0.1613p	–	0.1613p	0.6776p
B Income	Interim	Group 1	0.4509p	–	0.4509p	0.9723p
		Group 2	0.3727p	0.0782p	0.4509p	0.9723p
S Income	Interim	Group 1	0.6329p	–	0.6329p	1.1864p
		Group 2	0.3884p	0.2445p	0.6329p	1.1864p

### Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue	Equalisation	Amount reinvested 2023	Amount reinvested 2022
A Accumulation	Interim	Group 1	0.3705p	–	0.3705p	0.7129p
		Group 2	0.3259p	0.0446p	0.3705p	0.7129p
B Accumulation	Interim	Group 1	0.7706p	–	0.7706p	1.0257p
		Group 2	0.6198p	0.1508p	0.7706p	1.0257p
S Accumulation	Interim	Group 1	0.8332p	–	0.8332p	1.2487p
		Group 2	0.6017p	0.2315p	0.8332p	1.2487p
S Accumulation EUR	Interim	Group 1	0.1404€ c	–	0.1404€ c	–
		Group 2	0.1398€ c	0.0006€ c	0.1404€ c	–

<sup>^</sup>There were no group 2 shares in the period.

Interim period: 01.10.22 - 31.03.23

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

### Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

## General Information

### Authorised Status

MI Metropolis Valuefund (the 'Company') is structured as an Investment Company with Variable Capital ('ICVC'), under regulation 12 (Authorisation) of the OEIC Regulations (Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)).

The Company does not intend to have an interest in immovable property.

The Company is authorised and regulated in the UK by the Financial Conduct Authority ('FCA') as a UCITS Scheme.

The Company was incorporated in England and Wales on 21 January 2011 under registration number IC000849. The Shareholders are not liable for the debts of the Company.

### Head Office

Hamilton Centre, Rodney Way, Chelmsford, Essex, CM1 3BY.

### Address for Service

The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

### Base Currency

The base currency of the Company is Pounds Sterling.

### Share Capital

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the Net Asset Value of the Fund.

### Classes of Shares

The Fund currently has the following classes of shares available for investment:

	Share Class												
	A GBP		B GBP		C GBP		C EUR		S GBP		S EUR		
Fund	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc	
MI Metropolis Valuefund	✓	✓	✓	✓	✓*	✓	✓*	✓	✓	✓	✓	✓*	✓

\*These share classes have no investment at the date of this report.

The Company may issue both Income and Accumulation Shares.

Holders of Income shares are entitled to be paid the revenue attributable to such shares in respect of each annual accounting period in the currency of the relevant share class.

Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

On 3rd April 2023, the Fund launched four new share classes: C Income GBP, C Accumulation GBP, C Income EUR and C Accumulation EUR.

### Valuation Point

The scheme property of the Company will normally be valued at 16:30 on each dealing day for the purpose of calculating the price at which shares in each Company may be issued, sold, repurchased or redeemed.

For the purpose of the pricing of shares, a business day is defined as a day on which the dealing office of the ACD is open for the buying and selling of shares. The ACD may at any time during a business day carry out an additional valuation of the property of the Fund if the ACD considers it desirable to do so, with the Depositary's approval

## General Information

continued

### Buying, Redeeming and Switching of Shares

The ACD will accept orders for the purchase, sale and switching of shares on normal business days between 08:30 and 16:30. Instructions to buy or sell shares may either be in writing to:

Hamilton Centre, Rodney Way, Chelmsford, Essex, CM1 3BY

Or by telephone on:

0345 241 3565

The ACD has the right to establish facilities for recording telephone calls made or received on this telephone line.

A contract note giving details of the shares purchased will be issued no later than the next business day after the business day on which an application to purchase shares is received and instrumented by the ACD. Certificates will not be issued in respect of shares. Ownership of shares will be evidenced by an entry on the register of shareholders.

### Pricing Basis

There is a single price for buying, selling and switching shares in a Fund which represents the Net Asset Value of the Fund concerned. The share price is calculated on a forward pricing basis, that is at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of shares are published daily on [www.maitlandgroup.com](http://www.maitlandgroup.com). Neither the Company nor the ACD can be held responsible for any errors in the publication of the prices. The shares in the Fund will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

### Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the Company which is also the Head Office of the Company. Copies may be obtained free of charge upon application. They are also available from the website of the Company, the details of which are given in the directory of this report.

Shareholders who have complaints about the operation of the Company should in the first instance contact the ACD, or, following that, may make their complaint direct to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

### Significant Information

The ACD has assessed the Russia-Ukraine war implications and although the Fund has no direct exposure to Russian or Ukrainian assets the crisis has and will have a wider impact in terms of market performance.

### Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

# Maitland Institutional Services Limited

Registered in England No 6252939. Authorised and regulated by the Financial Conduct Authority.