

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Half-year report for the six months
ended 30 September 2017

THE LINDSELL TRAIN INVESTMENT TRUST PLC

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Financial Highlights

Performance comparisons 1 April 2017 – 30 September 2017	Change
Middle market share price per Ordinary Share*	5.9%
Net asset value per Ordinary Share*	18.8%
Benchmark†	2.0%
MSCI World Index (Sterling)	1.6%
UK RPI Inflation (all items)	2.2%

* Calculated on a total return basis. The net asset value and the share price at 30 September 2017 has been adjusted to include the ordinary dividend of £15.45 per share and a special dividend of £0.35 per share paid on 8 September 2017.

† The annual average running yield of the longest-dated UK government fixed rate bond, currently UK Treasury 3.5% 2068, calculated using weekly data, plus a premium of 0.5%, subject to a minimum yield of 4%.

Source: Bloomberg/Maitland Administration Services Limited

Objective of the Company

The objective of the Company is to maximise long-term total returns with a minimum objective to maintain the real purchasing power of Sterling capital.

Investment Policy

The Investment Policy of the Company is to invest:

- in a wide range of financial assets including equities, unquoted equities, bonds, funds, cash and other financial investments globally with no limitations on the markets and sectors in which investment may be made, although there may be a bias towards Sterling assets consistent with a Sterling-dominated investment objective. The Directors expect that the flexibility implicit in these powers will assist in the achievement of the absolute returns that the investment objective requires;
- in Lindsell Train managed fund products, subject to Board approval, up to 25% of its gross assets; and
- in Lindsell Train Limited (“LTL”) and to retain a holding, currently 24.31%, in order to benefit from the growth of the business of the Company’s Investment Manager.

Diversification

The Company expects to invest in a concentrated portfolio of securities with the number of equity investments averaging fifteen companies. The Company will not make investments for the purpose of exercising control or management and will not invest in securities of or lend to any one company (or other members of its group) more than 15% by value of its gross assets at the time of investment. The Company will not invest more than 15% of gross assets in other closed-ended investment funds.

Gearing

The Directors have discretion to permit borrowings up to 50% of the Company’s Net Asset Value. However, the Directors have decided that it is in the Company’s best interests not to use gearing. This is in part a reflection of the increasing size and risk associated with the Company’s unquoted investment in LTL, but also in response to the additional administrative burden required to adhere to the full scope regime of the Alternative Investment Fund Managers Directive (“AIFMD”) should any gearing remain in place.

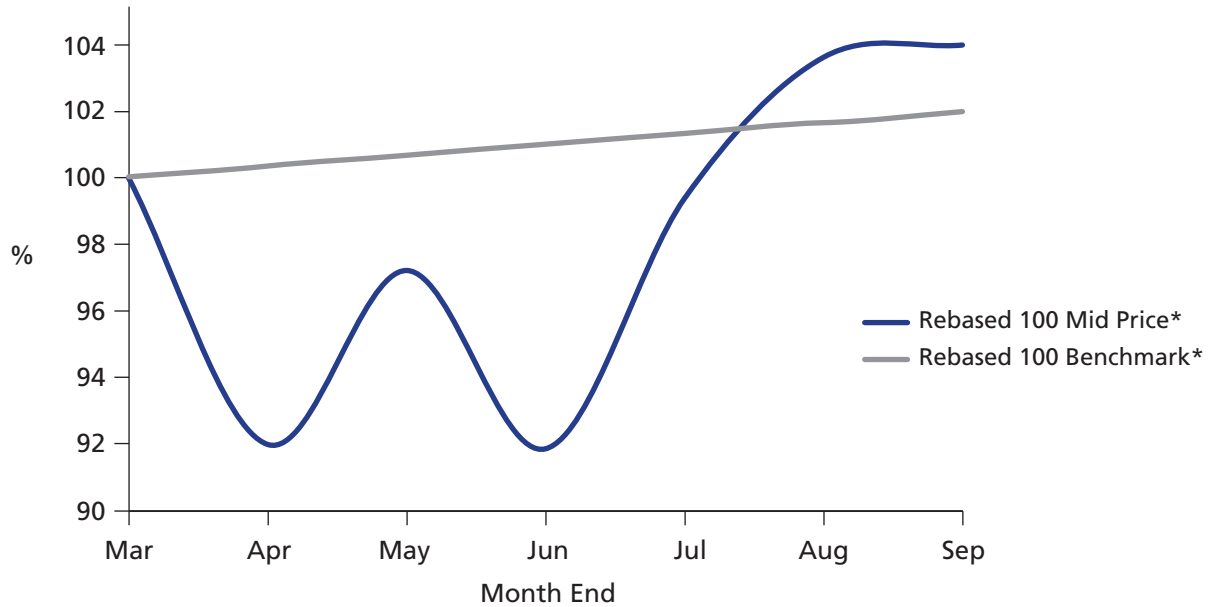
Dividends

The Directors’ policy is to pay annual dividends consistent with retaining the maximum permitted earnings in accordance with investment trust regulations.

The composition of the portfolio as at 30 September 2017, which may be changed at any time at the discretion of the Investment Manager within the confines of the policy stated above, is shown on pages 16 to 17.

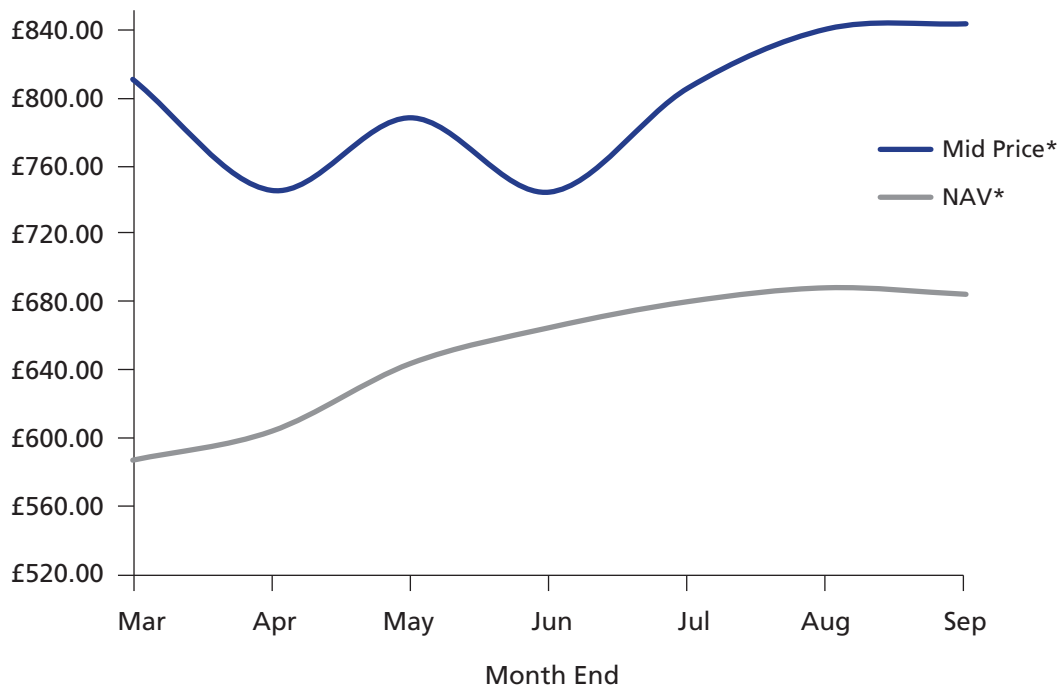
Performance

**Share price performance relative to the Benchmark
from 1 April 2017 to 30 September 2017**
(based on total performance with reinvested net dividend)



*Figures are rebased to show the performance per £100 invested.

**Share price and net asset value performance
from 1 April 2017 to 30 September 2017**



*Actual NAV and share price are unadjusted for the payment of the dividend.

Source: Bloomberg and Lindsell Train Limited

Chairman's Statement

The Company has made a strong start to the year. The net asset value at the 30th September was £136.6 million (£682.79 per share). The net asset value total return ('NAV') was 18.8% over the 6 months, which compared favourably to the rise in the benchmark of 2.0% and the performance of the MSCI World Index up just 1.6%. The share price has risen by 5.9%, the net result of which has been a reduction in the share price premium to the NAV from 38% to 23% since 31 March 2017.

Once again it was the Company's 24.3% holding in Lindsell Train Limited ('LTL') that contributed most to the rise in the NAV, with the valuation increasing by 24.4% over the half year. The holding continued to increase as a percentage of total assets and now represents 39.9%. LTL's funds under management were £11.3bn, up by £2.4bn over the first half of its financial year to 31st July 2017, driven by performance (60% of the uplift) and net inflows (40%). The Lindsell Train UK Equity Fund is now over £4bn, the Global Equity Fund over £3bn and, whilst the Japanese Equity Fund at £164m remains small in comparison, it has increased in size by 40% over the half year. LTL's pooled funds at 31 July 2017 accounted for 64% of total FUM, up from 57% in July 2016. This growth has been achieved without any increase in the number of staff. There is, however, some increase in costs associated with the ever greater regulatory burden on the investment industry in general. Nevertheless this illustrates what a scalable business fund management can be, especially with a strategy that is concentrated on a number of low turnover products. Further growth will probably require some more investment in personnel. In the interests of greater transparency, for the first time we publish some key statistics on LTL's half year performance, financials and key business statistics in the same way as we do at each year-end (see pages 18-20).

Amongst the quoted holdings it was the turn of the few companies the Company owns that could be loosely classified as technology companies to perform. Nintendo (up 61%) has had some encouraging initial success with its new video game console and PayPal (up 49%) has stepped up the pace of its growth since it has embraced partnerships with banks and credit card providers. eBay also performed better than most other companies rising by 15% as its platform grew, albeit at a much slower rate than its former subsidiary PayPal.

The financial industry as a whole is preparing for the changes imposed by MiFID II regulations and LTL will be affected in a number of ways. The company has confirmed that it will in future pay directly for third party research. The cost of this compared to other investment managers should be lower as LTL depends less on external resources and primarily on its own in-house research. On the positive side LTL's clients will benefit at the margin from lower commission rates on trades. The burden of monitoring, reporting and analysing trades will increase the administrative burden on LTL and is likely to require additional compliance support for no benefit and considerable extra cost.

The bull market in global equities is considered by some to be mature, with returns accruing almost uninterrupted since March 2009. Monetary authorities are now withdrawing liquidity at the margin rather than adding to it. Interest rates, led by the USA, are beginning to rise. Many investors and commentators are urging caution and some investment strategies are positioned defensively. Our Managers see no reason to adapt or change, indeed the Company is 100% exposed to equities. Our quoted companies continue to offer alluring prospects for growth. Advances in technology, though hostile to many companies, are broadly beneficial to ours (Pearson remains the exception for now) and the competition from other asset classes such as bonds, even with interest rates up a little, remains relatively benign. The value of the holding in LTL could suffer from any fall in markets or from fund withdrawals if performance were to deteriorate but the increased diversity of LTL's clients, with growing support from wealth managers and IFA/retail platforms, should give the business more stability in either eventuality.

Julian Cazalet

Chairman

23 November 2017

Investment Manager's Report

We started a new holding for your Company over the recent period – namely Laurent-Perrier, one of the very few quoted champagne houses. The reasons will not surprise shareholders. At Lindsell Train we love investing in booze of all denominations. We note that great beverage brands exhibit extraordinary longevity and protection against monetary inflation. As a result, great fortunes have been built around such brands and sustained for generation after generation. We are particularly interested in family-owned drinks brands and are delighted to add Laurent-Perrier to your other holdings in this sector – AG Barr and Heineken.

We are drawn to premium or luxury beverage brands, because it is an observed phenomenon that their consumption is a good proxy for global wealth creation. As more people get wealthier in more geographies, more cognac, malt whisky or champagne gets drunk. Back in 1970 the Champagne region shipped c.100m bottles. Last year it was over 300m. Admittedly that is a compound growth rate of only c.3.0%. But, when you add the inflation protection on top and the efficiencies the houses have been able to bring to production over those near 50 years, you can see why this might be an attractive trend for investors to lock into.

In our opinion, Laurent-Perrier is a very nice asset. The company is the fourth largest house in terms of sales, but claims to have the highest proportion of revenues accounted for by premium champagne (notably its famous and delicious rosé). It also exports more of its sales than rivals, c.70%, meaning it is less reliant on the French economy and has true global recognition.

Although the secular trend in champagne shipments is up, it is a fact that they still remain below their peak year of 2007, which was 339m bottles. Indeed shipments fell during 2016 as the largest export market for champagne, which is the UK, slowed, purportedly because of political uncertainty. However, Laurent-Perrier's share price mirrors that volatility. They hit a high of Euro 120 back in 2007 (all those private equity deal-closure celebrations) and have drifted since then. Earlier this year we were able to buy enough stock to build up a c.1% holding for your Company. Since then we have stepped back as the price spiked, but will hope to add more in due course. On a P/E of c.16x and selling for less than 2.0x annual sales we think the shares look fine especially, if like us, you are optimistic about global growth over the next five years, and hence bullish for champagne consumption too.

So – a commentary about a new holding has become a restatement of our optimism about the Company and equity markets. Of course we can't definitively prove to you that it is right to be bullish. But we can warn you to be suspicious of the sort of analysis of markets and economies that commonly talks of the "maturity" of the equity bull market or the "late cycle" characteristics of economic activity. We've all been familiar with such misplaced pessimism for many decades. And it always reminds me of the work of Marxist theorist Ernest Mandel, who popularised the term "late capitalism" back in 1972. For him "late capitalism" had already begun by the end of WW2. And the reason it was "late" was his conviction, and doubtless wishful thinking, that capitalism and its works were mature and would soon inevitably collapse under the weight of its internal contradictions. Fifty years later Mandel's designation looks premature to say the least. By contrast with not just Mandel but contemporary commentators too, we think it makes more sense to reflect on the likely immaturity of capitalism and the strong probability that actually the best is yet to come. For example, just consider the implications of this quote from Edward Thorp's excellent recent book "A Man for All Markets". Thorp, a mathematician who famously beat first Las Vegas and then Wall Street. He says – "The amount of humanity the earth can support as limited by the available solar energy for food, and by other scarce resources has been estimated as up to 100 billion people." Against 7.5 billion today. On this basis homo sapiens still has a lot of growth and development ahead of it. Certainly a lot more champagne is going to be drunk.

Nick Train

Lindsell Train Limited – Investment Manager

23 November 2017

Income Statement

		Six months ended 30 September 2017 Unaudited		
	Notes	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss		–	20,589	20,589
Exchange gains on currency balances		–	11	11
Income	2	3,472	–	3,472
Investment management fees	3	(387)	(1,398)	(1,785)
Other expenses	4	(194)	(1)	(195)
Net return before finance costs and tax		2,891	19,201	22,092
Interest payable and similar charges		–	–	–
Return before tax		2,891	19,201	22,092
Tax	5	(17)	–	(17)
Return after tax for the financial period		2,874	19,201	22,075
Return per Ordinary Share	6	£14.37	£96.01	£110.38

All revenue and capital items in the above statement derive from continuing operations.

The total columns of this statement represent the profit and loss accounts of the Company. The revenue and capital columns are supplementary to this and are prepared under the guidance published by the Association of Investment Companies.

The Company does not have any other recognised gains or losses. The net return for the period disclosed above represents the Company's total comprehensive income.

No operations were acquired or discontinued during the period.

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	Six months ended 30 September 2016 Unaudited			Year ended 31 March 2017 Audited		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	
–	21,015	21,015	–	29,669	29,669	
–	57	57	–	48	48	
2,738	–	2,738	4,887	–	4,887	
(281)	(1,792)	(2,073)	(598)	(2,820)	(3,418)	
(178)	–	(178)	(354)	–	(354)	
<u>2,279</u>	<u>19,280</u>	<u>21,559</u>	<u>3,935</u>	<u>26,897</u>	<u>30,832</u>	
–	–	–	–	–	–	
<u>2,279</u>	<u>19,280</u>	<u>21,559</u>	<u>3,935</u>	<u>26,897</u>	<u>30,832</u>	
(14)	–	(14)	(35)	–	(35)	
<u>2,265</u>	<u>19,280</u>	<u>21,545</u>	<u>3,900</u>	<u>26,897</u>	<u>30,797</u>	
£11.33	£96.40	£107.73	£19.50	£134.49	£153.99	

Statement of Changes in Equity

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the six months ended 30 September 2017					
At 31 March 2017	150	19,850	91,428	6,215	117,643
Return after tax for the financial period	–	–	19,201	2,874	22,075
Dividends paid	–	–	–	(3,160)	(3,160)
At 30 September 2017	150	19,850	110,629	5,929	136,558

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the six months ended 30 September 2016					
At 31 March 2016	150	19,850	64,531	4,095	88,626
Return after tax for the financial period	–	–	19,280	2,265	21,545
Dividends paid	–	–	–	(1,780)	(1,780)
At 30 September 2016	150	19,850	83,811	4,580	108,391

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the year ended 31 March 2017					
At 31 March 2016	150	19,850	64,531	4,095	88,626
Return after tax for the financial year	–	–	26,897	3,900	30,797
Dividends paid	–	–	–	(1,780)	(1,780)
At 31 March 2017	150	19,850	91,428	6,215	117,643

Statement of Financial Position

	Note	30 September 2017 Unaudited £'000	30 September 2016 Unaudited £'000	31 March 2017 Audited £'000
Fixed assets				
Investments held at fair value through profit or loss		<u>137,192</u>	<u>109,868</u>	<u>118,671</u>
Current assets				
Other receivables		231	238	267
Cash at bank		<u>644</u>	<u>171</u>	<u>1,677</u>
		875	409	1,944
Creditors: amounts falling due within one year				
Other payables		<u>(1,509)</u>	<u>(1,886)</u>	<u>(2,972)</u>
		(1,509)	(1,886)	(2,972)
Net current liabilities		<u>(634)</u>	<u>(1,477)</u>	<u>(1,028)</u>
Net assets		<u>136,558</u>	<u>108,391</u>	<u>117,643</u>
Capital and reserves				
Called up share capital		150	150	150
Special reserve		<u>19,850</u>	<u>19,850</u>	<u>19,850</u>
		20,000	20,000	20,000
Capital reserve		110,629	83,811	91,428
Revenue reserve		<u>5,929</u>	<u>4,580</u>	<u>6,215</u>
Equity shareholders' funds		<u>136,558</u>	<u>108,391</u>	<u>117,643</u>
Net asset value per Ordinary Share	7	£682.79	£541.95	£588.21

Cash Flow Statement

	Six months ended 30 September 2017 Unaudited £'000	Six months ended 30 September 2016 Unaudited £'000	Year ended 31 March 2017 Audited £'000
Operating Activities			
Net return before finance costs and tax	22,092	21,559	30,832
Gains on investments held at fair value	(20,589)	(21,015)	(29,669)
Gains on exchange movements	(11)	(57)	(48)
Decrease/(increase) in other receivables	6	(17)	(26)
Decrease/(increase) in accrued income	36	(31)	(77)
(Decrease)/increase in other payables	(1,425)	1,409	2,457
Purchase of investments held at fair value	(970)	(776)	(960)
Sale of investments held at fair value	3,000	3	76
Net cash inflow from operating activities before interest and taxation	2,139	1,075	2,585
Interest paid	–	–	–
Taxation on investment income	(23)	(33)	(28)
Net cash inflow from operating activities	2,116	1,042	2,557
Financing activities			
Equity dividends paid	(3,160)	(1,780)	(1,780)
Net cash outflow from financing activities	(3,160)	(1,780)	(1,780)
(Decrease)/increase in cash and cash equivalents	(1,044)	(738)	777
Cash and cash equivalents at beginning of period	1,677	852	852
Gains on exchange movements	11	57	48
Cash and cash equivalents at end of period	644	171	1,677

Notes to the Financial Statements

1 Accounting policies

The financial statements of the Company have been prepared under the historical cost convention modified to include the revaluation of fixed assets in accordance with United Kingdom law and Accounting Standards and with the Statement of Recommended Practice (“SORP”) “Financial Statements of Investment Trust Companies and Venture Capital Trusts”, issued by the Association of Investment Companies (issued November 2014 and updated in January 2017 with consequential amendments) to comply with the revised reporting standard.

The accounting policies and methods of computation followed in this half-year report are consistent with the most recent annual statements.

After considering a schedule of the Company’s current financial resources and liabilities for the next twelve months, and as the majority of the net assets of the Company are securities which are traded on recognised stock exchanges, the Directors have determined that its resources are adequate for continuing in business for the foreseeable future and that it is appropriate to prepare the financial statements on a going concern basis. The Company does not have a fixed life.

2 Income	Six months ended 30 September 2017 Unaudited £’000	Six months ended 30 September 2016 Unaudited £’000	Year ended 31 March 2017 Audited £’000
Income from investments			
Overseas dividends	141	123	295
UK dividends			
– Lindsell Train Limited	2,523	1,847	3,531
– Other UK dividends	808	768	1,061
	3,472	2,738	4,887
3 Investment management fees	Six months ended 30 September 2017 Unaudited £’000	Six months ended 30 September 2016 Unaudited £’000	Year ended 31 March 2017 Audited £’000
Investment management fee	418	312	670
Investment Manager’s performance fee – provision allocated to capital	1,398	1,792	2,820
Rebate of investment management fee	(31)	(31)	(72)
Total management fee	1,785	2,073	3,418

Notes to the Financial Statements continued

4 Other expenses	Six months ended 30 September 2017 Unaudited £'000	Six months ended 30 September 2016 Unaudited £'000	Year ended 31 March 2017 Audited £'000
Directors' emoluments	47	50	97
Administration fee	40	40	80
Auditor's remuneration for:			
– audit of the financial statements of the Company	13	7	20
Tax compliance fee	2	4	3
Legal and professional fees	–	2	2
Provision for VAT written off	16	15	–
Other*	76	60	152
	<u>194</u>	<u>178</u>	<u>354</u>
Capital charges	1	–	–
	<u>195</u>	<u>178</u>	<u>354</u>

* Includes registrar's fees, printing fees, AIFM fees, marketing fees, safe custody fees, London Stock Exchange/FCA fees, Key Man and Directors' and Officers' liability insurance, and Employer's National Insurance.

5 Effective rate of tax

The effective rate of tax reported in the revenue column of the income statement for the six months ended 30 September 2017 is 0.59% (year ended 31 March 2017: 0.89% and six months ended 30 September 2016: 0.61%) based on revenue profit before tax of £2,891,000 (year ended 31 March 2017: £3,935,000 and six months ended 30 September 2016: £2,279,000). This differs from the standard rate of tax, 19% (year ended 31 March 2017 and six months ended 30 September 2016: 20%) as a result of revenue not taxable for Corporation Tax purposes.

THE LINDSELL TRAIN INVESTMENT TRUST PLC

6 Return per Ordinary Share	Six months ended 30 September 2017 Unaudited	Six months ended 30 September 2016 Unaudited	Year ended 31 March 2017 Audited
Return per Ordinary Share	£22,075,000	£21,545,000	£30,797,000
Weighted average number of Ordinary Shares in issue during the period	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Return per Ordinary Share	<u>£110.38</u>	<u>£107.73</u>	<u>£153.99</u>

The return per Ordinary Share detailed above can be further analysed between revenue and capital, as below:

Revenue return per Ordinary Share			
Revenue return	£2,874,000	£2,265,000	£3,900,000
Weighted average number of Ordinary Shares in issue during the period	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Revenue return per Ordinary Share	<u>£14.37</u>	<u>£11.33</u>	<u>£19.50</u>
Capital return per Ordinary Share			
Capital return	£19,201,000	£19,280,000	£26,897,000
Weighted average number of Ordinary Shares in issue during the period	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Capital return per Ordinary Share	<u>£96.01</u>	<u>£96.40</u>	<u>£134.49</u>

7 Net asset value per Ordinary Share	Six months ended 30 September 2017 Unaudited	Six months ended 30 September 2016 Unaudited	Year ended 31 March 2017 Audited
Net assets attributable Ordinary Shares in issue at the period end	£136,558,000	£108,391,000	£117,643,000
Ordinary Shares in issue at the period end	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Net asset value per Ordinary Share	<u>£682.79</u>	<u>£541.95</u>	<u>£588.21</u>

8 Valuation of financial instruments

The Company's investments and derivative financial instruments as disclosed in the Statement of Financial Position are valued at fair value.

FRS 102 requires an entity to classify fair value measurements using a fair value 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 – The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 – Inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

Notes to the Financial Statements *continued***8 Valuation of financial instruments (continued)**

The tables below set out fair value measurements of financial instruments as at the year end 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

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 30 September 2017				
Equity investments	79,322	3,352	54,518	137,192
	79,322	3,352	54,518	137,192
At 30 September 2016				
Equity investments	68,468	2,863	38,537	109,868
	68,468	2,863	38,537	109,868
At 31 March 2017				
Equity investments	71,813	3,009	43,849	118,671
	71,813	3,009	43,849	118,671

Note: Within the above tables, the entirety of level 1 comprises all the Company's ordinary investments, level 2 represents the investment in Lindsell Train Global Equity LLC and level 3 represents the investment in LTL, including the one share in LTL against which an option has been granted.

The valuation of the investment in LTL derives from a formula created after taking advice from an expert in the sector. The formula uses a simple average of two different components:

- 1.5% of LTL's most recent funds under management; and
- LTL's net earnings (adjusted for a notional increase in staff costs to 45% of revenues excluding performance fees) calculated on a three month rolling basis, one month in arrears and annualised, divided by the annual average running yield on the longest dated UK government fixed rate bond, currently UK Treasury 3.5% 2068, calculated using weekly data, plus a premium of 0.5%, subject to a minimum yield of 4% plus an equity risk premium of 4.5%.

The valuation of LT Global Equity LLC is based on the net asset value of the Fund. The net asset value of LT Global Equity Fund LLC is calculated on a monthly basis being the last New York (USA) business day of each month. The NAV of the Fund is the mid closing price of its investment plus other assets held by the Fund less operating expenses, accrued liabilities and the management fee.

The Board reserves the right to vary their valuation methodologies at its discretion.

9. It is the intention of the Directors to conduct the affairs of the Company so that the Company satisfies the conditions for approval as an Investment Trust Company set out in Sections 1158/1159 of the Corporation Tax Act 2010.

Interim Management Report

The Directors are required to provide an Interim Management Report in accordance with the UK Listing Authority's Disclosure and Transparency Rules 4.2.3 to 4.2.11. They consider that the Chairman's Statement and the Investment Manager's Report on pages 4 to 5 of this half-year report, the following statement on related party transactions and the Directors' Responsibility Statement below together constitute the Interim Management Report for the Company for the six months ended 30 September 2017.

The Directors confirm that no related party transactions were undertaken by the Company in the first six months of the current financial year and that there have been no changes to the related party disclosures set out in the Annual Report of the Company for the year ended 31 March 2017.

The Directors do not expect the principal risks and uncertainties as described in detail within the last Annual Report and Accounts to change during the remaining six months of the financial year.

The half-year report for the six months ended 30 September 2017 has not been reviewed by the Company's auditor, Grant Thornton UK LLP.

Directors' Responsibility Statement

The Directors listed at the back of this half-year report confirm that to the best of their knowledge:

- (a) the condensed set of Financial Statements, which has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit of the Company for the period ended 30 September 2017;
- (b) the Interim Management Report includes a fair review, as required by Disclosure and Transparency Rule 4.2.7 R, of important events that have occurred during the first six months of the financial year, 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 financial year; and
- (c) the Interim Management Report includes a fair review of the information concerning related party transactions as required by Disclosure and Transparency Rule 4.2.8 R.

The half-year report was approved by the Board on 23 November 2017 and the above Responsibility Statement was signed on its behalf by:

Julian Cazalet
Chairman

Portfolio Holdings at 30 September 2017

(All Ordinary Shares unless otherwise stated)

Holding	Security	Fair value £'000	% of total assets	Look-through basis: % of total assets†
646	Lindsell Train Limited	54,475	39.89	39.89
1	Lindsell Train Limited*	43	0.03	0.03
41,000	Nintendo	11,280	8.26	8.86
420,500	Diageo	10,315	7.55	7.95
246,500	London Stock Exchange	9,434	6.91	7.25
210,000	Unilever	9,070	6.64	7.08
1,263,393	Barr (AG)	7,808	5.72	5.77
323,000	RELX	5,287	3.87	4.21
73,000	Heineken	5,111	3.74	4.07
3,951,927	Lindsell Train Japanese Equity Fund – B	4,884	3.58	3.23
101,000	PayPal	4,819	3.53	3.68
297,895	Lindsell Train Global Equity LLC	3,352	2.46	0.97
420,000	Finsbury Growth & Income Trust	3,087	2.26	1.01
96,552	Mondelez International	2,926	2.14	2.36
75,200	eBay	2,155	1.58	1.65
300,000	Pearson	1,836	1.34	1.49
18,879	Laurent-Perrier	1,310	0.96	0.96
	Total investments	137,192	100.46	100.46
	Net current liabilities	(634)	(0.46)	(0.46)
	Total assets	136,558	100.00	100.00

† Look-through basis: This adjusts the percentages held in each security upwards by the amount held in LTL managed funds and adjusts the fund's holdings downwards to account for the overlap. It provides Shareholders with a measure of stock specific risk by amalgamating the direct holdings of the Company with the indirect holdings held within the LTL funds.

* Granted as an option, exercisable from 31/03/2019 until 31/03/2026.

Leverage

We detail below the balance sheet positions of the Funds managed by LTL as at 30 September 2017:

Fund	Net equity exposure
Lindsell Train Global Equity LLC	99.33%
Lindsell Train Japanese Equity Fund	96.30%
Finsbury Growth & Income Trust	102.78%

Analysis of Investment Portfolio at 30 September 2017

Breakdown by location of listing (look-through basis)^

	30 September 2017	31 March 2017
Japan	13%	13%
Europe	5%	4%
UK*	74%	75%
USA	9%	8%
Cash and equivalents	(1%)	(1%)
	<u>100%</u>	<u>100%</u>

Breakdown by location of underlying company revenues (look-through basis)^

Japan	6%	8%
Europe	10%	10%
UK**	51%	49%
USA**	17%	17%
Emerging	15%	15%
Other	2%	2%
Cash and equivalents	(1%)	(1%)
	<u>100%</u>	<u>100%</u>

Breakdown by sector (look-through basis)^

Consumer franchises	31%	34%
Financials*	48%	45%
Media	21%	20%
Healthcare	1%	2%
Cash and equivalents	(1%)	(1%)
	<u>100%</u>	<u>100%</u>

* LTL accounts for 40% and is not listed.

** LTL accounts for 93% of the UK figure and 29% of the US figure.

^ Look-through basis: This adjusts the percentages held in each asset class, country or currency by the amount held by LTL managed funds. It provides Shareholders with a more accurate measure of country and currency exposure by aggregating the direct holdings of the Company with the indirect holdings held by the LTL funds.

Appendix 1

Half year review of Lindsell Train Limited ('LTL')

The Manager of The Lindsell Train Investment Trust

Funds under management

	Jul 2017 £m	Jan 2017 £m	Jul 2016 £m
By strategy			
UK	6,366	5,282	4,720
Global	4,735	3,548	3,207
Japan	225	145	118
Total	11,326	8,975	8,045

Largest client accounts

	Jul 2017 % of FUM	Jan 2017 % of FUM	Jul 2016 % of FUM
Largest pooled fund	36%	36%	34%
Largest segregated account	10%	11%	11%

Financials

	Jul 2017 £	Jul 2016 £
Profit and loss		
Fee revenues:		
Investment management fees	25,311,141	16,883,972
Performance fees	2,819,626	362,239
Bank interest	19,110	14,105
	28,149,877	17,260,316
Staff remuneration*	(10,745,863)	(5,255,484)
Fixed overheads	(737,756)	(831,462)
Foreign exchange currency translation loss	(232,887)	–
Operating profit	16,433,371	11,173,370
Taxation	(3,286,674)	(2,235,397)
Net profit	13,146,697	8,937,973
Dividends	(10,397,400)	(7,598,100)
Retained profit	2,749,297	1,339,873
Capital and reserves		
Called up share capital	266,600	266,600
Profit and loss account	27,307,163	18,760,056
Shareholders' funds	27,573,763	19,026,656
Balance Sheet		
Fixed Assets	63,702	123,634
Current assets (inc cash at bank)	34,375,841	23,277,324
Liabilities	(6,865,781)	(4,374,302)
Net assets	27,573,763	19,026,656

* No more than 25% of fees (other than LTIT fees) can be paid as staff remuneration. Employer National Insurance costs are excluded from this limit.

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Five Year History of Key Business Measures

	Jul 2017	Jul 2016	Jul 2015	Jul 2014	Jul 2013
Operating Margin	58%	65%	57%	63%	50%
Earnings per share (£)	4,931	3,353	2,447	1,595	1,111
Dividends per share (£)	3,900	2,850	1,570	1,050	1,340
Total Staff Cost as % of Revenue	38%	30%	38%	33%	46%
Closing FUM (in £ million)	11,326	8,045	5,758	3,897	3,165
Changes in FUM (in £ million)	3,281	2,287	1,861	732	1,257
– of market movement	1,530	979	1,053	93	804
– of net new fund inflows	1,751	1,308	808	639	453
Opening FUM (in £ million)	8,045	5,758	3,897	3,165	1,908
Open ended funds as % of total	64%	57%	48%	42%	31%
Client Relationships					
– Pooled funds	4	4	4	3	3
– Separate accounts	15	16	16	15	14

Ownership/Sharer

	Jul 2017	Jan 2017	Jul 2016
Michael Lindsell and spouse	968	969	974
Nick Train and spouse	968	969	974
Lindsell Train Investment Trust plc	647	648	651
Other Directors/employee	83	80	67
	2,666	2,666	2,666

Board of Directors

Nick Train	Chairman and Portfolio Manager
Michael Lindsell	Chief Executive and Portfolio Manager
Michael Lim	Chief Operating Officer
Jane Orr	Head of Client Servicing & Marketing
James Alexandroff	Non Executive

Employees

	Jul 2017	Jan 2017	Jul 2016
Investment Team (inc. 3 Portfolio Managers)	5	5	5
Client Servicing & Marketing	4	4	4
Operations & Administration	7	7	7
Non-Executive director	1	1	1
	17	17	17

Appendix 1

continued

Company Valuation

	Jul 2017 £	Jan 2017 £
Funds under management excluding LTIT holdings	11,303,619	8,934,694
<i>Valuation based on 1.5% of funds under management (A)</i>	169,554	134,020
Annualised revenue ex performance fee	54,053	43,396
Notional staff costs (45%)	(24,324)	(19,528)
Annualised interest income	69	6
Annual operating costs	(1,516)	(1,175)
Notional tax	(5,656)	(4,540)
Notional post tax earnings	22,626	18,159
Benchmark [†]	4.0%	4.0%
Equity risk premium	4.5%	4.5%
Total yield plus premium	8.5%	8.5%
<i>Valuation of Company (earnings base) (B)</i>	255,817	213,631
Shares in issue (C)	2,666	2,666
Average valuation per share ((A+B)/2)/C = Price £	79,777	65,201

[†]As defined on page 2.

Company Information

Directors

Julian Cazalet (Chairman)
Vivien Gould
Rory Landman
Michael Lindsell
Michael Mackenzie

Investment Manager

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Shareholder relations

The Company's share price is listed daily in the Financial Times.
For further information visit: www.lindselltrain.com and follow the links.

Individual Savings Account ("ISA")

The Company's shares are eligible to be held in an ISA account subject to HM Revenue & Customs' limits.

Website

The Company's internet website is located at:
www.lindselltrain.com
Registered in England, No: 4119429

