

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Half-year Report for the six months
ended 30 September 2022

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Financial Highlights

Performance comparisons 1 April 2022 – 30 September 2022	Change
Share price total return per Ordinary Share*^	-6.5%
Net asset value total return per Ordinary Share*^	-3.0%
MSCI World Index total return (Sterling)	-7.3%
UK RPI Inflation (all items)	+7.5%

* The net asset value and the share price at 30 September 2022 have been adjusted to include the ordinary dividend of £51.12 per share and a special dividend of £1.88 per share paid on 13 September 2022, with the associated ex-dividend date of 11 August 2022.

^ Alternative Performance Measure ("APM"). See Glossary of Terms and Alternative Performance Measures beginning on page 24.

Source: Morningstar/Bloomberg

Investment Objective

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:

- (i) in a wide range of financial assets including equities, unlisted 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 is likely to be a bias towards equities and 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 investment objective;
- (ii) in Lindsell Train managed fund products, subject to Board approval, up to 25% of its gross assets; and
- (iii) in LTL and to retain a holding, currently 24.2%, in order to benefit from the growth of the business of the Company's Manager.

The Company does not envisage any changes to its objective, its investment policy, or its management for the foreseeable future. The current composition of the portfolio as at 30 September 2022, which may be changed at any time (excluding investments in LTL and LTL managed funds) at the discretion of the Investment Manager within the confines of the policy stated above, is shown on pages 8 and 9.

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 the 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 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 unlisted investment in LTL, but also in response to the additional administrative burden required to adhere to the full scope regime of the AIFMD.

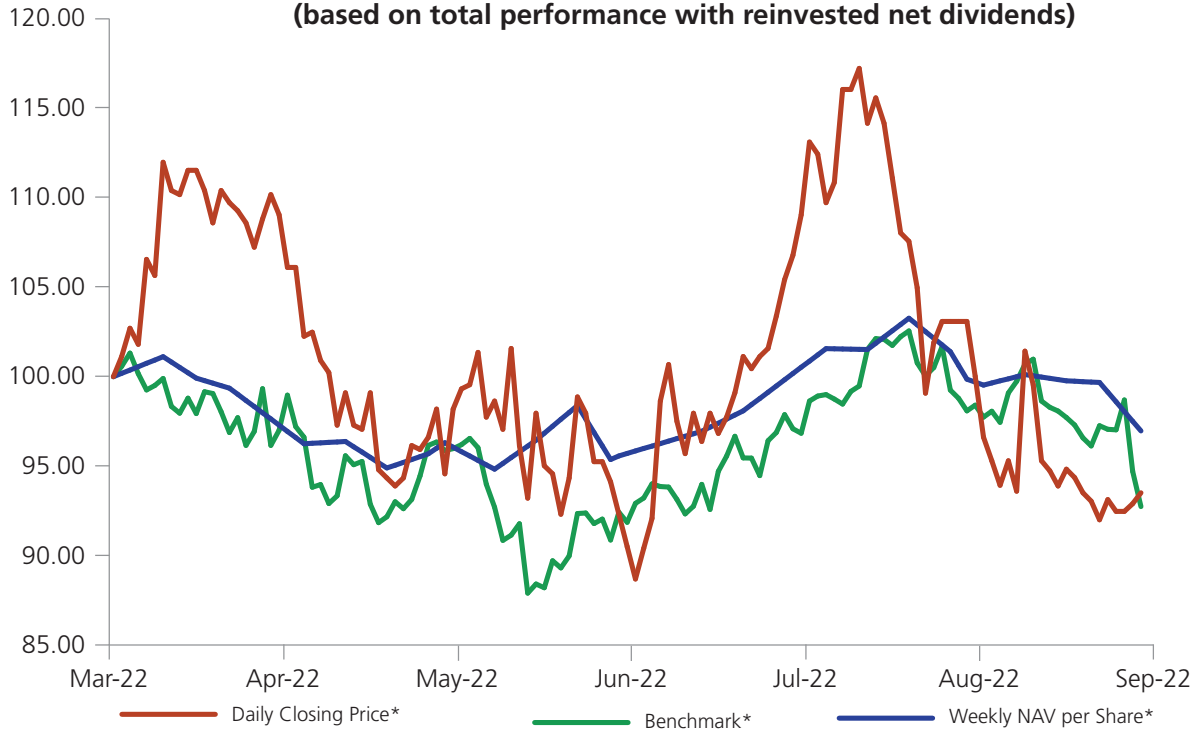
Dividends

The Directors' policy is to pay annual dividends consistent with retaining the maximum permitted earnings in accordance with investment trust regulations, thereby building revenue reserves.

In a year when this policy would imply a reduction in the ordinary dividend, the Directors may choose to maintain the dividend by increasing the percentage of revenue paid out or by drawing down on revenue reserves. Revenue reserves on 31 March 2022 were twice the annual 2022 ordinary dividend paid on 13 September 2022.

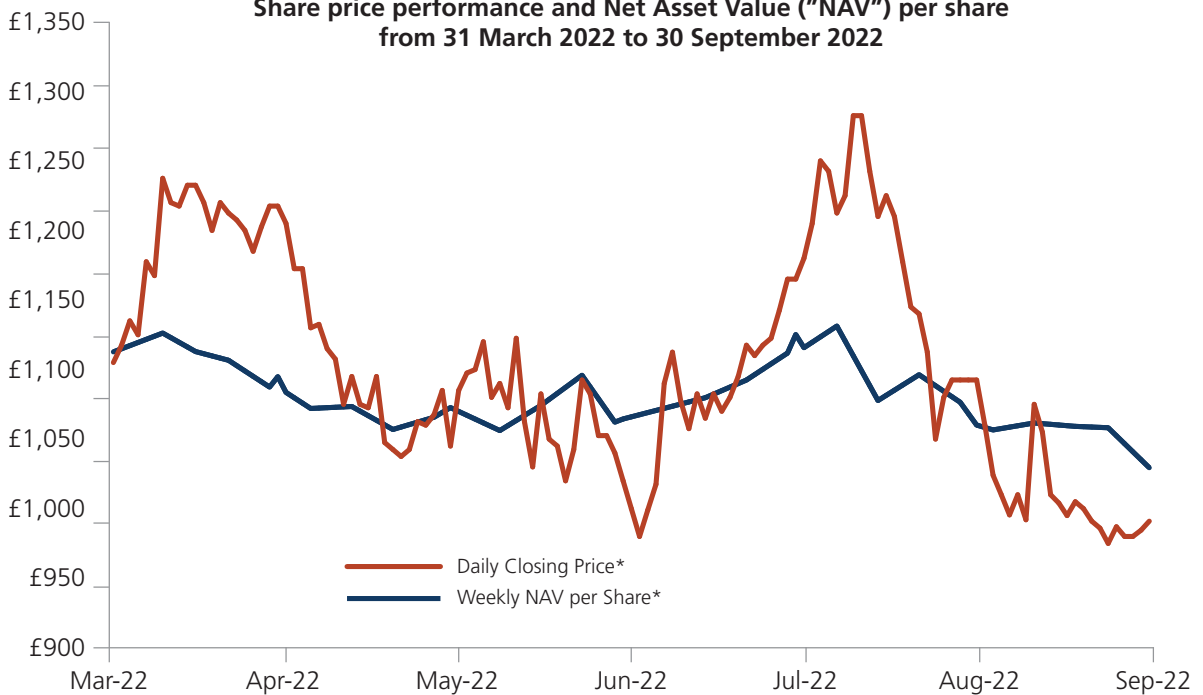
All dividends have been distributed from revenue or revenue reserves.

Share price performance and Net Asset Value ("NAV") compared with the Benchmark from 31 March 2022 to 30 September 2022 (based on total performance with reinvested net dividends)



* Rebased to show the performance per £100 invested.
The closing price is adjusted for the net dividends of £53.00 per share which went ex-dividend on 11 August 2022.

Share price performance and Net Asset Value ("NAV") per share from 31 March 2022 to 30 September 2022



* The NAV per share and share price are unadjusted for the payment of the dividends.

Chairman's Statement

The Company's net asset value per share ("NAV") fell by 7.6% (from £1,113.81 to £1,029.42) over the first six months of the financial year ending 31 March 2023; although once the dividend was added in, the total return to shareholders was minus 3.0%. The total return of the share price registered a steeper fall of 6.5% with the price falling from £1,105 to £991 and ended the half year trading at a 3.7% discount to the NAV. These returns are better than the 7.3% fall in the benchmark MSCI World Index (including dividends). This fall is understandable when one considers the background uncertainties surrounding the conflict in Ukraine, rising inflation and rising interest rates.

In this environment it was not surprising that the Company's 24.2% ownership of Lindsell Train Limited ("LTL"), which accounted for 42.7% of NAV at 30 September 2022, had the most bearing on performance. LTL's valuation fell by 10.4% reflecting its reduced funds under management ("FUM"). FUM fell from £20.5bn to £18.6bn over the six months, £1.5bn due to net redemptions and £0.4bn due to falling market prices. LTL has suffered from more than two years of disappointing relative performance across all its four equity strategies which, together with widespread outflows from equity funds generally, underlies this loss of FUM. The experience of recent years illustrates the investment risk inherent in a fund management business that has a singular approach to investing. Although LTL offers four strategies differentiated by geography, all its portfolios are run following a consistent approach and tend to be populated with the same type of companies. LTL and the Company's Directors strongly believe that this approach will outperform in the long term, given the Investment Manager's concentration on companies that should generate consistently higher returns on capital over time. However, the strategy can fall out of favour when it is seen to be generating inferior short-term returns compared with alternative strategies. Whilst the falls in LTL's FUM and valuation (they are inextricably linked through the Directors' valuation formula) are painful, the total return from the Company's investment in LTL over the six months of minus 4.0% is less negative. This is because LTL's current profits generate a dividend yield on LTL's shares of more than 10% per annum, which negates the bulk of the fall in the LTL valuation.

Putting LTL's valuation fall in the context of its peers, the recent fall in markets has hit the valuation of many quoted fund management businesses hard. The Directors monitor a universe of quoted fund managers listed in developed markets and a year ago they were valued on average at 3.2% of FUM. That same universe was valued at 1.4% of FUM at the end of September 2022, a 60% fall. It is a sobering reminder of how today's reality of falling FUM bears down on the industry. In this environment, we judge that it is important to be differentiated, to offer value for money and to be cognisant of the ESG priorities that clients increasingly demand in addition to adding value through performance. LTL possesses all these qualities. We take encouragement that LTL is defined by a well-articulated investment approach that over the longer term has generated competitive returns. The costs of delivering that approach are generally well below the industry average and the type of companies favoured using this approach rank highly on ESG credentials. For these reasons we have confidence in LTL's future and with what it offers to its clients including you, our shareholders. It is also for these reasons as well as in acknowledgment of LTL's superior profitability (notional operating margins of approximately 50% versus the peer group average of 35%) that the Board values LTL at 1.95% of FUM at 30 September 2022.

One way in which the Company can directly assist LTL is to help seed its new fund launches. The Company has used this option - limited to a maximum of 25% of NAV at cost - throughout its history. Today it retains a holding in the Lindsell Train North American Equity Fund ("LTNA"), which was bought on its inception in 2020. It amounted to 8.2% of net assets on 30 September 2022. LTNA's first two years

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have been burdened with the same sort of relative underperformance that has affected all LTL strategies. Since the fund's inception (on 22 April 2020) to 30 September 2022, its total return has been 13.0% per annum versus the 17.5% per annum rise in the MSCI North American Index. The underlying investments represent many of the same industries and themes that are present in our other funds but currently with more of a bias to media and software. And like LTL's other funds, its companies boast impressive returns on capital that have been sustained for decades and well exceed comparative benchmark index returns; this provides the foundation for the durability in companies that the Manager seeks. Its largest holdings - all above 5% of the fund's NAV - include Estée Lauder, American Express, Alphabet and Pepsi. From the time the portfolio was created, with 23 constituent companies, it has not changed aside from the additions of Madison Square Garden Sports later in 2020 and FICO earlier this year. Now into its third year, LTL and the fund's manager James Bullock are beginning to promote the fund more widely with its recent addition to multiple investment platforms.

Notwithstanding its relative underperformance, LTNA has made an important contribution to the Company's returns through its strong absolute performance of 13% per annum since inception, from a market (North America) otherwise less represented within the Company's portfolio. We hope that it will also grow and flourish as a core strategy for LTL in the future.

I am also pleased to welcome two new additions to the Board. Roger Lambert and Helena Vinnicombe joined as Non-Executive Directors at the end of September. They have joined the Audit, Nomination and Management Engagement Committees. Roger and Helena will offer themselves for election by shareholders at the 2023 AGM. Both bring relevant experience and skills and, I dare say, some new perspectives.

Julian Cazalet

Chairman

4 December 2022

Investment Manager's Report

"The best is yet to come." This attitude to life is both rational and psychologically therapeutic – certainly for those facing the challenges of investment markets.

I admit that threading through today's macro-economic and geopolitical thickets I must work harder than usual to maintain my native optimism. But when I turn to the prospects for the businesses we are invested in – they appear brighter and brighter.

Here are some facts or anecdotes that help justify a view that the best is still to come for your Company's key portfolio holdings.

Nintendo is the creator of some of the most sought-after entertainment content on the planet. This content includes at least 33% ownership of purportedly the biggest grossing media franchise of all-time: Pokémon, with estimated lifetime revenues of \$90bn. Nintendo has rights to make all Pokémon console games, in addition to its ownership stake. Now, the biggest ever Japanese launch for a Pokémon game was that of Pokémon Black and White, which sold 2.6m copies in 7 days back in 2010. This was the biggest first week sale for any game in Japan ever, until September 2022 when Nintendo released Splatoon 3. This relatively new (2015) and fun series, which is 100% owned by Nintendo, sold 3.6m copies in 3 days – a new record for a first week – and continues to top the Japanese charts and perform strongly worldwide. Well done to Nintendo for creating a new franchise with the potential for revenues of billions of dollars. Meanwhile, the Mario and Zelda franchises have sold more games on Switch than any previous Nintendo device; with Mario Kart 8, at 55m copies sold, the bestselling in this series and now the 6th bestselling video game of all time. Gaming is an immature industry; Nintendo's content is beloved; new sales records for its games and devices are likely to be set for years to come.

RELX's Elsevier academic publishing division recently confirmed it publishes 18% of global research articles, but that it commands 27% of all citations (demonstrating the high calibre of research submitted to its journals). Reinforcing the value of Elsevier's market position, consider the following statistics RELX shares on its website. Back in 1950, the quantum of medical research undertaken worldwide was doubling every 50 years. By 2020, it was doubling every 73 days. Meanwhile, the data handled by RELX's legal and business information subsidiary, LexisNexis, is doubling every year. Finally, note that RELX's fastest growing division, Risk, derives 65% of its profits from services that didn't exist 7 years ago. It's hard to conclude anything but that RELX's customers are going to need even more of its data and analytics services in years to come, as business and academic professionals are required to make sense of exponentially growing scads of data.

At another data service provider, **London Stock Exchange Group**, we were encouraged by the chutzpah demonstrated by CEO David Schwimmer in July, when he remarked that in his previous role at Goldman Sachs he had advised on hundreds of transactions, but he genuinely couldn't think of a single one "as transformational and value-creating as this one" (LSE's 2021 acquisition of Refinitiv). It has to be said that with each passing update from the company, Schwimmer's assertion looks better and better based. Meanwhile, while turmoil in fixed interest and currency markets is, of course, troubling for asset owners, it is not necessarily so for the owners of liquidity pools where trades are executed, or for providers of post-trade services. It seems clear volumes are exceptionally strong across LSE's business currently.

Ivan Menezes, CEO of **Diageo**, was rightly proud to note that in 2022 one in every ten pints served in a London pub or bar was a pint of Guinness. That's a new record and another milestone for this

extraordinary global brand. Guinness is Diageo's second biggest brand by sales value and grew at 32% last year and not all of that is just a rebound from Covid-19. And, sticking to beer, what to make of the fact that **Heineken 0%** has become the world's #1 non-alcoholic beer brand, 2.5 billion pints sold last year, growing at 30%? That's 6% of Heineken's total business and it appears it does not cannibalise the rest of group sales. In other words, this is a new and dynamically growing brand for Heineken. Heineken shares traded at c.€6 in 1992 and are close to €90 today. No one will complain if the stock gives another 15-fold increase over the next three decades – and looking at its brands and market opportunities – why shouldn't it?

Of course, I can continue. We don't own any companies where we don't expect their future to be better than the past, however glorious. To conclude and turning to the geopolitics – we admired Narendra Modi, India's prime minister, when he proclaimed: "I know that today's era is not the era of war." Factually, of course, he is sadly incorrect. But we must hope that his aspiration is shared around the world, especially by the young. If he turns out to be right: the best really is still yet to come.

Nick Train
Lindsell Train Limited
Investment Manager
4 December 2022

Portfolio Holdings at 30 September 2022

(All ordinary shares unless otherwise stated)

Holding	Security	Fair value £'000	% of net assets	Look-through basis: % of total assets†
6,450	Lindsell Train Limited	87,855	42.7%	42.7%
235,000	London Stock Exchange	17,926	8.7%	8.9%
12,500,000	LF Lindsell Train North American Equity Fund	16,841	8.2%	0.0%
420,500	Diageo	15,966	7.7%	8.0%
410,000	Nintendo	14,845	7.2%	7.2%
222,000	Unilever	8,811	4.3%	4.4%
363,000	RELX	7,990	3.9%	4.1%
97,400	PayPal	7,510	3.6%	3.9%
150,000	Mondelez International	7,365	3.6%	4.0%
1,263,393	A.G. Barr	5,748	2.8%	2.8%
89,000	Heineken	5,506	2.7%	2.8%
420,000	Finsbury Growth & Income Trust PLC	3,322	1.6%	0.0%
36,621	Laurent Perrier	3,092	1.5%	1.5%
	<i>The Lindsell Train Investment Trust plc Indirect Holdings</i>	–	–	8.2%
	Total Investments	202,777	98.5%	98.5%
	Net current Assets	3,106	1.5%	1.5%
	Net Assets	205,883	100.0%	100.0%

† Look-through basis: This adjusts the percentages held in each security upwards by the amount held by LTL managed funds and adjusts the funds' 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.

Leverage

The balance sheet positions of the Funds managed by LTL as at 30 September 2022 are shown below:

Fund	Net equity exposure
LF Lindsell Train North American Equity Fund Acc	99.0%
Finsbury Growth & Income Trust PLC	102.4%

Analysis of Investment Portfolio at 30 September 2022

Breakdown by location of listing

(look-through basis)^

	30 September 2022
UK*	71%
USA	16%
Japan	7%
Europe excluding UK	4%
Cash and equivalents	2%
	<u>100%</u>

Breakdown by location of underlying company revenues

(look-through basis)^

UK^^	28%
Europe excluding UK^^	30%
USA^^	26%
Rest of the World^^	11%
Japan	3%
Cash and Equivalents	2%
	<u>100%</u>

Breakdown by sector

(look-through basis)^

Financials*	53%
Consumer Staples	26%
Communication services	8%
Information Technology	5%
Industrials	5%
Cash and Equivalents	2%
Consumer Discretionary	1%
	<u>100%</u>

^ 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.

* LTL accounts for 42.7% and is not listed.

^^ LTL accounts for 18 percentage points of the Europe figure, 19 percentage points of the UK figure, 5 percentage points of the USA figure, and 1 percentage point of the Rest of the World figure.

Income Statement

		Six months ended 30 September 2022 Unaudited			Six months ended 30 September 2021 Unaudited		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss		–	(13,047)	(13,047)	–	7,764	7,764
Exchange (loss)/gains on currency		–	(10)	(10)	–	2	2
Income	2	7,793	–	7,793	7,647	–	7,647
Investment management fees	3	(586)	–	(586)	(675)	–	(675)
Other expenses	4	(371)	–	(371)	(340)	–	(340)
Return/(loss) before tax		6,836	(13,057)	(6,221)	6,632	7,766	14,398
Tax	5	(57)	–	(57)	(42)	–	(42)
Return/(loss) after tax for the financial period		6,779	(13,057)	(6,278)	6,590	7,766	14,356
Return/(loss) per Ordinary Share	6	£33.90	£(65.29)	£(31.39)	£32.95	£38.83	£71.78

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 loss for the period disclosed above represents the Company's total comprehensive income.

No operations were acquired or discontinued during the period.

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 2022 (unaudited)					
At 31 March 2022	150	19,850	180,982	21,779	222,761
(Loss)/return after tax for the financial period	–	–	(13,057)	6,779	(6,278)
Dividends paid	–	–	–	(10,600)	(10,600)
At 30 September 2022	150	19,850	167,925	17,958	205,883

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the six months ended					
30 September 2021 (unaudited)					
At 31 March 2021	150	19,850	198,066	19,050	237,116
Return after tax for the financial period	–	–	7,766	6,590	14,356
Dividends paid	–	–	–	(10,000)	(10,000)
At 30 September 2021	150	19,850	205,832	15,640	241,472

Statement of Financial Position

	Note	30 September 2022 Unaudited £'000	31 March 2022 Audited £'000
Fixed assets			
Investments held at fair value through profit or loss		<u>202,777</u>	<u>215,768</u>
Current assets			
Other receivables		469	513
Cash at bank		<u>2,839</u>	<u>6,708</u>
		3,308	7,221
Creditors: amounts falling due within one year			
Other payables		<u>(202)</u>	<u>(228)</u>
		(202)	(228)
Net current assets		<u>3,106</u>	<u>6,993</u>
Net assets		<u>205,883</u>	<u>222,761</u>
Capital and reserves			
Called up share capital		150	150
Special reserve		<u>19,850</u>	<u>19,850</u>
		20,000	20,000
Capital reserve		167,925	180,982
Revenue reserve		<u>17,958</u>	<u>21,779</u>
Total shareholders' funds		<u>205,883</u>	<u>222,761</u>
Net asset value per Ordinary Share	7	£1,029.42	£1,113.81

Cash Flow Statement

	Six months ended 30 September 2022 Unaudited £'000	Six months ended 30 September 2021 Unaudited £'000
Net (loss)/return before finance costs and tax	(6,221)	14,398
Losses/(gains) on investments held at fair value	13,047	(7,764)
Losses/(gains) on exchange movements	10	(2)
Decrease/(increase) in other receivables	13	(5)
Decrease in accrued income	33	120
Decrease in other payables	(35)	(2,675)
Taxation on investment income	(50)	(49)
Net cash inflow from operating activities	6,797	4,023
Purchase of investments held at fair value	(56)	(47)
Sale of investments held at fair value	–	694
Net cash (outflow)/inflow from investing activities	(56)	647
Equity dividends paid	(10,600)	(10,000)
Net cash outflow from financing activities	(10,600)	(10,000)
Decrease in cash and cash equivalents	(3,859)	(5,330)
Cash and cash equivalents at beginning of period	6,708	5,541
(Losses)/gains on exchange movements	(10)	2
Cash and cash equivalents at end of period	2,839	213

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 investments and in accordance with FRS 104 "Interim Financial Reporting" 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 updated in July 2022 and the Companies Act 2006.

The accounting policies followed in this Half-year Report are consistent with the policies adopted in the audited financial statements for the year ended 31 March 2022.

2 Income

	Six months ended 30 September 2022 Unaudited £'000	Six months ended 30 September 2021 Unaudited £'000
Income from investments		
Overseas dividends	493	369
UK dividends		
– Lindsell Train Limited	6,288	6,476
– Other UK dividends	1,006	802
– Deposit interest	6	–
	<u>7,793</u>	<u>7,647</u>

3 Investment management fees

	Six months ended 30 September 2022 Unaudited £'000	Six months ended 30 September 2021 Unaudited £'000
Investment management fee	644	754
Rebate of investment management fee	(58)	(79)
Net management fees	<u>586</u>	<u>675</u>

Notes to the Financial Statements continued

4 Other expenses

	Six months ended 30 September 2022 Unaudited £'000	Six months ended 30 September 2021 Unaudited £'000
Directors' emoluments	61	58
Company Secretarial & Administration fee	99	109
Auditor's remuneration†*	30	18
Tax compliance fee	2	2
Other**	179	153
	<u>371</u>	<u>340</u>

† Remuneration for the audit of the Financial Statements of the Company.

* Excluding VAT.

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

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 2022 is 0.83% (six months ended 30 September 2021: 0.63%), based on revenue profit before tax of £6,836,000 (six months ended 30 September 2021: £6,632,000). This differs from the standard rate of tax, 19% (six months ended 30 September 2021: 19%) as a result of revenue not taxable for Corporation Tax purposes.

Notes to the Financial Statements continued

6 Total (loss)/return per Ordinary Share

	Six months ended 30 September 2022 Unaudited	Six months ended 30 September 2021 Unaudited
Total (loss)/return	£(6,278,000)	£14,356,000
Weighted average number of Ordinary Shares in issue during the period	<u>200,000</u>	200,000
Total (loss)/return per Ordinary Share	<u>£(31.39)</u>	<u>£71.78</u>

The total (loss)/return per Ordinary Share detailed above can be further analysed between revenue and capital, as below:

Revenue return per Ordinary Share

Revenue return	£6,779,000	£6,590,000
Weighted average number of Ordinary Shares in issue during the period	<u>200,000</u>	200,000
Revenue return per Ordinary Share	<u>£33.90</u>	<u>£32.95</u>

Capital (loss)/return per Ordinary Share

Capital (loss)/return	£(13,057,000)	£7,766,000
Weighted average number of Ordinary Shares in issue during the period	<u>200,000</u>	200,000
Capital (loss)/return per Ordinary Share	<u>£(65.29)</u>	<u>£38.83</u>

7 Net asset value per Ordinary Share

	Six months ended 30 September 2022 Unaudited	Year ended 31 March 2022 Audited
Net assets attributable Ordinary Shares in issue at the period/year end	£205,883,000	£222,761,000
Ordinary Shares in issue at the period/year end	<u>200,000</u>	200,000
Net asset value per Ordinary Share	<u>£1,029.42</u>	<u>£1,113.81</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 (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 – Inputs are unobservable (i.e. 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 2022				
Investments	<u>98,081</u>	<u>16,841</u>	<u>87,855</u>	<u>202,777</u>
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 31 March 2022				
Investments	<u>101,257</u>	<u>17,601</u>	<u>96,910</u>	<u>215,768</u>

Note: Within the above tables, level 1 comprises all the Company's ordinary investments, level 2 represents the investment in LF Lindsell Train North American Equity Fund and level 3 represents the investment in LTL.

During the year ended 31 March 2022 the Board appointed J.P. Morgan Cazenove Ltd to undertake an independent review of the Company's valuation methodology applied to its unlisted investment in LTL. The new methodology was adopted and applied to monthly valuations from 31 March 2022 onwards.

The new methodology has a single component based on a percentage of LTL's funds under management ("FUM"), with the percentage applied being reviewed monthly and adjusted to reflect the ongoing profitability of LTL. At the end of each month the ratio of LTL's notional annualised net profits* to LTL's FUM is calculated and, depending on the result, the percentage of FUM is adjusted according to the table shown on page 23 of this Report.

The valuation methodology was formally reviewed previously in March 2018 and March 2020.

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

* LTL's notional net profits are calculated by applying a fee rate (averaged over the last six months) to the most recent end-month FUM to produce annualised fee revenues excluding performance fees. Notional staff costs of 45% of revenues, annualised fixed costs and tax are deducted from revenues to then produce notional annualised net profits.

9 Sections 1158/1159 of the Corporation Tax Act 2010

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.

10 Going Concern

The Directors believe, having considered the Company's investment objective, risk management policies, capital management policies and procedures, and the nature of the portfolio and the expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future, and, more specifically, that there are no material uncertainties relating to the Company that would prevent its ability to continue in such operational existence for at least twelve months from the date of the approval of this Half-year Report. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the financial statements. In reviewing the position as at the date of this Report, the Board has considered the guidance on this matter issued by the Financial Reporting Council.

Notes to the Financial Statements *continued*

10 Going Concern (continued)

As part of their assessment, the Directors have given careful consideration to the consequences for the Company of continuing uncertainty in the global economy. As previously reported, stress testing was also carried out in April 2022 to establish the impact of a significant and prolonged decline in the Company's performance and prospects. This included a range of plausible downside scenarios such as reviewing the effects of substantial falls in investment values and the impact of the Company's ongoing charges ratio.

11 2022 Accounts

The figures and financial information for the year to 31 March 2022 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for the year.

Those accounts have been delivered to the Registrar of Companies and included the Report of the Company's auditor which was unqualified and did not contain a reference to any matters to which the Company's auditor drew attention by way of emphasis without qualifying the report, and did not contain a statement under section 498 of the Companies Act 2006.

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. They consider that the Chairman's Statement and the Investment Manager's Report, the following statements and the Directors' Responsibility Statement below together constitute the Interim Management Report for the Company for the six months ended 30 September 2022.

Principal Risks and Uncertainties

The Directors continue to review the key risk register for the Company which identifies the risks that the Company is exposed to, the controls in place and the actions being taken to mitigate them. This is set against the backdrop of increased risk levels within the global economy created by ongoing global supply chain disruption, rising levels of inflation and interest rates, together with the consequences of the war in Ukraine and the subsequent long-term effects on economies and international relations. The Directors have considered the impact of the continued uncertainty on the Company's financial position and, based on the information available to them at the date of this Report, have concluded that no adjustments are required to the accounts as at 30 September 2022.

A review of the half-year and the outlook for the Company can be found in the Chairman's Statement and in the Investment Manager's Review. The principal risks and uncertainties faced by the Company include the following:

- The Board may have to reduce the Company's dividend.
- The Company's share price total return may differ materially from the NAV per share total return.
- The growth of retail platforms has a detrimental effect on shareholder engagement.
- The departure of a key individual at the Investment Manager may affect the Company's performance.
- The investment strategy adopted by the Investment Manager, including the high degree of concentration of the investment portfolio, may lead to an investment return that is materially lower than the Company's benchmark index, and/or a possible failure to achieve the Company's investment objective.
- The investment in LTL becomes an even greater proportion of the overall value of the Company's portfolio.
- Adverse reputational impact of one or more of the Company's key service providers which, by association, causes the Company reputational damage.
- Fraud (including unauthorised payments and cyber-fraud) occurs leading to a loss.
- The Company is exposed to credit risk.
- The Company is exposed to market price risk.
- The Company and/or the Directors fail(s) to comply with its legal requirement with any applicable regulations or the regulatory environment in which the Company operates changes, affecting its modus operandi.
- The regulatory environment in which the Company operates changes, affecting the Company's business model.
- The Company's valuation of its investment in LTL is materially misstated.

The Audit Committee identified the following emerging risks during the year to be included in the risk register.

The invasion of Ukraine by Russia introduces new risks and exacerbates existing risks. These include:

- Increased inflationary pressures, that were already elevated from supply shortages as the Covid-19 pandemic eased.
- Higher inflation is leading policy makers to increase interest rates. This in turn may lead to a reduction in trade, a threat of recession and higher unemployment.
- Sanctions damage the prospects of investee companies with material exposure to Russia.
- Increased market volatility and reduced risk appetites across a wide variety of asset classes.
- Increased threat of state-sponsored cyber-attacks.

Information on these risks is given in the Annual Report for the year ended 31 March 2022.

The Board believes that the Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remaining six months of the Company's financial year.

Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

- (i) the condensed set of financial statements contained within the Half-year Report have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice standards; and
- (ii) the Interim Management Report includes a true and 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;
 - (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 entity during that period; and
 - (c) any changes in the related party transactions described in the last Annual Report that could do so.

The Half-year Report has not been audited by the Company's auditors.

This Half-year Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the date of this Report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

For and on behalf of the Board

Julian Cazalet

Chairman

4 December 2022

Appendix 1

Half-year review of Lindsell Train Limited (“LTL”) the Investment Manager of The Lindsell Train Investment Trust plc (“LTIT”) as at 31 July 2022

Funds under Management	Jul 2022	Jan 2022	Jul 2021
FUM by Strategy	£m	£m	£m
UK	8,099	8,475	9,483
Global	10,810	12,040	13,900
Japan	624	702	887
North America	29	28	28
Total	19,562	21,245	24,298
Largest Client Accounts	Jul 2022	Jan 2022	Jul 2021
	% of FUM	% of FUM	% of FUM
Largest Pooled Fund Asset	30%	34%	37%
Largest Segregated Account	10%	10%	9%
Financials	Jul 2022	Jul 2021	%
Profit & Loss	£'000	£'000	Change
Fee Revenue			
Investment Management Fee	49,259	60,539	-19%
Performance Fee	0	2,662	-100%
Bank Interest & Other Income	38	4	
	49,297	63,205	
Staff Remuneration*	(15,101)	(20,700)	-27%
Fixed Overheads	(2,228)	(2,207)	1%
Operating Profit	31,968	40,298	-21%
FX Currency Translation Gain/(Loss)	3,005	(563)	
Investment Unrealised (Loss)/Gain	(14)	1,154	
Profit before taxation	34,959	40,889	
Taxation	(6,202)	(7,919)	
Net Profit	28,757	32,970	-13%
Dividends	(25,879)	(26,751)	
Retained profit	2,878	6,219	
Capital & Reserves			
Called up Share Capital	266	266	
Treasury Shares	(1,794)	(132)	
Profit and Loss Account	95,500	86,632	
Shareholders' Funds	93,972	86,766	
Balance Sheet			
Fixed Assets	133	185	
Investments	6,900	7,153	
Current Assets (inc cash at bank)	94,206	88,728	
Liabilities	(7,267)	(9,300)	
Net Assets	93,972	86,766	

* Staff costs include permanent staff remuneration, social security, temporary apprentice levy, introduction fees and other staff related costs. No more than 25% of fees (other than LTIT) can be paid as permanent staff remuneration.

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Five Year History

	Jul 2022	Jul 2021	Jul 2020	Jul 2019	Jul 2018
Operating Profit Margin	65%	64%**	66%**	64%**	61%**
Earnings per share (£)*	1,083	1,237	1,084	1,054	717
Dividends per share (£)*	975	1,004	949	776	525
Total Staff Cost as % of Revenue	31%	33%	29%	33%	36%
Opening FUM (£m)	24,298	21,151	22,563	15,304	11,326
– Effect of market movements (£m)	-1,271	3,041	-1,385	4,568	2,044
– Net new fund flows (£m)	-3,465	106	-27	2,691	1,934
Changes in FUM (£m)	-4,736	3,147	-1,412	7,259	3,978
Closing FUM (£m)	19,562	24,298	21,151	22,563	15,304
LTL Open-ended funds as % of total	66%	73%	72%	75%	72%
Client Relationships					
– Pooled funds	5	5	5	4	4
– Separate accounts	18	17	17	17	17
Ownership					
	Jul 2022	Jan 2022	Jul 2021	Jan 2021	Jul 2020
Michael Lindsell & spouse	9,650	9,650	9,650	9,650	9,650
Nick Train & spouse	9,650	9,650	9,650	9,650	9,650
The Lindsell Train Investment Trust plc	6,450	6,450	6,450	6,450	6,450
Other Directors/employees	805	778	899	875	871
	<u>26,555</u>	<u>26,528</u>	<u>26,649</u>	<u>26,625</u>	<u>26,621</u>
Treasury Shares	105	132	11	35	39
Total Shares	<u><u>26,660</u></u>	<u><u>26,660</u></u>	<u><u>26,660</u></u>	<u><u>26,660</u></u>	<u><u>26,660</u></u>

* On 1 February 2019 LTL undertook a share split with each share sub divided into 10 shares of £10 each. The per share figures in the table above are retrospectively changed in y/e January 2018 and y/e January 2019 based on 26,660 shares for ease of comparison.

** Amended from previous Half-year Reports to exclude the effect of FX translation and unrealised investment gain/losses.

Board of Directors

Nick Train	Chairman and Portfolio Manager
Michael Lindsell	Chief Executive and Portfolio Manager
Michael Lim	IT Director and Secretarial
Keith Wilson	Head of Marketing & Client Services
Jane Orr	Director of Marketing
Joss Saunders	Chief Operating Officer
James Alexandroff	Non-Executive Director
Julian Bartlett	Non-Executive Director

Employees

	Jul 2022	Jan 2022	Jul 2021	Jan 2021	Jul 2020
Investment Team					
(including three Portfolio Managers)	7	7	6	6	6
Client Servicing and Marketing	7	7	6	6	6
Operations and Compliance	12	11	8	7	8
Non-Executive Directors	2	2	2	2	2
	<u>28</u>	<u>27</u>	<u>22</u>	<u>21</u>	<u>22</u>

Appendix 2

LTIT Director's valuation of LTL (unaudited)

	30 Sept 2022	30 Sept 2021 [^]
Notional annualised net profits (A)* (£'000)	38,368	50,166
Funds under Management less LTIT holdings (B) (£'000)	18,548,853	23,650,721
Normalised notional net profits as % of FUM A/B = (C)	0.207%	0.212%
% of FUM (D) (see table below to view % corresponding to C)	1.95%	2.00%
Valuation (E) i.e. B x D (£'000)	361,703	473,014
Number of shares in issue (F) [†]	26,555	26,649
Valuation per share in LTL i.e. E / F	£13,621	£17,750

* Notional annualised net profits are made up of:

- annualised fee revenue, based on 6-mth average fee rate applied to most recent month-end AUM
- annualised fee revenue excludes performance fees
- annualised interest income, based on 3-mth average
- notional staff costs of 45% of annualised fee revenue
- annualised operating costs (excluding staff costs), based on 3-mth normalised average
- notional tax at 19%

[^] The 30 September 2021 valuation (shown above) was derived by applying new valuation methodology, which came into effect from 31 March 2022.

[†] The reduction in shares in issue is accounted for by net purchases of Treasury shares from LTL employees.

Notional annualised net profits*/FUM (%)	Valuation of LTL - Percentage of FUM
0.15 – 0.16	1.70%
0.16 – 0.17	1.75%
0.17 – 0.18	1.80%
0.18 – 0.19	1.85%
0.19 – 0.20	1.90%
0.20 – 0.21	1.95%
0.21 – 0.22	2.00%
0.22 – 0.23	2.05%
0.23 – 0.24	2.10%
0.24 – 0.25	2.15%
0.25 – 0.26	2.20%
0.26 – 0.27	2.25%

Glossary of Terms and Alternative Performance Measures

Alternative Investment Fund Managers Directive (“AIFMD”)

The Alternative Investment Fund Managers Directive (the “Directive”) is a European Union Directive that entered into force on 22 July 2013. The Directive regulates EU fund managers that manage alternative investment funds (this includes investment trusts).

Alternative Performance Measure (“APM”)

An alternative performance measure is a financial measure of historical or future financial performance, financial position or cash flow that is not prescribed by the relevant accounting standards. The APMs are the discount and premium, dividend yield, share price and NAV total returns and ongoing charges. The Directors believe that these measures enhance the comparability of information between reporting periods and aid investors in understanding the Company’s performance.

Benchmark

With effect from 1 April 2021 the Company’s performance benchmark is the MSCI World Index total return in Sterling.

Prior to 1 April 2021 the benchmark was the annual average redemption yield on the longest-dated UK government fixed rate (1.625% 2071) calculated using weekly data, plus a premium of 0.5%, subject to a minimum yield of 4.0%.

Discount and premium (APM)

If the share price of an investment trust is higher than the Net Asset Value (NAV) per share, the shares are trading at a premium to NAV. In this circumstance the price that an investor pays or receives for a share would be more than the value attributable to it by reference to the underlying assets. The premium is the difference between the share price (based on mid-market share prices) and the NAV, expressed as a percentage of the NAV.

A discount occurs when the share price is below the NAV. Investors would therefore be paying less than the value attributable to the shares by reference to the underlying assets.

A premium or discount is generally the consequence of the balance of supply and demand for the shares on the stock market.

The discount or premium is calculated by dividing the difference between the share price and the NAV by the NAV.

	As at 30 September 2022 £	As at 31 March 2022 £
Share Price	991	1,105
Net Asset Value per Share	<u>1,029.42</u>	<u>1,113.81</u>
Discount to Net Asset Value per Share	3.7%	0.8%

MSCI World Index total return in Sterling

The Company's benchmark provider requires the following statement to be included.

"The MSCI information (relating to the Benchmark) may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation lost profits) or any other damages. (www.msci.com)."

Net asset value ("NAV") per Ordinary Share

The NAV is shareholders' funds expressed as an amount per individual share. Equity shareholders' funds are the total value of all the Company's assets, at current market value, having deducted all current and long-term liabilities and any provision for liabilities and charges.

The NAV of the Company is published weekly and at each month end.

The figures disclosed on page 12 have been calculated as shown below:

	Six months ended 30 September 2022	Year ended 31 March 2022
Net Asset Value (a)	£205,883,000	£222,761,000
Ordinary Shares in issue (b)	200,000	200,000
Net asset value per Ordinary Share (a) ÷ (b)	£1,029.42	£1,113.81

Revenue return per share

The revenue return per share is the revenue return profit for the period divided by the weighted average number of ordinary shares in issue during the period.

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Share price and NAV total return (APM)

This is the return on the share price and NAV taking into account both the rise and fall of share prices and valuations and the dividends paid to shareholders.

Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV total return).

The share price and NAV total returns are calculated as the return to shareholders after reinvesting the net dividend in additional shares on the date that the share price goes ex-dividend.

The figures disclosed on pages 2 and 4 have been calculated as shown below:

		Six months ended 30 September 2022	
		LTIT NAV	LTIT Price
NAV/Price at 30 September 2022	a	£1,029.42	£991.00
Dividend Adjustment Factor*	b	1.049	1.043
Adjusted closing NAV/Price	c = a x b	£1,080.03	£1,033.27
NAV/Price 31 March 2022	d	£1,113.81	£1,105.00
Total return	[(c/d)-1]*100	-3.0%	-6.5%

* The dividend adjustment factor is calculated on the assumption that the dividends of £53.00 paid by the Company during the year were reinvested into shares or assets of the Company at the cum income NAV per share/share price, as appropriate, at the ex-dividend date.

LTL total return performance

The total return performance for LTL is calculated as the return after receiving but not reinvesting dividends received over the period.

		Six months ended 30 September 2022	
		LTL valuation	
Valuation at 31 March 2022	a	£15,205	
Valuation at 30 September 2022	b	£13,621	
Dividends paid during the period	c	£975	
Total return	[(b-a)+c]/a*100	-4.0%	

Treasury Shares

Shares previously issued by a company that have been bought back from Shareholders to be held by the Company for potential sale or cancellation at a later date. Such shares are not capable of being voted and carry no rights to dividends.

Company Information

Directors

Julian Cazalet (Chairman of the Board and Management Engagement Committee)
Nicholas Allan (Chairman of the Nomination Committee)
Vivien Gould (Senior Independent Director)
Richard Hughes (Chairman of the Audit Committee)
Roger Lambert
Michael Lindsell
Helena Vinnicombe

Company Secretary, Administrator and Registered Office

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Tel: 020 3008 4910
www.frostrow.com
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(Authorised and Regulated by the Financial Conduct Authority)

Manager

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Tel: 020 7808 1210
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Solicitor

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EC2M 7SH

Broker

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25 Bank Street
Canary Wharf
London
E14 5JP

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Custodian

Northern Trust Company
50 Bank Street
Canary Wharf
London
E14 5NT

Registrar

If you have any queries in relation to your shareholding please contact:
Link Group
10th Floor
Central Square
29 Wellington Street
Leeds LS1 4DL
email: shareholderenquiries@linkgroup.co.uk.
telephone +44 (0)371 664 0300
Website: www.linkgroup.eu
+ 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.

Shareholder Portal

You can register online to view your holdings using the Share Portal, a service offered by Link Group at www.signalshares.com.
The Share Portal is an online service enabling you to quickly and easily access and maintain your shareholding online – reducing the need for paperwork and providing 24 hour access to your shareholding details.

Identification codes

LSE: LTI

SEDOL: 3197794

ISIN: GB0031977944

BLOOMBERG: LTI LN

Legal Entity Identifier: 213800VMBJH2TCFDZU08

Shareholder relations

The price of the Company's Ordinary Shares is listed 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.

Registered in England, No: 4119429

Disability Act

Copies of this Report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including braille, audio tape or larger type as appropriate. You can contact the Registrar to the Company, Link Group, which has installed telephones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator; or - for this service please call 0800 731 1888. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by The Royal National Institute for Deaf People) you should dial 18001 from your textphone followed by the number you wish to dial.

WARNING TO SHAREHOLDERS – BEWARE OF SHARE FRAUD

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

Please note that it is very unlikely that either the Company or the Company's Registrar, Link Group, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

Shareholders who suspect they may have been approached by fraudsters should advise the Financial Conduct Authority ("FCA") using the share fraud report form at www.fca.org.uk/scams or call the FCA Customer Helpline on 0800 111 6768. You may also wish to call either the Company Secretary or the Registrar.

