

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

Half-year report for the six months  
ended 30 September 2014

THE LINDSELL TRAIN INVESTMENT TRUST PLC

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### **Retail investors advised by Independent Financial Advisors (IFAs)**

The Lindsell Train Investment Trust plc (the ‘Company’) advises that its Ordinary shares of 75p each (Shares) can be recommended to retail investors by Independent Financial Advisors (IFAs), as the Shares are exempt from restriction on distribution under the Financial Conduct Authority’s rules on non-mainstream investment products. The Company further advises that it intends to continue to conduct its affairs in a manner which would enable IFAs to be able to recommend the Shares to retail investors for the foreseeable future.

The Company however would also point out to IFAs considering recommending Shares to clients that whilst the Shares may trade at a premium, potential new investors should be made aware that, the Shares have traded at a discount for significant periods in the past. A fall in market sentiment accordingly carries a risk that any premium could be eliminated quickly and buyers at a premium might face a material capital loss.

### **Individual Savings Accounts (“ISA”)**

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

## Financial Highlights

### Performance comparisons 1 April 2014 – 30 September 2014

Mid-market share price per Ordinary Share#	+8.63%
Net asset value per Ordinary Share <sup>^</sup>	+6.52%
Benchmark*	+2.15%
MSCI World Index (Sterling)	+5.50%
UK RPI Inflation (all items)	+1.10%

# Calculated on a total return basis.

<sup>^</sup> The net asset value at 30 September 2014 has been adjusted to include the dividend of £6.76 per Ordinary Share paid on 12 September 2014.

\* The index of the annual average yield on the UK 2.5% Consolidated Loan Stock between the relevant dates.

Source: Bloomberg/Phoenix 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 as measured by the annual average yield on the UK 2.5% Consolidated Loan Stock.

## 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;
- to retain a holding, currently 24.42% of its issued Ordinary share capital, 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. The Company will not invest more than 15% of gross assets in other closed-ended investment funds.

### *Gearing*

The Directors' policy is to permit borrowings up to 50% of the net asset value of the Company in order to enhance returns where and to the extent that this is considered appropriate.

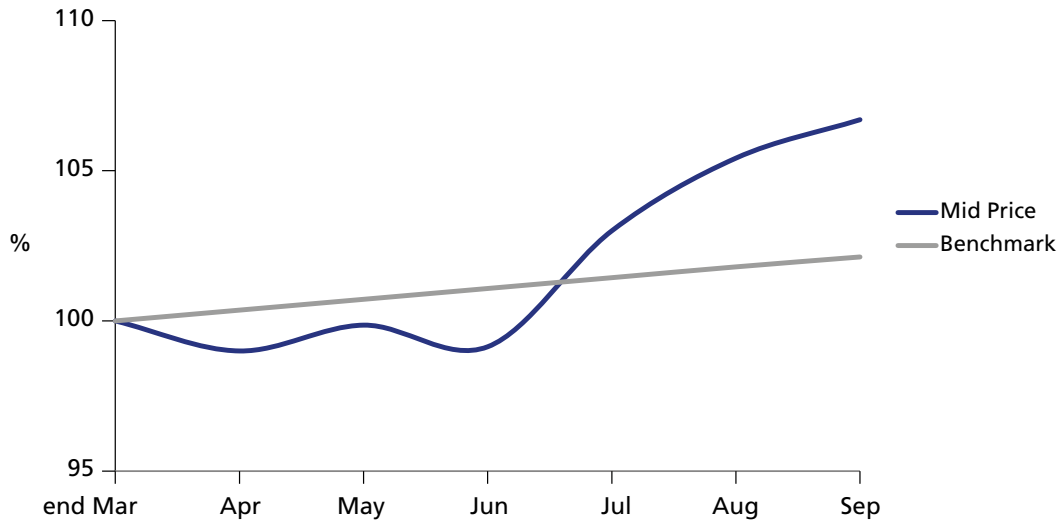
### *Dividends*

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

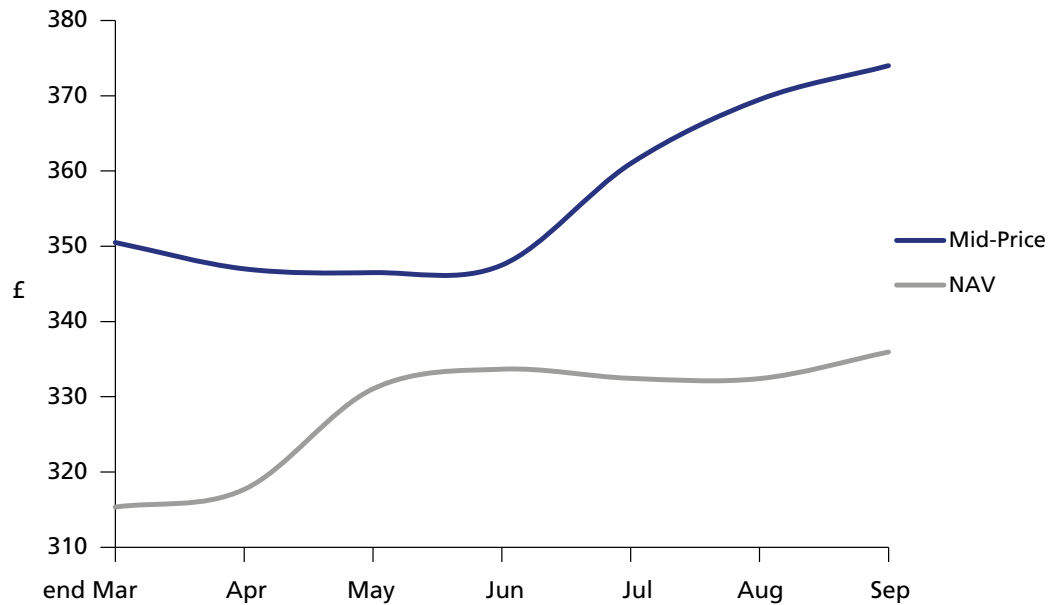
*The current composition of the portfolio, which may be changed at any time at the discretion of the Investment Manager within the confines of the policy stated above, is shown on pages 14 to 16.*

## Performance

Share price performance relative to the net asset value and the benchmark from 1 April 2014 to 30 September 2014



Share price performance relative to the net asset value from 1 April 2014 to 30 September 2014



Source: Bloomberg and Lindsell Train Limited

## Chairman's Statement

The first half of the 2014 financial year continued last year's trend. The net asset value ('NAV') total return of the fund was 8.7%, ahead of both the benchmark (2.2%) and world markets, as measured by the rise of 5.5% in the MSCI World Index in Sterling. The biggest contributor to this return was the rise in the value of the Company's 24.42% holding in Lindsell Train Limited ('LTL') whose value rose by 13% over the half year. LTL continues to grow its funds under management (which today exceed £4bn), particularly in its Lindsell Train badged funds which now make up over 43% of funds under management. LTL has now risen to 26% of NAV at the end of September and with it the risk that any setback in the business or fall in markets could have a materially negative impact on the Company – a risk to which I have alluded in my previous reports. One specific risk to the fortunes of LTL would be the unexpected demise of one of the founders of the company .... a low risk admittedly as they both seem in fine health and are eagerly embracing the challenges of continuing to grow the business! But it is one we can at least insure against. In consequence, the Company has taken out a policy to insure their lives for £6m each for the payment of around £20,000 per annum, fixed for five years. In the event of a claim being made the funds would partly offset the likely fall in the value of the investment, but it at least provides some measure of protection. The robust balance sheet of LTL with no debt and shareholders' funds of £10.5m as at September 30th 2014 provides additional reassurance, as does the modest key man cover paid for by LTL itself.

The Company is now registered with the Financial Conduct Authority as a small registered Alternative Investment Fund Manager ('AIFM'). Although 'light touch' compared to full registration, it will inevitably provide us with increased administrative and cost burdens with, in our view, limited additional benefit to our underlying investors. On achieving a risk adjusted NAV of more than €100m, the Company would have either to apply for full registration or refrain from all borrowing. It is possible we would adopt the latter course which, if we did so, would allow the Company to grow to a risk adjusted NAV of €500m before application for full registration would be mandatory.

The only investment activity over the half year involved taking up all the new shares offered in the London Stock Exchange ('LSE') rights issue. The issue was required to fund the purchase of Frank Russell Company which further diversifies LSE's revenues away from market trading into indices where it is complementary with LSE's existing business, FTSE International. Following this acquisition, indices, data, clearing and technology make up the majority of the company's revenues with as little as c.17% directly reliant on volatile market trading. The LSE has been one of the better performing companies in the portfolio over the last three years (up 150%) partly reflecting the higher valuation the shares can command with this greater diversity of high margin revenues.

The Company's shares continue to trade at a premium to NAV which at the end of September had widened to 11.3% of NAV. Again, the Directors note that the purchase of shares at a premium to NAV carries the risk that in a period of underperformance a discount may re-emerge to the detriment of share price to total return.

**D Adamson**

*Chairman*

21 November 2014

## Investment Manager's Report

This report is being written following an October that lived up to its traditional billing of being a difficult month for equity markets.

This was disagreeable, but in these circumstances it is important to look on the bright side and keep faith with the asset class. Setbacks are always with us and, as we say, October is traditionally an unsettled month. But far and away the best bet is that equity markets will settle down, and then push ahead.

The fact is, being as objective as possible, that we see plenty of reasons to be optimistic about your portfolio and the equity markets. Here I look at three in particular – moving from the specific to the general.

Dividend growth from the portfolio constituents has been satisfactory to say the least. We calculate annualised growth in the order of 8%. This figure is, for example, getting on for double that of the UK market average – which we have seen estimated at c.4.5% year-on-year. It is also well in excess of domestic rates of inflation, maintaining and enhancing the real purchasing power of our investors. The dividend growth is testament to the cash generative nature of most of the portfolio companies – even if current trading is disappointing for one or two names. For instance currency volatility has hurt Diageo in 2014, but the recent 9% dividend increase indicates not just the continuing financial strength of the company, but its board's best estimate of medium term cash flow growth.

Next, September saw an important event for our strategy. This was SAB Miller's bid approach to Heineken. This matters for two reasons. First, not surprisingly, it has helped Heineken's share price, up c.12% in 2014, even though the offer was roundly rejected by the family with its controlling stake. But the approach also highlights the rarity and, in our opinion, great value of truly global consumer brands and other franchises. The fact is there are arguably only three truly global beer brands and SAB doesn't own any of them – Budweiser, Guinness and Heineken. We are not surprised SAB wants to acquire one. We look at the global properties across our portfolio – not just Heineken and Guinness, but Johnnie Walker, Dove Soap, Magnum, Cadbury, Oreos, Philly Cheese and resonant names such as London Stock Exchange, Financial Times, PayPal or Super Mario. We look at these brands and think – these are unique and rare and worth much more than stock market investors currently accord.

A third reason to keep constructive is to think through some of the implications of even the so-called bad news depressing equity markets. In the UK Tesco has had a shocker, dragging down all the food retailers. But the real reason for its malaise is technology. Technology is cutting profit margins for many traditional retailers. Not good for the retailers, but wonderful for consumers. Prices are coming down. The same is true for energy. We've seen it argued that the oil price is down – 25% in just 4 months – because the world's economy is slowing down. Maybe, but far more likely it is because technology is releasing new, unthought-of reserves of hydrocarbons and producing ever more energy efficient homes, work places and vehicles. That drop in the oil price is best construed as a multi-billion boost to consumer incomes and corporate balance sheets. Expect inflation to stay low, but real growth to pick up in response. Equities will recover their poise soon enough.

### **N Train**

*Lindsell Train Limited – Investment Manager*

21 November 2014

## Income Statement

		Six months ended 30 September 2014 Unaudited		
	Notes	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value		–	3,263	3,263
Exchange gains/(losses) on currency balances		–	91	91
Gains/(losses) on forward currency contracts held at fair value		–	101	101
(Losses)/gains on futures contracts held at fair value		–	(213)	(213)
Income	5	1,380	–	1,380
Investment management fees	6	(201)	–	(201)
Other expenses	7	(200)	(2)	(202)
<b>Net return before finance costs and tax</b>		<b>979</b>	<b>3,240</b>	<b>4,219</b>
Interest payable and similar charges		(16)	–	(16)
<b>Return on ordinary activities before tax</b>		<b>963</b>	<b>3,240</b>	<b>4,203</b>
Tax on ordinary activities	8	(11)	–	(11)
<b>Return on ordinary activities after tax for the financial period</b>		<b>952</b>	<b>3,240</b>	<b>4,192</b>
<b>Return per Ordinary Share</b>	10	<b>£4.76</b>	<b>£16.20</b>	<b>£20.96</b>

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.

A statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

No operations were acquired or discontinued during the period.



THE LINDSELL TRAIN INVESTMENT TRUST PLC

	Six months ended 30 September 2013 Unaudited			Year ended 31 March 2014 Audited		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	
–	2,137	2,137	–	6,902	6,902	
–	(177)	(177)	–	(293)	(293)	
–	(262)	(262)	–	(378)	(378)	
–	(104)	(104)	–	14	14	
873	–	873	2,098	–	2,098	
(182)	–	(182)	(379)	–	(379)	
<u>(189)</u>	<u>(2)</u>	<u>(191)</u>	<u>(318)</u>	<u>(4)</u>	<u>(322)</u>	
502	1,592	2,094	1,401	6,241	7,642	
<u>(18)</u>	<u>–</u>	<u>(18)</u>	<u>(36)</u>	<u>–</u>	<u>(36)</u>	
484	1,592	2,076	1,365	6,241	7,606	
<u>(9)</u>	<u>–</u>	<u>(9)</u>	<u>(14)</u>	<u>–</u>	<u>(14)</u>	
<u>475</u>	<u>1,592</u>	<u>2,067</u>	<u>1,351</u>	<u>6,241</u>	<u>7,592</u>	
£2.37	£7.96	£10.33	£6.75	£31.21	£37.96	

## Reconciliation of Movements in Shareholders' Funds

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>For the six months ended 30 September 2014</b>					
At 31 March 2014	150	19,850	41,574	2,728	64,302
Return on ordinary activities after tax for the financial period	–	–	3,240	952	4,192
Dividends paid	–	–	–	(1,352)	(1,352)
<b>At 30 September 2014</b>	<b>150</b>	<b>19,850</b>	<b>44,814</b>	<b>2,328</b>	<b>67,142</b>

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>For the six months ended 30 September 2013</b>					
At 31 March 2013	150	19,850	35,333	2,627	57,960
Return on ordinary activities after tax for the financial period	–	–	1,592	475	2,067
Dividends paid	–	–	–	(1,250)	(1,250)
<b>At 30 September 2013</b>	<b>150</b>	<b>19,850</b>	<b>36,925</b>	<b>1,852</b>	<b>58,777</b>

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>For the year ended 31 March 2014</b>					
At 31 March 2013	150	19,850	35,333	2,627	57,960
Return on ordinary activities after tax for the financial year	–	–	6,241	1,351	7,592
Dividends paid	–	–	–	(1,250)	(1,250)
<b>At 31 March 2014</b>	<b>150</b>	<b>19,850</b>	<b>41,574</b>	<b>2,728</b>	<b>64,302</b>

## Balance Sheet

	Note	30 September 2014 Unaudited £'000	30 September 2013 Unaudited £'000	31 March 2014 Audited £'000
<b>Fixed Assets</b>				
Investments held at fair value through profit or loss		<u>67,746</u>	<u>59,541</u>	<u>64,012</u>
<b>Current assets</b>				
Forward currency contracts held at fair value through profit or loss		3,885	3,891	3,779
Futures contracts held at fair value through profit or loss		-	-	41
Debtors		195	188	173
Cash at bank		<u>1,287</u>	<u>1,525</u>	<u>2,158</u>
		<b>5,367</b>	<b>5,604</b>	<b>6,151</b>
<b>Current liabilities</b>				
Forward currency contracts held at fair value through profit or loss		(3,860)	(3,920)	(3,813)
Futures contracts held at fair value through profit or loss		(69)	(22)	-
Bank overdraft		(1,974)	(2,099)	(1,724)
Other payables		<u>(68)</u>	<u>(327)</u>	<u>(324)</u>
		<b>(5,971)</b>	<b>(6,368)</b>	<b>(5,861)</b>
Net current (liabilities)/assets		<u>(604)</u>	<u>(764)</u>	<u>290</u>
Net assets		<u><b>67,142</b></u>	<u><b>58,777</b></u>	<u><b>64,302</b></u>
<b>Capital and reserves</b>				
Called up share capital		150	150	150
Special reserve		<u>19,850</u>	<u>19,850</u>	<u>19,850</u>
		<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
Capital reserve		44,814	36,925	41,574
Revenue reserve		<u>2,328</u>	<u>1,852</u>	<u>2,728</u>
Equity shareholders' funds		<u><b>67,142</b></u>	<u><b>58,777</b></u>	<u><b>64,302</b></u>
Net asset value per Ordinary Share	9	<b>£335.71</b>	£293.89	£321.51

## Cash Flow Statement

	Six months ended 30 September 2014 Unaudited £'000	Six months ended 30 September 2013 Unaudited £'000	Year ended 31 March 2014 Audited £'000
Net cash inflow/(outflow) from operating activities	641	(789)	64
Servicing of finance	(16)	(17)	(36)
Taxation	(14)	(11)	(14)
Financial investment	(471)	1,168	1,461
Net cash inflow before financing	140	351	1,475
Equity dividends paid	(1,352)	(1,250)	(1,250)
(Decrease)/increase in cash in the period	(1,212)	(899)	225
<b>Reconciliation of net cash flow to movement in net debt</b>			
(Decrease)/increase in cash in the period	(1,212)	(899)	225
Exchange movements	91	(177)	(293)
Opening net funds	434	502	502
<b>Closing net (debt)/funds</b>	<b>(687)</b>	<b>(574)</b>	<b>434</b>
<b>Represented by</b>			
Cash at bank	1,287	1,525	2,158
Overdrafts	(1,974)	(2,099)	(1,724)
	(687)	(574)	434
<b>Reconciliation of operating profit to net cash inflow/(outflow) from operating activities</b>			
Net return before finance costs and taxation	4,219	2,094	7,642
Gains on investments held at fair value	(3,263)	(2,137)	(6,902)
Movements in derivatives contracts held at fair value	110	(105)	(168)
(Losses)/gains on exchange movements	(91)	177	293
(Increase)/decrease in other debtors	(106)	281	393
(Increase)/decrease in accrued income	(18)	576	591
Decrease in creditors	(210)	(1,675)	(1,785)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>641</b>	<b>(789)</b>	<b>64</b>

## Notes to the Financial Statements

- The financial information for the year ended 31 March 2014 included in this half-year report has been based upon the Company's full accounts for the year to 31 March 2014 which carried an unqualified audit report and did not include statements under Sections 498(2) or 498(3) of the Companies Act 2006. Those accounts have been filed with the Registrar of Companies.
- The Financial Statements for the six months ended 30 September 2014 have been prepared on a basis consistent with the accounting policies adopted by the Company in its statutory accounts for the year ended 31 March 2014.
- The Income Statement for the six months ended 30 September 2014, six months ended 30 September 2013 and year ended 31 March 2014 have been prepared in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" issued by The Association of Investment Companies in January 2009, which has been adopted by the Company.
- The Income Statement includes the results of the Company and together with the Reconciliation of Movements in Shareholders' Funds, Balance Sheet and Cash Flow Statement at 30 September 2014, are unaudited and do not constitute full statutory accounts within the meaning of Section 434 of the Companies Act 2006.

5. Income	<b>Six months ended 30 September 2014 Unaudited £'000</b>	Six months ended 30 September 2013 Unaudited £'000	Year ended 31 March 2014 Audited £'000
Overseas dividends	102	107	193
UK dividends	1,193	681	1,735
UK fixed interest	85	85	170
	<u>1,380</u>	<u>873</u>	<u>2,098</u>
6. Investment management fees	<b>Six months ended 30 September 2014 Unaudited £'000</b>	Six months ended 30 September 2013 Unaudited £'000	Year ended 31 March 2014 Audited £'000
Investment management fee	232	213	440
Manager's performance fee provision	–	–	–
Rebate of investment management fee	(31)	(31)	(61)
	<u>201</u>	<u>182</u>	<u>379</u>
7. Other expenses	<b>Six months ended 30 September 2014 Unaudited £'000</b>	Six months ended 30 September 2013 Unaudited £'000	Year ended 31 March 2014 Audited £'000
Administration fee	40	40	80
Directors' fees	40	39	79
Auditor's remuneration for:			
– audit of the financial statements of the Company	14	15	25
– other services relating to taxation	9	5	6
Legal and professional fees	10	8	12
Provision for VAT written off	17	14	21
Other*	70	68	95
	<u>200</u>	<u>189</u>	<u>318</u>
Capital charges	2	2	4
	<u>202</u>	<u>191</u>	<u>322</u>

\* Includes registrar's fees, printing fees, marketing fees, safe custody fees, London Stock Exchange/FCA fees and Directors' and Officers' liability insurance

## Notes to the Financial Statements *continued*

### 8. 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 2014 is 1.14% (year ended 31 March 2014: 1.03% and six months ended 30 September 2013: 1.86%) based on revenue return before tax of £963,000 (year ended 31 March 2014: £1,365,000 and six months ended 30 September 2013: £484,000). This differs from the standard rate of tax, 21% (year ended 31 March 2014 and six months ended 30 September 2013: 22%) as a result of income not taxable for Corporation Tax purposes.

9. Net asset value per Ordinary Share	<b>Six months ended 30 September 2014 Unaudited</b>	Six months ended 30 September 2013 Unaudited	Year ended 31 March 2014 Audited
Net assets attributable	<b>£67,142,000</b>	£58,777,000	£64,302,000
Ordinary Shares in issue at the period end	<b>200,000</b>	200,000	200,000
Net asset value per Ordinary Share	<b>£335.71</b>	£293.89	£321.51

10. Return per Ordinary Share	<b>Six months ended 30 September 2014 Unaudited</b>	Six months ended 30 September 2013 Unaudited	Year ended 31 March 2014 Audited
<b>Total return per Ordinary Share</b>			
Total return	<b>£4,192,000</b>	£2,067,000	£7,592,000
Weighted average number of Ordinary Shares in issue during the period	<b>200,000</b>	200,000	200,000
<b>Total return per Ordinary Share</b>	<b>£20.96</b>	£10.33	£37.96

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

<b>Revenue return per Ordinary Share</b>			
Revenue return	<b>£952,000</b>	£475,000	£1,351,000
Weighted average number of Ordinary Shares in issue during the period	<b>200,000</b>	200,000	200,000
Revenue return per Ordinary Share	<b>£4.76</b>	£2.37	£6.75
<b>Capital return per Ordinary Share</b>			
Capital return	<b>£3,240,000</b>	£1,592,000	£6,241,000
Weighted average number of Ordinary Shares in issue during the period	<b>200,000</b>	200,000	200,000
<b>Capital return per Ordinary Share</b>	<b>£16.20</b>	£7.96	£31.21

11. The investment in Lindsell Train Limited (LTL), representing 24.42% of the Investment Manager, is held as part of the investment portfolio and is accounted for and disclosed in the same way as other investments in the portfolio. The Directors of the Company review the fair value of the investment in LTL at the end of each quarter using the simple average of:

- 1.5% of LTL's most recent funds under management ignoring any differences between types of asset class and fee structure; and
- LTL's net earnings (adjusted for a notional increase in total staff costs to 45% of revenues excluding performance fees\*) divided by the annual average yield on the 2.5% Consolidated Loan Stock plus an equity risk premium of 4.5%.

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

12. 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.

\* The Board judged it necessary to adjust for the comparatively low level of staff costs, a function of the salary and bonus cap agreed between LTL and the Company at inception.

## 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 3 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 2014.

The Directors confirm that, except as stated above, no related party transactions were undertaken by the Company in the first six months of the current financial year, and 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 2014.

The half-year report for the six months ended 30 September 2014 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 the International Accounting Standard ("IAS34"), give a true and fair view of the assets, liabilities, financial position and profit of the Company for the period ended 30 September 2014;
- (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 parties transactions as required by Disclosure and Transparency Rule 4.2.8 R.

The half-year report was approved by the Board on 21 November 2014 and the above Responsibility Statement was signed on its behalf by:

**D Adamson**  
*Chairman*

## Portfolio Holdings at 30 September 2014

(All Ordinary Shares unless otherwise stated)

Holding	Security	Fair value £'000	% of total assets	Look-through basis: % of total assets†
651	Lindsell Train Limited	17,413	25.94	25.93
1,263,393	Barr (AG)	7,795	11.61	11.78
318,000	Diageo	5,675	8.45	9.14
6,555,661	Lindsell Train Japanese Equity Fund – B	4,166	6.21	2.14 <sup>++</sup>
161,000	Unilever	4,160	6.20	6.93
2,536,173	Lindsell Train Global Equity Fund – B	3,937	5.86	2.52
245,500	Pearson	3,044	4.53	5.32
73,000	Heineken	2,978	4.44	5.10
157,500	London Stock Exchange	2,941	4.38	4.86
252,500	Reed Elsevier	2,493	3.71	4.24
36,000	Nintendo	2,414	3.60	4.48
66,400	eBay	2,319	3.45	3.78
£3,350,000	2.5% Consolidated Loan Stock	2,138	3.18	3.18
420,000	Finsbury Growth & Income Trust	2,138	3.18	1.40
£2,500,000	Treasury 2.5%	1,629	2.43	2.43
76,552	Mondelez International	1,618	2.41	2.72
25,517	Kraft Foods	888	1.32	1.46
	<b>Total Investments</b>	<b>67,746</b>	<b>100.90</b>	<b>97.41</b>
(25)	Nikkei 225 Index 12-Dec-14 Future	(69)	(0.10)	(0.10) <sup>++</sup>
	<b>Net current liabilities</b>	<b>(535)</b>	<b>(0.80)</b>	<b>2.69</b>
	<b>Total assets less current liabilities</b>	<b>67,142</b>	<b>100.00</b>	<b>100.00</b>

† Look-through basis: This adjusts the percentages held in each security upwards by the amount held indirectly by Lindsell Train managed funds and adjusts the fund 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 Lindsell Train funds.

<sup>++</sup> Adjusted for the Nikkei Futures hedge against the Japanese Equity Fund.

### Leverage

As well as the direct borrowings of the Company, funds managed by Lindsell Train Limited also have powers to borrow. We detail below the balance sheet positions of these Funds at 30 September 2014:

Fund	Net Equity exposure
Lindsell Train Japanese Equity Fund – B	95.15%
Lindsell Train Global Equity Fund – B	96.99%
Finsbury Growth & Income Trust	105.20%

Net Exposure: long equity positions minus short equity and equity futures positions.



## Analysis of Investment Portfolio at 30 September 2014

### Breakdown by geography (look-through basis)†

		% of total assets
<b>Long-term fixed interest</b>		
UK	5.61%	
	<hr/>	5.61%
<b>Equities</b>		
UK	72.12%	
USA	7.96%	
Japan	6.62%+	
Europe	5.10%	
	<hr/>	91.80%
<b>Cash</b>		
USA	6.64%	
Japan	2.58%	
Europe	(0.90)%	
UK	(5.73)%	
	<hr/>	2.59%
		<hr/> <b>100.00%</b> <hr/>

### Breakdown by currency (look-through basis)†

£	72.00%
US\$	14.60%
Yen	9.20%
Euro	4.20%
	<hr/> <b>100.00%</b> <hr/>

† Look-through basis: This adjusts the percentages held in each asset class, country or currency by the amount held by Lindsell Train 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 Lindsell Train funds.

+ Adjusted for the underlying exposure of the Nikkei 225 Futures position.

### Look Through Sector Exposure

	Direct	Look through Basis
Consumer Franchise/Brands	34.43%	40.20%
Financials	30.32%	31.30%
Media	15.29%	19.20%
Healthcare	0.00%	1.10%
Other	0.00%	0.10%
Bonds	5.61%	5.60%
Funds	15.25%	0.00%
Futures (Notional)	(0.10)%	(3.40)%
Cash & Equivalent	(0.80)%	5.90%
	<hr/> <b>100.00%</b> <hr/>	<hr/> <b>100.00%</b> <hr/>



## Company Information

### Directors

Donald Adamson (Chairman)  
Dominic Caldecott  
Rory Landman  
Michael Lindsell  
Michael Mackenzie

### Investment Manager

Lindsell Train Limited  
Cayzer House  
30 Buckingham Gate  
London SW1E 6NN  
Tel: 020 7802 4700

*(Authorised and Regulated by the Financial Conduct Authority)*

### Corporate Secretary and Registered Office

Phoenix Administration Services Limited  
Springfield Lodge  
Colchester Road  
Chelmsford  
Essex CM2 5PW  
Tel: 01245 398950  
Fax: 01245 398951  
email: [pfsinfo@phoenixfundservices.com](mailto:pfsinfo@phoenixfundservices.com)  
[www.phoenixfundservices.com](http://www.phoenixfundservices.com)

### Custodian

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

### Registrars

Capita Registrars  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU  
Tel: 0871 664 0300

*Calls cost 10p per minute plus network extras (from outside the UK: +44 208 639 3399)*

### Auditor

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2P 2YU

### Website

The Company's internet website is located at:  
[www.lindselltrain.com](http://www.lindselltrain.com)  
Registered in England, No: 4119429

