

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Half-year report for the six months
ended 30 September 2015

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 would, however, 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 in the past. A deterioration in market sentiment accordingly carries a risk that any premium could be eliminated and buyers at a premium might face a 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 2015 – 30 September 2015

Mid-market share price per Ordinary Share#	+17.40%
Net asset value per Ordinary Share [^]	+2.05%
Benchmark*	+2.00%
MSCI World Index (Sterling)	-10.00%
UK RPI Inflation (all items)	+0.97%

Calculated on a total return basis.

[^] The net asset value at 30 September 2015 has been adjusted to include the ordinary dividend of £6.42 per share and a special dividend of £0.78 per share paid on 11 September 2015.

* The annual average running yield of the longest-dated UK government fixed rate bond, currently UK Treasury 3.5% 2068, plus a premium of 0.5%. A minimum yield of 4% has been imposed.

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 Benchmark.

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;
- to invest in Lindsell Train managed fund products, subject to Board approval, up to 25% of its gross assets; and
- to hold an interest in Lindsell Train Limited, currently 24.42%, 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 its gross assets at the time of its investment in other closed-ended investment funds.

Gearing

Although the Directors' policy is to permit borrowings up to 50% of the net assets of the Company in order to enhance returns the Directors have decided that it is in the Company's best interests not to use gearing in future. This is in part a reflection of the increasing size and risk associated with the Company's unquoted investment in Lindsell Train Limited, 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.

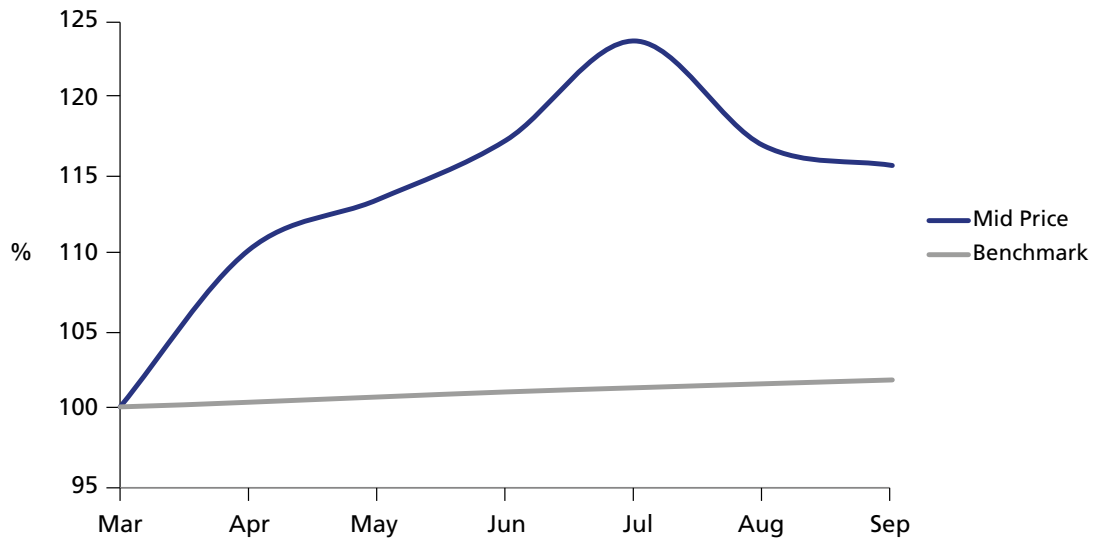
Dividends

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 2015, 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 17 to 18.

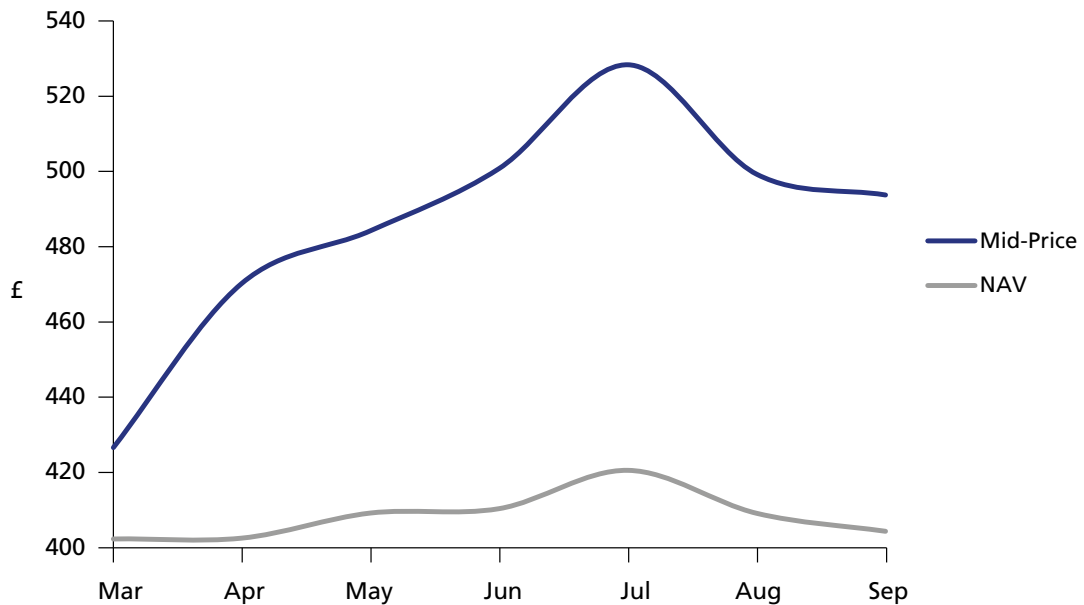
Performance

Share price performance relative to the net asset value and benchmark for the period 1 April 2015 to 30 September 2015 (based on total performance with reinvested dividend)



Figures are rebased to show performance per £100 invested.

Share price performance relative to the net asset value from 1 April 2015 to 30 September 2015



The NAV and share price are unadjusted for dividends.

Source: Bloomberg and Lindsell Train Limited

Chairman's Statement

This statement is my first since I assumed the chairmanship of the Company at the beginning of September. I report on the first six months of the financial year, a period which saw a decline in world equity markets. Despite the fall in markets, the net asset value ('NAV') total return of the fund was 2.2%, ahead of both the benchmark (2.0%) and significantly ahead of the MSCI World Index in Sterling, which fell in value by 10.0%. Once again the biggest contributor to this return was the rise in the valuation of the Company's 24.42% holding in Lindsell Train Limited ('LTL'), which rose by 13% over the half year. The holding now represents 32% of published NAV, a percentage which has continued to increase on the back of LTL's steady contribution to the Company's NAV growth. We are pleased with this outcome and hope that it will persist in the future as a reflection of a most effective way to create value for shareholders. However, this success has contributed to an increase in the share price premium to the NAV today of 34%, higher than at any time in the past. In hostile market conditions a contraction of the premium and a fall in the NAV could conspire to generate a material loss of value for a new investor at current prices. Thus I endorse Donald Adamson's prior warnings to new shareholders to beware of the risks of buying shares at a premium to NAV.

Whilst the directors believe that the price they determine for LTL is realistic they recognise that there is never a 'correct' price for such an unquoted asset. We will endeavour further to improve transparency about LTL, its current situation and its prospects so that shareholders can make their own judgement about the value of LTL. To this end, from September onwards we have updated the formulaic valuation of LTL monthly rather than quarterly.

LTL's funds under management ('FUM') have continued to grow and at the end of October were £6.0bn, up from £5.0bn at the end of January 2015. 64% of the growth in FUM was new net inflows, predominantly into LTL badged funds that now make up 50% of total FUM. Fund performance in all three strategies remains strong especially in recent months which, if history is any guide, gives LTL a good opportunity to garner new clients and grow its business. LTL continues to add resources to ensure that it is fully equipped to cope with expansion; it has employed two additional members of staff – one in the investment team that now numbers five and the other in operations. In the first half of LTL's financial year to July 2015, unaudited revenues at £14.2m were up 61% and net profits up 53% to £6.5m. In the six months to September 2015 the contribution of LTL's dividend to the total revenues of the Company was 58% (50% to September 2014).

Aside from its position in LTL, the Company has fewer, larger holdings following the redemption of the government bonds at the beginning of July, the proceeds of which have been reinvested into the remaining equity holdings. During the six months eBay, a longstanding holding, split into its constituent parts – the original eBay marketplace business and PayPal, the internet based payment platform. At 18% it has the biggest market share in web based payments worldwide (ex China) and has the best prospect of becoming the internet payments platform of choice for consumers.

Other significant influences on performance over the six months were AG Barr and Pearson, which fell 14% and 22% respectively for reasons that Nick Train discusses in the Manager's report, offset to some extent by the positive performance of Nintendo (up 13%) and Mondelez (up 16%).

Julian Cazalet

Chairman

26 November 2015

Investment Manager's Report

I must confess to being surprised by how lackluster the performance of equity markets has turned out to be in 2015. In particular there are two aspects of the current market backdrop I've always associated with rising markets – perhaps mistakenly on the basis of this year's outcome. These two aspects are Merger & Acquisition activity and falling commodity prices.

As to the first, it can already be confirmed as I write this report in mid November that 2015 will be the record year for global deal-making by value of transactions, outstripping the previous peak of 2007. That year was certainly marked by intense speculative excitement which in hindsight was perhaps warning about the troubles to come in 2008. It is however hard to see much evidence of comparable mania today even as this year's deals, some of them of an unprecedented size, keep coming. This lack of excitement and the sight of the extraordinary cost savings being delivered or promised by merger-makers – notably those engineered by Ambev/3G Capital – make me think this takeover wave still has further to run.

As to falling commodity prices, I understand how investor reaction can cut both ways. Weak metal and energy prices can be analysed as symptoms of weakening economic demand and manifestly have damaged exposed stock market sectors. Yet, I look at Oil, down 32% in calendar 2015, or Wheat, down 20% and I think to myself – "Well done Homo Sapiens; still finding new and better ways to extract resources or improve crop yields. The Agricultural and Industrial Revolutions roll on!" In the end – although I must admit I expected the beneficial effects sooner – falling real energy and food costs should find their way into consumers' disposable income and corporate profit margins. We look to the big, global brand owners in your portfolio – Diageo, Heineken, Mondelez and Unilever – to be the big beneficiaries.

In addition to feeling frustrated that my big picture optimism is showing few signs of coming through, I'm dismayed that one of our longstanding, high conviction ideas – Pearson – is having such a tough time as a business and share price; down 36% year to date. Peter Lynch, the great Fidelity fund manager, says somewhere: "Avoid high growth, easy entry industries". And I wonder if I have made that mistake with Pearson. It's easy to understand why there should be a demand for more effective education – everywhere in the world. It also seems more than likely digital technology will transform and probably improve educational outcomes in years to come. The demographics look supportive too. Pearson estimates 180 million students in higher education worldwide today and forecasts 300 and 500 million by 2030 and 2050. But after several years of disappointment there seems little evidence that these "high growth" trends have fed through to growing revenues for Pearson, despite its apparent leading positions in educational publishing, both traditional and digital. Perhaps the only comfort is that it is not obvious that any of Pearson's rivals are faring any better. Fears of a disruptive, free service from a new entrant have to date been groundless too. In the circumstances Mike and I think the best we can do is to keep gently adding to our holding in Pearson, but to wait for clearer evidence that its digital transformation is succeeding before getting more aggressive.

Dividend growth for our companies remains satisfactory, we think. Even Pearson's most recent increase was 6%, with Heineken's +22% the strongest. A G Barr's recent interim was up 8%, continuing its wonderful record of real dividend increases. This year's total was 12.37p, compared to 3.6p for 2001, the year we first invested for your company – a compound rate of 9.2%. We see the increase as a credible indication of long term per annum cash flow growth from Barr, despite the slowdown in like-for-like sales over the last 6 month trading period, which explains the share price weakness over the last six months.

Nick Train

Lindsell Train Limited – Investment Manager

26 November 2015

Statement of Comprehensive Income

		Six months ended 30 September 2015 Unaudited		
	Notes	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value		–	441	441
Exchange (losses)/gains on currency balances		–	(26)	(26)
Gains on forward currency contracts held at fair value		–	–	–
Losses on futures contracts held at fair value		–	–	–
Income	2	1,770	–	1,770
Investment management fees	3	(288)	–	(288)
Other expenses	4	(220)	(1)	(221)
Net return before finance costs and tax		1,262	414	1,676
Interest payable and similar charges		–	–	–
Return on ordinary activities before tax		1,262	414	1,676
Tax on ordinary activities	5	(25)	–	(25)
Return on ordinary activities after tax for the financial period		1,237	414	1,651
Return per Ordinary Share	7	£6.19	£2.07	£8.26

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

The total column of this statement represent the profit and loss account 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.

No operations were acquired or discontinued during the period.

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	Six months ended 30 September 2014 Unaudited			Year ended 31 March 2015 Audited		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	
–	3,263	3,263	–	17,394	17,394	
–	91	91	–	76	76	
–	101	101	–	273	273	
–	(213)	(213)	–	(411)	(411)	
1,380	–	1,380	2,657	–	2,657	
(201)	–	(201)	(427)	(1,533)	(1,960)	
<u>(200)</u>	<u>(2)</u>	<u>(202)</u>	<u>(336)</u>	<u>(3)</u>	<u>(339)</u>	
979	3,240	4,219	1,894	15,796	17,690	
<u>(16)</u>	<u>–</u>	<u>(16)</u>	<u>(36)</u>	<u>–</u>	<u>(36)</u>	
963	3,240	4,203	1,858	15,796	17,654	
<u>(11)</u>	<u>–</u>	<u>(11)</u>	<u>(19)</u>	<u>–</u>	<u>(19)</u>	
<u>952</u>	<u>3,240</u>	<u>4,192</u>	<u>1,839</u>	<u>15,796</u>	<u>17,635</u>	
£4.76	£16.20	£20.96	£9.20	£78.98	£88.18	

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 2015					
At 31 March 2015	150	19,850	57,370	3,215	80,585
Return on ordinary activities after tax for the financial period	–	–	414	1,237	1,651
Dividends paid	–	–	–	(1,440)	(1,440)
At 30 September 2015	150	19,850	57,784	3,012	80,796

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the six months ended 30 September 2014					
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)
At 30 September 2014	150	19,850	44,814	2,328	67,142

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the year ended 31 March 2015					
At 31 March 2014	150	19,850	41,574	2,728	64,302
Return on ordinary activities after tax for the financial year	–	–	15,796	1,839	17,635
Dividends paid	–	–	–	(1,352)	(1,352)
At 31 March 2015	150	19,850	57,370	3,215	80,585

Statement of Financial Position

	Note	30 September 2015 Unaudited £'000	30 September 2014 Unaudited £'000	31 March 2015 Audited £'000
Fixed Assets				
Investments held at fair value through profit or loss		<u>78,151</u>	<u>67,746</u>	<u>80,608</u>
Current assets				
Forward currency contracts held at fair value through profit or loss		–	3,885	–
Debtors		175	195	215
Cash at bank		<u>2,554</u>	<u>1,287</u>	<u>1,376</u>
		2,729	5,367	1,591
Creditors: amounts falling due within one year				
Forward currency contracts held at fair value through profit or loss		–	(3,860)	–
Futures contracts held at fair value through profit or loss		–	(69)	–
Bank overdraft		–	(1,974)	–
Other payables		<u>(84)</u>	<u>(68)</u>	<u>(1,614)</u>
		(84)	(5,971)	(1,614)
Net current assets/(liabilities)		<u>2,645</u>	<u>(604)</u>	<u>(23)</u>
Net assets		<u>80,796</u>	<u>67,142</u>	<u>80,585</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		57,784	44,814	57,370
Revenue reserve		<u>3,012</u>	<u>2,328</u>	<u>3,215</u>
Equity shareholders' funds		<u>80,796</u>	<u>67,142</u>	<u>80,585</u>
Net asset value per Ordinary Share	6	£403.98	£335.71	£402.93

Cash Flow Statement

	Six months ended 30 September 2015 Unaudited £'000	Six months ended 30 September 2014 Unaudited £'000	Year ended 31 March 2015 Audited £'000
Net cash (outflow)/inflow from operating activities	(239)	641	1,477
Servicing of finance	–	(16)	(36)
Taxation	(15)	(14)	(21)
Financial investment	2,898	(471)	798
Net cash inflow before financing	2,644	140	2,218
Equity dividends paid	(1,440)	(1,352)	(1,352)
Increase/(decrease) in cash in the period	1,204	(1,212)	866
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash in the period	1,204	(1,212)	866
Exchange movements	(26)	91	76
Opening net funds	1,376	434	434
Closing net funds/(debt)	2,554	(687)	1,376
Represented by			
Cash at bank	2,554	1,287	1,376
Overdrafts	–	(1,974)	–
	2,554	(687)	1,376
Reconciliation of operating profit to net cash (outflow)/inflow from operating activities			
Net return before finance costs and taxation	1,676	4,219	17,690
Gains on investments held at fair value	(441)	(3,263)	(17,394)
Movements in derivatives contracts held at fair value	–	110	41
Losses/(gains) on exchange movements	26	(91)	(76)
Decrease/(increase) in other debtors	25	(106)	3,755
Decrease/(increase) in accrued income	5	(18)	(16)
Decrease in creditors	(1,530)	(210)	(2,523)
Net cash (outflow)/inflow from operating activities	(239)	641	1,477

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 (dated November 2014) to comply with the revised reporting standard.

For the period ended 30 September 2015 the Company is applying for the first time FRS 104 the Interim Financial Reporting Standard, issued in March 2015. The revised reporting standard for half year reporting was issued following the introduction of FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, effective for periods commencing on or after 1 January 2015. This forms part of the revised Generally Accepted Accounting Practice (New UK GAAP).

As a result of the first time adoption of New UK GAAP and the revised SORP, there has been no impact on the Statement of Comprehensive Income (previously called the Income Statement), Statement of Changes in Equity (previously called the Reconciliation of Movements in Shareholders' Funds), Statement of Financial Position (previously called the Balance Sheet) or the Cash Flow Statement.

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 Investment and other income	Six months ended 30 September 2015 Unaudited £'000	Six months ended 30 September 2014 Unaudited £'000	Year ended 31 March 2015 Audited £'000
Overseas dividends	105	102	193
UK dividends			
– Lindsell Train Limited	1,022	684	1,562
– Other UK dividends	597	509	2,292
UK fixed interest	46	85	172
	<u>1,770</u>	<u>1,380</u>	<u>2,657</u>
3 Investment management fees	Six months ended 30 September 2015 Unaudited £'000	Six months ended 30 September 2014 Unaudited £'000	Year ended 31 March 2015 Audited £'000
Investment management fee	321	232	486
Manager's performance fee – charged to capital	–	–	1,533
Rebate of investment management fee	(33)	(31)	(59)
Total management fee	<u>288</u>	<u>201</u>	<u>1,960</u>

Notes to the Financial Statements continued

4 Other expenses	Six months ended 30 September 2015 Unaudited £'000	Six months ended 30 September 2014 Unaudited £'000	Year ended 31 March 2015 Audited £'000
Administration fee	40	40	80
Directors' fees	65	40	95
Auditor's remuneration for:			
– audit of the financial statements of the Company	14	14	25
– other services relating to taxation	–	9	9
Legal and professional fees	8	10	10
Provision for VAT written off	5	17	–
Other*	88	70	117
	<u>220</u>	<u>200</u>	<u>336</u>
Capital charges	1	2	3
	<u>221</u>	<u>202</u>	<u>339</u>

* Includes registrar's fees, printing fees, AIFM fees, marketing fees, safe custody fees, London Stock Exchange/FCA fees and Directors' and Officers' liability 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 2015 is 1.98% (year ended 31 March 2015: 1.02% and six months ended 30 September 2014: 1.14%) based on revenue return before tax of £1,262,000 (year ended 31 March 2015: £1,858,000 and six months ended 30 September 2014: £963,000). This differs from the standard rate of tax, 20% (year ended 31 March 2015 and six months ended 30 September 2014: 21%) as a result of income not taxable for Corporation Tax purposes.

6 Net asset value per Ordinary Share	Six months ended 30 September 2015 Unaudited	Six months ended 30 September 2014 Unaudited	Year ended 31 March 2015 Audited
Net assets attributable	£80,796,000	£67,142,000	£80,585,000
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>£403.98</u>	<u>£335.71</u>	<u>£402.93</u>

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7 Return per Ordinary Share	Six months ended 30 September 2015 Unaudited	Six months ended 30 September 2014 Unaudited	Year ended 31 March 2015 Audited
Total return per Ordinary Share			
Total return	£1,651,000	£4,192,000	£17,635,000
Weighted average number of Ordinary Shares in issue during the period	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Total return per Ordinary Share	<u>£8.26</u>	<u>£20.96</u>	<u>£88.18</u>

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

Revenue return per Ordinary Share			
Revenue return	£1,237,000	£952,000	£1,839,000
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>£6.19</u>	<u>£4.76</u>	<u>£9.20</u>
Capital return per Ordinary Share			
Capital return	£414,000	£3,240,000	£15,796,000
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>£2.07</u>	<u>£16.20</u>	<u>£78.98</u>

Notes to the Financial Statements continued

8 Fair values of financial assets and financial liabilities

The Company's investments and derivative financial instruments as disclosed in the balance sheet are valued at fair value.

The Company measures fair values using the following 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 A – Quoted prices for identical instruments in an active market.
- Level B – When quoted prices are unavailable, the price of a recent transaction for an identical asset or liability provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.
- Level C – If the market for the asset or liability is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated using a valuation technique using:
 - (i) Observable market data; or
 - (ii) Non-observable data.

The tables below set out fair value measurements of financial instruments as at the period 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 A £'000	Level B £'000	Level C (i) £'000	Level C (ii) £'000	Total £'000
At 30 September 2015					
Equity Investments	50,373	–	2,185	25,593	78,151
	<u>50,373</u>	<u>–</u>	<u>2,185</u>	<u>25,593</u>	<u>78,151</u>
At 30 September 2014	Level A £'000	Level B £'000	Level C (i) £'000	Level C (ii) £'000	Total £'000
Equity Investments	46,566	–	–	17,413	63,979
Fixed interest bearing securities	3,767	–	–	–	3,767
Forward currency contracts	–	25	–	–	25
Derivatives	(69)	–	–	–	(69)
	<u>50,264</u>	<u>25</u>	<u>–</u>	<u>17,413</u>	<u>67,702</u>
At 31 March 2015	Level A £'000	Level B £'000	Level C (i) £'000	Level C (ii) £'000	Total £'000
Equity Investments	49,902	–	2,238	22,591	74,731
Fixed interest bearing securities	5,877	–	–	–	5,877
	<u>55,779</u>	<u>–</u>	<u>2,238</u>	<u>22,591</u>	<u>80,608</u>

Note: Within the above tables, the entirety of level C (i) represents the investment in Lindsell Train Global Equity LLC and the entirety of level C (ii) represents the investment in Lindsell Train Limited.

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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 valuation of the investment in Lindsell Train Limited ('LTL') derives from a formula adopted by the Board in October 2007, after taking advice from an expert in the sector, and 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) divided by the annual average yield on the Benchmark.

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 2015.

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 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 2015.

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 2015 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 2015;
- (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 26 November 2015 and the above Responsibility Statement was signed on its behalf by:

Julian Cazalet
Chairman

Portfolio Holdings at 30 September 2015

(All Ordinary Shares unless otherwise stated)

Holding	Security	Fair value £'000	% of total assets	Look- through basis: % of total assets†
651	Lindsell Train Limited	25,593	31.68	31.68
318,000	Diageo	7,184	8.89	9.33
1,263,393	Barr (AG)	6,626	8.20	8.30
161,000	Unilever	5,475	6.78	7.25
6,555,661	Lindsell Train Japanese Equity Fund – B	4,835	5.99	5.47
41,000	Nintendo	4,520	5.59	6.33
157,500	London Stock Exchange	3,808	4.71	4.89
272,500	RELX	3,489	4.32	4.73
73,000	Heineken	3,421	4.23	4.63
255,500	Pearson	3,215	3.98	4.14
76,552	Mondelez International	2,666	3.30	3.58
420,000	Finsbury Growth & Income Trust	2,337	2.89	1.34
299,188	Lindsell Train Global Equity LLC	2,185	2.70	1.44
76,400	PayPal	1,565	1.94	2.03
76,400	eBay	1,232	1.53	1.59
	Total Investments	78,151	96.73	96.73
	Net current assets	2,645	3.27	3.27
	Total assets less current liabilities	80,796	100.00	100.00

† 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.

Leverage

We detail below the balance sheet positions of the Funds managed by Lindsell Train Limited held in the portfolio at 30 September 2015:

Fund	Net Equity exposure
Lindsell Train Japanese Equity Fund – B	96.99%
Lindsell Train Global Equity Fund – B	98.53%
Finsbury Growth & Income Trust	102.86%

Analysis of Investment Portfolio at 30 September 2015

Breakdown by geography

	Direct	Look through Basis [†]
Equities		
UK	71.45%	71.66%
Japan	11.58%	11.80%
USA	9.47%	8.64%
Europe	4.23%	4.63%
	96.73%	96.73%
Cash		
UK	1.17%	1.17%
USA	2.04%	2.04%
Japan	0.04%	0.04%
Europe	0.02%	0.02%
	3.27%	3.27%
	100.00%	100.00%

	Direct	Look through Basis [†]
Breakdown by currency		
Sterling	73.49%	73.70%
US dollar	10.64%	9.81%
Japanese yen	11.62%	11.84%
Euro	4.25%	4.65%
	100.00%	100.00%

	Direct	Look through Basis [†]
Sector Exposure		
Consumer Franchise/Brands	31.40%	36.83%
Financials	36.39%	37.54%
Media	17.36%	20.34%
Healthcare	–	1.23%
Other	–	0.63%
Funds	11.58%	0.00%
Cash & Equivalent	3.27%	3.43%
Total	100.00%	100.00%

[†] 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.

Company Information

Directors

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

Investment Manager

Lindsell Train Limited
5th Floor
66 Buckingham Gate
London SW1E 6AU
Tel: 020 7808 1210

(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
www.phoenixfundservices.com

Custodian

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

Registrars

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

Calls cost 12p per minute plus your phone company's access charge (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
Registered in England, No: 4119429

