Lindsell Train Investment Trust PLC

All data at 31 May 2017

Market Capitalisation
£157.5m

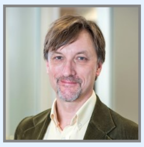
Share Price: £787.50

Net Asset Value: £644.01

Premium (Discount): 22.3%

Source: Lindsell Train Ltd/ Maitland Administration Services & Bloomberg. Share Price is based on closing mid price.

Portfolio Manager



Nick Train

Fund Objective

To maximise long-term total return subject to the avoidance of loss of absolute value and with a minimum objective to maintain the real purchasing power of Sterling capital, as measured by the annual average running yield on the longest-dated UK government fixed rate bond.

Fund Performance (GBP)

Calendar Year Performance (%)	*2012*	*2013*	*2014*	*2015*	*2016*
Lindsell Train Investment Trust NAV	+14.9	+25.9	+15.2	+23.0	+31.1
Lindsell Train Investment Trust Price	+28.0	+21.5	+8.7	+54.3	+61.9
MSCI World Index £	+10.7	+24.3	+11.5	+4.9	+28.2
Benchmark*	+4.0	+4.0	+4.3	+4.0	+4.0

Cumulative Performance (%) 31 May 2017	*Since Launch*	*5yr*	*3yr*	*1yr*	*YTD*	*3m*	*1m*
Lindsell Train Investment Trust NAV	+706.0	+202.2	+105.4	+41.9 .5	+17.4	+12.3	+6.5
Lindsell Train Investment Trust Price	+881.2	+250.9	+137.6	+28.7	-13.7	+2.8	+5.7
MSCI World Index £	+141.1	+114.0	+53.6	+31.3	+5.5	+1.0	+2.3
Benchmark*	+106.6	+22.0	+12.7	+4.0	+1.7	+1.0	+0.3

Source: Lindsell Train Ltd, Bloomberg and Morningstar Direct. Listed securities in the portfolio are valued at the closing bid price. GBP return net of fees and expenses. MSCI World Index is not the Trust's benchmark and is shown for comparative purposes only.

Benchmark*: Index of annual average running yield of the 2½% Consolidated Loan Stock until 31 March 2015 and then the Index of the annual average running yield on the longest-dated UK government fixed rate bond plus 0.5% with a minimum yield of 4%

Past performance is not a guide to future performance.

Strategy Profile

Top 10 Holdings (% NAV)	
Lindsell Train Limited (unlisted)	37.1
Diageo	7.6
Nintendo	7.5
Unilever	7.1
London Stock Exchange	6.6
A G Barr	6.4
RELX	4.2
Heineken Holdings	4.1
LT Japanese Equity Fund	3.7
PayPal	3.2

Allocation (% NAV)	
Equities:	
Consumer Franchises	28.8
Financials	6.6
Media	18.0
Unlisted Securities	37.1
Funds	8.5
Cash & Equivalent	1.0
Total	**100.0**

Lindsell Train sector definitions

Fund Exposure %	*Equity*	*Funds*	*Cash*	*Total*
UK	70.6	2.4	0.7	**73.7**
USA	7.4	-	-	**7.4**
Europe (ex UK)	5.0	-	0.2	**5.2**
Japan	7.5	3.7	0.1	**11.3**
Global	-	2.4	-	**2.4**
Total	**90.5**	**8.5**	**1.0**	**100.0**

Fund Information

Listing: **London Stock Exchange**

Launch Date: **22 January 2001**

Base Currency: **GBP (£)**

Year End: **31 March**

Benchmark: **The annual average running yield on the longest-dated UK government fixed rate bond plus 0.5% with a minimum yield of 4%**

Management Fees

Annual Fee:

0.65% of the lower of the market cap or NAV

Performance Fee :

10% of annual increase in the lower of NAV or share price above the benchmark return and calculated with a high watermark

Bloomberg:

LTI LN

ISIN :

GB0031977944

The Board:

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

Corporate Secretary & Registered Office:	**Maitland Institutional Services Limited, Springfield Lodge, Colchester Road, ESSEX CM2 5PW** **Phone: 01245 398950**
Investment Manager & Promoter:	**Lindsell Train Ltd, 66 Buckingham Gate, London, SW1E 6AU** **Phone: +44 20 7808 1210 / info@lindselltrain.com**
Registrars:	**Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU**

Portfolio Manager's Comments

There was a jump in the net asset value per share ('NAV') this month that was relatively unconnected to the performance of markets. The MSCI World Index was up 2.3% but the NAV rose by 6.5%. A good part of this is due to the continued advance of the price of Lindsell Train Limited ('LTL') that was up 4.7% this month. LTL's funds under management, having exceed £10bn for the first time at the end of April, advanced a further £830m, driven to a large extent by the performance of underlying portfolios. As the Company's investment portfolio has a significant overlap of holdings with other LTL portfolios, this same contribution was captured. For instance Unilever continues to perform, rising another 9%, and Nintendo had a banner month, advancing by 20%, and is now vying with Diageo to be the largest holding in the fund.

Nintendo's renaissance began last year with the launch of its smartphone strategy. The company sought to exploit the vast user base of smartphones (approx. 2.3bn people worldwide) to showcase its unique intellectual property ('IP') by designing free to play games for smartphone users. Pokémon GO was the first iteration, although Nintendo involvement here was as a co-investor and minority owner of the IP. As was widely commented on, it proved a phenomenal success with downloads exceeding 500m within three months of its launch. Amongst these users there are likely to be novice customers who, having engaged with the game, might well try out new Pokémon games in the future. The next launch was Super Mario Run that was downloaded a comparatively disappointing 80m times on iOS - but again, in the context of consumer interactions it no doubt helped spread the franchise to a wider set of consumers than the IP had reached before. Remember historically Nintendo IP has only been available in developed countries because of piracy concerns elsewhere. With distribution of IP via digital downloads on smartphones this concern has now been all but removed, opening it up to numerous Emerging Market consumers. Further launches are planned this year involving other important franchises including Zelda and Animal Crossing.

This year's share performance, especially recently, has been driven more by the launch of Nintendo's new console, the Switch. It's gone down well with consumers who like the portable functionality - it either works with the TV or as a handheld on the move. The Zelda software bundled with the launch has received rave reviews and now, with a positive aura around the console launch, it is sold out and supply constrained. The company has a string of first party software launches to maintain momentum from now until the year-end culminating in a marquee title launch of Super Mario Odyssey for the holiday season. The company is reportedly ramping up hardware production in response. But what will really signify lasting success for the console will be third party support and we hope for more announcements soon, perhaps around the E3 Expo in Los Angeles in a week's time. Nintendo's aim is to make profits out of smartphone games; but it is from the closed system of Nintendo IP played exclusively on Nintendo hardware with third parties paying licensing fees that the company expects to make 'Nintendo like profits' which have in the past been operating margins of 20% plus. It's now been seven years since the company last achieved that level - let's hope it's worth the wait.

Michael Lindsell, Lindsell Train Ltd