Lindsell Train Investment Trust PLC

All data at 30 September 2016

Market Capitalisation
£165.6m

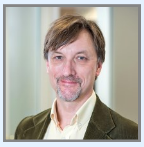
Share Price: £828.08

Net Asset Value: £543.43

Premium (Discount): 52.4%

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 (%)	*2011*	*2012*	*2013*	*2014*	*2015*
Lindsell Train Investment Trust NAV	+9.4	+14.9	+25.9	+15.2	+23.0
Lindsell Train Investment Trust Price	+7.0	+28.0	+21.5	+8.7	+54.3
MSCI World Index £	-4.8	+10.7	+24.3	+11.5	+4.9
Benchmark*	+4.6	+4.0	+4.0	+4.3	+4.0

Cumulative Performance (%) 30 September 2016	*Since Launch*	*5yr*	*3yr*	*1yr*	*YTD*	*3m*	*1m*
Lindsell Train Investment Trust NAV	+580.2	+179.7	+95.2	+36.7	+29.8	+13.4	+4.7
Lindsell Train Investment Trust Price	+931.8	+302.1	+147.3	+69.7	+46.9	+31.9	+4.2
MSCI World Index £	+113.4	+107.9	+47.8	+29.9	+19.8	+7.9	+1.4
Benchmark*	+101.4	+22.3	+13.0	+4.1	+3.0	+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)	35.4
Diageo	8.6
Nintendo	7.6
Unilever	7.1
LT Japanese Equity Fund	6.6
London Stock Exchange	6.3
A G Barr	6.0
RELX	4.3
Heineken Holdings	4.1
Mondelez	3.0

Allocation (% NAV)	
Equities:	
Consumer Franchises	28.7
Financials	6.3
Media	18.7
Unlisted Securities	35.5
Funds	11.8
Cash & Equivalent	-1.0
Total	**100.0**

Lindsell Train sector definitions

Fund Exposure %	*Equity*	*Funds*	*Cash*	*Total*
UK	69.8	2.5	-1.0	**71.3**
USA	7.7	-	-	**7.7**
Europe (ex UK)	4.2	-	-	**4.2**
Japan	7.6	6.6	-	**14.2**
Global	-	2.6	-	**2.6**
Total	**89.3**	**11.7**	**-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

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Phone: 01245 398950

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Phone: +44 20 7808 1210 / info@lindselltrain.com

Registrars: **Capita Registrars , The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU**

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Portfolio Manager's Comments

Nintendo's share price once again burst into life this month, rising 17% versus a flat market. Pokemon Go continues to flourish. The smartphone game was released by Niantic, an independent company partly owned by Nintendo and Google that licensed Pokemon IP from the Pokemon Company, a 32% associate of Nintendo. Over 500m people have downloaded the game and it is now released in 90 countries, accessing a user base multiple times bigger than Nintendo's console game base. It is reportedly earning daily revenues of $4-6m from the small proportion of users who have been tempted into buying features that make the gameplay all that more enthralling. This has dwindled from $6-8m in July as the novelty of playing the game for some subsides. Now that the game has been launched around the world Niantic need to refresh it with additional features to keep up consumer interest. Another related reason for Nintendo's share price resurgence is its announcement that, instead of releasing Fire Emblem and Animal Crossing as two smartphone games in the autumn, the company will instead delay these games until the spring and launch 'Mario Run', a new smartphone game, based on its most popular character. High hopes abound for this release given the success of Pokemon Go. After all, Mario is Nintendo's signature character, with even more heritage, and importantly, unlike Pokemon, is 100% owned by Nintendo. The change in this schedule was clearly triggered by the success of Pokemon Go and shows how the company is keen to remind consumers about their valuable intellectual property and to use the vast scope of the smartphone platform to promote it. Then soon - probably at the end of October - the company will announce details of its new platform, the NX, which is slated for release in the spring. Whilst these future releases could inspire further moves in the share price, most probably the company now needs to show more evidence of rising cash returns to support further performance from the shares.

PayPal performed well, up 10% last month. In its drive to be the internet payments platform of choice for worldwide consumers it is continually fending off competitors. It has 179m active users and 14m of the world's 180m merchants. It has a c.18% share in internet payments and is growing at c.25%pa versus global growth in e-commerce of 15%. Now that it has significant brand presence and scale advantage, the investment necessary on the part of would-be competitors is rising all the time, and therefore is the hurdle. Google has unsuccessfully tried to establish a digital wallet for ten years and ApplePay is innovative but mainly in the confines of its closed ecosystem. PayPal is both a competitor and customer of Visa and Mastercard and its latest strategy is to no longer steer customers away from paying by cards (the lower margin route) recognising that all have a common interest in the battle against cash and cheques, where 85% of payments are still routed.

Michael Lindsell, Lindsell Train Ltd

Risk Warning

Past performance is not a guide or guarantee to future performance. Investments carry a degree of risk and the value of investments and income from them as a result of market or currency fluctuations may go down as well as up and you may not get back the amount you originally invested.

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