Lindsell Train Investment Trust

All data at 30 April 2016

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.

Market Capitalisation	£118.0m
Share Price	£590.00
Net Asset Value	£453.80
Premium (Discount)	30.01%

Source: Lindsell Train Ltd/ Phoenix Administrators & Bloomberg. Share Price is based on closing mid price.

Fund Profile

Top 10 Holdings (% NAV)	
Lindsell Train Limited (unlisted)	32.4
Diageo	8.6
A G Barr	7.8
London Stock Exchange	7.4
Unilever	7.1
LT Japanese Equity Fund	6.2
Heineken Holdings	4.5
Nintendo	4.4
RELX	4.3
Mondelez	3.1

Allocation (% NAV)	
Equities:	
Consumer Franchises	31.0
Financials	7.4
Media	15.7
Unlisted Securities	32.4
Funds	11.4
Cash & Equivalent	2.1
Total	**100.0**

Lindsell Train sector definitions

Fund Exposure %	*Equity*	*Funds*	*Cash*	*Total*
UK	70.1	2.7	-0.3	**72.5**
USA	7.5	-	0.1	**7.6**
Europe (ex UK)	4.5	-	1.6	**6.1**
Japan	4.4	6.2	0.7	**11.3**
Global	-	2.5	-	**2.5**
Total	**86.5**	**11.4**	**2.1**	**100.0**

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 April 2016	*Since Launch*	*5yr*	*3yr*	*1yr*	*YTD*	*3m*	*1m*
Lindsell Train Investment Trust NAV	+458.4	+127.2	+68.1	+14.7	+6.6	+6.0	+2.5
Lindsell Train Investment Trust Price	+627.1	+177.8	+96.9	+27.4	+3.5	+15.1	+3.5
MSCI World Index £	+81.5	+52.1	+27.5	+0.5	+1.9	+4.3	-0.3
Benchmark*	+98.0	+22.6	+13.0	+4.1	+1.3	+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.

Past performance is not a guide to future performance.

*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%.

Portfolio Manager: Nick Train

Listing: London Stock Exchange

Launch Date: 22 Jan 2001

Base Currency: Sterling

Year End: 31 March

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)
Dominic Caldecott
Vivien Gould
Michael MacKenzie
Rory Landman
Michael Lindsell

Secretary: Maitland Institutional Services Limited

Lindsell Train Investment Trust

Fund Manager's Comments

All data at 30 April 2016

During the month I read Chris Andersonõs excellent 2009 book ñFreeò and found in it a lot of sense about the way the business world is today and where itõs going ï certainly more sense than I get from watching a Bloomberg screen. Here are some quotes or ideas from it which seem particularly relevant for Lindsell Trainõs investment strategy ï highlighting holdings within your Company, but also several across our other funds:

Of Gilletteõs time-honoured practice of effectively giving away razors for free and charging for consumables ï ñA few billion blades later, this business model is now the foundation of entire industries: Give away the cell phone, sell the monthly plan; Make the video game console cheap and sell expensive games; Install fancy coffee machines in offices...ò Yes ï this is the model generating profits for Canon and Mondelez (coffee) and for Nintendo (increasingly so as Nintendo moves to distributing ñfreeò smart phone games then selling upgrades to hooked customers). Intuit too is giving away access to its basic service, then looking to make profit on upgrades. Despite all the hoo-ha about a ñNew Economyò there fewer things new under the sun than you might think.

ñFree online lectures are not a university education.ò The experience of studying at university cannot be replaced simply by dumping free content on the Internet. Pearsonõs strategy of improving the tools for teachers, teaching institutions and students and hence outcomes seems to be correct.

ñMemorable experiences are the ultimate scarcity.ò Sports franchises and entertainment companies create something irreplaceable that will be paid for.

ñAbundant information wants to be free. Scarce information wants to be expensive.ò LSE and Reed seem to be at little risk of losing their pricing power for their scarce information.

ñThereõs still a lot of money in commodities, but the highest profit margins are usually found where grey matter has been added to things.ò Lindsell Train is still making a big portfolio bet on Intellectual Property rather than physical property.

ñIn digital give away 95% of your product to sell 5%. This makes sense because digital products are so cheap to produce and allow you to reach a huge market. So the 5% you convert (to being a paying customer) is 5% of a big number.ò This is why big digital companies are so hard to compete against and so valuable.

ñFree may be the best price, but it canõt be the only one. People will pay to save time. People will pay to lower risk. People will pay for things they love. People will pay for status.ò Weõve tried to invest in companies that save time or lower risk (RELX, Paypal) but particularly companies with beloved products (Guinness, Cadbury, IRN-BRU, Shiseido, Magnum Ice-cream). Thereõs still money to be made in charging for stuff. ñItõs easy to compete with free; simply offer something better...ò

Nick Train, Lindsell Train Limited

Corporate Secretary & Registered Office
Maitland Institutional Services Limited
Springfield Lodge
Colchester Road
ESSEX CM2 5PW
Phone: 01245 398950

Investment Manager
Lindsell Train Limited
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

Auditor
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

Lindsell Train is authorised and regulated by the Financial Conduct Authority
Phone: +44 20 7808 1210
info@LindsellTrain.com

Reports can be found on our website www.lindselltrain.com