

LINDSELL TRAIN INVESTMENT TRUST



All data at 31 May 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	£123.8m
Share Price	£618.75
Net Asset Value	£461.57
Premium (Discount)	34.05%

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)	32.6
Diageo	8.5
A G Barr	7.4
London Stock Exchange	7.3
Unilever	7.2
LT Japanese Equity Fund	6.2
Nintendo	4.5
Heineken Holdings	4.5
RELX	4.4
Mondelez	3.2

Allocation (% NAV)

Equities:	
Consumer Franchises	30.7
Financials	7.3
Media	15.8
Unlisted Securities	32.6
Funds	11.4
Cash & Equivalent	2.2
Total	100.0

Lindsell Train sector definitions

Fund Exposure %	Equity	Funds	Cash	Total
UK	70.0	2.7	1.6	74.3
USA	7.4	-	0.5	7.9
Europe (ex UK)	4.5	-	-	4.5
Japan	4.5	6.1	0.1	10.7
Global	-	2.6	-	2.6
Total	86.4	11.4	2.2	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 (%) 31 May 2016	Since Launch	5yr	3yr	1yr	YTD	3m	1m
Lindsell Train Investment Trust NAV	+467.9	+129.0	+64.7	+14.7	+8.4	+5.9	+1.7
Lindsell Train Investment Trust Price	+662.5	+176.9	+98.0	+29.7	+8.6	+15.7	+4.9
MSCI World Index £	+83.7	+55.1	+25.7	+0.7	+3.1	+4.5	+1.2
Benchmark*	+98.7	+22.5	+13.0	+4.1	+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.

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 Czalet (Chairman)

Vivien Gould
Michael MacKenzie
Rory Landman
Michael Lindsell

Secretary: Maitland Institutional Services Limited

Issued and approved by Lindsell Train Limited.
Authorised and regulated by the Financial Conduct Authority.

LINDSELL TRAIN INVESTMENT TRUST

Fund Manager's Comments

All data at 31 May 2016

In the end the Intercontinental Exchange decided not to make an offer for the London Stock Exchange ('LSE'). The LSE share price declined on the news but soon bounced back and ended the month up 1%. In June we have had more details about the proposed merger with the Deutsche Bourse from the offer document. Aside from confirming €450m in cost reductions per annum over three years, both companies expect to generate €160m of growth synergies over a similar time frame, on projected combined sales of €3,500m. Interestingly few, if any, of the supposed benefits from cross margining between the LCH:Clearnet and Eurex are assumed in the forecasts. As this is one of the main competitive motivations for the combination, we think there is considerably more upside than that outlined. Of course there are still hurdles to cross before the deal is done. A vote to leave the EU in the imminent referendum would certainly cause a pause for thought - especially from politicians, who might resent having the combined company headquartered from a country outside the EU. Even if the UK votes to remain in the EU, regulators will be keen to ensure that a larger combined exchange does not lead to a concentration of systematic risk. The development has already piqued national interests (i.e. that of the French Treasury) that may yet influence outcomes. Still, on balance whatever the result of the referendum we think the deal will progress. Prior to the merger announcement, when the LSE share price was c.£28, we thought the shares were worth at least £33. Now, with more knowledge of the details of the merger and the rationale and forecasts behind it, we think that at least £7 of merger benefits accrue to the combined company. We have been adding to our holding of late.

Now that the EU referendum polls are converging it is worth considering whether any other companies we own could be affected by a 'No' vote. Of course a number may be impacted by delayed purchase or investment decisions in the short term or by currency fluctuations - always a risk - but over our long time horizon most should be unaffected. Only Diageo could conceivably be in the firing line. That is if a 'No' vote leads to a second Scottish independence referendum. Still, the Scots would have to vote leave and only then would the prospect of a socialist Scottish government raising taxes perhaps weigh on the very profitable whisky industry, where Diageo is the leading company. It seems a sufficiently distant and uncertain prospect to be worrying about at this stage.

Michael Lindsell, Lindsell Train Ltd

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**

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.

This document is intended for use by Shareholders of the Lindsell Train Investment Trust ("LTIT") and/or professional investors/persons who are authorised by the UK Financial Conduct Authority or those who are permitted to receive such information in the UK. Any opinion expressed whether in general or both on the performance of individual securities and in a wider economic context represents Lindsell Train's views at the time of preparation. They are subject to change without notice and should not be construed as investment advice or investment recommendation. Past performance is not a guide to future performance and may not be repeated. Lindsell Train Investment Trust plc is an investment trust company listed on the London Stock Exchange. Investment trusts have the ability to borrow to invest which is commonly referred to as gearing. Companies with higher gearing are subject to higher risks and therefore the investment value may change substantially. The net asset value ("NAV") per share and the performance of an investment trust may not be the same as its market share price per share and performance. No part of this document may be copied, reproduced or distributed to any other person without prior expressed written permission from Lindsell Train Limited. Issued and approved by Lindsell Train Ltd.

21 June 2016 LTL 000-178-3