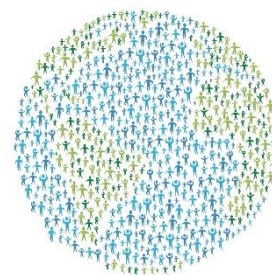


LINDSELL TRAIN

The Lindsell Train Investment Trust plc (LTIT)

ALL DATA AS OF 31 JULY 2021



Fund Objective & Policy

To maximise long-term total returns, with a minimum objective to maintain the real purchasing power of Sterling capital, by investing globally in a wide range of financial assets with no limitations on the markets and sectors in which investment may be made. There is likely to be a bias towards equities and Sterling assets, consistent with a Sterling-dominated investment objective. Included in the range of assets are Lindsell Train managed funds and the unlisted security Lindsell Train Limited. For further information please see www.lindselltrain.com.

Calendar Year Performance (%) £

	2016	2017	2018	2019	2020
LTIT NAV	+31.1	+37.6	+16.2	+32.4	+16.5
LTIT Price	+61.9	-6.2	+46.6	+2.1	+24.6
MSCI World Index £	+28.2	+11.8	-3.0	+22.7	+12.3

Cumulative Performance (%) £

31 July 2021	1m	YTD	1yr	3yr	5yr	Since Launch
LTIT NAV	-1.2	+7.6	+21.3	+72.0	+186.1	+1,723.4
LTIT Price	+6.6	+11.7	+43.6	+53.4	+137.1	+2,120.4
MSCI World Index £	+1.1	+13.1	+27.5	+41.6	+86.2	+286.3

Source: Lindsell Train Limited, Bloomberg and Morningstar Direct. Listed securities in the portfolio are valued at the closing bid price. GBP return net of fees and expenses with dividends reinvested. Past performance is not a guide to future performance.

Fund Information

Listing	London Stock Exchange
Launch Date	22 January 2001
Base Currency	GBP (£)
Year End	31 March
Benchmark*	MSCI World Index (£)
ISIN	GB0031977944
Bloomberg	LTI LN
AIC Sector	Global

*Previous to 1 April 2021, the benchmark was the annual average running yield of the longest-dated UK government fixed rate bond, plus a premium of 0.5%, subject to a minimum yield of 4%.

Market Capitalisation

£324m

Share Price

£1,620.00

Net Asset Value per share

£1,296.27

Premium (Discount)

24.97%

Source: Lindsell Train Limited/ Frostrow Capital LLP & Bloomberg. Share Price is based on closing mid price.

Fund Profile

The portfolio is concentrated, with the number of equity investments averaging 15.

Investment Manager

Nick Train

Investment Manager & Promoter

Lindsell Train Limited,
66 Buckingham Gate,
London,
SW1E 6AU

Tel: +44 (0) 20 7808 1210
info@lindselltrain.com

Top 10 Holdings (%NAV)

Lindsell Train Limited	45.96
PayPal	7.44
LF Lindsell Train North American Equity Fund	6.95
London Stock Exchange Group	6.78
Nintendo	5.84
Diageo	5.79
Unilever	3.55
RELX	2.96
A.G. Barr	2.80
Mondelez	2.63

Allocation (%NAV)

Equities:	
Consumer Franchises	18.1
Financials	6.8
Media	17.1
Unlisted Securities	46.0
Funds	8.4
Cash & Equivalent	3.6
Total	100.0

Lindsell Train sector definitions

Fund Exposure (% NAV)

	Equity	Funds	Cash	Total
UK	68.7	8.4	3.6	80.7
USA	10.1	-	0.0	10.1
Europe (ex UK)	3.4	-	0.0	3.4
Japan	5.8	-	0.0	5.8
Total	88.0	8.4	3.6	100.0

Fee Information

Annual Fee	Performance Fee
0.60% of the lower of the company's market capitalisation or NAV calculated daily.	10% of the value of any positive relative performance versus the benchmark in a financial year. Relative performance is measured by taking the lower of the NAV or Average Market Price (defined as the average price over the last month of the performance period), taking into account dividends, at the end of each financial year and comparing the percentage annual change with the total return of the benchmark. A performance fee will only be paid out if the annual change is both above the benchmark and is a positive figure. For further information, please contact Frostrow Capital LLP.

Corporate Secretary & Registered Office

Frostrow Capital LLP
25 Southampton Buildings,
London, WC2A 1AL

Tel: +44 20 3008 4910

www.frostrow.com
Email: info@frostrow.com

Authorised & Regulated by the FCA

Registrar

Link Group,
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Tel: +44 (0) 371 664 0300

www.linkgroup.eu
Email: enquiries@linkgroup.co.uk

Board of Directors

Julian Cazalet (Chairman)
Nicholas Allan
Vivien Gould
Richard Hughes
Michael Lindsell

Portfolio Manager's Comments

The weakness in the share prices of three of the Trust's four big, quoted holdings - PayPal (-5% over the month), Nintendo (-13%) and the London Stock Exchange (-6%) - set against the continued upward progression of markets resulted in underperformance versus the benchmark. The fourth large holding, Diageo, was up 3%, cementing an impressive 28% return so far this year, buoyed by strong sales of premium spirits to home drinkers despite the closure of bars and restaurants. Now that lockdown is receding and the prospects for the higher margin on-trade side of the business is improving, Diageo should do even better - let's hope that is what the share price is anticipating. There were also encouraging contributions from RELX (up 10%) and AG Barr (up 11%) in response to reassuring half year results.

Although we understand why Nintendo's share price is currently weak, we do think the shares look particularly good value if investors can extend their time horizons beyond the short term. Now that lockdowns are easing, the extraordinary demand for video games will no doubt moderate as people's lives return to normal, resulting in Nintendo's sales and profits probably declining in the short term. This is the cause of the current fall in its price. However, this cyclical nature is captured by Nintendo's current valuation - it is trading on a Bloomberg estimated PE ratio of just 13x and a dividend yield of 4%. Looking beyond the imminent dip in sales and profits, we think the company has sufficient initiatives to drive growth further over the long term. To start, the Switch console has a good number of years of life in it yet. It's probably only halfway through its tenure and, looking ahead, there remains a strong line-up of software titles. Then there is the optionality and potential from the launch of new smartphone games - remember Pokémon Go? - that showcase Nintendo intellectual property ('IP') to huge potential audiences. Over the next two years we will also see the initial attempts by the company to monetise its IP in theme parks as well as through the release of movies and the sales of merchandise. Finally, the company has just begun sales in China, the biggest market for video gamers worldwide. There remains no more valuable owner of entertainment intellectual property in our view.

PayPal's results revealed a loss of high margin revenues from eBay's customers as they switch to alternative in-house payment options. This was always going to happen following eBay's divestiture of PayPal. It was simply a question of when and the evidence is that it's happening now at a faster pace than anticipated. eBay Marketplace transactions are now 4% of total payment volume, down from 9% a year ago, so are of diminishing significance.

Source Data: Lindsell Train Ltd & Bloomberg; as of 31st July 2021.

Note: All stock returns are total returns in local currency.

Set against that is the exceptional growth in PayPal's total payment volumes, rising 40% over the year to \$311bn. Underlying that growth is a 17% rise in active accounts to 403m; a rise in number of merchants on the other side of most transactions to 32m; and a 11% rise in payment transactions per active account. All very encouraging but any, even minor, disappointment understandably clips share price performance if PayPal's earnings growth rate fails to match that expected of it and implied by its return on capital.

Since the London Stock Exchange outlined prospects for the future following end year results and the Refinitiv acquisition, which resulted in a 28% fall in the share price, it has presented to investors twice in the attempt to reassure sceptics that the integration is proceeding to plan. Indeed the latest presentation was this morning, with the announcement of the company's half year results which showed satisfactory performance from all perspectives: revenue growth, synergies, cost control and profitability. The share price has responded, rising 4% as I write. We continue to be encouraged by the quality, breadth and ubiquity of the data and analytics the combined company has at its disposal and think that there are some formidable barriers to entry for any putative competitors, endorsed by an 93% ratio of repeat sales in that division. There is however an overhang of potential sellers arising from the deal - Thomson Reuters and ultimately Blackstone. Thus the proof of successfully integrating and growing the combined company will battle with the overhang that these potential sales represent. The share price may be up today but it still languishes 20% below its peak and trades at a discount to the price of other exchanges and data aggregators.

It is worth noting that the Trust's share price premium to net asset value has since the end of July expanded to above 30%. Some investors believe the value of the premium is attributable to the undervaluation of Lindsell Train Limited ('LTL'). We caution this opinion and think the Trust's board of directors do a good job at valuing the shares given the information at their disposal and their deep knowledge of the company as a longstanding significant minority investor. As the Chairman reiterated in his statement in the recently released annual report, buying shares in the Trust at a premium could lead to a significant loss if stock markets fall and/or LTL's funds under management decline.

Michael Lindsell, 6th August 2021

The top three absolute contributors to the fund's performance in July were RELX, A.G. Barr and LF Lindsell Train North American Equity Fund and the top three detractors to the fund's performance were Nintendo, Lindsell Train Limited and PayPal.

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 The Lindsell Train Investment Trust PLC ("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.

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