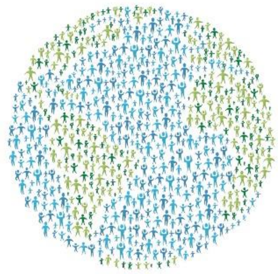
LINDSELL TRAIN



The Lindsell Train Investment Trust plc (LTIT)

ALL DATA AS OF 30 SEPTEMBER 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 (%) £

30 September 2021	1m	YTD	1yr	3yr	5yr	Since Launch
LTIT NAV	-2.7	+4.3	+12.9	+59.7	+160.5	+1666.7
LTIT Price	-10.6	+3.4	+29.9	+34.0	+99.2	+1955.7
MSCI World Index £	-2.2	+14.6	+23.5	+40.1	+83.4	+291.3

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

£292m

Share Price

£1,457.50

Net Asset Value per share

£1,207.39

Premium (Discount)

20.71%

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	47.36
PayPal	7.78
LF Lindsell Train North American Equity Fund	7.43
London Stock Exchange Group	7.25
Diageo	6.28
Nintendo	6.07
Unilever	3.68
RELX	3.23
A.G. Barr	2.70
Mondelez	2.68

Allocation (%NAV)

Equities:	
Consumer Franchises	18.7
Financials	7.2
Media	17.6
Unlisted Securities	47.4
Funds	8.9
Cash & Equivalent	0.2
Total	**100.0**

Lindsell Train sector definitions

Fund Exposure (% NAV)

	Equity	Funds	Cash	Total
UK	71.0	8.9	0.1	**80.0**
USA	10.5	-	0.0	**10.5**
Europe (ex UK)	3.3	-	0.0	**3.3**
Japan	6.1	-	0.1	**6.2**
Total	**90.9**	**8.9**	**0.2**	**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

It's six months into the Trust's fiscal year and performance is struggling to keep up with the benchmark index*. The MSCI World Index in Sterling is up 10.2% but the fund's NAV has only managed a gain of 7.2%. The performance is consistent with other Lindsell Train portfolios where relatively low weightings in pure technology companies have meant that we have not captured the full effect of the biggest driving force behind markets this year. The Trust has only one pure technology holding - PayPal. At least it is a significant position, at 8% of NAV. It's done exceptionally well over the six months, up 10% (and a whopping 129% over the two years to end September), but not so well that the overall portfolio's performance has been able to keep up with the index, that has more than 20% in top performing tech.

What makes PayPal such a good business are the network effects that help build the scale of its platform and make competing with it increasingly difficult, however much technology may change in the future. We like this business model and that is reflected in all our portfolios. Indeed, the Trust has indirect exposure, albeit limited, to other similar types of platform companies - Alphabet and Adobe for instance - through its holding in the Lindsell Train North American Fund. Additionally, it has a number of direct holdings that are not pure technology companies but are exploiting innovative or disruptive technology to make their businesses better, as we expand on below.

The London Stock Exchange ('LSE') is a prime example. It has consistently adopted new technology to increase the functionality and scope of its exchange platforms and has now, with its recent acquisition of Refinitiv, morphed into a company that uses technology, AI in particular, to mine the vast scope of its data and to develop analytics and value-added products for its clients.

RELX as well has embraced digitalisation to offer its academic clients better access and more functionality in much the same way as the LSE is doing with its financial service client base. With its legal data RELX has developed new business lines; and with insurance and financial data, client information is pooled anonymously to enhance its value, allowing RELX to sell the analysis or the tools back to the original client for a value-added fee.

Nintendo uses advances in technology to deliver a better and more immersive entertainment experience to its customers. This is most obviously achieved through hardware advances in successive generations of consoles but also in changes in distribution. Now c.40% of games are downloaded rather than purchased from retailers, with Nintendo keeping the retail margin. Although the characters within the software are a constant, the process of creating and developing the games has also been improved by adopting the latest technology.

A core element of our investment case for Pearson is its ability to use digital technology to make educational and assessment content more relevant to the current generation of students and learners.

Overall, we think that investing in the LSE, RELX, Nintendo and Pearson looks less risky than investing in many pure technology companies, whose core businesses could be upended by unanticipated new tech advances. At least the Trust's collection of tech exploiters have a long heritage and own valued intellectual property amassed over many years which gives them the chance of riding through - or even better taking advantage of - technology changes. In the past these companies have performed similarly to their pure technology cousins but not recently, which gives us encouragement that performance can catch up.

The other main reason for our underperformance has been the poor showing of our consumer franchise holdings, which essentially represent the rest of the quoted portfolio. Diageo is the exception, having rallied strongly this year (up 28%), but Unilever, Mondelez, Heineken, AG Barr and Laurent-Perrier have all languished relatively. For good reason perhaps. It has been especially difficult during the pandemic managing a business around the closure of distribution channels and executing in developing markets, where much of their businesses are exposed, only to then have to deal with volatile input costs as we emerge from the worst. But over time these effects should iron out and so long as the companies continue to earn high returns on capital (and we think they will), share price returns should catch up with the compounded internal rates of return.

Michael Lindsell, 6th October 2021

Source Data: Lindsell Train Ltd & Bloomberg; as of 30th September 2021.
Note: All stock returns are total returns in GBP.

* You may recall that after 20 years of using an absolute return proxy benchmark, from 1 April this year the Trust's benchmark changed to the market-based MSCI World Index in Sterling.

The top three absolute contributors to the fund's performance in September were Nintendo, Diageo and Laurent-Perrier and the top three detractors to the fund's performance were PayPal, London Stock Exchange Group, and AG Barr.

Risk Warning

13 October 2021 LTL 000-256-8