

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Half-year Report for the six months
ended 30 September 2021

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Financial Highlights

Performance comparisons 1 April 2021 – 30 September 2021	Change
Share price total return per Ordinary Share*^	5.6%
Net asset value total return per Ordinary Share*^	5.9%
Benchmark†# (MSCI World Index total return in Sterling)	10.2%
UK RPI Inflation (all items)	3.9%

* The net asset value and the share price at 30 September 2021 have been adjusted to include the ordinary dividend of £47.07 per share and a special dividend of £2.93 per share paid on 14 September 2021, with the associated ex-dividend date of 12 August 2021.

† With effect from 1 April 2021 the Company's performance benchmark is the MSCI World Index total return in Sterling. The Company's performance benchmark to 31 March 2021 was the annual average running yield on the longest-dated UK government fixed rate bond (UK Treasury 1.625% 2071), calculated using weekly data, plus a premium of 0.5%, subject to a minimum yield of 4.0%.

^ Alternative Performance Measure ("APM").

See Glossary of Terms and Alternative Performance Measures beginning on page 24.

Source: Morningstar/Bloomberg

Investment Objective

The objective of the Company is to maximise long-term total returns with a minimum objective to maintain the real purchasing power of Sterling capital.

Investment Policy

The Investment Policy of the Company is to invest:

- in a wide range of financial assets including equities, unlisted equities, bonds, funds, cash and other financial investments globally with no limitations on the markets and sectors in which investment may be made, although there is likely to be a bias towards equities and Sterling assets, consistent with a Sterling-dominated investment objective. The Directors expect that the flexibility implicit in these powers will assist in the achievement of the investment objective
- in Lindsell Train managed fund products, subject to Board approval, up to 25% of its gross assets
- in LTL and to retain a holding, currently 24.21%, in order to benefit from growth of the business of the Company's Investment Manager.

The Company does not envisage changing its objective, its investment policy, or its management for the foreseeable future. The current composition of the portfolio may be changed at any time (excluding investments in LTL and LTL managed funds) at the discretion of the Investment Manager within the confines of the policy stated above.

Diversification

The Company expects to invest in a concentrated portfolio of securities with the number of equity investments averaging fifteen companies. The Company will not make investments for the purpose of exercising control or management and will not invest in securities of or lend to any one company (or other members of its group) more than 15% by value of its gross assets at the time of investment. The Company will not invest more than 15% of gross assets in other closed-ended investment funds.

Gearing

The Directors have discretion to permit borrowings up to 50% of the Net Asset Value. However, the Directors have decided that it is in the Company's best interests not to use gearing. This is in part a reflection of the increasing size and risk associated with the Company's unquoted investment in LTL, but also in response to the additional administrative burden required to adhere to the full scope regime of the Alternative Investment Fund Managers Directive ("AIFMD").

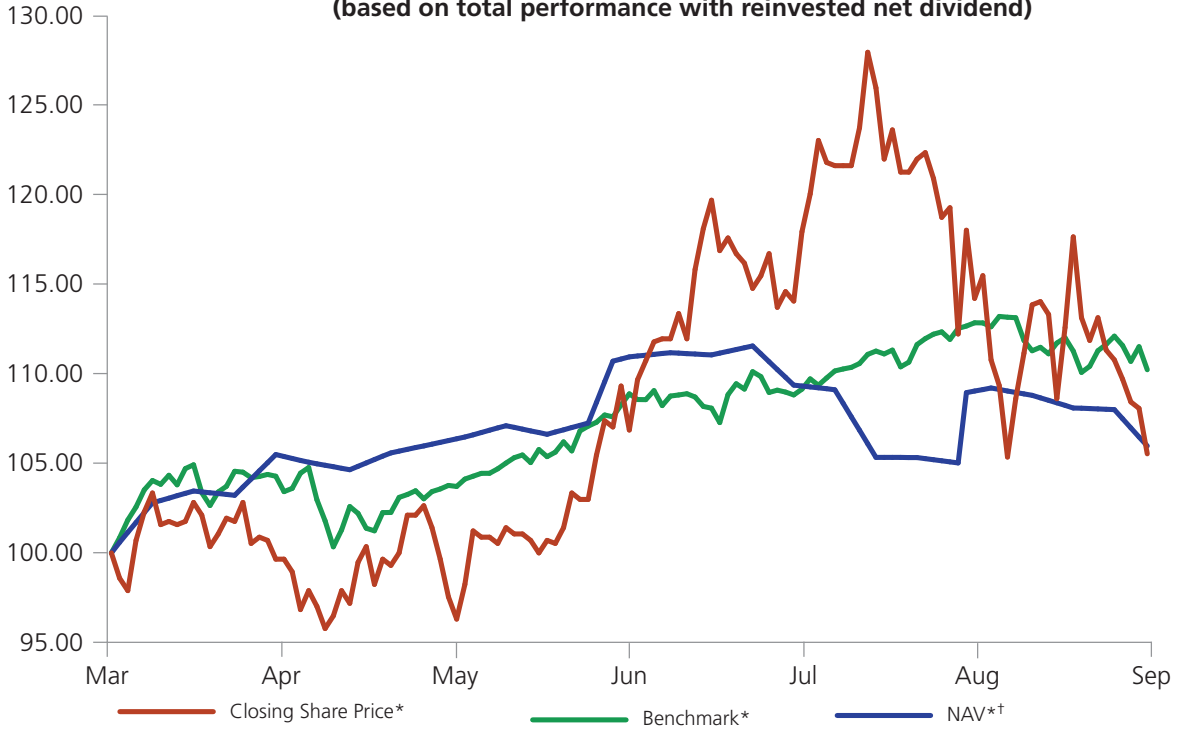
Dividends

The Directors' policy is to pay annual dividends consistent with retaining the maximum permitted earnings in accordance with the investment trust regulations.

The composition of the portfolio as at 30 September 2021, which may be changed at any time at the discretion of the Investment Manager within the confines of the policy stated above, is shown on pages 18 and 19.

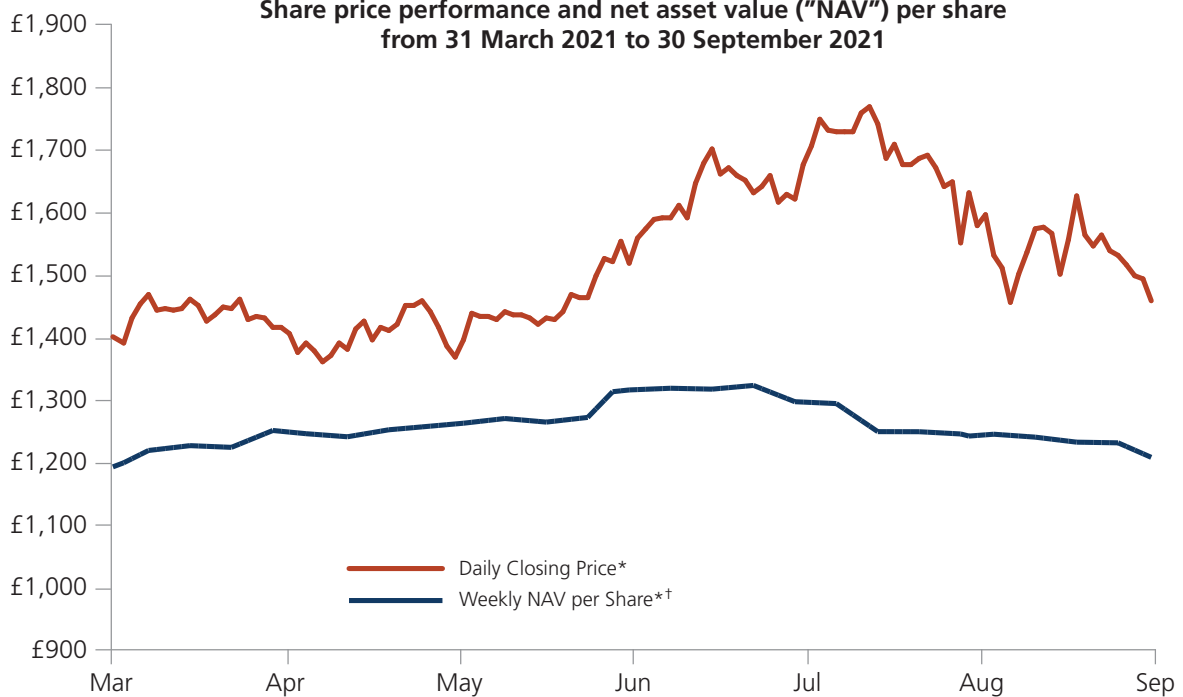
Performance

Share price performance and Net Asset Value ("NAV") compared to the Benchmark from 31 March 2021 to 30 September 2021 (based on total performance with reinvested net dividend)



* Rebased to show the performance per £100 invested.
The closing price is adjusted for the dividends of £50.00 per share which went ex-dividend on 12 August 2021.

Share price performance and net asset value ("NAV") per share from 31 March 2021 to 30 September 2021



* The NAV per share and share price are unadjusted for the payment of the dividend

† Reflects an adjustment made to the weekly published NAVs of £13.31p, from the start of the reporting period to 11 June 2021. This amendment was made in relation to the write back of 50% of the accrued performance fee payable at 31 March 2021.

Chairman's Statement

The Company's net asset value per share ("NAV") increased to £1,207.36 at 30 September 2021 from £1,185.58 at 31 March 2021. The total return over that period was 5.9%, which exceeded the share price total return of 5.6%[^] but lagged the 10.2% rise of the Company's new benchmark, the MSCI World Index in Sterling (instituted on 1 April this year). The Company's underperformance against this index began in April 2020, although the extent of that underperformance has lessened somewhat over the last six months.

The valuation of the Company's unquoted holding in Lindsell Train Limited ("LTL"), the cornerstone holding in the Trust that accounted for 47% of NAV at 30 September 2021, was unchanged from six months ago. As a reminder, the Director's valuation of LTL is based both on its funds under management ("FUM") and its earnings, so it is clear that the business has not reflected the recent performance of world markets.

Indeed, the 3% rise in LTL's FUM over the six months to 30 September 2021 disguises a net outflow of funds of some £743m (3% of FUM on 31 March 2021). Although some LTL clients have used this phase of underperformance as a chance to add to or access a strategy currently out of favour, others have, perhaps understandably, been drawn to alternative approaches that are performing better in the current market environment. Of course, it would be optimal if LTL's approach was all things to all men all the time - but that's a tall order for any investment approach and particularly one as focused and long-term as LTL's. The Board believes however, that if LTL can continue to succeed in identifying businesses that earn consistently high returns on capital, then the strategy should return to outperformance with time.

As we see it, LTL's current underperformance is predominantly because of two factors: not enough exposure to software/platform technology; and no exposure to capital intensive manufacturing, whether that be hardware technology, materials, energy or infrastructure. We would not expect LTL to invest in the latter as it would be contrary to its stated investment approach but we might expect to see more investments in the former if opportunities for establishing an investment at a favorable entry point present themselves. In parallel, a number of shares in the Company's portfolio that had been excellent performers in the past have not done well recently. The London Stock Exchange, Unilever, Heineken Holdings, A.G. Barr and Nintendo have all fallen in value by 20% or more from recent peak prices. The Investment Manager believes the reasons for this weak performance to be short term, related either to disruptions caused by the pandemic or for more company specific reasons. Either way the concerns should unwind over time. There have been no changes to the portfolio and minimal trading. In summary, we are reassured that LTL is sticking firmly to its strategy and the investments that make up the core of its portfolio, despite a tough performance environment for this type of approach.

We are glad to see that LTL continues to invest for the future. In May this year it recruited a new Chief Operating Officer ("COO") designate, Mr Joss Saunders, who has over 18 years of experience in the industry. Mr Saunders is gradually taking over many of the responsibilities currently undertaken by Mr Michael Lim, LTL's COO since the business was set up in 2000. Although Mr Lim will be reducing his commitments, he will remain a director of the company. LTL has plans to further bolster its operational and marketing resource and to add a further recruit at graduate level to the investment team.

[^] Alternative Performance Measure (APM). See Glossary of Terms and Alternative Performance Measures beginning on page 24.

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The Company invested in the Lindsell Train North American Equity Fund at its inception in April 2020. Although one and half years later is too soon to judge performance with any conclusiveness, we are pleased that it has had an encouraging start. The fund's total return is 44.2% (in Sterling) from inception to 30 September 2021, helped obviously by a bull market centered on the USA. 10 of its 24 companies have increased in value by 70%, five have doubled in price and even the worst performer is up 8% (all figures in US\$). There have been no changes at all to the portfolio and not surprisingly there have been minimal cashflows given LTL has had no wish to promote a new fund in its early days. This may change, however, when the fund is opened up to daily dealing in due course, making it more appealing to a wider range of investors and allowing it to be included on investment platforms.

While shareholders experience this ongoing bout of underperformance the Directors take reassurance from the quality of the companies that the Trust owns. Investing in companies earning higher than average returns on capital provides the foundation for cashflows to compound at superior rates of return, which should eventually be reflected in better underlying stock price performance even if that is not the case right now.

Half-year Report and Accounts

As I mentioned earlier in the year, the Company is doing what it can to reduce its carbon footprint and produce cost saving for the Shareholders. As part of this strategy we will not be providing a printed copy of this year's Half-year Report and Accounts. This document is and will continue to be available on the Company's website at www.ltit.co.uk. The Company's Annual Report will continue to be available in a printed copy, and on the Company's website.

Julian Cazalet

Chairman

6 December 2021

Investment Manager's Report

It is important for investors to fish in the right ponds. Particularly if, like us, you intend to hold the resultant catch for long periods. What I mean is that history is a surprisingly reliable guide to which industries tend to house the type of companies that have the chance to meet their owners' long-term aspirations. If you fish in a pond stocked with sleek, drowsy perch, your chances of a satisfactory outcome are better than if you cast your net through a canal full of discarded shopping trolleys.

At an impressionable age I read Gerald Loeb's investment classic – "The Battle for Investment Survival", now written the best part of a century ago. There's much wisdom in the book, but its lasting impression for me is encapsulated in the title. Protecting the long-term value of your savings, after the effects of inflation and tax is no trivial challenge. It is indeed a battle and although taking some risk in battle is unavoidable, you better not take frivolous risks or indulge in what you know is long-term losing behaviour. Because if you do, you run the risk of defeat.

This is why Lindsell Train has persevered fishing in the ponds that history has shown throw up long-term winners and why we have avoided chopping and changing and trading the constituents of our portfolios. There are talented traders out there, but there are more who overestimate their trading chops and end up frittering away precious savings on transaction costs.

Even a cursory examination of your portfolio reveals our industry and company preferences. It is stocked with essentially three types.

We invest in companies blessed with Intellectual Property (or "content") that we know consumers love or corporations can't run their businesses without. The digital age has made such IP even more valuable than it was in the 20th century because access to it has become easier and its utility enhanced, while the profitability of such "capital-lite" data services tends toward the infinite. Key holdings in the portfolio consist of London Stock Exchange, Nintendo, PayPal and RELX and this quartet accounts for the majority of our allocation to quoted companies. We had hoped by now Pearson would have qualified for credible status in this group of digital winners, but its share price signals scepticism about its ability to ever harness the undoubted IP it owns. The holding in Pearson is now less than 0.5% of the portfolio.

We continue to invest in companies that own consumer brands that consumers love or trust. Great fortunes have been made and just as importantly, preserved, for decade after decade in brands that fulfil these criteria. Of course, consumer tastes change. It is possible the Internet is encouraging greater propensity for experimentation by consumers. And there certainly is a secular trend toward consumption of premium and luxury products, at the expense of mass-market, poorly differentiated brands. We know it is important to ensure we are invested in companies whose brands remain relevant and aspirational for consumers. But when we consider the actual brands we own in your portfolio we are sure we own some great ones. Heineken, Mondelez' Cadbury and Oreos, A.G. Barr's IRN-BRU, Laurent-Perrier. There is no sign that consumers are any less enamoured of these products than before; pandemic disruption excepted. Meanwhile, the secular trends driving increased consumption of premium spirits have, if anything, accelerated over Covid-19 and Diageo's business has stepped up a gear too.

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In this category we admit Unilever has suffered a disappointing period as a share price and as a business it has questions to answer about its profitability through a period of rising inflation expectations. On the other hand, Michael Lindsell and I have been around long enough to know that Unilever has always looked boring to trading-oriented investors and that its investment qualities, boring though they may be, are not to be frivolously dismissed. The opportunity in Unilever's shares today can be found in two 40% numbers. First, c.40% of Unilever's revenues now derive from Personal Care products, led by its biggest single brand and growth juggernaut, Dove. Personal Care enjoys secular growth and pricing power. Second, 40% of Unilever's current market capitalisation is accounted for by its c.60% holding in its Indian subsidiary, HindustanLever. This is the biggest consumer product company on the Subcontinent and has already been an incredible growth business, creating billions of pounds of value for Unilever shareholders. The next 20 years could be even better.

A further industry preference has always been for "stock market proxies". Companies that do well when the stock market does well (because we are always optimistic about the outlook for stock markets); often asset management companies, such as Schroders, held in Finsbury Growth & Income Trust PLC or T. Rowe Price, held in the LT North America Fund. In your portfolio, of course, this preference is represented by the holding in Lindsell Train Limited, an unquoted asset manager. To remind you, any changes in this investment would be the responsibility of the independent directors of the Trust, and they monitor the progress and health of the company closely. I will not make flippant or complacent predictions about prospects for Lindsell Train Limited, as we experience arguably the worst period of relative investment performance in our 20-year history. As Gerald Loeb reminds us; we know that winning the investment battle is not easy and takes discipline and seriousness of intent. We assure you, we remain disciplined and serious in our efforts to invest in assets with the potential of protecting or enhancing the real, after-tax purchasing power of your savings.

Nick Train

Lindsell Train Limited

Investment Manager

6 December 2021

Income Statement

	Notes	Six months ended 30 September 2021 Unaudited			Six months ended 30 September 2020 Unaudited		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss		–	7,764	7,764	–	37,519	37,519
Exchange gains on currency		–	2	2	–	29	29
Income	2	7,647	–	7,647	7,135	–	7,135
Investment management fees	3	(675)	–	(675)	(531)	(3,994)	(4,525)
Other expenses	4	(340)	–	(340)	(250)	–	(250)
Net return before finance costs and tax		6,632	7,766	14,398	6,354	33,554	39,908
Interest payable and similar charges		–	–	–	–	–	–
Return before tax		6,632	7,766	14,398	6,354	33,554	39,908
Tax	5	(42)	–	(42)	(31)	–	(31)
Return after tax for the financial period/year		6,590	7,766	14,356	6,323	33,554	39,877
Return per Ordinary Share	6	£32.95	£38.83	£71.78	£31.62	£167.77	£199.39

All revenue and capital items in the above statement derive from continuing operations.

The total columns of this statement represent the profit and loss accounts of the Company. The revenue and capital columns are supplementary to this and are prepared under the guidance published by the Association of Investment Companies.

The Company does not have any other recognised gains or losses. The net return for the period disclosed above represents the Company's total comprehensive income.

No operations were acquired or discontinued during the period.

Statement of Changes in Equity

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the six months ended					
30 September 2021 (unaudited)					
At 31 March 2021	150	19,850	198,066	19,050	237,116
Return after tax for the financial period	–	–	7,766	6,590	14,356
Dividends paid	–	–	–	(10,000)	(10,000)
At 30 September 2021	150	19,850	205,832	15,640	241,472

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the six months ended					
30 September 2020 (unaudited)					
At 31 March 2020	150	19,850	155,482	15,848	191,330
Return after tax for the financial period	–	–	33,554	6,323	39,877
Dividends paid	–	–	–	(8,800)	(8,800)
At 30 September 2020	150	19,850	189,036	13,371	222,407

Statement of Financial Position

	Note	30 September 2021 Unaudited £'000	31 March 2021 Audited £'000
Fixed assets			
Investments held at fair value through profit or loss		<u>241,010</u>	<u>233,893</u>
Current assets			
Other receivables		453	561
Cash at bank		<u>213</u>	<u>5,541</u>
		666	6,102
Creditors: amounts falling due within one year			
Other payables		<u>(204)</u>	<u>(2,879)</u>
		(204)	(2,879)
Net current assets		<u>462</u>	<u>3,223</u>
Net assets		<u>241,472</u>	<u>237,116</u>
Capital and reserves			
Called up share capital		150	150
Special reserve		<u>19,850</u>	<u>19,850</u>
		20,000	20,000
Capital reserve		205,832	198,066
Revenue reserve		<u>15,640</u>	<u>19,050</u>
Total shareholders' funds		<u>241,472</u>	<u>237,116</u>
Net asset value per Ordinary Share	7	£1,207.36	£1,185.58

Cash Flow Statement

	Six months ended 30 September 2021 Unaudited £'000	Six months ended 30 September 2020 Unaudited £'000
Net return before finance costs and tax	14,398	39,908
Gains on investments held at fair value	(7,764)	(37,519)
Gains on exchange movements	(2)	(29)
(Increase)/decrease in other receivables	(5)	14
Decrease in accrued income	120	94
(Decrease)/increase in other payables	(2,675)	3,992
Taxation on investment income	(49)	(35)
Net cash inflow from operating activities	4,023	6,425
Purchase of investments held at fair value	(47)	(12,500)
Sale of investments held at fair value	694	9,527
Net cash inflow/(outflow) from investing activities	647	(2,973)
Equity dividends paid	(10,000)	(8,800)
Net cash outflow from financing activities	(10,000)	(8,800)
Decrease in cash and cash equivalents	(5,330)	(5,348)
Cash and cash equivalents at beginning of period	5,541	5,390
Gains on exchange movements	2	29
Cash and cash equivalents at end of period	213	71

Notes to the Financial Statements

1 Accounting policies

The financial statements of the Company have been prepared under the historical cost convention modified to include the revaluation of investments and in accordance with FRS 104 "Interim Financial Reporting" and with the Statement of Recommended Practice ("SORP") "Financial Statements of Investment Trust Companies and Venture Capital Trusts", issued by the Association of Investment Companies dated April 2021 and the Companies Act 2006.

The accounting policies followed in this Half-year Report are consistent with the policies adopted in the audited financial statements for the year ended 31 March 2021.

2 Income

	Six months ended 30 September 2021 Unaudited £'000	Six months ended 30 September 2020 Unaudited £'000
Income from investments		
Overseas dividends	369	278
UK dividends		
– Lindsell Train Limited	6,476	6,121
– Other UK dividends	802	736
	<u>7,647</u>	<u>7,135</u>

3 Investment management fees

	Six months ended 30 September 2021 Unaudited £'000	Six months ended 30 September 2020 Unaudited £'000
Investment management fee	754	562
Manager's performance fee – charged to capital	–	3,994*
Rebate of investment management fee	(79)	(31)
Total management fee	<u>675</u>	<u>4,525</u>

* Accrued amount to 30 September 2020.

Notes to the Financial Statements continued

4 Other expenses

	Six months ended 30 September 2021 Unaudited £'000	Six months ended 30 September 2020 Unaudited £'000
Directors' emoluments	58	67
Administration fee – Maitland	–	40
Administration – Company secretarial fee – Frostrow	109	–
Auditor's remuneration for:		
– audit of the financial statements of the Company	18	19
Tax Compliance fee	2	2
Other*	<u>153</u>	<u>122</u>
	340	250
Capital charges	<u>–</u>	<u>–</u>
	340	250

* Includes registrar's fees, printing fees, marketing fees, safe custody fees, London Stock Exchange/FCA fees, Key Man and Directors' and Officers' liability insurance, Employer's National Insurance and legal fees.

5 Effective rate of tax

The effective rate of tax reported in the revenue column of the income statement for the six months ended 30 September 2021 is 0.63% (six months ended 30 September 2020: 0.49%), based on revenue profit before tax of £6,632,000 (six months ended 30 September 2020: £6,354,000). This differs from the standard rate of tax, 19% (six months ended 30 September 2020: 19%) as a result of revenue not taxable for Corporation Tax purposes.

Notes to the Financial Statements continued

6 Total return per Ordinary Share

	Six months ended 30 September 2021 Unaudited	Six months ended 30 September 2020 Unaudited
Total return	£14,356,000	£39,877,000
Weighted average number of Ordinary Shares in issue during the period	<u>200,000</u>	<u>200,000</u>
Total return per Ordinary Share	<u>£71.78</u>	<u>£199.39</u>

The total return per Ordinary Share detailed above can be further analysed between revenue and capital, as below:

Revenue return per Ordinary Share

Revenue return	£6,590,000	£6,323,000
Weighted average number of Ordinary Shares in issue during the period	<u>200,000</u>	<u>200,000</u>
Revenue return per Ordinary Share	<u>£32.95</u>	<u>£31.62</u>

Capital return per Ordinary Share

Capital return	£7,766,000	£33,554,000
Weighted average number of Ordinary Shares in issue during the period	<u>200,000</u>	<u>200,000</u>
Capital return per Ordinary Share	<u>£38.83</u>	<u>£167.77</u>

7 Net asset value per Ordinary Share

	Six months ended 30 September 2021 Unaudited	Year ended 31 March 2021 Audited
Net assets attributable Ordinary Shares in issue at the period/year end	<u>£241,472,000</u>	<u>£237,116,000</u>
Net asset value per Ordinary Share	<u>£1,207.36</u>	<u>£1,185.58</u>

8 Valuation of financial instruments

The Company's investments and derivative financial instruments as disclosed in the Statement of Financial Position are valued at fair value.

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 – The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 – Inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

Notes to the Financial Statements *continued***8 Valuation of financial instruments (continued)**

The tables below set out fair value measurements of financial instruments as at the year end by the level in the fair value hierarchy into which the fair value measurement is categorised.

Financial assets/liabilities at fair value through profit or loss

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 30 September 2021				
Investments	<u>108,719</u>	<u>17,935</u>	<u>114,356</u>	<u>241,010</u>
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 31 March 2021				
Investments	<u>103,969</u>	<u>15,686</u>	<u>114,238</u>	<u>233,893</u>

Note: Within the above tables, the entirety of level 1 comprises all the Company's ordinary investments, level 2 represents the investment in LF Lindsell Train North American Equity Fund and level 3 represents the investment in LTL.

The valuation of the investment in LTL derives from a formula created after taking advice from an expert in the sector and was formally reviewed in March 2018 and again in March 2020 by professional advisors. The formula uses a simple average of two different components:

- 1.5% of LTL's most recent funds under management; and
- LTL's net earnings (adjusted for a notional increase in staff costs to 45% of revenues excluding performance fees) calculated with reference to LTL's most recent end month's FUM, divided by the annual average running yield on the longest dated UK government fixed rate bond (1.244% as at 31 October 2021), subject to a minimum yield of 4% plus an equity risk premium of 4.5%.

The valuation of LF Lindsell Train North American Equity Fund was based on the net asset value of the Fund. The net asset value of the Fund was calculated on a weekly basis and is priced in sterling. The Board reserves the right to vary its valuation methodologies at its discretion.

9 Sections 1158/1159 of the Corporation Tax Act 2010

It is the intention of the Directors to conduct the affairs of the Company so that the Company satisfies the conditions for approval as an Investment Trust Company set out in Sections 1158/1159 of the Corporation Tax Act 2010.

Interim Management Report

The Directors are required to provide an Interim Management Report in accordance with the UK Listing Authority's Disclosure and Transparency Rules. They consider that the Chairman's Statement and the Investment Manager's Report, the following statements and the Directors' Responsibility Statement below together constitute the Interim Management Report for the Company for the six months ended 30 September 2021.

Principal Risks and Uncertainties

The Directors continue to review the key risk register for the Company which identifies the risks that the Company is exposed to, the controls in place and the actions being taken to mitigate them. This is set against the backdrop of increased risk levels within the global economy since the beginning of 2020 as a result of the disruptive impact and continuing uncertainty created by the Covid-19 pandemic. The Directors have considered the impact of the continued uncertainty on the Company's financial position and, based on the information available to them at the date of this report, have concluded that no adjustments are required to the accounts as at 30 September 2021.

A review of the half-year and the outlook for the Company can be found in the Chairman's Statement and in the Investment Manager's Review. The principal risks and uncertainties faced by the Company include the following:

- The share price total return differs materially from the NAV per share.
- The reduction of the Company's dividend.
- The departure of a key individual at the Investment Manager.
- The concentration of the investment portfolio leads to an investment return that is materially lower than the Company's benchmark or the investment in LTL becomes an even greater proportion of the overall value of the Company's portfolio.
- The investment objective of existing Shareholders no longer coincides with the investment objective of the Company.
- Adverse reputational news relating to one or more of the Company's key service providers.
- Fraud.
- Exposure to credit/market risk.
- The Company fails to comply with its legal requirement with any applicable regulations or the regulatory environment in which the Company operates changes, affecting its modus operandi.
- The Company's valuation of its investment in LTL is materially misstated.
- The growth of retail platforms has a detrimental effect on shareholder engagement.

Information on these risks is given in the annual report for the year ended 31 March 2021.

The Board believes that the Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remaining six months of the Company's financial year.

Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Going Concern

The Directors believe, having considered the Company's investment objective, risk management policies, capital management policies and procedures, and the nature of the portfolio and the expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future, and, more specifically, that there are no material uncertainties relating to the Company that would prevent its ability to continue in such operational existence for at least twelve months from the date of the approval of this Half-year financial report. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the financial statements. In reviewing the position as at the date of this report, the Board has considered the guidance on this matter issued by the Financial Reporting Council.

As part of their assessment, the Directors have given careful consideration to the consequences for the Company resulting from the continuing uncertainty and disruptive impact on the global economy created by the Covid-19 pandemic. As previously reported, stress testing was also carried out in April 2021 to establish the impact of a significant and prolonged decline in the Company's performance and prospects. This included a range of plausible downside scenarios such as reviewing the effects of substantial falls in investment values and the impact of the Company's ongoing charges ratio.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

- (i) the condensed set of financial statements contained within the Half-year Report have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice standards; and
- (ii) the interim management report includes a true and fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year;
 - (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and
 - (c) any changes in the related party transactions described in the last annual report that could do so.

The Half-year Report has not been audited by the Company's auditors.

This Half-year Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the date of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

For and on behalf of the Board

Julian Cazalet

Chairman

6 December 2021

Portfolio Holdings at 30 September 2021

(All ordinary shares unless otherwise stated)

Holding	Security	Fair value £'000	% of net assets	Look-through basis: % of total assets†
6,450	Lindsell Train Limited	114,356	47.36%	47.36%
97,400	PayPal	18,789	7.78%	8.24%
12,500,000	LF Lindsell Train North American Equity Fund	17,935	7.43%	0.00%
235,000	London Stock Exchange	17,503	7.25%	7.38%
420,500	Diageo	15,161	6.28%	6.46%
41,000	Nintendo	14,668	6.07%	6.07%
222,000	Unilever	8,891	3.68%	3.81%
363,000	RELX	7,793	3.23%	3.40%
1,263,393	A.G. Barr	6,532	2.71%	2.72%
150,000	Mondelez International	6,468	2.68%	3.02%
89,000	Heineken	5,753	2.38%	2.45%
420,000	Finsbury Growth & Income Trust PLC	3,675	1.52%	0.00%
28,093	Laurent Perrier	2,347	0.97%	0.97%
160,000	Pearson	1,139	0.47%	0.48%
	<i>The Lindsell Train Investment Trust plc Indirect Holdings</i>	–	–	7.40%
	Total Investments	241,010	99.81%	99.76%
	Net current Assets	462	0.19%	0.24%
	Net Assets	241,472	100.00%	100.00%

† Look-through basis: This adjusts the percentages held in each security upwards by the amount held in LTL managed funds and adjusts the fund's holdings downwards to account for the overlap. It provides Shareholders with a measure of stock specific risk by amalgamating the direct holdings of the Company with the indirect holdings held within the LTL funds.

Leverage

We detail below the balance sheet positions of the Funds managed by LTL as at 30 September 2021:

Fund	Net equity exposure
LF Lindsell Train North American Equity Acc	99.27%
Finsbury Growth & Income Trust PLC	100.33%

Analysis of Investment Portfolio at 30 September 2021

Breakdown by location of listing

(look-through basis)^

	30 September 2021	31 March 2021
Japan	6%	7%
Europe excluding UK	4%	4%
UK*	72%	72%
USA	18%	17%
Emerging	0%	0%
Cash and equivalents	0%	0%
	<u>100%</u>	<u>100%</u>

Breakdown by location of underlying company revenues

(look-through basis)^

Japan	3%	3%
Europe excluding UK	31%	31%
UK	31%	32%
USA	24%	24%
Emerging	11%	10%
	<u>100%</u>	<u>100%</u>

Breakdown by sector

(look-through basis)^

Consumer staples	21%	20%
Communication services	8%	9%
Industrials	4%	4%
Financials*	56%	57%
Information Technology	10%	9%
Consumer Discretionary	1%	1%
Healthcare	0%	0%
Cash and equivalents	0%	0%
	<u>100%</u>	<u>100%</u>

^ Look-through basis: This adjusts the percentages held in each asset class, country or currency by the amount held by LTL managed funds. It provides Shareholders with a more accurate measure of country and currency exposure by aggregating the direct holdings of the Company with the indirect holdings held by the LTL funds.

* LTL accounts for 47.36 percentage points and is not listed.

Appendix 1

Half-year review of Lindsell Train Limited (“LTL”) the Investment Manager of The Lindsell Train Investment Trust plc (“LTIT”) as at 31 July 2021

Funds under Management

	Jul 2021	Jan 2021	Jul 2020
FUM by Strategy:	£m	£m	£m
UK	9,483	9,121	8,799
Global	13,900	12,637	11,438
Japan	887	1,020	914
North America	28	24	–
Total	24,298	22,802	21,151

Largest Client Accounts

	Jul 2021	Jan 2021	Jul 2020
	% of FUM	% of FUM	% of FUM
Largest Pooled Fund Asset	37%	36%	36%
Largest Segregated Account	9%	8%	8%

Financials

	Jul 2021	Jul 2020	%
	£’000	£’000	Change
Profit & Loss			
Fee Revenue			
Investment Management Fee	60,539	52,260	16%
Performance Fee	2,662	–	
Bank interest	4	112	
	63,205	52,372	
Staff Costs*	(20,700)	(15,165)	36%
Fixed Overheads	(2,207)	(2,453)	(10%)
FX Currency Translation (loss)/Gain	(563)	422	
Investment Gain	1,154	459	
Operating profit	40,889	35,635	15%
Taxation	(7,919)	(6,771)	
Net Profit	32,970	28,864	14%
Dividends	(26,751)	(25,260)	
Retained profit	6,219	3,604	
Capital & Reserves			
Called up Share Capital	266	266	
Treasury Shares	(132)	(625)	
Profit and Loss Account	86,632	70,073	
Shareholders Funds	86,766	69,714	
Balance Sheet			
Fixed Assets	185	224	
Investments	7,153	5,459	
Current Assets (inc cash at bank)	88,728	68,997	
Liabilities	(9,300)	(4,966)	
Net Assets	86,766	69,714	

* Staff costs include permanent staff remuneration, social security, temporary apprentice levy, introduction fees and other staff related costs. No more than 25% of fees (other than LTIT) can be paid as permanent staff remuneration.

THE LINDSELL TRAIN INVESTMENT TRUST PLC

Five Year History

	Jul 2021	Jul 2020	Jul 2019	Jul 2018	Jul 2017
Operating Profit Margin	65%	68%	65%	62%	58%
Earnings per share (£)*	1,237	1,084	1,054	717	493
Dividends per share (£)*	1,004	949	776	525	390
Total Staff Cost as % of Revenue	33%	29%	33%	36%	38%
Opening FUM (£m)	21,151	22,563	15,304	11,326	8,045
Changes in FUM (£m)	3,147	-1,412	7,259	3,978	3,281
– of market movement	3,040	-1,385	4,568	2,044	1,530
– of net new fund inflows	106	-27	2,691	1,934	1,751
Closing FUM (£m)	24,298	21,151	22,563	15,304	11,326
LTL Open ended funds as % of total	73%	72%	75%	72%	64%

Client Relationships

– Pooled funds	5	5	4	4	4
– Separate accounts	19	20	17	17	15

Ownership

	Jul 2021	Jan 2021	Jul 2020	Jan 2020	Jul 2019
Michael Lindsell & spouse	9,650	9,650	9,650	9,650	9,650
Nick Train & spouse	9,650	9,650	9,650	9,650	9,650
The Lindsell Train Investment Trust plc	6,450	6,450	6,450	6,450	6,450
Other Directors/employees	899	875	871	910	910
	<u>26,649</u>	<u>26,625</u>	<u>26,621</u>	<u>26,660</u>	<u>26,660</u>
Treasury Shares	11	35	39	–	–
Total Shares	<u><u>26,660</u></u>	<u><u>26,660</u></u>	<u><u>26,660</u></u>	<u><u>26,660</u></u>	<u><u>26,660</u></u>

Board of Directors

Nick Train	Chairman and Portfolio Manager
Michael Lindsell	Chief Executive and Portfolio Manager
Michael Lim	Chief Operating Officer
Keith Wilson	Head of Client Servicing and Marketing
Jane Orr	Director of Marketing
James Alexandroff	Non-Executive Director
Julian Bartlett	Non-Executive Director

Employees

	Jul 2021	Jan 2021	Jul 2020	Jan 2020	Jul 2019
Investment Team (inc. 3 Portfolio Managers)	6	6	6	6	6
Client Servicing & Marketing	6	6	6	6	5
Operations & Compliance	8	7	8	8	8
Non-Executive directors	2	2	2	1	1
	<u>22</u>	<u>21</u>	<u>22</u>	<u>21</u>	<u>20</u>

Appendix 2

LTIT Directors' Valuation of LTL (unaudited)

	Sept 2021 £'000	Sept 2020 £'000
Funds under Management ex LTIT	<u>23,650,721</u>	<u>21,886,374</u>
<i>Valuation of LTL based on 1.5% of FUM (A)</i>	<u>354,761</u>	<u>328,296</u>
Revenue ex performance fee	120,675*	111,676**
Notional Staff costs (45%)	(54,304)	(50,254)
Interest Income	9*	69**
Operating Costs	(4,447)*	(4,728)**
Notional tax	<u>(11,767)</u>	<u>(10,785)</u>
Notional post tax earnings	<u>50,166</u>	<u>45,978</u>
Benchmark†	4.0%	4.0%
Equity Risk Premium	4.5%	4.5%
Total yield+ premium (discount rate)	<u>8.5%</u>	<u>8.5%</u>
<i>Valuation of LTL based on earnings (B)</i>	<u>590,190</u>	<u>540,951</u>
Valuation of LTL (A+B)/2 (C)	<u>472,476</u>	<u>434,605</u>
Number of shares in issue (D)	<u>26,649</u>	<u>26,621</u>
Valuation per share in LTL (C/D)	<u><u>£17,730</u></u>	<u><u>£16,326</u></u>

* Revenues based on 30 September 2021 LTL FUM multiplied by LTL's average fee rate for the six months to 31 August 2021 and interest income and operating costs based on the average of three months to 31 August 2021.

** Revenues based on 30 September 2020 LTL FUM multiplied by LTL's average fee rate for the six months to 31 August 2020 and interest income and operating costs based on the average of three months to 31 August 2020.

† The current yield of the longest-dated UK government fixed rate bond (1.244% as at 31 October 2021), subject to a minimum yield of 4% plus a premium of 4.5%.

Company Information

Directors

Julian Cazalet (Chairman)
Nicholas Allan
Vivien Gould (Senior Independent Director)
Richard Hughes (Chairman of the Audit Committee)
Michael Lindsell

Company Secretary, Administrator and Registered Office

Frostrow Capital LLP
25 Southampton Buildings
London
WC2A 1AL
United Kingdom
Tel: 0203 008 4910
Email: info@frostrow.com

Solicitor

Stephenson Harwood LLP
1 Finsbury Circus
London
EC2M 7SH

Broker

JP Morgan Cazenove Ltd
25 Bank Street
Canary Wharf
London
E14 5JP

Shareholder relations

The Company's Ordinary share price is listed daily in the Financial Times.
For further information visit: www.ltit.co.uk and follow the links.

Individual Savings Account ("ISA")

The Company's shares are eligible to be held in an ISA account subject to HM Revenue & Customs' limits.

Website

The Company's website can be found at: www.ltit.co.uk
Registered in England, No: 4119429

Investment Manager

Lindsell Train Limited
3rd Floor
66 Buckingham Gate
London
SW1E 6AU
Tel: 020 7808 1210
(Authorised and Regulated by the Financial Conduct Authority)

Registrar

Link Group
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Email: enquiries@linkgroup.co.uk
Tel: +44 (0)371 664 0300
Website: www.linkgroup.eu

Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

You can register online to view your holdings using the Share Portal, a service offered by Link Group at www.signalshares.com. The Share Portal is an online service enabling you to quickly and easily access and maintain your shareholding online – reducing the need for paperwork and providing 24 hour access to your shareholding details.

Independent Auditors

PricewaterhouseCoopers LLP
Atria One, 144 Morrison Street
Edinburgh
EH3 8EX

Custodian

Northern Trust Company
50 Bank Street
Canary Wharf
London
E14 5NT

Identification codes

SEDOL: 3197794
ISIN: GB0031977944
BLOOMBERG: LTI LN

Legal Entity Identifier: 213800VMBJH2TCFDZU08

Glossary of Terms and Alternative Performance Measures

Alternative Performance Measure (APM)

An alternative performance measure is a financial measure of historical or future financial performance, financial position or cash flow that is not prescribed by the relevant accounting standards.

Benchmark

With effect from 1 April 2021 the Company's performance benchmark is the MSCI World Index total return in Sterling.

Discount and premium (APM)

If the share price of an investment trust is higher than the Net Asset Value (NAV) per share, the shares are trading at a premium to NAV. In this circumstance the price that an investor pays or receives for a share would be more than the value attributable to it by reference to the underlying assets. The premium is the difference between the share price (based on mid-market share prices) and the NAV, expressed as a percentage of the NAV.

A discount occurs when the share price is below the NAV. Investors would therefore be paying less than the value attributable to the shares by reference to the underlying assets.

A premium or discount is generally the consequence of supply and demand for the shares on the stock market.

The discount or premium is calculated by dividing the difference between the share price and the NAV by the NAV.

	As at 30 September 2021 £	As at 31 March 2021 £
Share Price	1,457.50	1,420.00
Net Asset Value per Share	<u>1,207.36</u>	<u>1,185.58</u>
Premium to Net Asset Value per Share	20.7%	19.8%

MSCI World Index total return in Sterling

The MSCI information (relating to the Benchmark) may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation lost profits) or any other damages. (www.msci.com).

Net asset value (NAV) per Ordinary Share

The NAV is shareholders' funds expressed as an amount per individual share. Equity shareholders' funds are the total value of all the Company's assets, at current market value, having deducted all current and long-term liabilities and any provision for liabilities and charges.

The NAV of the Company is published weekly and at each month end.

THE LINDSELL TRAIN INVESTMENT TRUST PLC

The figures disclosed on page 10 have been calculated as shown below:

	Six months ended 30 September 2021	Year ended 31 March 2021
Net Asset Value (a)	£241,472,000	£237,116,000
Ordinary Shares in issue (b)	<u>200,000</u>	<u>200,000</u>
Net asset value per Ordinary Share (a) ÷ (b)	£1,207.36	£1,185.58

Revenue return per Share

The revenue return per share is the revenue return profit for the period divided by the weighted average number of ordinary shares in issue during the period.

Share price and NAV total return (APM)

This is the return on the share price and NAV taking into account both the rise and fall of share prices and valuations and the dividends paid to shareholders.

Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV total return).

The share price and NAV total return is calculated as the return to shareholders after reinvesting the net dividend in additional shares on the date that the share price goes ex-dividend.

The figures disclosed on pages 2 and 4 have been calculated as shown below:

		Six months ended 30 September 2021	
		LTIT NAV	LTIT Price
NAV/Price at 30 September 2021	a	£1,207.36	£1,457.50
Dividend Adjustment Factor*	b	1.040	1.029
Adjusted closing NAV/Price	c = a x b	£1,255.53	£1,499.52
NAV/Price 31 March 2021	d	£1,185.58	£1,420.00
Total return	[(c/d)-1]*100	5.9%	5.6%

* The dividend adjustment factor is calculated on the assumption that the dividends of £44.00 paid by the Company during the year were reinvested into shares or assets of the Company at the cum income NAV per share/share price, as appropriate, at the ex-dividend date.

LTL total return performance

The total return performance for LTL is calculated as the return after receiving but not reinvesting dividends received over the period.

		Six months ended 30 September 2021	
		LTL valuation	
Valuation at 31 March 2021	a	17,711	
Valuation at 30 September 2021	b	17,730	
Dividends paid during the year	c	1,004	
Total return	[(b-a)+c]/a*100	5.8%	

Disability Act

Copies of this Half-year Report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including braille, audio tape or larger type as appropriate. You can contact the Registrar to the Company, Link Group, which has installed telephones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator; or – for this service please call 0800 731 1888. Specially trained operators are available during normal business hours to answer queries via this service.

Alternatively, if you prefer to go through a 'typetalk' operator (provided by The Royal National Institute for Deaf People) you should dial 18001 from your textphone followed by the number you wish to dial.

Warning to Shareholders – Beware of Share Fraud

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

If you receive unsolicited investment advice or requests:

- Check the Financial Services Register from fca.org.uk to see if the person or firm contacting you is authorised by the FCA
- Call the Financial Conduct Authority ("FCA") on 0800 111 6768 if the firm does not have contact details on the Register or you are told they are out of date
- Search the list of unauthorised firms to avoid at fca.org.uk/scams
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme
- Think about getting independent financial and professional advice

If you are approached by fraudsters please tell the FCA by using the share fraud reporting form at fca.org.uk/scams where you can find out more about investment scams. You can also call the FCA Consumer Helpline on 0800 111 6768. If you have already paid money to share fraudsters you should contact Action Fraud on 0300 123 2040.

