

# LINDSELL TRAIN

## The Lindsell Train Investment Trust (LTIT)

ALL DATA AS OF 30 NOVEMBER 2021

MONTHLY REPORT | FACT SHEET

### 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](http://www.lindselltrain.com).

### Market Capitalisation

£252m

### Share Price

£1,257.50

### Net Asset Value per share

£1,147.19

### Premium (Discount)

9.62%

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

### Current Net Yield

3.98%

Note: Calculation includes both ordinary and special dividend.

### Fund Profile

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

### Investment Manager

Nick Train

### Fund Information

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

\*Prior 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%.

### Calendar Year Performance (%) £

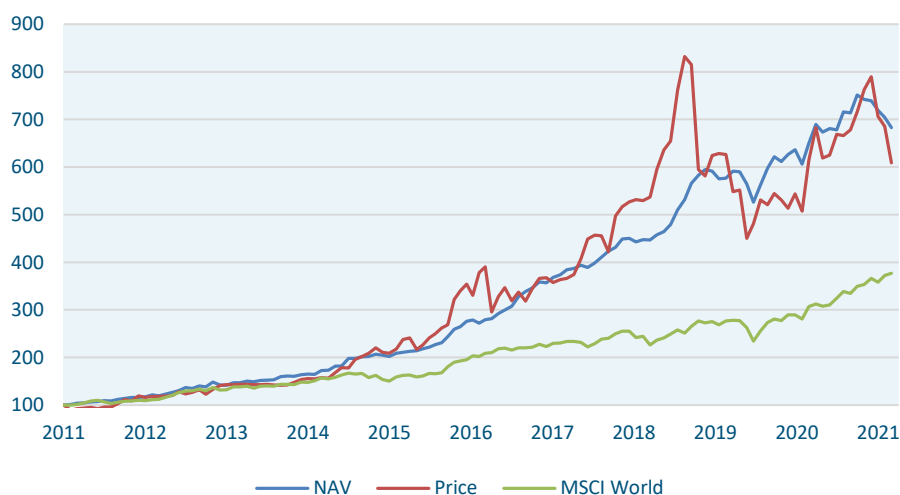
	2016	2017	2018	2019	2020
LTIT NAV	+31.1	+37.6	+16.2	+32.4	+16.5
LTIT Price	+61.9	-6.2	+46.6	+2.1	+24.6
MSCI World Index £	+28.2	+11.8	-3.0	+22.7	+12.3

### Cumulative Performance (%) £

30 November 2021	1m	YTD	1yr	3yr	5yr	Since Launch
LTIT NAV	-3.1	-0.9	+5.1	+52.5	+151.3	+1578.6
LTIT Price	-11.1	-10.8	-0.8	+15.1	+61.1	+1673.6
MSCI World Index £	+1.3	+20.7	+22.9	+54.0	+86.8	+314.6

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.

### Investment Growth over the last 10 years



As of 30th November 2021. Source: Lindsell Train Limited, Bloomberg, Morningstar Direct. GBP total return net of fees and expenses with dividends reinvested. The graph shows NAV per share, Price and MSCI World performance per £100 invested.

Past performance is not a guide to future performance.

**Top 10 Holdings (%NAV)**

Lindsell Train Limited	47.35
LF Lindsell Train North American Equity Fund	8.23
Diageo	6.96
London Stock Exchange Group	6.66
Nintendo	5.96
PayPal	5.93
Unilever	3.73
RELX	3.70
Mondelez	2.91
A.G. Barr	2.90

**Allocation (%NAV)**

<b>Equities:</b>	
Consumer Franchises	20.0
Financials	6.7
Media	16.0
Unlisted Securities	47.4
Funds	9.8
Cash & Equivalent	0.1
<b>Total</b>	<b>100.0</b>

*Lindsell Train sector definitions*

**Fund Exposure (% NAV)**

	Equity	Funds	Cash	Total
UK	71.7	9.8	0.1	81.6
USA	8.8	-	-	8.8
Europe (ex UK)	3.5	-	-	3.5
Japan	6.0	-	0.1	6.1
<b>Total</b>	<b>90.0</b>	<b>9.8</b>	<b>0.2</b>	<b>100.0</b>

**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](mailto: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](mailto:enquiries@linkgroup.co.uk)

**Board of Directors**

Julian Cazalet (Chairman)

Nicholas Allan

Vivien Gould (Senior Independent Director)

Richard Hughes (Chairman of Audit Committee)

Michael Lindsell

## Portfolio Manager's Comments

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The gap between the Trust's NAV total return performance and its new, equity based, benchmark (the MSCI World Index) widened further this month. This means that since the new benchmark was adopted, from 1st April 2021, it has risen by 16.1% but the Trust's NAV total return is only up 0.7%. These are disappointing returns for our shareholders in the short term when held up against the Trust's longer-term absolute and relative performance.

The NAV has been held back most by the recent fall in the price of Lindsell Train Limited (LTL), which accounts for 47% of the Trust's net assets. LTL's funds under management (FUM) have fallen following a year and a half of disappointing relative performance. Should FUM at LTL continue to fall, this of course provides a difficult ongoing background although it is worth bearing in mind that a good part of LTL's total returns in any year comes in dividends paid semi-annually in June and December, which at least means that next month's return will receive a fillip.

The blame for the sub-benchmark performance is not all due to the fall in LTL's valuation. The Trust's quoted holdings have struggled against a market led by technology and cyclical companies. Frustratingly the Trust's sole 'pure' technology company, PayPal, that performed spectacularly in 2020 and early 2021, has faltered lately as some of the extraordinary demand for online payments in lockdown has begun to dissipate. However, we are encouraged by recent updates of improved business performance from a number of our other holdings: Diageo has noted the welcome reopening of bars and clubs, adding to the continued strong demand for premium spirits at home; AG Barr upgraded its expected sales and profits for the full year; Nintendo reported strong recent sales of its Switch console and of its newly released Pokémon games; and RELX continues to grow its business around its data, legal and scientific content assets. So far, only the share prices of Diageo and RELX have acknowledged these more positive readings, with year-to-date performances of 35% and 34% respectively; but we believe there is every chance that the other companies' prices will respond in due course.

Although PayPal may be our only 'pure tech' direct holding, the investment in the Lindsell Train North American Fund has a relatively high look-through exposure to other tech businesses that have helped underpin its performance, up 22% year to date. This, together with its 2020 performance of 23%, has helped it become the second largest position in the Trust, at 8.3% of NAV, after the holding in LTL.

We added a bit to the holding in Laurent-Perrier, which means that it is now just over 1% of NAV.

### ***Michael Lindsell, 15<sup>th</sup> December 2021***

**Source Data:** Lindsell Train Ltd & Bloomberg; as of 30<sup>th</sup> November 2021.

**Note:** All stock returns are total returns in GBP.

The top three absolute contributors to the fund's performance in November were Diageo, Nintendo and AG Barr and the top three detractors to the fund's performance were Lindsell Train Limited, PayPal, and London Stock Exchange Group.

## Risk Warning

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