

LINDSELL TRAIN

The Lindsell Train Investment Trust (LTIT)

ALL DATA AS OF 30 APRIL 2022

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.ltit.co.uk

Market Capitalisation

£244m

Share Price

£1,217.50

Net Asset Value per share

£1,094.87

Premium (Discount)

11.20%

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

Current Net Yield

4.11%

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 Total Return Performance (%) £

	2017	2018	2019	2020	2021
LTIT NAV	+37.6	+16.2	+32.4	+16.5	+3.8
LTIT Price	-6.2	+46.6	+2.1	+24.6	-9.7
MSCI World Index £	+11.8	-3.0	+22.7	+12.3	+22.9

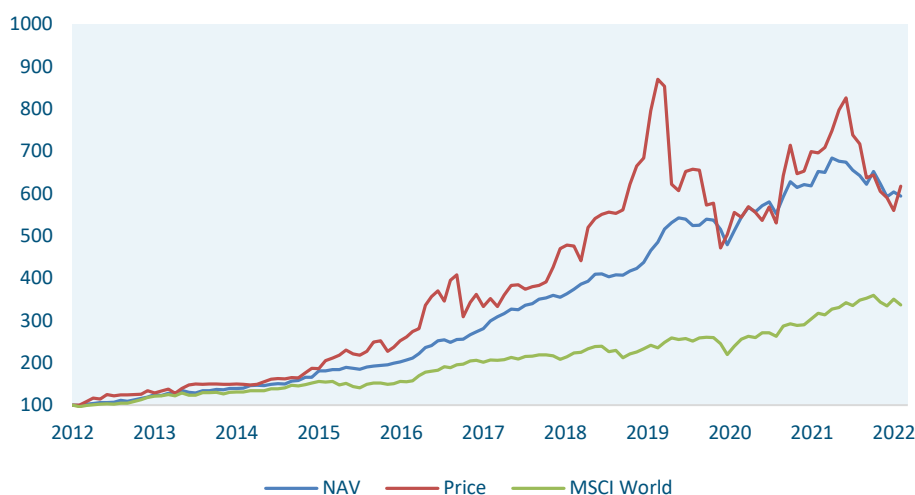
Total Return Performance to 30th April 2022 (%) £

	1m	3m	YTD	1yr	3yr	5yr	10 yr	Since Launch
LTIT NAV	-1.7	-4.6	-9.0	-8.9	+8.5	+16.2	+19.5	+13.9
LTIT Price	+10.2	+1.9	-4.3	-11.5	-8.1	+13.1	+19.9	+14.3
MSCI World Index £	-3.8	-1.9	-6.2	+6.4	+11.8	+10.4	+12.9	+6.7

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. For periods greater than one year, returns are shown annualised.

Past performance is not a guide to future performance.

Investment Growth over the last 10 years



As of 31st March 2022. 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	42.64
London Stock Exchange Group	8.49
LF Lindsell Train North American Equity Fund	7.90
Diageo	7.72
Nintendo	6.88
RELX	3.97
Unilever	3.77
Mondelez	3.51
A.G. Barr	3.35
PayPal	3.11

Allocation (%NAV)

Equities:	
Consumer Franchises	22.2
Financials	8.5
Media	13.9
Unlisted Securities	42.6
Funds	9.5
Cash & Equivalent	3.3
Total	100.0

Lindsell Train sector definitions

Fund Exposure (% NAV)

	Equity	Funds	Cash	Total
UK	69.9	9.5	3.2	82.6
USA	6.6	-	-	6.6
Europe (ex UK)	3.8	-	-	3.8
Japan	6.9	-	0.1	7.0
Total	87.2	9.5	3.3	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.

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

Portfolio Manager's Comments

The five top performers in the portfolio in April were all consumer staples; by order of contribution: Diageo, AG Barr, Unilever, Mondelez and Heineken. These five stocks posted gains of between 4% (Diageo) and 9% (AG Barr) over the month. Except for Diageo each of the quintet had the opportunity to update investors on business performance through the first quarter of 2022. Evidently the updates have been reassuring, although admittedly expectations were low.

I think it worth quoting AG Barr's CEO in its results statement, responding to the concerns now high in many investors' minds. He said: "Like most companies we are facing significant inflationary pressures but we are well placed as a Group to deal with these and will continue to seek to manage our exposure proactively through mitigating actions across revenue management, pricing, procurement and cost control."

I quote it because it is a useful reminder that owners and builders of consumer brands have a variety of means to mitigate input cost inflation, beyond the blunt instrument of price. What is more it stands as a useful summary of the message from all of our reporting companies.

Generally, we think their share prices rose not so much because of the confirmation they offered of "inflation protection" – at least to this juncture -but more so because they were able to point to secular growth opportunities from new markets or new products that promise rising earnings over and above whatever inflation turns out to be.

For instance, Heineken's Q1 revenues were up 25% year-on-year, with volumes up 6% and price and increased sales of premium brands contributing the rest. It is the latter component that is really valuable for investors – selling more premium, higher margin products (already 40% of Heineken's revenue mix). This shift to premium is even more evident for Diageo, of course.

And for Unilever, we thought it encouraging the company highlighted with its Q1 results those revenues of the brands it has acquired since 2017 were up nearly 15% year on year. Unilever has shifted the mix of its portfolio meaningfully since 2017, both by disposal and acquisition, and we can understand why management are so keen to point out their capital allocation has been shrewder than their recent press suggests.

Meanwhile, Mondelez accompanied a set of results that offered 8% revenue growth – 4% price, 4% underlying growth, with news of a \$1.3bn acquisition of a Mexican confectionary business; funded out of its ample cash flows. Suddenly the prospect of steady growth that Mondelez has offered to investors since its listing in 2012 (steady growth it has delivered on) looks more assured than ever.

AG Barr too has growth prospects, with IRN-BRU growing steadily in England and its cocktail mixer business, Funkin, which has quadrupled revenues since acquisition 6 years ago, now contributing c15% of group sales.

There are reasons why Barr, Diageo, Heineken, Mondelez and Unilever have been great long-term investments. Maybe there is more rapid growth elsewhere in global stock markets, perhaps with higher risks attached. But it appears wrong to conclude those reasons have been invalidated.

Nick Train, , 18th May 2022

Source Data: Lindsell Train Ltd & Bloomberg; as of 30th April 2022.

Note: All stock returns are total returns in GBP.

The top three absolute contributors to the fund's performance in April were Diageo, AG Barr and Unilever and the top three absolute detractors to the fund's performance were Lindsell Train Limited, PayPal and Nintendo.

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19 May 2022 10/22 LTL 000-264-7