

# LINDSELL TRAIN

## The Lindsell Train Investment Trust (LTIT)

ALL DATA AS OF 30 APRIL 2023

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](http://www.ltit.co.uk)

### Calendar Year Total Return Performance (%) £

	2018	2019	2020	2021	2022
LTIT NAV	+16.2	+32.4	+16.5	+3.8	-9.4
LTIT Price	+46.6	+2.1	+24.6	-9.7	-13.4
MSCI World Index £	-3.0	+22.7	+12.3	+22.9	-7.8

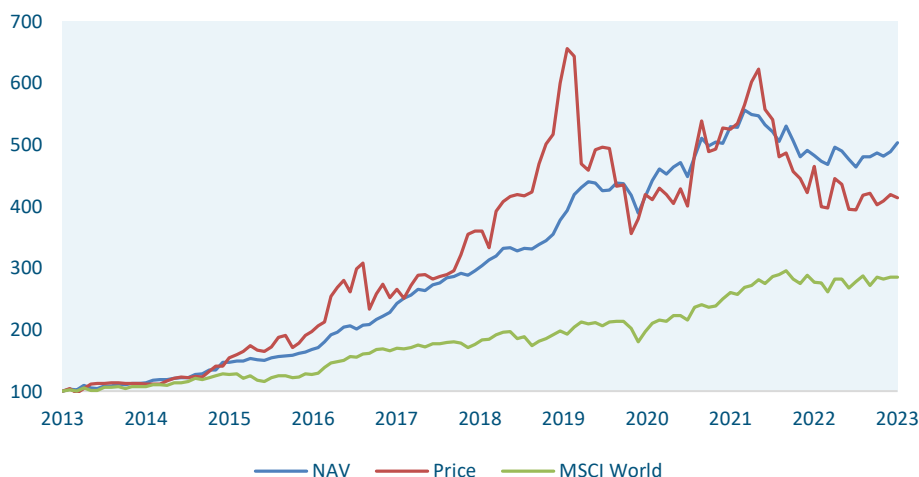
### Total Return Performance to 30th April 2023 (%) £

	1m	3m	YTD	1yr	Annualised			
					3yr	5yr	10yr	Since Launch
LTIT NAV	+3.0	+3.3	+4.7	+4.3	+6.5	+11.3	+17.5	+13.4
LTIT Price	-1.2	+3.0	-1.7	-10.9	-0.4	+2.8	+15.3	+13.0
MSCI World Index £	+0.1	+0.3	+4.9	+3.1	+13.2	+10.1	+11.1	+6.5

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



Past performance is not a guide to future performance.

### Market Capitalisation

£208m

### Share Price

£1,040.00

### Net Asset Value per share

£1,088.14

### Premium (Discount)

(4.42)%

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

### Current Net Yield

5.10%

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	LTIT 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%.

## Top 10 Holdings (% NAV)

Lindsell Train Limited	40.03
London Stock Exchange Group	9.00
LF Lindsell Train North American Equity Fund Acc	8.17
Diageo	7.00
Nintendo	6.29
Unilever	4.52
RELX	4.41
Mondelez	4.21
Heineken Holding	3.12
A.G. Barr	2.92

## Allocation (% NAV)

Equities:	
Consumer Franchises	23.7
Financials	9.0
Media	13.4
Unlisted Securities	40.0
Funds and Trusts	10.0
Cash & Equivalent	3.9
<b>Total</b>	<b>100.0</b>

*Lindsell Train sector definitions*

## Fund Exposure (% NAV)

	Equity	Funds* and Trusts	Cash	Total
UK	67.9	1.8	3.8	73.5
USA	6.9	8.2	-	15.1
Europe (ex UK)	5.1	-	-	5.1
Japan	6.3	-	0.1	6.4
<b>Total</b>	<b>86.2</b>	<b>10.0</b>	<b>3.9</b>	<b>100.0</b>

*\*Exposure of funds are assigned to their investment area*

## 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	Registrar	Board of Directors
<p>Frostrow Capital LLP 25 Southampton Buildings, London, WC2A 1AL</p> <p>Tel: +44 20 3008 4910</p> <p>www.frostrow.com Email: <a href="mailto:info@frostrow.com">info@frostrow.com</a></p> <p><i>Authorised &amp; Regulated by the FCA</i></p>	<p>Link Group, 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL</p> <p>Tel: +44 (0) 371 664 0300</p> <p>www.linkgroup.eu Email: <a href="mailto:enquiries@linkgroup.co.uk">enquiries@linkgroup.co.uk</a></p>	<p>Julian Cazalet (Chairman of the Board and Management Engagement Committee) Nicholas Allan (Chairman of the Nomination Committee) Vivien Gould (Senior Independent Director) Richard Hughes (Chairman of the Audit Committee) Roger Lambert Michael Lindsell Helena Vinnicombe</p>

## Portfolio Manager's Comments

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Mondelez is a 4% holding in the portfolio. If I exclude the stake in Lindsell Train Limited (LTL), which represents c.40% of the whole, the Mondelez holding is over 7% of the listed securities we own on your behalf. In any case, we were pleased to see it hit an all-time share price high in April. Of course, Mondelez was inherited from our previous longstanding investment in Cadbury and when Cadbury was taken over, we chose to retain the shares in the new company. And we are pleased we did so. Mondelez owns a collection of beloved chocolate, biscuit and confectionary brands and watching its recent business and share price performance reminds me of a brilliant investment essay written by one of my colleagues at GT Management back in the early 1980s (I think it was the great Jeremy Hosking). The piece was called: "The Cornflake versus the Computer Chip" and it was written at a time when technology shares were enjoying a roaring bull market, often led by the chipmakers. The piece argued that excitement about emerging technology could sometimes make investors lose sight of the merits of companies with steadier, but reliable prospects – such as cornflake manufacturer Kellogg's. And, indeed, back then speculative tech shares duly suffered one of their regular selloffs, while Kellogg's and its ilk carried on delivering steady returns. Probably, several of the racy chipmakers subsequently disappeared without trace. Back to Mondelez; ten years ago it was trading at c\$30 a share. Today it is above \$77 and has delivered an annualised total return in US dollars of 11.5%; perfectly satisfactory you would think. However, over that same decade tech-heavy NASDAQ did much better, with a 15% pa total return. Over the past five years, though, the tables have turned - Mondelez is annualising at 17% p.a., with NASDAQ 12.5%. Who knows what the next five years will bring? But I note Mondelez has just upgraded its forecast for its earnings growth in 2023 to 10%, partly because of an acceleration of its sales in Emerging markets and its ability to increase the prices of its products, thereby protecting shareholders against the effects of monetary inflation. This amounts to a compelling investment proposition, from a business that is easy to understand. Of course, investing in technology change is important and, potentially, very rewarding. But it is also risky and having some portfolio exposure to assets like Mondelez or Unilever makes sense, we think.

Another holding (or an aspect of a holding) that hit an all-time high in April was the NAV of Finsbury Growth & Income Trust, of which I am the portfolio manager. I am embarrassed to report that the previous NAV and share price high was back in 2019 and that it has taken longer than I care to consider for it to get back to those NAV levels. And Finsbury's share price is still below the 2019 peak, because the Trust was trading at a small premium to NAV back then, compared to a c.5% discount now. Despite this, you will understand why I am pleased to see an improvement in the absolute and relative NAV and share price performance of Finsbury. It is an important client for LTL (which means it is also important to LTIT shareholders, of course) and we remain ambitious to take its NAV and market capitalisation to new highs in the years to come. If we can do so it will be because investment performance has continued to improve. And such an improvement is likely to bode well for all LTL's clients and, hence, its business.

**Nick Train, 19<sup>th</sup> May 2023**

**Source Data:** Lindsell Train Ltd & Bloomberg; as of 30<sup>th</sup> April 2023.

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

The top three absolute contributors to the Fund's performance in April were Lindsell Train Limited, London Stock Exchange Group and Nintendo and the top absolute detractors were PayPal and A.G. Barr.

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