

LINDSELL TRAIN

The Lindsell Train Investment Trust (LTIT)

ALL DATA AS OF 30 SEPTEMBER 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

Market Capitalisation

£177m

Share Price

£886.00

Net Asset Value per share

£968.68

Premium (Discount)

(8.53)%

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

Current Net Yield

5.81%

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
Dividends Payable	September

*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 (%) £

	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

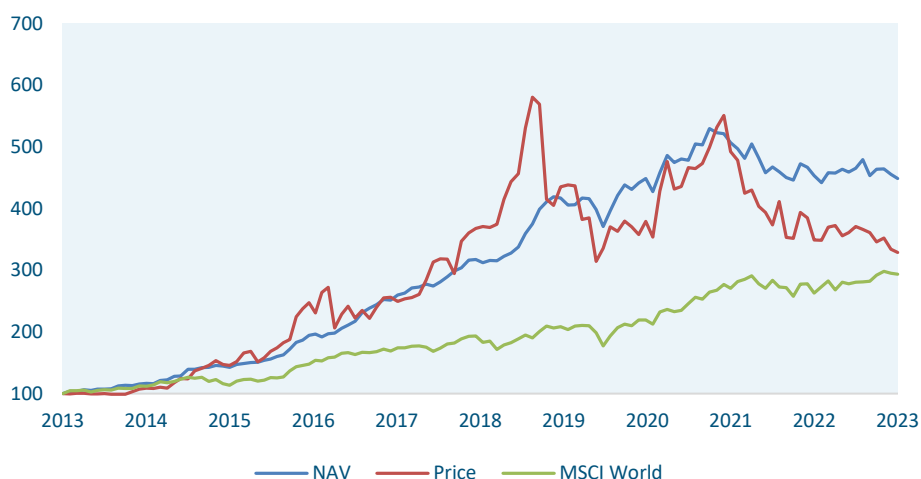
Total Return Performance to 30th September 2023 (%) £

	1m	3m	YTD	1yr	Annualised			
					3yr	5yr	10yr	Since Launch
LTIT NAV	-1.5	-3.3	-2.0	-1.1	0.0	+7.2	+16.1	+12.9
LTIT Price	-1.6	-4.9	-11.7	-5.8	-4.7	-2.2	+12.6	+12.3
MSCI World Index £	-0.7	+0.6	+9.5	+11.5	+10.2	+10.4	+11.4	+6.6

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. 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 30th September 2023. Source: Lindsell Train, 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.

Top 10 Holdings (% NAV)

Lindsell Train Limited	38.59
London Stock Exchange Group	9.99
LF Lindsell Train North American Equity Fund Acc	8.93
Nintendo	7.24
Diageo	6.59
RELX	5.20
Unilever	4.65
Mondelez	4.40
A.G. Barr	3.20
Heineken Holding	2.84

Holdings and allocation subject to change

Fee Information

Annual Fee	Performance Fee
<p>0.60% management fee of the lower of the company's market capitalisation or NAV calculated daily.</p> <p>Ongoing Charges Figure (OCF)* of 0.96%.</p>	<p>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.</p>

*The OCF is a measure of the impact of the costs that are incurred each year for managing your investments and running the Company. The OCF excludes any portfolio transaction costs. It is published in the Key Investor Information Document (KIID) dated 27/09/2023, a copy of the KIID is available from www.ltit.co.uk.

Allocation (% NAV)

Equities:	
Consumer Franchises	23.8
Financials	12.4
Media	12.4
Unlisted Securities	38.6
Funds and Trusts	10.8
Cash & Equivalent	2.0
Total	100.0

Lindsell Train sector definitions

Fund Exposure (% NAV)

	Equity	Funds* and Trusts	Cash	Total
UK	68.2	1.8	1.9	71.9
USA	6.8	8.9	-	15.7
Europe (ex UK)	4.9	-	-	4.9
Japan	7.2	-	0.1	7.3
Total	87.1	10.8	2.0	100.0

*Exposure of funds are assigned to their investment area

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 of the Board and Management Engagement Committee)
Nicholas Allan (Chairman of the Nomination Committee)
Vivien Gould (Senior Independent Director)
Roger Lambert
Michael Lindsell
David MacLellan (Chairman of the Audit Committee)
Helena Vinnicombe

Please refer to Lindsell Train's Glossary of Investment terms [here](#).

Portfolio Manager's Comments

In recent years, the Trust's leading quoted equity holding has fluctuated between Diageo, Nintendo and the London Stock Exchange Group ('LSEG'). We have not added or sold any shares in these positions so the ranking is entirely the result of relative market movements. Currently LSEG wins out at 10% of NAV, thanks in part to how well the shares have held up this year despite the Blackstone Thomson Reuters consortium's continued selling down of its stake in the business, which it took on as part of the sale of Refinitiv in 2021. Following the acquisition, the consortium held a 33.6% shareholding in LSEG and in just two and a half years this has been whittled down to 11% through successive share placings, so should be much less of an overhang to share price performance going forward. Weathering the recent placings, the shares have generated an encouraging total return of 17% year to date.

The Trust's second biggest position Nintendo, at 7.1% of NAV, has also done relatively well, up 15% this year in Yen terms, even though the Switch console is nearing the end of its lifecycle. The promise of a new console brings promise but also uncertainty. Consumers delay purchases, hitting sales and profits in the short term, while investors fret as to whether the new console will be as successful as the last. It's ironic then that the reason for Nintendo's recent robust performance was the company's first quarter results to the end of June, which surpassed market expectations. Sales were up 50% and operating profits 82% compared to last year. The June quarter is usually the slowest of the year for video game hardware and software sales, with the bulk concentrated around the year-end. However, this quarter's release of 'The Legend of Zelda: Tears of the Kingdom', which sold 18.51 million units, significantly boosted hardware sales. The success of The Super Mario Bros. Movie, the company's recent animated theatrical release, also made a meaningful difference, attracting 168.1 million viewers and generating total box office revenue of \$1.35bn in the process – the second highest revenue generated by an animated movie ever. The interest in the movie also helped boost Mario-related video game titles. For instance, Mario Kart 8 Deluxe, Nintendo's top selling title, sold another 1.67 million units over the quarter to record total lifetime sales of 55.46 million units.

In recent years, Nintendo has expounded a strategy of showcasing its intellectual property ('IP') – its characters and its storylines – in other ways than through video games, in order to ultimately promote games sales and enhance the value and popularity of the IP. Its first initiative was to launch mobile games on smartphones. Pokémon Go proved an outstanding success. Lately Nintendo has licensed its IP to theme parks, for merchandise sales and movies. Revenues from these

initiatives made up just 7% of sales over the quarter, up from 3% last year – still a relatively small amount. However, we suspect the margin earned from these licensing deals is very high making the contribution to profits more significant. And then there is the uplift in video game sales from this additional exposure, which is difficult to attribute but could be significant.

This is all particularly pertinent when considering that sales and profits for the company are expected to decline this year thanks to the aging Switch console. To put this into perspective, third quarter profits amount to 41% of forecasted profits for the year. We expect succeeding quarters will revert to type without such emblematic software releases, but this quarter's performance gives an alluring taste of what the success of the company's recently introduced strategy could do to further monetise the company's valuable IP and lessen the volatility over the console succession.

The other holding that has in the past challenged for the top quoted position in the Trust is Diageo, currently 6.7% of NAV. Having navigated the latter stages of Covid and lockdowns successfully, sales growth is moderating as it returns to trend. The share price has fallen by 15% this year and the company's weighting in the Trust has decreased accordingly. Sales of spirits are indeed waning after its Covid-induced bounce. LVMH reported that its wines and spirits division including Moët Hennessey, Diageo's 35% owned affiliate, saw sales down 14% in the last quarter compared to the year before. Diageo still expects that its own sales will be up at least 5% this year to June 2024, but the shares have derated reflecting wider concerns and are now trading at a P/E ratio under 20x and an enterprise value less than 5x sales. There have not been many instances in recent years that the shares have offered such good value.

Michael Lindsell, 17th October 2023

Source Data: Lindsell Train Ltd & Bloomberg; as of 30th September 2023

Note: All stock returns are total returns in local currency unless otherwise specified.

The top three absolute contributors to the Fund's performance in September were RELX, Nintendo and Mondelez, and the top three absolute detractors were Lindsell Train Limited, Diageo and LF Lindsell Train North American Equity Fund Acc.

Important Information

This document is intended for use by Shareholders of the Lindsell Train Investment Trust PLC ("LTIT") and/or professional investors/persons who are authorised by the UK Financial Conduct Authority or those who are permitted to receive such information in the UK. Neither the views nor the information contained within this document constitute investment advice or an offer to invest. Past performance is not a guide to future performance. Investments carry a degree of risk and the value of investments and any income from them may go down as well as up and you may not get back the amount originally invested. Investments may be affected by market or currency fluctuations. All references to benchmarks are for information purposes only. If in doubt, investors should seek advice from a financial advisor prior to investing.

There is no guarantee that the trust will achieve its objective. The Lindsell Train Investment Trust plc is an investment trust company listed on the London Stock Exchange. Investment trusts have the ability to borrow to invest which is commonly referred to as gearing. Companies with higher gearing are subject to higher risks and therefore the investment value may change substantially. The net asset value ("NAV") per share and the performance of an investment trust may not be the same as its market share price per share and performance. All performance data is calculated net of fees with dividends reinvested, unless otherwise stated. LTIT conducts its affairs so that its shares can be recommended by independent financial advisers ("IFAs") to retail private investors. The shares are excluded from the Financial Conduct Authority's ("FCA's") restrictions which apply to non-mainstream investment products because they are shares in a UK-listed investment trust.

The historic dividend yield is not guaranteed and will fluctuate. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities. Tax legislation and the levels of relief from taxation can change at any time. Any change in the tax status of a trust could affect the value of the investments held by the Trust or its ability to provide returns to its investors.

Opinions expressed whether specifically, or in general, or both on the performance of individual securities and in a wider

economic context represent the view of Lindsell Train at the time of preparation. They are subject to change and should not be interpreted as investment advice. Although Lindsell Train Limited considers the information included in this document to be reliable, no warranty is given to its accuracy or completeness. The information provided in this document was captured on the date indicated and therefore is not current. No part of this document may be copied, reproduced or distributed to any other person without prior express written consent from Lindsell Train Limited.

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, noninfringement, 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).

Issued and approved by Lindsell Train Limited (registered office in England & Wales No.03941727). Authorised and regulated in the UK by the Financial Conduct Authority (FRN:194229).

Copyright Lindsell Train Limited 2023.