

LINDSELL TRAIN

The Lindsell Train Investment Trust (LTIT)

ALL DATA AS AT 31 JULY 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.lt.it.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

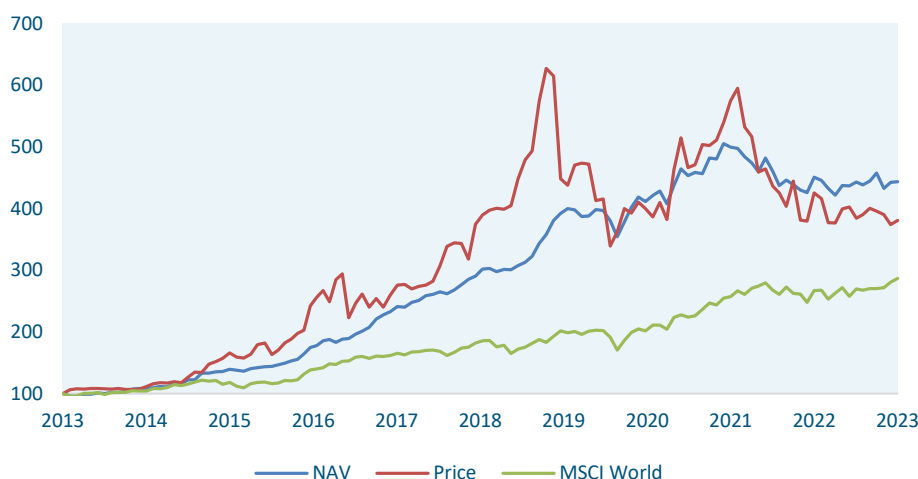
Total Return Performance to 31st July 2023 (%) £

	1m	3m	YTD	1yr	Annualised			
					3yr	5yr	10yr	Since Launch
LTIT NAV	+0.2	-3.1	+1.5	-1.7	+2.5	+8.8	+16.1	+13.1
LTIT Price	+1.8	-3.8	-5.4	-10.5	-1.7	+0.3	+14.3	+12.7
MSCI World Index £	+2.1	+6.0	+11.2	+7.3	+12.4	+9.5	+11.1	+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



Market Capitalisation

£200m

Share Price

£1,000.00

Net Asset Value per share

£1,054.65

Premium (Discount)

(5.18)%

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

Current Net Yield

5.30%

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%.

Top 10 Holdings (% NAV)

Lindsell Train Limited	36.94
London Stock Exchange Group	9.43
LF Lindsell Train North American Equity Fund Acc	8.51
Nintendo	6.85
Diageo	6.77
RELX	4.51
Unilever	4.41
Mondelez	4.10
A.G. Barr	2.82
PayPal	2.72

Holdings and allocation subject to change

Allocation (% NAV)

Equities:	
Consumer Franchises	22.7
Financials	9.4
Media	14.1
Unlisted Securities	36.9
Funds and Trusts	10.3
Cash & Equivalent	6.5
Total	100.0

Lindsell Train sector definitions

Fund Exposure (% NAV)

	Equity	Funds* and Trusts	Cash	Total
UK	64.9	1.8	6.5	73.2
USA	6.8	8.5	-	15.3
Europe (ex UK)	4.6	-	-	4.6
Japan	6.9	-	-	6.9
Total	83.2	10.3	6.5	100.0

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

Fee Information

Annual Fee	Performance Fee
0.60% management fee of the lower of the company's market capitalisation or NAV calculated daily. Ongoing Charges Figure (OCF)* of 0.82%.	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.

*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 01/02/2023, a copy of the KIID is available from www.ltit.co.uk.

Corporate Secretary & Registered Office	Registrar	Board of Directors
Frostrow Capital LLP 25 Southampton Buildings, London, WC2A 1AL Tel: +44 20 3008 4910 www.frostrow.com Email: info@frostrow.com <i>Authorised & Regulated by the FCA</i>	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	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

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

Portfolio Manager's Comments

As the year has progressed, the performance of the Trust's individual quoted holdings has increasingly reflected, with less accentuation, the divergence of performance in the US where a platoon of large capitalisation technology companies – Microsoft, Nvidia, Meta, Alphabet, Apple and Amazon – have accounted for the majority the S&P 500's 21% return (in USD) year-to-date.

London Stock Exchange Group ('LSEG') and RELX are up 20% and 16% respectively in 2023, whilst all of the other quoted holdings are either up or down less than 10% in Sterling terms. As the macroeconomic environment for all companies becomes more challenging with interest rates continuing to rise, it seems that investors are drawn to the perceived assurance of the cashflows of companies operating digital platforms and the growth opportunities presented by the expanding applications of new technologies. Whilst Apple, Amazon, Meta and Alphabet operate consumer platforms, the LSE and RELX manage corporate ones more akin to Microsoft's business model. Indeed, Microsoft has recently teamed up with LSEG to jointly develop products using its wealth of financial data. All of these companies have been exploiting machine learning using their accumulated data sets, and are now perceived to be extending this functionality with the development of products and services based around artificial intelligence ('AI'). During RELX's recent results announcement, when asked about the application of AI, management said it had been exploiting it to help develop analytics for the last 10 years.

In the past when faced with similarly restrictive monetary conditions, investors have often found solace in the reliability of cash flows from consumer franchises backed by trusted brands and market positions with formidable barriers to entry. Their promise of growth was best encapsulated by the promise of increasing worldwide wealth underpinning the expansion of the emerging market middle classes – a future core customer base of these companies. Still today these features remain relevant, and if rising interest rates has the effect of bearing down on corporate profitability generally, investors could turn to these businesses for the sought-after predictability.

Michael Lindsell, 23rd August 2023

Source Data: Lindsell Train Ltd & Bloomberg; as of 31st July 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 July were LF Lindsell Train North American Equity Fund, PayPal and Nintendo and the top three absolute detractors were Heineken, A.G. Barr and Lindsell Train Limited.

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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.

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