LINDSELL TRAIN

The Lindsell Train Investment Trust (LTIT)

ALL DATA AS OF 31 AUGUST 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

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

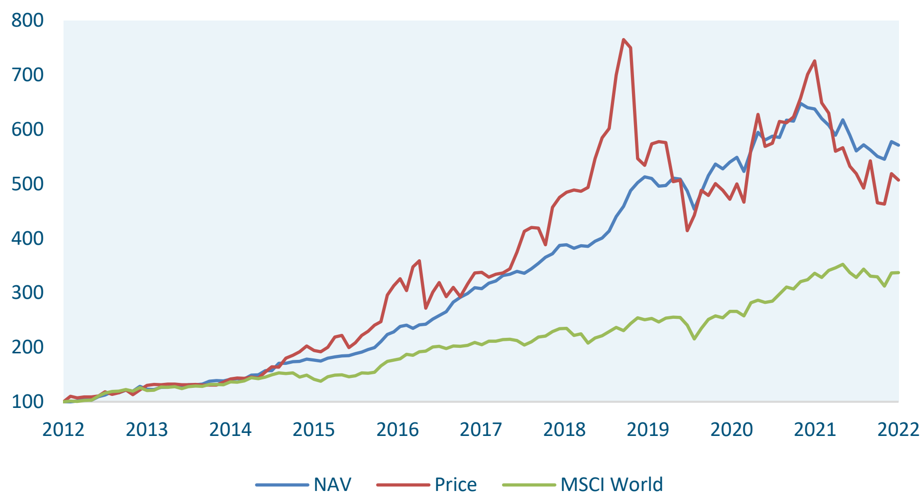
Total Return Performance to 31st August 2022 (%) £

					Annualised			
	1m	3m	YTD	1yr	3yr	5yr	10yr	Since Launch
LTIT NAV	-1.1	+3.7	-7.5	-10.4	+3.7	+13.1	+19.0	+13.7
LTIT Price	-2.2	+9.0	-10.5	-30.1	-1.7	+8.6	+17.6	+13.7
MSCI World Index £	+0.2	+2.3	-4.3	+0.4	+10.4	+10.1	+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 August 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.

Market Capitalisation

£219m

Share Price

£1,092.50

Net Asset Value per share

£1,060.10

Premium (Discount)

3.06%

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

Current Net Yield

4.85%

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%.

Top 10 Holdings (% NAV)

Lindsell Train Limited	42.84
London Stock Exchange Group	8.98
LF Lindsell Train North American Equity Fund Acc	8.34
Diageo	7.47
Nintendo	6.83
Unilever	4.11
RELX	3.87
Mondelez	3.76
PayPal	3.69
A.G. Barr	3.00

Allocation (% NAV)

Equities:	
Consumer Franchises	22.4
Financials	9.0
Media	14.4
Unlisted Securities	42.8
Funds	10.0
Cash & Equivalent	1.4
Total	**100.0**

Lindsell Train sector definitions

Fund Exposure (% NAV)

	Equity	Funds	Cash	Total
UK	70.3	10.0	1.4	**81.7**
USA	7.4	-	-	**7.4**
Europe (ex UK)	4.1	-	-	**4.1**
Japan	6.8	-	-	**6.8**
Total	**88.6**	**10.0**	**1.4**	**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.

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

Portfolio Manager's Comments

A few days ago, a client congratulated us on the very recent performance of our Global Fund. We were grateful for the encouragement but know that it will take more than a few weeks of better relative performance before we start clapping ourselves on the back. Nonetheless, the Global Fund has many holdings in common with your portfolio and its performance is crucial for the business performance of Lindsell Train Limited; so, some discussion here about the structure of the Global portfolio and its prospects is appropriate for this report.

What is noteworthy about the portfolio, we think, is how different it looks from its benchmark. This differentiation is what caused LT Global's disappointing divergence from the index in 2021, but it also has the opposite potential, of course. For instance, few global strategies will have the same weight as us in World Wrestling Entertainment, c5%. WWE is one of our best performing shares in 2022, up 38% and, as the Lex column in the 20/08/22 FT argues, the company may be vulnerable to a takeover. We sincerely hope not, because, to us the c$5bn market capitalisation of WWE is far too low for an entertainment franchise that, for instance, is 7th most visited channel on YouTube (behind three Indian music and three kids' animation sites). Other big LT Global holdings that are actually up in 2022 and unlikely to be widely held by others, or at least not in the same size as us include: London Stock Exchange up 18% (clawing back some of its 2021 losses), Nintendo 9%, Astellas 7%, Juventus 5%, Pepsico 1% to an all-time high, Kao 2% (and up 31% from its lows in March) and Unilever 2%. I wanted to report too that RELX was up 2%, to an all-time high – as it was through to late August. But the end of the month sell-off has left it down 4% year-to-date. Mind you, remember the MSCI is still down 17% to end August. Sir John Templeton's dictum holds here – if you want different investment performance from others, then you need to own different assets from others. And we do.

Or look at the portfolio another way – we hold Disney in LT Global, down a sobering 28% in 2022. But we don't own Netflix, which is still down 63% over the same period. In other words, our preference for businesses with heritage – which was a losing characteristic in 2021 – has begun, perhaps, to fight back. Disney recently announced its total subscriber numbers have now surpassed Netflix' and has also demonstrated the benefit of its diversified business, with theme park attendances back to all-time highs. Which one will do better from here? Perhaps Disney's content heritage, focus on family entertainment and profitable diversification will prevail. We have been quoting Jeremy Siegel (perhaps the leading scholar of US stock market history) recently. One of his typically well-researched conclusions is the following: "Investors have a propensity to overpay for the new, while ignoring the old." In some ways our strategy is an expression of this propensity, as we invest on the assumption that the undervaluation of durable, steadily growing companies will deliver superior returns over time.

If that proposition is to work for us in years to come, we will need our consumer staple holdings to continue to trade well as businesses – demonstrating volume growth and pricing power – and as share prices. The encouraging news so far in 2022 is that our staples are indeed trading well. Brown Forman, Diageo, Heineken, Mondelez, Pepsico and Remy Cointreau have all positively surprised investors this year. Even Unilever was better than feared, with its Indian subsidiary growing revenues 20% - confirming its "jewel in the crown" status in ULVR's portfolio. "Growth" investors – who have by and large committed to tech growth – will grumble if these steady compounders carry on compounding. Because they are not supposed to in the third decade of the 21st century. Contrarily, we think Jack Daniels, Johnnie Walker, Heineken Zero and Silver, Cadbury, Frito-Lay and Dove are still young brands, with their best decades ahead of them and their shares will deliver competitive returns as a result – even if never as exciting as a NASDAQ IPO.

Nick Train, 22nd September 2022

Source Data: Lindsell Train Ltd, Heineken & Bloomberg; as of 31st August 2022.
Note: All stock returns are total returns in GBP.

The top three absolute contributors to the fund's performance in August were PayPal, LF Lindsell Train North American Equity Fund Acc and London Stock Exchange Group and the top three absolute detractors to the fund's performance were Lindsell Train Limited, RELX and A.G. Barr.

Risk Warning

Past performance is not a guide or guarantee to future performance. Investments carry a degree of risk and the value of investments and income from them as a result of market or currency fluctuations may go down as well as up and you may not get back the amount you originally invested. This document is intended for use by Shareholders of the 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.

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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 NAV based performance of an investment trust may not be the same as its market share price per share and share price-based performance. 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.

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Issued and approved by Lindsell Train Limited.

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