Lindsell Train Investment Trust PLC

All data at 29 February 2020

Market Capitalisation
£205m

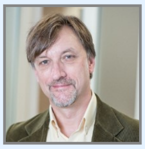
Share Price: £992.50

Net Asset Value: £1,027.13

Premium (Discount): (3.37)%

Source: Lindsell Train Ltd/ Maitland Administration Services & Bloomberg. Share Price is based on closing mid price.

Portfolio Manager



Nick Train

Fund Objective

The objective of the Company is to maximise long-term total returns with a minimum objective to maintain the real purchasing power of Sterling capital.

Fund Performance (GBP)

Calendar Year Performance (%)	*2015*	*2016*	*2017*	*2018*	*2019*
Lindsell Train Investment Trust NAV	+23.0	+31.1	+37.6	+16.2	+32.4
Lindsell Train Investment Trust Price	+54.3	+61.9	-6.2	+46.6	+2.1
MSCI World Index £	+4.9	+28.2	+11.8	-3.0	+22.7
Benchmark*	+4.0	+4.0	+4.0	+4.0	+4.0

Cumulative Performance (%) 29 February 2020	*Since Launch*	*5yr*	*3yr*	*1yr*	*YTD*	*3m*	*1m*
Lindsell Train Investment Trust NAV	+1287.9	+210.2	+93.4	+21.6	-4.5	-2.0	-4.2
Lindsell Train Investment Trust Price	+1211.5	+152.1	+37.4	-29.1	-17.8	-28.1	-18.3
MSCI World Index £	+186.9	+61.0	+20.1	+9.0	-5.6	-5.1	-5.5
Benchmark*	+130.4	+21.8	+12.6	+4.0	+0.7	+1.0	+0.3

Source: Lindsell Train Ltd, Bloomberg and Morningstar Direct. Listed securities in the portfolio are valued at the closing bid price. GBP return net of fees and expenses. MSCI World Index is not the Trust's benchmark and is shown for comparative purposes only.

Benchmark*: Index of annual average running yield of the 2½% Consolidated Loan Stock until 31 March 2015 and then the Index of the annual average running yield on the longest-dated UK government fixed rate bond plus 0.5% with a minimum yield of 4%

Past performance is not a guide to future performance.

Strategy Profile

Top 10 Holdings (% NAV)	
Lindsell Train Limited (unlisted)	50.2
London Stock Exchange	9.1
Diageo	5.7
Nintendo	5.2
Unilever	4.5
PayPal	4.2
RELX	3.3
A G Barr	3.3
Mondelez	3.3
Heineken	3.0

Allocation (% NAV)	
Equities:	
Consumer Franchises	20.6
Financials	9.1
Media	14.5
Unlisted Securities	50.2
Funds	3.9
Cash & Equivalent	1.7
Total	**100.0**

Lindsell Train sector definitions

Fund Exposure %	*Equity*	*Funds*	*Cash*	*Total*
UK	76.9	1.6	1.7	**80.2**
USA	8.4	-	-	**8.4**
Europe (ex UK)	3.9	-	-	**3.9**
Japan	5.2	2.3	-	**7.5**
Total	**94.4**	**3.9**	**1.7**	**100.0**

Fund Information

Listing: **London Stock Exchange**

Launch Date: **22 January 2001**

Base Currency: **GBP (£)**

Year End: **31 March**

Benchmark: **The annual average running yield on the longest-dated UK government fixed rate bond plus 0.5% with a minimum yield of 4%**

Management Fees

Annual Fee:

0.60% of the lower of the market cap or NAV

Performance Fee :

10% of annual increase in the lower of NAV or share price above the benchmark return and calculated with a high watermark

Bloomberg:

LTI LN

ISIN : **GB0031977944**

The Board:

Julian Cazalet (Chairman)
Nicholas Allan
Vivien Gould
Richard Hughes
Rory Landman
Michael Lindsell *

* non independent

Corporate Secretary & Registered Office: **Maitland Administration Services Limited, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY**
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Investment Manager & Promoter: **Lindsell Train Ltd, 66 Buckingham Gate, London, SW1E 6AU**
Phone: +44 20 7808 1210 / info@lindselltrain.com

Registrars: **Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU**

We hope all shareholders stay well.

After many years of trading at a premium to net asset value, your Company's shares now stand at a discount. The Board and Mike and I have always made it clear that we would not add to our own holdings in the company when it stood at a premium. But during the crisis, we have been offered and taken the opportunity to buy shares below NAV. Mike and I intend to buy more if the discount persists.

It is important for us to be clear with you that we do not buy because we are convinced that this is the bottom for the shares of your Company or for markets. Of course we don't know and have never confronted a situation like this before in our careers. However, we also want to make clear that we are not investing for show or in what would anyway be a futile attempt to calm shareholders' nerves. No, Mike and I are buying shares in your Company and, if I may say so here, adding to our holdings in other Lindsell Train Limited managed portfolios, including Finsbury Growth and Income Trust, because we think it is probably the right thing to do from an investment perspective. There are three reasons.

First, we remind ourselves that the panic has evolutionary origins. When we read about people falling ill our ancient contagion instincts kick in. Our genes' extreme adverse reaction to the risk of infection is rational and this adverse reaction is reflected in the volatility of financial assets. But this does not mean that the levels that financial assets settle at are rational. Falling or rising prices in these circumstances are signals to the rest of the tribe of our current anxieties. They are not considered judgements about the warranted value of the assets.

Next, equity investors should also remind themselves that the warranted value of a company depends very little on this year's profits, or the year after that. Companies can make losses and still be exceptionally valuable – Tesla is an example. This is because the value of any company is based on the net current value of its earnings into perpetuity. For most companies a bit of short term disruption to profits, or even worse, has little effect on investment value. This is especially true when the return on assets that compete with equities falls. And the precipitous falls in long-dated government bond yields over the last few weeks – in response to fears about short term recession – have certainly lowered the discount rate or pushed out the time horizon that an equity investor should work with. The longest UK gilt now offers a gross redemption yield of little over 1.1%pa through to 2068. That's effectively a P/E of over 90x. Sound common stocks look extraordinarily undervalued in comparison. Something truly catastrophic would have to befall humanity for this not to be so.

Finally Mike and I take comfort from the fact that our investment strategy is based on an attempt to identify and invest only in high quality companies. One reason for this is because we believe that durability or just pure survival power is generally an underappreciated quality in a business. Of course it is even more desirable today. So, although we're sure that the following companies will face challenges in months to come and that there will be profit warnings and possibly dividend cuts – nonetheless we would be amazed and disappointed if their challenges proved to be existential:

AG Barr, Diageo, eBay, Heineken, Laurent Perrier, London Stock Exchange, Mondelez, Nintendo, PayPal, Pearson and Unilever.

These are the quoted constituents of your portfolio. There may be mistakes in this list. But in aggregate and compared to government bonds or cash their prospects as investments look good to us.

Nick Train, Lindsell Train Ltd

19 March 2020

Source of Data: Maitland Administration Services, Lindsell Train Ltd and Morningstar.

The top two contributors to the Fund's performance in February were eBay and Laurent Perrier and the top three detractors were Nintendo, Diageo and AG Barr.