Lindsell Train Investment Trust PLC

All data at 31 December 2020

Market Capitalisation
£290m

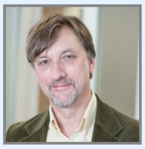
Share Price: £1450.00

Net Asset Value: £1204.70

Premium (Discount): 20.36%

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 (%) 31 December 2020	*Since Launch*	*5yr*	*3yr*	*1yr*	*YTD*	*3m*	*1m*
Lindsell Train Investment Trust NAV	+1594.6	+223.5	+79.3	+16.5	+16.5	+8.3	+6.2
Lindsell Train Investment Trust Price	+1887.4	+182.9	+86.3	+24.6	+24.6	+25.5	+11.1
MSCI World Index £	+241.5	+91.7	+33.7	+12.3	+12.3	+7.8	+1.8
Benchmark*	+138.1	+21.9	+12.6	+4.0	+4.0	+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 with dividends reinvested. 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	47.40
London Stock Exchange	8.79
Nintendo	7.94
PayPal	6.93
LF Lindsell Train North American Equity Fund	6.38
Diageo	5.02
Unilever	4.05
A.G. Barr	2.72
Relx	2.70
Mondelez	2.66

Allocation (% NAV)	
Equities:	
Consumer Franchises	17.8
Financials	8.8
Media	18.2
Unlisted Securities	47.4
Funds	7.9
Cash & Equivalent	-0.1
Total	**100.0**

Lindsell Train sector definitions

Fund Exposure %	*Equity*	*Funds*	*Cash*	*Total*
UK	71.4	7.9	-0.1	**79.2**
USA	9.6	-	0.0	**9.6**
Europe (ex UK)	3.3	-	0.0	**3.3**
Japan	7.9	-	0.0	**7.9**
Total	**92.2**	**7.9**	**-0.1**	**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 Company's market capitalisation or NAV calculated daily.

Performance Fee :

10% of the difference between: a) the lower of the Company's adjusted market capitalisation per ordinary share or the adjusted NAV per ordinary share, and b) the performance hurdle, if positive in each performance period. The performance fee when aggregated with the investment management fee over any performance period, shall not be equal to or greater than 5% of the lower of the market capitalisation or NAV of the company (save that any excess Performance Fee may be carried forward to the next performance period).

Bloomberg:

LTI LN

ISIN : **GB0031977944**

The Board:

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

* non independent

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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**

I found 2020 challenging. Of course, personal worries predominated – monitoring the health of family and friends. But the professional challenge was daunting enough. What decisions, if any, should be taken in the face of unprecedented circumstances? How should we invest to protect the value of the precious savings our clients have entrusted to us?

There is a tendency for all investors to believe that today's problems are uniquely testing and that the decisions you make today in the face of those problems are of historic importance. I recognise the tendency in myself, sometimes forgetting that I have been equally convinced about the unique seriousness of a given situation many times before. For instance, I am old enough to remember the hushed, worried discussions amongst my seniors back in 1987. Did the collapse in stock markets presage a crushing Kondratiev-wave economic downturn and a further implosion of asset prices? Should they raise 20% cash as a precautionary war chest? Thankfully for our clients back in 1987, they didn't. But this is exactly the problem with apocalyptic analysis. It can lead you to make apocalyptic decisions that hindsight reveals to be driven by the emotions aroused by the particular circumstances. Circumstances that may be forgotten about surprisingly quickly.

Accordingly, we took few strategic decisions last year for your portfolio, nor indeed, other Lindsell Train mandates. What is more, perhaps our most important strategic decision last year was to stay more or less fully invested. Both our UK and Global funds ended the year with investable cash of no more than 0.5%. The same is true of our new US fund, which is held in your portfolio and has grown to 6% of the total, after a gain of more than 20% since its launch in April. Admittedly, for technical reasons, our Japan fund held c4% cash at year end – but that cash is earmarked for a new holding. In general, though, we want to ensure that holders get as full participation as possible in the short-and long-term rewards from investing in our strategies.

When you look at the quoted constituents of your portfolio you will see they comprise a mix of three types of company. First, a pure technology company - PayPal. Next, several businesses doing value-creating things with technology, and thereby meaningfully enhancing their products or services for their customers – notably LSE, Nintendo and RELX. Then, owners of beloved and trusted consumer brands, which offer a combination of predictability and steady growth over time – led by Diageo, Heineken, Mondelez and Unilever. This mix is broadly to be found across all Lindsell Train portfolios and we hope it will continue to deliver the sort of returns that it has in the past. In other words, offering a participation in the wealth being created by technology innovation, while at the same time locking into rare and very valuable brands that have been able to prosper through many turbulent decades of technology and economic disruption.

Just to touch on one holding – of course Heineken had a tough 2020; bars and clubs are still shuttered. But even at its somewhat depressed share price at the end of 2020, Heineken is still up 24-fold since 1990, for an annualised compound return, excluding dividends, of 11% over three decades. Why shouldn't that continue? The company is well positioned to capture young beer drinkers in populous markets around the world – arguably better positioned than any of its competitors. And we are impressed that Heineken's operating margins are "only" 15%, compared to ABI's of over 30%. That lower profitability is not a failure; instead it demonstrates Heineken's truly long term perspective on brand and market-share building. That is what has made the company so successful in the past and is what justifies a much higher valuation for its shares, in our opinion.

Nick Train, Lindsell Train Ltd

Source of Data: Frostrow Capital LLP, Lindsell Train Ltd and Morningstar; all data is as at 31st December 2020

The top three contributors to the Trust's performance in December were Lindsell Train Limited, London Stock Exchange and Nintendo and the top three detractors were Unilever, Heineken and Laurent Perrier.