

LINDSELL TRAIN

The Lindsell Train Investment Trust (LTIT)

ALL DATA AS OF 30 NOVEMBER 2024

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 (%) £

	2019	2020	2021	2022	2023
LTIT NAV	+32.4	+16.5	+3.8	-9.4	+3.3
LTIT Price	+2.1	+24.6	-9.7	-13.4	-13.9
MSCI World Index £	+22.7	+12.3	+22.9	-7.8	+16.8

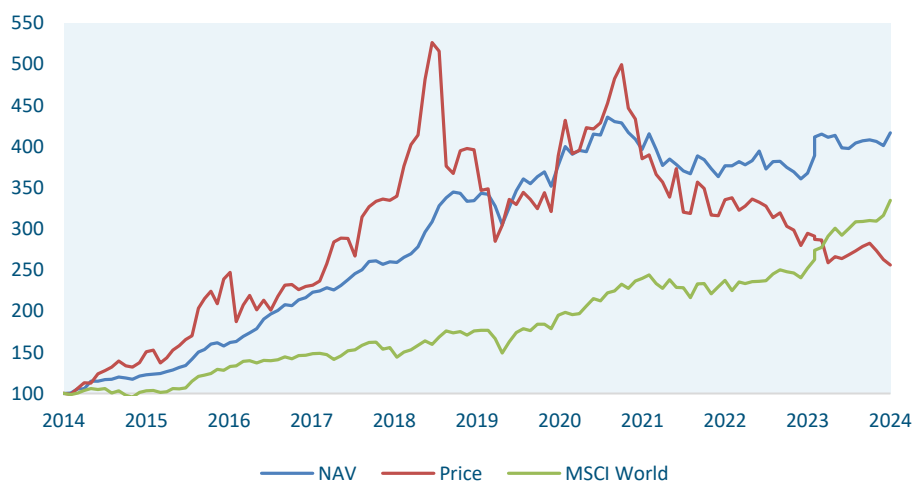
Total Return Performance to 30th November 2024 (%) £

	Annualised							
	1m	3m	YTD	1yr	3yr	5yr	10yr	Since Launch
LTIT NAV	+3.9	+2.1	+1.2	+7.1	-0.2	+3.3	+14.7	+12.6
LTIT Price	-2.6	-9.3	-10.8	-12.0	-12.4	-8.1	+10.0	+11.0
MSCI World Index £	+5.8	+7.9	+22.2	+27.3	+10.2	+12.8	+12.4	+7.5

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 November 2024. 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.

Fund Information

Portfolio Manager	Nick Train
Share price	£722.00
NAV per Share	£980.62
Market Capitalisation	£144m
Net Assets	£196m
(Discount) / Premium to NAV	(26.37%)
Number of Holdings	14
Dividend Per Share	£51.50
Current Net yield (dividend/price)	7.13%
Active Share	99.12%
Annual Management Fee*	0.60%
Ongoing Charges Figure**	0.83%
Performance Fee†	10%
Benchmark***	MSCI World Index £
Capital Structure	200,000 Ordinary Shares of 75p nominal each.
Listing	LSE
Launch Date	22 January 2001
Year End	31 March
Dividends Payable	September
Base Currency	GBP (£)
AIC Sector	Global
ISIN	GB0031977944
SEDOL	3197794
Bloomberg	LTI LN

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

Note: Dividend Per Share includes both ordinary and special dividend.

***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	29.75
London Stock Exchange Group	13.38
WS Lindsell Train North American Equity Fund	11.30
Nintendo	9.65
RELX	6.86
Unilever	5.27
Diageo	5.10
A.G. Barr	3.87
Mondelez	3.86
PayPal	3.30

Holdings and allocation subject to change.

Allocation (% NAV)

Equities:	
Consumer Franchises	21.9
Financials	16.7
Media	18.1
Unlisted Securities	29.8
Funds and Trusts	13.2
Cash & Equivalent	0.3
Total	100.0

Lindsell Train sector definitions.

Fund Exposure (% NAV)

	Equity	Funds* and Trusts	Cash & Equivalent	Total
UK	64.2	1.9	0.3	66.4
USA	7.2	11.3	-	18.5
Europe (ex UK)	5.5	-	-	5.5
Japan	9.6	-	-	9.6
Total	86.5	13.2	0.3	100.0

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

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>**The OCF of 0.83% 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 and is as at the 31 March 2024.</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>

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Board of Directors

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

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

Portfolio Manager Commentary

One characteristic that we look for in all of our portfolio companies, whether held directly in the Trust or in Lindsell Train's underlying funds, is a relatively low capital intensity. When combined with a higher than average profit margin, this underpins the high returns on capital that we seek from our investments. Some of the least capital intensive business models that we invest in are found in software companies. The service that these companies provide is founded on software programs devised by its employees, which when applied to proprietary data amassed over time constitutes valuable intellectual property. Any physical assets associated with the software consist primarily of the data centres used to process and store the data, the offices used to house employees, and some hardware technology. The value of these physical assets pales into insignificance when compared to the assets deployed by, for example, a manufacturing business, which requires extensive property and equipment in order to produce and distribute physical products. The difference is further accentuated by the fact that software companies often expense (rather than capitalise) the cost of capital inputs such as technology. Whilst this may crimp profitability in the near term, returns over the long term are enhanced as a result.

For these reasons, software companies tend to report a very low percentage of depreciable capital expenditure (capex) relative to revenues. As an illustration, portfolio holdings Nintendo, RELX and UMG have all reported average capex at 1% of sales over the last 10 years, whilst the figure for the London Stock Exchange Group (LSEG) has been 2%. In comparison, the ratio for the Trust's consumer franchises was 3% for Unilever and Laurent Perrier, 4% for AG Barr and Mondelez, 6% for Diageo and 8% for Heineken. For PayPal, the online payments platform, it was 4%. Drinks companies may earn relatively high returns on capital and have some of the longest proven durability of any companies we own, but they are nonetheless among the more capital intensive companies in our portfolios.

It is interesting to note how the capital intensity of our core software companies compares to the US technology leaders, the majority of which are investing heavily in equipment and data centres to satisfy the demand for the AI enabled tools and products of the future. Over an equivalent 10 year period, Meta's capex was 19% of its revenues, Alphabet's 13%, Microsoft's 11% and Oracle's 7%. These averages disguise the extent to which capex expenditure has racked up in recent years. Ten years ago Microsoft spent 6% of sales on capex and Oracle 2%. In the current year to December 2024, these companies plan to spend 22% and 23% respectively, whilst Meta forecasts 24%. These are significant commitments. Of course, if these companies with this newly deployed capital and the promise of monetising generative AI, are able to collectively earn the equivalent returns on capital that their existing businesses have delivered, it may well more than justify their high stock market ratings. However, this is by no means guaranteed. We feel comfortable continuing to invest in our own world class software companies. They too are exploiting AI for the benefit of their customers and their businesses, but without incurring the punitive capital costs that may haunt others if returns don't match high expectations.

Michael Lindsell, 18 December 2024

The top three absolute contributors to the Trust's performance in November were Nintendo, Lindsell Train Ltd and London Stock Exchange Group, and the top three absolute detractors were Heineken, Mondelez and Diageo.

Source: Lindsell Train, Morningstar & Bloomberg. All data as of 30th November 2024.

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

Important Information

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18 December 2024 LTL-000-306-1