

LINDSELL TRAIN

UK Equity Fund

ALL DATA AS OF 31 MARCH 2024

QUARTERLY REPORT | FACTSHEET

Fund Objective & Policy

To deliver capital and income growth and provide a total return in excess of that of the FTSE All-Share TR Index by investing at least 70% of its assets in the shares of companies incorporated or domiciled in the UK. Up to 10% of assets may be invested in worldwide companies which are listed on an exchange in the UK.

The FTSE All-Share TR Index has been selected as it represents broad exposure to companies listed on the London Stock Exchange. The fund is not constrained by the target benchmark and will take positions in individual stocks that differ significantly from the Index with the aim of achieving a return in excess of the benchmark.

There is no guarantee that a positive return will be delivered.

Calendar Year Total Return Performance (%) £

	2019	2020	2021	2022	2023
WS LT UK Equity Fund (Acc)	+22.8	-2.5	+12.7	-6.1	+4.6
FTSE-All Share TR Index	+19.2	-9.8	+18.3	+0.3	+7.9
Relative Return	+3.6	+7.3	-5.6	-6.4	-3.3

Total Return Performance to 31st March 2024 (%) £

	1m	3m	YTD	Annualised				Since Launch
				1yr	3yr	5yr	10 yr	
WS LT UK Equity Fund (Acc)	+1.1	+1.2	+1.2	+0.2	+4.1	+4.1	+7.8	+9.8
FTSE-All Share TR Index	+4.8	+3.6	+3.6	+8.4	+8.0	+5.4	+5.8	+5.8
Relative Return	-3.7	-2.4	-2.4	-8.2	-3.9	-1.3	+2.0	+4.0

Source: Morningstar Direct & FTSE Russell (FTSE) © 2024. "FTSE Russell" and "FTSE" are trademarks of the London Stock Exchange Group companies and are used by FTSE Russell under licence. Fund performance is based on Acc shares. Total return is provided net of fees. For periods greater than one, returns are shown annualised.

Past performance is not a guide to future performance.

Fund Information

Type of Scheme	Non UCITS Retail
Launch Date	10 July 2006
Classes	Accumulation / Income / D Accumulation / D Income
Base Currency	GBP (£)
Benchmark	FTSE All-Share TR Index
Dealing & Valuation	10am each UK Business Day
Year End	31 May
Dividend XD Dates	30 November, 31 May
Pay Dates	31 January, 30 September

Fund Assets

£3,757m

Share Price

Acc	523.94p
Inc	346.06p
D Acc	215.63p
D Inc	175.60p

Source: Lindsell Train Limited and Link Fund Administrators Limited.

Fund Profile

The portfolio is concentrated, with the number of stocks unlikely to exceed 35.

Portfolio Manager

Nick Train

Historic Gross Yield (Income Class)

Gross Yield	2.1%
-------------	------

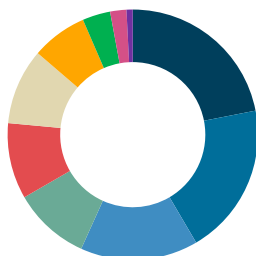
Source: Morningstar Direct.

The Historic Yield reflects distributions declared over the past twelve months as a percentage of the unit price, as at the date of this report. Investors may be subject to tax on their distributions, which will reduce the yield. 50% of the Fund's expenses are charged to capital, which has the effect of increasing the distributions but constraining the Fund's capital performance to an equivalent extent. The yield is not guaranteed or representative of future yields.

Top 10 Holdings (% NAV)

Diageo	9.88
RELX	9.87
Experian	9.83
Sage	9.79
London Stock Exchange Group	9.75
Unilever	9.34
Mondelez	7.22
Burberry	5.88
Heineken	5.37
Schroders	4.93

Sector Allocation (% NAV)



Allocation and holdings subject to change.

Beverages	21.9
Financial Services	19.6
Personal Goods	15.2
Media	9.9
Software	9.8
Support Services	9.8
Food Producers	7.2
Real Estate Services	3.6
Travel & Leisure	2.1
Cash	0.8
Total	100.0

Fund Attribution - Q1 2024

Top Contributors %

RELX	0.97
Sage	0.87
Experian	0.80
Unilever	0.47
Fever-Tree	0.39

Top Detractors %

Burberry	-0.89
Manchester United	-0.82
Remy Cointreau	-0.67
Schroders	-0.48
Heineken	-0.27

Source: Morningstar Direct. Attribution calculated on an absolute basis.

Share Class Information

	Minimum Investment	Management Fees	Ongoing Charges Figure (OCF)*	ISIN	Sedol
Acc	£500,000	0.60% p.a.	0.65% p.a.	GB00B18B9X76	B18B9X7
Inc	£500,000	0.60% p.a.	0.65% p.a.	GB00B18B9V52	B18B9V5
D Acc	£200m	0.45% p.a.	0.50% p.a.	GB00BJFLM156	BJFLM15
D Inc	£200m	0.45% p.a.	0.50% p.a.	GB00BJFLM263	BJFLM26

*The OCF is a measure of the Fund's total operating expenses over 12 months, including management fee, as a percentage of the Fund's net assets averaged over the same period. The OCF is based on expenses and average assets for the 12 months to 31st May 2023. It is calculated by the Fund Administrator and published in the KIID, dated 7th February 2024. It is an indication of the likely level of costs and will fluctuate as the Fund's expenses and average net assets change. The OCF excludes any portfolio transaction costs.

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

Investment Team Commentary

I analyse the first quarter of 2024 from two perspectives: What Didn't Work and What Did. In the process I include some comments about important individual holdings. Finally, an update on portfolio activity.

What Didn't Work for the strategy in the first quarter was Luxury, particularly Luxury exposed to the Chinese consumer. Our worst performers were Burberry and Remy Cointreau, both down well over 10%, both with important franchises in Asia and Greater China. It is frustrating to note that the two are now trading at below half the peak share prices they set in 2023 (Burberry) and 2022 (Remy). And that what has undermined them has been justified concerns about weakening Chinese demand for western luxury products. We must hope these big share price falls have created future opportunity. We know both companies continue to invest behind their brands in the region and that one day growth and consumer confidence in Asia will recover. Another luxury-related holding, Diageo, with its premium spirits portfolio, marginally underperformed during the quarter, with a gain of 3.5%. Diageo was able to reassure investors that its problems in Latin America, which hit its share price in 2023, are easing and many, including us, now hope for an improvement in its sales performance elsewhere.

Also what didn't work were our two holdings in UK fund management companies, with the 9% drop in Schroders' share price a notable detractor (Rathbones, a smaller holding, is the other). We understand the reasons the industry is out of favour, but believe the companies we hold have differentiated and winning strategies and, as a result, their share prices have become undervalued. For instance, Schroders has a clearly-articulated and patiently-executed strategy to shift its business mix to higher growth and higher margin segments, such as Private Wealth and Private Equity and the strategy is clearly working. After recent results, management was keen to point out the value that has been created within Schroders, through its investment in new business lines that have, to date, been cost centres, rather than profit generators. For instance, Schroders' private wealth joint venture (JV) with Lloyds Bank has now reached c.£14bn of AUM, but last year contributed only £2m to group profits. Management now predicts the JV could deliver £40m worth of profits p.a. in the coming years. You pay 11x earnings for Schroders today, a business with 30% EBITDA margins and valued at c.£6bn, with £750bn AUM, c.£600m of surplus capital and a dividend yield of just shy of 6%. If the company can deliver even a smidgen of secular growth then that rating and share price could change meaningfully for the better.

What Did Work for the Fund during the first quarter was the investment we have in world-class, UK-listed Data and Software companies. Notably, RELX was up 10% and Experian and Sage 8% and 9%, respectively. Our other big holding in this area, LSEG was up 2% in the quarter, thereby underperforming the index, but creeping back toward the share price peak it hit in 2021, now c.4% adrift. We hope that further business progress for LSEG and a likely final

placing of the Refinitiv vendors' stake will clear the way for new share price highs in due course. A welcome winner was Fever-Tree, which gained 14% over the quarter, after reporting encouraging growth at its final results, accompanied by even more encouraging forecasts about the global potential that remains for its unique brand. Ostensibly, Fever-Tree shares look "expensive", but they will look a bargain if the company can fulfill its potential. Another global brand owner which outperformed was Unilever, up 6%. Here, the trio of new Chair, CEO and CFO has begun to make its mark on the business. By announcing the sale or demerger of Unilever's ice-cream division, the global market leader in a growing category, these senior executives have demonstrated their ambition to highlight and realise the growth and value intrinsic in the group's portfolio.

In terms of what we did over the quarter, we continued to add to our newest holding, Rightmove (RMV). The position now stands at 3.6% of NAV. We have been able to build this position easily, because there are ready sellers at current prices. Those sellers are concerned that UK interest rates staying higher for longer will continue to put pressure on the UK housing market and, in addition, that new competition may challenge Rightmove's market share and profitability. As to the former worry, we note that 2023 saw the lowest number of housing transactions in the UK, 1 million, in a decade. Nonetheless, revenues for 2023 were up 10%, as the company develops new products and services which help its customers close more deals, more efficiently in a difficult market. Regarding the latter, I will simply quote the author of the Telegraph's Questor column, recently recommending a purchase of Rightmove shares: "Indeed it would not be an exaggeration to state that Estate Agents in the UK who do not use the company's services are likely to find it very difficult to successfully operate."

A smart fund investor asked me recently – which of your holdings really has the potential to double or treble profits over the next decade or more and, as a result, become a much bigger market capitalized company and higher share price? My answer was that we believe in all our companies – you have to be a true long-term investor. But that amongst the large-cap holdings in the Fund, it is readily conceivable that RELX and Sage have transformative profit potential ahead. And of our mid and smaller capped holdings, Fever-Tree, Hargreaves Lansdown and Rightmove have clear roadmaps to being much bigger businesses, if, of course, they can execute on the opportunities.

Nick Train, 6th April 2024

Source: Lindsell Train, Morningstar & Bloomberg. All data as of 31st March 2024.

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

Contacts

Investment Manager & Distributor

Lindsell Train Ltd,
66 Buckingham Gate,
London,
SW1E 6AU

Tel: +44 (0) 20 7808 1210
info@lindselltrain.com

Authorised Corporate Director (ACD)/ Authorised Fund Manager:

Waystone Management (UK) Limited

Depository & Custodian

The Bank of New York
Mellon (International) Limited

Fund Administrator, Dealing & Registration

Link Fund Administrators
Limited

Tel: 0345 922 0044

Email: investorservices@linkgroup.com

Important Information

This document is for information only and is not to be construed as a solicitation, recommendation or an offer to buy or sell any security, fund or financial instrument. This document is a marketing communication and has no regard for the specific investment objectives, financial situation or needs of any specific investor. This is not a contractually binding document. If in doubt, investors should seek advice from a financial advisor prior to investing. . Any decision to invest should be based on information contained within the prospectus of the Fund, the Key Investor Information Documents (KIIDs) and the latest report and accounts. No investment decision should be based on this communication alone. Any references to specific securities are for the purposes of illustration only. Fund performance data is calculated net of fees with income reinvested unless stated otherwise. All performance and income data is in relation to the stated share class, performance of other share classes may differ. The dividend yield is not guaranteed and will fluctuate. There is no guarantee that the fund will achieve its objectives. Any change in the tax status of a Fund or in tax legislation could affect the value of the investments held by the Fund or its ability to provide returns to its investors. The tax treatment of an investment, and any dividends received, will depend on the individual circumstances of the investor and may be subject to change in the future.

Past performance is not a guide or guarantee to future performance. Investments carry a degree of risk and the value of investments and any income from them may go down as well as up and you may not get back the amount you originally invested. Investments may be affected by market or currency fluctuations. All references to benchmarks are for information purposes only. To the extent that the portfolio invests a relatively high percentage of its assets in securities of a limited number of companies, and also invests in securities with a particular industry, sector or geographical focus, the portfolio may be more susceptible than a

more diversified portfolio to large swings (both up and down) in its value. Furthermore, the concentrated nature of the portfolio can also lead to relatively significant holdings in individual securities which in turn can have an adverse effect on the ability to sell these securities when the Investment Manager deems it appropriate and on the price of these securities achieved by the Investment Manager at the time of sale.

The WS Lindsell Train UK Equity Fund (the “Fund”) is an open-ended investment company (OEIC) authorised and regulated in the UK by the Financial Conduct Authority (FCA) under Regulation 14 of the OEIC Regulations 2001.

Opinions expressed whether specifically, or in general, or both on the performance of individual securities and in a wider economic context represent the view of Lindsell Train Limited at the time of preparation. They are subject to change and should not be interpreted as investment advice. Although Lindsell Train Limited considers the information included in this document to be reliable, no warranty is given to its accuracy or completeness. The information provided in this document was captured on the date indicated and therefore is not current. Current prices and the latest copy of the Prospectus can be obtained from Lindsell Train Limited or the Fund Administrator. No part of this document may be copied, reproduced or distributed to any other person without prior express written consent from Lindsell Train Limited.

Issued and approved by Lindsell Train Limited 66 Buckingham Gate, London, SW1E 6AU (registered office in England & Wales No.03941727). Authorised and regulated by the Financial Conduct Authority (FRN:194229).

Copyright Lindsell Train Limited 2024.

9 April 2024 LTL 000-288-8