

Lindsell Train Global Equity Fund C Class (USD)

Fund Profile

The portfolio is concentrated, with the number of stocks ranging from 20-35, and has low turnover.

Fund Objective

To increase the value of Shareholders' capital over the longer term from a focused portfolio of global equities, primarily those listed or traded on recognised exchanges in developed countries world-wide.

Price Data

C Class (\$)	\$2.58
Minimum Investment	\$250,000

Fees

Management Fee	0.60%
TER	0.65%

*The TER 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. The TER quoted is indicative, based on expenses and average assets for the month of December 2020. It is calculated by the Fund Administrator, last updated 07/05/21. It is an indication of the likely level of costs and will fluctuate as the Fund's expenses and average net assets change. The TER excludes any portfolio transaction costs.

Fund Facts

Portfolio Managers	Michael Lindsell, Nick Train, James Bullock
Fund Size	\$12,634 m
Share Class Inception Date	30th June 2014
ISIN	IE00BK4Z4V95
SEDOL	BK4Z4V9
Fund Type	Dublin OEIC (UCITS)
Benchmark	MSCI World Index
Fund Sector	Global Equity
Style	Long-term, bottom-up focus
No. of Holdings	24
Valuation Point & Dealing deadline	12 noon each Dublin & UK Business Day
Unit Type	Accumulation
Auditor	Grant Thornton
Regulator	Central Bank of Ireland
Fund Depository	The Bank of New York Mellon SA/NV

Investment Growth Since Inception



Source: Morningstar Direct. As at 30th June 2021. Performance figures are calculated NAV-NAV, net of fees, in USD. The graph shows the growth of \$100 invested in the fund vs MSCI World since inception. The illustrative investment performance which is shown is for illustrative purposes only and is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown. Income is reinvested on the reinvestment date. **Past performance is not a guide to future performance.**

Performance Summary (%)

	Cumulative			Annualised			
	1 m	3m	YTD	1 yr	3 yrs	5 Yrs	Since Inception
Net Return							
C Class (\$)	1.60	9.07	7.02	28.76	13.23	17.35	14.47
MSCI World Index (\$)	1.49	7.74	13.05	39.04	14.99	14.83	10.16

Calendar Year Performance (%)

	2020	2019	2018	2017	2016
Net Return					
C Class (\$)	15.5	23.5	5.0	38.4	2.8
MSCI World Index (\$)	15.9	27.7	-8.7	22.4	7.5

Statistics (%)

Since Inception	DATE
Highest annualised return	+44.1 31.01.2018
Lowest annualised return	-9.6 31.03.2020

12 month rolling performance figures

Source: Morningstar Direct. As at 30th June 2021. The figures for this share class and the index are based on total return (i.e. capital and income) in USD. All charges are accounted for except any transaction costs. Actual annual figures are available on request. **The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to future performance.**

Top Ten Equity Holdings (%)		Sector Allocation (%)		Country Allocation (%)	
Diageo	8.36%	Consumer Staples	42.6%	UK	34.6%
Heineken Holding	7.58%	Communication Services	19.3%	USA	31.6%
Unilever	7.24%	Financials	12.4%	Japan	19.4%
London Stock Exchange Group	7.14%	Information Technology	9.7%	Europe ex-UK	12.2%
Nintendo	6.39%	Consumer Discretionary	7.2%	Cash	2.2%
Intuit	4.90%	Industrials	4.6%	Total	100.0%
PayPal	4.84%	Health Care	2.0%		
PepsiCo	4.62%	Cash	2.2%		
Mondelez International	4.61%	Total	100.0%		
RELX	4.60%				
Total	60.27%				

Portfolio Manager's Comments

From a relative perspective, 2021 hasn't started well. Big cyclical chunks of the world market found themselves boosted by post-COVID infrastructure spending and sub-segments such as MSCI World Energy (where we have no exposure whatsoever) rose by as much as 22% in the first quarter. On top of this we took a blow from the LSE (one of our biggest holdings) which fell a bruising 23% in Q1 following its front-loaded announcement of unanticipated integration costs. The storm continued with pressure to our consumer staples names - perhaps lingering from COVID, perhaps owing to others reflecting rising interest rate fears in their valuations of these long duration assets. Brown Forman fell 13%, Heineken 1%, Kao 8%, PepsiCo 4%, and Unilever 7%. All rather unhelpful set against a market rise of 4%.

Fortunately, the second quarter of the year has been a more optimistic one, and the above headwinds to our stocks have largely abated. The LSE has (upon reflection) recovered 16% of its market value, and with the exception of Ito En pref and Kao, all our consumer staples shifted into positive territory, perhaps as others in the market start to price in 'reopening' opportunities. Our beverage names in particular did well with Diageo up 16%, Brown Forman up 11% and Heineken up 13%. Overall, this translated in a healthy 8.3% return from your fund over the second quarter.

Interestingly though, this effort only just keeps us abreast of the MSCI World benchmark, which in GBP terms rose 7.6% in Q2. The story here is a familiar one. It's tech, the hero of 2020, that's again driving the bull market, with the MSCI World IT index up 12%. Unlike the cyclical sectors above, we do have exposure here (with names such as eBay up 15% in Q2, Intuit up 28% and PayPal up 20%), so we've kept up. But given the Q1 slump, halfway through the year we find ourselves still lagging the index by 6.5%.

Is this cause for concern? Certainly any period of underperformance requires analysis and investigation, particularly if led by any fundamental changes at a stock level. You can rest assured for example that the LSE found itself under the microscope in March. We view the upfront cost hit as identifiably short-term in nature, note other non-fundamental issues pressuring the shares (as other big, but non-strategic shareholders exit), and remain supportive of the company's long-term direction. We've bought more where we could.

However, through a courser grained lens, it's worth reflecting on what we're really looking for in our companies. We're out to find great, long lasting franchises that maintain (and reinvest at) high rates of return on equity or capital for extended periods of time. We then want to own them for long enough that the compounding of cashflows inherent to the above becomes the dominant force in the accretion of handsome absolute shareholder returns. We believe that if given time to run, then this higher rate of compounding will crystallise into higher relative rates of shareholder returns as well. Our long-term track record is supported by this view - but it says little about shorter performance periods.

When we set up the Global Equity Fund in 2011, our companies claimed a weighted average return on equity of just under 20%. Today it is just over 20%, vs. a market rate that's remained around 10%. And as you probably know, we largely still own the same ones. So, from both an absolute and relative perspective, we're pleased with our success so far in meeting the above core aim of finding and holding on to great companies. Serious concern arises if we see evidence that our collected companies have lost their competitiveness (and long-term ability to earn above average rates of return), for it's this that truly defines intrinsic value. As far as we can tell, this hasn't happened. So, whilst the relative drop in performance is both unwelcome and unhelpful, we remain firm holders of all our companies.

James Bullock, 12th July 2021

Source Data: Lindsell Train Ltd & Bloomberg; as of 30th June 2021.

Note: All stock returns are total returns in local currency

The top three absolute contributors to the Fund's performance in June were Intuit, PayPal and eBay and the top three absolute detractors were Nintendo, Hargreaves Lansdown and Juventus.

Important information

This bulletin is solely for the use of professional investors and should not be relied upon by any other person. It is not intended for use by retail clients. Nothing in the document should be construed as advice and it is therefore not a recommendation to buy or sell shares.

Lindsell Train Global Equity Fund Class B (ISIN:IE00B3NS4D25) is a sub-fund of Lindsell Train Global Funds plc, an umbrella fund with segregated liability between sub-funds. This means that the holdings of the fund are maintained separately under Irish law from the holdings of other sub-funds of Lindsell Train Global Funds plc. The Prospectus and the annual and semi-annual reports are prepared in the name of Lindsell Train Global Funds plc.

This Fund is authorised in Ireland and regulated by the Central Bank of Ireland.

Collective Investment Schemes (CIS) are generally medium to long-term investments. The value may go down as well as up and past performance is not necessarily a guide to future performance. CIS's are traded at ruling prices and can engage in borrowing and scrip lending. The CIS may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees and charges and maximum commissions is available on request from the Investment Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual Management fee) from the portfolio divided by the number of participatory interests (shares) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value* (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. During the phase in period TER's do not include information gathered over a full year. It excludes transaction costs.

The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Please note that all documents, notifications of deposit, investment, redemption and switch applications must be received by the fund administrator, Link by or before 12 noon each Dublin & UK Business Day, to be transacted at the net asset value price for that day. Where all required documentation is not received before the stated cut off time, Link shall not be obliged to transact at that day's net asset value price. The Fund is priced at 12 noon each Dublin & UK Business Day. Prices are published daily and are available on the Lindsell Train website. Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the investment manager on request.

Lindsell Train Global Equity Fund is authorised by the FSCA under section 65 of the Collective Investment Schemes Control Act 2002.

For any additional information such as fund prices, prospectus, application forms, please go to www.lindselltrain.com.

Representative Office: Prescient Management Company (RF) (Pty) Ltd, Registration number: 2002/022560/07

Physical address: Prescient House, Westlake Business Park, Otto Close, Westlake, 7945 Postal address: PO Box 31142, Tokai, 7966

E-mail address: info@prescient.co.za

Website: www.prescient.co.za

Investment Manager & Distributor: Lindsell Train Ltd

Physical address: 66 Buckingham Gate, London SW1E 6AU

Manager: KBA Consulting Management Limited *Regulated by the Central Bank of Ireland*

Depository: The Bank of New York Mellon SA/NV, One Dockland Central Guild Street IFSC Dublin 1 Ireland

Glossary

Annualised return: The weighted average compound growth rate over the period measured.

Cumulative return: The aggregate performance of the fund over the entire time period.

Highest & Lowest return: The highest and lowest returns for any 12 months over the period since inception have been shown.

NAV: The net asset value represents the assets of a fund less its liabilities.

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