

## 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 (\$)	\$2.51
Minimum Investment	\$250,000

## Fees

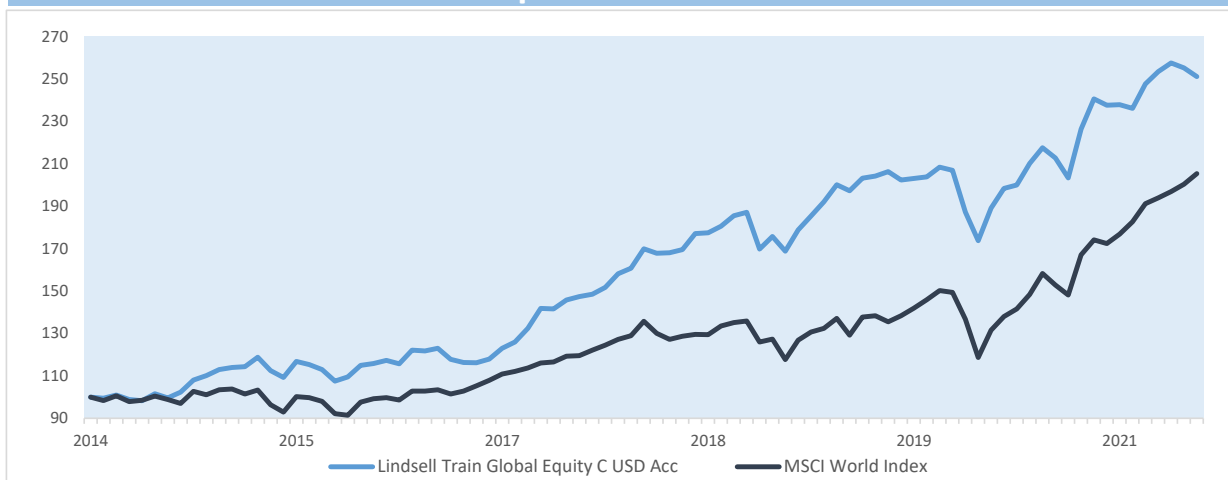
Management Fee	0.60%
TER	0.65%

\*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	\$12,175 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 31st August 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
<b>Net Return</b>							
<b>C Class (\$)</b>	-1.6	-0.9	4.4	15.4	10.6	15.6	13.7
<b>MSCI World Index (\$)</b>	2.5	5.9	17.9	29.8	15.0	14.8	10.6

## Calendar Year Performance (%)

	2020	2019	2018	2017	2016
<b>Net Return</b>					
<b>C Class (\$)</b>	15.5	23.5	5.0	38.4	2.8
<b>MSCI World Index (\$)</b>	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 31st August 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	8.62%	Consumer Staples	42.5%	UK	35.4%
London Stock Exchange Group	7.81%	Communication Services	18.6%	USA	32.4%
Heineken Holding	7.17%	Financials	13.2%	Japan	19.0%
Unilever	7.11%	Information Technology	9.8%	Europe ex-UK	11.2%
Nintendo	5.74%	Consumer Discretionary	7.0%	Cash	2.0%
PayPal	4.93%	Industrials	4.8%	<b>Total</b>	<b>100.0%</b>
Intuit	4.89%	Health Care	2.1%		
Walt Disney	4.84%	Cash	2.0%		
RELX	4.82%	<b>Total</b>	<b>100.0%</b>		
PepsiCo	4.72%				
<b>Total</b>	<b>60.66%</b>				

### Portfolio Manager's Comments

The Fund marked time in August, falling in value by 0.2%. Year to date the Fund is up just 3.4%, a level well below the internal rate of return of its constituents (with a 10 year average of c.20%pa measured by return on equity) or indeed the 16.2% pa total return average achieved since the Fund's inception in March 2011.

This is in stark contrast to the MSCI World Index, where performance (17% year to date, having gone up 3.5% in August) was well above its average 10 year return on equity (c.10%pa) as well as its 12.9%pa total return average since March 2011.

This disconnect with the portfolio and the index return is not unusual considering the Fund comprises of a portfolio of 24 companies compared to the number of index constituents, currently standing at 1,557. Looking back, it happened in the opposite direction in 2015, 2017 and 2018 when over those years the Fund outperformed the index by over 14% in each year. Nonetheless underperformance of this degree is painful to endure, for us and most particularly for you, our clients, so it deserves more explanation.

August's underperformance is best attributed to the uniformly strong performance of the biggest eight companies in the index, whose combined weighting is currently as much as 16%. All were US tech companies, that on average were up 7% over the month. Set against that were some perfectly understandable but nonetheless disappointing monthly returns from a number of our favoured holdings. Hargreaves Lansdown was down 8% following very acceptable results, but with litigation and regulatory scrutiny overhanging the company post Woodford, investors continue to be wary and the shares continue to derate. Heineken was down 5%. It reported good results, with particularly strong sales of Heineken brand products, but cautious comments from management on the disruptive effects of rising input costs hit the share price. Nintendo was down 6%. Admittedly sales and profits fell when compared to an exceptional quarter last year in lockdown, but there remains huge optionality for the company given the quality and ubiquity of its intellectual property and franchises.

Its derating means it is now only valued at 14x earnings and yields a tempting 4%. Pearson delivered reasonable results but its 11% share price fall is perhaps understandable given the extent of the share price recovery (up 73%) since the nadir of its underperformance last year. Prada gave back all of its year-to-date gains - it fell 24% in response to a credible threat from China to rein in premium consumption. We estimate that Prada generated c.40% of its sales from China in 2020. All together, these five holdings amount to c.25% of the portfolio and on average fell in price by 9%. The c.16% gap in performance from these companies and the biggest index constituents goes a long way to explain this month's malaise.

We've seen no reason to change any of our portfolio constituents since mid-2019; and the poor performance and derating detailed above only acts to reinforce our commitment given increasingly attractive valuations. We judge that none of the issues depressing the share prices, as we describe briefly above, represent long-term concerns. What is important to us is the integrity of the long-term business case for owning the companies, which in each case we judge to be intact.

There is no doubt that the current environment - zero or negative interest rates, the acceleration in digital adoption encouraged or necessitated by lockdowns and the constraints on life forced on us by the pandemic - has enhanced the attractiveness of capital light, subscription based, high growth business models that benefit from the network effects resulting from increased size and presence. We like such models and have good exposure to them in the portfolio but nevertheless are underweight compared to the current shape of the index. In contrast, nearly half of our portfolio is invested in consumer franchise companies, which we believe also hold considerable advantages - with brands built over decades fostering multigenerational loyalty, often reliant on basic human senses like touch, smell or taste that are not readily disintermediated. In the current tech-led bull market these companies may look boring. But don't underestimate the value of low to mid-single digit growth year in year out, accompanied by consistently high returns on capital.

**Michael Lindsell, 7th September 2021**

Source Data: Lindsell Train Ltd & Bloomberg; as of 31st August 2021.

Note: All stock returns are total returns in local currency

The top three absolute contributors to the Fund's performance in August were eBay, London Stock Exchange Group and Intuit and the top three absolute detractors were Prada, Pearson and Heineken.

**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](http://www.lindselltrain.com).

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**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.