Lindsell Train

UK Equity Fund

ALL DATA AS OF 30 NOVEMBER 2023 — MONTHLY 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 (%) £

	2018	2019	2020	2021	2022
WS LT UK Equity Fund (Acc)	-1.1	+22.8	-2.5	+12.7	-6.1
FTSE-All Share TR Index	-9.5	+19.2	-9.8	+18.3	+0.3
Relative Return	**+8.4**	**+3.6**	**+7.3**	**-5.6**	**-6.4**

Total Return Performance to 30th November 2023 (%) £

				Annualised				
	1m	3m	YTD	1yr	3yr	5yr	10 yr	Since Launch
WS LT UK Equity Fund (Acc)	+2.6	-3.9	+0.2	-2.0	+2.5	+4.3	+7.6	+9.6
FTSE-All Share TR Index	+3.0	+0.6	+3.3	+1.8	+8.4	+4.9	+5.1	+5.5
Relative Return	**-0.4**	**-4.5**	**-3.1**	**-3.8**	**-5.9**	**-0.6**	**+2.5**	**+4.1**

Source: Morningstar Direct & FTSE Russell (FTSE) © 2023. "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

£3,933m

Share Price

Acc	495.42p
Inc	330.94p
D Acc	203.79p
D Inc	167.91p

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	2.0%

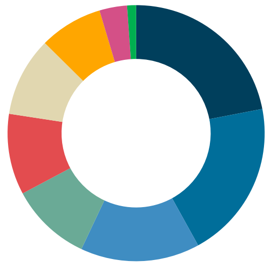
Source: Morningstar Direct

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)

Sage	9.98
London Stock Exchange	9.96
RELX	9.96
Experian	9.80
Diageo	8.85
Unilever	8.35
Mondelez	7.77
Burberry	6.39
Heineken	6.21
Schroders	5.08

Sector Allocation (% NAV)



Allocation and holdings subject to change

Beverages	21.5
Financial Services	19.6
Personal Goods	14.7
Media	10.0
Software	10.0
Support Services	9.8
Food Producers	7.8
Travel & Leisure	3.4
Real Estate Services	1.1
Cash	2.2
Total	**100.0**

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 the 30th November 2022. It is calculated by the Fund Administrator and published in the KIID, dated 01/06/2023. 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.

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

Depositary & 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

Please refer to Lindsell Train's Glossary of Investment terms here.

Investment Team Comments

I had planned this report to be an account of the new holding we have recently initiated for your Fund, namely Rightmove. And a discussion of how Rightmove complements the other FTSE 100 data and software companies in the portfolio, that by and large have been performing well as businesses and share prices in 2023.

However, Diageo's profit warning on 10th November caused an 11% fall in its share price and was a major factor in your Fund underperforming over the month and, therefore, needs discussion.

There were two aspects to the warning. One not so surprising and to some extent priced in, the other much more surprising. First, Diageo reinforced the general understanding that interest rates being "higher for longer" and the unwinding of the post-Covid binge have resulted in consumers retrenching their discretionary spending and in some markets trading down from premium to mass-market brands. Almost every consumer company we follow has acknowledged similar conditions, as indeed had Diageo in its guidance from earlier in the year.

What was unexpected, though, was Diageo's admission that its Latin American business is subject to a far more material reversal, down c.20% year-on-year. This matters, because it constitutes c.11% of group revenues. What is more, part of the problem in Latin America has been overstocking, not just a contraction of demand. This is not the first time that Diageo has discovered it has, doubtless inadvertently, over-supplied the region – effectively booking revenues and profits early – and suffered a painful hiatus, while supply and demand come back into balance. It was galling to investors and, we are sure, the very new CEO, that the warning came not only as a surprise, but resulted from a mistake that previous CEO Ivan Menezes had endeavoured to eradicate.

On balance, we do not believe the warning about Latin America invalidates the investment case for Diageo, frustrating though it is. There are two, apparently unavoidable, characteristics of doing business in that region. First, its economies are volatile and unpredictable. But, second, its peoples love Diageo's products, particularly whisky. Over the last decade, Diageo's sales there have grown, up c.25% to £1.8bn last year. Operating margins in 2022/3 in Latin America were an attractive 36%. Overall group revenues are up 50% since 2013, hence Diageo's exposure to Latin America is down a couple of percentage points. Nonetheless, as investors we must be happier to benefit from that £1.8bn revenues rather than not, even with the accompanying volatility.

Diageo confirmed that trading for the other 89% of its business was progressing as expected and continues to forecast steady growth at least through to the end of this decade. It is worth reflecting on that forecast for steady growth, because it transpires that this is exactly what Diageo has delivered over the 21st century to date. Earnings in 2022/3 were £1.64 per share, compared to £0.99 in 2013 and £0.49 in 2003. Return On Invested Capital ('ROIC') was 16% in 2013 and the same in 2023, while pre-tax profit margins were c.28% in both 2013 and 2023. Diageo has proven itself to be a globally diverse business, with attractive and resilient profitability ratios and a credible growth opportunity. Stock market history suggests that businesses offering these qualities deserve to be highly valued, for the melancholic (but never to be forgotten) reason that most companies do not succeed in delivering such reliable, growing profits.

We recognise that some software and digital platform businesses do likely share those characteristics of resilience and growth, perhaps to a greater extent than even Diageo and, within the context of the UK stock market, we have been building exposure to such companies – with Rightmove the most recent example. Nonetheless, Johnnie Walker, Guinness and Diageo's tequila brands really are of the highest calibre and are set to drive growth for the foreseeable future. At the current share price, these prospects are valued at little more than 17x earnings, or an earnings yield of nearly 6%. On those terms we have been adding again to Diageo shares.

Nick Train, 5th December 2023

Source: Lindsell Train, Morningstar & Bloomberg; as of 30th November 2023

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

The top three absolute contributors to the Fund's performance in November were Experian, Sage and London Stock Exchange, and the top three absolute detractors were Diageo, Burberry and Unilever.

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.

The Fund is registered for distribution in the UK but not in any other jurisdiction.

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)