

# LINSELL TRAIN

## Global Equity Fund

ALL DATA AS OF 31 AUGUST 2022

MONTHLY REPORT | FACTSHEET

### Fund Objective & Policy

To increase the value of Shareholders' capital over the longer term from a focused, actively managed portfolio of global equities, primarily those listed or traded on Recognised Exchanges in developed countries world-wide. The Fund's investment performance is compared with the MSCI World Index and is reported in Sterling. The fund is and not constrained by the benchmark (MSCI World Index) 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 (%) £

	2017	2018	2019	2020	2021
LT Global Equity Fund (B Dist.)	+26.0	+11.1	+19.4	+11.7	+0.6
MSCI World Index	+11.8	-3.0	+22.7	+12.3	+22.9
<b>Relative Return</b>	<b>+14.2</b>	<b>+14.1</b>	<b>-3.3</b>	<b>-0.6</b>	<b>-22.3</b>

### Total Return Performance to 31<sup>st</sup> August 2022 (%) £

	1m	3m	YTD	1yr	3yr	5yr	10yr	Since Launch
LT Global Equity Fund (B Dist.)	+0.4	+4.9	-2.5	-5.2	+0.7	+8.6	+14.8	+14.2
MSCI World Index	+0.2	+2.3	-4.3	+0.4	+10.4	+10.1	+12.9	+11.7
<b>Relative Return</b>	<b>+0.2</b>	<b>+2.6</b>	<b>+1.8</b>	<b>-5.6</b>	<b>-9.7</b>	<b>-1.5</b>	<b>+1.9</b>	<b>+2.5</b>

Source: Morningstar Direct. Fund performance is based on B Dist. Class shares. Total return is provided net of fees with dividends reinvested. For periods greater than one year, returns are shown annualised.

Past performance is not a guide to future performance.

### Fund Information

Type of Scheme	Dublin OEIC (UCITS)
Launch Date	18 March 2011
Classes	A Dist., B Dist., B, D Dist. (£), C (US\$) & E (€)
Base Currency	GBP (£)
Benchmark	MSCI World Index
Dealing & Valuation	12 noon each Dublin & UK Business Day
Year End	31 December
Dividend XD Dates	1 January, 1 July
Pay Dates	31 January, 31 July

### Fund Assets

£5,901m

### Share Price

A Dist.	£3.5900
B Dist.	£4.0746
B	£1.0218
C	\$2.0093
D Dist.	£2.7828
E	€1.481

Source: Lindsell Train Limited and Link Fund Administrators (Ireland) Limited.

### Fund Profile

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

### Portfolio Managers

James Bullock  
Michael Lindsell  
Nick Train

### Investment Manager & Distributor

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

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

### Manager

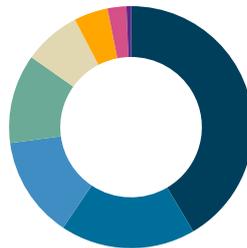
KBA Consulting Management Limited

Regulated by the Central Bank of Ireland

**Top 10 Holdings (%NAV)**

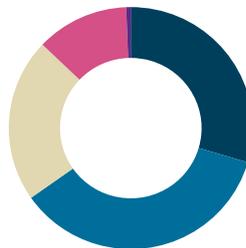
London Stock Exchange Group	8.57
Diageo	8.53
Nintendo	7.33
Heineken Holding	6.60
Unilever	5.25
Kao Corp	4.78
Walt Disney	4.73
World Wrestling Entertainment	4.72
PepsiCo	4.65
Prada	4.61

**Sector Allocation (% NAV)**



Consumer Staples	41.5
Communication Services	17.9
Financials	13.5
Information Technology	11.9
Consumer Discretionary	7.6
Industrials	4.5
Health Care	2.5
Cash	0.6
<b>Total</b>	<b>100.0</b>

**Country Allocation (% NAV)**



UK	29.5
USA	35.7
Japan	21.9
Europe ex-UK	12.3
Cash	0.6
<b>Total</b>	<b>100.0</b>

**Share Class Information**

	Minimum Investment	Management Fees	Ongoing Charges Figure (OCF)*	ISIN	Sedol
A Dist.	£1,500	1.10% p.a.	1.15% p.a.	IE00B644PG05	B644PGO
B Dist.	£150,000	0.60% p.a.	0.65% p.a.	IE00B3NS4D25	B3NS4D2
B	£150,000	0.60% p.a.	0.65% p.a.	IE00051RD3C4	BP2P6W1
C	\$250,000	0.60% p.a.	0.65% p.a.	IE00BK4Z4V95	BK4Z4V9
D Dist.	£200m	0.45% p.a.	0.50% p.a.	IE00BJSPMJ28	BJSPMJ2
E	€100,000	0.60% p.a.	0.65% p.a.	IE00BF2VFW20	BF2VFW2

\*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. The OCF is based on expenses and average assets for the year ending 31 December 2021. It is calculated by the Fund Administrator and published in the KIID dated 18/02/2022. 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. A copy of the latest prospectus and the Key Investor Information Document for each class is available from [www.lindselltrain.com](http://www.lindselltrain.com)

**Contacts**

**Company/Fund Registered Office**

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Dublin, Ireland

**Depositary & Custodian**

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Mellon SA/NV

Regulated by the Central Bank of Ireland

**Fund Administrator,  
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(Ireland) Limited

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Regulated by the Central Bank of Ireland

**Board of Directors**

Alex Hammond-Chambers  
David Dillon  
Gerald Moloney  
Lesley Williams  
Keith Wilson

## Portfolio Manager's Comments

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Few asset classes surpass the inflation protection of equities. They offer participation in real economic value creation and hence promise to protect purchasing power over long periods of time. This is a claim we've often made, with particular reference to companies with strong brands and pricing power, as typified by the best of consumer staples. However, given the present environment, we thought some supporting numbers might help, prompting our newest team member Alice to embark on a spate of US corporate archaeology, going back as far as 1965. With generous input from our investee companies' IR teams (alongside scanning eBay for antique annual reports!) she's made it as far back as 1965 - the year US troops landed in the Dominican Republic, Muhammad Ali beat Sonny Liston (with his famous first-round phantom punch) and Malcolm X was assassinated. As you may already know, the following half-century was a wild inflationary ride, and whilst analysts debate the severity of a possible 3% US rate for 2023, remember that during the 1970s US CPI exceeded 12% p.a. across three separate years. All told, US inflation has averaged 3.9% p.a. since then, causing a dollar under the mattress in 1965 to lose nearly 90% of its purchasing power, equivalent to more than an eight-fold rise in prices. Inflation really is worth beating.

Take PepsiCo as an example. In 1965 (the year Pepsi acquired Frito-Lay, arguably morphing it into the modern company it is today) a six-pack of Pepsi Cola could be had for the princely sum of 59c, meaning you paid just under 10c per bottle. Already a big jump from the famous fixed 5c charged throughout the 1950s, today the US list price of a cool Pepsi is a cooler \$2.05. That's a 21-fold increase (or 5.6% p.a.) in pricing, and confidently ahead of inflation. Real goods protected by strong brands command real pricing. We could stop there (namesake brand pricing power well and truly demonstrated!) but the corresponding growth in PepsiCo's

business is the true prize. Shielded by such pricing, Pepsi's M&A-enhanced volumes have grown as new countries were conquered and distribution expanded. Revenues have grown (organically and inorganically) from \$510 million in 1965 to over \$79 billion by 2021; a 156-fold increase at a 9.4% annualised rate. With the margin ticking up from 11% to 14%, operating profits have grown 192-fold to \$11 billion at a 9.8% p.a. rate. Consequently, any long-term investors seeking real cashflow growth will not have been disappointed. Bloomberg's share data only goes back a paltry 42 years, but over that period at least Pepsi's buy-and-hold investors received a 34,500% total return, whilst the MSCI North America and MSCI World delivered 4,800% and 3,200% respectively. But was this just a 20th century phenomenon? Before the internet, and before Facebook, Google and Amazon changed the way fizzy pop is sold? How is PepsiCo faring today as a new inflationary phase bites? Well, if the first half of 2022 is anything to go by, 21st century Pepsi is doing fine. With H1 organic volumes steady (+2.5% YoY), the company managed to increase prices by 11%, growing overall organic revenues by 13%.

Consumer staples are not the only evidence of pricing power in your portfolio - just the most topical in view of recent manufacturing input cost surges. In fact, every company you own can demonstrate it in one way or another. For example, PayPal's June announcement showed that it had 'simplified' its fees - and yet its Q2 results signalled further gains in both market share and adoption. Look out for more such announcements in the coming months and indeed years. Whatever rate our current inflation spike settles down to (we deliberately use real metrics in our valuations to save us having to predict such things), we'll look to our companies to shield us, just as they have in the past.

*James Bullock, 8<sup>th</sup> September 2022*

**Source Data:** Lindsell Train Ltd , Morningstar, and Bloomberg;  
As of 31<sup>st</sup> August 2022.

The top three absolute contributors to the Fund's performance in August were Walt Disney, PayPal and Kao Corp and the top three absolute detractors were Heineken Holding, RELX and Nintendo.

## Risk Warning

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Past performance is not a guide or guarantee to future performance. Investments carry a degree of risk and the value of investments and income from them as a result of market or currency fluctuations may go down as well as up and you may not get back the amount you originally invested.

To the extent that the portfolio invests a relatively high percentage of its assets in securities of a limited number of companies, and invests in securities with a particular industry, sector or geographical focus, they may be more susceptible than a more diversified portfolio to large swings (both up and down) in their value. Furthermore, the concentrated nature of the portfolio, leading to relatively significant holdings in individual securities 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.

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