

LINDSELL TRAIN

Investment Adviser Brochure (Form ADV Part 2A)

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This brochure provides information about the qualifications and business practices of Lindsell Train Limited ("LT"). If you have any questions about the contents of this brochure, please contact us at +44 207 808 1210 or info@lindselltrain.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about LT is available on the SEC's website at www.adviserinfo.sec.gov.

Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

2. Material Changes

This document is an updated brochure produced by LT in compliance with the requirements of the firm's registration as an investment adviser with the SEC. The previous brochure was updated on 29th April 2024. There is one material change to report.

Jessica Cameron and James Bullock were appointed as executive directors of Lindsell Train Limited in May 2024.

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4. Advisory Business

Lindsell Train Limited (“LT”) was established in 2000 by Michael Lindsell and Nick Train. The business was founded on the shared investment philosophy that developed while the founders worked together during the early 1990s and which underlies our business today.

LT is and has been authorized and regulated by the United Kingdom Financial Conduct Authority (“FCA”) since December 2000 to carry out investment business.

Each of the founders, together with their respective spouses, owns 35.9% of LT. Another 23.9% is owned by the Lindsell Train Investment Trust plc, (“LTIT” or “the Trust”) a closed ended investment fund listed on the London Stock Exchange and is held for investment purposes only. LT is the appointed investment manager to LTIT although it has no authority to exercise discretion over the Trust’s holding in and exposure to LT shares. The remaining 4.3% is owned by existing and former LT employees.

This ownership structure allows the founders to maintain the integrity of the business principles which informs the culture of our company, namely:

- To run client capital as we would run our own
- To align our interests with those of our clients
- To take a long-term view on investment performance and business development

LT specializes in the discretionary management of UK equity, Japanese equity, Global equity and North American equity mandates offered both through segregated accounts, subject to clients’ specific restrictions and guidelines, and pooled funds. Our client base is institutional in nature.

We do not offer any wrap fee programs.

As of June 30th 2024 our regulatory assets under management were US\$17,741,879,133 all managed on a discretionary basis.

For separately managed accounts, investment guidelines and restrictions and any other customized requirements (such as investment management fees) are agreed with the client and documented in the investment management agreement prior to the client accepting the service.

5. Fees and Compensation

Our annual fees earned are based on an agreed percentage on the value of assets under management (“portfolio management fees”). The portfolio management fees we charge for our pooled funds range from 0.45% to 1.10% per annum on the net asset value of the relevant different share classes available to investors. We offer fee rebates to fund investors in certain circumstances, e.g., based on AUM size considerations or for early investors in a newly established fund.

Some client accounts are also charged a performance-based fee as discussed below under “Performance-Based Fees and Side-By-Side Management.”

For separately managed and pooled accounts, fees are invoiced to either the client, the administrator or the custodian and paid by the custodian to us.

Our fee billing frequency varies as agreed to by each client. Most of our segregated client accounts are billed quarterly in arrears and monthly in arrears for pooled funds. We do not charge fees in advance. No additional fees or penalties are charged for termination of any investment management agreements. Fees are charged on a pro rata basis up to the point of termination.

LT’s fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses. See Item 12 - Brokerage Practices. Depending on the tax jurisdiction some fees are also subject to ad valorem tax or other government taxes, which are paid by the client. Clients in separately managed accounts may also incur their own custody fees, administration fees and bank charges for operating their own segregated accounts. When clients invest in pooled funds managed by LT, investment related and operating related expenses including administration, legal, management fees, custody fees, dilution levies (if applicable), bank charges and other related costs are deducted from the net asset value of the investment.

6. Performance-Based Fees and Side-By-Side Management

With respect to some of the client accounts under our management, we also have the ability to earn performance fees where agreed in writing with the client. The structure of any performance fee is subject to negotiation and agreement with the client and documented in the investment management agreement.

Performance based fee arrangements create conflicts of interest for LT and its employees to invest in riskier investments or favor the client by allocating investment opportunities to them instead of to clients from whom LT does not earn a performance-based fee. LT has policies in place that seek to ensure that all clients are treated fairly and equitably in

allocating trades across all portfolios. The performance return of each client's portfolio with the same investment strategy is monitored to ensure that there is no bias in the treatment of performance fee-paying accounts.

7. Types of Clients

LT provides discretionary portfolio management services to "professional clients" such as regulated financial institutions, closed ended management investment companies (but not U.S. registered investment companies), wealth managers, insurance companies, multi-manager funds, corporate pensions (including ERISA), charitable institutions, foundations and endowments. We do not offer investment management services to private individuals who are retail investors.

LT manages and promotes its own named pooled funds domiciled in the United Kingdom, Ireland and the United States. Dealing in these pooled funds is subject to the terms and conditions of the offering documents, such as fund prospectuses or offering memorandums and the key investor information document ("KIID").

LT manages assets on behalf of clients who are classified as professional clients as defined under the UK FCA rules. As a minimum, U.S. investors in eligible LT pooled funds must at least be "accredited investors" as defined in Rule 501 of Regulation D under the Securities Act of 1933. For our LT pooled fund domiciled in the United States, investors must also be "qualified purchasers" as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the "1940 Act"), for purposes of Section 3(c)(7).

The minimum account size for management of a separately managed account starts at US\$300 million and may be lower or higher under special exceptions depending on the mandate and investment strategy. Each pooled fund share class has its own minimum initial size of investment and investment management fee, as defined in the relevant fund prospectus.

8. Methods of Analysis, Investment Strategies and Risk of Loss

In order to generate exceptional returns Lindsell Train believes that it is important to identify, then exploit, a set of persistent anomalies within a given capital market. At the heart of our approach is a conviction that inefficiencies exist in the valuation of "exceptional" companies. Specifically, we note that durable, cash generative franchises are not only rare but also appear to us to be undervalued by other investors for most of the time.

We manage client portfolios with a distinctive attitude to risk and, in line with our long-term investment horizon, we have an aversion to penalizing returns by incurring transaction costs. Our primary aim is to protect the real value of our clients' capital over

the long term. In so doing we seek to deliver attractive absolute returns and outperform market benchmarks over the long-term, which is not a trivial challenge and gives further validation to investment skill.

The pillars of Lindsell Train's Investment approach can be summarized as follows:

- We believe that one aspect of the efficient market theory's fallibility is the persistent undervaluation of exceptionally durable businesses.
- We believe that other investors underestimate the significant value creation from the compounding effects of cash flows and dividends from predictable businesses.
- We consider risk as the possibility of losing permanent value on committed capital and believe risk can be better reduced by portfolio concentration in companies where we have the highest conviction, rather than diversification.
- Avoiding costs incurred through what we view as unnecessary portfolio turnover can materially enhance returns over longer periods of time.

In constructing a client's portfolio, our portfolio managers will consider the client's objectives and risk appetite. The investment risks applicable to each account will depend on the nature of the account, its investment objective, strategy, guidelines and restrictions and investment time horizon. For separately managed accounts, we generally meet with clients at least annually to update them on the investment strategy and portfolio performance.

Investing in securities, regardless of the way they are selected, involves a risk of capital loss that clients should be prepared to bear. Past performance is not necessarily a guide to future performance. Investors should bear in mind the following investment risks in respect of the strategies we employ:

Market Risk – Stock prices may change significantly triggered by political, economic, financial and other external events such as a global pandemic. Some types of stocks like smaller companies, growth or emerging market stocks can be more volatile than other types of stocks such as "blue chip" stocks.

Currency Risk – Overseas stocks are subject to fluctuations in currency movements and the value of the portfolio denominated in a currency other than the US Dollar may depreciate significantly.

Interest Rate Risk – Fluctuations in interest rate risk may cause stock prices to change. For example, an increase in interest rates may impact the business of a security which may cause its market value to fall.

Liquidity Risk – Certain assets in a portfolio such as investments in securities of smaller companies may be more difficult to sell (i.e., illiquid stocks) when required and may limit the portfolio manager’s ability to readily convert the investment into cash. 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 LT deems it appropriate and on the price of these securities at the time of sale.

Portfolio Concentration Risk – Given the relatively concentrated portfolios managed by LT (typically 20-35 holdings), there may be some larger equity positions. A fall in value of a single security could result in more significant losses to clients’ portfolios than if LT had invested in a wider number of securities.

Diversification Risk – Certain LT investment strategies have the majority of assets invested in one or a small number of countries or concentrated sectors relative to their benchmark market indices. This could have a higher than expected positive or negative impact on returns caused by changes in economic, political or stock market movements.

Counterparty Risk – Securities trading for the portfolio is subject to broker and counterparty risk that could result in a default of the transaction’s underlying contract or cause a significant delay in settlement.

9. Disciplinary Information

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of LT’s advisory business or the integrity of its management.

10. Other Financial Industry Activities and Affiliations

LT is not registered as a US broker dealer or representative firm, futures commission merchant, commodity pool operator, commodity trading advisor, nor is it an associated person of any of these types of entities. LT is authorized and regulated in the UK by the Financial Conduct Authority.

Michael Lindsell is a Director of Lindsell Train Investment Trust plc (“LTIT”) and an executive director of LT. LT is the investment manager for LTIT and therefore receives an investment management fee from LTIT. LTIT is also a shareholder in LT. Mr. Lindsell does not receive any remuneration for his service as a Director of LTIT. Furthermore, Mr. Lindsell is precluded from taking part in LTIT Board decisions regarding LT’s appointment as investment manager and decisions regarding LTIT’s investment in LT. The majority of the Board of Directors of LTIT are independent and are not affiliated with LT. As such, we believe that no material conflicts arise from this appointment.

11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

LT has adopted a Code of Ethics that outlines our principles of integrity, competence and fairness. The Code of Ethics provides employees with guidelines on a range of activities including personal account dealing, gifts and entertainment, conflicts of interest and how to report breaches. It is available to all clients or prospective clients on request.

LT employees and its connected parties are permitted to and do buy or sell for their own account the same securities in which LT invests on behalf of clients or buy or sell interests in funds that LT manages. LT maintains a strict policy whereby employees are not allowed to deal ahead of a client account. All relevant personal account transactions require prior clearance from the Chief Compliance Officer or a member of the Compliance Team and employees are required to sign a written undertaking to comply with LT's personal account dealing policy. The Chief Compliance Officer carries out regular reviews of personal account transactions to ensure that the procedures are followed and that there are no compliance violations.

LT has also adopted an insider dealing and market abuse policy applicable to all employees that prohibits personal account transactions while in possession of material non-public information.

LT does not trade in securities as principal or effect transactions for any person other than for a client. Securities are transacted with an approved broker as agent on behalf of a client.

LT at times recommends that a segregated client portfolio invest a portion of its account in a suitable fund for which LT acts as investment adviser. An example of this is where a client has a small portfolio and investment in the fund will reduce transaction costs such as separate custody and administration costs. They must also meet the client's investment objective and the client must approve the investment in writing. If a client chooses to include an LT investment fund in its LT managed portfolio, LT agrees to waive its fees relating to the amount of assets invested in the investment fund.

12. Brokerage Practices

Brokers selected by LT are based on various criteria such as reputation, credit rating, competitiveness on costs and services, dealing expertise, geographical coverage, ability to provide liquidity and ability to provide consistent best execution.

LT can only deal with brokers who are on their approved list. The approval process requires an assessment of various factors such as a broker's credit status and suitability based on

quantitative and qualitative data. Each broker must be regulated by their local financial regulatory authority, able to classify us as a professional client, provide its written terms of business and meet best execution obligations. Upon completion of the approval process, the final sign off is given by a member of the compliance team before the broker is added to the approved list. It is the policy of LT to only arrange delivery versus payment settlement of transactions.

LT does not deal as principal but places orders with its approved brokers on behalf of clients' accounts and as such these brokers owe a duty of best execution. LT monitors these brokers' performance by assessing factors such as:

- Price
- Costs and commissions
- Speed of execution
- Likelihood of execution and settlement
- Order size and impact (including risks that the order size could negatively impact the price achieved)
- Execution capability of the selected broker and/or venue
- Quality and settlement efficiency of the selected broker
- Any other considerations relevant to the order

What constitutes best execution will vary depending on the situation and this may not always equate to obtaining best price or lowest cost. LT will assess the relative importance of the relevant execution factors before placing orders for clients. In most circumstances, the overall price, the order size and liquidity will be the factors considered most when setting the execution strategy.

LT monitors the effectiveness of its order execution arrangements and order execution policy to identify and, where appropriate, correct any deficiencies. We assess our approved brokers, to whom we transmit orders, to ensure that they achieve best execution on a consistent basis and assess whether we need to make changes to our execution arrangements or our panel of approved brokers. Apart from execution quality, our assessment will also include a review of each broker's financial status, service delivery and settlement efficiency.

In the UK, the FCA requires brokers to explicitly separate their dealing commission charges from the charges that relate to the provision of investment research (so-called "soft dollars"). As such, LT does not use dealing commissions to pay for third party investment research. Instead, LT bears the full cost of the third-party investment research it uses, which has the benefit of reducing dealing costs for clients. LT does not receive any soft dollar services.

For investors in pooled vehicles, commission costs of trading in the pooled fund's portfolio are reflected in the net asset valuation.

LT does not receive client referrals from broker-dealers.

LT at times will permit clients to direct brokerage if specifically requested by the client. Directing brokerage to a client's selected broker could result in higher costs for a client, because LT may not be able to obtain the most favorable price or best execution with the client's selected broker and may not be able to aggregate orders with other clients. In addition, a disparity in commissions charged sometimes exists between the commission paid by the client for such trades and those paid by other clients.

LT buys or sells the same securities simultaneously for several clients. LT will aggregate clients' orders if this is deemed appropriate by LT and in the best interest of those participating clients. It may be advantageous to aggregate orders as this may achieve better execution at more favorable prices and reduce transaction costs including commissions.

It is the policy of LT to allocate transactions from aggregate orders promptly, fairly and equitably. Note that if the transaction is too small to be of significance to the larger accounts, LT has discretion to allocate to clients where it is deemed appropriate and does not disadvantage other clients. Otherwise, it is LT's policy to allocate executions on a basis believed to be fair and equitable, acting in the best interest of clients and ensuring the management of any conflicts that may arise. A portfolio manager may use its discretion to allocate transactions on a non-pro rata basis where there are issues concerning standard trading board lots, cash availability of client accounts, investment restrictions and accounts requiring cash to fund large redemptions. Such exceptions are recorded on the trade allocation register and are subject to review by the compliance team.

Subject to a client's prior consent, LT will conduct cross trades between clients if LT believes that the transaction is beneficial to both parties and does not give rise to any conflicts of interest. Such transactions are placed with approved brokers who deal in the market on clients' behalf at prevailing mid-market price. A lower commission rate is therefore charged to both clients. A record is kept of all cross trades noting down the executing broker, reason for the transaction, prices and commission costs. Cross trades (if any) are reported to clients annually including details of the relevant brokerage incurred. The client has the right to withdraw its consent to such cross trades at any time. As a matter of policy cross trades are not executed for or with the Lindsell Train Global Equity LLC which is a US domiciled private fund managed by Lindsell Train.

13. Review of Accounts

LT's portfolio managers are responsible for managing their assigned client accounts and are expected to familiarize themselves with the clients' investment guidelines and restrictions. Their investment process and investment performance are periodically reviewed with and communicated to the client.

Compliance with investment guidelines for all our clients' (including pooled funds') accounts is reviewed on an ongoing basis by our compliance team. Automated pre-trade checks are put in place which are designed to prevent advertent breaches. Where breaches do occur portfolio managers receive prompt notifications of such breaches from our compliance team. If a material breach and/or dealing error were to be identified this would promptly be investigated by compliance and reported to both senior management and the relevant client. Such exceptions are rectified promptly, and clients compensated by LT for any losses incurred (if applicable, LT will seek to recover its cost from the party responsible for such breach or error). Any gains resulting from an active breach or dealing error are retained by the client. Investment guideline breaches and dealing errors are also subject to periodic reviews by the compliance team as part of LT's compliance monitoring program.

Clients' portfolio holdings and cash are reconciled to clients' appointed custodian records daily.

We provide our segregated managed account clients with written monthly portfolio reports that show details of securities held, valuations, cash positions, portfolio performance including appropriate attribution analysis (where requested), which may include commentary by the investment managers. We produce monthly reports showing performance, top holdings and commentaries for investors in our pooled funds. Investors in our pooled funds also receive semi-annual and annual audited financial statements from the relevant fund administrators.

14. Client Referrals and Other Compensation

LT does not receive any economic benefit from non-clients for advisory services. LT does not pay any compensation to third parties for client referrals.

15. Custody

LT does not hold any client money or have custody of client securities or cash. However, LT has 'deemed custody' of the assets in Lindsell Train Global Equity, LLC, a Delaware incorporated private fund (the "Fund"). The audited financial statements of the Fund are distributed to its investors within 120 days following the end of its fiscal year. The Fund's securities are held and registered in the appointed custodian nominee name and the cash held by the custodian is registered in the Fund's name.

Apart from the above, clients' portfolio securities and cash are held by clients' own appointed custodians and are registered in the custodian's nominee name. The custodian has the power to appoint a sub-custodian. The ownership of cash and stock holdings is segregated from the custodian's own account and registered and held separately in trust for the beneficiary of the client. LT does not have access (other than for trading) or any authority to register or instruct custodians to register securities or transfer cash into its own name or another nominee name.

16. Investment Discretion

All our accounts are managed on a discretionary basis. Certain managed account clients may have specific requirements or investment restrictions depending on their investment objectives. Our discretionary authority and limitations are governed in the investment management agreement and/or any side letters with our clients. In the case of pooled funds, the investment objectives, guidelines and restrictions are also governed by the terms of the applicable offering memorandum. These documents are executed prior to taking on any authority or making any investment transactions on behalf of clients.

17. Voting Client Securities

Clients must provide LT with written authorization to vote their securities and this is governed by the terms in the client's investment management agreement. The majority of our clients have opted for LT to vote their securities on their behalf. If a client wishes to vote directly without LT's influence or assistance, this written instruction is reflected in the client's investment management agreement or a separate side letter. For pooled funds, we have authority to vote on behalf of the relevant fund without specific authority from the underlying investors.

The primary voting policy of LT is to protect or enhance the economic value of its investments on behalf of its clients. LT will vote against any agenda that threatens this position, in particular concerns over inappropriate management remuneration or incentives, changes in capital structure and mergers or acquisitions which are seen as detrimental to the investment held. LT's voting intentions will be communicated to the company management where it intends to vote against management.

LT's portfolio managers maintain final decision-making responsibility for all votes, based on their detailed knowledge of the companies in which we invest. LT has appointed an independent proxy agent, Glass Lewis, to assist with the proxy voting process. Glass Lewis provides additional research, analysis and voting recommendations, based upon both its own policy and LT's Proxy Voting Guidelines. LT's portfolio managers use Glass Lewis' Viewpoint platform to process votes and provide enhanced reporting to our clients. LT will consider Glass Lewis' own voting recommendations but will not necessarily support their position if LT does not view it as in the best interest of our clients. Voting authority remains with LT, with the exception of receiving specific client's prior written instructions. LT believes that proxy voting forms an important part of our investment process and proactive company engagement strategy.

From time to time, conflicts of interest may arise when LT carries out its voting policies. For example, a portfolio managed or advised by LT may include an investment fund that is also managed or advised by LT. Another potential conflict arises where one of LT's portfolio managers has a significant business relationship with the investee company's Board member. Where such a conflict of interest arises, LT will not exercise its voting authority but will disclose the conflict and seek the client's voting decision on the resolution.

Proxy voting results and related information in respect of securities held are reported to each relevant client at least quarterly. These reports include summary of votes cast by LTL on behalf of clients, written description of reasons for any abstentions and opposing votes.

Clients and prospective clients may obtain a copy of LT's proxy voting policies and procedures upon request.

LT does not assist in legal proceedings such as class action settlements involving companies whose securities are held in the clients' custody accounts, unless requested or instructed to do so by our clients. We require clients' written approval before proceeding with such claims.

18. Financial Information

LT does not have any financial condition that is likely to impair its ability to meet its contractual and regulatory commitments. LT does not require and does not accept prepayments of fees.

LT is not subject to any bankruptcy proceeding nor has it been at any time since the Company was incorporated in March 2000.

19. Registration with State Advisers

Not applicable to SEC registered advisers.