

# LINDSELL TRAIN GLOBAL FUNDS PLC



Annual Report & Audited Financial Statements  
for the financial year ended 31 December 2019

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## Company information

<b>Directors of the Company</b>	<p>Alex Hammond-Chambers, Chairman (UK) (Independent)  David Dillon (Irish)  Gerald Moloney (Irish) (Independent)  Keith Wilson (UK)  Lesley Williams (Irish) (Independent) (appointed 21 January 2020)</p> <p>(All Directors are non-executive)</p>
<b>Registered Office</b>	<p>33 Sir John Rogerson's Quay  Dublin 2  D02 XK09  Ireland</p>
<b>Investment Manager and Distributor</b>	<p>Lindsell Train Limited  66 Buckingham Gate  London SW1E 6AU</p>
<b>Administrator and Registrar</b>	<p>Link Fund Administrators (Ireland) Limited  1<sup>st</sup> Floor, 2 Grand Canal Square  Grand Canal Harbour  Dublin 2  D02 A342  Ireland</p>
<b>Independent Auditors</b>	<p>Grant Thornton  Chartered Accountants and Statutory Audit Firm  13-18 City Quay  Dublin 2  D02 ED70  Ireland</p>
<b>Irish Legal Advisor</b>	<p>Dillon Eustace Solicitors  33 Sir John Rogerson's Quay  Dublin 2  D02 XK09  Ireland</p>
<b>Depositary</b>	<p>BNY Mellon Trust Company (Ireland) Limited  (until 30 November 2019)  One Dockland Central  Guild Street  International Financial Services Centre  Dublin 1  D01 E4X0</p> <p>The Bank of New York Mellon SA/NV, Dublin Branch  (from 1 December 2019)  Riverside Two  Sir John Rogerson's Quay  Grand Canal Dock  Dublin 2  D03 KV60  Ireland</p>
<b>Company Secretary</b>	<p>Tudor Trust Limited  33 Sir John Rogerson's Quay  Dublin 2  D02 XK09  Ireland</p>
<b>Provision of Designated Individuals</b>	<p>Bridge Consulting  Ferry House  48-52 Mount Street Lower  Dublin 2  D02 PT98  Ireland</p>
<b>Company number</b>	<p>285933 (Registered in Ireland)</p>

## Performance history

For the financial year ended 31 December 2019

Major Stock Exchanges						
Historical Performances	Level		Price Return		Total Return	
	31-Dec-2019	31-Dec-2018	YTD Dec	YTD Dec	5 Years Dec	5 Years Dec
	Base Currency	Base Currency	Base Currency	GBP	Base Currency	GBP
<b>Market Indices</b>						
S&P Composite Index (\$)	\$ 3,230.78	\$ 2,506.85	28.88%	23.90%	73.86%	104.64%
FTSE All Share Index (£)	£ 4,196.47	£ 3,675.06	14.19%	14.19%	43.84%	43.84%
TOPIX Index (¥)	¥ 1,721.36	¥ 1,494.09	15.21%	11.82%	36.37%	77.09%
MSCI World Developed Markets Index (\$)	\$ 2,358.47	\$ 1,883.90	25.19%	20.36%	52.03%	78.95%
<b>Exchange Rates (Link)</b>						
Japanese Yen ¥/£1	143.40	140.38	-2.1%			
Japanese Yen ¥/\$1	109.16	109.95	0.7%			
US Dollar \$/£1	1.32	1.28	-3.3%			
Euro €/£1	1.18	1.12	-5.2%			

Source: Morningstar Direct (unless indicated)

Total Return = Price Return + Reinvested Dividend

Lindsell Train Global Equity Fund						
<b>Investment Objective and Policy</b>						
The investment objective of this sub-fund is to achieve capital and income growth over the long term. It is the sub-fund's policy to invest in a concentrated portfolio of global equities, primarily those listed or traded on Recognised Exchanges in developed countries worldwide.						
Historical Performances	Level		Total Return			
	31-Dec-2019	31-Dec-2018	YTD Dec	YTD Dec	5 Years Dec	5 Years Dec
	Base Currency	Base Currency	Base Currency	GBP	Base Currency	GBP
Net Asset Value						
Class A Shares (£)	£ 3.478	£ 2.973	18.82%	18.82%	141.32%	141.32%
Class B Shares (£)	£ 3.826	£ 3.233	19.41%	19.41%	147.44%	147.44%
Class D Shares (£) - launched 03/03/2014	£ 2.614	£ 2.210	19.61%	19.61%	149.78%	149.78%
MSCI World Developed Markets Index (£)	£ 1,780.31	£ 1,479.20	22.74%	22.74%	78.95%	78.95%
Class C Shares (\$) - launched 30/06/2014	\$ 2.085	\$ 1.688	23.54%	18.77%	109.42%	146.49%
MSCI World Developed Markets Index (\$)	\$ 2,358.47	\$ 1,883.90	27.67%	22.74%	52.03%	78.95%
Class E Shares (€) - launched 20/12/2017	€ 1.366	€ 1.084	26.01%	18.95%	N/A	N/A
MSCI World Developed Markets Index (€)	€ 2,101.09	€ 1,648.00	30.02%	22.74%	63.89%	78.95%

Source: Morningstar Direct

Lindsell Train Japanese Equity Fund						
<b>Investment Objective and Policy</b>						
The investment objective of this sub-fund is to achieve capital and income growth over the long term. It is the sub-fund's policy to invest in a concentrated portfolio of Japanese equities, primarily those listed or traded on Recognised Exchanges in Japan.						
Historical Performances	Level		Total Return			
	31-Dec-2019	31-Dec-2018	YTD Dec	YTD Dec	5 Years Dec	5 Years Dec
	Base Currency	Base Currency	Base Currency	GBP	Base Currency	GBP
Net Asset Value						
Class A Shares (¥)	¥ 518.201	¥ 431.552	20.08%	16.55%	91.37%	148.50%
Class B Shares (¥)	¥ 228.116	¥ 189.061	20.66%	17.11%	96.17%	154.74%
Class B Distributing (¥)	¥ 191.081	¥ 161.019	20.66%	17.11%	96.17%	154.74%
Class B Sterling Hedged Distributing (£)	£ 2.885	£ 2.423	21.09%	21.09%	94.19%	94.19%
TOPIX Index (¥)	¥ 1,721.36	¥ 1,494.09	18.12%	14.64%	36.37%	77.09%
*Class B Sterling Quoted Distributing Shares (£) - launched 9/3/12	£ 2.915	£ 2.511	16.09%	16.09%	139.55%	139.55%
TOPIX Index (£)	£ 11.96	£ 10.69	14.64%	14.64%	77.09%	77.09%
Class C Shares (\$) - launched 30/06/14	\$ 1.938	\$ 1.590	21.90%	17.20%	114.61%	152.61%
TOPIX Index (\$)	\$ 15.840	\$ 13.618	19.25%	14.64%	50.45%	77.09%

Source: Morningstar Direct

\*Class A Sterling Quoted Shares changed name to Class B Sterling Quoted Dist. Shares on 17 August 2015.

## Chairman's statement

For the financial year ended 31 December 2019

*Coronavirus: The events and outcome of 2019 are, by the nature of the annual report, its focus. However, the world is quite suddenly engulfed in a pandemic at the beginning of 2020 - the likes of which haven't been experienced since the outbreak of Spanish 'flu in 1918. The spread of the Covid-19 has been notable for its speed and has literally created chaos around the world. I'll make a few observations later in my statement about how the two sub-funds of Lindsell Train Global Funds plc (the Lindsell Train Global Equity Fund and the Lindsell Train Japanese Equity Fund) might be affected (their net asset values have already been affected) but it has to be said that any comments or forecasts must be treated as speculative.*

### The Company in 2019:

The Board of Directors has had a busy past year (2019) in respect of its two fundamental governance responsibilities: Investment and Stewardship.

**Investment:** By marked contrast with 2018, 2019 was an excellent year for equity investors – around the world. The figures in the tables on page 4 show double digit returns for those indices relevant to our two sub-funds. The rise of 25.2% in the MSCI World Developed Markets Index (20.4% in Sterling), in particular reflects the broad international base of the rise in equity markets.

In such circumstances, making positive and attractive returns should not be that difficult and, indeed, good returns (15%+ in Sterling) were earned for all classes of shares of each sub-fund (see tables on page 4). It is the basic aim of each sub-fund – *growth of capital and income over the long-term*.

However, we recognise the importance of earning competitive returns because investors have a huge amount of choice in selecting a fund to invest in. As is common practice in the investment business, competitive returns are assessed against a benchmark. In 2019 the returns of the Global Equity Fund's different shares fell a little bit short of its benchmark (the MSCI index referred to above) – not because of lots of (relatively) poor individual investment returns (there were one or two inevitably) but because the benchmark's returns were influenced by returns from companies and sectors that we would not invest in. Given our very strict criteria set for stock selection and the concentration of the portfolio (there the fund had 27 holdings at the year-end), its returns are highly unlikely to be similar to that of its benchmark. They have not been in the past, weren't in 2019 and are, to repeat, unlikely to be so in the future.

After last year's disappointing returns (losing a bit), 2019 was a good year for the Japanese Equity Fund, all classes of shares making a positive return as well as higher returns than the fund's benchmark the TOPIX (see figures on page 4). The Japanese Yen declined c. 2% against Pound, diluting the Sterling returns a little. Nevertheless they were good in both absolute and relative terms. Greater detail of 2019's outcome for both sub-funds can be found in the Investment Manager's reports that follow this statement.

Both sub-funds enjoyed positive net subscriptions during the year - £2.1 billion for the Global Equity Fund and £192 million for the Japanese Equity Fund. The details can be found in Note 12 to the accounts under "Share Capital". And dividends were paid in respect of the year, the details of which can be found in note 18 to the accounts under "Distributions".

**Stewardship:** As funds' regulation continues to expand with new regulation, with subsequent embellishments of old regulation and with themed inspections carried out by the Central Bank of Ireland, the Regulator, so the obligations and responsibilities of the board of funds continues to increase.

There were three matters that I would like to comment on during the year: the issues of closet index tracking and portfolio liquidity and our board succession planning.

The Regulator has become concerned – quite rightly – about the portfolio management of funds that are managed, in essence, on the construct of an index (closet index tracking) but charged as though actively managed. The two sub-funds, the Global Equity Fund and the Japanese Equity Fund, have respectively 27 and 23 holdings and as a consequence there are literally hundreds of companies whose shares are in each benchmark but not in either portfolio. I lay emphasis on this because, as shareholders know, Lindsell Train Limited, our Investment Manager, has very strict criteria in stock selection, which rule out investment in a large number of companies. They focus on investment in well managed, soundly financed, cash generating, sustainable businesses. Omission is an active part of portfolio management, as of course is inclusion. Not surprisingly, the Regulator's themed inspection on closet indexing did not affect the two sub-funds.

Of more significance for us, perhaps is the Regulator's concern about portfolio liquidity and the ability of open-ended funds to meet redemptions. Given the concentrated nature of the two portfolios, it might easily be the case that one or two holdings might be difficult to sell down in difficult circumstances. The Board has always monitored the liquidity of individual holdings as well as the liquidity of the portfolio as a whole under normal conditions, taking into account the make-up of investors in the sub-funds. However, we also monitor the liquidity under "stressed" conditions – examples of which would be Black Monday, October 19<sup>th</sup> 1987 or, more topically, the Coronavirus induced stock market declines of the last few weeks. There are two objectives of liquidity management: meeting redemptions and retaining the structure of the portfolio for those who remain invested. Indeed, we have been put to the test in a very practical manner in February and March 2020 and have been able to achieve both objectives. *Proof of the pudding.*

Each year the Organisational Effectiveness Director (in our case, the Chairman) issues an organisational effectiveness report to the Board, reviewing the effectiveness of its governance and the resources available to run the organisation effectively. The report presented to the Board in 2019 highlighted two issues: succession planning and the structure for compliance with the management functions set out by the Regulator in CP86.

We undertook a search for a new director to join the Board. In looking at the resources needed by the Board to fulfil its duties we looked at skills and experience in the two categories of our duties – investment and stewardship. I am very pleased to report that Ms Lesley Williams has recently been appointed a director of the Company. She is an able and experienced person with experience of portfolio management. We look forward to working with her.

The Board has also decided to appoint a management company ("Manco"), which will be accountable to both the Board and the Regulator for the fulfilment of CP86's six management functions and is in the process of making a final decision on which organisation to appoint.

## Chairman's statement (continued)

For the financial year ended 31 December 2019

### Lindsell Train Global Equity Fund (the "Fund")

#### The Past Five Years:

Total Return of the "Class A" shares: 141.3% (19.3% pa).

Total Return of the "Class B" shares: 147.4% (19.9% pa).

*Other share class returns are set out in the table on page 4.*

The focus of the Board's accountability to shareholders is on achieving the long-term goal of capital and income growth – long-term being considered to be five years. Over five years it is reasonable to assume that the underlying companies in the portfolio will have grown their profits and dividends and created corporate wealth which will have been reflected in the share price – under normal market conditions.

So the two figures above - for the returns of the A and B class shares over five years – can be considered very good and probably rather more than might be expected over the very long-term. Up to the end of 2019, we had been experiencing an extended bull market all over the world – nearly 11 years in duration.

There are probably many reasons for such an extended bull market but they would include starting from a very low base and, of course, the infusion of huge quantities of money pumped into the main economies of the world, leveraging up asset prices.

#### Some Facts:

- Five years ago – itself less than two years after the launch in March 2011 – the size of the fund was £678 million with a net asset value for the "Class A" shares of £1.56 per share; at the end of 2019 it had grown to £8,435 million with a net asset value for the "Class A" shares £3.48 per share (total return of 141.3%).
- Over the five years positive and competitive returns were earned by the Class A and Class B shares, the returns relative to the benchmark being impressive. (see tables on page 4);
- The increase in the net asset values can be attributed to rising equity markets and good stock selection (the benchmark total return was 79%);
- As the sales, profits and dividends of the companies in the portfolio grow, so the dividends that the fund's shareholders receive should grow too. Over the five years the dividends of the "Class A" and "Class B" shares have grown from 2.40p and 1.56p paid in 2014 to 5.05p and 3.25p respectively paid during 2019;
- Lindsell Train's long-term focus in managing the fund's portfolio results in very low portfolio turnover of holdings. Consequently, the structure of the portfolio, both in term of sector and individual company's shares, doesn't tend to change much. So, these long-term returns have emanated from not only good stock selection but also patient investing. Lindsell Train does not seek to trade holdings in the hope of adding value; it's easy to lose value that way.
- The top five holdings at the end of the year were invested in Unilever, Diageo, Heineken, London stock Exchange and Nintendo, accounting for c. 41% of the net asset value.
- The three best contributors to the increase in the net asset values during 2019 came from our holdings in the shares of London Stock Exchange, Nintendo and Mondelez, contributing; the three biggest detractors were the holdings in Pearson, World Wrestling Entertainment.
- Investment in Consumer Staples continued to be the largest sector commitment, worth circa 44% of the net asset value (as at the end of December 2019); c.20% was committed to Communications Services.
- As at 31 December 2019 33% of the net asset value was invested in the United States, 29% in the UK, 21% in Japan and 14% in Europe – again much the same as last year.

### Lindsell Train Japanese Equity Fund (the "Fund")

#### The Past Five Years:

Total Return of the "Class A" shares (in £s): 148.5% (20% pa).

Total Return of the "Class B" shares (in £s): 154.7% (21.0% pa).

*Other share class returns are set out in the table on page 4.*

The excellent compound returns earned over the last five years apart, the achievement of reaching £500m net asset for the Japanese Equity Fund is a milestone. When Lindsell Train took over the management of the fund in 2004, it had assets of less than £10m. Investment in Japan was not particularly popular and what was going into Japanese equity funds was focused on a macro play in the country and thence on big cap, index style funds. The very focused and specialist nature of the fund did not have general appeal. But over the past 16 years – and particularly over the last five years - investors have come to appreciate the fund's superior returns and the investment disciplines that lie behind them.

Those five year returns are getting on for twice those of the benchmark index, the TOPIX (77% in £s). The Japanese stock market is the same as any other equity market: good stock selection earns good returns. Or put another way: stock markets do not create wealth, companies do. And so, at the end 2019, the fund had net assets of £519m.

As I have already mentioned, Lindsell Train's investment philosophy is focused on investing in "well managed, financially sound, cash generative, sustainable businesses". But there is another aspect of their stock selection: value. While Lindsell Train don't pick stocks on the basis of short-term cheapness, they do look at the value that their companies command in respect of their business franchises. In many cases, they believe that the market does not recognise the long-term sustainable value of their franchises reflected in that business.

Nintendo, a huge contributor to the returns earned over the last five years is a case in point. While it was quite out of favour for quite a long time, Lindsell Train recognised the great value of the company's intellectual property ("IP") and retained a top ten holding in the fund. Eventually, the company announced that its games could be played on other hardware (than its own), thereby releasing the value of that IP onto a much broader base. The share price took off and the fund benefited hugely.

The Japanese stock market has kept up with that of the rest of the world over the last five years (see comparative returns on tables on page 4). In part because a lot of money has gone into Japan on the basis that it is a cheap stock market, in part because investors like the improved governance of Japanese companies and in part because the Japanese government has been a steady buyer of the equities of Japanese companies. It remains the case that the Japanese economy continues to perform in a pretty lacklustre way with no obvious reason to forecast a higher growth rate over the longer-term. So good stock selection will remain a key facet of good returns.

## Chairman's statement (continued)

For the financial year ended 31 December 2019

### Lindsell Train Japanese Equity Fund (the "Fund") (continued)

#### Some Facts:

- Five years ago the size of the Japanese Equity Fund was c. £38 million with a net asset value for the "Class A" shares of ¥270.8 per share; at the end of 2019 it had grown to £519 million with a net asset value for the "Class A" shares ¥518.2 per share (total return of 114.6% in Sterling terms).
- Over the five years positive and competitive returns were earned by all classes of shares;
- The increase in the net asset values can be attributed to rising equity markets and but more importantly to good stock selection (the benchmark total return was 79% in Sterling terms);
- As the sales, profits and dividends of the companies in the portfolio grow, so the dividends that the fund's shareholders receive should grow too.
- As shareholders are well aware, Lindsell Train portfolios really are run on a long-term basis with very low turnover and long-term ownership of holdings. So, the constituents of the portfolio are much the same as they were five years ago.
- The top five holdings at the end of the year were invested in Nintendo, Kao Cp, Shiseido, OBIC Business Consultants and Astellas, accounting for c. 40% of the net asset value - the same as last year.
- The three best contributors to the increase in the net asset values during 2019 came from our holdings in the shares of Nintendo (a detractor last year), Square Enix, Astellas Pharma; the three biggest detractors were the holdings in Taisho Pharmaceutical, ITO En and Canon.
- Investment in Consumer Franchises continued to be the largest sector commitment, worth circa 43% of the net asset value (as at the end of December 2019); c.25% was committed to Media and 20% to Healthcare.

#### Prospects

A month ago, I would have written a different ending to this statement. But events – the coronavirus pandemic - has engulfed us with quite extraordinary speed, creating chaos to the lives and livelihood of millions of people around the world. The latest statistics on coronavirus cases and subsequent deaths in Japan do not look as threatening as other parts of the world. But statistics change so quickly that, taken at any point in time, they can prove misleading.

The very human tragedy of the pandemic has turned into an economic tragedy of some proportions. It is impossible to gauge in numerical terms the extent of the economic setback but even without the benefit of numbers it is certain that 2020 can be regarded as a "write-off". Profits and dividends all over the world, including those earned in Japan will be hugely reduced. So, to that extent they are probably irrelevant. Two questions that investors are asking are: when will the pandemic peak and fizzle out and how quickly can economies recover? The answers at this stage must be: don't know.

Neither the short-term nor long-term consequences of this pandemic can be assessed with any confidence or accuracy. Perhaps more damaging than the effects on profits and dividends in 2020, however, will be the effect on the balance sheets of those companies that are already materially indebted. (We take great care to invest in companies with strong balance sheets, precisely because they are a protection in rocky times). While governments and central banks everywhere will be doing their best to alleviate the consequences of the pandemic, they themselves are not in great financial state to ward off a severe recession. How the inevitable mountain of debt that this economic chaos will be dealt with is a major issue in the question of how quick can we recover.

The longer-term consequences will become clearer as the events unfold and once the pandemic starts to abate. The biggest consequences, I would guess, will fall upon China and its key position within the world's supply chain. The world, including large swathes of Japanese manufacturing, cannot afford to be held ransom to the ambitions and fortunes of the country. Japan, along with countries such as Germany and the US, is a huge global manufacturer and will therefore be greatly affected by the reordering of the structure of global manufacturing. The pandemic has, indeed, highlighted how fragile a connected-globalised world is, especially one heavily dependent on the fortunes of one country. Whatever the future may hold, it is unlikely that we will return to *the status quo ante*. Globalisation, already under political attack in so many countries, is likely to undergo some sort of reshaping – giving rise to opportunities and threats.

So how do we manage? Answer: do not get carried away by events. We invest very carefully in well managed, financially sound, cash generative, sustainable businesses. Nevertheless, the share prices of the best companies fall in such circumstances – in part because their shares tend to be liquid and so the easiest to sell when markets are collapsing. Our net asset values have been affected. But shares in the best companies not only offer the prospects for the best long term returns but also offer the best protection against long-term losses of - and even permanent losses of - capital. So, we will continue to invest as we have always done - carefully and thoughtfully – with due regard to the responsibilities we have in looking after shareholders' money in good and bad times.

**Alex Hammond-Chambers**  
Chairman



## Directors' report

For the financial year ended 31 December 2019

The Board of Directors (or the "Directors") of Lindsell Train Global Funds plc (or the "Company") present herewith their annual report and audited financial statements for the financial year ended 31 December 2019. The Company was incorporated on 7 May 1998 and is authorised as an Undertaking for Collective Investment in Transferable Securities ("UCITS") by the Central Bank of Ireland (or the "Central Bank"). The Company is an umbrella type investment company with segregated liability between sub-funds. As of the date of this report, the Company is comprised of two sub-funds, Lindsell Train Global Equity Fund and Lindsell Train Japanese Equity Fund.

### Basis of preparation

The format and certain wordings of the financial statements have been adapted from those contained in the Companies Act 2014 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment fund.

### Principal activities

The Company is an open-ended investment company with variable capital and limited liability which has been authorised by the Central Bank of Ireland as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, (as amended) (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

### Accounting records

The measures, which the Directors have taken to ensure that compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the adoption of suitable policies for recording transactions, assets and liabilities and the appointment of a suitable service organisation, Link Fund Administrators (Ireland) Limited (the "Administrator"). The accounting records of the Company are located at the offices of the Administrator.

### Activities and business review

An overview of the Company's trading activities is detailed in the Chairman's statement on pages 5 to 7 and the Investment Manager's report for each sub-fund on pages 11 to 12.

### Risks and uncertainties

The principle risks and uncertainties faced by the Company are outlined in the prospectus. These risks include market risk which is comprised of currency risk, interest rate risk and market price risk, liquidity risk and credit risk as per IFRS 7 - Financial Instruments: Disclosures ("IFRS 7"). The Investment Manager reviews and agrees policies for managing each of these risks and these are detailed in note 13 to the financial statements.

COVID-19: On 11 March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. The Board is monitoring the evolution of this pandemic, including how it may affect the economy and the general population. The Board has not yet determined the financial impact of these events. There have been no events since the balance sheet date which would require revision of the amounts included in the financial statements or disclosure in a note thereto. In particular, we have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

### Directors

The names of the Directors during the financial year ended 31 December 2019 are set out below:

Alex Hammond-Chambers, Chairman  
David Dillon  
Gerald Moloney  
Keith Wilson

### Directors' and Company Secretary's interests in shares of the Company

The following table details the shares held by the Directors at the reporting date:

#### As at 31 December 2019

Related Party	Sub-fund	Class	Shares
Alex Hammond-Chambers*	Japanese Equity Fund	Class B Sterling Hedged - Distributing	18,891.03
Alex Hammond-Chambers*	Japanese Equity Fund	Class A	5,471.67
David Dillon	Global Equity Fund	Class B	92,350.88
Gerald Moloney	Global Equity Fund	Class E	197,962.06
Keith Wilson*	Global Equity Fund	Class D	48,219.18
Keith Wilson	Japanese Equity Fund	Class B Sterling Quoted – Distributing	19,609.24

\* Holdings contain balances held by spouses and/or dependents.

#### As at 31 December 2018

Related Party	Sub-fund	Class	Shares
Alex Hammond-Chambers*	Japanese Equity Fund	Class B Sterling Hedged - Distributing	18,891.03
Alex Hammond-Chambers*	Japanese Equity Fund	Class A	5,471.67
David Dillon	Global Equity Fund	Class B	92,350.88
Gerald Moloney	Global Equity Fund	Class E	197,962.06
Keith Wilson*	Global Equity Fund	Class D	48,195.96
Keith Wilson*	Japanese Equity Fund	Class B Sterling Hedged – Distributing	19,609.24

\* Holdings contain balances held by spouses and/or dependents.

The Company Secretary did not have any interest in the shares of the Company at the reporting date (2018: nil).

### Transactions involving Directors

Other than as disclosed in note 19 to the financial statements, there were no contracts or arrangements of any significance in relation to the business of the Company in which the Directors had any interest at any time during the financial year.



## Directors' report (continued)

For the financial year ended 31 December 2019

### Transactions involving connected persons

Chapter 10 of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019 (the "Central Bank Regulations") headed 'Transactions involving Connected Persons' states in regulation 43 that a responsible person shall ensure that any transaction between a UCITS and the management company or depositary to a UCITS; and the delegates or sub-delegates of such a management company or depositary (excluding any non-group company sub-custodians appointed by a depositary); and any associated or group company of such a management company, depositary, delegate or sub-delegate ("connected persons") is conducted at arm's length and is in the best interests of the unitholders of the UCITS.

The Directors are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in regulation 43 of the Central Bank Regulations are applied to all transactions with connected persons; and the Directors are satisfied that transactions with connected persons entered into during the financial year complied with the obligations set out in this paragraph.

### Results of operations

The results of operations for the financial year and the state of affairs of the Company are set out in the Statement of comprehensive income on page 18.

### Distributions

The Directors declared dividends for the financial year ended 31 December 2019. See note 18 for further details.

### Independent auditors

The Auditors, Grant Thornton, Chartered Accountants and Statutory Audit Firm, have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

### Events after the reporting date

There have been no events after the financial year end which impact on these financial statements other than those disclosed in note 26 to these financial statements.

### Corporate governance statement

The Directors of the Company has assessed and adopted the measures included in the voluntary Corporate Governance Code for Collective Investment Schemes and Management Companies as published by Irish Funds in December 2011.

### Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable Irish law and regulations. Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Company has appointed The Bank of New York Mellon SA/NV, Dublin Branch (the "Depositary") to carry out the custodial functions of the Company including the safe keeping of assets, trustee duties and the operation and maintenance of bank accounts.

### Directors' compliance statement

The Directors acknowledge that they are responsible for securing compliance by the Company with its relevant obligations as defined with the Companies Act 2014 (hereinafter called the "relevant obligations").

The Directors confirm the Company has put in place appropriate arrangements designed to secure compliance with its relevant obligations. The Directors confirm that they have adopted a specific compliance policy statement in respect of the financial year ended 31 December 2019 to ensure compliance with its requirements under the Central Bank's UCITS Regulations and the Corporate Governance Code and which are monitored and reviewed on an ongoing basis and is in compliance with its relevant obligations.

## **Directors' report (continued)**

For the financial year ended 31 December 2019

### **Statement on relevant audit information**

In accordance with Section 332 of the Companies Act 2014 each of the persons who are Directors at the time the report is approved confirm the following:

- 1) so far as the Director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and
- 2) each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

### **Audit committee**

The Directors are aware of Section 167 of the Companies Act 2014 which requires certain companies to establish an audit committee. Due to the size, nature and complexity of the Company, the Directors do not consider it necessary to establish an audit committee.

Signed on behalf of the Board of Directors by:

**Alex Hammond-Chambers**

**David Dillon**

Date: 7 April 2020

## Investment Manager's report

For the financial year ended 31 December 2019

### Lindsell Train Global Equity Fund (the "Fund")

2019 ended with a poor quarter in terms of relative performance, meaning that the Fund ends the year trailing its benchmark by 3.3%. We were however pleased by the total return of over 18.8% for Class A Shares, given how much worry the year 2019 gave investors. It is an important lesson to us all that despite trade wars, Brexit and political uncertainty, many global stock markets delivered good returns for the year. Gloomy headlines are often the worst indicators for future stock market returns.

The three largest contributors to performance are representative of three of the broad industry categories in which we find the large majority of our investments (respectively, Financials, Internet/Media/Software and Consumer Branded Goods). The largest contributor was the London Stock Exchange, which rose over 90%. Of course you might expect the business to do well when stock markets do well, but an abortive bid from the Hong Kong Exchange certainly helped. Then Nintendo was up nearly 50% in Sterling terms, with its successful Switch console providing a platform for greater than expected sales of its software. Mondelez also did well, up 35% (in £), as its steady business performance surprised the pessimists, who feared it would suffer similar problems to those being visited on mainstream US packaged foods companies. But those problems don't appear to have hurt Mondelez' iconic confectionary (Cadbury) and biscuit (Oreo) brands.

We were also pleased by the performance of Prada - the Fund's newest holding - up 13% in December alone. This was a continuation of recent vigour, goaded on by market activity. We started buying the shares in May, attracted by both the unique heritage of the company's core prestige brand and the weakness in the company's shares. These had fallen a thunderous 72% from their 2013 peak, resulting in an enterprise value multiple for the company barely above 2x sales. In subsequent months however interest in other rare luxury assets (e.g. Tiffany's capitulation to LVMH at 4x sales, or Moncler's flirtation with Kering taking its multiple above 7x) has driven a reappraisal of their value. Prada's shares are now up over 40% since we first bought - which frustratingly is actually quicker than we'd have liked given we're still building the position.

Turning to what didn't work for your Fund, Pearson's share price was down over 30% and World Wrestling Entertainment's down nearly 16%. For Pearson, 2020 is an important year for the company, when investors should really be able to judge whether the multi-year investments it has made into digitising its Intellectual Property will ever pay off (and hence an important year for us as possibly overly patient investors in it). WWE, which rose by more than 160% in 2018 gave back over 13% of this in 2019. Indeed, much of the explanation for 2019's underperformance relates to the timing of the calendar years, with several of our strongest performers from 2018 (a year in which we outperformed by 14%) relaxing their earlier gains.

Moreover, late in the year there was a discernible shift in emphasis in markets that had favoured for some time defensive, growth or quality companies towards cyclical or value shares. These badges that investors label companies with can be misleading but in essence where investors had emphasised more expensively rated companies, with steady high returns on capital that grew revenues and profits from one year to the next, recently they have begun to shift emphasis to cheaply rated companies not necessarily dependent for their success as investments on growth or consistent business performance. We have little or no exposure to this change in tenor, and will continue to concentrate our portfolios on what we judge to be the highest quality companies.

### COVID-19

We wrote this report earlier in the year before COVID-19 struck, with all its implications. The curtailment of commercial activity and the disruption to the pattern of lives brought about by the measures to combat the coronavirus will have a significant impact on most of our companies for a good part of 2020 and likely extending into 2021. There is no end date to the disruption and no template to work from in recent history, which makes the ultimate effect difficult to predict. Suffice to say our investment approach steers us away from capital intensive manufacturing businesses, those reliant on commodity prices to sustain revenues and those dependent on high operational leverage and debt financing. In aggregate our companies boast net cash on their balance sheets which helps them survive falling cash flows and allows them to continue to invest for growth in the future.

In our recent monthly reports to investors, we have been highlighting in some detail the risks our companies are currently facing but it is equally important to remind you that these are companies that on average have endured the vicissitudes of life – wars, economic depressions and other threats at least as bad as today's - for more than a century. And it's in those difficult times when endurance counts and weaker competitors falter or fail. On that basis, we believe our companies have every chance of coming out of this crisis stronger than ever. We believe that, even if the next two years prove challenging, if they continue to exhibit the ability to earn higher than average returns on capital over the long term, they will prove rewarding investments especially when viewed against the alternative of negative yields exhibited by cash and bonds today.

## Investment Manager's report (continued)

For the financial year ended 31 December 2019

### Lindsell Train Japanese Equity Fund (the "Fund")

After last year's decline it was pleasing that the Fund's Class A Shares were able to generate a decent return of 20.08% during 2019. Even better, we were able to exceed the benchmark return of 18.1%, making it the 4<sup>th</sup> consecutive year of outperformance. Indeed our five year total returns of 13.9% per annum versus the TOPIX index of 6.4% per annum are some of the best we have achieved, both absolutely and relatively over the history of our management of the Fund. Running a concentrated portfolio as we do obliges us to get our big holdings right if we are to perform. 2019 illustrated this in spades as three of the top five contributors to performance were holdings above 5% of NAV. Nintendo was up 54%, Astellas 37% and Obic Business Consultants 22%. Our other two large (greater than 5%) holdings, Kao (up 12%) and Shiseido (up 14%), may have underperformed the market a little but were still up nicely. It was our smaller holdings - notably Taisho and Ito En preference (down 26% and 1% respectively) - that detracted most from returns. It was also a year of two halves, with the Fund performing well in the first half and poorly in the second. Indeed from the third quarter, economically sensitive cyclical companies led the market. We own few of these types of companies and as a result struggled to hold onto performance later in the year; but did so largely on account of the contribution from individual holdings such as Sotsu and Square Enix. Sotsu (up 61%) and Square Enix (up 84%) proved to be the stand-out performers of the year, especially in the second half.

It was notable that two video game companies were in the vanguard of our performers. Both had successes with sales of their valuable intellectual property ('IP'). Nintendo's successful Switch console provided a platform for greater than expected sales of its software and Square Enix's Dragon Quest Walk mobile app shot to the top of the download charts where it has remained since its release. In last year's annual report we explained that a reason for Square Enix's poor performance in 2018 was the costs associated with repositioning its mobile app strategy, with a renewed focus on its core IP at the expense of peripheral titles. It seems it is beginning to pay off already. Sotsu, a small company with market cap of just ¥30bn, was in effect taken over by Namco Bandai (its major minority shareholder) at a hefty premium to the prevailing share price. Losing this holding was the only change in the constituents of the portfolio during the year.

In expressing satisfaction with last year's return for the Fund and the market, one has to be reminded that it was supported to some degree by the Bank of Japan's persistent supportive buying of equities. It amounts to about 1% of the market per year. What can we expect in 2020? More of the same from the BOJ and, on the assumption that corporate cash flows hold up, a continuance of the ongoing trend of companies undertaking share repurchases, which since April has been running at c.2% of the market. Aside from these influences the performance of our portfolio as distinct from the market will as before be driven by the vicissitudes affecting our individual companies, on which we selectively comment below.

Of our largest five holdings (6 - 9.5% of the Fund's NAV):

**Nintendo's** Switch has a new cheaper portable cousin the 'Switch Lite' and together they are helping to ensure that this console is the most successful since the Wii. Late last year the company began sales in China with its partner there - Tencent. The Chinese may not be familiar with playing games on consoles but China is by far the biggest gaming market in the world and it would be surprising if Nintendo didn't find a supportive constituency there for its well renowned content.

**Kao** forecast a bigger contribution from higher margin cosmetic products with the re-launch of the Sensai brand and the unveiling of a new product utilising its fine-fiber technology. This new application is akin to an ultra-thin invisible membrane that helps protect the skin whilst allowing moisture permeability. Kao has launched both products in Japan and expect them to be at the vanguard of its cosmetics push into China. If successful the beauty products part of Kao's business should help drive the company's sales growth over the next three years.

**Astellas** may have delivered outsized performance last year but we should expect more if the company is able to bring to market products to counter the sales decline predicted from patent expiries. In this vein its recent acquisition of Audentes Therapeutics, a specialist in gene therapy, is a big step forward. To perform, **Shiseido** needs to deliver on the ongoing restructuring of its US business, while hoping to maintain growth momentum in China and in travel retail. In 2021 the company will then be able to optimise production efficiencies once the new manufacturing plants are completed and are up and running in Japan.

**Obic Business Consultants** will expand its online cloud based software offerings, adding more subscription revenues to the dependable revenues from maintenance that already make up more than 50% of sales.

Amongst the next tier of holdings (each around 5% of NAV):

**Takeda Pharmaceutical** ended the year up 22%, satisfactory perhaps relative to the market but the price still has ground to catch up post the Shire acquisition in late 2018. This year we hope this will happen as the benefits of the acquisition begin to broaden and importantly the debt burden taken on at acquisition dissipates.

We hope for continued steady results from **Milbon** that operates in a business niche (professional hair care products) with less specialist competition and a recovery in **Mandom's** sales (male grooming) following recent brand investments.

**Square Enix** may have done well in 2019 but given the quality of its intellectual property should be valued much more highly. And we hope **Hogy Medical** continues to sign up hospitals to take its premium kits, in doing so giving fresh potential to the business.

### COVID-19

We wrote this report earlier in the year before COVID-19 struck, with all its implications. The curtailment of commercial activity and the disruption to the pattern of lives brought about by the measures to combat the coronavirus will have a significant impact on most of our companies for a good part of 2020 and likely extending into 2021. There is no end date to the disruption and no template to work from in recent history, which makes the ultimate effect difficult to predict. Suffice to say our investment approach steers us away from capital intensive manufacturing businesses, those reliant on commodity prices to sustain revenues and those dependent on high operational leverage and debt financing. In aggregate our companies boast net cash on their balance sheets which helps them survive falling cash flows and allows them to continue to invest for growth in the future.

In our recent monthly reports to investors, we have been highlighting in some detail the risks our companies are currently facing but it is equally important to remind you that these are companies that on average have endured the vicissitudes of life – wars, economic depressions and other threats at least as bad as today's - for more than a century. And it's in those difficult times when endurance counts and weaker competitors falter or fail. On that basis, we believe our companies have every chance of coming out of this crisis stronger than ever. We believe that, even if the next two years prove challenging, if they continue to exhibit the ability to earn higher than average returns on capital over the long term, they will prove rewarding investments especially when viewed against the alternative of negative yields exhibited by cash and bonds today.

## Report from the Depositary to the shareholders

For the period from 1<sup>st</sup> January 2019 to 31<sup>st</sup> December 2019 (the “Period”)

The Bank of New York Mellon SA/NV, Dublin Branch (the “Depositary” “us”, “we”, or “our”), has enquired into the conduct of Lindsell Train Global Funds plc (the “Company”) for the Period, in its capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company, in accordance with our role as Depositary to the Company and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### Responsibilities of the Depositary

Our duties and responsibilities are outlined in Regulation 34 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No 352 of 2011), as amended (the “Regulations”).

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's constitutional documentation and the Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not been so managed, we as Depositary must state in what respects it has not been so managed and the steps which we have taken in respect thereof.

### Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties and to ensure that, in all material respects, the Company has been managed:

- (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations; and
- (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

### Opinion

In our opinion, the Company has been managed during the Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the constitutional documentation and by the Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional documentation and the Regulations.

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For and on Behalf of The Bank of New York Mellon SA/NV, Dublin Branch  
 Riverside Two  
 Sir John Rogerson's Quay  
 Dublin 2  
 D02 KV60  
 Ireland

Date: 7 April 2020

## Independent Auditor's report

For the financial year ended 31 December 2019

### Opinion

We have audited the financial statements of Lindsell Train Global Funds plc (or the "Company"), which comprise the Statement of Financial Position as at 31 December 2019 and the Statement of Comprehensive Income, the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and the Statement of Cash Flows for the financial year ended 31 December 2019, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and International Financial Reporting Standards (or "IFRS") as adopted by the European Union.

In our opinion, the Company's financial statements:

- give a true and fair view in accordance with IFRS of the assets, liabilities and financial position of the Company as at 31 December 2019 and of its financial performance and cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act, 2014 and the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (or "ISAs (Ireland)") and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (or "IAASA") Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the Board of Directors (or the "Directors") use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, such as the Performance History, the Chairman's Statement, the Directors' Report, the Investment Manager's Report, the Report from the Depositary to the Shareholders, the Company Information, the Schedule of Investments, the Statement of Significant Portfolio Movements and the unaudited appendix to the Annual Report. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014.

### Matters on which we are required to report by exception

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions specified by section 305 to 312 of the Companies Act 2014 have not been made. We have no exceptions to report arising from this responsibility.



## Independent Auditor's report (continued)

For the financial year ended 31 December 2019

### Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS as adopted by the European Union, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Company's financial reporting process.

### Responsibilities of the auditor for the audit of the financial statements

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. The auditor will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

### The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act, 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Glennon  
For and on behalf of  
Grant Thornton  
Chartered Accountants & Statutory Audit Firm  
13- 18 City Quay  
Dublin 2  
D02 ED70

Date: 7 April 2020



**Statement of financial position**

As at 31 December 2019

	Note	Global Equity Fund GBP	Japanese Equity Fund JPY	Total Company GBP
<b>Assets</b>				
Financial assets at fair value through profit or loss	2(d), 3			
- Transferable securities		8,361,148,565	68,971,273,774	8,842,675,910
- Financial derivative instruments		-	1,666,824	11,637
Cash and cash equivalents	4	97,492,006	5,893,352,720	138,636,824
Dividends receivable	2(e)	10,207,737	195,381,975	11,571,809
Subscriptions receivable		18,847,239	217,848,325	20,368,161
Other assets		4,682	66,352	5,145
<b>Total assets</b>		<b>8,487,700,229</b>	<b>75,279,589,970</b>	<b>9,013,269,486</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	2(d), 3			
- Financial derivative instruments		-	359,702,364	2,511,285
Securities purchased payable	2(k)	-	215,869,142	1,507,104
Redemptions payable		48,323,566	269,499,649	50,205,095
Investment manager's fee payable	5	4,087,384	36,424,457	4,341,684
Other expenses payable	10	41,725	1,207,727	50,157
Audit fee payable		15,881	250,983	17,633
Administration fee payable	6	153,560	3,914,949	180,892
Depositary fee payable	7	223,823	2,858,776	243,782
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>52,845,939</b>	<b>889,728,047</b>	<b>59,057,632</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>8,434,854,290</b>	<b>74,389,861,923</b>	<b>8,954,211,854</b>

The Statement of financial position is continued on page 17.

Signed on behalf of the Board of Directors by:

Alex Hammond-Chambers

David Dillon

Date: 7 April 2020

**Statement of financial position (continued)**

As at 31 December 2018

	Note	Global Equity Fund GBP	Japanese Equity Fund JPY	Total Company GBP
<b>Assets</b>				
Financial assets at fair value through profit or loss	2(d), 3			
- Transferable securities		5,145,778,219	37,981,195,687	5,417,048,367
- Financial derivative instruments		-	2,020,197	14,429
Cash and cash equivalents	4	117,435,120	1,035,679,427	124,832,173
Dividends receivable	2(e)	12,979,265	128,651,821	13,898,125
Subscriptions receivable		26,949,024	306,284,505	29,136,576
Securities sold receivable	2(k)	-	34,648,652	247,468
Other assets		72,608	638,652	77,169
<b>Total assets</b>		<b>5,303,214,236</b>	<b>39,489,118,941</b>	<b>5,585,254,307</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	2(d), 3			
- Financial derivative instruments		-	120,316,395	859,326
Unrealised loss on open spot currency contracts		18,508	-	18,508
Bank overdraft	4	132,284	-	132,284
Securities purchased payable	2(k)	7,604,143	6,252,205	7,648,798
Redemptions payable		26,102,706	1,793,981,478	38,915,721
Investment manager's fee payable	5	2,778,804	22,057,772	2,936,346
Directors fee payable		-	10,703	76
Other expenses payable	10	40,959	761,867	46,400
Audit fee payable		15,700	241,694	17,426
Administration fee payable	6	191,664	3,321,870	215,390
Depository fee payable	7	347,794	4,763,201	381,814
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>37,232,562</b>	<b>1,951,707,185</b>	<b>51,172,089</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>5,265,981,674</b>	<b>37,537,411,756</b>	<b>5,534,082,218</b>

**Statement of comprehensive income**

For the financial year ended 31 December 2019

	Note	Global Equity Fund GBP	Japanese Equity Fund JPY	Total Company GBP
<b>Investment Income</b>				
Dividend income	2(e)	135,516,103	1,025,739,530	142,884,693
Interest income		297,599	1,000,084	304,783
Other income		18,052	278,419	20,052
Net gain on financial assets and financial liabilities at fair value through	2(d), 3	1,067,335,290	10,099,647,363	1,139,887,975
<b>Total investment income</b>		<b>1,203,167,044</b>	<b>11,126,665,396</b>	<b>1,283,097,503</b>
<b>Expenses</b>				
Investment manager's fee	5	44,797,119	330,477,963	47,171,169
Other expenses	10	769,839	6,781,926	818,615
Audit fee		16,174	263,244	18,065
Administration fee	6	1,675,717	42,520,890	1,981,174
Directors' fees	19	64,753	1,016,792	72,000
Depositary fee	7	1,171,586	14,416,217	1,275,148
<b>Total expenses</b>		<b>48,495,188</b>	<b>395,477,032</b>	<b>51,336,171</b>
<b>Net income</b>		<b>1,154,671,856</b>	<b>10,731,188,364</b>	<b>1,231,761,332</b>
<b>Finance costs</b>				
Interest expense		89,603	4,095,760	119,026
Distributions	18	66,746,142	484,375,783	70,225,745
<b>Total finance costs</b>		<b>66,835,745</b>	<b>488,471,543</b>	<b>70,344,771</b>
<b>Profit on ordinary activities before taxation</b>		<b>1,087,836,111</b>	<b>10,242,716,821</b>	<b>1,161,416,561</b>
<b>Taxation</b>				
Withholding tax on dividends	17	16,291,309	153,863,052	17,396,613
<b>Increase in net assets attributable to holders of redeemable participating shares from continuing operations</b>		<b>1,071,544,802</b>	<b>10,088,853,769</b>	<b>1,144,019,948</b>

Gains and losses arise solely from continuing operations. There were no gains/losses in the financial year other than those disclosed in the Statement of comprehensive income.

The Statement of comprehensive income is continued on page 19.

**Statement of comprehensive income (continued)**

For the financial year ended 31 December 2018

	Note	Global Equity Fund GBP	Japanese Equity Fund JPY	Total Company GBP
<b>Investment Income</b>				
Dividend income	2(e)	87,831,769	644,063,941	92,198,954
Interest income		292,090	162,579	293,192
Other income		34,769	595,129	38,804
Net gain/(loss) on financial assets and financial liabilities at fair value	2(d), 3	397,913,858	(4,375,588,817)	368,244,434
<b>Total investment income/(expense)</b>		<b>486,072,486</b>	<b>(3,730,767,168)</b>	<b>460,775,384</b>
<b>Expenses</b>				
Investment manager's fee	5	28,277,883	240,895,014	29,911,313
Other expenses	10	569,977	4,937,844	603,459
Audit fee		16,617	257,217	18,361
Administration fee	6	2,064,087	35,421,549	2,304,269
Directors' fees	19	64,898	1,055,079	72,052
Depositary fee	7	1,441,587	20,076,705	1,577,721
<b>Total expenses</b>		<b>32,435,049</b>	<b>302,643,408</b>	<b>34,487,175</b>
<b>Net income/(expense)</b>		<b>453,637,437</b>	<b>(4,033,410,576)</b>	<b>426,288,209</b>
<b>Finance costs</b>				
Interest expense		210,795	2,629,662	228,626
Distributions	18	33,962,715	298,153,806	35,984,398
<b>Total finance costs</b>		<b>34,173,510</b>	<b>300,783,468</b>	<b>36,213,024</b>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>419,463,927</b>	<b>(4,334,194,044)</b>	<b>390,075,185</b>
<b>Taxation</b>				
Withholding tax on dividends	17	13,182,784	96,609,592	13,837,862
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating shares from continuing operations</b>		<b>406,281,143</b>	<b>(4,430,803,636)</b>	<b>376,237,323</b>

Gains and losses arise solely from continuing operations. There were no gains/losses in the financial year other than those disclosed in the Statement of comprehensive income.

**Statement of changes in net assets attributable to holders of redeemable participating shares**

For the financial year ended 31 December 2019

	<b>Global Equity Fund GBP</b>	<b>Japanese Equity Fund JPY</b>	<b>Total Company GBP</b>
Net assets attributable to holders of redeemable participating shares at the start of the financial year	5,265,981,674	37,537,411,756	5,534,082,218
Increase in net assets attributable to holders of redeemable participating shares from continuing operations	1,071,544,802	10,088,853,769	1,144,019,949
Issue of redeemable participating shares	4,049,621,079	54,420,757,561	4,440,562,656
Redemption of redeemable participating shares	(1,952,293,265)	(27,657,161,163)	(2,150,973,597)
Notional foreign exchange adjustment 2(c)(iii)	-	-	(13,479,372)
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>	<b>8,434,854,290</b>	<b>74,389,861,923</b>	<b>8,954,211,854</b>

The Statement of changes in net assets attributable to holders of redeemable participating shares is continued on page 21.

# Statement of changes in net assets attributable to holders of redeemable participating shares (continued)

For the financial year ended 31 December 2018

	Global Equity Fund GBP	Japanese Equity Fund JPY	Total Company GBP
Net assets attributable to holders of redeemable participating shares at the start of the financial year	3,702,142,553	28,145,040,010	3,886,836,603
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from continuing operations	406,281,143	(4,430,803,636)	376,237,326
Issue of redeemable participating shares	2,464,928,496	26,501,270,587	2,644,624,867
Redemption of redeemable participating shares	(1,307,370,518)	(12,678,095,205)	(1,393,336,498)
Notional foreign exchange adjustment 2(c)(iii)	-	-	19,719,920
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>	<b>5,265,981,674</b>	<b>37,537,411,756</b>	<b>5,534,082,218</b>

**Statement of cash flows**

For the financial year ended 31 December 2019

	<b>Global Equity Fund GBP</b>	<b>Japanese Equity Fund JPY</b>	<b>Total Company GBP</b>
<b>Cash flow from operating activities</b>			
Increase in net assets attributable to holders of redeemable participating shares from operations	1,071,544,802	10,088,853,769	1,144,019,949
<i>Adjustment for:</i>			
Distributions to holders of redeemable shares	66,746,142	484,375,783	70,225,745
Interest income	(297,599)	(1,000,084)	(304,783)
Dividend income	(135,516,103)	(1,025,739,530)	(142,884,693)
Other income	(18,052)	(278,419)	(20,052)
Withholding taxes	16,291,309	153,863,052	17,396,613
Interest expense	89,603	4,095,760	119,026
<b>Net operating cash flow before change in operating assets and</b>	<b>1,018,840,102</b>	<b>9,704,170,331</b>	<b>1,088,551,805</b>
Net increase in financial assets at fair value through profit or loss	(3,215,370,346)	(30,989,724,714)	(3,437,990,765)
Net increase in financial liabilities at fair value through profit or loss	-	239,385,969	1,719,673
Net decrease in other receivables	67,926	35,220,952	320,942
Net increase in other payables	(6,475,199)	223,116,722	(4,872,399)
<b>Cash used in operations</b>	<b>(2,202,937,517)</b>	<b>(20,787,830,740)</b>	<b>(2,352,270,744)</b>
Interest received	297,599	1,000,084	304,783
Dividend received	121,996,322	805,146,324	127,780,240
Other income received	18,052	278,419	20,052
Interest paid	(89,603)	(4,095,760)	(119,026)
<b>Net cash used in operating activities</b>	<b>(2,080,715,147)</b>	<b>(19,985,501,673)</b>	<b>(2,224,284,695)</b>
<b>Cash flows from financing activities</b>			
Distributions paid to holders of redeemable shares	(66,746,142)	(484,375,783)	(70,225,745)
Issue of redeemable participating shares	4,057,722,864	54,509,193,741	4,449,299,739
Redemption of participating shares	(1,930,072,405)	(29,181,642,992)	(2,139,704,135)
<b>Net cash from financing activities</b>	<b>2,060,904,317</b>	<b>24,843,174,966</b>	<b>2,239,369,859</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(19,810,830)</b>	<b>4,857,673,293</b>	<b>15,085,164</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>117,302,836</b>	<b>1,035,679,427</b>	<b>124,699,889</b>
Notional foreign exchange adjustment			2(c)(iii) (1,148,229)
<b>Cash and cash equivalents at the end of the financial year</b>	<b>97,492,006</b>	<b>5,893,352,720</b>	<b>138,636,824</b>
<b>Breakdown of cash and cash equivalents</b>			
Cash and cash equivalents	97,492,006	5,893,352,720	138,636,824
Bank overdraft	-	-	-

The Statement of cash flows is continued on page 23.



**Statement of cash flows (continued)**

For the financial year ended 31 December 2018

	Global Equity Fund GBP	Japanese Equity Fund JPY	Total Company GBP
<b>Cash flow from operating activities</b>			
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	406,281,143	(4,430,803,636)	376,237,326
<i>Adjustment for:</i>			
Distributions to holders of redeemable shares	33,962,715	298,153,806	35,984,398
Interest income	(292,090)	(162,579)	(293,192)
Dividend income	(87,831,769)	(644,063,941)	(92,198,954)
Other income	(34,769)	(595,129)	(38,804)
Withholding taxes	13,182,784	96,609,592	13,837,862
Interest expense	210,795	2,629,662	228,626
<b>Net operating cash flow before change in operating assets and</b>	<b>365,478,809</b>	<b>(4,678,232,225)</b>	<b>333,757,262</b>
Net increase in financial assets at fair value through profit or loss	(1,560,977,492)	(10,742,505,630)	(1,633,818,878)
Net increase in financial liabilities at fair value through profit or loss	-	120,316,395	815,826
Net increase in other receivables	(66,372)	(5,531,537)	(103,880)
Net decrease in other payables	(2,682,424)	(303,364,742)	(4,739,440)
<b>Cash used in operations</b>	<b>(1,198,247,479)</b>	<b>(15,609,317,739)</b>	<b>(1,304,089,110)</b>
Interest received	292,090	162,579	293,192
Dividend received	66,868,719	510,170,449	70,328,016
Other income received	34,769	595,129	38,804
Interest paid	(210,795)	(2,629,662)	(228,626)
<b>Net cash used in in operating activities</b>	<b>(1,131,262,696)</b>	<b>(15,101,019,244)</b>	<b>(1,233,657,724)</b>
<b>Cash flows from financing activities</b>			
Distributions paid to holders of redeemable shares	(33,962,715)	(298,153,806)	(35,984,398)
Issue of redeemable participating shares	2,460,575,569	26,412,754,752	2,639,671,743
Redemption of participating shares	(1,286,882,356)	(10,916,864,319)	(1,360,906,011)
<b>Net cash from financing activities</b>	<b>1,139,730,498</b>	<b>15,197,736,627</b>	<b>1,242,781,334</b>
<b>Net increase in cash and cash equivalents</b>	<b>8,467,802</b>	<b>96,717,383</b>	<b>9,123,610</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>108,835,034</b>	<b>938,962,044</b>	<b>114,996,713</b>
Notional foreign exchange adjustment	-	-	579,566
<b>Cash and cash equivalents at the end of the financial year</b>	<b>117,302,836</b>	<b>1,035,679,427</b>	<b>124,699,889</b>
<b>Breakdown of cash and cash equivalents</b>			
Cash and cash equivalents	117,435,120	1,035,679,427	124,832,173
Bank overdraft	(132,284)	-	(132,284)

## Notes to the financial statements

For the financial year ended 31 December 2019

### 1. General information

Lindsell Train Global Funds plc (or the "Company") was incorporated on 7 May 1998 under the laws of Ireland as an open-ended umbrella type investment company with variable capital and limited liability, with segregated liability between sub-funds. The Company is authorised in Ireland as an Undertaking for Collective Investment in Transferable Securities ("UCITS") pursuant to the European Communities UCITS Regulations 2011 (as amended) (the "UCITS Regulations").

There are two sub-funds in operation as at the reporting date, Lindsell Train Japanese Equity Fund ("Japanese Equity Fund") which commenced trading on 25 September 1998 and Lindsell Train Global Equity Fund ("Global Equity Fund") which commenced trading on 16 March 2011.

### 2. Significant accounting policies

#### (a) Basis of preparation

The audited financial statements of the Company for the financial year ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS"), Irish statute comprising the Companies Act 2014, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations"). The financial statements have been prepared on a going concern basis for the Company under the historical cost convention, except for financial assets and liabilities classified at fair value through profit or loss that have been measured at fair value.

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the financial year. Actual results could differ from those estimates and these differences could be material.

#### (b) Standards and amendments to existing standards effective 1 January 2019

##### IFRIC Interpretation 23 – Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit/(tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- How an entity considers changes in facts and circumstances.

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Company is not significantly impacted as a result of the amendments.

#### (c) Foreign currency

##### (i) Functional and presentation currency

The functional currency of the Global Equity Fund is British Pound ("GBP") and Japanese Equity Fund is Japanese Yen ("JPY") based on the economic environment in which the sub-funds are invested. The Company has adopted the GBP as its presentation currency.

##### (ii) Foreign currency translation

Assets and liabilities denominated in currencies other than the functional currencies of the sub-funds are translated into the functional currency using exchange rates prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of assets and liabilities, denominated in foreign currencies, are recognised in the Statement of comprehensive income in the period in which they arise.

##### (iii) Notional foreign exchange adjustment

The foreign exchange adjustment was due to the use of exchange rates at the reporting date to translate sub-funds that have a functional currency that differs to the presentation currency of the Company. The translation of the sub-funds functional currencies into the presentation currency of the Company is recognised separately through the Statement of changes in net assets attributable to holders of redeemable participating shares and through the Statement of cash flows. For the financial year ended 31 December 2019, the translation adjustment presented on the Statement of changes in net assets was a notional loss of GBP 13,479,372 (2018: notional gain of GBP 19,719,920) and on the Statement of cash flows was a notional loss of GBP 1,148,229 (2018 notional gain of GBP 579,566); which has no impact on the net asset value ("NAV") of each individual sub-fund.

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2019

**2. Significant accounting policies (continued)****(d) Financial assets and financial liabilities at fair value through profit and loss****(i) Classification**

The Company classifies its investments based on the business model in which the financial assets are managed and its contractual cash flow characteristics. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all investments are measured at fair value through profit or loss.

**(ii) Recognition**

All "regular way" purchases and sales of financial instruments are recognised using trade date accounting, the day that the sub-funds commit to purchase or sell the asset. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded. Regular way purchases, or sales, are purchases and sales of financial assets that require delivery of the asset within a time frame generally established by regulation or convention in the market place.

**(iii) Measurement**

At initial recognition financial assets and financial liabilities categorised at fair value through profit or loss are recognised initially at fair value, with transaction costs for such instruments being recognised directly in the Statement of comprehensive income.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss, are measured at fair value with changes in their fair value recognised in the Statement of comprehensive income.

- Investments in listed long equity positions are valued at their last traded price.
- Investments in forward currency contracts are valued at the close-of-business rates as reported by the pricing vendors utilised by the Administrator to the sub-fund.

In the event that any of the assets or liabilities on the relevant valuation day are not listed or dealt on any recognised exchange, such assets shall be valued by a competent person selected by the Directors and approved for such purpose by The Bank of New York Mellon SA/NV, Dublin Branch (the "Depository") with care and in good faith. There were no financial assets or liabilities valued using this method at the reporting date (2018: nil).

**(iv) Derecognition**

Financial assets are derecognised when the contractual rights to the cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**(v) Offsetting**

The Company only offsets financial assets at fair value through profit or loss if the Company has a legally enforceable right to set off the recognised amounts and either intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**(vi) Fair value estimation**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at a last traded price, because this price provides a reasonable approximation of the exit price. If there is no quoted price on an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

**(e) Income**

Dividends and interest arising on the investments are recognised as income of the Company on an ex dividend or interest date, and for deposits of the Company, on an accrual basis. Dividend income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of comprehensive income, and net of any tax credits.

**(f) Cash and cash equivalents**

Cash and cash equivalents in the Statement of financial position comprise cash on hand, and bank overdrafts held with the Bank of New York Mellon SA/NV, Dublin Branch (the "Depository") that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less. Bank overdrafts are shown in current liabilities in the Statement of financial position. Short term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as cash and cash equivalents. Cash and cash equivalents also includes cash held in the investor money collection account held at Bank of New York Mellon – London Branch. For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**(g) Net gain/loss from financial instruments at fair value through profit or loss and foreign exchange**

Net gain/loss from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences. Net realised gain from financial instruments at fair value through profit and loss is calculated using the average cost method.

**(h) Expenses**

All expenses are recognised in the Statement of comprehensive income on an accrual basis.

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2019

**2. Significant accounting policies (continued)****(i) Redeemable participating shares**

Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities. The distribution on these shares is recognised in the Statement of comprehensive income as finance costs.

**(j) Withholding tax**

The Company currently incurs withholding taxes imposed by certain countries on investment income. Such income is recorded gross of withholding taxes in the Statement of comprehensive income. Withholding taxes are shown as a separate item in the Statement of comprehensive income.

**(k) Securities sold receivable and securities purchased payable**

Securities sold receivable represent receivables for securities sold that have been contracted for but not yet settled or delivered on the reporting date. These amounts are recognised at cost and include all transaction costs and commissions due in relation to the trade. Securities purchased payable represent payables for securities purchased that have been contracted for but not yet settled or delivered at the reporting date.

**(l) Transaction costs**

Transaction costs are incremental costs, which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. Transaction costs are included in the Statement of comprehensive income as net gain on financial assets at fair value through profit or loss and foreign exchange.

**3. Financial assets and financial liabilities at fair value through profit or loss and foreign exchange****(i) Net gains and losses of financial assets and liabilities at fair value through profit or loss and foreign exchange****For the financial year ended 31 December 2019**

	<b>Global Equity Fund GBP</b>	<b>Japanese Equity Fund JPY</b>	<b>Total Company GBP</b>
Net realised gain on financial assets and liabilities at fair value through profit or loss and foreign exchange	114,993,161	1,726,749,741	127,397,587
Change in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss and foreign exchange	952,342,129	8,372,897,622	1,012,490,388
<b>Net gain on financial assets and liabilities at fair value through profit or loss and foreign exchange</b>	<b>1,067,335,290</b>	<b>10,099,647,363</b>	<b>1,139,887,975</b>

**For the financial year ended 31 December 2018**

	<b>Global Equity Fund GBP</b>	<b>Japanese Equity Fund JPY</b>	<b>Total Company GBP</b>
Net realised gain on financial assets and liabilities at fair value through profit or loss and foreign exchange	176,493,301	196,279,344	177,824,206
Change in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss and foreign exchange	221,420,557	(4,571,868,161)	190,420,228
<b>Net gain/(loss) on financial assets and liabilities at fair value through profit or loss and foreign exchange</b>	<b>397,913,858</b>	<b>(4,375,588,817)</b>	<b>368,244,434</b>

IFRS 13 – Fair Value Measurement, establishes a fair value hierarchy for inputs used in measuring fair value that classifies investments according to how observable the inputs are. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumptions, made in good faith, about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 – Inputs reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; and

Level 3 – Inputs that are not observable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Observable data is considered to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the perceived risk of that instrument by Lindsell Train Limited (the "Investment Manager" and the "Distributor").

There were no transfers between any levels during the financial year (2018: nil).

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2019

**3. Financial assets and financial liabilities at fair value through profit or loss (continued)**

(ii) Fair value of financial instruments (continued)

As at 31 December 2019	Level 1	Level 2	Level 3	Total
<b>Global Equity Fund</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
Equity securities	8,352,334,219	8,814,346	-	8,361,148,565
<b>Financial assets at fair value through profit or loss</b>	<b>8,352,334,219</b>	<b>8,814,346</b>	<b>-</b>	<b>8,361,148,565</b>
<b>Japanese Equity Fund</b>	<b>JPY</b>	<b>JPY</b>	<b>JPY</b>	<b>JPY</b>
Equity securities	68,971,273,774	-	-	68,971,273,774
Derivatives				
- Forward currency contracts	-	1,666,824	-	1,666,824
<b>Financial assets at fair value through profit or loss</b>	<b>68,971,273,774</b>	<b>1,666,824</b>	<b>-</b>	<b>68,972,940,598</b>
Derivatives				
- Forward currency contracts	-	(359,702,364)	-	(359,702,364)
<b>Financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>(359,702,364)</b>	<b>-</b>	<b>(359,702,364)</b>
As at 31 December 2018	Level 1	Level 2	Level 3	Total
<b>Global Equity Fund</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
Equity securities	5,145,778,219	-	-	5,145,778,219
<b>Financial assets at fair value through profit or loss</b>	<b>5,145,778,219</b>	<b>-</b>	<b>-</b>	<b>5,145,778,219</b>
<b>Japanese Equity Fund</b>	<b>JPY</b>	<b>JPY</b>	<b>JPY</b>	<b>JPY</b>
Equity securities	37,981,195,687	-	-	37,981,195,687
Derivatives				
- Forward currency contracts	-	2,020,197	-	2,020,197
<b>Financial assets at fair value through profit or loss</b>	<b>37,981,195,687</b>	<b>2,020,197</b>	<b>-</b>	<b>37,983,215,884</b>
Derivatives				
- Forward currency contracts	-	(120,316,395)	-	(120,316,395)
<b>Financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>(120,316,395)</b>	<b>-</b>	<b>(120,316,395)</b>

All other assets and liabilities held by the sub-funds at the reporting dates 31 December 2019 and 31 December 2018 are carried at amortised cost; their carrying values are a reasonable approximation of fair value. Cash and cash equivalents have been classified at level 1, due to the liquid nature of the asset. All other assets and liabilities held have been classified at level 2.

(iii) Financial derivative instruments

The derivative instruments that the Company holds or issues are forward currency contracts. The Company records its derivative activities on a mark-to-market basis.

A **forward currency contract** involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward currency contracts will be valued by reference to the forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward currency contracts is calculated as the difference between the contract rate and this forward price, and this difference is recognised in the Statement of comprehensive income.

**4. Cash and cash equivalents**

The following cash balances and overdrafts were held at the reporting date:

**As at 31 December 2019**

	Credit rating (S&P)	Currency	Global Equity Fund GBP equivalent balance	Japanese Equity Fund JPY equivalent balance	Total Company GBP
The Bank of New York Mellon SA/NV, Dublin Branch	AA-	EUR	1,632,623	648,438	1,637,150
The Bank of New York Mellon SA/NV, Dublin Branch	AA-	GBP	19,518,207	3,133,539,500	41,395,213
The Bank of New York Mellon SA/NV, Dublin Branch	AA-	JPY	7,496,438	<sup>1</sup> 1,931,709,951	20,982,794
The Bank of New York Mellon SA/NV, Dublin Branch	AA-	USD	53,342,009	524,773,017	57,005,745
The Bank of New York Mellon SA/NV, Dublin Branch	AA-	HDK	4,461,423	-	4,461,423
Bank of New York Mellon – London Branch	AA-	EUR	1,338,507	-	1,338,507
Bank of New York Mellon – London Branch	AA-	GBP	8,352,027	37,001,408	8,610,355
Bank of New York Mellon – London Branch	AA-	USD	1,350,772	-	1,350,772
Bank of New York Mellon – London Branch	AA-	JPY	-	265,680,406	1,854,865
<b>Total</b>			<b>97,492,006</b>	<b>5,893,352,720</b>	<b>138,636,824</b>

<sup>1</sup>Includes ¥437,328,500 held as collateral to cover forward currency contracts with Bank of New York Mellon

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2019

**4. Cash and cash equivalents (continued)**

The following cash balances and overdrafts were held at the reporting date (continued):

**As at 31 December 2018**

	<b>Credit rating (S&amp;P)</b>	<b>Currency</b>	<b>Global Equity Fund GBP equivalent balance</b>	<b>Japanese Equity Fund JPY equivalent balance</b>	<b>Total Company GBP</b>
The Bank of New York Mellon SA/NV, Dublin Branch	AA-	EUR	(132,284)	1,568,981	(121,078)
The Bank of New York Mellon SA/NV, Dublin Branch	AA-	GBP	90,715,071	1,707,661,529	95,769,347
The Bank of New York Mellon SA/NV, Dublin Branch	AA-	JPY	1,317,833	201,627,330	2,757,900
The Bank of New York Mellon SA/NV, Dublin Branch	AA-	USD	12,439,125	106,728,216	13,201,402
Bank of New York Mellon – London Branch	AA-	EUR	1,308,040	-	1,308,040
Bank of New York Mellon – London Branch	AA-	GBP	6,794,349	-	6,794,349
Bank of New York Mellon – London Branch	AA-	USD	4,860,702	17,169,944	4,983,334
Bank of New York Mellon – London Branch	AA-	JPY	-	923,427	6,595
<b>Total</b>			<b>117,302,836</b>	<b>1,035,679,427</b>	<b>124,699,889</b>

<sup>1</sup>Includes ¥59,010,000 held as collateral to cover forward currency contracts with Bank of New York Mellon**5. Investment manager's fee**

The Investment Manager is entitled to an annual fee in respect of each sub-fund, at the rate set out in the below table of the NAV for the relevant class, calculated and accrued as at each dealing day (plus VAT, if any) and payable monthly in arrears. Such fee may be increased up to a maximum level of 2% per annum in respect of any sub-fund upon giving three months' notice to the shareholders of the relevant sub-fund.

Prior to 1 July 2019 the investment manager fees were as follows:

<b>Sub-fund</b>	<b>Global Equity Fund</b>	<b>Japanese Equity Fund</b>
Class A Shares	1.15%	1.15%
Class B Shares	0.65%	0.65%
Class B Yen Distributing Shares	-	0.65%
Class B Sterling Hedged Distributing Shares	-	0.65%
Class B Sterling Quoted – Distributing Shares	-	0.65%
Class C US Dollar Shares	0.65%	0.65%
Class D Shares	0.45%	-
Class E Euro Shares	0.65%	-

Effective 1 July 2019 the investment manager fees were as follows:

<b>Sub-fund</b>	<b>Global Equity Fund</b>	<b>Japanese Equity Fund</b>
Class A Shares	1.10%	1.10%
Class B Shares	0.60%	0.60%
Class B Yen Distributing Shares	-	0.60%
Class B Sterling Hedged Distributing Shares	-	0.60%
Class B Sterling Quoted – Distributing Shares	-	0.60%
Class C US Dollar Shares	0.60%	0.60%
Class D Shares	0.45%	-
Class E Euro Shares	0.60%	-

Total investment manager's fees accrued at the reporting date and charged for the financial year are disclosed in the Statement of financial position and the Statement of comprehensive income respectively.

**6. Administration fee**

Each sub-fund pays Link Fund Administrators (Ireland) Limited (the "Administrator") an annual fee calculated and accrued as at each dealing day and paid monthly in arrears at the following rates (plus VAT, if any) and subject to a monthly minimum fee.

Effective 1 January 2019 the administration fee will be paid at the following rates:

Assets up to €100m	0.12%
For the next €100m	0.10%
For the next €300m	0.06%
For the next €1,500m	0.04%
For the next €1,000m	0.03%
For the next €1,000m	0.02%
For the next €1,000m	1.50%
For the next €1,000m	0.01%
All remaining assets over €6bn	0.50%

Prior to 1 January 2019 the administration fee was paid at the following rates:

For assets up to €100m	0.12%
Between €100m and €200m	0.10%
Between €200m and €500m	0.06%
Greater than €500m	0.04%

Total administration fees accrued at the reporting date and charged for the financial year are disclosed in the Statement of financial position and the Statement of comprehensive income respectively.



**Notes to the financial statements (continued)**

For the financial year ended 31 December 2019

**7. Depositary fee**

The Bank of New York Mellon SA/NV, Dublin Branch (the "Depositary") receives from the Company a depositary fee calculated and accrued as at each dealing day at a rate not exceeding 0.03% per annum of the NAV of the Company paid monthly in arrears (plus VAT, if any). The minimum annual trustee fee is €30,000 for the Company (plus VAT, if any). The Depositary also receives from the Company fees in relation to the custody of assets, which ranges from 0.01% up to a maximum of 0.70% per annum of the NAV per sub-fund payable monthly in arrears (plus VAT, if any) plus transaction fees, which are at normal commercial rates.

Total depositary fees accrued at the reporting date and charged for the financial year are disclosed in the Statement of financial position and the Statement of comprehensive income respectively.

**8. Auditor's fee**

Fees and expenses charged by the Company's statutory auditor, Grant Thornton, in respect of the financial year, relate to the audit of the financial statements of the Company of €16,475 (2018: €16,475), and tax compliance fees of €5,200 (2018: €6,182) – exclusive of VAT. There were no fees and expenses charged in respect of other assurance, tax advisory or non-audit services provided by the statutory auditor for the financial year ended 31 December 2019 (2018: nil). Audit fees accrued at the reporting date and charged for the financial year are disclosed in the Statement of financial position and the Statement of comprehensive income respectively.

**9. Transaction costs**

The Company incurred transaction costs as follows:

**For the financial year ended 31 December 2019**

	<b>Global Equity Fund GBP</b>	<b>Japanese Equity Fund JPY</b>
Transaction costs	5,312,127	11,552,072

**For the financial year ended 31 December 2018**

	<b>Global Equity Fund GBP</b>	<b>Japanese Equity Fund JPY</b>
Transaction costs	3,327,917	9,466,584

**10. Other expenses**

The below table outlines details of other expenses payable as at the reporting date:

**As at 31 December 2019**

	<b>Global Equity Fund GBP</b>	<b>Japanese Equity Fund JPY</b>	<b>Total Company GBP</b>
Other fees charged by the Administrator	5,615	593,627	9,759
Legal and professional fees	32,663	548,237	36,491
Regulatory fee	3,152	50,491	3,505
Directors expenses	295	15,372	402
	<b>41,725</b>	<b>1,207,727</b>	<b>50,157</b>

**As at 31 December 2018**

	<b>Global Equity Fund GBP</b>	<b>Japanese Equity Fund JPY</b>	<b>Total Company GBP</b>
Other fees charged by the Administrator	7,306	188,997	8,655
Legal and professional fees	32,605	564,234	36,635
Regulatory fee	429	8,636	491
Directors expense	619	-	619
	<b>40,959</b>	<b>761,867</b>	<b>46,400</b>

The below fees and expenses were charged through the Statement of comprehensive income during the financial year:

**For the financial year ended 31 December 2019**

	<b>Global Equity Fund GBP</b>	<b>Japanese Equity Fund JPY</b>	<b>Total Company GBP</b>
Other fees charged by the Administrator	507,743	2,168,746	523,324
Legal and professional fees	94,814	2,057,439	109,650
Regulatory fee	3,038	46,563	3,372
Directors insurance	11,143	737,682	16,442
Directors expenses	2,032	32,893	2,268
Bank charges	151,069	1,738,603	163,559
	<b>769,839</b>	<b>6,781,926</b>	<b>818,615</b>

**For the financial year ended 31 December 2018**

	<b>Global Equity Fund GBP</b>	<b>Japanese Equity Fund JPY</b>	<b>Total Company GBP</b>
Other fees charged by the Administrator	379,623	1,411,293	389,193
Legal and professional fees	79,608	1,724,823	91,303
Regulatory fee	5,093	83,468	5,659
Directors insurance	11,201	-	11,201
Directors expenses	1,646	27,402	1,832
Bank charges	92,806	1,690,858	104,271
	<b>569,977</b>	<b>4,937,844</b>	<b>603,459</b>



**Notes to the financial statements (continued)**

For the financial year ended 31 December 2019

**11. Exchange rates**

The following exchange rates were used at the reporting date:

		<b>31 December 2019</b>	<b>31 December 2018</b>
		<b>Exchange rate to GBP</b>	<b>Exchange rate to GBP</b>
Euro	EUR	1.176487	1.115012
Japanese Yen	JPY	143.403619	140.37778
U.S. Dollar	USD	1.320901	1.276800

  

		<b>31 December 2019</b>	<b>31 December 2018</b>
		<b>Exchange rate to JPY</b>	<b>Exchange rate to JPY</b>
British Pound	GBP	0.006982	0.007123
Euro	EUR	0.008185	0.007942
U.S. Dollar	USD	0.009161	0.009095

The Japanese Equity Fund's Statement of comprehensive income, Statement of changes in net assets attributable to holders of redeemable participating shares and the Statement of cash flows is translated to GBP using the average exchange rate of 0.007184 (2018: 0.006781).

**12. Share capital***Authorised*

The Company has an authorised share capital of 500,000,000 redeemable participating shares of no par value.

*Management shares*

The Company has an authorised share capital of 37,500 management shares of EUR 1 each. These shares do not form part of the NAV of the Company.

*Issued share capital*

Proceeds from the issue of redeemable participating shares and shares issued during the financial year include dividends reinvested. Shareholders may redeem some or all of their shares on any dealing day at the NAV per share in accordance with the procedures set out in the relevant supplement. There is no minimum redemption amount for any of the share classes of the Company.

The following table details the share transactions during the financial year ended:

	<b>Global Equity Fund 31 December 2019</b>	<b>Japanese Equity Fund 31 December 2019</b>	<b>Global Equity Fund 31 December 2018</b>	<b>Japanese Equity Fund 31 December 2018</b>
<b>Class A Shares</b>				
Opening balance	182,318,415.616	930,639.148	165,743,768.130	507,940.259
Subscription	57,661,216.211	17,478,761.770	43,523,392.491	564,148.201
Redemption	(40,081,293.433)	(17,541,603.665)	(26,948,745.005)	(141,449.312)
<b>Closing balance</b>	<b>199,898,338.394</b>	<b>867,797.253</b>	<b>182,318,415.616</b>	<b>930,639.148</b>
<b>Class B Shares</b>				
Opening balance	518,380,226.328	52,505,334.521	365,092,633.697	37,084,048.929
Subscription	425,337,129.609	29,338,932.401	256,448,265.439	29,733,771.454
Redemption	(151,259,712.080)	(19,682,679.253)	(103,160,672.808)	(14,312,485.862)
<b>Closing balance</b>	<b>792,457,643.857</b>	<b>62,161,587.669</b>	<b>518,380,226.328</b>	<b>52,505,334.521</b>
<b>Class B Distributing Shares</b>				
Opening balance	-	39,666,873.851	-	35,698,833.307
Subscription	-	5,933,725.048	-	11,405,057.742
Redemption	-	(6,755,298.787)	-	(7,437,017.198)
<b>Closing balance</b>	<b>-</b>	<b>38,845,300.112</b>	<b>-</b>	<b>39,666,873.851</b>
<b>Class B Sterling Hedged Distributing Shares</b>				
Opening balance	-	23,661,440.054	-	18,430,532.121
Subscription	-	22,463,561.756	-	13,067,570.684
Redemption	-	(16,833,303.993)	-	(7,836,662.751)
<b>Closing balance</b>	<b>-</b>	<b>29,291,697.817</b>	<b>-</b>	<b>23,661,440.054</b>
<b>Class B Sterling Quoted – Distributing Shares</b>				
Opening balance	-	31,790,630.292	-	14,141,606.337
Subscription	-	73,478,218.792	-	30,273,112.858
Redemption	-	(18,588,720.534)	-	(12,624,088.903)
<b>Closing balance</b>	<b>-</b>	<b>86,680,128.550</b>	<b>-</b>	<b>31,790,630.292</b>

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2019

**12. Share capital (continued)***Issued share capital (continued)*

The following table details the share transactions during the financial year ended:

	<b>Global Equity Fund 31 December 2019</b>	<b>Japanese Equity Fund 31 December 2019</b>	<b>Global Equity Fund 31 December 2018</b>	<b>Japanese Equity Fund 31 December 2018</b>
<b>Class C US Dollar Shares</b>				
Opening balance	261,169,742.657	9,245,243.976	425,879,403.698	8,678,865.972
Subscription	305,018,584.065	13,349,577.355	155,291,821.698	1,792,494.293
Redemption	(207,350,927.069)	(3,469,638.205)	(320,001,482.739)	(1,226,116.289)
<b>Closing balance</b>	<b>358,837,399.653</b>	<b>19,125,183.126</b>	<b>261,169,742.657</b>	<b>9,245,243.976</b>
<b>Class D Shares</b>				
Opening balance	1,195,393,065.957	-	834,990,975.312	-
Subscription	630,256,532.162	-	572,631,690.344	-
Redemption	(318,694,342.066)	-	(212,229,599.699)	-
<b>Closing balance</b>	<b>1,506,955,256.053</b>	<b>-</b>	<b>1,195,393,065.957</b>	<b>-</b>
<b>Class E EUR Shares</b>				
Opening balance	63,370,962.344	-	147,962.060	-
Subscription	186,457,755.934	-	67,209,476.645	-
Redemption	(76,198,889.512)	-	(3,986,476.361)	-
<b>Closing balance</b>	<b>173,629,828.766</b>	<b>-</b>	<b>63,370,962.344</b>	<b>-</b>

**13. Financial instruments and risk management**

The Company's risks are set out in the prospectus and any consideration of risk here should be viewed in the context of the prospectus which is the primary document governing the operation of the Company. The Company's investing activities expose it to various types of risk that are associated with the financial investments and markets in which it invests. Asset allocation is determined by the Investment Manager, who manages distribution of assets to achieve the investment objectives. Divergence from target asset allocation and the composition of the portfolio is closely monitored by the Investment Manager. The nature and extent of the financial instruments outstanding at the reporting date and the specific risk management policies employed by the sub-funds are discussed below.

**Market risk**

Market risk arises from uncertainty about future prices of financial investments held by a sub-fund, whether those changes are caused by factors specific to individual financial instruments, or other factors affecting a number of similar financial instruments traded in the markets. It represents the potential loss a sub-fund might suffer through holding investments in the face of price movements. Usually the maximum risk resulting from financial instruments is determined by the opening fair value of the instruments. Market risk consists of currency risk, interest rate risk and market price risk.

**(i) Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. A substantial portion of the net assets of the Company are denominated in currencies other than the functional currency with the effect that the financial statements and total return can be significantly affected by currency movements. Currency risk is not managed within the portfolio, as the Investment Manager does not routinely hedge currencies within the sub-funds. The Investment Manager's aim is to be a strategic investor in all portfolio holdings, and as such short term currency fluctuations are considered to have little material impact on the returns that can be generated by truly durable cash generative businesses and franchises over the long term.

The following table sets out the Company's total exposure to foreign currency risk:

**As at 31 December 2019**

	<b>Global Equity Fund GBP</b>	<b>Japanese Equity Fund JPY</b>
British Pound	-	3,145,710,880
Euro	1,186,949,160	648,438
Hong Kong Dollar	192,883,567	-
Japanese Yen	1,761,381,167	-
U.S. Dollar	2,813,612,344	524,773,013
	<b>5,954,826,238</b>	<b>3,671,132,331</b>

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2019

**13. Financial instruments and risk management (continued)****Market risk (continued)****(i) Currency risk (continued)****As at 31 December 2018**

	<b>Global Equity Fund GBP</b>	<b>Japanese Equity Fund JPY</b>
British Pound	-	221,707,002
Euro	738,641,119	1,568,980
Japanese Yen	1,085,706,499	-
U.S. Dollar	1,848,035,650	106,728,216
	<b>3,672,383,268</b>	<b>330,004,198</b>

The following table demonstrates the impact on net assets attributable to holders of redeemable participating shares of a movement in local currencies against the sub-funds' functional currency. The table assumes a 10% upwards movement in the value of the local currencies (a negative 10% would have an equal but opposite effect).

<b>Sub-fund</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
Global Equity Fund	GBP 595,482,624	GBP 367,238,327
Japanese Equity Fund	JPY 367,113,233	JPY 33,000,420

The methodology used in the calculation of the sensitivity analysis above is based on historical data and cannot take account of the fact that future currency movement and correlations between markets in conditions of market stress may bear no relation to historical patterns.

**(ii) Interest rate risk**

Interest rate risk represents the potential losses that a sub-fund might suffer due to adverse movements in relevant interest rates. The value of fixed interest securities may be affected by changes in the interest rate environment and the amount of income receivable from floating rate securities and bank balances, or payable on overdrafts, will also be affected by fluctuations in interest rates. This is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. In general, as rates rise, the price of a fixed bond will fall, and vice versa. For floating rate notes the interest will normally adjust in line with the specified rate. Other than the cash and cash equivalents held at the reporting date, the Company is not significantly exposed to interest rate risk as 100% of its investments are in non-interest bearing securities. For this reason no sensitivity analysis has been carried out.

**(iii) Market price risk**

Market price risk arises mainly from uncertainty about future prices of investments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. Details of all investments held at 31 December 2019 are listed in the schedule of investments. The Investment Manager manages each sub-fund's market price risk on a daily basis in accordance with each sub-fund's investment objective and policies. The sub-fund's overall market positions are monitored on a quarterly basis by the Board of Directors.

The following table demonstrates the impact on net assets attributable to holders of redeemable participating shares of a movement in market prices of investments. The table assumes a 10% upwards movement in investment market prices (a negative 10% would have an equal but opposite effect).

<b>Sub-fund</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
Global Equity Fund	GBP 836,114,857	GBP 514,577,822
Japanese Equity Fund	JPY 6,897,127,377	JPY 3,798,119,569

The methodology used in the calculation of the sensitivity analysis above is based on historical data and cannot take account of the fact that future market price movement and correlations between markets in conditions of market stress may bear no relation to historical patterns.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The sub-fund's assets comprise mainly readily realisable securities which can be readily sold. The sub-fund's liquidity risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place. The Investment Manager will normally keep an allocation of cash and cash equivalents to meet pending liabilities that may arise from time to time. The sub-fund expected cash flows on these instruments do not vary significantly from this analysis, except for net assets attributable to holders of redeemable participating shares, which the sub-funds have a contractual obligation to settle once a redemption request is received. Typically shares are held by shareholders on a medium or long term basis.

The Investment Manager reviews the ownership of the shares of the sub-funds regularly in order to monitor the liquidity risk of redemptions.

The contractual date of the financial liabilities for each sub-fund at the reporting dates 31 December 2019 and 31 December 2018 is less than one month.

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2019

**13. Financial instruments and risk management (continued)****Credit risk**

Credit risk is the risk that a sub-fund's counterparty or investment issuer will be unable or unwilling to meet a commitment that it has entered into and cause a sub-fund to incur a financial loss. A sub-fund will be exposed to settlement risk on parties with whom it trades and custodian risk on parties with whom the sub-fund has placed its assets in custody. In managing this risk, the Investment Manager, on behalf of the Company, seeks to do business with institutions that are well known, financially sound and where appropriate well rated by rating agencies.

*Settlement risk:* Most transactions in listed securities are settled on cash versus delivery basis ("DVP") with settlement a few days after execution. Default by the broker could expose a sub-fund to an adverse price movement in the security between execution and default. As a sub-fund would only be exposed to a potentially adverse market move (rather than 100% of the principal sum) during a short period, this risk is limited. In addition, default by regulated brokers in the major markets is rare.

*Custodian risk:* Custody risk is the risk of loss of assets held in custody. This is not a "primary credit risk" as the unencumbered assets of the sub-funds are segregated from the Depositary's own assets and the Depositary requires its sub-custodians likewise to segregate non-cash assets. This mitigates custody risk but does not entirely eliminate it.

The Depositary has the power to appoint sub-custodians, although, in accordance with the terms of the Depositary agreement, the Depositary's liability shall not be affected by the fact that it has entrusted some or all of the assets in safekeeping to any third party (in order for the Depositary to discharge this responsibility, the Depositary must exercise care and diligence in choosing and appointing a third party as a safe-keeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned and the Depositary must maintain an appropriate level of supervision over the safe-keeping agent and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged).

The Standard & Poor's long term credit rating of the Depositary is AA- (2018: AA-).

The Company uses the commitment approach to calculate its global exposure.

**14. Net asset values**

Net asset value	Currency	31 December 2019	31 December 2018	31 December 2017
<b>Lindsell Train Global Equity Fund</b>				
Class A Shares	GBP	695,284,157	541,979,285	451,823,776
Class B Shares	GBP	3,031,966,412	1,675,968,087	1,070,473,953
Class C US Dollar Shares	USD	748,110,538	440,742,228	684,703,555
Class D Shares	GBP	3,939,659,547	2,641,230,330	1,672,959,369
Class E EUR Shares	EUR	237,156,652	68,697,130	145,963
<b>Lindsell Train Japanese Equity Fund</b>				
Class A Shares	JPY	449,693,459	401,619,195	234,271,073
Class B Shares	JPY	14,180,020,615	9,926,715,796	7,455,835,139
Class B Distributing Shares	JPY	7,422,582,519	6,387,111,215	6,194,742,254
Class B Sterling Hedged Distributing Shares	GBP	84,509,304	57,321,318	47,913,331
Class B Sterling Quoted – Distributing Shares	GBP	252,635,850	79,814,068	35,241,981
Class C US Dollar Shares	USD	37,072,076	14,701,040	14,385,026
Net asset value per share	Currency	31 December 2019	31 December 2018	31 December 2017
<b>Lindsell Train Global Equity Fund</b>				
Class A Shares	GBP	3.4782	2.9727	2.7260
Class B Shares	GBP	3.8260	2.2331	2.9321
Class C US Dollar Shares	USD	2.0848	1.6876	1.6077
Class D Shares	GBP	2.6143	2.2095	2.0036
Class E EUR Shares	EUR	1.3659	1.0840	0.9865
<b>Lindsell Train Japanese Equity Fund</b>				
Class A Shares	JPY	518.2011	431.5520	461.2178
Class B Shares	JPY	228.1155	189.0611	201.0523
Class B Distributing Shares	JPY	191.0806	161.0188	173.5279
Class B Sterling Hedged Distributing Shares	GBP	2.8851	2.4226	2.5997
Class B Sterling Quoted – Distributing Shares	GBP	2.9146	2.5106	2.4921
Class C US Dollar Shares	USD	1.9384	1.5901	1.6575

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2019

**15. Reconciliation of published net asset value**

The published NAV per redeemable participating share at which the shareholders may subscribe to or redeem from each sub-fund may differ from the NAV per the financial statements. The difference may be due to subscriptions receivable and redemptions payable at the reporting date.

The table below shows a reconciliation of the published NAV to the financial statement NAV:

**As at 31 December 2019**

	<b>Global Equity Fund GBP</b>	<b>Japanese Equity Fund JPY</b>
Net asset value per financial statements	8,434,854,290	74,389,861,923
Subscriptions receivable <sup>1</sup>	(4,531,276)	(87,552,907)
Redemptions payable <sup>1</sup>	13,864,985	79,194,858
<b>Published net asset value</b>	<b>8,444,187,999</b>	<b>74,381,503,874</b>

**As at 31 December 2018**

	<b>Global Equity Fund GBP</b>	<b>Japanese Equity Fund JPY</b>
Net asset value per financial statements	5,265,981,674	37,537,411,756
Subscriptions receivable <sup>1</sup>	(8,211,411)	(148,243,475)
Redemptions payable <sup>1</sup>	2,640,600	666,876,662
<b>Published net asset value</b>	<b>5,260,410,863</b>	<b>38,056,044,943</b>

<sup>1</sup>Subscriptions receivable and redemptions payable with trade date of 31 December 2019 and 31 December 2018 for Global Equity Fund and 30 December 2019 and 28 December 2019 Japanese Equity Fund.

**16. Soft commission arrangements**

There were no soft commission arrangements in place during the financial year (2018: nil). All investment research costs are paid for by the Investment Manager with no charges to the sub-funds.

**17. Taxation**

The Company qualifies as an investment undertaking as defined in Section 739B (1) of the Taxes Consolidation Act 1997 as amended (the "Taxes Act"). Under current Irish law and practice, the Company is not chargeable to Irish tax on its income and gains. However, tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a relevant period) of shares or the appropriation or cancellation of shares of a shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Company in respect of chargeable events in respect of a shareholder who is neither Irish resident nor ordinarily resident in Ireland at the time of the chargeable event provided that a relevant declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Dividends, interest and capital gains (if any) which the Company or any sub-fund receives with respect to their investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company the NAV will not be re-stated and the benefit will be allocated to the existing shareholders rateably at the time of the repayment.

Any reclaims due to the sub-funds are accounted for on a receipt basis. In addition, where the Company invests in securities that are not subject to local taxes, for example withholdings tax, at the time of the acquisition, there can be no assurance that tax may not be charged or withheld in the future as a result of any change in the applicable laws, treaties, rules or regulations or the interpretation thereof.

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of shares in the Company. Where any subscription for or redemption of shares is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets. No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of the Taxes Act) which is registered in Ireland. Further details on tax applicable to the Company can be found in the prospectus.

**Notes to the financial statements (continued)**

For the financial year ended 31 December 2019

**18. Distributions**

All share classes of the Company have obtained "Reporting Fund Status" under the United Kingdom Offshore Funds (Tax) Regulations 2009 for the purpose of United Kingdom taxation for the financial period. Class C USD Shares and Class E Euro Shares of Global Equity Fund and Class A, Class B and Class C US Dollar Shares of Japanese Equity Fund are accumulating share classes and as such do not declare a dividend.

The Directors declared the following dividends during the financial year ended 31 December 2019:

**Global Equity Fund**

Class <sup>1</sup>	Currency	Distribution per share	Final distribution paid (local)	Income received on subscriptions (local)	Income deducted on redemptions (local)	Net distribution charge (local)	Ex-date
Class A	GBP	£0.0238	£4,339,178	(£275,594)	£203,638	£4,267,222	2 Jan 19
Class B	GBP	£0.0147	£7,620,189	(£1,361,208)	£389,976	£6,648,957	2 Jan 19
Class D	GBP	£0.0122	£14,583,796	(£1,842,640)	£958,099	£13,699,255	2 Jan 19
Class A	GBP	£0.0267	£5,404,290	(£433,361)	£193,627	£5,164,556	1 Jul 19
Class B	GBP	£0.0178	£12,938,300	(£1,956,991)	£386,556	£11,367,865	1 Jul 19
Class D	GBP	£0.0143	£21,860,389	(£2,426,464)	£755,659	£20,189,584	1 Jul 19
			<b>£66,746,142</b>				

**Japanese Equity Fund**

Class <sup>1</sup>	Currency	Distribution per share	Final distribution paid (local)	Income received on subscriptions (local)	Income deducted on redemptions (local)	Net distribution charge (local)	Ex-date
Class B Distributing	JPY	¥1.1684	¥46,346,775	(¥3,515,495)	¥993,463	¥43,824,743	4 Jan 19
Class B Sterling							
Hedged Distributing	GBP	£0.0175	£414,075	(£38,533)	£31,664	£407,206	4 Jan 19
Class B Sterling							
Quoted Distributing	GBP	£0.0176	£559,515	(£72,194)	£62,637	£549,958	4 Jan 19
Class B Distributing	JPY	¥1.5777	¥61,884,331	(¥2,578,510)	¥1,151,948	¥60,457,769	1 Jul 19
Class B Sterling							
Hedged Distributing	GBP	£0.0240	£612,629	(£71,732)	£39,071	£579,968	1 Jul 19
Class B Sterling							
Quoted Distributing	GBP	£0.0242	£1,163,446	(£395,553)	£96,321	£864,214	1 Jul 19

The Directors declared the following dividends during the financial year ended 31 December 2018:

**Global Equity Fund**

Class <sup>1</sup>	Currency	Distribution per share	Final distribution paid (local)	Income received on subscriptions (local)	Income deducted on redemptions (local)	Net distribution charge (local)	Ex-date
Class A	GBP	£0.0174	£2,883,942	(£180,231)	£128,423	£2,832,134	2 Jan 18
Class B	GBP	£0.0097	£3,541,399	(£469,508)	£211,714	£3,283,605	2 Jan 18
Class D	GBP	£0.0084	£7,013,923	(£1,214,918)	£251,708	£6,050,713	2 Jan 18
Class A	GBP	£0.0210	£3,689,464	(£211,372)	£112,119	£3,590,211	2 Jul 18
Class B	GBP	£0.0130	£5,389,878	(£682,037)	£657,449	£5,365,290	2 Jul 18
Class D	GBP	£0.0108	£11,444,109	(£1,815,925)	£436,103	£10,064,287	2 Jul 18
			<b>£33,962,715</b>				

**Japanese Equity Fund**

Class <sup>1</sup>	Currency	Distribution per share	Final distribution paid (local)	Income received on subscriptions (local)	Income deducted on redemptions (local)	Net distribution charge (local)	Ex-date
Class B Distributing	JPY	¥1.0906	¥38,933,148	(¥571,439)	¥62,110	¥38,423,819	4 Jan 18
Class B Sterling							
Hedged Distributing	GBP	£0.0168	£309,633	(£32,288)	£13,408	£290,753	4 Jan 18
Class B Sterling							
Quoted Distributing	GBP	£0.0163	£230,508	(£28,876)	£14,468	£216,100	4 Jan 18
Class B Distributing	JPY	¥1.3250	¥46,487,994	(¥1,341,097)	¥658,654	¥45,805,551	2 Jul 18
Class B Sterling							
Hedged Distributing	GBP	£0.0197	£430,558	(£53,697)	£35,581	£412,442	2 Jul 18
Class B Sterling							
Quoted Distributing	GBP	£0.0193	£462,975	(£134,280)	£38,168	£366,863	2 Jul 18

<sup>1</sup>Share class is subject to equalisation

On the purchase of shares in a sub-fund, there may be included in the subscription price a sum per share which the Directors deem to be the amount representing income of the sub-fund accrued but undistributed up to the time of the issue thereof. This sum is known as the "equalisation amount". The purpose of equalisation is to ensure that all shareholders in the sub-fund receive the same distribution per share while ensuring that an investor purchasing shares in a sub-fund during a distribution period is not entitled to share in the income of the sub-fund arising before their acquisition of those shares.



**Notes to the financial statements (continued)**

For the financial year ended 31 December 2019

**19. Related party disclosures**

In accordance with IAS 24 'Related Party Disclosures' the related parties of the Company and the required disclosures relating to material transactions with parties are outlined below. All transactions between related parties are conducted at arm's length

**Investment Manager**

The Investment Manager is considered to be a related party as it has significant influence over the Company. Keith Wilson, a Director of the Company is also employed by the Investment Manager. Michael Lindsell and Nick Train are each directors of the Investment Manager or companies affiliated to the Investment Manager and are thus considered related parties. Refer to note 5 for details of fees charged by the Investment Manager.

**Consultant**

Bridge Consulting is considered to be a related party by virtue of its employment of David Dillon as a Director. David Dillon is also a Director of the Company. Bridge Consulting provides professional services and an MLRO service to the Company.

For the financial year ended 31 December 2019 Bridge Consulting charged EUR 23,767 (excluding VAT) for the provision of Designated Individuals (2018: EUR 20,500). In addition they also charged EUR 4,500 (excluding VAT) for the MLRO services (2018: EUR 4,500).

**Directors**

The Directors are also considered related parties of the Company.

Aggregate directors' fees charged during the financial year ended 31 December 2019 amount to GBP 72,000 (financial year ended 31 December 2018: GBP 72,052).

**Share transactions**

The below table provides details of shares held by related parties:

**As at 31 December 2019**

Related Party	Related Party Type	Sub-fund	Class	Shares
Alex Hammond-Chambers*	Director	Japanese Equity Fund	Class A	5,471.67
Alex Hammond-Chambers*	Director	Japanese Equity Fund	Class B Sterling Hedged – Distributing	18,891.03
David Dillon	Director	Global Equity Fund	Class B	92,350.88
Gerald Moloney	Director	Global Equity Fund	Class E	197,962.06
Keith Wilson*	Director	Global Equity Fund	Class D	48,219.18
Keith Wilson	Director	Japanese Equity Fund	Class B Sterling Quoted – Distributing	19,609.24
James Bullock	Investment Manager	Global Equity Fund	Class D	78,808.19
James Bullock	Investment Manager	Japanese Equity Fund	Class B	1,798.69
Michael Lindsell*	Investment Manager	Global Equity Fund	Class B	1,000,536.79
Michael Lindsell	Investment Manager	Japanese Equity Fund	Class B Yen	2,129,441.31
Nick Train*	Investment Manager	Global Equity Fund	Class B	294,622.76
Nick Train	Investment Manager	Japanese Equity Fund	Class B Yen	35,151.49

\* Holdings contain balances held by spouses and/or dependents.

**As at 31 December 2018**

Related Party	Related Party Type	Sub-fund	Class	Shares
Alex Hammond-Chambers*	Director	Japanese Equity Fund	Class A	5,471.67
Alex Hammond-Chambers*	Director	Japanese Equity Fund	Class B Sterling Hedged – Distributing	18,891.03
David Dillon	Director	Global Equity Fund	Class B	92,350.88
Gerald Moloney	Director	Global Equity Fund	Class E	197,962.06
Keith Wilson*	Director	Global Equity Fund	Class D	48,195.96
Keith Wilson*	Director	Japanese Equity Fund	Class B Sterling Quoted – Distributing	19,609.24
James Bullock	Investment Manager	Global Equity Fund	Class D	33,352.61
Michael Lindsell*	Investment Manager	Global Equity Fund	Class B	991,786.49
Michael Lindsell	Investment Manager	Japanese Equity Fund	Class B Yen	2,129,406.84
Nick Train*	Investment Manager	Global Equity Fund	Class B	294,085.27
Nick Train	Investment Manager	Japanese Equity Fund	Class B Yen	35,151.49

\* Holdings contain balances held by spouses and/or dependents.

**20. Efficient portfolio management**

The Company may, on behalf of any sub-fund and subject to the conditions and within the limits laid down by the Central Bank, employ techniques and instruments relating to transferable securities, including investment in financial derivative instruments ("FDI"). Such techniques and instruments may be used for efficient portfolio management ("EPM") purposes, or to provide protection against exchange risk or for direct investment purposes, where applicable. Only such FDI as are provided for in the current risk management process for the Company approved by the Central Bank may be used by the Company.

Any over the counter ("OTC") derivatives must be with an approved counterparty (being a counterparty with which a UCITS may enter into OTC derivative contracts) and in accordance with the requirements of the Central Bank.

During the financial year, forward currency transactions were entered into by the Japanese Equity Fund. These were not entered into for the purpose of EPM. Details of all open transactions at the reporting date are disclosed in the schedule of investments.



**Notes to the financial statements (continued)**

For the financial year ended 31 December 2019

**21. Capital Management**

The redeemable shares issued by the Company provide an investor with the right to require redemption for cash at a value proportionate to the investor's shares in the sub-fund's net assets at each redemption date and are classified as liabilities. The sub-funds' objectives in managing the redeemable shares are to ensure a stable base to maximise returns to all investors and to manage liquidity risk arising from redemptions.

**22. Fund Asset regime**

The Company operates under a Fund Asset Model, whereby umbrella cash accounts designated in different currencies at umbrella level are held in the name of the Company. The umbrella cash accounts are used to collect subscription monies from investors and pay out redemption monies and also dividends (where applicable) to shareholders. The balances held in the accounts are reconciled on a daily basis and monies are not intended to be held in the accounts for long periods. The monies held in the umbrella cash accounts are considered an asset of the Company and are disclosed in the Statement of financial position within cash and cash equivalents. See note 3 for breakdown of monies held in the umbrella collection accounts at Bank of New York – London Branch at the financial reporting date.

**23. Commitments and contingent liabilities**

The Directors are not aware of any commitments or contingent liabilities of the Company.

**24. Changes to the prospectus**

There were no changes made to the prospectus during the financial year.

**25. Significant events during the financial year**

Effective 1 December 2019, BNY Mellon merged the Depositary, BNY Mellon Trust Company (Ireland) Limited into The Bank of New York Mellon SA/NV, which is BNY Mellon's European Bank. Depositary services are provided to the Company through the Dublin Branch of The Bank of New York Mellon SA/NV.

**26. Events after the reporting date**

Effective 21 January 2020, Lesley Williams was appointed as a Director of the Company.

The following distributions were declared after the reporting date:

**Global Equity Fund**

Class <sup>1</sup>	Currency	Distribution per share	Final distribution paid (local)	Income received on subscriptions (local)	Income deducted on redemptions (local)	Net distribution charge (local)	Ex-date
Class A	GBP	£0.0247	£4,937,489	(£270,491)	£344,552	£5,011,550	2Jan2020
Class B	GBP	£0.0152	£12,045,356	(£1,403,175)	£1,050,661	£11,692,842	2Jan2020
Class D	GBP	£0.0123	£18,535,550	(£1,114,623)	£1,406,369	£18,827,296	2Jan2020
			<b>£35,518,395</b>				

**Japanese Equity Fund**

Class <sup>1</sup>	Currency	Distribution per share	Final distribution paid (local)	Income received on subscriptions (local)	Income deducted on redemptions (local)	Net distribution charge (local)	Ex-date
Class B Distributing	JPY	¥1.2327	¥47,884,601	(¥1,650,806)	¥984,730	¥47,218,525	6Jan2020
Class B Sterling Hedged Distributing	GBP	£0.0187	£547,755	(£62,347)	£103,047	£588,455	6Jan2020
Class B Sterling Quoted Distributing	GBP	£0.0198	£1,716,267	(£389,072)	£50,825	£1,378,020	6Jan2020

<sup>1</sup>Share class is subject to equalization

COVID-19: On 11 March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. The Board is monitoring the evolution of this pandemic, including how it may affect the economy and the general population. The Board has not yet determined the financial impact of these events. There have been no events since the balance sheet date which would require revision of the amounts included in the financial statements or disclosure in a note thereto. In particular, we have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

**27. Approval of the financial statements**

The audited financial statements were approved by the Board of Directors on 7 April 2020.

**Schedule of investments**

As at 31 December 2019

<b>Lindsell Train Global Equity Fund</b>	<b>Currency</b>	<b>Nominal holdings</b>	<b>Fair value GBP</b>	<b>% NAV</b>
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>Italy</b>				
Juventus Football Club SpA	EUR	136,388,886	144,563,395	1.71%
PRADA SpA	HKD	60,186,210	188,422,144	2.23%
			<b>332,985,539</b>	<b>3.94%</b>
<b>Japan</b>				
Astellas Pharma Inc	JPY	15,911,300	207,485,218	2.46%
Canon Inc	JPY	633,000	13,182,753	0.16%
Ito En Ltd	JPY	3,323,300	54,019,643	0.64%
Japan Exchange Group Inc	JPY	14,472,400	194,777,038	2.31%
Kao Corp	JPY	6,612,805	416,171,961	4.93%
Meiko Network Japan Co Ltd	JPY	537,400	3,871,131	0.05%
Nintendo Co Ltd	JPY	1,469,750	450,650,466	5.34%
Shiseido Co Ltd	JPY	7,537,691	409,043,454	4.85%
			<b>1,749,201,664</b>	<b>20.74%</b>
<b>Netherlands</b>				
Heineken Holding NV	EUR	8,344,346	615,637,309	7.30%
			<b>615,637,309</b>	<b>7.30%</b>
<b>United Kingdom</b>				
Celtic PLC	GBP	5,399,293	8,814,346	0.10%
Diageo PLC	GBP	20,105,391	642,970,404	7.62%
Hargreaves Lansdown PLC	GBP	17,475,476	337,276,687	4.00%
London Stock Exchange Group PLC	GBP	7,251,547	559,674,397	6.64%
Pearson PLC	GBP	44,027,717	281,689,333	3.34%
RELX PLC	EUR	22,342,233	423,681,059	5.02%
Unilever PLC	GBP	15,123,369	656,202,982	7.79%
			<b>2,910,309,208</b>	<b>34.51%</b>
<b>United States</b>				
Brown-Forman Corp – Class A	USD	1,851,435	87,686,944	1.04%
Brown-Forman Corp – Class B	USD	250,957	12,839,474	0.15%
Walt Disney Co/The	USD	3,922,904	426,978,178	5.06%
eBay Inc	USD	8,866,075	240,261,118	2.85%
Intuit Inc	USD	2,046,515	407,226,580	4.83%
World Wrestling Entertainment Inc	USD	6,911,803	335,831,006	3.98%
PepsiCo Inc	USD	3,923,039	406,321,867	4.82%
Mondelez International Inc	USD	10,071,359	419,353,714	4.97%
PayPal Holdings Inc	USD	5,095,641	416,515,964	4.94%
			<b>2,753,014,845</b>	<b>32.64%</b>
<b>Total equities</b>			<b>8,361,148,565</b>	<b>99.13%</b>
<b>Total financial assets at fair value through profit or loss</b>			<b>8,361,148,565</b>	<b>99.13%</b>
Cash and cash equivalents and other net assets			73,705,725	0.87%
<b>Net assets attributable to holders of redeemable participating shares</b>			<b>8,434,854,290</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				<b>% of total assets</b>
Transferable securities listed on an official stock exchange or dealt on another regulated market				98.51%
Other current assets				1.49%
				<b>100.00%</b>

**Schedule of investments (continued)**

As at 31 December 2019

Lindsell Train Japanese Equity Fund	Currency	Nominal holdings	Fair value JPY	% NAV			
Financial assets at fair value through profit or loss							
Equities							
Japan							
Astellas Pharma Inc	JPY	2,573,300	4,812,071,000	6.47%			
Broadleaf Co Ltd	JPY	1,400,000	933,800,000	1.26%			
Calbee Inc	JPY	781,100	2,776,810,500	3.73%			
Canon Inc	JPY	173,400	517,859,100	0.70%			
Earth Corp	JPY	328,800	1,874,160,000	2.52%			
Hogy Medical Co Ltd	JPY	999,640	3,578,711,200	4.81%			
Ito En Ltd	JPY	1,120,391	2,611,631,421	3.51%			
Japan Exchange Group Inc	JPY	1,859,900	3,589,607,000	4.83%			
Kao Corp	JPY	781,083	7,049,274,075	9.48%			
Kirin Holdings Co Ltd	JPY	1,485,604	3,550,593,560	4.77%			
Mandom Corp	JPY	1,226,113	3,678,338,999	4.94%			
Medikit Co Ltd	JPY	106,700	753,302,000	1.01%			
Meiko Network Japan Co Ltd	JPY	594,900	614,531,700	0.83%			
Milbon Co Ltd	JPY	584,933	3,626,584,600	4.88%			
Morningstar Japan KK	JPY	2,861,700	1,173,297,000	1.58%			
Nintendo Co Ltd	JPY	162,250	7,134,132,500	9.58%			
OBIC Business Consultants Co Ltd	JPY	968,100	4,995,396,000	6.71%			
Shiseido Co Ltd	JPY	666,040	5,183,123,280	6.97%			
Square Enix Holdings Co Ltd	JPY	655,818	3,561,091,740	4.79%			
Taisho Pharmaceutical Holdings Co Ltd	JPY	277,400	2,249,714,000	3.02%			
Takeda Pharmaceutical Co Ltd	JPY	831,800	3,603,357,600	4.84%			
Tsutsumi Jewelry Co Ltd	JPY	518,500	1,103,886,499	1.48%			
			68,971,273,774	92.71%			
Total equities			68,971,273,774	92.71%			
Derivatives							
Forward currency contracts (counterparty: The Bank of New York Mellon SA/NV)							
Purchase currency	Amount	Sale currency	Amount	Settlement date	Fair value JPY	% NAV	
Class B Sterling Hedged Distributing							
JPY	2,376,000,000	GBP	(16,580,600)	16-Jan-2020	1,666,824	0.00%	
					1,666,824	0.00%	
Total derivatives					1,666,824	0.00%	
Total financial assets at fair value through profit or loss					68,972,940,598	92.71%	
Financial liabilities at fair value through profit or loss							
Derivatives							
Forward currency contracts (counterparty: The Bank of New York Mellon SA/NV)							
Purchase currency	Amount	Sale currency	Amount	Settlement date	Fair value JPY	% NAV	
Class B Sterling Hedged Distributing							
GBP	102,097,427	JPY	(14,980,000,000)	16-Jan-2020	(359,702,364)	(0.48%)	
					(359,702,364)	(0.48%)	
Total derivatives					(359,702,364)	(0.48%)	
Total financial liabilities at fair value through profit or loss					(359,702,364)	(0.48%)	
Cash and cash equivalents and other net assets					5,776,623,689	7.77%	
Net assets attributable to holders of redeemable participating shares					74,389,861,923	100.00%	
Analysis of total assets							% of total assets
Transferable securities listed on an official stock exchange or dealt on another regulated market							91.62%
OTC financial derivative instruments							0.00%
Other current assets							8.38%
							100.00%

**Statement of significant portfolio movements (unaudited)**

For the financial year ended 31 December 2019

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the annual report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year or aggregate disposals greater than 1 per cent of the total value of sales for the financial year.

<b>Global Equity Fund</b>	
<b>Purchases</b>	<b>Cost JPY</b>
Unilever PLC	225,187,044
Heineken Holding NV	205,690,650
Diageo PLC	195,272,502
Hargreaves Lansdown PLC	183,267,192
Kao Corp	173,799,486
PRADA SpA	144,765,071
Pearson PLC	139,616,797
Shiseido Co Ltd	132,708,265
World Wrestling Entertainment Inc	125,988,789
RELX PLC	122,919,691
Intuit Inc	115,132,975
PepsiCo Inc	113,134,882
PayPal Holdings Inc	103,089,796
Walt Disney Co/The	90,071,783
Mondelez International Inc	87,211,505
Japan Exchange Group Inc	78,662,011
London Stock Exchange Group PLC	65,920,999
Astellas Pharma Inc	63,509,236
Nintendo Co Ltd	61,618,782
eBay Inc	46,928,551
<b>Sales</b>	<b>Proceeds JPY</b>
Kao Corp	58,614,715
Intuit Inc	49,093,907
London Stock Exchange Group PLC	33,785,556
International Speedway Corp	31,160,488
PepsiCo Inc	26,211,282
Shiseido Co Ltd	26,111,281
Diageo PLC	25,120,507
PayPal Holdings Inc	24,438,057
RELX PLC	21,959,684
Walt Disney Co/The	19,553,572
Nintendo Co Ltd	18,164,045
Mondelez International Inc	12,586,833
Canon Inc	10,531,965
Unilever PLC	7,766,267
International Speedway Corp	3,900,090
Heineken Holding NV*	2,947,517
Hargreaves Lansdown PLC*	1,460,315
Pearson PLC*	1,437,899
World Wrestling Entertainment Inc*	1,395,370
Meiko Network Japan Co Ltd*	1,231,609

\*Total value of sales is less than 1 per cent of the total value of sales for the financial year; however the Central Bank Regulations require a minimum of 20 purchases and sales to be disclosed.

**Statement of significant portfolio movements (unaudited) (continued)**

For the financial year ended 31 December 2019

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the annual report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year or aggregate disposals greater than 1 per cent of the total value of sales for the financial year.

<b>Japanese Equity Fund</b>	
<b>Purchases</b>	<b>Cost JPY</b>
Kao Corp	3,025,692,028
Nintendo Co Ltd	2,515,247,091
Shiseido Co Ltd	2,222,095,821
Takeda Pharmaceutical Co Ltd	2,164,723,965
Kirin Holdings Co Ltd	2,047,643,264
Square Enix Holdings Co Ltd	1,918,789,064
Mandom Corp	1,853,263,211
Hogy Medical Co Ltd	1,705,598,930
Japan Exchange Group Inc	1,643,725,532
Astellas Pharma Inc	1,560,719,831
OBIC Business Consultants Co Ltd	1,559,447,029
Taisho Pharmaceutical Holdings Co Ltd	1,553,830,879
Milbon Co Ltd	1,405,797,344
Calbee Inc	1,394,001,312
Ito En Ltd	909,148,987
Morningstar Japan KK	367,731,901
Earth Corp	296,865,535
Tsutsumi Jewelry Co Ltd*	184,040,644
Sotsu Co Ltd*	149,841,359
Medikit Co Ltd*	118,650,422
<b>Sales</b>	<b>Proceeds JPY</b>
Square Enix Holdings Co Ltd	1,765,826,270
Sotsu Co Ltd	1,036,640,000
Nintendo Co Ltd	884,747,072
Takeda Pharmaceutical Co Ltd	832,665,496
Milbon Co Ltd	593,127,463
Kirin Holdings Co Ltd	465,100,294
Hogy Medical Co Ltd	361,597,142
Shiseido Co Ltd	298,325,474
Kao Corp	257,085,650
Mandom Corp	187,244,589
OBIC Business Consultants Co Ltd	161,916,880
Meiko Network Japan Co Ltd	108,793,358
Ito En Ltd	95,456,604
Taisho Pharmaceutical Holdings Co Ltd	75,272,412
Earth Corp**	48,824,848
Canon Inc**	43,636,955
Astellas Pharma Inc**	34,781,301

Financial derivative instruments are excluded from the above due to no cost being attributed to purchases and sales of such instruments.

\*Total value of purchase is less than 1 per cent of the total value of purchases for the financial year; however the Central Bank Regulations require a minimum of 20 purchases and sales to be disclosed. Due to trading volumes the above details all of the purchases during the financial year.

\*\*Total value of sales is less than 1 per cent of the total value of sales for the financial year; however the Central Bank Regulations require a minimum of 20 purchases and sales to be disclosed. Due to trading volumes the above details all of the sales during the financial year.

**Appendix 1 - Remuneration disclosure (unaudited)**

For the financial year ended 31 December 2019

**Remuneration**

UCITS Regulations require certain disclosures to be made with regard to the remuneration policy of Lindsell Train Global Funds plc (the "Company"). The Company has in place a remuneration policy which was applied during the financial year ended 31 December 2019.

Details of the remuneration policy are disclosed on the investment manager's website. In accordance with the UCITS Regulations remuneration requirements, the Company is committed to ensuring that its remuneration policies and practices are consistent with and promote sound and effective risk management. This remuneration policy is designed to ensure that excessive risk taking is not encouraged within the Company and to enable the Company to achieve and maintain a sound capital base. The Company is structured as a self-managed UCITS investment company, it does not employ any staff directly and it has no branches or subsidiaries.

The only identified staff of the Company are the members of the Board of Directors of the Fund and the Designated Persons from Bridge Consulting. The two Independent Non-Executive members of the Board of Directors of the Company receive a fixed fee only and do not receive performance-based remuneration therefore avoiding a potential conflict of interest. The basic fee of an Independent Non-Executive Board member is set at a level that is on par with the rest of the market and reflects the qualifications and contribution required in view of the Company's complexity, the extent of the responsibilities and the number of board meetings. No pension contributions are payable on Independent Non-Executive Board members' fees. Similarly, the Designated Persons of the Company receive fixed remuneration only.

<b>Total remuneration paid to the identified staff of the Company during the financial year ended 31 December 2019</b>	<b>GBP</b>
Fixed remuneration paid to Board of Directors	72,000
Fixed remuneration paid to Designated Persons <sup>1</sup>	23,676
Variable remuneration	-
<b>Total remuneration paid</b>	<b>95,676</b>

Number of beneficiaries	4
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<sup>1</sup>Excluding VAT