2024

Annual Stewardship Report

Lindsell Train

Contents

Foreword

The UK Stewardship Code 2020 sets a high bar for stewardship standards for those investing money on behalf of UK savers and pensioners, as well as those that support them. There are also high expectations that adhering to the Code will lead to sustainable benefits for the economy, the environment and society.

We remain advocates of the code's objective to promote transparency, disclosure and accountability and agree with the FRC that no one size fits all. We therefore welcome the current consultation and hope that it results in a framework that is both practical and proportionate for firms of all sizes and structures. At the same time, we believe it is essential the revised framework continues to drive improvements in stewardship practices, whilst maintaining strong accountability.

In preparing this report, we reflect on our history and culture; the progress we have made to date as stewards of our clients' capital; our plans to further raise our standards; and our ongoing ambitions to support the drive towards achieving sustainable outcomes on a broader scale.

As Lindsell Train enters its 25th anniversary year, our long-term perspective remains unchanged: we continue to believe there is an alignment between delivering our clients' investment goals and investing in businesses that are adapting to rising regulatory standards and broader sustainability expectations, particularly when investing over a time horizon such as ours, that stretches over decades rather than just quarters or years. The resultant long-term partnerships that we build with investee companies form the cornerstone of our approach to stewardship. This means we must remain responsive to the evolving landscape – whether through shifts in regulation, stakeholder expectations, or the material sustainability risks and opportunities shaping markets today.

Our ESG Committee (of which I am Chair) is firmly embedded in our governance structure and has been instrumental in ensuring that we remain abreast of regulation, continue to meet our clients' expectations and encourage the work and ambitions of our portfolio companies. Of specific note, during 2024 we appointed our first employee dedicated to ESG, Azjin Ali. We published our inaugural TCFD product level reports and continued our engagement with portfolio companies that we have classified as net zero laggards. We published our Engagement Framework which sets out Lindsell Train's approach to engagement, including our engagement philosophy, process and escalation policy. Furthermore, we continued dedicating significant time and resource to responding to the introduction of the UK Sustainability Disclosure Requirements (SDR). Whilst this is not covered explicitly in this years' report, I would like to assure our investors and stakeholders that it has been given the attention it deserves.

As I noted in prior years, these are no small challenges, but we are confident we have the skills, resources and tenacity to address the expectations set by the Stewardship Code.

Nick Train, Chair
on behalf of the board of Lindsell Train Limited.

Unless stated otherwise, all information and data in this report is as at 31 December 2024

I

SIGNATORIES' PURPOSE, INVESTMENT BELIEFS, STRATEGY, AND CULTURE ENABLE STEWARDSHIP THAT CREATES LONG-TERM VALUE FOR CLIENTS AND BENEFICIARIES LEADING TO SUSTAINABLE BENEFITS FOR THE ECONOMY, THE ENVIRONMENT AND SOCIETY

Lindsell Train is an investment company that specialises in the management of Global, UK, Japanese and North American equity portfolios, managing over £12.5bn of client assets as of 31 December 2024.

The company was founded in 2000 with the premise that keeping corporate complexity, including hierarchy, to a minimum would foster an optimal environment for fundamental research, high-conviction portfolio management, and long-term performance and stewardship outcomes for clients.

As such, Lindsell Train continues to maintain a small and simple organisational structure, employing fewer than 30 professionals across all business lines.

Furthermore, our independence – with our founders and employees maintaining majority ownership – ensures we can continue to prioritise the integrity of these principles on which the company was founded. We believe our disciplined application of our business and investment principles is ultimately what underpins our ability to meet the diverse needs and objectives of our clients and progress our stewardship goals over the longer term.

A long-term focus is embedded in everything that we do:

- **Our investment philosophy, which emphasises protecting and growing the real value of our clients' capital over the long-term by investing in companies that are truly durable;**
- **Continuity of our external shareholder relationship with the Lindsell Train Investment Trust, which has supported the business since its establishment, and which is important as both a long-term partner and advisor; and**
- **Our recruitment policy, a key element of which is to seek out individuals who we hope will build their entire career at Lindsell Train.**

OUR PURPOSE & CULTURE

The 'purpose' of Lindsell Train is to achieve strong long-term investment results for our clients whilst providing a professional working environment. Underpinning this purpose is an investment-led culture, that is:

Practical – fostered through our simple organisational structure which promotes both independence of thought and effective teamwork.

Entrepreneurial – entrusts individuals to take initiative and trust in each other's decisions in a collegiate and flexible working environment.

Collaborative – this requires maintaining an open, honest and approachable environment where all individuals can contribute, learn and develop.

The relatively small number of staff, operating within a flat structure, allows this culture to promote hard work, and strong employee camaraderie, giving us the best chance of achieving our purpose.

OUR PRINCIPLES AND VALUES

Our firm was founded with three business principles, which remain in place today:

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

We invest alongside our clients. Underlining strong alignment of interests, our Portfolio Managers continue to invest substantially in Lindsell Train equity and managed funds. Furthermore, more than a third of total employees invest in Lindsell Train managed funds, 10 employees own equity in the business and seven employees have a meaningful portion of their annual remuneration linked to our profit share scheme. Adopting a long-term perspective in business development involves engaging with investors who appreciate our patient investment approach, aligning with their long-term objectives. This entails careful market and distribution channel selection globally, while assessing regulatory, compliance, operational, and client service factors. Our business principles are based on our values of integrity, steadfastness and transparency. Our values are embedded throughout our business and extend to our relationships with employees, shareholders, clients and third parties.

- **Integrity** – We are committed to doing business to the highest standards of integrity.
- **Steadfastness** – We have always followed a well-defined approach of investing in exceptional companies for the longer term. This requires high conviction and patience through periods of market volatility, including macroeconomic, regulatory and geopolitical uncertainty.
- **Transparency** – We communicate internally and externally with honesty, realism and respect.

OUR VISION AND STRATEGY

The company's strategic mission is to consistently meet our clients' expectations. This relates not only to the achievement of strong long-term investment results but also to fulfilling our clients' wider requirements, which have increasingly focused on a desire to invest responsibly. We look to build strong and positive relationships by providing professional, responsive and friendly client service. We look to partner with clients who fully understand and embrace a long-term, high conviction investment approach and with whom we expect to maintain a fruitful partnership over many years. Effective teamwork, encouraged and promoted by senior management, underpins both investment and business management.

We recognise that in the past five years, we have not met our clients' expectations in terms of delivering relative outperformance. We hope however that through this volatile period our commitment and consistency to our investment approach, which has served investors well over the longer term, together with the clear explanations of the drivers of our returns, has been communicated effectively by our Investment Team to all our stakeholders to help inform their decisions.

OUR INVESTMENT APPROACH

How do we look to achieve our investment objective of preserving and growing the real purchasing power of our clients' assets over the long-term?

At the heart of our approach is a conviction that inefficiencies exist in the valuation of 'exceptional' companies. Specifically, we note that durable, cash generative franchises are not only rare but also appear to us to be undervalued by other investors for most of the time. We invest in such 'exceptional' companies with the expectation of holding them for the very long-term. It is the resultant long-term partnerships that we build with portfolio companies that form the cornerstone of our approach to responsible investing.

Our truly strategic time horizon means we must be continually alert to all relevant long-term issues, with the objective of pre-empting risk and enhancing returns. Hence the consideration of all Environmental, Social and Governance ("ESG") factors which might affect our companies has always been central to our investment approach. Indeed, we have historically found that these 'exceptional' companies tend to exhibit characteristics associated with good corporate governance and responsible business practices. Furthermore, we believe that companies which observe such standards, and that are serious in their intention of addressing environmental and social factors, will not only become more durable, but will likely prove to be superior investments over time.

Our experience and research tell us that 'exceptional' companies are found only in a limited number of sectors, which means that many sectors are never (or rarely) represented in our portfolios. For example, we do not invest in capital intensive manufacturing industries or any companies involved in the extraction and production of coal, oil or natural gas. We also avoid industries that we judge to be sufficiently detrimental to society that they may be exposed to burdensome regulation or litigation that could impinge on financial returns (e.g. tobacco, gambling or arms manufacturers).

Furthermore, through our engagement strategy, we increasingly seek to encourage and support our companies to meet their own ESG commitments with the aim of improving standards and enhancing returns. Thus our evaluation of ESG factors is a natural part of our investment process and the exercise of our stewardship responsibilities is integral to our research process.

ESG STRATEGY AND OUTCOMES

We believe that our commitment to responsible investing through long-term partnerships with our portfolio companies is well understood and valued by our clients. We are therefore committed to our approach to stewardship and active ownership, including integration, engagement and proxy voting.

> 'Ultimately ESG presents a real risk of the permanent loss of our client's capital and, accordingly, our job is to apply an ESG adjusted risk premium to what we analyse to be eternal assets. That way we work to ensure we observe Warren Buffett's #1 rule – don't lose money!

Nick Train,
Portfolio Manager

Over recent years, we have improved existing policies, reviewed and responded to upcoming regulation, reflected on the appropriateness of our governance structures and worked with our clients and consultant partners to understand how we can serve their best interests. More specific to 2024, we achieved the following:

- Appointed our first employee dedicated to ESG, Azjin Ali. Azjin's appointment reflects our ongoing efforts to enhance the integration of responsible investment into our investment decision-making, reporting and governance activities.

- Published an Engagement Framework – this document sets out Lindsell Train's approach to engagement, including our engagement philosophy, process and escalation policy. Most importantly, it details our approach to prioritisation and identifies two focus areas for our proactive engagement work – 1) achieving net zero and 2) ensuring ethical supply chains – where we believe we have the best chance of enacting environmental and social progress. Further details of this framework can be found on page 38.

- Measured investee company progress against our interim net zero targets – as per last year we have completed an exercise to measure and monitor progress (details of which can be found on page 36), which in turn helps direct our engagement work.

- Continued to improve our United Nations Principles for Responsible Investment ("UN PRI") scorecard – the PRI's updated 2024 scorecard, shows that Lindsell Train has scored 4/5 in all three relevant categories. Although its classification banding remains 4/5, we were pleased to note an improvement in the Policy, Governance and Strategy category score, reflecting the steps taken to formalise our approach and engagement regarding modern slavery in supply chains. Lindsell Train's Transparency Report can be found on our website **here**.

- Published our inaugural Task Force on Climate-Related Financial Disclosures ("TCFD") product level reports, alongside our TCFD entity report.

- Responded to Sustainability Disclosure Requirements ("SDR") regulation – in collaboration with the Authorised Corporate Director ("ACD") for our UK domiciled funds.

Whilst we have made substantial progress, we have plenty on the agenda for 2025. Most notably, we will continue supporting our commitment to the abolishment of modern slavery, as well as enacting further progress towards our net zero goals.

ASSESSING OUR VALUE

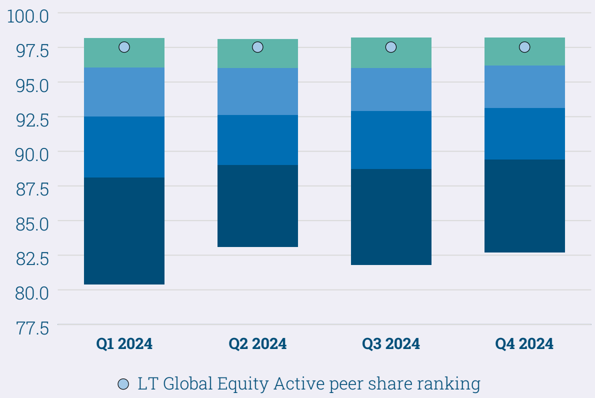
In assessing the effectiveness of how our purpose, strategy and investment principles combine to enable our stewardship priorities to benefit clients' long-term interests, we observe four objective and quantifiable metrics versus the market and industry peers:

- **Carbon Footprint** – Our Global and UK equity strategies are our largest, with total strategy assets representing 99% of our total firm's assets under management (AUM). Each strategy's carbon footprint has consistently been less than that of the applicable market index since inception. We discuss in further detail how our investment principles have guided us to avoid capital-intensive industries like coal, oil and natural gas, as well as benchmark each strategy's carbon footprint relative to that of the market, under Principle VII of this report.

- **Downside Market Capture** – Given our focus on quality, durable businesses for the truly long-term, our clients' expectations are that our portfolios should be more resilient during periods of market contractions. For the 10 years to the end of December 2024, our Global Equity Strategy's downside market capture is ranked within the 7th percentile of peers in eVestment's All Cap Global Equity Value, Growth and Core Universes. Over the same time period, our UK equity strategy's downside market capture is ranked within the first percentile of eVestment's All Cap UK Equity Value, Growth and Core Universes.

- **Active Peer Share** – A high active peer share indicates that a manager's holdings deviate significantly from that of the average manager in the universe. We feel our clients' interests are best served in the long-term by remaining consistent with our investment principles, i.e. an emphasis on companies with heritage and enduring quality, portfolio concentration and uniquely low turnover, which generates a highly differentiated approach to the index and peers. To evidence this, our strategies' active peer share rankings are high irrespective of which eVestment Global peer universe is referenced. The chart below shows our flagship Global Equity Fund's active peer share rankings for each of the four quarters of 2024.

Active Share vs. eVestment Peer Alpha Universe

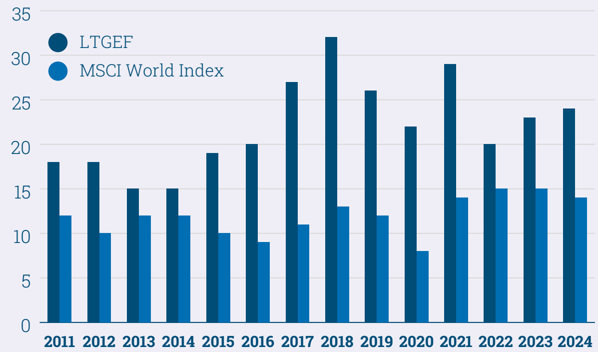


Source: eVestment Analytics; Lindsell Train Global Equity Active Peer Share rankings vs. eVestment All Cap Global Value Equity Manager Universe. Shaded areas represent quartiles. Lindsell Train is ranked top decile for all four quarters.

- **Return on Equity (ROE)** – Fundamental to our investment principles and approach is our search for high quality companies with durable business characteristics, a low capital intensity, a record of prudent capital allocation and, crucially, a consistently higher than average return on equity. A combination of these factors should ensure that wealth retained within the company can compound over time, building long-term value and supporting better than average share price performance.

2011–2024	Lindsell Train Global Equity Fund ("GEF")	MSCI World Index
14yr mean weighted average ROE	22%	12%

Weighted Average Return on Equity %



Source: Lindsell Train and Bloomberg as of end December 2024. Data sourced March 2025. Weighted average 14 years trailing ROE data based upon fiscal year end data points and Lindsell Train estimates. Lindsell Train Global Equity Strategy year end portfolio weightings utilised to calculate weighted average. For securities that have not yet reported fiscal year 2024 data, representative point-in-time figures as of 31st December 2024 have been used instead. ROE values below -90 will be excluded and values above 75 will be capped as 75 in the calculation of the average of the fund. The data is provided for information purposes only as an example of the investment strategy and characteristics of Lindsell Train's Global Equity Strategy. This is not a solicitation, recommendation or an offer to buy or sell any security, fund or financial instrument. Past performance is not a guide or guarantee to future performance. Investments carry a degree of risk and the value of investments and income from them may go down as well as up and you may not get back the original amount invested.

We have been able to deliver good long-term investment returns for our clients, a commitment to investing responsibly and also, we hope, the level of service that our clients require. However, like our expectations of the companies in which we invest, our clients' expectations of us are constantly evolving and rightly so. There is always more work to be done.

II

SIGNATORIES' GOVERNANCE, RESOURCES AND INCENTIVES SUPPORT STEWARDSHIP

25 years on from Lindsell Train's inception, our common desire to build a business where corporate complexity is kept to a minimum remains strong. We have avoided as far as possible the bureaucracy and hierarchy that accompanies many large businesses.

Instead, we have intentionally maintained a small and dedicated team of staff, currently numbering fewer than 30, who have on average worked at Lindsell Train for seven years and represent a wide range of experience and skill sets. The company continues to be majority owned by our co-founders, and other key individuals, allowing us to maintain the integrity of the business principles on which the firm was founded.

This independent and simple organisational structure, combined with a robust governance model, form the foundation of our approach to effective stewardship of our clients' assets. Stewardship is a core component of our approach and is integrated across all business activities, including investment where active ownership forms an important part of our process.

GOVERNANCE

Although aware of the limitations and potential risks associated with a smaller team, we believe that these are well balanced by the maintenance of a robust governance structure. Lindsell Train's Board of Directors has overall responsibility for assuring processes and policies and assessing the effectiveness of our activities, including those relating to stewardship.

In addition to the **Board of Directors**, and to facilitate the day to day running and oversight of Lindsell Train's regulated investment business, there is a **Management Committee**. The purpose of the Management Committee is to ensure the proper execution of the company's business strategy, as agreed by the Board of Directors. ESG is a standing agenda item at Management Committee meetings and a regular agenda item at Board meetings.

In addition, an **ESG Committee** ensures the clear definition of our ESG strategy and how this is put into practice, as well as to oversee the identification and mitigation of risks relating to ESG. The ESG Committee is also responsible for ensuring that as a business we monitor the sustainability of our operations. Nick Train is Chair of the committee, and he is joined by Mathew McNeill (Chief Compliance Officer – CCO), Madeline Wright (Head of Investment ESG) and Jessica Cameron (Head of Marketing & Client Services). Both Madeline and Jessica hold the CFA Certificate in ESG Investing.

Further governance structures at Lindsell Train include the **Risk and Compliance Committee** and the **Valuation Committee**. We have summarised these committees within the table below.

The aforementioned committees were formed to manage all aspects of the firm's investment, distribution, administration, and control oversight functions as well as to encourage the sharing of knowledge and ideas across the various business functions at Lindsell Train.

All Committees as of 31st December 2024.

Executive Directors: Nick Train (Chair), founder and Portfolio Manager; Michael Lindsell (CEO), founder and Portfolio Manager; James Bullock, Portfolio Manager; Jessica Cameron, Head of Marketing and Client Service; Joss Saunders, Chief Operating Officer; Michael Lim, IT and Company Secretarial **Non-executive Directors:** Rory Landman Jane Orr Julian Bartlett	Responsible for: • Setting the strategy of the firm • Establishing and maintaining a robust internal control framework • Ensuring compliance with all applicable legal and regulatory requirements. ESG is a standing agenda item at meetings of the Board, underlining the importance with which we view ESG and sustainability from a corporate perspective. **Frequency of meetings:** At least three times per year
Management Committee Michael Lindsell (Chair), founder and Portfolio Manager; James Bullock, Portfolio Manager; Jessica Cameron, Head of Marketing & Client Service; Joss Saunders, Chief Operating Officer	Responsible for managing the day-to-day activities of the company through implementing appropriate operational initiatives to meet the strategic plan set by the Board. The responsibilities of the Committee include, but are not limited to; strategic planning, operational planning, policy and decision making, and oversight of the relevant LTL business functions. **Frequency of meetings:** At least quarterly
Risk and Compliance Committee Julian Bartlett (Chair), Non-executive Director; Joss Saunders, Chief Operating Officer; Kodorul Amin, Financial Controller; Mathew McNeill, Chief Compliance Officer; Michael Lim, IT and Company Secretarial; Richard Lambert, Risk and Projects Manager	Responsible for advising the Board on the establishment, implementation, and ongoing maintenance of effective risk management and compliance policies and procedures. The RCC's mandate covers oversight of all risk and compliance matters affecting LTL, including but not limited to: • Identifying, managing, and monitoring both existing and emerging risks; • Ensuring alignment between LTL's residual risk profile and its defined risk appetite; • Overseeing the firm's risk-based compliance monitoring program; and • Assessing the adequacy of systems and controls designed to ensure the firm and its employees comply with all applicable regulatory requirements. **Frequency of meetings:** At least twice per year
ESG Committee Nick Train (Chair), founder and Portfolio Manager; Jessica Cameron, Head of Marketing & Client Service; Mathew McNeill, Chief Compliance Officer; Madeline Wright, Deputy Portfolio Manager & Head of Investment ESG	The ESG Committee supports the Board in defining the Company's strategy relating to ESG matters and in reviewing the practices and initiatives of LTL relating to ESG matters, ensuring they remain effective, up to date and in line with relevant regulation. Responsibilities include but are not limited to: • Overseeing the establishment of policies and procedures and their effective implementation, and to monitor and review their ongoing relevance, effectiveness, and further development, e.g. The Responsible Investment and Engagement Policy. • To work with the RCC to oversee the identification and mitigation of risks relating to ESG and to identify opportunities related to ESG matters. **Frequency of meetings:** At least twice per year
Valuation Committee Joss Saunders, (Chair) Chief Operating Officer; Anh Hoang, Head of Operations; Mathew McNeill, Chief Compliance Officer; Michael Lim, IT and Company Secretarial	Responsible for overseeing compliance with the Company's valuation policies. The Committee advises the Board on the establishment, implementation, and maintenance of valuation policies and procedures. **Frequency of meetings:** At least twice per year

Our business decisions support our aim to keep complexity to a minimum. One early policy decision we took was to limit the number of segregated mandates that we will manage, since each additional account has an impact on both our portfolio management and operational resources. Today 61% of our assets under management are invested in pooled vehicles, up from 35% ten years ago. Not only does building pooled vehicles in this way allow us to keep corporate complexity to a minimum but another benefit is that investors in each fund, in most instances, gain the additional comfort of that fund's own independent governance structures, over and above that provided by Lindsell Train in its capacity as Investment Manager.

In this vein, we would also draw your attention to the Lindsell Train Investment Trust (LTIT), which owns 24% of Lindsell Train Limited. The Lindsell Train Investment Trust is a UK quoted closed end fund. At the end of the reporting period, LTIT's stake in Lindsell Train Limited represents over 28% of the Trust's portfolio NAV. This means that the board of LTIT (five independent directors, together with Michael Lindsell) take a significant interest in both the long-term plans and the governance of Lindsell Train.

Lindsell Train's independence means that all business decisions are made with the long-term interests of our employees and our clients in mind. For example, we do not have (and have never had) 'targets' with regards to raising assets and we are careful in our approach to developing new client bases by type or geography. This ensures that we do not over-stretch our resources; in particular we need to carefully manage the time that our Portfolio Managers spend on activities not directly related to investment. It is for this reason that we also look to define the parameters of any client relationship to ensure that we can meet the servicing levels that our clients expect from us.

We look to partner with clients who fully understand and embrace a long-term, high conviction investment approach and where we expect to maintain a fruitful partnership over many years. We are also careful to prioritise projects that are meaningful to clients and to the success of our business.

RESOURCE

We believe that our ESG objectives will be better achieved if all staff are fully aware of them and understand their importance in the proper execution of their role. Hence Lindsell Train continues with its decision to integrate ESG across our business. This also reflects on the nature of the organisation and the attitude and aptitude of our staff, who need to be able to embrace variety in their roles. ESG integration within our investment process is led by the Lindsell Train Investment Team, and we provide more detail on how this is achieved below.

During Q3 2024 we appointed our first employee dedicated to ESG, Azjin Ali. Whilst ESG remains integral to all areas of our firm and we continue to believe that all staff should be aware of their responsibilities, Azjin's appointment reflects our ongoing efforts to enhance the integration of responsible investment into our investment decision-making, reporting and governance activities. Azjin will also support us in our efforts to meet the rising industry standards and obligations on our firm.

Azjin's primary responsibilities will include supporting Lindsell Train's ESG-related client and regulatory reporting and data management responsibilities. In addition, Azjin will support our investment integration and engagement endeavours, collaborating with the ESG Committee and all members of the investment team. Our Portfolio Managers and Deputy Portfolio Managers remain responsible for researching, investing in, monitoring, and engaging with companies that fulfil our ESG-related investment criteria.

It is intended that Azjin will join the ESG Committee during 2025.

INVESTMENT

Madeline Wright (Deputy Portfolio Manager and Head of Investment ESG) is responsible for coordinating the Investment Team's ESG endeavours. However, given that responsible investing is and has always been a natural part of our investment approach, we think it

Lindsell Train Investment Team

Name	Responsibility	Years in Industry	Years at LT
Michael Lindsell	Co-Founder, Portfolio Manager (Global & Japan)	43	24
Nick Train	Co-Founder, Portfolio Manager (Global & UK)	44	24
James Bullock	Portfolio Manager (Global & North America)	14	14
Madeline Wright	Deputy Portfolio Manager & Head of Investment ESG	12	12
Alexander Windsor-Clive	Deputy Portfolio Manager	9	9
Ben van Leeuwen	Deputy Portfolio Manager	6	6

most appropriate that all six Investment Team members take shared responsibility for ensuring that ESG is integrated throughout the investment process. With our concentrated approach and relatively small number of strategies we are typically invested in around 75 investee companies across all four of our strategies at any time. As a result, our Investment Team are fortunate to be able to dedicate appropriate time and capacity to interact with all our portfolio companies on a regular basis and in particular on pressing topics.

Within the Investment Team, ultimate oversight and decision making (including voting decisions) lies with the three Portfolio Managers, who have extensive experience in deploying our long-term investment approach. Portfolio Managers Michael Lindsell and Nick Train boast over four decades of expertise each, while James Bullock has accrued over 14 years of investment experience. Their multi-decade experience includes the assessment of various risks and opportunities (many of which are now formally recognised as ESG related) that may influence a company's long-term prospects, as well as the engagement on such topics with company management.

OVERSIGHT

Key individuals involved in the oversight of ESG at Lindsell Train are senior members of staff who are either Certified Persons or Senior Managers under the Financial Conduct Authority's (FCA) Senior Managers & Certification Regime (SMCR). They bring to the table a wide variety of experience and expertise, having in most cases enjoyed multi-decade careers in investment management.

The strides we have made to date in the area of ESG have been a result of individuals rising to the challenge, recognising both the magnitude of ESG as a business risk and an opportunity. More generally, attributes we look for in our staff include: the desire to embrace our culture and working environment; the ability to work independently as well as to understand the wider team requirements; self-motivation; curiosity; analytical skills; ability to write articulately; and ability to think outside the box.

Please refer to the biographies included on page 60 for details.

TRAINING

We conduct regular (at least annual) ESG training for relevant staff, including all members of the Investment Team and ESG Committee. In July 2024, we hosted our annual ESG training session, which sought to remind Lindsell Train staff about the key principles of responsible investing, to update them on industry and regulatory developments, to confirm how Lindsell Train integrates such principles into our investment process and business strategy, and to discuss milestones achieved and future priorities (in particular, extending our collaboration with Find it Fix it Prevent it). The training also sought to help our staff better understand the importance of a successful engagement strategy. We were therefore extremely grateful to have been supported by longstanding portfolio company, Heineken, who provided an update on their Brew a Better World 2030 strategy. The presentation covered Heineken's ambitions to drive positive impact for the environment, as well as their commitments to social sustainability and the responsible consumption of alcohol.

In addition to these in-person sessions, we deliver annual online ESG training to all staff using an online training solution, Skillcast. The course covers topics such as the importance of ESG in the wider world, how ESG issues relate to the financial services sectors, how to identify ESG issues facing our organisation and how to support ESG initiatives within the business.

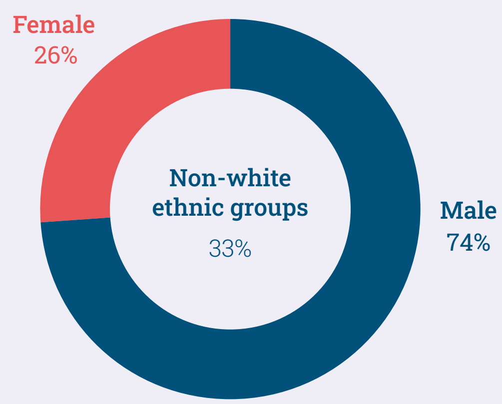
INCENTIVES

Our remuneration arrangements take into account sound and effective risk management, do not encourage excessive risk taking and are in line with our business strategy, objectives, values and the interests of shareholders and clients.

We seek to pay competitive rates of fixed salary remuneration, supplemented by discretionary bonuses when appropriate to reflect the company's success and to reward individual and team contributions. Importantly we do not reward on the basis of short-term targets. Discretionary bonus payments recognise an employee's contribution to the overall business, including supporting the culture and values of our company, and their overall job performance (taking into consideration both qualitative and quantitative measures) and are subject to the employee's compliance with Lindsell Train's internal policies and procedures. Given the significant and growing importance of ESG in the investment industry and to the future of our business, management take into account all work that has contributed to our efforts in this area. Furthermore, for key employees there is also the opportunity to acquire shares in Lindsell Train Limited as well as the opportunity to share in the profit of the company through a dedicated profit share scheme. The ownership of equity in our company encourages those employees who are shareholders to take a more strategic view on their careers at Lindsell Train, and moves to align their long-term interests with those of our clients.

In summary, we believe that Lindsell Train has a robust governance structure, rigorous processes and appropriate resources given the size and nature of our business. We try our best to look ahead and endeavour to adequately resource our company in order to continue to provide a service to our clients of which we can be proud. Critically, we also have the ability to recognise where we might not have the appropriate skills in-house and in these instances we are prepared to work with professional providers who offer exceptional services in their areas of expertise. For example, we engaged with a legal firm to help us meet our obligations under SDR.

EQUAL OPPORTUNITY, DIVERSITY AND INCLUSION



Our staff, clients and other parties with whom we engage expect us to have a clearly defined approach to diversity and inclusion as set out in our Equal Opportunity, Diversity and Inclusion Statement, which is available on our **website**.

Lindsell Train has always recruited and retained staff without prejudice and based on meritocracy. At the end of December 2024, the firm had a male to female ratio of 74:26, and non-white ethnic groups represented 33%.

We continue on our path to enhancing Lindsell Train's attraction as a place to work for both existing and future employees. Lindsell Train continues to operate flexible working practices as we believe that, as long as we can continue to fully meet our clients' expectations, offering more flexibility should mean more engaged, fulfilled and happy staff.
When recruiting staff, we have worked hard to ensure that the pool of candidates is as diverse as possible, by advertising roles and engaging with dedicated organisations such as GAIN (Girls Are INvestors) and social mobility charity, UpReach, through whom we have successfully recruited.

CASE STUDY

Lindsell Train is proud to have a partnership with UpReach, an award-winning social mobility charity. UpReach has a mission to support undergraduates from lower socio-economic backgrounds to access and sustain top graduate jobs. UpReach is driven by a vision of a society in which everybody has an equal opportunity to realise their full career potential regardless of social background.

During 2024, we hosted our annual internship experience, comprised of a day in our offices followed by an optional four-day virtual research project. The internship is aimed at university students considering a career in Investment Management. The day of presentations in our office aims to provide an overview of the asset management industry, including its positive role within the wider finance industry, as well as an introduction to Lindsell Train, whilst the four-day project seeks to immerse candidates in the role of a research analyst. Having received very positive feedback, we have committed to continue this important event with UpReach.

III

SIGNATORIES MANAGE CONFLICTS OF INTEREST TO PUT THE BEST INTERESTS OF CLIENTS AND BENEFICIARIES FIRST

In the course of undertaking our investment management services, and factoring in our relationship with investee companies, stakeholders, clients and other interested parties, it is inevitable that there are occasions when potential conflicts of interests might arise. Our core values of integrity and transparency support our regulatory obligation to identify and manage such potential conflicts. Our Conflicts of Interest policy, to which all staff members must adhere, can be found on our website **here**.

We have taken appropriate measures to identify, prevent and manage conflicts of interest. Where a potential conflict is identified, we will seek to organise our business activities and arrangements in a manner so as to prevent the crystallisation of the conflict. This may include the appropriate segregation of functions and business lines such that a level of independence will mitigate the potential for conflict, as well as ensuring appropriate policies and staff training are in place.

Whilst we will take all reasonable steps to avoid conflicts of interest arising, we recognise that it will not always be possible to do so. Where necessary, we will clearly disclose in writing the details of the conflict to the client before providing any services to that client. Disclosure in and of itself is not deemed by us to mitigate a potential conflict and our senior management will take all reasonable steps available to manage the conflict.

Our clients' best interests are of paramount importance to us, therefore if it is determined that we are unable to manage a conflict of interest, we will decline to act on behalf of the client concerned. Underpinning our conflicts of interest policy is our procedure for managing conflicts which is summarised below:

- **Conflict identification:** All staff are provided with training to ensure they are equipped to identify and manage potential conflicts of interest, including those related to investment decision making, proxy voting and company engagement. Training material is updated periodically and where there is a material change to our Conflicts of Interests Policy it is mandatory for employees to attest that they understand and will comply with the requirements of the updated policy.

  The Compliance Team works in conjunction with the Management Committee to assess whether any new conflicts arise as a result of business and product developments.

- **Assessment:** Where a potential conflict is identified, this will be raised with the Compliance

Team who will lead a discussion with the relevant staff member(s) to determine the appropriate procedures and controls necessary to manage the conflict. From a stewardship perspective the aim is always to protect the independence of the decision-making process around stock selection, proxy voting and engagement. Where the view of the Chief Compliance Officer is that the conflict of interest cannot be adequately managed, the matter will be escalated to our Management Committee for discussion regarding how best to resolve/conclude.

- **Record keeping:** The Compliance Team maintains a Conflicts Register which is a central record of all perceived and live conflicts of interest and the associated mitigating/management arrangements. Arrangements established to manage conflicts of interest are subject to review by the Compliance Team at set-up and on a periodic basis thereafter to test their effectiveness. The Conflicts Register organises perceived conflicts into the following categories:
  - Trading and Investment
  - Pricing and Valuation
  - Information Distribution and Disclosure
  - Personnel
  - Relationship

- **Board Oversight:** All conflicts of interests are reported to and reviewed by the Lindsell Train Board at least annually.

Lindsell Train's Board, in conjunction with our Compliance Team and business unit heads, ultimately take responsibility for ensuring that our Conflicts of Interest Policy and Procedures are implemented appropriately and updated as necessary.

Examples of potential conflicts of interest in 2024:

Conflict	How we manage the conflict
Distribution relationships with portfolio companies Our investment strategy results in concentrated portfolios with potentially large stakes in portfolio companies. We can (and do) have product distribution relationships with certain portfolio companies which creates a risk that a conflict of interest may influence investment decisions, voting and/or company engagement.	We segregate decision making around stock selection, voting and engagement from the management of relationships with distributors. We also carefully assess where any matters on which we are required to exercise voting authority present a conflict and where a material conflict exists we will not vote.
Employees personally owning shares in portfolio companies Employees can have personal investments in the companies in which we are investing on behalf of clients, which means conflicts of interest could influence buy/sell decisions and/or voting and engagement activities.	All employees (which includes Portfolio Managers) must seek permission from Compliance for their personal securities transactions. Permission will not be given where a trade in the same security has been executed on behalf of a client in the prior ten days or where there is an open order for a client which is being worked on. Similarly, where the security is on our restricted stock list permission will not be granted. In addition, we apply a minimum holding period on all personal securities transactions of 30 calendar days. From a record keeping standpoint employees must ensure that details of their personal transactions and their holdings remain up to date. There is therefore full visibility of what our Portfolio Managers hold personally.
Portfolio companies who are also service providers to Lindsell Train Companies whose shares are held in Lindsell Train managed portfolios may also be companies who provide services to Lindsell Train. There is a risk that our Portfolio Managers could be perceived as having influence over our selection of appropriate service providers to the business.	We segregate decision making on stock selection from the decision making on service provider selection. This ensures that decisions on both are made independently of one another.

External business interests Employees who have external business interests (e.g. Directorships) may be influenced to act in a manner that conflicts with the interests of Lindsell Train or its clients. For example, Michael Lindsell is a Director of The Lindsell Train Investment Trust plc (LTIT). LTIT is a significant shareholder in Lindsell Train, invests in other Lindsell Train managed products and is responsible for the ongoing review and appointment of Lindsell Train as its Portfolio Manager.	Employees may not accept any external appointment or additional occupation without prior written approval from the Chief Compliance Officer. All employees must confirm their external business interests quarterly Michael Lindsell is precluded from being involved in LTIT Board decisions regarding the appointment of Lindsell Train as Portfolio Manager, and LTIT Board decisions regarding the Trust's investments in Lindsell Train or in products managed by Lindsell Train.
Material non-public information obtained through company engagement Inside information could be used to influence investment decisions. Lindsell Train has a strong preference not to be made an insider. However, through the course of our engagement activities we will voluntarily agree on occasion to be given inside information to aid our discussion with a portfolio (or potential portfolio) company's management or board.	We have strict protocols in place to manage situations where an employee is in receipt of inside information. We operate a 'one in all in policy' and therefore trading restrictions on all personal and client trading are implemented on a company wide basis by Compliance and remain in place until the information is made public.
Segregated client investments in other Lindsell Train managed portfolios Clients which appoint Lindsell Train as their Portfolio Manager may have holdings in other vehicles which are also managed by Lindsell Train. This creates a potential conflict of interest insofar as it could be perceived that Lindsell Train has influence over investment decisions and voting matters related to these holdings. For example, The Lindsell Train Investment Trust plc (LTIT) has an investment in the WS Lindsell Train North American Equity Fund.	Lindsell Train is not permitted to make any investment decisions regarding holdings in other Lindsell Train managed vehicles. The investment decision making authority resides with the investment trust's Board of Directors. The position is the same in regard to voting. Where an employee of Lindsell Train sits on the investment trust's board, they will recuse themselves from decision making regarding the holding.

We believe our framework continues to be effective for managing conflicts of interest. We will continue to review and adapt our approach to reflect any business and/or regulatory changes to ensure that our clients' interests continue to come first.

IV

SIGNATORIES IDENTIFY AND RESPOND TO MARKET-WIDE AND SYSTEMIC RISKS TO PROMOTE A WELL-FUNCTIONING FINANCIAL SYSTEM

Lindsell Train recognises the responsibility placed on all market participants, big and small, to support an effective market system. As an investment manager it is our responsibility first and foremost to fulfil our obligations to our clients, in particular our objective of protecting the real value of our clients' assets.

We therefore aim to be alert to all market-wide and systemic risks which may impact our ability to generate good outcomes for our clients. Lindsell Train's Risk & Compliance Committee (RCC) is responsible for horizon scanning and monitoring such risks. The committee is ably supported by a combination of internal resources (including our own Risk Function) and existing partnerships, where there are often deep pools of expertise. We appointed Clarus Risk ('Clarus') as an Investment Risk consulting partner in August 2023. Clarus' additional analysis and expertise supports and further enhanced the existing investment risk framework. The team at Clarus works particularly closely with LTL's Risk Function and the RCC, assisting them to provide independent challenge to the Investment Team.

We think we serve our clients and society best by taking a patient, supportive and long-term approach when making investments, and being very selective in the companies in which we invest. After all, the original purpose of the investment industry was to help providers of capital to find return-generating ideas in which to invest, not to try to outdo other market participants.

What's more, we take some comfort from the fact that our portfolio holdings (or the brands or market positions they occupy) have on average survived for more than 100 years. This means they have encountered World Wars, depressions, recessions, digital transformations, varying inflation and interest rate environments and more recently a pandemic. We therefore have every expectation that these companies can successfully navigate the challenges presented by the next few decades, such challenges including continued digital disruption, data security risks, climate change and human capital risks, to name just a few.

Many of the systemic risks we noted in our 2023 Stewardship Report remained pertinent throughout 2024, namely, **the continued rising concentration of the global stock market and focus of attention on the development of Artificial Intelligence ("AI"), the persistent valuation discount of UK equities,** and the issues around **modern slavery,** all of which are examined in more detail below. We also continued to monitor previously identified systemic risks that still pose a significant threat to the financial system, such as the **climate emergency**.

INCREASING CONCENTRATION OF GLOBAL STOCK MARKET

Investing in an index like the MSCI World should, in theory, offer broad and diversified exposure to the market. Passive instruments are often seen as a lower risk way of gaining exposure to global equities, though looking at the index today, there are reasons to be wary of this assumption.

After a brief respite in 2022, technology companies returned to their winning ways in the past two years, buoyed by increasing optimism around Artificial Intelligence. On average, the seven largest technology companies in the MSCI World Index were up 60% over 2024, with Nvidia the best at +171%, and Microsoft the worst at +13%.

> This current phenomenon has not, and will not, change how we invest. We remain focused on optimising the bottom-up credentials of our highly concentrated, idiosyncratic portfolio, and don't believe that paying any extra attention to the index will result in a higher likelihood of outperformance. If anything, one might expect the opposite.

Ben Van Leeuwen,
Deputy Portfolio Manager

Few times in history has the global stock market been so concentrated on a handful of companies and, importantly, so concentrated on companies with very similar characteristics. All of the MSCI World top-10 are US businesses, and nine of the 10 can be broadly categorised as technology companies. Correlations between index heavyweights in recent years have been high and the Magnificent Seven* (encapsulated within the top seven of the top 10 holdings) now account for almost a quarter of the overall index (which has over a thousand further constituents).

There is much to admire about many of these businesses, but we continue to believe that replicating prior benchmark winners at this point would carry very significant risk. History suggests that when a small number of stocks have driven dramatic outperformance for a sector, arriving late to that party can be risky. If their concentration has driven recent returns, they could reverse this if they fall. We had a glimpse of what this might look like in 2022 – on an equally weighted basis, the Magnificent Seven fell −46% compared to a −18% fall from the MSCI World Index.

We believe a healthy and functioning financial system requires asset managers to maintain a consistency of investment approach, whatever that approach might be. With the global stock market so concentrated, providing investors with a variety of investment approaches and portfolios to choose from is more important now than ever.

THE RISE OF ARTIFICIAL INTELLIGENCE

AI will likely disrupt many, perhaps most industries. In general, as with prior technology shifts, AI should unlock operating and revenue efficiencies, though in practice these will benefit only those companies durable enough to survive.

* "Magnificent Seven" refers to: Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla.

At Lindsell Train, we try to find long-lasting franchises with deep moats and the ability to reinvest at super-normal rates of return for extended periods of time. This underlies our focus on well-established businesses with deep heritage and well understood, durable competitive advantages. It is the competitive moat around a business that allows the adoption of technology in a profit enhancing way, without it simply commoditising. We therefore judge our portfolios to be resilient to tech change given their grounding in Intellectual Property ("IP") based brands and consumer products, that have, historically transcended technology-driven shifts in distribution or production. Furthermore, we see exciting opportunities in areas where advances in technology offer our companies the ability to further augment their existing strong positions with their clients, through new services or distribution opportunities. As an example we own companies that have world leading proprietary datasets (e.g. LSEG and RELX) that are engrained into their customers' workflows and are essential to their businesses. The evolution of large language models has allowed companies with sought after datasets to improve the customer experience and utility of subscribing to those data. This enhances the value to the customer and further reinforces the essential nature of the company to its audience, strengthening its moat and allowing for pricing power going forward. In this way we are excited that many of our companies will be beneficiaries of the recent developments in technology, without needing to be the companies producing the technology itself. It is not by chance that LSEG and RELX are two of Lindsell Train's largest holdings.

A final thought on the capex spend on AI, particularly given the concentration of this spend between the US technology leaders that have performed so well. Many of these companies have been investing heavily in equipment and data centres to satisfy the demand for the AI-enabled tools and products of the future. Over an equivalent 10 year period, Meta's capex has been 19% of its revenues, Microsoft's 11% and Oracle's 7%. These averages disguise the extent to which capex expenditure has racked up in recent years. Ten years ago Microsoft spent 6% of sales on capex and Oracle 2%. In the year to December 2024, these companies plan to spend 22% and 23% respectively, whilst Meta forecasts 24%. These are significant commitments. Of course, if these companies, with this newly deployed capital and the promise of monetising generative AI, are able to collectively earn the equivalent returns on capital that their existing businesses have delivered, it may well more than justify their high stock market ratings. However, this is by no means guaranteed.

PERSISTENT UNDERPERFORMANCE OF UK EQUITIES

Readers of this report will recall that we wrote about the underperformance of UK equities versus their international peers in our 2021 and 2023 reports and, unfortunately, little has changed in the past year. As a manager of a dedicated UK Equity Strategy, and with significant UK exposure in our Global Equity Strategy, this continues to be deeply frustrating.

> "The long underperformance of the UK stock market has resulted in what seems to us anomalously low valuations for world class companies listed on the London market."
>
> **Nick Train,**
> Portfolio Manager

Our clients understandably and regularly ask us what could prompt UK equities to fall back into favour with home and international investors. In response, Co-Founder and Portfolio Manager, Nick Train has regularly highlighted in his investment writing why the changing shape of the UK stock market in recent years might be a reason to be optimistic. He points to the lack of genuine global growth companies in the top-10 of the FTSE 100 at the turn of the century, with banks, telecoms and energy dominating. Fast forward to today, and the index looks very different and hopefully for the better. Energy and banks still feature, but growth companies like AstraZeneca, RELX, London Stock Exchange Group, Diageo and Unilever make up half of the top-10. The valuation argument for UK PLC is a well-trodden one, but in Nick's view much more important is that the shape of the UK market has moved towards higher quality companies with meaningful and sustainable growth opportunities ahead of them. And that those companies remain significantly undervalued compared to global peers of comparable quality.

CLIMATE CHANGE

As highlighted in prior years, climate risk remains the great issue of our era. Perhaps what has become even more apparent to us over the past few years is that whilst engagement (including at a collaborative level) leads to incremental change, it is law and regulation that drives real progress. Our engagement work has shown that the introduction of mandatory TCFD reporting has had the desired effect of driving progress and supporting consistency of reporting. Where action is not mandated, there is a risk that certain companies or geographies fail to prepare appropriately for the costs and business risks brought about by the climate emergency's physical and transition risks.

As you will read throughout this report, Lindsell Train remains committed to progressing our own climate risk-mitigation strategy and those of the companies in which we are invested.

MODERN SLAVERY

Modern slavery is a blight on humanity as we proceed deeper into the 21st Century, encompassing multiple forms of exploitation including forced labour, human trafficking and servitude. Recent estimates suggest that there are now 50 million people across the globe in modern slavery, with nearly 28 million in forced labour. The situation has been exacerbated by conflict, climate change and the pandemic. There is huge potential for businesses to take action to address and ultimately eradicate modern slavery globally, and we recognise that financial services have an essential role to play in this fight.

As investors in several Fast Moving Consumer Goods (FMCG) and luxury fashion companies, we are particularly alert to modern slavery in the supply chain and the business and ethical risks it poses. Over the past two years, we have updated our Responsible Investment and Engagement Policy to specifically reflect on this commitment; we have strengthened our partnership with the CCLA-founded initiative Find It, Fix it, Prevent it (which is exclusively focused on the abolition of modern slavery) and we have developed an Engagement Framework which aims to address the issues we judge to be most relevant to our portfolios (Modern Slavery and Climate Change) and where we have the best chance of influencing for positive change.

Lindsell Train's Modern Slavery Statement can be found on our website **here**.

OTHER INITIATIVES/ CONTRIBUTIONS

In addition to the systemic risks detailed above, we have continued to engage with companies on specific matters that we believe will create a better functioning financial system. Lindsell Train believes that companies that observe high standards of corporate governance and responsible business practices should increase their chances of survivability and their ability to generate long-term sustainable growth, for the greater good of financial markets as a whole. Key to this are the incentive structures and capital allocation policies adopted by industry participants and Lindsell Train pays careful consideration to the relevant policies of the companies in which we invest.

Remuneration – In assessing a company's remuneration policies we focus more on how incentives are structured rather than the actual quantum of compensation. In other words we can be comfortable with large rewards provided that the incentives are aligned with shareholders' interests and our principles. Furthermore, at Lindsell Train, we strive to ensure that our own Remuneration Policy is aligned with what we expect from investee companies. Importantly we do not reward on the basis of short-term performance.

Capital allocation – This is one of the most critical means for translating corporate strategy into action to maximise beneficial outcomes for all stakeholders. Lindsell Train investee companies generate a large amount of cash, and so assessing value creation opportunities is paramount to how we invest. After all, these financial decisions significantly impact the company itself, its shareholders and the entire economy.

Whilst we hope that in our role as an Investment Manager we have demonstrated our ability to identify and respond to market-wide and systemic risks, we would also like to set out how we contribute more widely to a well-functioning financial system.

SUPPORT POLICYMAKERS AND INDUSTRY INITIATIVES

We are pleased to support and uphold the important work led by a number of industry bodies, including the Investment Association; the FRC; Net Zero Asset Managers (NZAM) initiative; the Principles for Responsible Investment (PRI); the IFRS Sustainability Alliance; UpReach and Find It, Fix It, Prevent It. These have been selected with careful consideration of our resources and our ability to actively contribute to the initiatives we have chosen to support. We are aware of our limitations, and we are also mindful of the extent to which initiatives are often overlapping in their over-riding objectives. However, we recognise that collaboration and unified influence quickens progress and so we are eager to lend our support where we think we can make a difference. Please refer to pages 14 and 45 for details of our collaborations with both UpReach and Find It, Fix It, Prevent It.

Beyond this work, and within Lindsell Train more broadly, we promote: ensuring that all business activities comply with all applicable legal and regulatory requirements; the fostering of good governance, integrity and accountability; and ensuring that all investors have access to clear, comprehensive and high quality information. Where we do not have the expertise in-house, we work collaboratively with partner organisations, Authorised Corporate Directors and Management Company of our pooled funds.

THE INVESTMENT ASSOCIATION

Signatory of:

PRI Principles for Responsible Investment

UK STEWARDSHIP CODE

IFRS Sustainability Alliance

RACE TO ZERO

Moreover, we believe it is important, wherever possible, that we actively represent the views of smaller organisations such as Lindsell Train, whose voices and businesses could potentially be at risk of being drowned out by larger organisations with more extensive resources. As such, Lindsell Train professionals are keen to engage in discourse around the challenges of investing, and regularly attend and speak at industry events. Such communications connect us with our clients and the wider public and serve to encourage the adoption and advancement of a long-term investment approach. We also believe that if investment managers share their insights in this way, it helps to lift the overall expertise in our industry, to the ultimate benefit of investors.

For example, during 2024 the Lindsell Train Team:

- Presented at the Annual General Meetings (AGMs) of two investment trusts (Finsbury Growth and Income Trust and the Lindsell Train Investment Trust)
- Presented at the Quality Growth Investor Conference in London
- Presented at Frostrow Capital's Investment Seminar events in London and Dublin
- Presented at RBC Brewin Dolphin's London Investment Festival
- Presented at the BCI Global Investment Manager Conference in Cape Town, South Africa

Lindsell Train launched a series of quarterly educational events, aimed at distribution and client services professionals from boutique asset managers across the UK. The purpose of these events is to provide a forum for smaller firms to pool resources and expertise, to help them navigate the biggest risks and opportunities facing the industry. Each event focused on one particular topic, for example one session focused on how boutiques were responding to SDR.

V

SIGNATORIES REVIEW THEIR POLICIES, ASSURE THEIR PROCESSES AND ASSESS THE EFFECTIVENESS OF THEIR ACTIVITIES

The Lindsell Train Board of Directors has overall responsibility for assuring processes and policies and assessing the overall effectiveness of our activities, including those relating to stewardship. To that end, a number of the Directors contributed to this Stewardship Report in advance of its review and approval by Nick Train, Chair in April 2025. In doing so, the Board considers the report to provide a fair and balanced view of our approach to stewardship and responsible investment. To further support the Board of Directors, Lindsell Train manages its business with the oversight of a Management Committee, a Risk and Compliance Committee, an ESG Committee and a Valuation Committee (refer to page 10). These committees were formed to manage all aspects of the company's investment, distribution, administration and control oversight functions as well as to encourage the sharing of knowledge and ideas across the various business functions at Lindsell Train.

The ESG Committee has overall responsibility for our stewardship activities, including ensuring their continuous improvement. Industry developments, regulatory responsibilities and any risks or opportunities relating to stewardship (including our company engagement activity) will be discussed in these meetings, with the objective of ensuring our stewardship activities are proving effective.

The ESG Committee is responsible for owning the Responsible Investment & Engagement Policy, the Proxy Voting Policy, the Engagement Framework and the Equal Opportunity, Diversity & Inclusion Statement of Lindsell Train and ensuring their effective implementation. The ESG Committee is also responsible for monitoring and reviewing each for their ongoing relevance, effectiveness, and further development, if required. All three are reviewed at least annually and are published on our website.

As way of an example, the Responsible Investment & Engagement Policy was updated in 2023 to reflect the prioritisation of our focus on climate and social risks (and in particular, modern slavery) The update led to the inclusion of an explicit section focused on the importance of our engagement related to ethical supply chains within our portfolio companies. This work influenced our Engagement Framework published in 2024. Similarly, our Proxy Voting Policy has been adapted to ensure that it aligns with the commitments to our ESG initiatives, such as Find It Fix It Prevent It, the CCLA backed initiative to tackle modern slavery in supply chains. Given the size and nature of Lindsell Train, we do not have an internal audit department; however the following internal control processes and frameworks have been established to support Lindsell Train's risk oversight and ensure that we follow our own procedures and policies.

RISK MANAGEMENT FRAMEWORK

The Risk and Compliance Committee oversees the risk management processes of Lindsell Train's business and the adequacy and effectiveness of its risk controls, including those relating to stewardship. The Risk function works closely with each business unit to design and implement suitable risk management systems and controls. The company maintains a corporate risk register that includes ESG risks proposed by the ESG Committee. The corporate risk register is reviewed by the Risk and Compliance Committee at each meeting, with the Chair of the committee reporting to the Board on a periodic basis (at least twice a year). The Chair can also escalate concerns to the Board outside of the periodic meeting, as felt necessary. A business risk assessment is produced annually by the Risk function as part of the ICARA report and is reviewed by the Board. The company's MiFIDPRU Public Disclosures are available on our website **here**.

COMPLIANCE MONITORING

The Risk and Compliance Committee also oversees the ongoing operations of our internal controls to ensure the effectiveness of the company's compliance arrangements are consistent with, and proportionate to, the risks posed by its regulated activities. The Compliance Team reviews the firm's Conflicts of Interest Policy at least annually, with subsequent approval by the RRC, and the accompanying register, including the associated controls, monthly.

The compliance monitoring programme has been developed and maintained to provide oversight, on behalf of the Board, and to ensure that all relevant policies and procedures are adhered to, and also to help prevent and detect compliance breaches. The company's compliance monitoring programme is risk based and tests are performed on a daily, weekly, monthly, quarterly, semi-annual and annual basis depending on the level and nature of risks identified.

In addition to the monitoring programme carried out by Lindsell Train's Compliance Team, the effectiveness of the company's compliance systems and records are also independently reviewed by ACA Compliance, an external compliance consultancy firm.

GLASS LEWIS

PROXY VOTING

Glass Lewis has been appointed as independent proxy voting agent to support the voting process. Glass Lewis assists in the voting of proxies, coordinating with clients' custodians and Broadridge Proxy Edge ("Proxy Edge Platform") to ensure that all proxy voting details, and information received relating to the clients' portfolio securities are processed in advance of the relevant deadline. Where we have received authority to exercise voting rights from clients, we will vote in accordance with our own predetermined approved voting guidelines. Lindsell Train's voting guidelines state that we will typically, but not always, vote in line with the company's management. Our voting guidelines are reviewed by the Portfolio Managers at least annually.

The administration of proxy vote instructions is delegated to approved persons within the Investment Team. Any decision to vote where not in line with the company's management requires written approval from the relevant Portfolio Manager in advance of casting the vote. A list of investment staff responsible and authorised to vote on behalf of clients is maintained and reviewed annually by a Portfolio Manager or Lindsell Train Director.

Instructed proxy votes obtained from Glass Lewis reports are recorded into a voting spreadsheet. This contains information of client accounts, dates voted, and the votes analysed into agendas. A proxy voting report is produced monthly by the operations team and signed off by the Chief Operating Officer/ Head of Operations and a Portfolio Manager. Sample testing is conducted on this report by the Compliance Team on a quarterly basis to check that votes are being handled in line with the proxy voting policy and procedure.

Any identified exceptions are recorded by the Compliance Team. The Compliance Team may also require the Investment Team to undertake remedial action to mitigate against future possible exceptions and may also escalate any concerns or issues to the ESG and Risk & Compliance Committees.

EXTERNAL ASSURANCE PROCESS

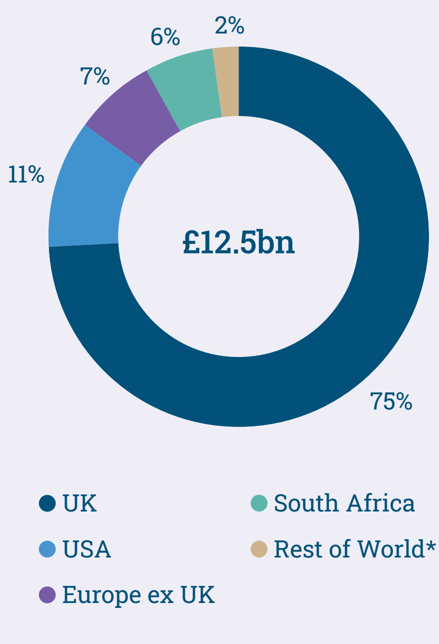
Our company's operational and control processes are reviewed by an external audit firm in the form of a TECH 01/20 AAF report (SSAE 16 or ISAE 3402 equivalent). The TECH 01/20 AAF report includes a review of our stewardship control processes, specifically controls around the governance and recording of voting and engagements with portfolio companies, ESG reporting deliverables to regulators and clients, and the accuracy and completeness of our proprietary ESG database. As the business evolves, we ensure our controls remain appropriate, which includes reviewing our TECH 01/20 AAF controls.

VI

SIGNATORIES TAKE ACCOUNT OF CLIENT AND BENEFICIARY NEEDS AND COMMUNICATE THE ACTIVITIES AND OUTCOMES OF THEIR STEWARDSHIP AND INVESTMENT TO THEM

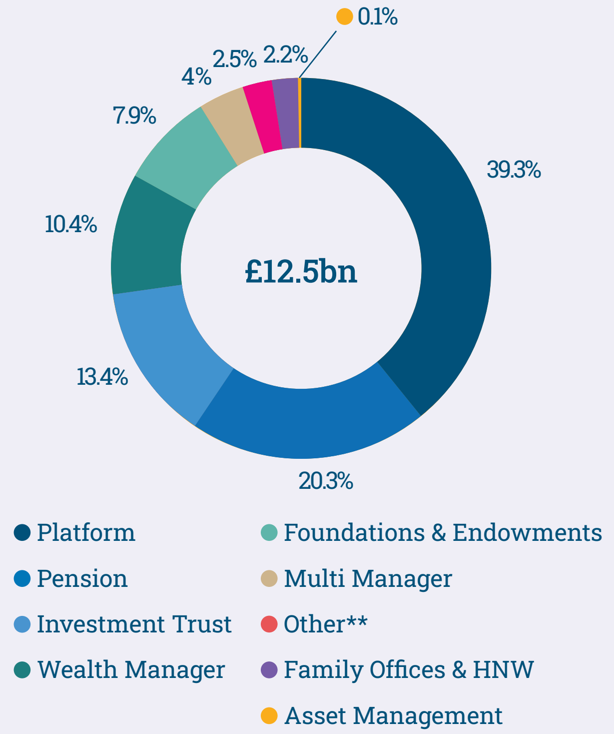
Lindsell Train's investor base is institutional in nature. Therefore, the clients to whom Lindsell Train provides investment management services are generally other financial entities such as pension schemes, foundations, investment trusts and regulated pooled vehicles. We have provided a breakdown of our assets under management (AUM) by both client type and geography in the pie charts below.

AUM by client location, 31 December 2024



***Includes:** Isle of Man, Asia Pacific, Channel Islands, Middle East, South America and British Virgin Islands. This data looks through to the underlying clients in our pooled vehicles

AUM by client type, 31 December 2024

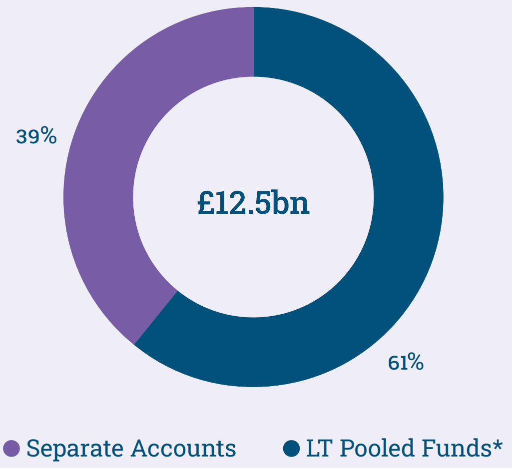


** Nominee, Not-for-profit, Insurance, Individuals and Public Funds.

We do not deal directly with private retail investors as all of our clients through the wholesale channel are advised or intermediated by a financial advisor and/or investment platform. Indeed, together, platforms, IFA/wealth managers and private individuals (our 'wholesale business') make up half of our total AUM.

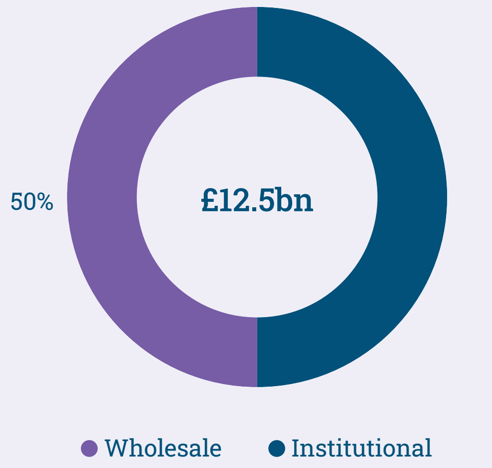
For this wide range of investors, we need to make sure that we produce client reporting that is understandable, clear and not misleading. Through ongoing dialogue with our clients we ensure we are taking account of their investment, stewardship and reporting needs.

AUM by vehicle type, 31 December 2024



*LF Lindsell Train UK Equity Fund, Lindsell Train North American Equity Fund, Lindsell Train Global Equity Fund, Lindsell Train Japanese Equity Fund and Lindsell Train Global Equity LLC.

AUM by client type, 31 December 2024



Reflecting our long-term high conviction approach to investment, we look to partner with clients over many years. To give ourselves the best chance to fulfil this aim it is imperative that our services continue to meet our clients' goals and expectations, both with regards to investment and client servicing. Our clients' views and objectives are sought generally through pre-funding calls with the clients themselves and/or their advisors or investment consultants.

In most instances we have pre-existing relationships with these client intermediaries, which facilitates constructive dialogue and allows us to focus on the needs of our mutual clients.

As per previous years, in 2024, we surveyed our clients as part of the registration process for our Annual Update client event. Once again this provided valuable insight, enabling us to better understand client preferences with regards to the format and content of our client communications. In 2024 we also launched a series of bi-annual webinars, which included a Q&A session with the portfolio manager, covering a wide range of topics. Additionally, on an ongoing basis, client and consultant feedback and evaluation of our services, combined with the internal controls and procedures that we have in place, enables us to manage our clients' assets in alignment with both their investment and stewardship policies.

We have available a range of documents and marketing materials that serve to provide a comprehensive overview of how we approach the investment challenge as well as how we ensure investments and clients are safeguarded. There are also minimum disclosure documents, as prescribed by regulation, to ensure that investors fully understand the risks associated with the product in which they are investing.

Of Lindsell Train's 27 employees, eight are dedicated to Marketing and Client Services. We prioritise client engagement and seek to anticipate client requests. Moreover, any decisions or discussions requiring senior management input or approval can be effected efficiently because of our small organisational structure. We have always believed it is important that our clients have access to our Investment Team through direct meetings and communications written by the Investment Team, including reporting commentary and our 'Investment Insight' series – as such communication is productive for both parties. We learn from our clients while they (hopefully) learn from us.

As a result of our bottom-up investment process, our client reporting is highly focused on our views of individual companies. Reflecting our integrated approach, these reports will often include discussions on responsible investment and stewardship matters. We also report more extensively on our engagement activities with individual companies in a quarterly dedicated ESG and Engagement report, which has been made available to clients on request and has had an accelerating readership. Furthermore, we aggregate the four quarterly reports into an annual review document which is published on our website, alongside our Proxy Voting Record for the calendar year. The ESG & Engagement Report provides a summary of any company-wide stewardship milestones, as well as details of our key engagement activity during the period under review. This includes any initiations, escalations, results or collaborations.

Throughout 2024 we have continued to respond to a large number of due-diligence questionnaires and requests for meetings focused on stewardship and ESG, and we continue to respond to increased demands for ESG data (in particular climate related data) and reporting. The dedicated Responsible Investment area on our website houses all ESG reporting and policies. Topical thought-pieces produced by the Investment Team are also available on the website. In response to our efforts, we have been assured by our clients as well as our consultant partners that we are providing the necessary reporting for our clients to meet their own ESG regulatory reporting obligations, for example providing clients with carbon intensity metrics to complete their own TCFD reporting obligations.

VII

SIGNATORIES SYSTEMATICALLY INTEGRATE STEWARDSHIP AND INVESTMENT, INCLUDING MATERIAL ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES, AND CLIMATE CHANGE, TO FULFIL THEIR RESPONSIBILITIES

The company was founded in 2000 with the premise that keeping corporate complexity, including hierarchy, to a minimum would foster an optimal environment for fundamental research, high-conviction portfolio management, and long-term performance and stewardship outcomes for clients.

Whilst the primary aim of Lindsell Train is to protect the real value of our clients' capital over the long-term, in our search for 'exceptional' companies (that is durable, cash generative businesses that achieve higher than average returns on capital) we must take into account long-term risks and opportunities, including those related to ESG and climate change.

The exceptional companies that Lindsell Train seeks to invest in are rare and we expect to hold these companies for the very long-term, which for us means several stock market or economic cycles. As such, our investment process places significant emphasis on heritage and sustainability. It is no accident that our portfolio holdings (or the brands they own or market positions they occupy) have on average survived for more than 100 years. This means they have encountered World Wars, depressions, recessions, digital transformations, regulatory changes, varying inflation and interest rate environments and more recently a pandemic. We therefore have every expectation that these companies can successfully navigate the challenges presented by the next few decades, such challenges including — continued digital disruption, climate change and data security risks, to name just a few.

We also believe there to be a clear accelerating convergence between achieving our clients' investment goals and investing in businesses that meet rising ESG standards, particularly when investing over a time horizon that stretches over decades rather than just quarters or years.

HOW DO WE IDENTIFY EXCEPTIONAL BUSINESSES?

The cornerstone of Lindsell Train's investment process is to identify whether a company is 'exceptional', which includes a judgement on whether it is likely to be profitably in business in 20 years' time. Surprisingly few quoted companies meet this test of durability, as evidenced by the high attrition rate for constituents of equity indices in the past. In terms of what characteristics we look for, we have found that there are a number of common features that our holdings exhibit, namely: heritage; predictable earnings (through pricing power and/or intellectual property); good governance; low capital intensity; and sustainably high returns on capital.

Companies defined as exceptional by Lindsell Train typically demonstrate the following:

- Durability and longevity, evidenced by a deep competitive moat. The company should also demonstrate its ability to sustainably compound real cashflows over a multi decade time cycle. Often the most obvious candidates for investment are those companies and franchises that have already demonstrated their ability to survive and prosper over the long-term

- Sustainably high returns on capital.

- Superior capital allocation practices. At a minimum, we expect companies to reinvest in the business to maintain its competitive edge. Next we expect companies to consider acquiring complementary businesses, so long as by doing so they at least maintain their high return on capital. When the opportunity to make accretive investments does not exist, we would expect management to return cash to shareholders through paying dividends or through share repurchases at accretive prices.

- A conservative balance sheet (i.e. with low debt). We are willing to accept limited leverage, as long as it is not in order to maximise returns today at the cost of future earnings.

Our evaluation of ESG factors is a natural part of our investment process and is incorporated into our framework at the earliest stage of idea generation and continues throughout the ongoing research/monitoring of companies, including company engagement.

Of course, when we identify what we believe to be an exceptional business we intend to hold it for the long-term, which for us means several economic market cycles. As a result, changes to the portfolio are infrequent – for example, since the inception of our flagship Global Equity representative account in March 2011 we have only sold completely out of eight positions and added seven new positions. Although none of these decisions were driven exclusively by ESG factors, as we allude to above, any relevant factors would have fed into the research undertaken. This includes giving greater favour to a company that demonstrates being on a path to improving its ESG credentials and with this the long-term potential shareholder returns.

Our experience and research process points us to only a limited number of sectors to find 'exceptional' companies. These are consumer and healthcare franchises, media and software, and financials and networks. Hence there are a number of sectors that do not appear in our portfolios.

For example, we do not invest in capital intensive manufacturing industries or any companies involved in the extraction and production of coal, oil or natural gas. We also avoid industries that we judge to be sufficiently detrimental to society that they may be exposed to burdensome regulation or litigation that could impinge on financial returns (e.g. tobacco, gambling or arms manufacturers). The omission of these sectors, as well as our structural preference for capital-light companies, leads to a synchronous improvement in the ESG ratings of our portfolios. Thus our investment approach already gives us a 'head start' because of the innate integration of many aspects of ESG in our portfolios.

Through our process of ESG integration, we will consider all factors that we believe will affect a company's ability to deliver long-term sustainable value to shareholders. ESG factors we routinely assess include but are not limited to environmental (including climate change); social and employee (including turnover and culture); remuneration (including share ownership principles); innovation; cyber resilience; responsible data utilisation; strong and diverse boards (including skill-set diversity); respect for human rights; anti-corruption and anti-bribery; and any other risks or issues facing the business and its reputation.

Governance will generally take precedence in our quality evaluation, not only because of its obvious role in determining how capital is deployed, but also because we think it is important for there to be a clear alignment between remuneration of executives and the long-term interests of the company, which are increasingly related to finding and implementing sustainable business solutions.

If our companies can get all this right, then they will increase their chances of surviving in the long-term. This aligns with how we explain to clients the long-term investment horizons that we believe are necessary to achieve the returns they seek.

We assess these factors and their materiality to the investment thesis underlying each of our companies. All ESG research conducted by the team is catalogued via a proprietary database of risk factors (Sentinel). The database helps us to centralise and codify our team's views, as well as to prioritise our ongoing research and engagement work. As a User Member of the IFRS Sustainability Alliance we are able to cross-reference this work with the SASB Materiality Map©, which identifies likely material sustainability issues on an industry-by-industry basis, allowing us to coordinate research along (increasingly standardised) industry reporting methods, and to mitigate against potential blind-spots.

Like all our company analysis, this research is bottom-up and sourced from published reports and accounts, together with other publicly available information and meetings with management. Fortunately, our highly concentrated approach enables meaningful in-depth stock-level analysis that can be leveraged to inform decisions and enact change, with the collection of data across our portfolios significantly simplified by the fact that across all our portfolios we invest in around 75 companies in total.

Importantly, however, the extensive research conducted to identify the ESG risks posed at a stock-specific level is our own. We do not subscribe to any specific ESG research, data or analytical tools. In practice we estimate that more than 90% of research is carried out in house. In particular all valuation work is our own. In some cases we engage with brokers or industry experts to gain a better understanding of a particular sector or industry and such research may include responsible investing/ESG related information. We are also able to leverage the information available on the Glass Lewis Viewpoint platform, where appropriate. The majority of this work is qualitative in nature; however there is a quantitative element to the Sentinel database to the extent that we score the ESG risks posed to each business based on subjective materiality.

If we believe that an ESG factor is likely to impact a company's long-term business prospects (either positively or negatively) then we can reflect this in the long-term growth rate that we apply in our valuation of that company, which alongside our more qualitative research will influence any final portfolio decisions (for example, whether we start a new position or sell out of an existing holding).

Below are insights into the Investment Team's ESG evaluation of Clarkson, Intertek and Thermo Fisher, the most recent additions to our UK Equity and Global Equity portfolios.

CASE STUDY
ESG EVALUATION FOR INVESTMENT BUY CASE

Consideration of ESG risk and opportunity is integrated into the pre-investment work we do on all of our holdings, so we have been monitoring Clarkson and Intertek in Sentinel – our proprietary ESG risk and opportunity database – for some time as we have long considered both as serious potential investments. As with existing holdings, any ESG risk that we deem to be materially significant requires careful assessment to ensure that we are comfortable that it does not pose an existential threat to the business. Happily, in the case of both Clarkson and Intertek, we have identified no ESG risks that we would deem materially significant. Perhaps the key risk we identified for Clarkson was the chance of reputational or political damage due to the business operating in an unregulated industry – yet on the other side of the coin, given Clarkson's considerable progress in shifting its business towards a much more data-driven strategy and its stated intention to continue to digitise the shipbroking industry, we see a considerable opportunity for the company to continue to distinguish itself as a uniquely professional, reliable and data-driven operation against a backdrop of competitors not offering these advantages.

As Intertek is a testing company reliant on its reputation for precision and reliability, in our view the key ESG risk is the potential for reputational damage in the event of a high-profile failure in testing or assurance. On the other hand, we see Intertek's considerable opportunities from the green transition (the need for global investment in renewables, plus increased sustainability regulation and customer demand driving uptake of testing and in particular end-to-end assurance services) as a key driver of the business and our investment case.

Finally, we ran analysis on Clarkson and Intertek's carbon emissions figures prior to adding names to the portfolio and were satisfied that as capital-light businesses with relatively low carbon emissions, their inclusion would not negatively impact on the carbon footprint of the overall portfolio. In addition, Clarkson and Intertek have both set Net Zero targets for 2050 and seem to be moving in the right direction.

CASE STUDY
ESG EVALUATION FOR INVESTMENT BUY CASE

For Thermo Fisher (TMO) the following risks and opportunities have been identified and logged in Sentinel:

- **Talent retention:** TMO prioritises its PPI (Practical Process Improvement) culture, which is focused on finding ongoing ways to boost efficiency and improve margins. It's a strongly performance-orientated culture, which they acknowledge 'isn't for everyone'. This risk factor is important to watch, given the ongoing importance of M&A, and by extension, the number of new workers joining TMO's ranks, where the company won't have the same amount of control as if they had hired them directly.

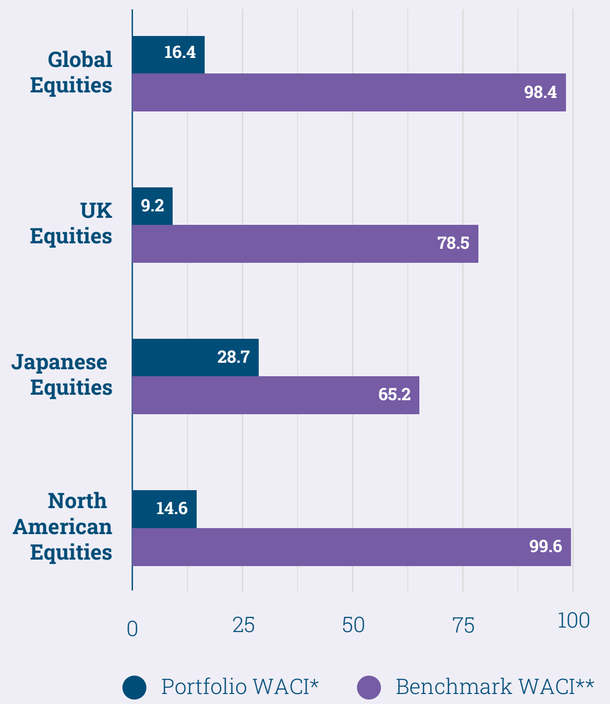
- **Bioethics:** TMO sells gene editing products. This naturally comes with a number of ethical aspects to consider. TMO has duly created an internal committee to debate these issues, which is comprised of a number of senior level employees.

- **ESG opportunities:** TMO is also the beneficiary of a number of ESG-related trends. The company sells products which help testing laboratories detect pesticides in food products, and or environmental scientists to search for microplastic pollution, or EV manufacturers to work on next-gen battery research. In many of these cases, increased regulation is a powerful tailwind.

Finally, we ran analysis on TMO's carbon emissions figures prior to adding the name to the portfolio and were satisfied that as a capital-light business with relatively low carbon emissions, its inclusion would not negatively impact on the carbon footprint of the overall portfolio. In addition, TMO has set a Net Zero targets for 2050 and seems to be moving in the right direction.

CLIMATE CHANGE & STEWARDSHIP

We believe that the risks associated with climate change and the transition to a low-carbon economy will affect all businesses, irrespective of their size, sector or geographic location. Therefore, no company's revenues are immune and the assessment of such risks must be considered within any effective investment approach, particularly one like ours that seeks to protect our clients' capital for decades to come.



*WACI = weighted average carbon intensity (t CO2e/ $ M Sales). This measure is a portfolio's exposure to carbon intensive companies. Companies with higher carbon intensity are likely to face more exposure to carbon-related market and regulatory risks. This metric can serve as a proxy for a portfolio's exposure to potential climate change-related risks relative to other portfolios or relative to a benchmark. Carbon emissions are apportioned based on portfolio weights/exposure, rather than the investor's ownership share of emissions or sales. **Source: Morningstar.

That said, evidently the transition to a low-carbon economy will affect some sectors more than others and fortunately, as mentioned above, these are typically the sectors that Lindsell Train avoids, most notably capital-intensive industries and companies involved in the extraction and production of coal, oil or natural gas. As a result, when we look across our holdings, we are pleased to note that all four of our strategies have a significantly lower than average weighted average carbon intensity than their comparable benchmarks.

In addition to this, we also track the total carbon emissions, carbon footprint (tCO2e/$M invested) and carbon intensity (tCO2e/$MSales) of our portfolios. By looking at the underlying data we are able to quickly identify which stocks in our portfolio are most exposed to climate-related risks.

Where we are unable to source data, we rely on estimates and assumptions from third-party data providers such as Bloomberg. Pleasingly however, many of our companies now report emissions data (as shown in the table below), and where there are omissions, we continue to engage with these companies for an improvement in their data reporting on this important issue.

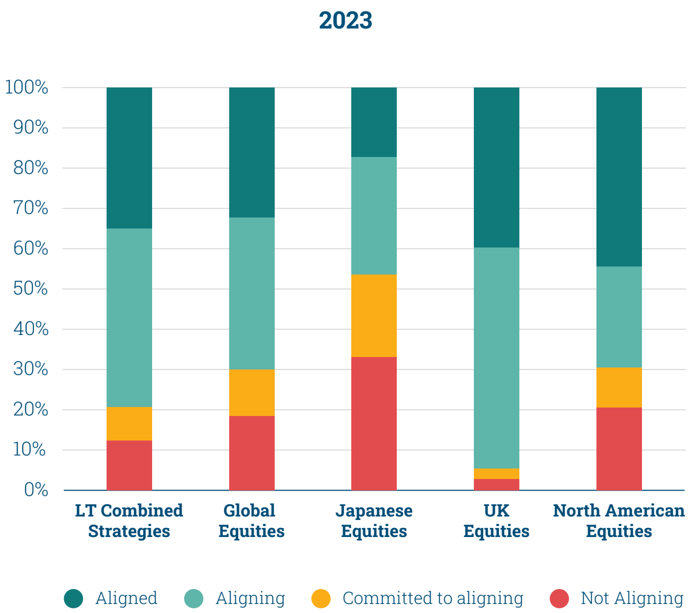
	% representative account publishing Scope 1 + 2 emissions data	% representative account publishing Scope 1, 2 + 3 emissions data
Global Equities	91%	90%
UK Equities	97%	96%
Japanese Equities	78%	69%
North American Equities	87%	87%

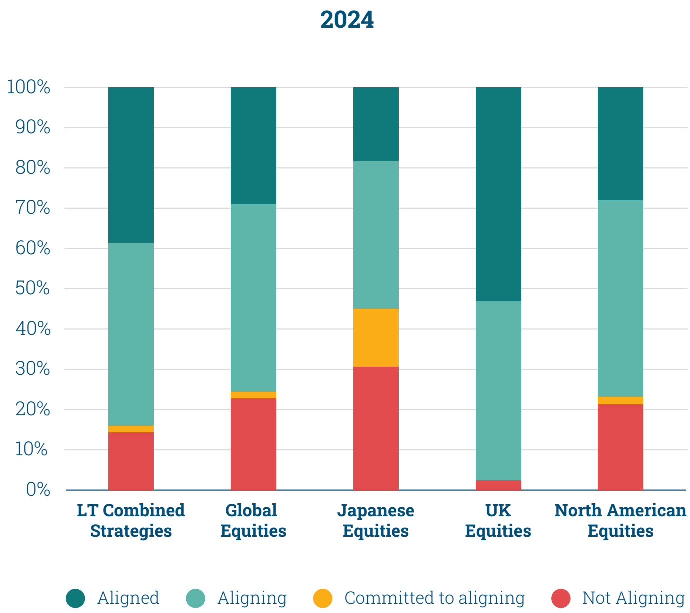
Source: Lindsell Train. As at 31st December 2024

PORTFOLIO COVERAGE ALIGNMENT

Lindsell Train supports the goal of net zero greenhouse gas emissions by 2050 or sooner. Given our long-term approach to investing, we expect the majority of our progress to be driven by targeted engagement with management, fostering alignment between us and our investee companies' ESG aspirations. This was our principal motivation for electing to adopt a portfolio coverage interim target, in line with the Paris Aligned Investment Initiative (PAII) Net Zero Investment Framework, which seeks to increase the proportion of a manager's AUM aligning to a Net Zero pathway. We also believe this method of improvement (targeted engagement as opposed to divestment) to be most likely to drive real-world change as we aim to actively support companies in improving the sustainability of their practices by understanding their individual goals and, where appropriate, providing our thoughts on their road maps.

The chart below shows the alignment of each of the representative accounts for our strategies, and our company when combined, on an asset-weighted basis as at 31 August 2023 and 31 December 2024[1].





As a reminder, Lindsell Train set an objective of increasing the percentage of our combined company AUM achieving aligned status from 36% in August 2022 (baseline) to 55% in 2030.

With respect to the status of our Net Zero target, as of 31 December 2024, approximately 39% of our combined AUM (far left column of the 2024 chart) has been assessed as aligned in accordance with NZIF2.0, the revised Net Zero Investment Framework, reflecting modest progress.

To achieve our 2030 target, we will continue to engage proactively with the management of companies we hold across our portfolios, our aim being to understand their individual goals and, where appropriate, to provide our thoughts on their road maps, with the overall ambition of reaching an absolute reduction in global carbon emissions.

[1] Please note we have moved our annual assessment of portfolio coverage alignment to the end of calendar year (previously we aligned the assessment to our August 2022 base line assessment) to coordinate our results with our TCFD reporting.

VIII

SIGNATORIES MONITOR AND HOLD TO ACCOUNT MANAGERS AND/OR SERVICE PROVIDERS

Lindsell Train does not outsource any of its regulated core functions. The only outsourced administrative function is IT. Glass Lewis aids the administration of proxy voting and provides additional support in this area. However, it is important to stress that the Portfolio Managers maintain decision making responsibility, which is based on their detailed knowledge of the companies in which we invest. This means that we do not need to monitor Glass Lewis in the way that most of our peers monitor their proxy voting service provider, who are executing votes in accordance with an agreed policy on their behalf. Nevertheless, we are pleased to confirm that Glass Lewis' services have met our needs during the period under review.

Prior to appointing any significant external service provider a detailed due diligence review is conducted. The level of work involved will depend on the nature, type and importance of services required. Services that are considered more critical are subject to enhanced review which covers cyber security, conflicts, creditworthiness and risks of potential disruptions from any service failures. At a minimum, a documented terms of business is required which must be approved by a director. Considerations are given to the following key risk areas in the oversight review process and these will vary depending on the type of service selected:

- **Operational** – service quality, information security, technical competence and ramifications of any service disruptions
- **Strategic** – ownership structure, position in the industry, size of firm and geographical coverage, business history, business commitment
- **Financial** – financial statements, credit ratings, pricing of the service, price changes
- **Legal** – terms of business, SLAs, confidentiality, privacy, termination terms, breach of service, data ownership, cloud storage, conflicts of interests
- **Regulatory** – data protection, anti-money laundering

Additional checks such as obtaining customer references are also considered in the review process. Once appointed, ongoing due-diligence reviews are conducted annually, alongside more regular service review meetings.

IX

SIGNATORIES ENGAGE WITH ISSUERS TO MAINTAIN OR ENHANCE THE VALUE OF ASSETS

Engaging with and monitoring portfolio companies is an essential element of our investment strategy. During 2024 we published an Engagement Framework to help guide our future engagement activities. The framework will identify priority topics, as well as enable more structured monitoring and reporting on our objectives and outcomes.

Our engagement work can be broadly categorised into one of the following:

- **Monitoring:** recurring ongoing dialogue to help maintain and enhance our relationships with company management and increase information flow, with the overarching objective of improving our understanding of the company, its management and their long-term strategy.
- **Engagement:** interactions that focus on more specific ESG-related issues. These interactions have intent and are usually initiated by Lindsell Train, though management may seek our opinion on a specific matter and thus our engagement activity may also be reactive.

MONITORING

The team's ongoing monitoring includes reviewing investee company annual reports and accounts, together with other publicly available information, and meeting with company management, when appropriate. All members of the Investment Team are involved in this process.

When we meet with company management, we will discuss with them all factors that we believe will affect the company's ability to deliver long-term sustainable value to shareholders. As a result of our strategic investment horizon, we build relationships with investee companies over a number of years and we generally find management appreciative of our views and observations. We seek open and constructive dialogue with company management and board members, in order to broaden our knowledge of the company's strategy, operations and risk management, and to ensure any concerns we might have are addressed. Our experience has demonstrated that ongoing constructive dialogue, with consistent messaging, has more often than not resulted in satisfactory outcomes.

ENGAGEMENT

Where we have specific concerns with management's strategy, company performance (financial and non-financial), or risk profile, or where we deem it necessary to protect our clients' interests, we will proactively engage with management. The Investment Team will consider the individual circumstances of the company and the issue at hand, in order to determine realistic objectives and define the scope of our engagement, ensuring that:

- The objective is suitably focused on long-term value preservation and creation
- The objective is specific and there is clarity around delivery
- The objective is realistic and achievable

We will then make clear our concerns and expectations to the company. In most circumstances we arrange a meeting with senior management, board members, or if appropriate with the company chairperson or the senior non-executive director. The feedback from these meetings is then discussed amongst the Investment Team. In some instances the matter on which we are engaging is swiftly resolved, and in other cases, the response may be a multi- stage, multi-year process. As long as the dialogue is constructive and ongoing, and management clearly outline a proposed course of action, we can be comfortable with a longer timeline to resolution. Where this is not the case, we will consider escalating our engagement. Given the concentrated nature of our portfolios (20–30 stocks) and the fact that all positions are sizeable and meaningful to Lindsell Train, all bottom-up, idiosyncratic, ESG matters will be addressed. The Investment Team have, to date, addressed with management all concerns that they believe are relevant to our individual holdings.

Our long-term approach generally leads us to be supportive of company management; however, where required and if in the best interests of our clients, we will try to influence management on specific matters or policies. Our intention is to have open and constructive dialogue with management and board members, in order to broaden our knowledge of the company's strategy and operations and to ensure any concerns we might have are assuaged.

Given we often build up large, long-term, stakes in the businesses in which we invest we find that management are open to (and very often encourage) engaging with Lindsell Train. As mentioned above, constructive dialogue has more often than not resulted in satisfactory outcomes, thus limiting the need for escalation. However, where this is not the case, we will consider escalating our engagement and stewardship activities, as detailed in our response to Principle XI below.

SCOPE OF MONITORING AND ENGAGEMENT ACTIVITY

Meeting with company management is not a pre-requisite for making an investment decision, as we believe the quality of the business is more important than the quality of the present management, which anyway is likely to change within our investment timeframe (20 years). Nevertheless we try to meet with company management at least once a year, as we believe that our interactions with management have a positive cumulative effect. Through successive meetings with management we can build a better understanding of their strategy and also a relationship of trust.

During 2024 the Investment Team conducted over 200 company meetings, including one-on-one meetings, group presentations and conference calls.

Whilst our contact with companies is consistent across all our strategies there are some anomalies worth mentioning. In Japan, transparency is generally lower and we find regular meetings with companies more valuable. These meetings may sometimes move to the category of "engagement", often in the area of corporate governance, where Japanese corporates on average have greater room for improvement. In comparison, transparency in the US is much higher; however, Lindsell Train pays careful consideration to the compensation policies of the companies in which we invest and we have typically found that US companies have remuneration policies that are less aligned with shareholders' interests and our principles – thus leading to the periodic need for engagement.

PRIORITISING ENGAGEMENT

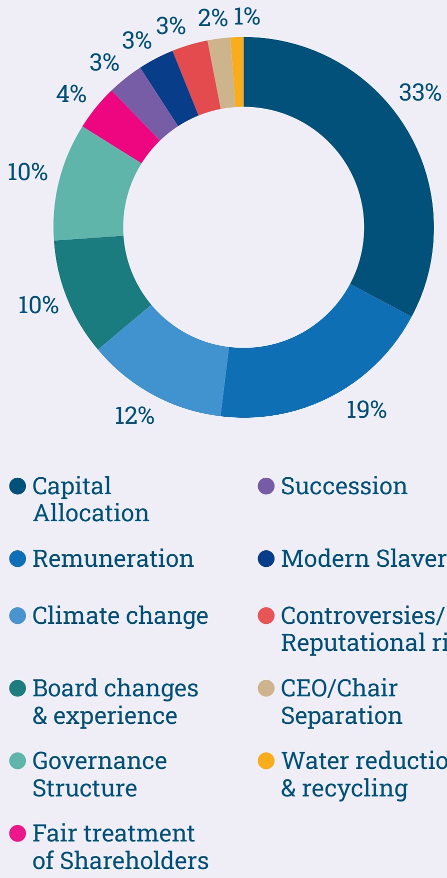
Although we remain committed to responding to and addressing all areas of concern, we recognise that our more proactive engagement activity has benefited from being more focused. As such, the Investment Team have identified two focus areas – achieving Net Zero and ensuring ethical supply chains – where we believe we have the best chance of enacting environmental and social progress at a company level and more broadly. Indeed, it is our view that companies that are serious in their intention of addressing these systemic risks will not only become more durable but will likely prove to be superior investments over time.

The identification of these priority areas, is the result of our ongoing research and is reflective of where the team has deepened its understanding over time. They are not intended to be static, and indeed the investment team will formally present their progress to the ESG Committee annually, and will consider whether there is a need to expand the scope by adding additional focus areas.

In addition, during 2024 the Investment Team have addressed with management all areas of interest, opportunity of concern.

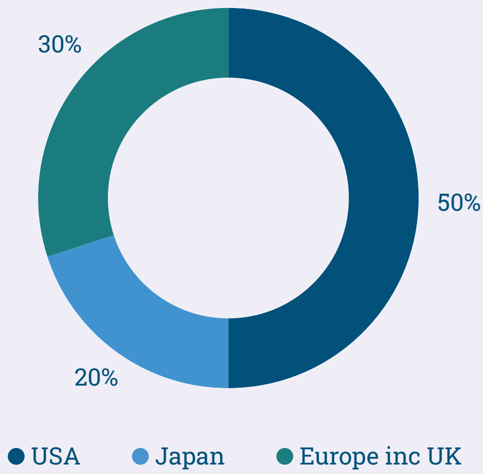
This included engaging with the management of 45 of the 75 companies in which we are invested across all our portfolios. This equated to a total of 73 engagements broken down as follows:

2024 Engagement by Topic



*Across our Global, UK, Japanese and North American strategies. Portfolio company engagement activity for period 1st January 2024 – 31st December 2024. **Source:** Lindsell Train

2024 Engagement by Geography



CASE STUDY
REMUNERATION

As demonstrated by the table above, Lindsell Train pays careful consideration to the compensation policies of the companies in which we invest. In assessing their compensation policies we focus more on how incentives are structured rather than the actual quantum of compensation. In other words we can be comfortable with large rewards provided that the incentives are aligned with shareholders' interests and our principles.

Where we do not believe that a company's compensation policy is aligned with the long-term best interests of the shareholders we will write to management to inform them of our intention to vote against such policies.

Over the course of 2024, the Lindsell Train Investment Team engaged with 18 companies on matters related to remuneration. These engagements included meeting with management and, where we did not believe that raising our concerns orally had the desired effect, writing to management as a means of escalating our engagement. There were 16 such instances during the course of 2024.

As minimum criteria we expect companies to demonstrate alignment with the following principles:

- Long-term executive compensation should be linked to measurable performance goals that are under the direct influence of the individual concerned and should be paid in cash. In this way executive incentives are aligned to the contribution they make to the business.
- Real alignment is best achieved when executives buy shares with cash in the same way as we do as investors. Long-term compensation in the form of equity linked awards has the disadvantage that the share price of the company at any point in time may be influenced by exogenous factors that are not under the direct control of the executive.
- Performance should be assessed over a longer time period than three years. Rarely do strategic decisions undertaken by an executive board reveal their full worth over just three years.
- Independent non-executive directors should be compensated in cash.

CLIENT REPORTING

Through our formal quarterly reporting to clients, we detail key engagement activity including the nature of the engagement, who was involved and where appropriate any follow-up steps that have been taken. We separate ongoing engagement activity, reporting on results and collaborations for ease of reference for our clients. We hope that the improved layout of these quarterly reports has aided our clients with their own reporting and has also allowed investors to quickly assess the progress of our engagement efforts.

In some instances, the matter on which we are engaging is swiftly resolved and thus reflected in the same report. In other cases, the outcome of our engagement may take longer so will be described in a later report. It is always the case that we monitor our engagement activity to the point that there is a clear resolution.

CASE STUDY
CAPITAL ALLOCATION

SHISEIDO GINZA TOKYO

Our Japanese holding, Shiseido, continued to have a challenging year. The company has been hit with a decline in sales since 2023 due to weakened demand from Chinese consumers that account for c.40% of the company's revenues. To add to this, sales in the USA had been held back thanks to self-inflicted problems related to the poor implementation of a new (highly customised) manufacturing ERP system.

In December 2024, we met with the CEO of Shiseido, Kentaro Fujiwara, with the objective of reviewing strategic priorities and understanding the company's response to these issues. Fujiwara explained that the US problems are now resolved. Fujiwara also mentioned that a focus on seven brands in Japan has seen Japanese sales grow at double digits this year. Profits in Japan have rebounded thanks to these sales increases and the company's fixed costs reductions (including personnel), which have now been extended to other locations.

CASE STUDY
CAPITAL ALLOCATION AND REMUNERATION

During the year, we spoke to eBay's management on three occasions with the objective of reviewing capital allocation and strategic priorities and reminding management of our views on compensation best practice. In October 2024, eBay announced that it is removing selling fees for consumer-to-consumer ("C2C") sellers in the UK. A similar initiative was introduced in Germany last year and results show that eliminating selling fees has strengthened eBay's marketplace by lowering the barriers to C2C selling, which improves the breadth and depth of inventory. The company has a robust monetization roadmap in place to ensure these changes are positive for both customers and the business overall, and management re-assured us that these changes are being made from a position of strength (given the company's strong results in the third quarter of 2024).

In December 2024, we re-ignited our engagement with eBay to share our views regarding compensation best practice. We continue to believe that the company could foster greater shareholder alignment through improved compensation structures. In accordance with our escalation process, during the most recent voting season we voted against eBay's remuneration resolutions. Management commented that the current compensation structure is in place to retain and recruit talent but re-assured us that our feedback will be shared with the company's compensation committee.

CASE STUDY
CAPITAL ALLOCATION

We are long term holders of Unilever in both our UK and Global strategy and have engaged regularly with management over our holding period. Following the news that Unilever will spin off its ice cream business, we reignited our engagement with CFO, Fernando Fernandes to review capital allocation and strategic priorities. We were particularly interested to understand why Unilever continues to maintain substantial debt on its balance sheet. Fernandes reconfirmed Unilever's capital allocation policy, which remains unchanged, noting that the business priority remains focused on increasing volume growth to 2+%, up from 1% at present.

From a strategic perspective, the CFO is acutely alert to the need to be in premium segments with global scalability and so future capital allocation will be fundamentally concentrated in the US and India where the largest opportunities exist. Similarly, prestige beauty represents one third of growth in Health & Wellbeing and will be c.8% of revenue once ice cream is gone. This is a strong business which has grown for 14 consecutive quarters, but management are aiming for it to be a £10bn business and so ensuring adequate capital allocation to priority segments such as this is important.

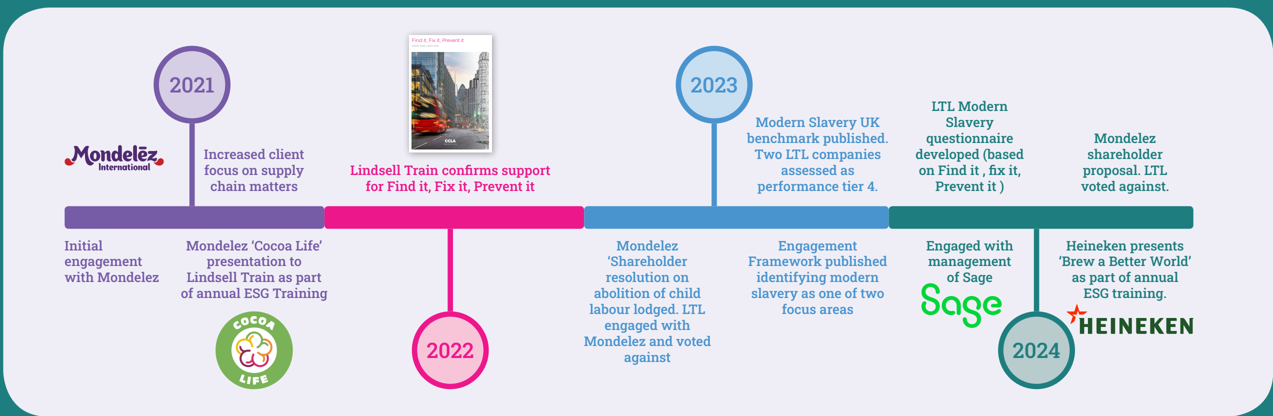
CASE STUDY
MODERN SLAVERY

As investors in several Fast Moving Consumer Goods (FMCG) and luxury fashion companies, we are particularly alert to the possibility of modern slavery in the supply chain and the business and ethical risks it poses. In 2021, we became signatories of the CCLA-founded initiative Find It, Fix it, Prevent it, which is exclusively focused on the abolition of modern slavery. In 2023, Lindsell Train participated as a member of the Scorecard Working Group, which comprised five organisations (SupplyESChange, Lindsell Train, Vodafone Group, Reckitt and Columbia Threadneedle). The group debated the contents of the scorecard used to assess the companies. The discussion was wide-ranging, including assessing the necessary number of questions and the scorecard's applicability to various industries Following the publication of the initial results of the benchmarking exercise, Lindsell Train committed to further collaborate with CCLA to engage directly with two portfolio companies, LSEG and Sage, that fell into Performance Tier 4 (barely achieving compliance).

During 2024, we updated our Responsible Investment and Engagement Policy to specifically reflect on this commitment and we developed an Engagement Framework which aims to address the issues we judge to be most relevant to our portfolios (Modern Slavery being one) and where we have the best chance of influencing for positive change.

In October 2024, CCLA published the 2024 Modern Slavery UK Benchmark report which found that LSEG had improved its score but we were disappointed to learn that Sage remained Tier 4. Later in the month, we continued our engagement with the company and met with the CEO and CFO to understand the reasons why Sage's modern slavery score remained stagnant. Management explained that this is due to the company's publications being out of sync with CCLA's monitoring schedule. Sage's disclosures happen in December, whilst Find it, Fix it, Prevent it, publish their report in October, meaning the changes were not captured this year. This is disappointing but not indicative of a lack of progress and Sage's management have every expectation that these improvements will be reflected in their revised score when the Benchmark is republished later in 2025.

Please see below a timeline summarising our engagement activities on Modern Slavery:



CASE STUDY NET ZERO ENGAGEMENT

August 2024 marked two years since we measured our baseline for our interim net zero targets. As a reminder, in recognition of Lindsell Train's investment approach we have adopted a portfolio coverage target, which seeks to increase the proportion of a manager's AUM aligning to a Net Zero pathway, using specific and comprehensive criteria, with improvement being driven mainly by targeted engagement, as opposed to disinvestment.

As per last year we completed an exercise to measure (using the revised NZIF2.0 criteria published in 2024) and monitor progress and to help direct our proactive engagement work. Within our Engagement Framework (published April 2024), climate change has been identified as one of two focus areas, where we believe we have the best chance of being able to enacting progress. Through this review, we have been able to identify persistent laggards, with whom we engaged during Q4 2024. There were 17 such companies across all holdings held by Lindsell Train, most of which were Japanese. Our outreach comprised a combination of letters and calls, during which we reminded management of our expectations and encouraged collaboration with Lindsell Train and other similar companies where we had identified progress.

We were disappointed to find that our Global Equity holding, Nintendo still does not have a commitment in place to decarbonise in a manner consistent with achieving net zero. We initially met with Nintendo in December 2023 to discuss its net zero plans and ambitions. In December 2024, we reignited recommenced our engagement with company management to understand what progress had been made towards setting a net zero goal, on account of the fact that Nintendo is now in its fourth year of measuring Scope 1, 2 and 3 emissions and yet still with no targets are in place. Company management acknowledged our frustration and reiterated their commitment to managing their emissions. In terms of the challenges presented, management noted the important role that their suppliers will need to play, on account of the fact that Nintendo is a fabless company. Additionally, a fundamental conflict that can't be escaped from is that, if Nintendo produces more units, emissions will increase. However, more optimistically it was pointed out that hardware upgrades and new console launches present the opportunity for management to encourage a focus on energy efficiency and the introduction of 'green' components in Nintendo's products. Given a console release is anticipated in 2025 we will be monitoring this closely. In the meantime, we reiterated our expectation for a firm goal to be set and offered to share insights where this would be helpful. The management team were quick to take us up on this opportunity and immediately asked for Lindsell Train's definition of net zero and sought our opinion on carbon credits.

X

SIGNATORIES, WHERE NECESSARY, PARTICIPATE IN COLLABORATIVE ENGAGEMENT TO INFLUENCE ISSUERS

We recognise that there may on occasion be some benefits to our clients of acting collectively; however our preference is to engage with management privately, as this enables us to build a more effective relationship with boards and management. It also allows us to express our own nuance on the issue under consideration, which is seldom the same as other investors given our intention to hold our investments for the very long-term. Sharing views may sometimes be helpful, where regulation permits, if only to understand the approach that other large shareholders are taking.

As such, we will consider bilateral conversations with other like-minded investors to confirm alignment of shareholder interest, or better understand why and where this isn't the case. We are aware that organisations such as PRI are able to facilitate such conversations on an anonymous basis and we would therefore consider such an approach as and when appropriate. Indeed, there is much we can learn and share from leveraging the experiences and capabilities of all financial market participants. During 2024 there were two such occasions where we believed it to be appropriate and additive to collaborate in order to protect shareholder interests. These have been detailed in the case studies below.

CASE STUDY

Ahead of the Disney AGM (early April 2024), we met with Nelson Peltz and several representatives from activist investor Trian Partners to better understand their rationale for proposing to elect Peltz and a second Trian-proposed candidate, Jay Rasulo, to the board. In the same month, we also spoke with Hugh Johnston (CFO) and other representatives from Disney to hear why they believed the board was sufficiently well-resourced without the Trian representatives.

Trian raised several pertinent points, particularly around succession concerns, the current business strategy for ESPN, the low level of executive team ownership of Disney shares, recent box office disappointments and investments that, to Trian at least, appeared not to have a clear strategic rationale. Disney on the other hand defended their current strategy – namely, to reignite their creative engine, attain direct-to-consumer (D2C) profitability, forge partnerships for ESPN, and invest more behind their parks – and maintained that Nelson Peltz lacked obvious experience that he could bring to their board. They did acknowledge that the recent succession attempts had been unsatisfactory, and reassured us that the current process was considerably better thought out.

While the current Disney strategy should hopefully yield positive results, and the new succession process does indeed seem considerably better thought out, we did also feel that Peltz had some valuable perspectives to share. We have historically voted against compensation at Disney citing remuneration practices that are not aligned with our core principles. We also believe that a fresh third-party perspective would be additive and could ensure greater accountability from management. As such, we made the decision to support Peltz's nomination to the board. Disappointingly, however, Trian did not manage to muster sufficient votes.

EVIDENCE OF WILLINGNESS TO COLLABORATE

CASE STUDY

HARGREAVES LANSDOWN

August 2024 saw confirmation of the agreed offer by a Private Equity consortium to acquire Hargreaves Lansdown, an important holding in both our UK Equity and Global Equity strategies.

At the time, we spoke with and read the reactions of, several shareholders to the proposed transaction and like them we have mixed feelings about it. On the one hand, we acknowledged that HL's independent directors have voted unanimously in favour of the final cash offer, having rejected two previous offers as inadequate. We knew the directors would have been privy to a level of information and insight about the ongoing status of the business that we as external shareholders could never be; and it so was important information to shareholders that they deemed this price acceptable. Also of significance, both symbolically and on a practical level (given the size of their combined holding), both of the founders had given their support to the proposal.

On the other hand, we completely understood why the consortium would want to acquire an asset with such a strong market position, and so much growth potential, despite the short-term headwinds it was facing. We therefore concluded that we were in a price-finding phase for Hargreaves Lansdown to establish its worth, and if no party intervened with a high offer, then we could reassure ourselves that the bid was indeed pitched appropriately.

As minority shareholders, we sought to engage with as many shareholders and investment banks as possible to signal our willingness to accept any higher offer but also to establish whether the accepted offer was fair. We spoke with sell-side analysts, corporate brokers, shareholders across multiple continents and importantly one of the founders. It was reassuring to hear that our views were shared by many, but so was the sentiment that if no higher bid came, then the price was right.

As the conclusion of the deal draws closer, we must salute the entrepreneurial achievement of Peter Hargreaves and Stephen Lansdown. They had a brilliant idea and turned it into a business worth over £5bn.

XI

SIGNATORIES, WHERE NECESSARY, ESCALATE STEWARDSHIP ACTIVITIES TO INFLUENCE ISSUERS

In general, when an escalation of engagement is appropriate then a senior member of our Investment Team will contact company management to seek further information and make clear our concerns and expectations. In most circumstances we arrange a meeting with relevant members of the company's board, which may extend to the chairperson or a senior non-executive director. The feedback from these meetings is then discussed amongst the Investment Team who will decide whether the responses received require further escalation.

All such decisions are made on a case by case basis, although importantly our general approach is uniform across our strategies and therefore across sectors and regions. Usually we will consider **writing formally to management**, **making a public statement** (generally through our reports to investors) or under certain circumstances we might initiate **collaborative engagement** with other shareholders. Our preference however is for private and confidential conversations, as this enables us to build a more effective relationship with boards and management and we think is as likely to lead to a positive conclusion.

If we do not believe that raising our concerns in these ways is having the desired effect we will, where appropriate and if possible, **use our voting rights**. That said, please bear in mind that our aim is to be invested in exceptional companies with strong corporate governance and hence it ought to be rare that we find ourselves in a position where we are voting against management. However, where we do, as our holdings in individual companies tend to be large, our votes often carry significant weight in the outcome of a vote. Where we are voting against management, we will communicate with them to confirm the reasons why.

Finally, if concerns are raised with a portfolio company about fundamental changes to the business model on which we do not receive sufficient comfort – in particular, if the sustainability of its returns over the long-term were under threat or if a sustainability risk associated with the company has increased beyond our comfort level — then in an extreme case Lindsell Train would think seriously about **disposing of the position**, should we believe that action to be in the best interest of our clients. There were no instances in 2024 where we disposed of a holding on account of material ESG risks or concerns.

As you will have read, 2024 was an active year for us on the engagement front, particularly in the context of the number and nature of the investments we have across our firm. We are fortunate that we can ensure that sufficient attention is given to all matters, as required. The majority of our engagement and escalation work seeks to procure a pre-determined objective which we are confident is in our clients' best interests; however in some cases the best outcome for our clients is not immediately clear. In these instances, we will work with management to endeavour to reach the most favourable outcome.

Examples of Escalation in 2024:

Company	Geography	Years invested	Escalation Methodology				Escalation Topic(s)
			Wrote to Management	Voted Against Management	Abstained	Public Report	
Adobe	USA	5*	✓	✓			Remuneration: Management resolution
CME	USA	5*	✓	✓			Remuneration: Management resolution
Colgate	USA	5*	✓		✓		Independent Chair: Shareholder resolution
Disney	USA	14	✓	✓	✓		Remuneration: Management resolution – against and Independent Chair: Shareholder resolution – abstain
eBay	USA	14	✓	✓			Remuneration: Management resolution
FICO	USA	3	✓	✓			Remuneration: Management resolution
Intuit	USA	14	✓	✓			Remunerationx2: Management resolution
Johnson & Johnson	USA	5	✓	✓			Remuneration: Management resolution
Kenvue	USA	1	✓		✓		Remuneration: Management resolution
Mondelez	USA	12	✓		✓		Independent Chair: Shareholder resolution
Nike	USA	5*	✓	✓			Remuneration: Management resolution
Oracle	USA	5*	✓	✓			Remuneration: Management resolution
PayPal	USA	10	✓	✓			Remuneration: Management resolution
TKO	USA	14	✓	✓			Remuneration: Management resolution – against and Frequency of Advisory vote: Management – against
UMG	Netherlands	1	✓		✓		Remuneration: Management resolution
Verisk	USA	4	✓	✓			Remuneration: Management resolution
Hogy Medical	Japan	17				✓	Capital Allocation & Strategy: public report
Ito En	Japan	19				✓	Capital Allocation & Strategy: public report
Kao	Japan	19				✓	Capital Allocation & Strategy: public report

* Since launch of WS Lindsell Train North American Equity fund.

Further details of our voting activity, and in particular our thoughts around best practice for remuneration structures, are provided under Principle XII below. Here we also provide case studies on how we have used our voting rights to escalate our views to company management.

CASE STUDY MAKING A PUBLIC STATEMENT

ITO EN

We have engaged regularly with Japanese soft drinks holding, Ito En to encourage them to use their net cash to retire preference shares, to proactively manage the wide price difference between the preference and ordinary shares. We were therefore pleased to see management conduct a significant buy-back programme over the course of the first quarter, which resulted in the discount reducing from around 70% to 50%. We continue to encourage further buy-backs to encourage a further narrowing of the discount. Read more **here**.

KAO

Following several meetings with the management of Kao (a holding in both our Japanese and Global funds), portfolio manager Michael Lindsell set out his frustrations with management's ability to address several strategic miss-steps, namely: the company's slow progress in terms of expanding overseas, the cyclical nature of their unbranded industrial chemical products range and management's slow pace of rationalisation of its product portfolio. Whilst we remain hopeful that the company can emulate if not exceed the returns of the past (prior to 2019 Kao's 10-year ROE averaged 15%), we felt it necessary to prompt management to expedite further action. Read more **here**.

HOGY MEDICAL

Shareholder pressure, from us and others, has sharpened management's focus on improving returns by using excess balance sheet cash to buy back shares. However, cumulative capital expenditure is on the rise and exceeds levels that is typical of a Lindsell Train portfolio holding. Read more **here**.

RESULT

Whilst we remain invested in Ito En, Kao Corporation, and Hogy Medical, we continue to monitor the progress of the holdings and will continue to escalate our engagement where required in order to protect shareholder interests.

XII

SIGNATORIES ACTIVELY EXERCISE THEIR RIGHTS AND RESPONSIBILITIES

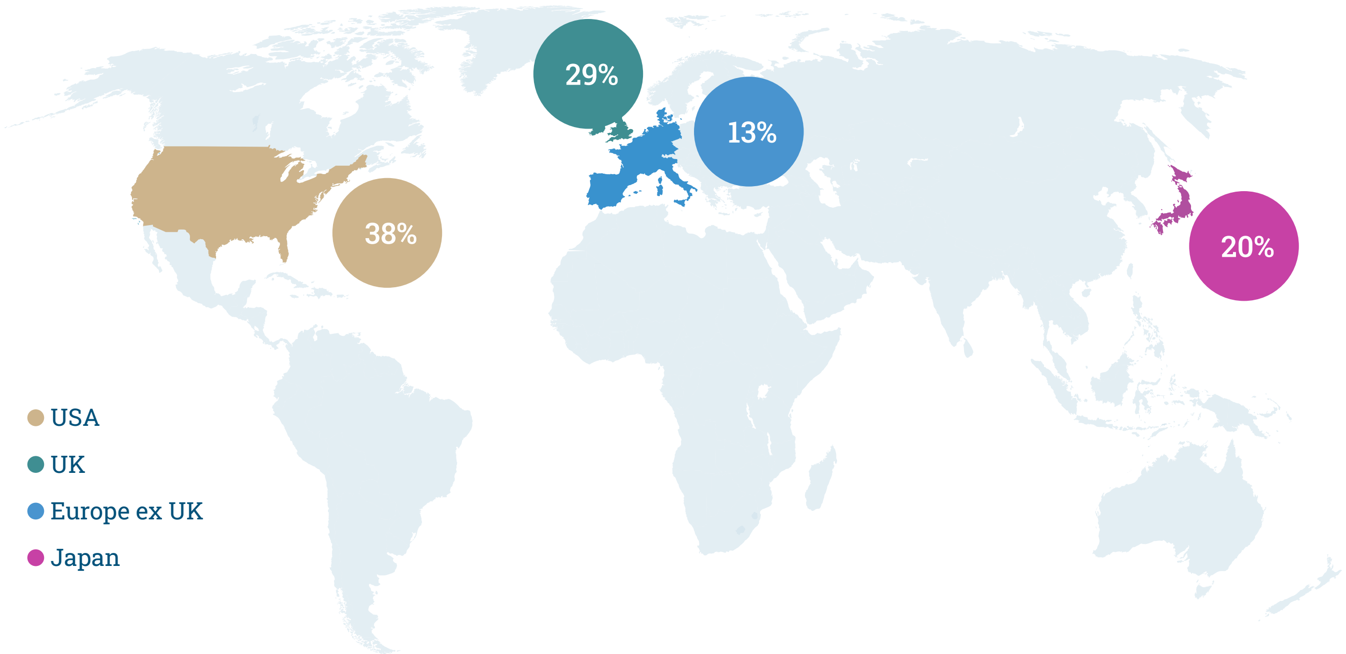
Lindsell Train's Proxy Voting policy is available on our website here and our voting records can be found here.

The primary voting policy of Lindsell Train is to protect or enhance the economic value of its investments on behalf of its clients. Lindsell Train's Portfolio Managers are responsible for proxy voting decisions and it is our policy to exercise all voting rights which have been delegated to us by our clients. Proxy voting decisions are the result of careful judgement in order to ensure the best possible outcome to generate long-term shareholder value.

We would note that as part of our investment process we purposefully look to identify high quality companies with thoughtful and experienced management, and therefore we do not expect many

PROXY VOTING

Votes by region



contentious votes. However we will vote against any agenda that threatens long-term shareholder value, in particular concerns over inappropriate management incentives, changes in capital structure or mergers or acquisitions which we view as detrimental to the investment held. Where we plan to abstain or to vote against a company backed resolution, our intentions will be communicated to the company management in advance of voting. Our approach to proxy voting is uniform across all funds/strategies and therefore also across sectors and geographies.

Lindsell Train has appointed Glass Lewis to aid the administration of proxy voting and provide additional support in this area. For example, Lindsell Train can leverage Glass Lewis research (produced in partnership with Sustainalytics, ESG Book and BitSight) and also their voting guidance. However, the Portfolio Managers maintain decision making responsibility based on their detailed knowledge of the portfolio companies. We believe retaining ownership over the exercise of our votes forms an important part of our investment process and proactive company engagement strategy.

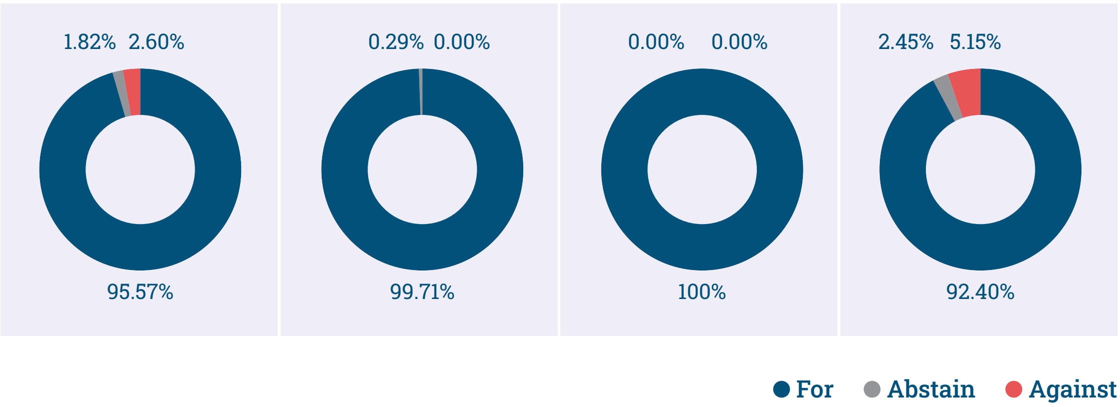
From an administrative perspective, the Glass Lewis Viewpoint platform streamlines and digitalises the overall voting and approval process. The Viewpoint platform enables Lindsell Train to monitor what shares and voting rights we have and also provides the necessary alerts ahead of voting deadlines.

The investment team can access the platform to review all votes, taking into consideration any ongoing or past engagement activity. On the rare occasion that a vote is missed, late or rejected, we have policies and procedures in place to ensure each incident is investigated and the appropriate remedial action is taken. Lindsell Train has a house view on all votes to the extent that our voting decisions are not informed by a third-party provider. Whilst we would be willing to consider a client's input and direction on voting, in practice this has not arisen. A small number of segregated clients have chosen to conduct their own voting and, in some instances, we will collaborate by sharing our voting intentions with these clients ahead of time. We do not participate in any stock lending arrangements.

VOTES BY STRATEGY

31 December 2024

	GLOBAL EQUITY STRATEGY	UK EQUITY STRATEGY	JAPANESE EQUITY STRATEGY	NORTH AMERICAN EQUITY STRATEGY
Size of strategy (£m)	£7,350m	£5,090m	£58m	£42m
Number of meetings	25	22	19	26
Number of resolutions	384	350	227	408
% of votes cast	100%	100%	100%	100%



You will note that votes against management are typically low. As we have explained, the main reason for this is that our long-term approach to investment generally leads us to be supportive of company management. Prior to reaching the point of voting against company management, we will try to influence management through our engagement activities. Our intention is to have open and constructive dialogue with management and board members, in order to broaden our knowledge of the company's strategy and operations and to ensure any concerns we might have are assuaged. Given we often build up large, long-term, stakes in the businesses in which we invest we find that management are open to (and very often encourage) engaging with Lindsell Train.

Where our engagement is not successful, we are prepared to hold management to account, where necessary and appropriate. Our vote against and/or threat of sale would not be taken lightly by management, as we are often large strategic shareholders.

During 2024, the majority of cases where we have voted against management has been on matters relating to remuneration. Please see our case studies below for context of how we assess remuneration structures at our companies. Disappointingly we were in the minority in all instances and thus the resolutions were passed. We will continue to engage with these companies to try to secure a better outcome.

CASE STUDY REMUNERATION INTUIT

AGM Date: 18 January 2024
Resolution: Advisory Vote on Executive Compensation
Lindsell Train Vote: Against
Result: Passed – ✓ **92.4%** For ✗ **7.5%** Against ○ **0.1%** Abstained

During 2020 – 2024 we escalated our engagement relating to matters of remuneration.

We wrote to the management outlining our reasons for voting against the resolutions concerning compensation at each of the AGMs over this period. We have engaged with the company on a number of occasions to share our views regarding compensation best practice and continue to believe that Intuit could foster greater shareholder alignment through improved compensation structures.

We will continue to engage with the company on this matter.

CASE STUDY
REMUNERATION
FICO

AGM Date: 14 February 2024
Resolution: Advisory Vote on Executive Compensation
Lindsell Train Vote: Against
Result: Passed – ✓ **58.3%** For ✗ **41.4%** Against ○ **0.3%** Abstained

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Lindsell Train pays careful consideration to the compensation policies of the companies in which we invest and in the case of FICO we have several concerns.

In assessing compensation policies we focus more on how incentives are structured rather than the actual quantum of compensation. In other words we can be comfortable with large rewards provided that the incentives are aligned with shareholders' interests and our principles. With FICO, executive incentives were proposed in the form of equity linked awards that may be influenced by factors unrelated to the performance of the company/individual. Additionally, the period over which management is being assessed is shorter than we would like, and we also believe that executives should buy shares with cash in the same way as we do as investors.

We therefore wrote to the management of FICO, outlining our reasons for voting against the resolutions concerning compensation at their upcoming AGM. We reminded FICO of our preferred approach to compensation inviting the remuneration committee to respond to our concerns.

We will continue to engage with the company on this matter.

CASE STUDY REMUNERATION EBAY

AGM Date: 20 June 2024
Resolution: Advisory Vote on Executive Compensation
Lindsell Train Vote: Against
Result: Passed – ✓ **85.5%** For ✗ **14.5%** Against ○ **0%** Abstained

In the case for eBay we do not believe that the company's compensation policy is aligned with the long term best interests of the shareholders and have been engaging with the company on this matter over a number of years. We have engaged with the company on a number of occasions over the last few years to share our views regarding compensation best practice and continue to believe that eBay could foster greater shareholder alignment through improved compensation structures.

Management commented that the current compensation structure is in place to retain and recruit talent but re-assured us that our feedback will be shared with the company's compensation committee. We will continue to engage with the company on this matter.

CASE STUDY
REMUNERATION
PAYPAL

AGM Date: 22 May 2024

Resolution 1: Advisory Vote on Executive Compensation
Lindsell Train Vote: Against
Result: Passed – ✓ **83.0%** For ✗ **16.5%** Against ○ **0.5%** Abstained

Resolution 2: Amendment to the 2015 Equity Incentive Award Plan
Lindsell Train Vote: Against
Result: Passed – ✓ **64.2%** For ✗ **35.5%** Against ○ **0.3%** Abstained

We have been engaging with the compensation committee of PayPal since 2023 to share our views regarding compensation best practice, and voted against two resolutions at the AGM in May 2024.

In November 2024, we met with PayPal and management confirmed that its compensation committee has heard investor feedback (ours included) and as of mid-2024 both the annual and long-term incentive plans (AIP and LTI) account for stock-based compensation when assessing performance.

Although these changes are positive, we continue to believe that PayPal could foster greater shareholder alignment through improved compensation structures and will monitor the company closely.

CASE STUDY
GOVERNANCE
WALT DISNEY

AGM Date: 03 April 2024
Resolution (Shareholder): Elect Dissident Nominee Nelson Peltz
Lindsell Train Vote: For
Result: Not Passed – ✓ **31.1%** For ◯ **68.9%** Withheld

Ahead of the Disney AGM, we met with Nelson Peltz and several representatives from activist investor Trian Partners to better understand their rationale for electing Peltz and a second Trian-proposed candidate, Jay Rasulo, to the board. In the same month, we also spoke with Hugh Johnston (CFO) and other representatives from Disney to hear why they believed the board was sufficiently well-resourced without the Trian representatives.

Trian raised several pertinent points, particularly around succession concerns, the current business strategy for ESPN, the low level of executive team ownership of Disney shares, recent box office disappointments and investments that, to Trian at least, appeared not to have a clear strategic rationale. Disney on the other hand defended their current strategy – namely, to reignite their creative engine, attain direct-to-consumer (D2C) profitability, forge partnerships for ESPN, and invest more behind their parks – and maintained that Nelson Peltz lacked obvious experience that he could bring to their board. They did acknowledge that the recent succession attempts had been unsatisfactory and reassured us that the current process was considerably better thought-out.

While the current Disney strategy should hopefully yield positive results, and the new succession process seems considerably better thought out, we did feel that Peltz had some valuable perspectives to share. We have historically voted against compensation at Disney citing remuneration practices that are not aligned with our core principles. We also believe that a fresh third-party perspective would be additive and could ensure greater accountability from management. As such, we made the decision to support Peltz's nomination to the board. Disappointingly, however, Trian did not manage to muster sufficient votes.

APPENDIX I

LINDSELL TRAIN BIOGRAPHIES

Michael Lindsell
Portfolio Manager

Michael co-founded Lindsell Train Limited in 2000 and is the firm's Chief Executive. He is the portfolio manager for Japanese equity portfolios and jointly manages Global equity portfolios. Michael has over 40 years' experience in investment management. Before founding Lindsell Train he spent seven years at GT Management, first as CIO in their Tokyo office, then in London with responsibility for all GT's global and international funds. Following the acquisition of GT by Invesco in 1998 he was appointed head of the combined global product team. His previous experience included working at Mercury Asset Management where he was director and head of Japanese fund management in London; at Scimitar Asset Management in Hong Kong where he ran Pacific and Japanese mandates; and at Lazard Brothers as an investment manager. Michael has a degree in Zoology from the University of Bristol.

Nick Train
Portfolio Manager

Nick co-founded Lindsell Train Limited in 2000 and is the firm's Chairman. He is the portfolio manager for UK equity portfolios and jointly manages Global equity portfolios. Nick has over 40 years' experience in investment management. Before founding Lindsell Train he was head of Global Equities at M&G Investment Management, having joined there in 1998 as a director. Previously he spent 17 years at GT Management where his final role was as Chief Investment Officer for Pan-Europe, having built long investment track records in both UK and Global equities. Nick has a degree in Modern History from the University of Oxford.

James Bullock
Portfolio Manager

James joined Lindsell Train in 2010 and is a portfolio manager. He has jointly managed global equity portfolios since 2015 and is responsible for the North American Equity Fund. He has a Masters degree in Physics from the University of Oxford and a doctorate in Zoology from the University of Cambridge.

Madeline Wright

Deputy Portfolio Manager

Madeline joined Lindsell Train in 2012 and was promoted to Deputy Portfolio Manager in 2019. Madeline has a degree in English Language and Literature from the University of Oxford and previously spent a semester as a visiting student at Yale University. After leaving Oxford, she studied in Japan for a year where she learnt to speak the language to a high standard.

Alexander Windsor-Clive

Deputy Portfolio Manager

Alexander joined Lindsell Train in 2016 and was promoted to Deputy Portfolio Manager in 2021. Alexander has a degree in History from the University of Bristol.

Ben van Leeuwen

Deputy Portfolio Manager

Ben joined Lindsell Train in 2019 and was promoted to Deputy Portfolio Manager in 2023. Ben has a degree in English Language and Literature from the University of Oxford.

Jessica Cameron

Head of Marketing & Client Services

Jessica joined Lindsell Train in 2018 and was appointed Head of Marketing & Client Services in February 2024. She has over 15 years' experience in the investment management field. Prior to joining Lindsell Train she worked at Longview Partners (2011 – 2018) within the Institutional Clients team and was also a board director for Longview's Luxembourg funds. She started her career in 2007 at BlackRock, where she worked as a product specialist on the London based Global Equity team and before that as a member of the Global Consultant Relations team. Jessica has a degree in Modern History from the University of St Andrews. She is an Investment Committee member of the University of St Andrews Investment & Treasury Assurance Group (ITAG), which is responsible for the University's endowment funds.

Azjin Ali

Responsible Investment Lead

Azjin Ali joined Lindsell Train in 2024 as Responsible Investment Lead. Prior to joining Lindsell Train, Azjin worked at Aon as an Associate Investment Consultant and Head of Biodiversity. Azjin was a core member of Aon's Responsible Investment team, focusing on climate and nature-related investment risk. Azjin joined Aon in 2019 as a Defined Contribution (DC) Investment Analyst. Azjin has a Masters degree in Civil and Structural Engineering from the University of Leeds and is fluent in Dutch and Kurdish.

Michael Lim

Director, Company Secretary and IT Director

Michael joined Lindsell Train in 2001 as Chief Operating Officer (COO) and was appointed Director in 2010. He stepped down as COO in early 2022 and is Company Secretary and responsible for the firm's IT functions. Michael has over 30 years' management experience in finance, securities operations and compliance, having worked in senior management positions for international brokerage institutions Sun Hung Kai (London) and Tai Fook Securities (London). Michael holds a degree in Economics from Queen Mary College, University of London and is a qualified Chartered Accountant.

Joss Saunders

Director, Chief Operating Officer

Joss joined Lindsell Train in May 2021. He has over 20 years' experience in investment management. Having qualified as a Chartered Accountant in Ernst & Young's Audit division in 2001, Joss moved to Henderson Global Investors as a Senior Business Analyst and then in 2004 to Barclays Global Investors (BGI). By the time he left in 2011 he was COO for the UK institutional business of BlackRock following its takeover of BGI. He joined Baillie Gifford in 2011, first as Director of Overseas Finance, then as a Director within their Investment Operations and finally as COO and Finance Officer of their European entity. Joss has a BA honours degree in Economics with French and an MSc in Corporate & International Finance, both from Durham University.

Mathew McNeill

Chief Compliance Officer

Mathew joined Lindsell Train in 2020. He has over 18 years' experience in financial services, 13 of those in dedicated compliance roles. Prior to joining Lindsell Train, he worked for three years as an independent consultant in senior compliance roles with clients including Royal London Asset Management, Quilter, M&G Prudential and Merian Global Investors. He previously worked as a Compliance Manager with Vanguard Asset Management and in the Regulatory & Operational Risk Team at Aegon Asset Management. He started his compliance career in 2007 with Aberdeen Asset Management. Mathew has a degree in History and Politics from the University of Strathclyde.