MiFIDPRU Public Disclosures

For the year ended 31 January 2025

1. Overview

Lindsell Train Limited ("LTL" or "The Firm") is an independent investment management firm that provides discretionary investment management services to investment funds, segregated accounts, and managed accounts in the UK and internationally.

LTL has a culture based on our focus on investment, fostered through our uncomplicated firm structure. Indeed, more than 20 years on from the inception of LTL, our common desire to build a business where corporate complexity is kept to an absolute minimum remains strong. This also extends to risk management, where our simple structure allows us to be focused when it comes to identifying and managing risk, and in line with our values, transparent when communicating such risks both internally and externally. Additionally, we would note our cautious approach to doing business overall, evidenced by, amongst other things, the conservative management of our corporate balance sheet.

LTL is authorised and regulated in the UK by the Financial Conduct Authority (the 'FCA') and is classified as a Collective Portfolio Management Investment Firm ("CPMI"). LTL is also a full-scope UK Alternative Investment Fund Manager ('AIFM') and has permissions to conduct Markets in Financial Instruments Directive ('MiFID') portfolio management activities.

As an AIFM with MiFID permissions, LTL is required to always maintain regulatory capital and liquidity in compliance with the Investment Firms Prudential Regime ("IFPR") and the FCA's Prudential Sourcebook for MiFID Investment Firms ('MIFIDPRU'). Under these regulations, the Company has been classified as a Non-Small Non-Interconnected ('non-SNI') MIFIDPRU firm, with £75,000 minimum regulatory capital.

Disclosures for the performance period ended 31 January 2025 are in line with the requirements in MIFIDPRU 8.6.

The disclosure for LTL is prepared on a solo entity basis. The disclosed information is proportionate to LTL's size and organisation, and to the nature, scope, and complexity of its activities. This disclosure document does not constitute audited financial statements of LTL and the information provided herein is unaudited.

2. Governance and Risk Management

LTL Risk Policies underpin the Risk Management Framework. The implementation of the framework is overseen and monitored by the Risk function on an ongoing basis, with additional oversight from the Risk and Compliance Committee, and the Board.

LTL has robust governance arrangements with a clear organisational structure with well defined, transparent, and consistent lines of responsibility. These governance arrangements are detailed below.

Board of Directors ("The Board")

The Board is responsible for setting LTL's strategy and strategic objectives and monitoring business performance and progress against these, ensuring that the Firm has appropriate policies (including operational, compliance, legal, finance and risk) in place and that they are adhered to, and that the Firm's resources are sufficient (including knowledge, experience, and number). In order to fulfil these responsibilities, the Board has established a number of committees (detailed below); these committees report regularly to the Board. The Board meets at least twice a year.

Risk Management Objectives

Concentration Risk - LTL seeks to keep its business structure simple by running a limited number of investment strategies (which follow the same investment philosophy) and segregated client mandates. While recognising that LTL seeks a diverse client base through its pooled fund offerings, LTL accepts that the single approach to investment and the limited numbers of segregated clients creates a concentration in the source of LTL revenues.

Liquidity – LTL maintains a simple operating structure, this entails utilising key vendors, hence LTL recognises the importance of maintaining a strong balance sheet and adequate working capital to meet payment obligations in a timely manner.

Capital - LTL recognises the importance of its capital from an operational perspective, alongside the business and reputational risks of regulatory breaches and sanctions.

As at 31 January 2025, the Board comprised nine Directors, two of whom were independent Non-Executive Directors ("INEDs"). These Directors are listed below, alongside the number of directorships each held as at 31 January 2025. In line with MIFIDPRU, this analysis does not include any directorships the individual holds in an organisation which does not pursue a predominantly commercial objectives (for example, a charitable organisation).

Figure 1.1 LTL Board as at 31 January 2025

Director	LTL directorship	Other directorships	Total
J Bartlett (independent non-executive)	1	4	5
M C Y Lim	1	0	1
M J Lindsell	1	1	2
J A Saunders	1	0	1
N J Train	1	0	1
R Landman (independent non-executive)	1	0	1
J Orr (non-executive)	1	1	2
J Bullock	1	0	1
J Cameron	1	0	1

Sub-Committees as at 1st September 2025

Management Committee

The Firm's Management Committee is responsible for matters relating to the day-to-day management of the company. Such matters include an ongoing assessment of investment performance, marketing and client servicing, operations, compliance, risk, and finance. The purpose of the Management Committee is to ensure the proper execution of the company's business strategy, as agreed by the Board. Management Committee members include the Chief Executive Officer, Portfolio Manager, Head of Marketing & Client Services, Chief Operating Officer and Chief Risk & Compliance Officer. The

Management Committee meets at least three times a year and reports to the Board.

Risk & Compliance Committee

The Board has overall responsibility for risk management, including approval of the Firm's Risk Appetite Statement, and has established a Risk & Compliance Committee ("RCC") to ensure that risks of Harms to clients, the firm and the market are identified, assessed, managed, and monitored across all areas of LTL, in line with the Firm's agreed Risk Appetite Statement. The RCC are responsible for ensuring that the risk control framework of the firm operates effectively; this framework covers all risk matters, including strategic, business, operational, and financial risk. The RCC is also responsible for overseeing the Firm's Internal Capital and Risk Assessment ("ICARA") process.

The firms Risk Appetite Statement is set and approved, at least annually by the LTL Board of Directors. The LTL RCC monitors the level of residual risk (both existing and emerging) that LTL is exposed to, after taking consideration of existence and effectiveness of controls, to ensure alignment to this risk appetite.

RCC members include an independent non-executive director as Chair, the Chief Operating Officer, Director, IT and Company Secretary, Chief Risk & Compliance Officer, and Financial Controller. Members of the RCC have the appropriate knowledge skills and expertise to fully understand manage and monitor the risk strategy and risk appetite of the firm. The RCC meets at least twice a year and reports to the Board.

Environmental, Social and Governance ("ESG") Committee

The ESG Committee is responsible for ensuring the Firm's ESG strategy, approved by the Board, is adhered to, as well as overseeing the identification and mitigation of risks relating to ESG; these risks are in turn reported to the RCC. The ESG Committee is also responsible to ensuring that the Firm monitors the sustainability of its operations and adopts the necessary policies and objectives approved by the Board. The ESG Committee is chaired by the Firm's Chairperson, and has representation from investment, marketing and client services, and compliance. The ESG Committee meets at least twice a year and reports to the Board.

Valuations Committee

The Valuations Committee is responsible for reviewing and maintaining the Firm's valuation policy, as well as ensuring that any valuation matters are suitably addressed. The Valuations Committee comprises of the Chief Operating Officer, Director, IT and Company Secretary, and the Chief Risk & Compliance Officer. The Valuations Committee meets at least twice a year and reports to the Board. The Valuations Committee is supported by the Valuations Group; the Valuations Group are responsible for making valuation decisions, escalating to the Valuations Committee where appropriate. The Valuations Group meets at least once a month, and reports to the Valuations Committee.

3. Diversity

In accordance with regulatory requirements, the Firm maintains a diversity policy statement for promoting diversity across its staff, Board and Committees.

Directors of the company are selected based primarily on the following criteria: (i) judgement, character, expertise, skills and knowledge useful to the oversight of the companies' businesses; (ii) diversity of viewpoints, backgrounds, experiences, and other demographics; (iii) business or other relevant experience; and (iv) the extent to which the interplay of the candidate's expertise, skills, knowledge and experience with that of other Board members will build a Board that is effective, collegial and responsive to the needs of the company.

In selecting new directors, LTL consider several factors in seeking to develop a Board that reflects a range of skills, diversity, experience, and expertise.

The Firm review and assess the composition and effectiveness of its staff, Board and Committees, considering the benefits of all aspects of diversity, including differences in gender, race, nationality, age, disability, cultural background, skills, and knowledge.

All offers of employment by LTL and appointments to its Board and Committees are made on merit against objective criteria having due regard for the benefits of diversity to the Firm. The Firm's Chief Operating Officer is responsible for ensuring that these criteria do not place any candidate with a protected characteristic at a disadvantage.

4. Capital Resources

Under the IFPR regime, LTL is required to hold sufficient capital at least equal to the 'Own Funds Requirement' and the 'Additional Own Funds Requirement'.

Own Funds

LTL's regulatory Own Funds as at 31 January 2025 is summarised below

Figure 1.2 Composition of regulatory Own Funds

		Amount (£'000)	Source (as per y/e 31 January 2025 audited financial statements)
1	**OWN FUNDS**	**108,162**	**-**
2	**TIER 1 CAPITAL**	**108,162**	**-**
3	**COMMON EQUITY TIER 1 CAPITAL**	**108,162**	**-**
4	Fully paid up capital instruments	267	See line 'Called Up Share Capital' on page 15 of financial statements
5	Share Premium	57	See line 'Share Premium Account' on page 15 of financial statements
6	Retained Earnings	108,332	See line 'Profit and Loss Account' on page 15 of financial statements
7	Accumulated Other Comprehensive Income	-	-
8	Other Reserves	(494)	See line 'Other Reserves' and 'Share discount reserve' on page 15 of financial statements
9	Adjustments to CET1 due to Prudential Filters	-	-
10	Other Funds	-	-
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-	-

19	CET1: Other Capital Elements, Deductions and Adjustments	-	-
20	**ADDITIONAL TEIR 1 CAPITAL**	**-**	-
21	Fully Paid Up, Directly Issued Capital Instruments	-	-
22	Share Premium	-	-
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	-
24	Additional Tier 1: Other Capital Elements, Deductions and Adjustments	-	-
25	**TIER 2 CAPITAL**	**-**	-
26	Fully Paid Up, Directly Issued Capital Instruments	-	-
27	Share Premium	-	-
28	(-) TOTAL DEDUCTIONS FROM TIER 2	-	-
29	Tier 2: Other Capital Elements, Deductions and Adjustments	-	**-**

Note above figures are rounded.

Figure 1.3 Own Funds: Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements

		Balance Sheet as in published / Audited Financial Statements (£'000)	**Source (as per y/e 31 January 2025 audited financial statements)**
Assets – *Breakdown by asset classes according to the balance sheet in the audited financial statements*			
1	Tangible Fixed Assets	21	page 15 of financial statements
2	Investments	31,438	page 15 of financial statements
3	Debtors	9,340	page 15 of financial statements
4	Cash at bank and in hand	80,808	page 15 of financial statements
5	**Total Assets**	**121,607**	
Liabilities – *Breakdown by liability classes according to the balance sheet in the audited financial statements*			
1	Creditors: amounts falling due within one year	(12,467)	page 15 of financial statements
2	Deferred Tax	(979)	page 15 of financial statements
3	**Total Liabilities**	**(13,446)**	
Shareholders' Equity			
1	Called up share capital	267	Figure 1.2
2	Share premium account	57	Figure 1.2
3	Other reserves	(494)	Figure 1.2
4	Profit and loss account	108,332	Figure 1.2

5	**Total Shareholders' Equity**	**108,162**	Figure 1.2

Note above figures are rounded.

Figure 1.4 Own Funds: Main Features of Own Instruments Issued by the Firm

Own Funds: Main Features of Own Instruments Issued by the Firm
As at 31 January 2025 the common equity tier 1 instruments issued by the Firm consist of 26,660 ordinary shares with a nominal value of £10 each. There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital. During the year ending to 31 January 2025, the Firm did not purchase any additional own shares. As at 31 January 2025, the Firm had nil shares held in treasury. Shares held in treasury do not carry any voting rights nor entitlement to receive dividends.

Own Funds Requirement

The Own Funds and Liquid Assets Requirement sets out the amount of funds needed to fund ongoing business and cope with periods of stress.

As at 31 January 2025, the Firm's Own Funds Requirement is as shown below:

Figure 1.5 Own Funds Requirement

Higher of:	**£'000**
Permanent Minimum Capital Requirement	£75
Fixed Overhead Requirement	£2,511
K-Factor Requirement	£580
Own Funds Requirement	**£2,511**

Note above figures are rounded

It should be noted that the Firm's K-Factor Requirement is solely the K-AUM requirement.

In addition to the Own Funds Requirement above, the Firm uses the ICARA process to formally assess its capital arrangements to address (i) any potential material Harms that the Firm has identified under MIFIDPRU 7.4.13R and measures implemented by the Company to reduce the impact of Harms under MIFIDPRU 7.4.9R; and (ii) any residual potential material Harms that remain after the firm has taken measures to reduce the impact of the Harms under MIFIDPRU 7.4.9R.

Additional Own Funds Requirement

The Additional Own Funds Requirement sets out the amount of funds needed to allow the Firm to wind down in an orderly manner.

Through the ICARA process, the LTL Board have determined that £10.70m is required to wind down the Firm in an orderly manner. The additional own funds requirements is £8.19m i.e., £10.70m - £2.51m.

5. Remuneration Disclosures

As a non-significant non-SNI MIFIDPRU firm, LTL is subject to AIFMD and the basic requirements of the MIFIDPRU Remuneration Codes. The firm is applying the MIFIDPRU remuneration code as it relates to non-significant non-SNI firms. .

LTL has adopted a remuneration policy that complies with the FCA Remuneration Code Rules (the “Code”) and guidance. This Code is applicable to those members of staff classified as Code Staff (such as those in significant harm functions) as described by the FCA rules.

The Firm’s remuneration policy is designed to ensure that the firm’s compensation arrangements:

- are consistent with and promote sound and effective risk management.
- do not encourage excessive risk taking.
- include measures to avoid any conflicts of interest; and
- are in line with the firm’s business strategy, objectives, values, and long-term shareholders’ interests.

Under the Code, the Firm falls within proportionality level three and is allowed to disapply certain sections of the Code requirements. Owing to the size, internal organisation, nature, scope and complexity of our business, the Board is satisfied that LTL can disapply the pay-out process rules so that in respect of the variable elements of remuneration there is no requirement to:

- ensure that a substantial portion of variable remuneration consists of units / shares / equivalent instruments.
- defer a substantial portion of the variable remuneration awarded.

The Firm recognises that remuneration is a key component in how the Firm attracts, motivates, and retains quality staff and sustains consistently high levels of performance, productivity, and results, and seeks to ensure that members of staff are properly and competitively remunerated for their role, level of responsibility and efforts in contributing to the firm’s success.

Employees are paid a fixed annual salary that reflects their experience and responsibilities as set out in their terms of employment, and competitive (externally benchmarked) market rates in those roles. It is permanent, pre-determined, non-discretionary, non-revocable and does not depend on performance.

Employees may also be paid variable remuneration which is based on performance and contribution of individual, the team, and the Firm’s overall results. This covers both financial and non-financial measures. LTL ensures that any variable remuneration paid does not affect LTL’s ability to ensure a sound capital base, and that any performance-based remuneration complies with the relevant requirements in the Remuneration Code.

As part of variable remuneration, LTL operates a profit share scheme available to key employees (determined by the Board) which is aligned to the profitability of the business, whereby participants receive an agreed % of the post-tax profits each year. Under this scheme, for the y/e 31 January 2025, participants were required to invest at least 50% of the profit share payout to acquire LTL shares at the prevailing market price.

Consideration has been taken to ensure that any incentive reward does not generate a conflict of interest where there is a possibility the employee may not be acting in the best interests of a client. No employee is offered a guaranteed bonus other than in exceptional cases such as a new hire in the first year of employment as additional joining compensation.

It should be further noted that overall remuneration of the Firm is limited by the Firm’s shareholders’ agreement, ensuring alignment with shareholders’ interests, as well as ensuring risk to the Firm’s capital is limited.

Due to its small size, nature and lack of complexity, LTL does not have an independent remuneration committee. Final decisions on staff remuneration (both fixed and variable) are determined by the two founder directors (who are also majority shareholders of Lindsell Train) after consultation with the other fellow executive directors. Remuneration of the founder directors is reviewed and agreed by the Firm's non-executive directors.

Remuneration Code Staff Remuneration

Due to the number of staff employed by LTL, remuneration figures are disclosed at a level which maintains individual confidentiality. For the year ended 31 January 2025:

Total amount of remuneration awarded to senior management, other material risk takers and other staff.

£M	**Fixed Remuneration**	**Variable Remuneration**	**Total Remuneration**
Senior Management	1.9	8.3	10.2
Other Material Risk Takers	1.0	4.6	5.6
Other Staff	1.3	0.9	2.2
Total	4.2	13.8	18.0

Total amount of severance payments awarded to material risk takers, and the number of individuals receiving them.

£M	**Total Amount of Severance Payments Awarded**	**Number of Individuals**
Senior Management	N/A	N/A
Other Material Risk Takers	N/A	N/A

The amount of the highest severance payment awarded to an individual material risk taker.

£M	**Total Amount of Severance Payments Awarded (£m)**	**Number of Individuals**
Highest severance payment awarded to an individual Material Risk Taker	N/A	N/A

Disclaimer

This document is for professional investors only. It is produced for information purposes in relation to the Company's capital adequacy and it's identified risk exposures. It may not include all of the firm's risks and reliance should not just be placed in making any judgement on the financial position or risks faced by the Company. The information contained in this document has not been audited and does not form part of the Company's financial statements. This document is updated and published annually but may be published more frequently if there is a material change in the business.