

## **Lindsell Train Funds Review**

Michael Lindsell and Nick Train founded this platform in 2000, and now manage 6 funds within it. Their investment philosophy is based on the idea of doing old-fashioned research into companies, to determine which ones have long-term strength, and then sticking with them, as opposed to many other fund managers, who keep switching and amending their portfolios, based on a data driven approach. Their philosophy is in tune with the view of legendary US investor, Warren Buffet.

For the majority of the time since this platform was founded, this approach has done well. In the last ten years, their Global Equity Fund has returned growth of 224.6%, compared to a sector average of 150.5%, and their UK Equity Fund has returned growth of 102.6%, compared to the sector average of 67.0%. These are the platform's two flagship funds, with £4.1 billion and £3.08 billion of investor funds being managed. Total funds managed is currently £9.05 billion, though this is down from £12.5 billion five years ago. Their other funds tend to concentrate on specific sectors (IT, North America, Japan etc).

However, in the last five years returns have been deteriorating in performance, relative to their sector average. Yodelar states that they are at, or near the bottom of their sector performance tables. Hence, perhaps, why some money has been moving out of their funds. The problem is that their approach, which is based on long-term stability, is not designed to be as flexible in reacting to short-term fluctuations, and new opportunities, in a more volatile market.

Yodelar's conclusion is that if markets stabilise, Lindsell Train's value-driven approach may once again begin to pay dividends, but that it would be wise to have some of your investments in funds that are rather more nimble in reacting to changing market conditions.

I should say that I do have some money invested in their Global Equity and UK Equity Funds. They have done reasonably well over the time I have had these holdings; the Global Fund is currently 154% up, and the UK Equity Fund 17.7% up.