



# **Fundsmith Equity Fund**

## Interim Report and Accounts

**For the six months ended 30 June 2016 (unaudited)**



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\*The above information collectively forms the Authorised Corporate Director's report.

# Profile of the fund

## Investment objective and policy

The aim of Fundsmith Equity Fund (“the Fund”) is to achieve long term growth and value.

The Fund will invest in equities on a global basis. The Fund’s approach is to be a long-term investor in its chosen stocks. It will not adopt short-term trading strategies.

The Fund has stringent investment criteria which the Authorised Corporate Director (ACD) and any appointed investment manager adhere to in selecting securities for the Fund’s investment portfolio. These criteria aim to ensure that the Fund invests in businesses:

- that can sustain a high return on operating capital employed;
- whose advantages are difficult to replicate;
- which do not require significant leverage to generate returns;
- with a high degree of certainty of growth from reinvestment of their cash flows at high rates of return;
- that are resilient to change, particularly technological innovation; and
- whose valuation is considered by the Fund to be attractive.

## Risk profile

The Fund has no exposure to derivatives and no borrowings. Further, the investments are all in large publicly quoted companies where there is significant liquidity in the stock. The principal risk factor is the market price of the securities held by the Fund which is kept under review in the light of the Fund’s objectives.

Currency risk: The Fund’s portfolio is a global share portfolio and many of the investments are not denominated in Sterling. There is no currency hedging in place and the price may therefore rise or fall purely on account of exchange rate movements.

Concentration risk: The investment criteria adopted by the Fund significantly limits the number of potential investments. The Fund generally holds 20 to 30 stocks and so it is more concentrated than many other funds. This means that the performance of a single stock within the portfolio has a greater effect on the price of the shares of the Fund.

## Risk warning

Any stock market investment involves risk. These risk factors are contained in the full Prospectus. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance.

**Risk and reward profile**

Lower risk  
Typically lower rewards

Higher risk  
Typically higher rewards

1	2	3	4	5	6	7
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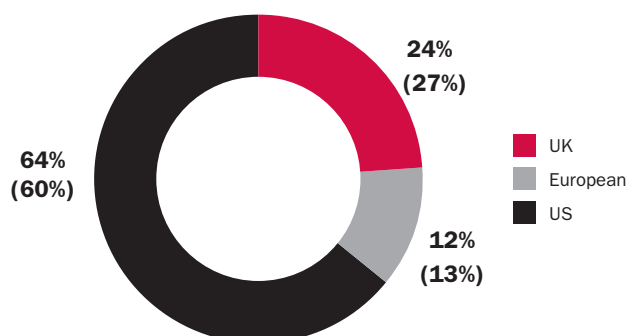
The risk category reflects the significance of the Fund’s share price fluctuations based on historical data. Historical data may not be a reliable indication of the future risk profile of the fund. The risk category of the Fund is not guaranteed and may change over time. Further, the lowest category of risk does not mean risk free.

Generally, the higher the risk category, the greater the potential for higher returns but also the higher the risk of losing money. The Fund is in Category 5 reflecting the risks inherent in the Fund’s investment portfolio, including that of capital losses. The underlying investments are, however, in large companies with shares that are highly liquid.

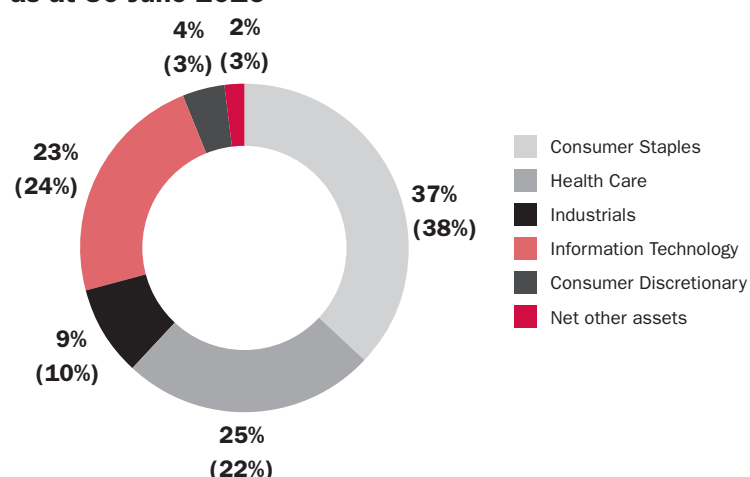
There are a number of other risks that are not covered by the indicator above. A full description is contained in the prospectus under the heading “Risk Factors”. The most material are currency risk and concentration risk which are explained above.

# Information on the fund

**Breakdown by geography\***  
as at 30 June 2016



**Breakdown by sector**  
as at 30 June 2016



The figures in brackets show comparative figures at 31 December 2015.

## Summary of significant changes

For the six months to 30 June 2016		For the six months to 30 June 2015	
Largest purchases	Cost (£)	Largest purchases	Cost (£)
JM Smucker	226,237,478	Intertek	66,304,727
Estee Lauder Companies	146,265,496	Sage	55,446,840
Paypal	145,088,440	Waters	50,117,376
Waters	110,474,383	Johnson & Johnson	42,077,094
Amadeus IT	106,815,629	eBay	41,084,821
<b>Total</b>	<b>734,881,426</b>	<b>Total</b>	<b>255,030,858</b>
<b>Total purchases for the six months</b>	<b>1,764,492,129</b>	<b>Total purchases for the six months</b>	<b>582,450,615</b>
Largest sales	Proceeds (£)	Largest sales	Proceeds (£)
Procter & Gamble	95,276,499	Domino's Pizza	50,334,456
		Choice Hotels	37,344,359
		Becton Dickinson	15,060,142
<b>Total</b>	<b>95,276,499</b>	<b>Total</b>	<b>102,738,957</b>
<b>Total sales for the six months</b>	<b>95,276,499</b>	<b>Total sales for the six months</b>	<b>102,738,957</b>

\*Breakdown by geography is by country of listing and not reflective of breakdown by operations.

# Portfolio statement

as at 30 June 2016 (unaudited)	Holdings	Market Value £	Percentage of Net Assets (%)
<b>Consumer Discretionary 3.87% (3.41%)</b>			
Intercontinental Hotels	10,107,050	273,294,632	3.87
		<b>273,294,632</b>	<b>3.87</b>
<b>Consumer Staples 37.26% (38.09%)</b>			
Colgate-Palmolive	1,226,460	65,323,928	0.93
Diageo	8,687,435	175,051,815	2.47
Dr Pepper Snapple	3,556,727	248,164,061	3.52
Estee Lauder Companies	2,269,534	150,965,789	2.14
Imperial Tobacco	8,027,247	318,159,935	4.50
JM Smucker	3,317,972	366,728,517	5.20
L'Oreal	1,004,225	141,318,123	2.00
Nestle	2,578,267	147,017,947	2.08
Pepsico	3,389,665	259,100,366	3.66
Philip Morris International	4,236,595	309,703,737	4.39
Reckitt Benckiser	2,598,426	188,411,869	2.67
Unilever	7,502,232	261,077,674	3.70
		<b>2,631,023,761</b>	<b>37.26</b>
<b>Health Care 24.80% (21.51%)</b>			
Becton Dickinson and Company	1,775,572	221,327,859	3.14
CR Bard	2,104,683	362,546,119	5.14
IDEXX Laboratories	4,242,323	286,533,029	4.06
Johnson & Johnson	3,558,743	314,740,946	4.46
Stryker	3,760,432	331,156,773	4.69
Waters	2,337,699	233,371,346	3.31
		<b>1,749,676,072</b>	<b>24.80</b>
<b>Industrials 8.75% (9.85%)</b>			
3M	1,875,046	238,356,680	3.38
Intertek	4,081,813	137,475,462	1.95
Kone	7,143,990	241,621,049	3.42
		<b>617,453,191</b>	<b>8.75</b>
<b>Information Technology 23.32% (24.07%)</b>			
Amadeus IT	10,272,657	332,964,493	4.72
Automatic Data Processing	3,198,067	211,331,408	2.99
Microsoft	8,531,191	319,666,764	4.53
Paypal	9,641,258	255,684,986	3.62
Sage	44,173,368	274,316,615	3.88
Visa	4,443,632	252,754,713	3.58
		<b>1,646,718,979</b>	<b>23.32</b>
<b>Portfolio of investments</b>		<b>6,918,166,635</b>	<b>98.00</b>
<b>Net other assets</b>		<b>141,036,113</b>	<b>2.00</b>
<b>Total net assets</b>		<b>7,059,202,748</b>	<b>100.00</b>

Comparative figures shown in brackets relate to 31 December 2015.

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to an official stock exchange listings.

# Investment Manager's review

The table below shows the performance of the Fund during the first half of 2016 and since inception compared with a number of benchmark indices:

	01.01.16 – 30.06.16 %	Since inception Cumulative %	Annualised %
<b>Fundsmith Equity Fund</b>	16.4	169.3	19.1
MSCI World	11.0	82.3	11.2
FTSE100	6.7	41.3	6.3
UK Gilts	7.7	33.8	5.3
Cash	0.3	3.8	0.7

Our Fund outperformed what is perhaps the most obvious benchmark – the MSCI World Index – by a bit over 5% during the first half of 2016 period for equities. It outperformed the FTSE100 Index which is relevant to many of our UK investors by closer to 10%.

The main contributors to our performance in the first half of 2016:

<b>TOP 5</b>	<b>% Contribution*</b>
Stryker	1.79
CR Bard	1.60
Idexx Laboratories	1.38
JM Smucker	1.30
Johnson & Johnson	1.22

The top five detractors from our Fund's performance during the period were:

<b>BOTTOM 5</b>	<b>% Contribution*</b>
Microsoft	-0.09
Procter & Gamble	-0.02
Estee Lauder	+0.08
Colgate-Palmolive	+0.20
Paypal	+0.21

None of these price moves seem to us to indicate that we should have significant worries about continuing to hold these stocks.

We began purchasing a holding in Estee Lauder during the period. It is a leading cosmetics business headquartered in America and we believe it complements our holding in L'Oreal through its greater emphasis on make-up rather than skin care or fragrances.

With regard to portfolio changes, our sole outright sale was our stake in Procter & Gamble. We expressed concern about P&G in our Annual Letter. We have felt for some time that its premium pricing in certain products and willingness to accept volume declines was particularly ill-suited to the current era of low growth in demand and we were not encouraged to believe that the business would change stance successfully given that it has had three CEOs in three years all of whom were internal appointees. However, it remains a company in which we are interested in investing if circumstances change or we prove to be wrong.

Our portfolio turnover -9.15% (negative 9.15%). The concept of negative turnover is not particularly easy to grasp or helpful in explaining the dealing activity of our Fund, but it is likely to arise during a period when we had strong flows into our Fund and relatively little dealing activity using the formula which we are obliged to use for this calculation.

Perhaps more important than the arcane methodology of turnover calculations is the question of how much we spent on dealing. Voluntary dealing – in which we made a decision to buy or sell a stock rather than deploying flows into the Fund – cost £142,915 in the first half of 2016 or 0.3 basis points (a basis point or bp being one hundredth of a percent) – that is 0.003% of the average value of the Fund (£5.5bn) in this period. This is very low as any of the stockbrokers who try (mostly unsuccessfully) to deal with us can attest. We eagerly await the day when all funds disclose this cost to see how we compare.

\*Contribution shows the gross contribution to the Fund's return by stock as calculated by State Street Investment Analytics.

## Investment Manager's review (continued)

The Ongoing Charge Figure of OCF for our Fund was just 8bps over the Annual Management Charge. If you are paying 1% AMC, as I am for my investment in the Fund, then the OCF is 1.08% the same as the first half of last year. If you add the costs of all dealing to derive the Total Cost of Investment or TCI this rises to 1.12%.

This may still appear to be acronym strewn gobbledegook but it is an important subject. In order to maximise your returns you need to minimise the cost of investment. Investors too often ignore this or if they focus on it at all they merely look at the AMC or the OCF. However, this is only part of the picture of what you pay before you get the benefit of the performance of the shares in your Fund.

We are confident that the TCI on the Fundsmith Equity Fund is very competitive partly because we deal so infrequently but since most other funds do not yet reveal their TCI, we will continue to have to wait until they do in order to demonstrate that.

Terry Smith  
**Fundsmith LLP**  
17 August 2016



# Report of the Authorised Corporate Director of Fundsmith LLP

## For the six months ended 30 June 2016 (unaudited)

The Authorised Corporate Director (“ACD”) of Fundsmith Equity Fund (the “Company”) is Fundsmith LLP. The ACD is the sole director of the Company. The Depositary is State Street Trustees Limited and the Independent Auditors are Deloitte LLP.

The Company is an authorised open-ended investment company with variable capital under Regulation 12 (Authorisation) of the OEIC regulations and the shareholders are not liable for the debts of the Company.

The investment objective of the Fund, the Company’s policy for pursuing that objective and a review of the Fund’s investment activities for the relevant period are set out in the fund review contained in this Annual Report and Financial Statements.

### Statement of Authorised Corporate Director’s Responsibilities

The Authorised Corporate Director of Fundsmith Equity Fund is responsible for preparing the Interim Report and the financial statements in accordance with the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (“the OEIC Regulations”), the Financial Conduct Authority’s Collective Investment Scheme’s Sourcebook (“COLL”) and the Company’s Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare financial statements for each annual accounting period which: are in accordance with United Kingdom Generally Accepted Accounting Practice (“United Kingdom Accounting Standards and applicable law”) and the Statement of Recommended Practice: “Financial Statements of Authorised Funds” issued by the Investment Management Association (“IMA SORP”) in May 2014; and give a true and fair view of the financial position of the Company as at the end of that period and the net revenue and the net capital gains or losses on the property of the Company for that period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;

- prepare financial statements in accordance with UK Accounting Standards and Statement of Recommended Practice for Authorised Funds issued by the IMA in May 2014;
- prepare the financial statements on a going concern basis.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the IMA SORP and applicable United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Semi Annual and Annual Report and the financial statements are published on maintained by the ACD (“ACD’s website”). The ACD is responsible for the maintenance and integrity of the information included on the ACD’s website, so far as it relates to the Company. The work carried out by the auditors does not involve consideration of the maintenance and integrity of the ACD’s website. Visitors to the ACD’s website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The ACD confirms that they have complied with the above requirements in preparing the financial statements.

In accordance with COLL 4.5.8BR, the Interim Report and the financial statements were approved by the Partners of the ACD of the Company and authorised for issue on 17 August 2016.

Simon Godwin  
Partner

**Fundsmith LLP**

as Authorised Corporate Director of Fundsmith Equity Fund  
17 August 2016

# Performance Record

As at 30 June 2016

Change in net assets per share	30.06.16 (p)	T Class (Accumulation shares)		
		31.12.15 (p)	31.12.14 (p)	31.12.13 (p)
Opening net asset value per share	231.35	199.97	162.16	129.38
Return before operating charges	40.52	33.65	39.70	34.50
Operating charges	(2.61)	(2.27)	(1.89)	(1.73)
Return after operating charges	37.91	31.39	37.81	32.78
Distributions on income units	-	-	-	-
Closing net asset value per share	269.26	231.35	199.97	162.16
Retained distributions on accumulation shares	1.44	2.34	2.05	1.83
After direct transaction costs of	0.10	0.13	0.16	0.10
<b>Performance</b>				
Return after operating charges	16.39%	15.70%	23.32%	25.33%
<b>Other information</b>				
	£	£	£	£
Closing net asset value	1,297,273,681	999,310,168	741,941,491	490,338,454
Closing number of shares	481,787,085	431,944,155	371,035,373	302,371,596
Ongoing charge figure*	1.08%	1.07%	1.09%	1.11%
Direct transaction costs	0.04%	0.06%	0.09%	0.07%
<b>Prices</b>				
	(p)	(p)	(p)	(p)
Highest share price	269.30	233.13	202.30	164.70
Lowest share price	221.51	196.44	155.45	130.17

Change in net assets per share	30.06.16 (p)	T Class (Income shares)		
		31.12.15 (p)	31.12.14 (p)	31.12.13 (p)
Opening net asset value per share	217.80	190.37	156.18	126.05
Return before operating charges	38.14	31.79	37.97	33.58
Operating charges	(2.46)	(2.15)	(1.81)	(1.67)
Return after operating charges	35.68	29.64	36.16	31.91
Distributions on income units	(1.36)	(2.22)	(1.97)	(1.78)
Closing net asset value per share	252.12	217.80	190.37	156.18
Retained distributions on accumulation shares	-	-	-	-
After direct transaction costs of	0.09	0.12	0.15	0.10
<b>Performance</b>				
Return after operating charges	16.38%	15.57%	23.16%	25.32%
<b>Other information</b>				
	£	£	£	£
Closing net asset value	130,576,857	109,730,718	92,563,157	61,593,449
Closing number of shares	51,791,104	50,382,100	48,622,593	39,437,719
Ongoing charge figure*	1.08%	1.07%	1.09%	1.11%
Direct transaction costs	0.04%	0.06%	0.09%	0.07%
<b>Prices</b>				
	(p)	(p)	(p)	(p)
Highest share price	253.52	220.17	193.31	159.22
Lowest share price	208.54	185.52	149.73	126.82

\*The Ongoing Charge Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

# Performance Record (continued)

As at 30 June 2016

Change in net assets per share	30.06.16 (p)	R Class (Accumulation shares)		
		31.12.15 (p)	31.12.14 (p)	31.12.13 (p)
Opening net asset value per share	225.47	195.86	159.64	128.00
Return before operating charges	40.00	32.85	38.91	34.11
Operating charges	(3.72)	(3.24)	(2.69)	(2.47)
Return after operating charges	36.28	29.61	36.22	31.64
Distributions on income units	-	-	-	-
Closing net asset value per share	261.75	225.47	195.86	159.64
Retained distributions on accumulation shares	0.82	1.25	1.16	1.04
After direct transaction costs of	0.10	0.12	0.15	0.10
<b>Performance</b>				
Return after operating charges	16.09%	15.12%	22.69%	24.72%
<b>Other information</b>				
	£	£	£	£
Closing net asset value	118,838,518	91,894,710	114,715,949	96,290,925
Closing number of shares	45,401,106	40,756,530	58,569,039	60,319,176
Ongoing charge figure*	1.58%	1.57%	1.59%	1.61%
Direct transaction costs	0.04%	0.06%	0.09%	0.07%
<b>Prices</b>				
	(p)	(p)	(p)	(p)
Highest share price	261.81	227.21	198.17	162.51
Lowest share price	215.83	191.78	152.95	128.78

Change in net assets per share	30.06.16 (p)	R Class (Income shares)		
		31.12.15 (p)	31.12.14 (p)	31.12.13 (p)
Opening net asset value per share	217.60	190.21	156.09	125.99
Return before operating charges	38.39	31.74	37.87	33.53
Operating charges	(3.53)	(3.14)	(2.62)	(2.41)
Return after operating charges	34.86	28.60	35.25	31.12
Distributions on income units	(0.77)	(1.21)	(1.13)	(1.02)
Closing net asset value per share	251.69	217.60	190.21	156.09
Retained distributions on accumulation shares	-	-	-	-
After direct transaction costs of	0.09	0.12	0.15	0.10
<b>Performance</b>				
Return after operating charges	16.02%	15.03%	22.58%	24.70%
<b>Other information</b>				
	£	£	£	£
Closing net asset value	16,833,797	43,076,791	45,962,297	47,773,516
Closing number of shares	6,688,253	19,796,535	24,163,678	30,607,111
Ongoing charge figure*	1.58%	1.57%	1.59%	1.61%
Direct transaction costs	0.04%	0.06%	0.09%	0.07%
<b>Prices</b>				
	(p)	(p)	(p)	(p)
Highest share price	252.64	219.46	192.72	159.01
Lowest share price	208.29	185.24	149.57	126.76

\*The Ongoing Charge Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

# Performance Record (continued)

As at 30 June 2016

Change in net assets per share	30.06.16 (p)	I Class (Accumulation shares)		
		31.12.15 (p)	31.12.14 (p)	31.12.13 (p)
Opening net asset value per share	232.53	200.78	162.66	129.64
Return before operating charges	40.66	33.82	39.85	34.60
Operating charges	(2.40)	(2.07)	(1.73)	(1.58)
Return after operating charges	38.26	31.75	38.12	33.02
Distributions on income units	-	-	-	-
Closing net asset value per share	270.79	232.53	200.78	162.66
Retained distributions on accumulation shares	1.58	2.56	2.24	1.99
After direct transaction costs of	0.10	0.13	0.16	0.10
<b>Performance</b>				
Return after operating charges	16.45%	15.81%	23.44%	25.47%
<b>Other information</b>				
	£	£	£	£
Closing net asset value	2,979,267,829	1,665,042,251	843,461,107	284,018,857
Closing number of shares	1,100,197,792	716,047,119	420,087,945	174,608,637
Ongoing charge figure*	0.98%	0.97%	0.98%	1.01%
Direct transaction costs	0.04%	0.06%	0.09%	0.07%
<b>Prices</b>				
	(p)	(p)	(p)	(p)
Highest share price	270.81	234.32	203.12	165.13
Lowest share price	222.66	197.37	155.94	130.43

Change in net assets per share	30.06.16 (p)	I Class (Income shares)		
		31.12.15 (p)	31.12.14 (p)	31.12.13 (p)
Opening net asset value per share	217.81	190.38	156.18	126.05
Return before operating charges	38.06	31.80	37.97	33.58
Operating charges	(2.24)	(1.95)	(1.64)	(1.52)
Return after operating charges	35.82	29.85	36.33	32.06
Distributions on income units	(1.47)	(2.42)	(2.13)	(1.93)
Closing net asset value per share	252.16	217.81	190.38	156.18
Retained distributions on accumulation shares	-	-	-	-
After direct transaction costs of	0.09	0.12	0.15	0.10
<b>Performance</b>				
Return after operating charges	16.44%	15.68%	23.26%	25.43%
<b>Other information</b>				
	£	£	£	£
Closing net asset value	2,516,412,066	1,645,010,538	1,161,061,308	598,649,920
Closing number of shares	997,935,583	755,248,320	609,850,760	383,317,013
Ongoing charge figure*	0.98%	0.97%	0.98%	1.01%
Direct transaction costs	0.04%	0.06%	0.09%	0.07%
<b>Prices</b>				
	(p)	(p)	(p)	(p)
Highest share price	253.66	220.29	193.40	159.28
Lowest share price	208.56	185.56	149.74	126.82

\*The Ongoing Charge Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

# Statement of total return

For the six months ended 30 June 2016 (unaudited)

	01.01.16 to 30.06.16		01.01.15 to 30.06.15	
	£	£	£	£
Income				
Net capital gains/(losses)		869,933,073		(14,125,491)
Revenue	67,663,562		47,414,764	
Expenses	(27,446,965)		(17,501,555)	
Interest payable and similar charges	(13,920)		(1,893)	
Net revenue before taxation	40,202,677		29,911,316	
Taxation	(6,708,866)		(3,084,436)	
Net revenue after taxation		33,493,811		26,826,880
<b>Total return before distributions</b>		<b>903,426,884</b>		<b>12,701,389</b>
Distributions		(33,493,525)		(26,827,586)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>869,933,359</b>		<b>(14,126,197)</b>

# Statement of change in net assets attributable to Shareholders

For the six months ended 30 June 2016 (unaudited)

	01.01.16 to 30.06.16		01.01.15 to 30.06.15	
	£	£	£	£
Opening net assets attributable to shareholders		4,554,065,176		2,999,705,309
Amounts receivable on issue of shares	1,984,839,216		596,290,001	
Amounts payable on cancellation of shares	(374,297,487)		(123,063,707)	
		1,610,541,729		473,226,294
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>869,933,359</b>		<b>(14,126,197)</b>
Retained distribution on accumulation shares		24,662,484		16,499,346
<b>Closing net assets attributable to shareholders</b>		<b>7,059,202,748</b>		<b>3,475,304,752</b>

The above statement shows the comparative closing net assets at 30 June 2015 whereas the current accounting period commences 1 January 2016.

# Balance Sheet

As at 30 June 2016 (unaudited)

Assets				
	30.06.16		31.12.15	
	£	£	£	£
Fixed assets				
Investments		6,918,166,635		4,414,175,677
Current assets				
Debtors	60,013,302		28,910,768	
Cash and bank balances	122,660,893		141,985,648	
Total current assets		182,674,195		170,896,416
Total assets		7,100,840,830		4,585,072,093
Liabilities				
Investment liabilities				
Creditors				
Bank overdrafts	-		3,507,975	
Distribution payable on income shares	15,472,515		6,442,090	
Other creditors	26,165,567		21,056,852	
Total other liabilities		41,638,082		31,006,917
Total liabilities		41,638,082		31,006,917
Net assets attributable to shareholders		7,059,202,748		4,554,065,176

# Notes to the financial statements

**For the six months ended 30 June 2016 (unaudited)**

## **1. Accounting policies**

### **a) Basis of accounting**

The financial statements have been prepared in accordance with FRS 102 under the historical cost basis, as modified by the revaluation of investments, and in accordance with the revised Statement of Recommended Practice (SORP) for Authorised issued by the Investment Management Association (the IMA) (now known as the Investment Association) in May 2014.

The ACD is confident that the Company will continue in operation for the foreseeable future. The Company has adequate financial resources and its assets consist of securities which are readily realisable. As such, the financial statements have been prepared on the going concern basis.

The accounting policies applied are consistent with those of the financial statements for the year ended 31 December 2015 and are described in those financial statements.

# Further information

## Report and accounts

Each year, you will be sent annual and interim reports discussing investment activity during the period and providing management commentary.

The long report will be available, free of charge upon request from the ACD.

## UCITS IV

The Fund is an Undertaking for Collective Investment in Transferable Securities ("UCITS IV") for the purpose of the Council Directives 2001/107/EC ("the Management Directive") and 2001/108/EC ("the Product Directive").

## Prospectus

The Fund Prospectus, an important document describing Fundsmith Equity Fund in detail, is available from the ACD, which is responsible for the management and administration of the Fund.

The ACD for Fundsmith Equity Fund is Fundsmith LLP located at 33 Cavendish Square, London W1G 0PW

## Minimum investment

The company has three different types of share classes:

I shares, R shares and T shares.

The T share class has been used as the representative share class.

There are two types of share available in each class – Income shares or Accumulation shares.

The following table summarises the investment levels for T shares.

<b>Minimum lump sum investment level</b>	<b>£1,000</b>
<b>Minimum regular sum investment level</b>	<b>£100</b>
<b>Minimum top-up investment amount</b>	<b>£250</b>
<b>Minimum holding level</b>	<b>£1,000</b>

## Publication of prices

The most recent share prices will be published daily on the website ([www.fundsmith.co.uk](http://www.fundsmith.co.uk)) and in the Daily Telegraph or Financial Times.

## Dealing Charges

There are no dealing charges on the purchase, sale or switching of shares.

## Dilution Adjustment

The ACD may impose a dilution adjustment to the share price.

The dilution adjustment aims to mitigate the costs to the Company of making investments (when additional cash is available following new investment into the Company) or selling investments in order to meet redemption requests.

Further information regarding the circumstances in which a dilution adjustment may be applied is set out in the full Prospectus.



## Contact details

### Dealing and enquiries

**Fundsmith LLP**  
**PO Box 10846**  
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**Essex**  
**CM99 2BW**  
**United Kingdom**

**Telephone: 0330 123 1815\***  
**[www.fundsmith.co.uk](http://www.fundsmith.co.uk)**

### Registered office

Fundsmith Equity Fund  
33 Cavendish Square  
London  
W1G 0PW  
United Kingdom

Authorised and regulated by The Financial Conduct Authority.  
FCA Registration Number IC00846

### Authorised Corporate Director

Fundsmith LLP  
33 Cavendish Square  
London  
W1G 0PW  
United Kingdom

Authorised and regulated by The Financial Conduct Authority.  
FCA Registration Number 523102

### Registrar

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IFDS House  
St Nicholas Lane  
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SS15 5FS  
United Kingdom

Phone 0800 328 1571  
9.00 am to 5.00 pm, Monday to Friday

### Administrator

State Street Bank and Trust Company  
20 Churchill Place  
London  
E14 5HJ  
United Kingdom

### Depository

State Street Trustees Limited  
525 Ferry Road  
Edinburgh  
EH5 2AW  
United Kingdom

Authorised and regulated by The Financial Conduct Authority.  
FCA Registration Number 186237

### Independent auditor

Deloitte LLP  
2 New Street Square  
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United Kingdom

### Financial Conduct Authority

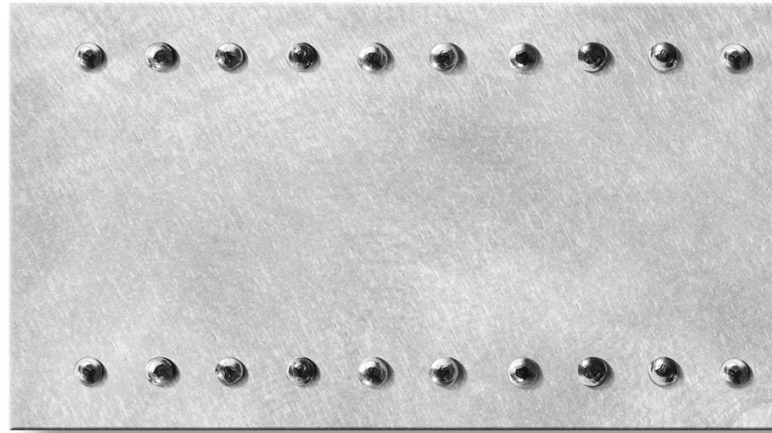
25 North Colonnade  
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\*Please note telephone calls may be recorded for monitoring and training purposes, and to confirm Investors' Instructions







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