

Fundsmith Equity Fund Feeder

« Société d'Investissement à Capital Variable »

Unaudited semi-annual report for the period from 1 January 2015
to 30 June 2015

R.C.S. Luxembourg B 164404

Subscriptions may not be received on the basis of financial reports. Subscriptions are valid only if made on the basis of the current prospectus, supplemented by the last annual report, and the most recent half-yearly report, if published thereafter.

Fundsmith Equity Fund Feeder

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Fundsmith Equity Fund Feeder

ORGANISATION OF THE SICAV

REGISTERED OFFICE

49, Avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

MANAGEMENT COMPANY AND DISTRIBUTOR

Fundsmith LLP
33, Cavendish Square
London, W1G 0PW
United Kingdom
Authorised and regulated by The Financial Conduct Authority.
Financial Registration Number 523102

BOARD OF DIRECTORS OF THE SICAV

Chairman

Mr Terry Smith
Fundsmith LLP

Other Directors

Mr Simon Godwin
Fundsmith LLP
Mr Garry Pieters
Independent Director

CABINET DE REVISION AGREE

Deloitte Audit, Société à responsabilité limitée
560, Rue de Neudorf
L-2220 Luxembourg
Grand Duchy of Luxembourg

DEPOSITARY AND ADMINISTRATOR (CENTRAL ADMINISTRATION AGENT, DOMICILIARY AND CORPORATE AGENT, REGISTRAR AND TRANSFER AGENT)

State Street Bank Luxembourg S.C.A.
49, Avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISER

D.Law Business Law Firm, Société à responsabilité limitée
Aerogolf Bloc A - 1, rue Heienhaff
L-1736 Senningerberg
Grand Duchy of Luxembourg

MASTER FUND

Fundsmith Equity Fund
A UCITS established in the United Kingdom
33, Cavendish Square
London, W1G 0PW
United Kingdom
Authorised and regulated by The Financial Conduct Authority
Financial Registration Number IC000846

Fundsmith Equity Fund Feeder

DIRECTORS' REPORT

These accounts cover the six months ended 30 June 2015.

For those of you who have looked at previous report and accounts of this fund, you will be aware of the format. Enclosed with this report is the Master Fund's short report and accounts for the same period and this gives you details of its performance. As it represents over 99% of the assets of this feeder fund, it gives you the detail behind the performance of this fund.

Set out below are the performance tables, as shown in the Master Fund's accounts, but in Euros, Dollars, Pound Sterling and Swiss Francs. This will enable you to understand our relative performance in the share classes of this fund in the respective currencies.

Total return (%)	2015 To 30 June	Since inception to 30 June 2015	Annualised since inception
Euros			
Fundsmith Equity Fund Feeder (T Class)	10.3	121.1	24.2
MSCI World Index	11.5	92.9	19.7
Swiss francs			
Fundsmith Equity Fund Feeder	(4.6)	63.8	16.9
MSCI World Index	(3.1)	47.0	12.6
US Dollars			
Fundsmith Equity Fund Feeder	1.5	38.2	15.1
MSCI World Index	2.6	27.2	11.1
Pound Sterling			
Fundsmith Equity Fund Feeder	0.8	23.8	19.4
MSCI World Index	1.8	15.1	11.5

As with the Master fund, each of the different currency classes have underperformed their respective MSCI World Indices by approximately 1%. This underperformance was reversed, in all classes, in July in what remains a relatively static equities market. The exception to this is the performance of the euro share classes which were affected by the weakening of the euro.

As discussed in the Master Fund accounts, the performance for the year and since inception remains satisfactory and we remain confident for the future.

Fundsmith Equity Fund Feeder

STATEMENT OF NET ASSETS AS AT 30 JUNE 2015

Fundsmith Equity Fund Feeder

EUR

	EUR
Assets	
Investments at net asset value (Note 3)	516,537,835
Receivable on subscriptions	838,033
Receivable for investment securities sold	436,782
Cash at bank (Note 3)	85,554
Deferred organisational expense (Note 3)	45,013
Reimbursement fee receivable (Note 9)	9,633
Other assets	1,695
Total assets	517,954,545
Liabilities	
Payable for investment securities purchased	755,957
Payable on redemptions	517,850
Administration fees payable (Note 7)	227,406
Management company fee payable (Note 5)	68,215
Professional fees payable	22,037
Taxe d'abonnement payable (Note 4)	17,575
Depositary fees payable (Note 7)	15,104
Total liabilities	1,624,144
Total Net Assets	516,330,401

The accompanying notes form an integral part of these financial statements.

Fundsmith Equity Fund Feeder

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

Fundsmith Equity Fund Feeder

EUR

Net assets at the beginning of the period	428,124,738
Income	
Dividend income (Note 3)	1,780,451
Reimbursement fees (Note 9)	7,514
Total income	1,787,965
Expenses	
Administration fees (Note 7)	363,418
Management company fees (Note 5)	54,722
Depository fees (Note 7)	47,293
Taxe d'abonnement (Note 4)	34,307
Organisational expense amortised (Note 3)	13,032
Directors fees (Note 8)	12,448
Audit fees	11,041
Legal fees	6,040
Other expenses	1,996
Total expenses	544,297
Net investment gain	1,243,668
Net realised profit on	
- Investments	9,349,895
- Currencies	3,060,746
Change in unrealised appreciation on	
- Investments	31,541,198
- Currencies	3,242
Net result of operations for the period	45,198,749
Subscriptions for the period	
Redemptions for the period	(59,403,874)
Distribution paid for the period (Note 11)	(315,742)
Net assets at the end of the period	516,330,401

The accompanying notes form an integral part of these financial statements.

Fundsmith Equity Fund Feeder

STATISTICAL INFORMATION AS AT 30 JUNE 2015

	Currency	Total Net Assets As at 30 June 2015	Net Asset Value As at 30 June 2015	Total Net Assets As at 31 Dec 2014	Net Asset Value As at 31 Dec 2014	Total Net Assets As at 31 Dec 2013	Net Asset Value As at 31 Dec 2013
Fundsmith Equity Fund Feeder							
Euros Classes							
Class I Accumulation	EUR	199,197,145	22.19	195,405,123	20.11	101,335,381	15.26
Class I Income	EUR	48,111,618	21.52	50,715,564	19.57	36,062,340	15.01
Class T Accumulation	EUR	29,404,863	22.11	16,136,628	20.05	12,615,748	15.24
Class T Income	EUR	3,806,793	21.48	3,786,248	19.52	3,036,319	14.99
Class R Accumulation	EUR	6,663,142	21.79	6,989,620	19.80	3,267,595	15.12
Class R Income	EUR	6,366,973	21.48	5,834,765	19.53	5,940,552	14.93
GB Pounds Classes							
Class I Accumulation*	GBP	17,368,273	12.38	12,593,701	12.28	-	-
Class I Income*	GBP	15,232,949	12.25	13,697,953	12.19	-	-
Swiss Francs Classes							
Class I Accumulation	CHF	44,642,314	16.38	45,467,811	17.16	30,466,778	13.29
Class I Income	CHF	4,375,139	15.85	8,534,701	16.66	6,706,562	13.04
US Dollars Classes							
Class I Accumulation	USD	119,376,331	13.82	64,010,578	13.61	24,270,266	11.71
Class I Income	USD	25,762,534	13.55	21,783,982	13.39	9,854,436	11.64
Total Net Assets	EUR	516,330,401		428,124,738		217,346,898	

*Class I Accumulation (GBP) and Class I Income (GBP) were launched on 15 April 2014

The accompanying notes form an integral part of these financial statements.

Fundsmith Equity Fund Feeder

STATEMENT OF CHANGES IN SHARES FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

	Currency	Balance at 1 January 2015	Subscriptions	Redemptions	Balance at 30 June 2015
Fundsmith Equity Fund Feeder					
Euros Classes					
Class I Accumulation	EUR	9,717,243	483,359	1,223,714	8,976,888
Class I Income	EUR	2,591,631	59,366	415,327	2,235,670
Class T Accumulation	EUR	804,877	606,101	81,043	1,329,935
Class T Income	EUR	193,934	18,007	34,716	177,225
Class R Accumulation	EUR	352,949	88,482	135,642	305,789
Class R Income	EUR	298,809	-	2,395	296,414
GB Pound Classes					
Class I Accumulation	GBP	1,025,203	491,011	113,284	1,402,930
Class I Income	GBP	1,123,990	119,516	-	1,243,506
Swiss Francs Classes					
Class I Accumulation	CHF	2,649,346	121,920	45,850	2,725,416
Class I Income	CHF	512,317	3	236,286	276,034
US Dollars Classes					
Class I Accumulation	USD	4,702,442	4,735,270	799,772	8,637,940
Class I Income	USD	1,626,569	379,620	104,895	1,901,294
Total		25,599,310	7,102,655	3,192,924	29,509,041

Fundsmith Equity Fund Feeder

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS AS AT 30 JUNE 2015

	Quantity	Description	Currency	Acquisition Cost EUR	Net Asset Value	% of Net Assets
Master Fund						
	190,987,421	Fundsmith Equity Fund - I Income Shares	EUR	369,655,216	516,537,835	100.04
Total Mutual Funds				369,655,216	516,537,835	100.04
Total Investments				369,655,216	516,537,835	100.04
Other Net Assets					(207,434)	(0.04)
Total Net Assets					516,330,401	100.00

The accompanying notes form an integral part of these financial statements.

Fundsmith Equity Fund Feeder

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Fundsmith Equity Fund Feeder (the "SICAV") is an open-ended investment company incorporated under the laws of Luxembourg as a Société d'Investissement à Capital Variable in accordance with the provisions of Part I of the amended Law relating to Undertakings for Collective Investments of 17 December 2010 ("UCI Law"). The SICAV was incorporated for an unlimited period on 28 October 2011. The Articles were published in the Mémorial C on 14 November 2011. The SICAV is registered with the Luxembourg Trade and Companies Register under number B164404.

The SICAV intends to realise its investment objective by investing substantially all of its assets into the "Income Shares" of the "I Share Class" of the Master Fund, as these terms are defined in the prospectus of the Master Fund, i.e. income distributing shares of a class primarily aimed at institutional investors.

The SICAV has appointed Fundsmith LLP to serve as its management company within the meaning of the UCI Law. The Management Company is responsible, subject to the overall supervision of the Directors, for the provision of investment management services, administrative services and marketing services to the SICAV.

2. MASTER FUND

The SICAV is a feeder Undertakings for Collective Investments on Transferable Securities ("UCITS") (as defined in the UCI Law) of Fundsmith Equity Fund (the "Master Fund") which qualifies as a master UCITS (as defined in the UCI Law). In compliance with the relevant provisions of the UCI Law, the SICAV will at all times invest at least 85% of its assets in shares of the Master Fund. The SICAV may hold up to 15% of its assets in ancillary liquid assets, including cash, cash equivalents and short term bank deposits in accordance with the provisions of Article 41 (2) of the UCI Law. In practice, the Board looks to invest a much higher percentage in the Master Fund and will be almost fully invested in the Master Fund at most times.

The Master Fund is an investment company with variable capital incorporated in England and Wales, with Financial Registration number IC000846. It was established on 19 October 2010 and is authorised and regulated by the FCA as a UCITS fund.

The Master Fund has been authorised by the FCA as a "master UCITS" in the meaning of the relevant provisions of the UCITS Directive. As a consequence, the Master Fund must, at all times, (i) have at least one feeder UCITS among its shareholders, (ii) not itself become a feeder UCITS, and (iii) not hold shares or units of a feeder UCITS.

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

Fundsmith Equity Fund Feeder

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. MASTER FUND (continued)

The annual and semi-annual reports of the Master Fund can be obtained from the website (www.fundsmith.co.uk) or from State Street Bank and Trust Company, 20 Churchill Place, London E14 5HJ, United Kingdom.

The investment objective of the Master Fund is to achieve long term growth in value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounts of the SICAV are maintained in Euro being the Reference Currency. The SICAV's financial statements were prepared in accordance with Luxembourg regulations relating to Undertakings for Collective Investment and in particular using the following valuation rules:

a) Valuation of cash and cash equivalents

Cash on hand or on deposit will be valued at its nominal / face value plus accrued interest, where applicable, to the end of the relevant Valuation Day.

b) Valuation of investments

Each dealing day shares of the Master Fund shall be valued at the latest available Net Asset Value per Share as published by the Master Fund. For the purposes of the audited financial statements, the shares of the Master Fund shall be valued with the Net Asset Value per Share published by the Master Fund in its audited financial statements.

The Board of Directors of the SICAV may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations; they consider that such adjustment is required to reflect the fair value thereof.

Where the value of any investment is not ascertainable as described in the Articles, the value shall be the probable realisation value estimated by the Board of Directors of the SICAV with care and in good faith or by a competent person.

If the Board of Directors of the SICAV deems it necessary, a specific investment may be valued under an alternative method of valuation chosen by the Board of Directors of the SICAV.

c) Net realised profit /(loss) on investments

Realised profits or losses made on the sales of investments are calculated according to the average cost method.

Realised profits and losses are recorded in the "Statement of Operations and Changes in Net Assets".

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Cost of purchase of investments

For investments in currencies other than the Reference Currency, the purchase price is calculated according to the closing exchange rate on the day of purchase.

e) Income

Dividends are recognised on the date on which the shares concerned are quoted «ex-dividend», net of withholding tax.

f) Conversion of items expressed in foreign currencies

Assets and liabilities in foreign currencies are converted into the Reference Currency of the SICAV at the closing exchange rate on the final day of the financial period.

Income and expenses in foreign currencies are converted into the Reference Currency of the SICAV at the closing exchange rate in force on the day of the transaction.

Realised profits and losses made on foreign currencies are included in the "Statement of Operations and Changes in Net Assets".

g) Total Net Asset Value

The Total Net Asset Value, expressed in the Reference Currency, is equal to the difference between the total assets and the total liabilities of the SICAV.

The Total Net Asset Value of each class is expressed in the relevant Reference Currency of the relevant class.

The Net Asset Value per Share is calculated as of each Valuation Day by dividing the Total Net Asset Value attributable to a Class by the total number of Shares in issue or deemed to be in issue in that Class as of the relevant Valuation Day and rounding the resulting total to two decimal places or such number of decimal places as the Board of Directors of the SICAV may determine.

h) Use of Estimates

The preparation of the financial statements in conformity with the Luxembourg legal and regulatory requirements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Board of Directors of the SICAV may also disclose certain contingent assets and liabilities at the date of the financial statements which can affect income and expenses during the reported periods. Actual results could differ from those estimates.

Fundsmith Equity Fund Feeder

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Organisational expense

The total costs and expenses of establishing the SICAV were EUR 100,064 and were paid and borne by the SICAV. These costs and expenses have been capitalised and will be amortised on a straight-line basis over a period of up to 5 years from the date on which the SICAV commences business.

4. TAXE D'ABONNEMENT

Under current Law and practice, the SICAV is not liable to any Luxembourg tax on profits or income.

The SICAV is, however, liable in Luxembourg to a subscription tax ("taxe d'abonnement") of 0.01% per annum of its Total Net Asset Value for institutional shares and of 0.05% per annum of its Total Net Asset Value for retail shares, such tax being payable quarterly on the basis of the value of the aggregate Total Net Asset Value of the SICAV at the end of the relevant calendar quarter.

No Luxembourg tax is payable on the realised capital appreciation of the assets of the SICAV.

Dividends and interests received by the SICAV on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin.

5. MANAGEMENT COMPANY FEES

The Management Company Fee paid by the SICAV, which is expressed as a percentage of the Net Asset Value, is specified in the following table:

Annual management fee rate by Share Class:		
I	R	T
—	0.60%	0.10%

The SICAV invests in the Master Fund, as mentioned previously. It invests in the Class I of the Master Fund and the Management Company earns a management fee of 0.90% in the Master Fund Class I. Therefore, in total, the Management Company earns a fee of 0.90% in the Master fund and the relevant fee in the SICAV as in the above table.

6. PERFORMANCE FEES

The SICAV is not subject to performance fees.

Fundsmith Equity Fund Feeder

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. DEPOSITARY AND ADMINISTRATION FEES

The SICAV pays to the Depositary out of the assets of the SICAV an annual fee, accrued as of each Valuation Day and payable monthly in arrears, which is expressed as a percentage of the Net Asset Value, as specified in the following table:

Total Net Assets	Rate
EUR 0 - EUR 50 million	0.015%
From EUR 50 million	0.010%

This annual fee is subject to a minimum monthly expense of EUR 1,000 per sub-fund.

The SICAV pays to the Administrator out of the assets of the SICAV an annual fee, accrued as of each Valuation Day and payable monthly in arrears, which is expressed as a percentage of the Net Asset Value, as specified in the following table:

Total Net Assets	Rate
EUR 0 - EUR 50 million	0.035%
From EUR 50 million	0.025%

This annual fee is subject to a minimum monthly expense of EUR 1,500 per sub-fund.

8. DIRECTORS FEES

Mr. Garry Pieters receives as compensation for services as Independent Director, an annual fee of EUR 25,000; subject to confirmation by the general meeting of shareholders of the SICAV. Mr. Terry Smith and Mr. Simon Godwin do not receive a fee for acting as Directors.

9. REIMBURSEMENT FEES

Fundsmith LLP has decided to limit total expenses in respect of Share Classes. Therefore, to the extent that total expenses would exceed the expense cap (currently equal to 0.20%), Fundsmith LLP has decided to reduce the fees as detailed in the expenses section of the "Statement of Operations and Changes in Net Assets" (excluding Management Company Fees) accordingly for the period ended 30 June 2015.

The reimbursement fees are recorded in the income section of the "Statement of Operations and Changes in Net Assets".

Fundsmith Equity Fund Feeder

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. SHARE CAPITAL

The Share Classes available as at 30 June 2015 are the following:

	Currency	Minimum Subscription
Class I Accumulation Shares	CHF	CHF 6,000,000
Class I Accumulation Shares	EUR	EUR 5,000,000
Class I Accumulation Shares	GBP	GBP 5,000,000
Class I Accumulation Shares	USD	USD 6,000,000
Class I Income Shares	CHF	CHF 6,000,000
Class I Income Shares	EUR	EUR 5,000,000
Class I Income Shares	GBP	GBP 5,000,000
Class I Income Shares	USD	USD 6,000,000
Class R Accumulation Shares	EUR	EUR 2,000
Class R Income Shares	EUR	EUR 2,000
Class T Accumulation Shares	EUR	EUR 2,000
Class T Income Shares	EUR	EUR 2,000

11. DISTRIBUTION PAID

The Board of Directors of the SICAV reserves the right to introduce a distribution policy that may vary between the Classes of Income Shares issued.

A total amount of EUR 315,742 was distributed over the period.

12. CHANGES IN THE COMPOSITION OF PORTFOLIO AND MASTER REPORTS

The list of movements in the portfolio composition for the period ended 30 June 2015, and the annual and half-yearly reports of the Master Fund are available on request from State Street Bank and Trust Company, 20 Churchill Place, London E14 5HJ, United Kingdom or from the website (www.fundsmith.co.uk).

13. AGGREGATE CHARGES

The SICAV is investing in "Income Shares" of the "I Share Class" of the Master Fund. At the level of the Master Fund, the fees, charges and expenses associated with such investment are an annual management charge paid to the Management Company and other expenses of the Master Fund.

At the SICAV level, the Management Company Fee payable by the SICAV for the different Share Classes offered, is set at such rates that, for any given Share Class, the aggregate amount of the Management Company Fee for that Share Class and the annual management charge payable at the level of the Master Fund for the I Share Class (in which the SICAV invests) corresponds to the annual management charge that would have been payable by an investor investing directly in the relevant Share Class of the Master Fund.

Fundsmith Equity Fund Feeder

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. AGGREGATE CHARGES (continued)

The aggregate charges of the SICAV (after fee reimbursements) and the Master Fund are detailed in the following table. The SICAV's Total Expense Ratios ("TER") and aggregate charges are based on the average holdings by the Feeder in the Master during the period.

	Charges at SICAV level		Charges at Master Fund level		Aggregate charges	
	Amount (in EUR)	TER (%)	Amount (in EUR)	TER (%)	Amount (in EUR)	TER (%)
Charges	536,783	0.26	2,023,259	0.98	2,560,042	1.24

The amount charged to the SICAV within the Master Fund has been calculated based on the Ongoing Charges Figure as disclosed in the audited accounts for the Master Fund for the period ended 30 June 2015.

14. TRANSACTION COSTS

No transaction costs were charged to the SICAV in the period.

15. FEEDER OWNERSHIP OF THE MASTER

As at 30 June 2015, the Feeder ownership of the Master was equal to 10.53%.

Fundsmith Equity Fund Feeder

EUROPEAN UNION SAVINGS DIRECTIVE (UNAUDITED)

The Council of the European Union adopted on June 3, 2003 a Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Savings Tax Directive") under which member states of the European Union ("Member States") are expected to provide tax authorities of another Member State with details of payment of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State. Austria and the Grand Duchy of Luxembourg have opted alternatively for a withholding tax system for a transitional period in relation to such payments. The Luxembourg law of June 21, 2005 implemented the Savings Directive into Luxembourg law (the "Savings Directive Law"). The withholding tax is currently of 35% since 1st July 2011. Article 9 of the Savings Directive Law provides that no withholding tax will be withheld if the beneficial owner expressly authorizes the paying agent to report information in accordance with the provisions of the Savings Directive Law.

Dividends distributed by a fund will be subject to the Savings Tax Directive if more than 15% of the relevant Fund's assets are invested in debt claims as defined in the Savings Directive Law. Proceeds realised by Shareholders on the disposal of shares will be subject to such reporting or withholding if more than 25% of the relevant fund's assets are invested in debt claims as defined by the Savings Directive Law.

Fundsmith Equity Fund Feeder is in the scope of the Savings Tax Directive.