

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

Société d'Investissement à Capital Variable

Annual report including audited Financial Statements
as at 31 December 2020

R.C.S. Luxembourg B 164404

Subscriptions can only be made on the basis of the current Prospectus, the Key Investor Information Document ("KIID") supplemented by the most recent annual report and audited financial statements and interim reports and unaudited financial statements, if published after such annual report and audited financial statements.

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

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Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

ORGANISATION OF THE SICAV

REGISTERED OFFICE

10, rue du Château d'Eau,
L-3364 Leudelange
Grand Duchy of Luxembourg

MANAGEMENT COMPANY

FundRock Management Company S.A.
33, rue de Gasperich
L-5826 Hesperange
Grand Duchy of Luxembourg

INVESTMENT MANAGER, DISTRIBUTOR AND SPONSOR

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

BOARD OF DIRECTORS OF THE SICAV

Directors

Mr. Terry Smith
Fundsmith LLP (Resigned as Chairman and Director in August 2020)
Mr. Simon Godwin
Fundsmith LLP
Mr. Garry Pieters
Independent Director
Ms. Sheenagh Joy Gordon-Hart
Independent Director (Appointed 15 April 2020)

INDEPENDENT AUDITOR

Deloitte Audit, Société à responsabilité limitée
20 Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISER

Elvinger Hoss Prussen, société anonyme
2, place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

ORGANISATION OF THE SICAV (continued)

INVESTMENT ADVISOR

Fundsmith Investment Services Limited

c/o Griffon Solutions Ltd.
C2-401, 4th Floor, Grand Bay La Croisette
Grand Bay
Mauritius

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

**State Street Bank International GmbH,
Luxembourg Branch***

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

Northern Trust Global Services SE

10 Rue du Château d'Eau,
3364 Leudelange, Luxembourg

*The change of the Depositary and Administrator from State Street Bank International GmbH, Luxembourg Branch to Northern Trust Global Services SE is effective from 1 March 2021.

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

INVESTMENT MANAGER'S REVIEW

The table below shows performance figures for the last calendar year and the cumulative and annualised performance for the I class shares of the Fund compared with various benchmarks.

Total return (%) I Class Accumulation Shares	01.01.20- 31.12.20	Since inception Cumulative	Annualised
Fundsmith Equity Fund SICAV EUR ¹	+10.7	+367.5	+18.3
MSCI World Index EUR ²	+6.3	+207.8	+13.1
Fundsmith Equity Fund SICAV CHF ¹	+10.4	+228.4	+15.9
MSCI World Index CHF ²	+6.7	+135.3	+11.1
Fundsmith Equity Fund SICAV USD ¹	+21.2	+166.5	+16.2
MSCI World Index USD ²	+15.9	+88.1	+10.5
Fundsmith Equity Fund SICAV GBP ¹	+17.3	+184.1	+19.6
MSCI World Index GBP ²	+12.3	+102.4	+13.0
European Bonds ³	+11.2	+103.4	+9.3
Cash ⁴	-0.4	-0.3	-0.1

¹ Class Accumulation Shares, net of fees, priced at noon CET, launch dates, Euro T: 2.11.11 CHF I: 5.4.12 USD I: 13.3.13 GBP I: 15.4.14. Prior to March 2019 performance relates to Fundsmith Equity Fund Feeder.

² MSCI World Index priced at close of business US time.

³ Bloomberg/EFFAS Bond Indices Euro Govt 10 yr.

⁴ 3 Month € LIBOR Interest Rate

^{1,3,4}Source: Bloomberg ²Source: www.msci.com

Given we do not hedge currency exposure, the main difference in performance between the currency share classes is the relative currency movements in the year and the relative performance compared to the MSCI World Index is therefore similar and shows the Fund outperformed the MSCI World Index in 2020. All of the classes have also significantly outperformed since their dates of inception.

For the year the top five contributors to the Fund's performance were:

Paypal	+4.0%
IDEXX	+2.4%
Microsoft	+1.6%
Nike	+1.5%
Starbucks	+1.2%

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

INVESTMENT MANAGER'S REVIEW (CONTINUED)

Microsoft makes its sixth appearance whilst PayPal and IDEXX are putting in an appearance for the fourth time. Someone once said that no one ever got poor by taking profits. This may be true but I doubt they got very rich by this approach either. Nike and Starbucks, which we discuss below, were both stocks which were purchased after sharp falls in March.

The bottom five were:

Amadeus	-1.2%
Sage	-1.0%
Diageo	-0.6%
Becton-Dickinson	-0.5%
Philip Morris	-0.5%

We hardly need to discuss the reasons for the poor performance of Amadeus. Airline and travel reservations have not been happy places to be in the past year, although it is worth noting nowhere near as bad as investing in actual airlines. Amadeus's share price fell in euros of - 18.2% in 2020 compares with a drop of -31.8% for the Bloomberg World Airlines Index. This illustrates the virtues of Amadeus's business model in contrast to the industry it serves.

However, whilst Amadeus faces a difficult situation, we are pleased that management has spent its time and effort managing liquidity and costs in an effort to ensure that they survive these events rather than pointlessly speculating about the likely timescale and course of recovery. We believe that they should not only survive but also strengthen their competitive position.

Sage's share price remains in the doldrums as we wait to see whether the new management team can make the product fit for purpose in the age of the cloud and subscription software and compete effectively with those who can.

We sold our stakes in Clorox and Reckitt Benckiser and purchased stakes in Nike and Starbucks during the year. Clorox and Reckitt Benckiser traded strongly due to the rush to purchase increased quantities of household cleaning products, personal cleaning products and OTC medicines. We felt that in both cases the ratings achieved did not reflect the pedestrian nature of these businesses in more normal circumstances or the issues they face which may come back into focus if or when the COVID related boost fades. Moreover, at the same time as these two stocks were enjoying an unusually good performance, two other companies which we admire saw share price falls of over 40% at the height of the panic over COVID — Nike and Starbucks. They are probably familiar to you as the world's leading sneaker and sporting apparel supplier and the leading coffee shop brand. Both are companies with high returns on capital and good growth rates — two characteristics which we seek.

After the COVID lockdowns we also purchased a stake in LVMH — the world's leading designer and luxury goods business. Although we had some exposure to luxury goods through our cosmetics and drinks companies, we had no exposure to designer apparel and jewellery which LVMH brings.

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

INVESTMENT MANAGER'S REVIEW (CONTINUED)

As you hopefully know by now, we have a simple three step investment strategy:

- Buy good companies
- Don't overpay
- Do nothing

I will review how we are doing against each of those in turn.

As usual we seek to give some insight into the first of those — whether we own good companies — by giving you the following table which shows what Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV) would be like if instead of being a fund it was a company and accounted for the stakes which it owns in the portfolio on a 'look through' basis, and compares this with the market, in this case the FTSE 100 Index and the S&P 500 Index ('S&P 500'). We not only show you how the portfolio compares with the major indices but also how it has evolved over time.

Year ended	Fundsmith Equity Fund Feeder/Sicav Portfolio								S&P 500	FTSE 100
	2013	2014	2015	2016	2017	2018	2019	2020	2020	2020
ROCE	31%	29%	26%	27%	28%	29%	29%	24%	11%	10%
Gross margin	63%	60%	61%	62%	63%	65%	66%	63%	44%	39%
Operating margin	24%	25%	25%	26%	26%	28%	27%	22%	12%	9%
Cash conversion	108%	102%	98%	99%	102%	95%	97%	101%	94%	95%
Interest cover	16x	15x	16x	17x	17x	17x	16x	16x	6x	6x

Source: Fundsmith LLP/Bloomberg. ROCE, Gross Margin, Operating Profit Margin and Cash Conversion are the weighted mean of the underlying companies invested in by the Fundsmith Equity Fund Feeder/Sicav and mean for the FTSE 100 and S&P 500 Indices. The FTSE 100 and S&P 500 numbers exclude financial stocks. The Interest Cover numbers is median. 2013-2019 ratios are based on last reported fiscal year accounts as at 31st December and for 2020 are Trailing Twelve Months and as defined by Bloomberg. Cash Conversion compares Free Cash Flow per Share with Net Income per Share. Percentage change is not calculated if the TTM period contains a net loss.

Returns on capital and profit margins were lower in the portfolio companies in 2020. This is hardly surprising in light of events in the economy, but the scale of the falls were hardly disastrous. When people have said to us, 'You invest in non-cyclical businesses' I always reply that I have never found one. It is the degree of cyclicity in our portfolio which we seek to control through our stock selection. As a group our stocks still have excellent returns, profit margins and cash generation even in poor economic conditions. As you can see the same cannot be said for the major indices even though they have the benefit of including our good companies.

The average year of foundation of our portfolio companies at the year- end was 1922. They are just under a century old collectively. Consistently high returns on capital are one sign we look for when seeking companies to invest in. Another is a source of growth — high returns are not much use if the business is not able to grow and deploy more capital at these high rates. So how did our companies fare in that respect in 2020? The weighted average free cash flow (the cash the companies generate after paying for everything except the dividend, and our preferred measure) grew by 5% in 2020.

This leads onto the question of valuation. The weighted average free cash flow ('FCF') yield (the free cash flow generated by the companies divided by their market value) of the portfolio at the outset of the year was 3.4% and ended it at 2.8%, so they became more highly rated. Whilst this is a good

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INVESTMENT MANAGER'S REVIEW (CONTINUED)

thing from the viewpoint of the performance of their shares and the Fund, it makes us nervous as changes in valuation are finite and reversible, although it is hard to see the most likely source of such a reversal — a rise in interest rates — in the near future.

The year-end median FCF yield on the S&P 500 was 3.7%. The year-end median FCF yield on the FTSE 100 was 4.2%. More of our stocks are in the former index than the latter and I will not repeat the explanation which I gave in my 2017 annual letter on why I think the FTSE 100 is not an appropriate benchmark or investment proxy for our investors to use. Moreover, the valuation disparity with the FTSE 100 has been widened by the portfolio's 22% outperformance of the FTSE 100 during the year. It's hard to outperform by such a wide margin without becoming relatively more highly valued unless the portfolio's cash flows have grown at a similar differential rate. What the market seems to be rewarding is consistency of performance which has been emphasised by economic conditions in 2020.

Our portfolio consists of companies that are fundamentally a lot better than the average of those in either index and are valued much more highly than the average FTSE 100 company and higher than the average S&P 500 company. It is wise to bear in mind that despite the rather sloppy shorthand used by many commentators, highly rated does not equate to expensive any more than lowly rated equates to cheap.

Turning to the third leg of our strategy, which we succinctly describe as 'Do nothing', minimising portfolio turnover remains one of our objectives and this was again achieved with negative portfolio turnover of -29% during the period. It is perhaps more helpful to know that we spent a total of just 0.031% (3.1 basis points) of the Fund's average value over the year on voluntary dealing (which excludes dealing costs associated with fund subscriptions and redemptions as these are involuntary). We have held twelve of our portfolio companies since inception of the Fund in 2011.

Why is this important? It helps to minimise costs and minimising the costs of investment is a vital contribution to achieving a satisfactory outcome as an investor. Too often investors, commentators and advisers focus on, or in some cases obsess about, the Annual Management Charge ('AMC') or the Ongoing Charges Figure ('OCF'), which includes some costs over and above the AMC, which are charged to the Fund. The OCF for 2020 for the T Class Accumulation shares was 1.11%. The trouble is that the OCF does not include an important element of costs — the costs of dealing. When a fund manager deals by buying or selling, the fund typically incurs the cost of commission paid to a broker, the bid-offer spread on the stocks dealt in and, in some cases, transaction taxes such as stamp duty in the UK. This can add significantly to the costs of a fund, yet it is not included in the OCF.

We provide our own version of this total cost including dealing costs, which we have termed the Total Cost of Investment ('TCI'). For the T Class Accumulation shares in 2020 this amounted to a TCI of 1.15%, including all costs of dealing for flows into and out of the Fund, not just our voluntary dealing. We are pleased that our TCI is just 0.04% (4 basis points) above our OCF when transaction costs are taken into account. However, we would again caution against becoming obsessed with charges to such an extent that you lose focus on the performance of funds. It is worth pointing out that the performance of our Fund tabled at the beginning of this letter is after charging all fees which should surely be the main focus.

It is impossible for me to report on 2020 without mentioning COVID. I hope you agree that our portfolio performed well, both in terms of the share price performance and the fundamental performance of the companies, which is just as important.

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INVESTMENT MANAGER'S REVIEW (CONTINUED)

It is also important to note that our operations were not impaired by the lockdowns and travel restrictions. Whilst the performance of the fund is important, it is also important that if you wish to contact us you can and are dealt with promptly and efficiently. You should be able to get any information you reasonably require which should be accurate and up to date. Perhaps most importantly, if you wish to deal — including redeeming your investment — we can execute for you. All of these vital functions continued seamlessly throughout the depths of the lockdowns. We have long been managing the dealing, operations, portfolio management and research across a number of widespread geographies, much to the amazement of some people who felt this could only be accomplished in a few London postcodes. So the need to Work From Home and an inability to travel were not major obstacles for us. Imagine if you had been told this time last year that there would be a pandemic and that the measures taken to contain it would so affect the world economy that US GDP would fall by 9% in the second quarter of the year and the hospitality and travel sectors would be devastated by the measures as would large segments of traditional retail activity. Considering this would you have predicted that the MSCI World Index (€) would deliver a return of 6.3%? Hopefully this illustrates the dangers of forecasting and market timing even when you know what major events will occur.

I will leave you with this thought: What are the similarities between a forecaster and a one-eyed javelin thrower? Answer: Neither is likely to be very accurate but they are typically good at keeping the attention of the audience.

Finally, may I wish you a happy New Year, a COVID free 2021 and thank you for your continued support for our Fund.

Yours sincerely,



Terry Smith,
CEO
Fundsmith LLP

DIRECTORS' REPORT

The financial year 2020 will be remembered as the 'COVID-year' where Regulators around the world responded by providing leeway to the markets, such as postponement of filing deadlines, and opportunities to work from home (under strict conditions) etc. and Central Banks responded by providing liquidity.

Your Board responded by ensuring business continued to be conducted 'as usual'; we are pleased to report that this was the case as we and our service providers, including the management company, investment manager, central administrator and depository, took sufficient measures to continue operations uninterrupted.

The Board of Directors of the Fund (the "board") consists of 3 members, after the resignation of Mr Terry Smith in August of 2020. The Board expresses their thanks for his leadership and vision and looks forward to his continued work as the Fund's manager.

The Board included two independent, Luxembourg-resident Directors, one of whom usually acts as the meeting's Chairman. The independent Directors are remunerated. Details of the remuneration can be found in the financial statements. At the close of the financial year, all directors except Sheenagh Gordon-Hart held shares in the Fund.

The board met 4 times, physically in Luxembourg in March, June, October and December. On the Agenda, amongst others, were strategy, performance, operations, risk management, compliance and generally matters regarding good conduct and governance including as mentioned above overseeing uninterrupted continuation of business. The board continues to aim for the best possible standards, as evidence by its continued adherence to the ALFI Code of Conduct.

The members of the Board of Directors of the Fund are encouraged by the continued strong performance of the Fund, and your loyalty. We thank you for your continued support and continue to strive to provide you with the best possible services.



Garry Pieters
Director
Fundsmith SICAV

To the Shareholders of
Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)
10, rue du Château d'Eau,
L-3364 Leudelange
Grand Duchy of Luxembourg

Independent Auditor's Report

Opinion

We have audited the financial statements of Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV) (the "SICAV"), which comprise the statement of net assets and the statement of investments and other net assets as at 31 December 2020 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the SICAV as at 31 December 2020 and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the independent auditor for the Audit of the Financial statements" section of our report. We are also independent of the SICAV in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the SICAV is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the independent auditor thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the SICAV for the Financial Statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the SICAV's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the SICAV or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Independent Auditor for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the independent auditor that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SICAV's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the SICAV.
- Conclude on the appropriateness of the Board of Directors of the SICAV's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SICAV's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the independent auditor to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the independent auditor". However, future events or conditions may cause the SICAV to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de Révision Agréé*

Justin Griffiths, *Réviser d'Entreprises Agréé*
Partner

Luxembourg, 12 April 2021

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

STATEMENT OF NET ASSETS AS AT 31 DECEMBER 2020

Fundsmith SICAV

EUR

Assets	
Investments at market value (Note 2)	5,333,184,776
Cash at bank (Note 2)	228,044,064
Receivable on subscriptions	16,545,534
Receivable for investment securities sold	8,066,892
Other assets	73,513
Total assets	5,585,914,779
Liabilities	
Payable for investment securities purchased	50,688,559
Management fees payable (Note 4)	4,494,818
Fund shares repurchased	3,964,672
Depositary and Administration fees payable (Note 6)	1,153,528
Taxe d'abonnement payable (Note 3)	356,951
Professional fees payable	96,287
Directors fees payable (Note 7)	8,732
Other liabilities	48,877
Total liabilities	60,812,424
Total Net Assets	5,525,102,355

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

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2020

Fundsmith SICAV

EUR

Net assets at the beginning of the year	4,112,138,884
Income	
Dividend income (Note 2)	61,252,137
Interest income	379,224
Total income	61,631,361
Expenses	
Management fees (Note 4)	44,572,754
Depository and Administration fees (Note 6)	2,429,650
Taxe d'abonnement (Note 3)	871,537
Professional fees	98,930
Directors fees (Note 7)	51,346
Bank charges	637,937
Other expenses	32,153
Total expenses	48,694,307
Net investment income	12,937,054
Net realised profit/(loss) on	
- Investments (Note 2)	22,470,205
- Currencies (Note 2)	(15,344,838)
Change in unrealised appreciation on	
- Investments	523,995,094
- Currencies	14,807
Net result of operations for the year	544,072,322
Subscriptions for the year	2,858,698,576
Redemptions for the year	(1,987,576,680)
Distribution paid for the year (Note 9)	(2,230,747)
Total of Subscription, Redemption and Distribution	868,891,149
Net assets at the end of the year	5,525,102,355

The exchange rates used as at 31 Dec 2020 are:

- 1 EUR = 1.08156 CHF
- 1 EUR = 7.44347 DKK
- 1 EUR = 0.895095 GBP
- 1 EUR = 1.22355 USD

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

STATISTICAL INFORMATION AS AT 31 DECEMBER 2020

	Currency	Total Net Assets As at 31 Dec 2020	Net Asset Value/Share As at 31 Dec 2020	Total Net Assets As at 31 Dec 2019	Net Asset Value/Share As at 31 Dec 2019	Total Net Assets As at 31 Dec 2018	Net Asset Value/Share As at 31 Dec 2018
Fundsmith SICAV							
Euro Classes							
T Class Accumulation	EUR		46.75		42.22		31.86
T Class Income	EUR		44.11		39.93		30.18
R Class Accumulation	EUR		44.81		40.66		30.85
R Class Income	EUR		43.97		39.92		30.27
I Class Accumulation	EUR		47.27		42.63		32.12
I Class Income	EUR		44.25		40.06		30.27
Swiss Franc Classes							
I Class Accumulation	CHF		36.26		32.84		25.69
I Class Income	CHF		33.88		30.80		24.16
US Dollar Classes							
I Class Accumulation	USD		32.29		26.65		20.49
I Class Income	USD		30.50		25.27		19.48
GB Pound Classes							
I Class Accumulation	GBP		33.32		28.41		22.60
I Class Income	GBP		31.82		27.23		21.71
Total Net Assets	EUR	5,525,102,355		4,112,138,884		2,034,772,341	

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

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

STATEMENT OF CHANGES IN SHARES FOR THE YEAR ENDED 31 DECEMBER 2020

	Currency	Balance at 1 January 2020	Subscriptions	Redemptions	Balance at 31 December 2020
Fundsmith SICAV					
Euro Classes					
T Class Accumulation	EUR	11,816,775	13,966,011	8,629,702	17,153,084
T Class Income	EUR	1,435,573	1,914,252	754,641	2,595,184
R Class Accumulation	EUR	3,639,230	5,202,714	3,489,361	5,352,583
R Class Income	EUR	564,545	646,095	286,121	924,519
I Class Accumulation	EUR	27,673,687	18,791,214	16,882,811	29,582,090
I Class Income	EUR	4,912,693	3,338,209	1,805,580	6,445,322
Swiss Franc Classes					
I Class Accumulation	CHF	4,829,142	1,037,061	1,566,257	4,299,946
I Class Income	CHF	1,249,005	224,745	193,681	1,280,069
US Dollar Classes					
I Class Accumulation	USD	51,329,134	26,485,315	16,051,220	61,763,229
I Class Income	USD	7,747,942	7,282,169	2,845,970	12,184,141
GB Pound Classes					
I Class Accumulation	GBP	9,321,559	3,826,291	2,801,141	10,346,709
I Class Income	GBP	3,839,704	1,867,097	1,493,820	4,212,981
Total		128,358,989	84,581,173	56,800,305	156,139,857

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

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS AS AT 31 December 2020

Transferable securities admitted to an official exchange listing

Quantity	Description	Currency	Acquisition Cost EUR	Market Value EUR	% of Net Assets
Equity					
Denmark					
1,015,974	Coloplast A/S - B	DKK	99,610,429	126,938,864	2.30
3,247,319	Novo Nordisk A/S - B	DKK	148,629,634	186,214,118	3.37
	Total		248,240,063	313,152,982	5.67
Finland					
3,015,845	Kone OYJ - B	EUR	147,394,440	200,433,059	3.63
	Total		147,394,440	200,433,059	3.63
France					
183,408	L'Oreal Prime De Fidelite	EUR	43,733,638	57,544,260	1.04
301,770	L'Oreal Prime De Fidelite	EUR	72,751,145	94,680,338	1.71
299,198	L'Oreal SA	EUR	79,085,213	93,858,413	1.70
316,259	LVMH Moet Hennessy Louis Vuitton SE	EUR	156,932,529	163,284,522	2.96
	Total		352,502,524	409,367,532	7.41
Spain					
2,293,255	Amadeus IT Group SA	EUR	159,525,335	137,457,705	2.49
	Total		159,525,335	137,457,705	2.49
United Kingdom					
5,421,935	Diageo PLC	GBP	192,749,347	174,875,140	3.17
2,225,226	InterContinental Hotels Group PLC	GBP	113,295,027	116,075,472	2.10
644,551	Intertek Group PLC	GBP	38,019,473	40,724,843	0.74
14,125,143	Sage Group PLC	GBP	115,574,608	92,200,198	1.67
2,895,901	Unilever PLC	GBP	150,451,358	141,882,588	2.57
	Total		610,089,812	565,758,240	10.25
United States					
1,368,072	Automatic Data Processing Inc	USD	185,515,114	193,738,327	3.51
676,165	Becton Dickinson and Co	USD	148,018,100	135,899,688	2.46
1,698,027	Brown-Forman Corp - B	USD	97,275,735	108,853,093	1.97
1,176,785	Church & Dwight Co Inc	USD	87,558,406	83,137,726	1.50
1,025,742	Estee Lauder Cos Inc - A	USD	157,707,004	219,481,423	3.97
955,191	Facebook Inc - A	USD	145,688,955	211,584,252	3.83
610,731	IDEXX Laboratories Inc	USD	127,256,749	247,288,107	4.48
704,059	Intuit Inc	USD	165,552,702	215,431,226	3.90
1,304,873	Johnson & Johnson	USD	160,546,649	165,906,671	3.00
2,441,150	McCormick & Co Inc	USD	167,620,416	188,076,165	3.40
1,515,612	Microsoft Corp	USD	166,860,455	273,745,116	4.95
1,934,566	Nike Inc	USD	154,762,513	223,160,482	4.04
1,777,752	Paypal Holdings Inc	USD	165,122,093	335,330,273	6.07
1,552,776	PepsiCo Inc	USD	177,647,840	186,368,655	3.37
2,981,905	Philip Morris International Inc	USD	219,448,459	197,959,640	3.58
2,315,039	Starbucks Corp	USD	149,904,607	199,881,720	3.62
1,037,811	Stryker Corp	USD	184,905,667	204,678,926	3.70
918,314	Visa Inc - A	USD	131,376,528	163,378,958	2.96
765,293	Waters Corp	USD	151,876,807	153,114,809	2.77
	Total		2,944,644,799	3,707,015,259	67.08
Total for transferable securities admitted to an official exchange listing			4,462,396,973	5,333,184,776	96.53
Total Equity			4,462,396,973	5,333,184,776	96.53
Total Investments			4,462,396,973	5,333,184,776	96.53
Other Net Assets				191,917,579	3.47
Total Net Assets				5,525,102,355	100.00

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

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Fundsmith SICAV (formerly Fundsmith Equity Fund 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 Investment of 17 December 2010 ("UCI Law"). The SICAV was incorporated for an unlimited period on 28 October 2011. The Articles of Incorporation were published in the *Mémorial C* on 14 November 2011. The SICAV changed its name to Fundsmith SICAV on 1st March 2021 and the Articles were amended with effect on 1st March 2021. The SICAV is registered with the Luxembourg Trade and Companies Register under number B164404.

The investment objective of the SICAV is to achieve long term growth in value. The SICAV will invest in equities on a global basis. The SICAV's approach is to be a long-term investor in its chosen stocks. It will not adopt short-term trading strategies. The SICAV has stringent investment criteria which the Investment Manager adheres to in selecting securities for the SICAV's investment portfolio.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the SICAV are maintained in Euros. The SICAV's financial statements were prepared in accordance with Luxembourg legal and regulatory requirements and generally accepted accounting principles relating to UCITS and in particular using the following valuation rules:

a) Valuation of cash and cash equivalents

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

b) Valuation of investments

In calculating a Net Asset Value, the Administrator may consult the Management Company and the Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Management Company/Investment Manager in determining the valuation price of the SICAV's investments and the Management Company's/Investment Manager's other duties and responsibilities in relation to the SICAV, the Management Company/Investment Manager will endeavour to resolve any such conflict of interest timely and fairly and in the interest of investors.

The value of securities and/or financial derivative instruments which are listed or dealt in on any stock exchange is based on the last available price.

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, and deem such adjustment is required to reflect the fair value thereof.

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Valuation of investments (continued)

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, or by a competent person, with care and in good faith.

If the Board of Directors of the SICAV deem 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

The Net realised profit/(loss) on investments is recorded in the "Statement of Operations and Changes in Net Assets".

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 last day of the financial year.

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.

The exchange rates as at 31 December 2020 are shown underneath the Statement of Operations and Changes in Net Assets.

g) Total Net Asset Value

The Total Net Asset Value is equal to the difference between the total assets and the total liabilities of the SICAV and 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.

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. The 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 years. Actual results could differ from those estimates.

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

4. MANAGEMENT FEES

The SICAV will remunerate the Management Company and the Investment Manager for their services out of an aggregate management fee, as specified for each Class of Shares in the following table, which is payable monthly in arrears and accrued as of each Valuation Day.

Annual Management Fee rate by Share Class:		
I	R	T
0.90%	1.50%	1.00%

5. PERFORMANCE FEES

The SICAV is not subject to performance fees.

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. 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 Total Net Assets, as specified in the following table:

Total Net Assets	Rate
EUR 0 - EUR 1 billion	0.012%
EUR 1 billion - EUR 2 billion	0.007%
From EUR 2 billion	0.000%

The SICAV pays the Administrator an annual fee of 0.05% of the Net Asset Value. The fee is accrued each Valuation Day and paid monthly in arrears.

7. DIRECTORS FEES

Mr. Garry Pieters and Ms. Sheenagh Joy Gordon-Hart receive, as compensation for services as Independent Director, an annual fee of EUR 30,000; subject to approval by the general meeting of shareholders of the SICAV. Mr. Simon Godwin, who is a Partner of Fundsmith LLP, does not receive a fee for acting as a Director.

8. SHARE CAPITAL

The Share Classes available as at 31 December 2020 are the following:

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

9. DISTRIBUTION PAID

A total amount of EUR 2,230,747 was distributed over the year.

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. TRANSACTION COSTS

For the year ended 31 December 2020, Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV) incurred transaction costs of EUR 1,728,090.

11. SIGNIFICANT EVENTS

The Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV) has largely recovered from the lows experienced in March 2020 due to the ongoing Covid-19 pandemic. Note the year to date return was up 10.7% versus 6.3% for the MSCI. Net inflows for the year was 876 million EUR.

Mr. Terry Smith resigned as Chairman and Director in August 2020.

New prospectus was issued in January 2020.

12. SUBSEQUENT EVENTS

The change of the Depositary and Administrator from State Street Bank International GmbH, Luxembourg Branch to Northern Trust Global Services SE is effective from 1 March 2021. Additionally, the SICAV changed its name to Fundsmith SICAV on 1st March 2021 and the Articles were amended with effect on 1st March 2021.

As part of the process, an umbrella fund was formed - Fundsmith SICAV - which contains Fundsmith Equity Fund and Fundsmith Sustainable Equity Fund as a new sub-fund. A new prospectus was issued in March 2021.

On 12 February 2021, following regulatory approval by the Commission de Surveillance du Secteur Financier (the "CSSF") in Luxembourg, Apex Group Ltd. became the ultimate controlling shareholder of FundRock Management Company S.A and FundRock Management Company S.A is as of this date a subsidiary of Apex Group Ltd.

FundRock Management Company S.A has not changed its name or its operations.

13. INVESTMENT TRANSACTIONS

The list of investment transactions during the year is available upon request, free of charge, from the Registered Office of the SICAV.

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

APPENDIX I - REMUNERATION POLICY (unaudited)

We are required to make this remuneration disclosure to the Fund's investors in accordance with the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive as amended by Directive 2014/91/EU (UCITS V Directive).

Fundsmith LLP

During the year ending 31 March 2020, Fundsmith LLP ('Fundsmith') had 27 members of personnel in total, including employees and Partners. The total amount of remuneration paid to Fundsmith personnel during this period was £58,468,366. Out of this figure, the total amount of remuneration paid to the Partners of Fundsmith LLP was £48,483,057 whilst the total amount of remuneration paid to the employees of Fundsmith LLP was £9,985,309.

Of the £9,985,309 paid to Fundsmith employees, £7,315,835 was variable remuneration and £2,669,474 was fixed remuneration.

The partners of Fundsmith LLP are not paid a bonus. All of their remuneration is fixed as it is based on a fixed proportion of Fundsmith LLP's net profits.

Overall, therefore, of the £58,468,366 of total remuneration, £51,152,531 was fixed remuneration and £7,315,835 was variable remuneration.

The financial year of Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV) runs from 1 January to 31 December, whereas the financial year of Fundsmith LLP runs from 1 April to 31 March. The above figures are taken from the financial report and accounts of Fundsmith LLP for the period 1 April 2019 to 31 March 2020. These figures have been independently audited and filed with Companies House.

The rules require us to disclose both the amount of remuneration paid in total, and the amount paid to "Identified Staff" (broadly, senior management and/or risk takers). Fundsmith's only Identified Staff are the Partners. The Partners all fall within the category of "senior management"; two of the Partners also fall within the category of risk-takers and also one in the category of control staff. To avoid duplication all Partners' remuneration is disclosed within the category of senior management. The total remuneration therefore paid to senior management is £48,483,057.

The information above relates to Fundsmith LLP as a whole, and we have not broken it down by reference to Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV) or the other funds that we manage. Nor have we shown the proportion of remuneration which relates to the income we earn from our management of Fundsmith SICAV. We have not provided such a breakdown because this does not reflect the way we work or the way we are organised at Fundsmith. All of the Partners and most of our employees are involved in the management of Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV). We have not included information relating to remuneration paid by Fundsmith Investment Services Limited, to whom Fundsmith LLP delegates certain portfolio management activities.

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

APPENDIX I - REMUNERATION POLICY (unaudited) (continued)

Remuneration at Fundsmith LLP is deliberately straightforward. Our employees are paid a competitive salary. At the end of each financial year, our employees' performance is reviewed by the Partners in order to determine whether or not a bonus should be paid. All bonus decisions are agreed unanimously by the Partners.

The Partners are each paid a fixed proportion of Fundsmith LLP's net profits. We consider that this is the best way to ensure that our Partners' interests are completely aligned with our investors' interests over the long term. This alignment of interest is reinforced by the fact that Fundsmith Partners have invested a significant amount in Fundsmith SICAV.

The Management Committee of Fundsmith LLP has reviewed the Remuneration Policy and considers that it meets all regulatory requirements and is satisfied that no irregularities occurred during the period.

Any investor who would like more information on how we adhere to the Principles of the Remuneration Code may request a summary of our Remuneration Policy.

FundRock Management Company S.A.

FundRock Management Company S.A. ("FundRock") has established and applies a remuneration policy in accordance with the principles laid out under the AIFMD and UCITS V directive, and any related legal & regulatory provisions applicable in Luxembourg. The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the Funds that it manages and of the investors in such Funds, and which includes, inter alia, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds that the Management Company manages.

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), FundRock ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that FundRock's employees who are identified as risk-takers under UCITS V are not remunerated based on the performance of the funds under management.

A copy of the remuneration policy is made available free of charge to investors at FundRock's registered office.

The amount of remuneration for the financial year ending 31 December 2020 paid by FundRock to its staff: EUR 12,070,862

Fixed remuneration: EUR 11,288,396

Variable remuneration: EUR 782,466

Number of beneficiaries: 133

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

APPENDIX I - REMUNERATION POLICY (unaudited) (continued)

The aggregated amount of remuneration for the financial year ending 31 December 2020 paid by FundRock to Identified staff/risk takers is as follows:

Identified staff/risk takers: EUR 1,948,900

The total amount of remuneration is based on a combination of the assessment of the performance of the individual, the overall results of FundRock, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

The Policy is subject to annual review by the Compliance Officer and the update is performed by HR department of FundRock and is presented for review to the Remuneration Committee and approval by the Board of FundRock.

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

**APPENDIX II – Securities Financing Transactions and of Reuse ("SFTR")
DISCLOSURE**

The SICAV does not use any instruments falling into the scope of Securities Financing Transactions and of Reuse ("SFTR") as per the European Regulation 2015/2365.

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

APPENDIX III – RISK INFORMATION

As part of the risk-management process, the global exposure of the SICAV is measured and monitored by the absolute value at risk (VaR) approach. VaR is calculated in the fund currency using Historical methodology with a 1Y look back, 0.9950 decay, 20D time horizon and 99% confidence interval.

Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV)

APPENDIX IV – PORTFOLIO TURNOVER RATIO (unaudited)

The portfolio turnover ratio compares the total share purchases and sales less total creations and liquidations with the average net asset value of the fund. The turnover of Fundsmith SICAV (formerly Fundsmith Equity Fund SICAV) for the period 1 January 2020 until 31 December 2020 was -29.20%.