# Fundsmith Equity Fund | SICAV

# Minimum disclosure document (R Class) - 30 September 2024

## Price Data 30 September 2024

| Share Class | Minimum | Price |
|---|---|---|
| R Class Acc | € 2,000 | 59.15 |
| R Class Inc | € 2,000 | 58.03 |

## Standing Data

| As at 30 Sep 2024 | |
|---|---|
| Portfolio manager | Terry Smith |
| Fund type | SICAV |
| Launch date | Euro: 2.11.11<br>CHF: 5.4.12<br>USD (I): 13.3.13<br>GBP: 15.4.14<br>USD (T, R): 4.2.22 |
| Accumulation shares | Dividends retained |
| Income shares | Dividends paid out |
| Auditor | Deloitte S.A. |
| Dealing and valuation | Daily at 13:00 C.E.T. |
| Fund sector | Global growth |
| Dividend dates declared 31/12 & 30/6 | Paid on or about 28/2 & 31/8 |
| Dividend amount | Nil (31/12/2023)<br>Nil (30/06/2024) |
| Dividend yield[3] | 0.00% |

## Key Facts

| As at 30 Sep 2024 | |
|---|---|
| Fund size[4] | €8.8bn |
| 2023 PTR[5] | 5.4% |
| 7 day fund liquidity[6] | 97% |
| No. holdings | 28 |
| Average year companies in the portfolio were founded | 1921 |
| Median market capitalisation of companies in the portfolio | €121.2bn |
| Reference currency | Euro |

## Fund Performance Analysis[7]

| Inception to 30 Sep 2024 | |
|---|---|
| Annualised Rate of Return[8] | +14.7 |
| Best year[9] | +46.1% (To March 2015) |
| Worst year[9] | -17.8% (To December 2022) |
| Average month | +1.2 |
| % Positive months[10] | 70 |

## Asset Allocation

| | |
|---|---|
| Equities | 97.2% |
| Cash | 2.8% |

## Geographic Split

| As at 30 Sep 2024, by Country of Listing | % |
|---|---|
| US | 71.9 |
| Denmark | 9.7 |
| France | 9.6 |
| UK | 3.7 |
| Spain | 1.7 |
| Sweden | 0.6 |
| Cash | 2.8 |

## Sector Split

| As at 30 Sep 2024, GICS® Categories[11] | % |
|---|---|
| Health Care | 26.9 |
| Consumer Staples | 24.5 |
| Information Technology | 12.3 |
| Communication Services | 11.6 |
| Consumer Discretionary | 10.7 |
| Industrials | 6.7 |
| Financials | 4.5 |
| Cash | 2.8 |

## Investment Objective of the SICAV

The SICAV is an open-ended investment company incorporated under the laws of Luxembourg as a Société d'Investissement à Capital Variable ("SICAV") in accordance with the provisions of Part I of the UCI Law. The SICAV was incorporated for an unlimited period on 28 October 2011 under the name of Fundsmith Equity Fund Feeder. The SICAV changed its name to Fundsmith Equity Fund SICAV on 29 March 2019 and the Articles were amended on 22 March 2019. The SICAV underwent an additional name and structure change and is now named Fundsmith Equity Fund, as a sub-fund of Fundsmith SICAV, effective on 1 March 2021. The Articles were amended on 1 March 2021. 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. These criteria aim to ensure that the SICAV invests in:

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

It is envisaged that the investment portfolio of the SICAV will be concentrated, generally comprising between 20 and 30 stocks. The specific investment restrictions are as follows: (a) the SICAV will not invest in units of other UCITS or other collective investment schemes with the exception of money market funds, in which the SICAV may invest up to 10% of its Net Asset Value; (b) the SICAV will not invest in derivatives and will not hedge any currency exposure arising from within the operations of an investee business nor from the holding of an investment denominated in a currency other than the Reference Currency; and (c) the SICAV does not intend to have an interest in immovable or tangible movable property.

## Performance[7], % Total Return, R Class, Accumulation

| | Q3 2024 | 2024 to 30 Sep 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | From Inception (Cumulative) 02.11.11 to 30.09.2024 | From Inception (Annualised) to 30.09.2024 |
|---|---|---|---|---|---|---|---|---|---|
| Fundsmith[1] | -1.0 | +10.9 | +12.8 | -17.8 | +28.3 | +10.2 | +31.8 | +491.5 | +14.7 |
| MSCI World[2] | +2.1 | +17.6 | +19.6 | -12.8 | +31.1 | +6.3 | +30.0 | +395.1 | +13.2 |

Annualised performance is a conversion of the performance of the fund on an annual basis in Euro. The annualised figure above means that the performance of the fund has been an average 14.7% per year since inception. The 10 year annualised performance is 12.9% for the fund and 11.4% for MSCI World. Past performance is not necessarily a guide to future performance.

## Top 10 Holdings

Microsoft
Meta Platforms
Novo Nordisk
Stryker
L'Oréal
Visa
Philip Morris
Automatic Data Processing
IDEXX
Waters

## Our Values

No **F**ees for Performance
No **U**p Front Fees
No **N**onsense
No **D**ebt or Derivatives
No **S**horting
No **M**arket Timing
No **I**ndex Hugging
No **T**rading
No **H**edging

Just a small number of high quality, resilient, global growth companies that are good value and which we intend to hold for a long time, and in which we invest our own money.

1. Net of fees comparing fund prices at midday UK time. Source: Fundsmith.
2. MSCI World Index (EUR Net) priced at close of business US time.
3. Net Yield reflects the historic dividend income received by the fund in the preceding 12 months less the deduction of all expenses including management fees i.e. Gross Yield less the TER (Total Expense Ratio).
4. NAV: The net asset value represents the assets of a Fund less its liabilities.
5. The PTR (Portfolio Turnover Rate) is a measure of the fund's trading activity, and has been calculated by taking the total share purchases and sales less total creations and liquidations divided by the average net asset value of the fund.
6. 7 day fund liquidity is calculated based upon 30% of trailing 20 days average volume.
7. From inception date to 29 March 2019, the returns were as a feeder to Fundsmith Equity Fund. From 29 March 2019 to 28 February 2021, the returns are for Fundsmith Equity Fund SICAV as a standalone fund. From 1 March 2021, the returns are for Fundsmith Equity Fund as a sub-fund of Fundsmith SICAV.
8. Annualised Performance: Annualised performance show longer term performance rescaled to a 1-year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request.
9. The highest and lowest returns for any 1 year over the period since inception have been shown.
10. % Positive months: The percentage of months since inception where the fund has delivered positive return.
11. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's and "GICS®" is a service mark of MSCI and Standard & Poor's.

Collective Investment Schemes are generally medium to long-term investments. The value of participatory interests or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective Investment Schemes are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the Management Company. The Management Company does not provide any guarantee either with respect to the capital or the return of a portfolio. Fundsmith Equity Fund is authorised by the FSCA under section 65 of the Collective Investment Schemes Control Act 2002. The Management Company has a right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate.

Collective Investment Schemes prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual Management fee) from the portfolio divided by the number of participatory interests (shares) in issue. Forward pricing is used. A Collective Investment Scheme may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate.

Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks; and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees either with respect to the capital or the return of a portfolio.

Performance has been calculated using net NAV to NAV numbers, including all ongoing fees, with income reinvested on the reinvestment date. The performance for each period shown reflects the return for investors who have been fully invested for that period in Euro. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. The return may increase or decrease if the investor is comparing the returns in a different currency. Full performance calculations are available from the manager on request. For any additional information such as fund prices, brochures, application forms and annual and interim report and accounts, please go to www.fundsmith.co.za or contact Fundsmith LLP where they are available free of charge.

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## Risk and reward profile

Lower risk
Typically lower rewards

Higher risk
Typically higher rewards

| 1 | 2 | 3 | **4** | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

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 4 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, in most cases, 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:** The fund's portfolio is a global share portfolio and many of the investments are not denominated in Euro. 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.

**Operational risk:** Failures or delays in operational processes may negatively affect the fund. There is a risk that any company responsible for the safekeeping of the assets of the fund may fail to do so properly or may become insolvent, which could cause loss to the fund.

## Charges

The charges for the fund are shown below. The total expense ratio is based on the fund's expenses for the year and is updated following the publication of accounts for the periods ending 30th June and 31st December. This includes all costs borne by the fund except for portfolio transaction costs but, because the portfolio turnover is relatively low, these charges should equally be low.

The ongoing charges (Annual Management Charge) which is 1.50% per annum, are used to pay the costs of running the fund, including the fees payable to Fundsmith Investment Services Limited and FundRock Management Company, as well as certain other costs including marketing and distributing the fund. These ongoing charges reduce the potential growth of the investment. The overall ongoing charges may vary from year to year.

| One-off charges taken before or after you invest | |
|---|---|
| Entry charge | Not Charged |
| Exit charge | Not Charged |
| **Charges taken from the fund over the year** | |
| Total expense ratio | 1.58% |
| **Charges taken under certain conditions** | |
| Performance fee | Not Charged |

The fund is priced all Luxembourg business days and can be found here: https://www.fundsmith.eu/factsheet/

## Correspondence

All correspondence addressed to:
**Fundsmith SICAV**
**c/o Northern Trust Global Services SE**
**10, rue du Château d'Eau**
**L-3364 Leudelange**
**Grand Duchy of Luxembourg**

**Investment Manager**
Fundsmith Investment
Services Limited
c/o Hawksford (Mauritius) Limited
C2-401, 4th Floor, Office Block C
Grand Baie La Croisette
Grand Baie
Mauritius

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

**Depository**
Northern Trust Global Services SE
10, rue du Château d'Eau
L-3364 Leudelange
Grand Duchy of Luxembourg

Representative Office: Boutique Collective Investments is registered and approved under the Collective Investment Schemes Control Act (No.45 OF 2002). Registration Number 2003/024082/07.
Physical Address: Catnia Building, Bella Rosa Village, Bella Rosa Street, Bellville 7530, South Africa. Telephone: (027) 21 007 1500/1/2 | (027) 21 914 1880.

This document was issued on 02 Oct 2024