

FUNDSMITH EQUITY FUND FEEDER
Société d'investissement à capital variable
Registered office: 49, Avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg: B 164404
(the "**Company**")

NOTICE TO THE SHAREHOLDERS OF THE COMPANY

Luxembourg, 26 February 2019

Dear Shareholder,

The board of director of the Company (the "**Board**") would like to inform you about the following changes that will be effective as from 29 March 2019 (the "**Effective Date**").

Following the United Kingdom's vote to leave the European Union ("**Brexit**"), we need to adjust certain aspects of the Company to ensure it remains a fund that you, as a current investor, can remain invested in and which does not change the underlying exposure.

1. Change of management company

Fundsmith LLP, with registered office at 33 Cavendish Square London, W1G 0PW United Kingdom, which is currently engaged as management company of the Company, will no longer be an eligible management company for managing the Company following Brexit as it will no longer qualify as a UCITS management company within the meaning of the UCITS Directive 2009/65/EC (the "**UCITS Directive**").

The Board has therefore decided to terminate the appointment of Fundsmith LLP and appoint FundRock Management Company S.A. ("**FundRock**"), a Luxembourg incorporated company, as the new management company of the Company, to perform management, administration and marketing functions for the Company as of the Effective Date.

With effect from the Effective Date:

1. FundRock will appoint Fundsmith LLP, the current management company, as investment manager and distributor of the Company.
2. Fundsmith LLP will appoint Fundsmith Investment Services Limited as investment advisor.
3. FundRock will appoint State Street Bank Luxembourg S.A., the Company's current administrator, to provide administration services. State Street Bank Luxembourg S.A. will also continue providing the services of depositary of the Company.

FundRock is a public limited liability company (*société anonyme*), having its registered office at 33, rue de Gasperich, L-5826 Hesperange, Grand Duchy of Luxembourg, and registered with the Luxembourg register of commerce and companies (*Registre de Commerce et des Sociétés de Luxembourg*) under number B. 104196.

FundRock is authorised to act as management company within the meaning of the UCITS Directive and the Luxembourg Law of 17 December 2010 on undertakings for collective investment and is regulated by the *Commission de Surveillance du Secteur Financier* in Luxembourg.

The costs related to the change of management company will be borne by Fundsmith LLP.

The Company will remunerate FundRock and Fundsmith LLP for their services out of an aggregate management fee amounting to 1.5% for class R shares, 1.0% for class T shares and 0.9% for class I shares of the net asset value of the Company, accrued as of each valuation day and payable monthly in arrears. From that management Fee, Fundsmith LLP will remunerate Fundsmith Investment Services Limited for its services as investment advisor.

2. Change of investment policy of the Company

The current investment policy of the Company is to be the feeder UCITS of Fundsmith Equity Fund, a UK UCITS (the “**Master**”).

Following Brexit, the Master will no longer be an eligible master for the Company as it will no longer qualify as a UCITS within the meaning of the UCITS Directive. The Board has therefore decided to change the investment policy of the Company so that the Company will no longer be a feeder fund. The Company will pursue directly the same investment policy and strategy as that of the Master. The Company will therefore continue to offer its shareholders the same final exposure as it does currently through the Master. The new investment policy of the Company will therefore read as follow:

“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:

- (a) high quality businesses that can sustain a high return on operating capital employed;*
- (b) businesses whose advantages are difficult to replicate;*
- (c) businesses which do not require significant leverage to generate returns;*
- (d) businesses with a high degree of certainty of growth from reinvestment of their cash flows at high rates of return;*
- (e) businesses that are resilient to change, particularly technological innovation; and/or*
- (f) businesses whose valuation is considered by the Investment Manager to be attractive.*

It is envisaged that the investment portfolio of the SICAV will be concentrated, generally comprising between 20 and 30 stocks.

In accordance with the investment objectives and policies of the SICAV and subject to applicable restrictions, the Investment Manager is authorised to borrow on behalf of the SICAV within the limits as set out under Article 50 of the UCI Law.

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.”

We draw your attention to the fact that the new investment policy of the Company could potentially trigger an increase of transaction costs due to direct investments. The amount of transaction costs should however remain low due to the low level of portfolio turnover ratio and the fact that the Company’s approach is to be a long-term investor in its chosen stocks.

3. Change of name of the Company

In view of the change of investment policy, the Board would also like to propose to the shareholders to change the name of the Company into “Fundsmith Equity Fund SICAV”. In order to implement this change of name, the Board will convene an extraordinary general meeting of shareholders (the “EGM”) in order to submit this to the decision of the shareholders. A convening notice to such EGM is appended to the present letter.

4. Change to the definition of “Business Day”

The definition of “Business Day” has been modified so as to delete the reference to London. It will therefore read as follow:

“any day when the banks are fully open in Luxembourg (and/or such other place or places and such other day or days as the Directors may determine and notify to Shareholders in advance)”.

5. Change regarding the valuation of assets

A swing pricing may currently be applied at the level of the master fund. Due to the change of investment policy of the Company which will not be a feeder fund anymore, it has been decided that a swing pricing may now be applied to the net asset value of the Company directly. Such adjustment will affect the price of shares of the Company up to a maximum of 0,25%.

The above appointments and changes will be reflected in the prospectus of the Company dated March 2019, a draft of which is available upon request at the registered office of the Company, at 49, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Terms not defined in this notice have the same meaning as in the prospectus.

If the changes do not suit your investment requirements, you may request redemption of your shares, free of charge, at any time until 1.00 p.m. (Luxembourg time) on 28 March 2019. The redemptions will be carried out in accordance with the terms of the prospectus. Should you require further information, please contact your financial advisor.

Yours faithfully,

On behalf of the Board

Fundsmith Equity Fund Feeder
Société d'Investissement à Capital Variable
Registered office: 49, avenue John F. Kennedy
L-1855 Luxembourg
R.C.S. Luxembourg B 164404
(the "**Company**")

Luxembourg, 26 February 2019

Dear Shareholder,

As an investor in Fundsmith Equity Fund Feeder, you are hereby convened to assist at an extraordinary general meeting of shareholders of the Company which will be held on 11 March 2019, (or any adjournment thereof), at the registered office of the Company as set above, at 4:30 p.m. (Luxembourg time) (the "**Meeting**") to deliberate and vote on the following agenda:

AGENDA – SOLE RESOLUTION

With effect from 29 March 2019, amendment of Article 1 and Article 5.1. of the articles of association of the Company (the "**Articles**") in order to change the Company's name from "Fundsmith Equity Fund Feeder" to "Fundsmith Equity Fund SICAV".

VOTING

In order to be able to deliberate validly on the agenda of the Meeting, a quorum of at least 50% of the Company's capital will be required. The sole resolution on the agenda will be adopted if approved by two thirds of the votes cast at the Meeting. Votes cast shall not include votes attaching to shares in respect of which shareholders have not taken part in the vote, have abstained or have returned a blank or invalid vote.

If the Meeting is not able to deliberate and vote on the agenda for lack of quorum, shareholders will be reconvened at a meeting on 22 March 2019 at 11:00 a.m. (Luxembourg time) to deliberate and vote on the same agenda. At such reconvened meeting, there will be no quorum required and the sole resolution on the agenda will be taken at a majority of two thirds of the votes cast. Proxy forms already received for the Meeting will remain valid and be used at the reconvened meeting having the same agenda, if any, unless expressly revoked.

Shareholders may request to receive the draft consolidated Articles.

VOTING ARRANGEMENTS

You may vote in person or by proxy. A proxy form is attached.

Shareholders wishing to attend and/or vote at the Meeting should inform the Company by post at the registered address of the Company, at 49, avenue John F. Kennedy, L-1855 Luxembourg, to the attention of State Street Bank Luxembourg S.C.A.- Domiciliary Department at least 5 days before both meetings.

If you are not able to attend the Meeting, you are kindly requested to complete the proxy form and return it duly signed and dated, by fax to number **+352 46 40 10 413** or/and by email to Luxembourg-domiciliarygroup@statestreet.com no later than 5:00 p.m. (Luxembourg time) on 7 March 2019 for the Meeting and no later than 5:00 p.m. (Luxembourg time) on 20 March 2019 for the reconvened meeting.

We would be grateful if you could send the signed original proxy by mail to the following address:

State Street Bank Luxembourg S.C.A.
Attn: Domiciliary department
49, avenue J.F. Kennedy
L-1855, Luxembourg.

For any further questions, you may contact your financial adviser or usual (Fundsmith) sales representative.

Yours faithfully,

Fundsmith Equity Fund Feeder
The Board of Directors