

## Price Data Friday 29th August 2014

Share Class	OCF*	Minimum	Price p
T Class Acc	1.1%	£1,000	175.10
T Class Inc	1.1%	£1,000	167.32
R Class Acc	1.6%	£1,000	171.80
R Class Inc	1.6%	£1,000	167.08
I Class Acc	1.0%	£5m	175.75
I Class Inc	1.0%	£5m	167.35

Fund Type: UK OEIC  
 Portfolio Manager: Terry Smith  
 Launch Date: November 2010  
 Accumulat'n Shares: Dividends Retained  
 Income Shares: Dividends Paid Out  
 Min Regular Saving: £100 per month  
 Initial Charge: None  
 AMC (T/R/I Class): 1.0%, 1.5%, 0.9%  
 Registrar: IFDS Ltd.  
 Depositary: State Street Trustees Ltd.  
 Auditor: Deloitte LLP  
 Dealing: Daily at noon  
 IMA Sector: Global Growth  
 Fund Size: £2.2bn as at 29.8.14  
 Gross Portfolio Yield: 2.3% as at 29.8.14  
 PTR<sup>^</sup>: Negative, since inception  
 4 Day Fund Liquidity<sup>></sup>: 69% as at 29.8.14  
 No. Holdings: 26  
 Average Co. Founded: 1907  
 Average Co. Mkt. Cap.: £54.4bn as at 29.8.14  
 Dividend Dates: On or about 28/2 & 31/8

## Geographic Split by Listing

As at 29th August 2014	%
US	62
UK	24
Continental Europe	14

## Portfolio Sector Exposure

As at 29th August 2014	%
Consumer Staples	43
Technology	19
Healthcare	17
Consumer Discretionary	11
Industrials	8
Cash	2
Total	100

## Security Identification Codes

SHARE CLASS	SEDOL	ISIN	MEXID
EQUITY T ACC	B4Q5X52	GB00B4Q5X527	FUEQUI
EQUITY T INC	B4M93C5	GB00B4M93C53	FUSMIT
EQUITY R ACC	B4LPD11	GB00B4LPD114	FUNDMS
EQUITY R INC	B4QBRK3	GB00B4QBRK32	FUDSMI
EQUITY I ACC	B41YBW7	GB00B41YBW71	FUQUIT
EQUITY I INC	B4MR8G8	GB00B4MR8G82	FUUNDS

## Equity Fund Aim

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

The Company has stringent investment criteria which the ACD, as investment manager, adheres to in selecting securities for the Company's investment portfolio. These criteria aim to ensure that the Company 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 by the Company to be attractive.

Investors should be aware that the application of these investment criteria significantly limits the number of potential investments for the Company's portfolio. It is envisaged that the investment portfolio of the Company will be concentrated, generally comprising between 20 and 30 stocks.

The Company 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 sterling.

## Fundsmith Equity Fund Performance, % Total Return, T Class, Accumulation:

	August 2014	2014	2013	2012	2011	2010*	Since inception to 29.8.14	Annualised to 29.8.14
Fundsmith <sup>1</sup>	+2.9	+8.0	+25.3	+12.5	+8.4	+6.1	+75.1	+15.8
Equities <sup>2</sup>	+3.9	+6.5	+24.3	+10.7	-4.8	+7.3	+49.7	+11.1
UK Bonds <sup>3</sup>	+2.1	+5.4	-4.3	+2.7	+15.6	-0.7	+18.0	+4.4
Cash <sup>4</sup>	+0.0	+0.3	+0.5	+0.8	+0.9	+0.1	+2.7	+0.7

<sup>1</sup>Net of Fees priced at midday UK time (source: Fundsmith). <sup>2</sup>MSCI World Index (E Net) priced at close of business US time (source: www.msci.com). <sup>3</sup>Bloomberg/EFFAS Bond Indices UK Govt 5-10 yr (source: Bloomberg). <sup>4</sup>Nov /Dec. <sup>5</sup>3 Month £ LIBOR Interest Rate (source: Bloomberg)

## Portfolio Comment for August 2014

There were no outright sales or purchases made in the month. Daily cash flows were invested into the portfolio.

The top 5 contributors in the month were Dr Pepper Snapple, Microsoft, Pepsico, Choice Hotels and Stryker.

The top 5 detractors were Intercontinental Hotels, Becton Dickinson, CR Bard, L'Oreal and Diageo.

## Top 10 Holdings

- Microsoft
- Reckitt Benckiser
- Dr Pepper Snapple
- Unilever
- Stryker
- Imperial Tobacco
- Kone
- Pepsico
- Becton Dickinson
- Intercontinental Hotels

## Fundsmith Equity Fund

- No Fees for Performance
- No Up Front Fees
- No Nonsense
- No Debt or Derivatives
- No Shorting
- No Market Timing
- No Index Hugging
- No Trading
- No Hedging

## Fundsmith Knows

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.

\* The OCF (Ongoing Charges Figure) is the total expenses paid by the fund (excluding bank overdraft interest), annualised, against its average net asset value. The OCF will fluctuate as the average net assets and costs change. The OCF is for the year ended 31st December 2013.

<sup>^</sup> The PTR (Portfolio Turnover Ratio) has been calculated in accordance with the methodology laid down by the FCA. This compares the total share purchases and sales less total creations and liquidations with the average net asset value of the fund.

<sup>></sup> 4 Day Fund Liquidity is calculated based upon 30% of trailing 20 day average volume.

An English language prospectus for the Fundsmith Equity Fund is available on request and via the Fundsmith website and investors should consult this document before purchasing shares in the fund. Past performance is not necessarily a guide to future performance. The value of investments and the income from them may fall as well as rise and be affected by changes in exchange rates, and you may not get back the amount of your original investment. Fundsmith LLP does not offer investment advice or make any recommendations regarding the suitability of its product. This is not a financial promotion and is intended for UK residents only. Fundsmith LLP is authorised and regulated by the Financial Conduct Authority.