

Fundsmith Equity Fund Feeder

« Société d'Investissement à Capital Variable »

Annual report including audited Financial Statements
as at 31 December 2014

R.C.S. Luxembourg B 164404

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

LEGAL ADVISER

Arendt & Medernach
14, Rue Erasme
L-2082 Luxembourg
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 year ended 31 December 2014.

For those of you who have reviewed previous report and accounts of this fund, you will be aware of the format. Enclosed with this is the Master Fund's short report and accounts 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 the various currency classes operated by this fund (Euros, Dollars, Pound Sterling and Swiss Francs). This will enable you to understand the relative performance in the share classes of this fund in the respective currencies.

Total return (%)	2014	Since inception to 31 December 2014	Annualised since inception
Euros			
Fundsmith Equity Fund Feeder (T Class)	31.6	100.5	24.6
MSCI World Index	19.5	73.1	18.9
Swiss francs			
Fundsmith Equity Fund Feeder	29.1	71.6	22.5
MSCI World Index	18.1	57.4	18.6
US Dollars			
Fundsmith Equity Fund Feeder	16.3	36.1	18.7
MSCI World Index	15.5	23.1	12.2
Pound Sterling			
Fundsmith Equity Fund Feeder	Share class launched in April 2014	22.8	33.5
MSCI World Index		10.1	14.5

You will note that the outperformance of the Master Fund is mirrored in the performance of the SICAV across all currency classes. The level of outperformance does differ across the currencies because the MSCI World Index has a different underlying currency exposure to the fund.

As noted in the Master Fund report and accounts, we remain vigilant on all costs that you, our investors, pay. The costs of running the SICAV have continued to fall on a per unit basis and we are confident we can continue to maximize efficiency.

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

DIRECTORS' REPORT (continued)

Risk Process

In accordance with applicable laws and regulations, the Management Company uses a risk management process which enables to monitor and measure at all times the risks associated with the SICAV's investment and its contribution to the overall risk profile of the SICAV. As part of the Risk Management Process, the Management Company also considers the overall risk profile of the Master Fund and how that affects the risk within the SICAV. The global exposure of the SICAV and the Master is measured and controlled by the absolute Value at Risk ("VaR") approach. The calculation of the VaR is on a historical simulation basis. Given the fact that the SICAV and the Master essentially have the same underlying risk, the risk limits are equivalent. With a 95% confidence and using a historical period of 3 years and a holding period of 1 day, we apply a maximum VaR limit of 3%.

During 2014, the VaR was, on average, 1.06%. The highest measurement was 1.14% and the lowest was 0.94%.

The SICAV did not use leverage at any point in the year.

To the Shareholders of
Fundsmith Equity Fund Feeder

REPORT OF THE REVISEUR D'ENTREPRISES AGRÉÉ

Following our appointment by the annual general meeting of the Shareholders dated 16 April 2014, we have audited the accompanying financial statements of Fundsmith Equity Fund Feeder (the "SICAV") and its sub-fund, which comprise the Statement of Net Assets and the Statement of Investments and Other Net Assets as at 31 December 2014 and the Statement of Operations and Changes in Net Assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility 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 these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation 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.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the *réviseur d'entreprises agréés* judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Fundsmith Equity Fund Feeder and its sub-fund as at 31 December 2014, 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 of the financial statements.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

For Deloitte Audit, *Cabinet de révision agréé*


Justin Griffiths, *Réviseur d'entreprises agréé*
Partner

25 March 2015

Fundsmith Equity Fund Feeder

STATEMENT OF NET ASSETS AS AT 31 DECEMBER 2014

Fundsmith Equity Fund Feeder

EUR

	EUR
Assets	
Investments at net asset value (Note 3)	428.128.642
Receivable on subscriptions	1.624.722
Receivable for investment securities sold	1.462.063
Deferred organisational expense (Note 3)	58.045
Reimbursement fee receivable (Note 9)	2.120
Other assets	6.900
Total assets	431.282.492
Liabilities	
Bank overdraft (Note 3)	771.975
Payable on redemptions	2.248.030
Administration fees payable (Note 7)	71.951
Professional fees payable	29.580
Taxe d'abonnement payable (Note 4)	13.920
Management company fees payable (Note 5)	13.493
Depository fees payable (Note 7)	8.776
Other liabilities	29
Total liabilities	3.157.754
Total Net Assets	428.124.738

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 YEAR ENDED 31 DECEMBER 2014

Fundsmith Equity Fund Feeder

EUR

Net assets at the beginning of the year	217.346.898
Income	
Dividend income (Note 3)	3.276.272
Reimbursement fees (Note 9)	2.120
Other income	10.178
Total income	3.288.570
Expenses	
Administration fees (Note 7)	400.761
Management company fees (Note 5)	71.687
Depositary fees (Note 7)	45.195
Taxe d'abonnement (Note 4)	33.768
Audit fees	25.617
Organisational expense amortised (Note 3)	25.005
Directors fees (Note 8)	25.001
Other expenses	3.110
Total expenses	630.144
Net investment gain	2.658.426
Net realised profit on	
- Investments	3.210.860
- Foreign currencies	401.998
Change in unrealised appreciation/(depreciation) on	
- Investments	85.651.844
- Foreign currencies	(2.198)
Net result of operations for the year	91.920.930
Subscriptions for the year	
Redemptions for the year	(37.933.764)
Distribution paid for the year (Note 11)	(716.035)
Net assets at the end of the year	428.124.738

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

Fundsmith Equity Fund Feeder

STATISTICAL INFORMATION AS AT 31 DECEMBER 2014

	Currency	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	Total Net Assets As at 31 Dec 2012	Net Asset Value As at 31 Dec 2012
Fundsmith Equity Fund Feeder							
Euros Classes							
Class I Accumulation	EUR	195.405.123	20,11	101.335.381	15,26	52.643.696	12,48
Class I Income	EUR	50.715.564	19,57	36.062.340	15,01	19.048.721	12,48
Class T Accumulation	EUR	16.136.628	20,05	12.615.748	15,24	1.503.032	12,47
Class T Income	EUR	3.786.248	19,52	3.036.319	14,99	990.719	12,48
Class R Accumulation	EUR	6.989.620	19,80	3.267.595	15,12	1.679.408	12,44
Class R Income	EUR	5.834.765	19,53	5.940.552	14,93	5.709.255	12,43
GB Pound Classes							
Class I Accumulation*	GBP	12.593.701	12,28	-	-	-	-
Class I Income*	GBP	13.697.953	12,19	-	-	-	-
Swiss Francs Classes							
Class I Accumulation	CHF	45.467.811	17,16	30.466.778	13,29	20.875.920	10,70
Class I Income	CHF	8.534.701	16,66	6.706.562	13,04	10.704	10,70
US Dollars Classes							
Class I Accumulation**	USD	64.010.578	13,61	24.270.266	11,71	-	-
Class I Income**	USD	21.783.982	13,39	9.854.436	11,64	-	-
Total Net Assets	EUR	428.124.738		217.346.898		98.874.464	

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

**Class I Accumulation (USD) and Class I Income (USD) were launched on 14 March 2013

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

Fundsmith Equity Fund Feeder

STATEMENT OF CHANGES IN SHARES FOR THE YEAR ENDED 31 DECEMBER 2014

	Currency	Balance at 1 January 2014	Subscriptions	Redemptions	Balance at 31 December 2014
Fundsmith Equity Fund Feeder					
Euros Classes					
Class I Accumulation	EUR	6.638.697	4.003.132	924.586	9.717.243
Class I Income	EUR	2.402.632	399.339	210.340	2.591.631
Class T Accumulation	EUR	827.826	676.061	699.010	804.877
Class T Income	EUR	202.602	14.185	22.853	193.934
Class R Accumulation	EUR	216.127	172.981	36.159	352.949
Class R Income	EUR	397.811	698	99.700	298.809
GB Pound Classes					
Class I Accumulation*	GBP	-	1.041.695	16.492	1.025.203
Class I Income*	GBP	-	1.124.012	22	1.123.990
Swiss Francs Classes					
Class I Accumulation	CHF	2.291.809	409.575	52.038	2.649.346
Class I Income	CHF	514.427	10	2.120	512.317
US Dollars Classes					
Class I Accumulation	USD	2.073.385	2.918.681	289.624	4.702.442
Class I Income	USD	846.360	919.022	138.813	1.626.569
Total		16.411.676	11.679.390	2.491.757	25.599.310

*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 INVESTMENTS AND OTHER NET ASSETS AS AT 31 DECEMBER 2014

	Quantity	Description	Currency	Acquisition Cost EUR	Net Asset Value	% of Net Assets
Master Fund						
	174.375.479	Fundsmith Equity Fund - I Income Shares	EUR	312.787.221	428.128.642	100,00
Total Mutual Funds				312.787.221	428.128.642	100,00
Total Investments				312.787.221	428.128.642	100,00
Other Net Assets					(3.904)	0,00
Total Net Assets					428.124.738	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 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

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 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.

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 year ended 31 December 2014.

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 31 December 2014 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

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

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 716,035 was distributed over the year.

12. CHANGES IN THE COMPOSITION OF PORTFOLIO AND MASTER REPORTS

The list of movements in the portfolio composition for the year ended 31 December 2014, 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 year.

	Charges at SICAV level		Charges at Master Fund level		Aggregate charges	
	Amount (in EUR)	TER (%)	Amount (in EUR)	TER (%)	Amount (in EUR)	TER (%)
Charges	617,846	0.14%	4,324,914	0.98%	4,942,760	1.12%

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 year ended 31 December 2014.

14. TRANSACTION COSTS

No transaction costs were charged to the SICAV in 2014.

15. FEEDER OWNERSHIP OF THE MASTER

As at 31 December 2014, the Feeder ownership of the Master was equal to 11.13%.

Fundsmith Equity Fund Feeder

EUROPEAN UNION SAVINGS DIRECTIVE (UNAUDITED)

The Council of the European Union adopted on 3 June, 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 21 June, 2005 implemented the Savings Directive into Luxembourg law (the "Savings Directive Law"). The withholding tax is currently of 35% since 1 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⁽¹⁾.

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.

⁽¹⁾ This withholding tax system in Luxembourg ceases to apply as of 31 December 2014. As from 1 January 2015, automatic exchange of information will be made on interest payments made by a paying agent in Luxembourg to individuals resident in another EU member state.