

Supplementary Information Document

June 2023

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This document is dated June 2023. You should read this document carefully so that you understand what you are buying and keep it safe for future reference.

Issued by Fundsmith LLP. This document constitutes a financial promotion and is communicated by Fundsmith LLP.

Registered in England and Wales no: OC354233.

1.

Introduction

This document sets out important information about Fundsmith LLP (“Fundsmith”, “we” or “us”), the Fundsmith Equity Fund and the Fundsmith Sustainable Equity Fund (each a “Fund” and together the “Funds”). It contains information which Fundsmith is required to provide to you but it does not provide complete and comprehensive information in relation to the Funds. You should therefore read this document in conjunction with the relevant Key Investor Information Document and the Prospectus of the Fund or Funds you wish to invest in, to ensure you are aware of all relevant information.

The Key Investor Information Document provides essential information about a Fund to enable investors to make an informed investment decision. This includes details of the Fund’s investment objective and policy, the risk and reward profile, costs and charges and performance information. The Prospectus contains comprehensive information about a Fund. Both documents are available from us on request, free of charge and can also be found on our website:

- For Fundsmith Equity Fund:
www.fundsmith.co.uk
- For Fundsmith Sustainable Equity Fund:
www.fundsmith.green

The value of an investment in a Fund and the income arising from it may fall as well as rise and can be affected by changes in exchange rates. Investors may not get back the amount of their original investment. Past performance is not a reliable indicator of future results.

If you require further information about a Fund please contact us:

Call us on 0330 123 1815 (between 9.00am and 5.00pm on any business day).

Email us at: enquiries@fundsmith.co.uk

Write to us at: Fundsmith LLP, PO Box 10846, Chelmsford, Essex CM99 2BW.

Nothing in this document should be interpreted as giving you financial advice. If you have any doubt about whether an investment in a Fund is suitable for you please consult your own financial adviser.

2.

The Funds

Each Fund is established as an investment company with variable capital, incorporated in England and Wales and is authorised and regulated by the Financial Conduct Authority (“FCA”).

An investment company with variable capital is an investment product which offers indirect investment in financial markets. Investors’ money is pooled with that of other investors who chose to invest in the Fund. The Fund will use this money to buy investments, in our case stocks and shares, in accordance with its investment objective and policies of that Fund. Each investor invests in shares in the Fund, as it is itself a company.

Information about our approach to investing and the investment objectives, policies and strategies of our Funds is set out below.

Fundsmith Equity Fund

The Fund’s objective is to achieve long-term (over 5 years) growth in value, investing in shares of companies on a global basis. The Fund’s approach is to be a long-term investor in its chosen stocks and it will not adopt short-term trading strategies. The Fund aims to invest in businesses:

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

The Fund will not invest in other funds, property or derivatives nor hedge any currency exposure. The Fund will not generally borrow money, but may use temporary overdraft facilities if the Fund experiences an unexpected cash shortage. The investment portfolio of the Fund will be concentrated, generally comprising between 20–30 stocks. This means that the performance of a single stock within the portfolio can have a greater effect on the price of the shares of the Fund compared to a portfolio with a larger number of stocks. The Fund is actively managed meaning that the fund manager uses their expertise to select investments to achieve the Fund’s objective. The Fund does not track and is not managed by reference to any particular benchmark. The Fund does not have any specific geographical or sector focus.

This Fund invests for the long-term and may not be appropriate for investors who plan to withdraw their money within 5 years.

Fundsmith Sustainable Equity Fund

The Fund's objective is to achieve long-term (over 5 years) growth in value, investing in shares of companies on a global basis. The Fund's approach is to be a long-term investor in its chosen stocks and it will not adopt short-term trading strategies. The Fund aims to invest in businesses:

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

The Fund will not invest in businesses which have substantial interests in any of the following sectors:

- Aerospace and Defence
- Metals and Mining
- Brewers, Distillers and Vintners
- Oil, Gas and Consumable Fuels
- Casinos and Gaming
- Pornography
- Gas and Electric Utilities
- Tobacco

Potential investments are screened in accordance with Fundsmith's sustainable investment policy. Fundsmith evaluates sustainability in the widest sense, taking into account not only the companies handling of environmental social and governance policies and practice but also their policies and practices on research and development, new product innovation, dividend policy, and adequacy of capital investment.

The Fund will not invest in other funds (except cash funds), property or derivatives nor hedge any currency exposure. The Fund will not generally borrow money but may use temporary overdraft facilities if the Fund experiences an unexpected cash shortage. The investment portfolio of the Fund will be concentrated, generally comprising between 20–30 stocks. This means that the performance of a single stock within the portfolio can have a greater effect on the price of the shares of the Fund compared to a portfolio with a larger number of stocks. The Fund is actively managed meaning that the fund manager uses their expertise to select investments to achieve the Fund's objective. The Fund does not track and is not managed by reference to any particular benchmark. The Fund does not have any specific geographical or sector focus.

This Fund invests for the long-term and may not be appropriate for investors who plan to withdraw their money within 5 years.

General Information about the Funds

For both Funds, in the Fund's Prospectus and other marketing material, a number of comparisons are provided for ease of reference to enable the reader to have a general and consistent comparison for the Fund's performance. The following comparators are used:

Equities – We show the performance of the MSCI World Index, in Sterling net with dividends reinvested (priced at the close of US business and sourced from www.msci.com.) The MSCI World Index is a market capitalisation weighted index of global developed world equities. This shows what you might have earned if you had invested in a broad portfolio of global developed world equities;

Bonds – We show Bloomberg/Barclays Bond Indices UK Govt 5-10 yr (source: Bloomberg). This shows what you might earn if you had invested in UK Government Debt; and

Cash – We show the SONIA Interest Rate (source: Bloomberg). This is a proxy for what you might be able to earn for cash deposits.

Different classes of share have been issued in respect of each Fund, distinguished by their criteria for subscription, fee structure and whether or not they provide an income. Details of the share classes available in relation to the Funds are set out in Appendix 1.

Fundsmith is the Authorised Corporate Director (“ACD”) of the Funds and is responsible for managing the Funds’ affairs in accordance with FCA Rules. Investors can apply to invest in the Funds through Fundsmith. Fundsmith is authorised and regulated by the Financial Conduct Authority and is on the Financial Services Register under number 523102. Fundsmith’s registered office and head office is at 33 Cavendish Square, London W1G 0PW.

The Depository of the Funds is State Street Trustees Limited. The Depository is responsible for the safekeeping of the property of the Funds.

The auditors of the Funds are Deloitte LLP.

3.

Investment

Making an investment in the Fund

Generally, you may invest by post, telephone or by completing the relevant application form online via the relevant Fund's website.

Prior to investing you should obtain the Key Investor Information Document for the Fund and class of share which you propose to purchase. We recommend that you review this carefully prior to investing. The Key Investor Information Document can be obtained from the relevant Fund's website.

Online – visit our website and complete an online application. Payment will need to be made by debit card or for regular savings by Direct Debit.

By telephone – you can buy shares in the Funds directly by telephoning us on 0330 123 1815 on any business day between 9.00am and 5.00pm. Please note telephone calls may be recorded. Payment will need to be made by debit card or bank transfer.

By post – simply complete the relevant application form for the Fund in which you wish to invest and post it to the address on the form or pass it to your financial adviser. Your application form must be accompanied by the appropriate payment. Payment may be a personal cheque, made payable to Fundsmith LLP, an electronic transfer or, for regular savings, please complete the Direct Debit section on the application form.

Fundsmith may require you to provide additional identity information for anti-money laundering purposes (see below). Investors other than individuals are required to open an account with us before they can invest.

Please note, that children below the age of legal capacity (which is 18 years old in England and Wales and 16 years old in Scotland) cannot purchase shares directly. A Junior ISA account can be opened for children. This is described in section 5 below.

You may invest a lump sum, a regular amount or a combination of both. You can only have a regular savings plan for the T Class of shares. Under the regular savings plan, an investor agrees to make monthly contributions to the plan for investment in the relevant Fund.

The monthly contributions may be increased, decreased (subject to maintaining the prescribed minimum level of contribution) or suspended at any time. For regular investments you will need to complete the Direct Debit section on the relevant application form and send it to us. Your payments will be deducted monthly from your bank account on the first day of the month or the next business day where the first day of the month is not a business day. The minimum investment level for monthly savings is £100 per month. Subject to your account being above the minimum holding level, you may take a savings break at any time without penalty, by notifying us online, by telephone, or by post. If payments are not made into the regular savings plan for 3 consecutive months and you hold less than the minimum shareholding level for that Fund, we may require you to close your savings plan. If you would like to vary your monthly investment amount, you can do so by online, by telephone, or by posting us a new application form advising us of the new amount you wish to invest. Contract notes will not be issued to shareholders investing through a regular savings plan, but a statement of shareholdings will be issued semi-annually.

After we receive your application or telephone instructions, your purchase order will be processed. The price at which you invest in a Fund is determined by reference to the net asset value of the Fund at the next valuation point, which is 12 noon on each business day. Applications received before 12 noon on a business day will be processed at the price determined from the valuation on that day. Applications received after 12 noon will be processed on the next business day. The share price may be subject to a dilution adjustment. Further details of the dilution adjustment can be found in the full Prospectus for the relevant Fund. The price of shares in the Funds depends on fluctuations in the financial markets outside of Fundsmith's control. Past performance is not a reliable indicator of future performance.

Full payment must be made by the 4th business day following the day on which we process your application. This date will be set out on your contract note. If payment is not received by this date we reserve the right to cancel your purchase but you will remain responsible for any losses incurred as a result of non-payment.

If for any reason we are not able to process your investment immediately, any uninvested cash will be either returned to you or held on your behalf in a client money bank account, in accordance with the FCA's Client Money Rules. No interest will be payable on your money in such an account.

Selling your investment in the Funds

You can sell your investment in a Fund by visiting our website, telephoning us on 0330 123 1815 or writing to us at Fundsmith LLP, PO Box 10846, Chelmsford, Essex, CM99 2BW. Instructions received by telephone may need to be confirmed in writing on a withdrawal form which we will send to you or can be downloaded via our website. We will sell your shares at the next valuation point following receipt of your instructions. Once we have received all necessary documents to complete the transaction we will send you the sale proceeds by bank transfer unless otherwise agreed with us, normally within four business days. The share price may be subject to a dilution adjustment.

Client categorisation

As an individual investor, you will be categorised as a retail client for the purposes of FCA Rules.

Prevention of money laundering

In order to comply with various laws and regulations designed to combat money laundering and other financial crime we operate anti-money laundering procedures at the time of initial investment and on an ongoing basis.

As a result we are required to obtain independent documentary evidence of the identity and permanent address of persons applying to invest in a Fund. We also need to verify the identity of the beneficial owner of the investment and we may be required to obtain information on the source of the wealth and funds for the investment. We may also need additional information if you or the beneficial owner of the investment is a politically exposed person or an associate of a politically exposed person. Our anti-money laundering procedures apply to all applicants and investors in our Funds.

We may use electronic databases to check your identity and address and this will often be sufficient. However, we may sometimes need to obtain further independent evidence of your identity, permanent address or other relevant information. We may therefore write and ask you for it.

Until we receive satisfactory independent documentary evidence of your identity, permanent address or other relevant information, we may need to delay processing your investment instructions and/or to withhold any payments due to you from us in respect of your investment.

It can help reduce the burden for some ongoing anti-money laundering checks if you could, wherever possible, pay for any lump sum investment you make by either an electronic transfer or a cheque drawn on your own (or joint) personal bank account. Where you are investing money using a cheque made out by your building society, you must arrange for them to certify on the back of the cheque the name of the person from whose account payment is being made.

If we request evidence of identity from you, we will require documentation to verify both your name and permanent address. Below are some examples of acceptable types of evidence. We will require two documents:

- Current signed passport
- Current signed UK photo-card driving licence
- Current full UK driving licence (old version)
- Recent HM Revenue & Customs tax notification
- Recent local authority tax bill
- Recent bank or building society statement or passbook containing current address
- Recent utilities bill

For a Junior ISA we may also require evidence of the identity of the child for whom the Junior ISA is opened. If we do need to do this the following types of document may be requested:

- Current passport
- Birth certificate
- NHS medical card
- Child benefit documentation
- Child tax credit documentation
- National insurance card (for those aged 16 or over)

We recommend that you do not send original items of personal identity such as passports, birth certificates or driving licences. Instead copies of these can be certified by a solicitor, regulated financial professional or accountant.

Certified copies should be dated and signed "original seen" and be marked in what capacity the person is signing the document, where applicable a company stamp should be used. The person undertaking the certification should not be a family member and must be easy to contact in case of any queries.

Other documentation, like utilities bills, have to be recently issued within the last three months and must be original. Photocopies cannot be accepted. We will return all documents to you as soon as possible.

In accordance with our anti-money laundering procedures we may at any time request further documentary evidence of your identity or that of the beneficial owner or other relevant information. We reserve the right to withhold the proceeds of a sale of shares or the payment of income on the shares until satisfactory evidence is provided.

If you have any questions about the documentation required, if it is requested, please contact us on 0330 123 1815.

Investor information

You can obtain the latest share prices of the Funds by:

- Visiting the relevant Fund's website where price and performance information is available;
- Calling us on 0330 123 1815 between 9.00am and 5.00pm, Monday to Friday; and
- Referring to the Financial Times.

Please note that these prices are historical and are not the prices at which you would be able to deal. The assets of the Funds are valued at 12 noon each business day and deals are always priced at the next valuation point.

Every six months you will receive a statement showing a valuation of your investment as at 5 April and 5 October each year, together with a list of transactions during the six month period. Statements are issued within a month following the statement date.

In addition the Funds' half yearly and annual Report and Accounts are available on request or via our website.

4.

Information for ISA holders

An Individual Savings Account (“ISA”) is a tax efficient shelter in which you can place your investments. Under current regulations, all income and capital growth generated within your ISA is free of UK income tax and capital gains tax. There are various types of ISA including:

- A Stocks and Shares ISA, which can consist of investments such as investment companies with variable capital, unit trusts, investment trusts, company shares, corporate bonds and cash;
- A Cash ISA, which can consist of bank or building society deposits, national savings and cash funds;
- An Innovative Finance ISA, which can consist of peer-to-peer loans and cash; and
- Lifetime ISAs, which can be used as a savings vehicle to buy your first home or for your retirement.

ISAs are available to all UK tax resident individuals over the age of 16 for a Cash ISA and over 18 for other types of ISA. As Fundsmith only offers a Stocks and Shares ISA, you must be over 18 to subscribe for our ISA.

An individual is only permitted to pay into one of each kind of ISA in each tax year.

The overall maximum subscription limit for an ISA is currently £20,000 each tax year. The full amount can be invested in a single type of ISA e.g. a Stocks and Shares ISA or you can split your investment between each type of ISA in such proportion as you choose. You must ensure that your contributions into a Fundsmith ISA (together with the value of contributions to any other type of ISA which you may have) do not exceed the maximum subscription limit of £20,000. You can transfer from one type of ISA to another type of ISA, for example, from a Cash ISA into a Stocks and Shares ISA. You can also transfer an existing Stocks and Shares ISA to another Stocks and Shares ISA with a different provider. For any ISA transfer to us, please note that this can take up to 30 days to process. During this time your investment will be in cash and you will not therefore be exposed to any gain or fall in the stock markets.

The Fundsmith ISA is a Stocks and Shares ISA managed by Fundsmith LLP and permits investment into the Fundsmith Equity Fund and the Fundsmith Sustainable Equity Fund. The Fundsmith ISA can be a tax efficient way of investing in these Funds.

Investment in the Fundsmith ISA can be made online, by telephone, or by posting a completed ISA Application Form or ISA Transfer Form. The detailed ISA Terms and Conditions are set out in Appendix 3. The minimum payment amount for the Fundsmith ISA is £1,000 lump sum or £100 per month in regular savings. Payment can be made by bank transfer, debit card, cheque or, for regular savings, by direct debit.

The tax benefits of an ISA will continue after the ISA holder dies until the earlier of the completion of the administration of the deceased's estate, the closure of the ISA account or the third anniversary of the date of the deceased's death.

Fundsmith also provides an Additional Permitted Subscription ISA. When a person dies, their surviving spouse or civil partner is entitled to an additional ISA allowance, based on the value of the deceased's ISA investments on the date of their death or at the end of the period during which a deceased's ISA can continue to be treated as an ISA, whichever is the higher amount. This is known as the Additional Permitted Subscription (APS) Allowance.

If you want to invest your APS allowance in a Fundsmith ISA, you will need to complete the APS ISA Application Form. This can be found on our website together with APS ISA General Guidance which provides more information about the APS ISA.

We will set up a separate ISA account for your APS allowance (the "APS ISA"). We will do this so that HMRC is able to identify how your APS allowance has been used. You are permitted to invest in both an APS ISA and our standard Stocks and Shares ISA in the same tax year and the maximum subscription limit referred to above does not apply to the APS allowance.

The APS allowance must be used within a certain time period. Please read the General Guidance on the APS Allowance for further details.

Under the ISA Regulations, it is possible to invest your APS allowance in instalments, subject to the time constraints. If you decide to invest your APS allowance in instalments, you will also need to complete an Additional Permitted Subscription (APS) Cash Dealing form for each subsequent investment.

Please note the tax treatment depends upon the investor meeting the eligibility criteria for an ISA and the tax treatment of ISAs may be subject to change in the future.

5.

Information for Junior ISA

A Junior ISA is an Individual Savings Account (“ISA”) for children who do not have a Child Trust Fund. It is a tax efficient shelter for a child’s savings and investments. Under current regulations, all income and capital growth generated within a Junior ISA is free of UK income tax and capital gains tax.

There are two types of Junior ISA:

- **A Stocks and Shares Junior ISA, which can consist of investments such as open-ended investment companies, unit trusts, investment trusts, company shares, corporate bonds and cash; and**
- **A Cash Junior ISA, which can consist of bank or building society deposits, national savings and cash funds.**

Anyone with parental responsibility for an eligible child can open a Junior ISA for that child. Eligible children over the age of 16 can also open a Junior ISA for themselves. Junior ISAs are available to all UK resident children under the age of 18 who do not have a Child Trust Fund.

A Junior ISA is held in the name of the child and the investments within the Junior ISA are beneficially owned by the child. Junior ISAs are managed for the child by a person known as the “registered contact”; this is usually the person with parental responsibility for the child.

Anyone (not just the registered contact) can make a payment into a child’s Junior ISA. All payments are gifts to the child and cannot be subsequently returned to the person making the payment.

The investments in a Junior ISA cannot generally be withdrawn prior to the child’s 18th birthday.

The overall maximum subscription limit for the current tax year for Junior ISAs is £9,000. Payments into a child’s Stocks and Shares Junior ISA and any Cash Junior ISA must not together exceed that limit each tax year.

The person who is the registered contact can request a transfer of a Junior ISA or child trust fund to us. Any such transfer will not additionally count towards the annual subscription limit, although any subscription already made in that tax year to the original Junior ISA will continue to count towards the annual subscription limit. A child can only have one Cash Junior ISA and one Stocks and Shares Junior ISA at any one time, so it is not possible to transfer a Cash Junior ISA into a Stocks and Shares Junior ISA if the child already has a Stocks and Shares Junior ISA with a different provider.

For any Junior ISA or child trust fund transfer to us, please note that this can take up to 30 days to process. During this time the investment will be in cash and will not therefore be exposed to any gain or fall in the stock markets.

The Fundsmith Junior ISA is a Stocks and Shares Junior ISA managed by Fundsmith LLP which permits investment in accumulation shares of the Fundsmith Equity Fund and the Fundsmith Sustainable Equity Fund.

An application to open a Fundsmith Junior ISA must be made using the Junior ISA Application Form or the Junior ISA Transfer Form. Only a person with parental responsibility for a child or a child aged 16 or over can apply to open a Fundsmith Junior ISA.

The detailed Junior ISA Terms and Conditions which apply to the Fundsmith Junior ISA are set out in Appendix 4.

The minimum payment amount for the Fundsmith Junior ISA is a £1000 lump sum or £100 per month in regular savings. Payment can be made by bank transfer, debit card, cheque or, for regular savings, by direct debit.

Please note the tax treatment of Junior ISAs may be subject to change in the future.

6.

Additional
information**Tax treatment**

This section provides a brief and general summary of the tax treatment of the Funds and typical investors. Further information is contained in the Prospectus of each Fund which you are strongly advised to read. The tax treatment is modified for ISA and Junior ISA investors (see Sections 4 and 5 above). If you are in any doubt as to your tax position you should seek professional advice.

Each Fund is exempt from UK corporation tax on chargeable gains realised on the disposal of investments held by it. Dividends from companies received by a Fund are likely to be exempt from corporation tax in the Fund's hands. A Fund will be subject to corporation tax at the basic rate of income tax (currently 20%) on other types of income (including on any profit on trading transactions) after deducting allowable expenses. Income and other amounts arising from or on a disposal of foreign securities may be subject to a withholding tax. Where this is the case the Fund may be entitled to a tax credit for the withholding against its UK corporation tax liability. A Fund may be subject UK or non-UK transfer taxes in respect of its investments.

If you are an individual resident in the UK, you may be liable to UK Capital Gains Tax on gains arising from the sale or disposal of shares in a Fund. If you are within the charge to UK corporation tax you may be liable to corporation tax on chargeable gains arising from the sale or disposal of shares in a Fund.

Switching between accumulation shares and income shares should not generally be treated as a disposal for tax purposes and should not therefore trigger a charge to capital gains tax.

No tax is deducted from any dividend distributions paid by a Fund. From 6 April 2023, UK resident individuals benefit from a tax-free dividend allowance on the first £1,000 of dividends received or accumulated in each tax year from any investments. Depending on their personal tax position, UK resident individuals may be subject to income tax on distributions which exceed the allowance regardless of whether these are paid out (as will be the case for Income Shares) or accumulated within a Fund (as will be the case for Accumulation Shares).

Shareholders within the charge to UK corporation tax may have to separate dividend distributions into two parts. Any part representing dividends received by the Fund and which are exempt from corporation tax in its hands will be treated as dividend income and no further tax will generally be due on it. The remainder will be treated as an annual payment after deduction of tax at the basic rate of income tax. Corporation tax will be charged on the grossed up amount with the benefit of a credit for the tax already deducted.

The taxation regime in respect of the income or capital gains received by individual investors depends on the tax law applicable to the personal situation of each individual investor and/or to the place where capital is invested. These statements are based on the law and HM Revenue & Customs practice as known as at the date of this document.

Data protection

This section describes the way in which we may use your personal information.

Please read this section carefully to understand how we collect, process and share your personal information.

We will only use your personal information to the extent that it is provided to us, or otherwise obtained by us, as set out in this section. We endeavour to ensure that your personal information is handled in accordance with the "Data Protection Legislation", including (i) the UK Data Protection Act 2018, (ii) the UK GDPR, as defined in the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019/419 (iii) the Privacy and Electronic Communications (EC Directive) Regulations 2003, and (iv) all similar or related legislation concerning the processing of personal information and/or privacy applicable to us.

By applying to invest in a Fund and/or otherwise engaging with us, you acknowledge that we may collect, process and transfer your personal information as set out in this section.

In this section, for the purposes of the Data Protection Legislation, the data controllers are:

- the relevant Fund in which you invest;
- Fundsmith; and
- Fundsmith Investment Services Limited.

(a) Personal information that we collect from you

When you apply to invest in a Fund or otherwise engage with us (e.g. by sending us emails, contacting us via telephone, visiting or making an enquiry through our website or making transactions with us), you provide personal information about yourself including your name and contact details (e.g. your address, email address and telephone number), certain financial information and various other necessary personal information (e.g. identity documentation, date of birth, national insurance number and bank details). Where you make use of your online account, we may also collect information about your use of your online account (e.g. your IP address and choice of web browser).

We also have CCTV in some of our offices for the purpose of crime prevention and where this is relevant, we will display appropriate notices.

(b) Personal information that we receive from other sources

We may receive information from third parties who collect personal information from you and pass it on to us. For example, as part of our anti-money-laundering processes for both prospective and existing investors or where we receive contact details and other personal information from your financial adviser. Where this is the case the third party is responsible for ensuring that they have all necessary rights to share your personal information with us, but, once we have received it, we will only use it in accordance with the terms of this section.

(c) What we do with your personal information

Some of the personal information we collect or acquire is collected or processed so we can perform a contract with you, some for the purpose of legal compliance and some for the purposes of our legitimate business interests (such as to carry out and improve our business, analyse the use of our services and support our investors).

We will use your personal information in order to (i) manage and administer your shareholding, (ii) contact you to provide details of any changes to a Fund and/or the services we provide to you, (iii) conduct internal analysis and research, (iv) comply with legal or regulatory requirements, and (v) identify you when you contact us.

Where you have explicitly consented, or where we otherwise have a right to do so, we may also use your personal information to let you know about our other services, investment products and events, to provide investment commentary or articles that may be of interest to you by post, telephone and e-mail.

We may also use the personal information to customise our website according to your interests.

If you change your mind about us using your personal information in the ways described in this section, please let us know by contacting us by using the details set out at the end of this section, although please note that we have to retain some personal information in certain circumstances in order to comply with our legal and regulatory obligations.

You may also opt out of receiving e-mail marketing communications from us by following the instructions outlined in the relevant communication.

(d) How we share your personal information

Where you have notified us of your financial or investment adviser, the personal information provided may be shared with such adviser. You should notify us in writing if you no longer wish personal information to be shared with your adviser or of any change in the adviser. The personal information you provide may also be shared with other organisations or companies within our group in order for us to comply with any legal or regulatory requirements, for our internal business purposes or to provide our services to you. We may also share your personal information with our service providers and their respective agents (including cloud hosting providers) as necessary. By submitting your personal information to us, you acknowledge that such third parties shall process your personal information. We ask all third parties to treat your personal information securely and in accordance with this document, and will take reasonable steps to enforce this.

If we undergo a group reorganisation or are sold to a third party, the personal information provided to us may be transferred to that reorganised entity or third party and used for the purposes set out above.

In addition, it may be necessary to disclose your personal information if we are under a duty to do so in order to comply with any legal or regulatory obligation (such as anti- money laundering obligations), enforce our rights under this document and any other agreement with you, or to protect our, or any affiliates' rights, property, or safety. This includes exchanging information with other companies and organisations for the purposes of fraud protection and prevention.

(e) Sensitive personal information

Sensitive personal information is personal information concerning an individual's (i) racial or ethnic origin, (ii) political opinions, (iii) religious beliefs or other beliefs of a similar nature, (iv) membership of a trade union, (v) physical or mental health or condition, (vi) sexual life or orientation, (vii) commission or alleged commission by him/her of any offence, or (viii) involvement in any proceedings for any offence committed or alleged to have been committed by him/her, the disposal of such proceedings or the sentence of any court in such proceedings.

You may provide us with sensitive personal information from time to time in connection with your application or otherwise. In such cases, the provision of this information is entirely voluntary and subject to your express consent. However, we may be unable to carry out some activities necessary to process your application, instructions or other requests without the provision of such information.

Where we do receive sensitive personal information, we will only keep such information for as long as strictly necessary to fulfil the purpose for which it was collected or as may otherwise be required in order for us to comply with our obligations under the law.

(f) Our security and data retention measures, and any transfers we make outside of the UK

We take steps to protect your personal information from unauthorised access and against unlawful processing, accidental loss, destruction and damage.

Save in respect of sensitive personal information as set out above, we will only keep your personal information for as long as we reasonably require and, in any event, only for as long as the Data Protection Legislation allows.

In processing your personal information, it may be necessary for us to transfer your personal information to locations which are outside of the UK. For example, this may occur where servers, suppliers and/ or service providers are located outside the UK. Your personal information may also be accessed by staff operating outside the UK who work for us, or an affiliate, or for one of our service providers or suppliers. For example, SS&C Financial Services Europe Limited and SS&C Financial Services International Limited (the companies we use to provide administrative support) have operations outside the UK and may need to access your personal information in order to provide us with their services.

In these circumstances, we will take appropriate steps to safeguard your personal information and ensure that it is processed in accordance with this section and Data Protection Legislation. This means that we will only transfer your personal information to third parties outside the UK if (i) that third party is situated in a country that has been confirmed by the UK Government to provide adequate protection to personal information, (ii) that third party has agreed (by way of a written contract or some other form of data transfer mechanism, in each case approved by the UK Government) to provide all protections to your personal information as are required by the Data Protection Legislation, or (iii) we have your explicit consent to do so (such as where you have requested that an overseas transfer of your personal information takes place). Where any transfer takes place under a written contract, you have the right to request a copy of the relevant parts of such contract pursuant to which the transfer takes place and may do so by contacting us at the details set out at the end of this section.

(g) Accessing and updating your personal information

You have the right to ask us not to process your personal information for marketing or research purposes. You can exercise your right to prevent such processing when completing your application form. You can also exercise the right at any time by contacting us at the details set out at the end of this section.

You have the right to ask to see the personal information we hold about you and to ask us to (i) make any changes to ensure that any personal information we hold about you is accurate and up to date, (ii) erase or stop processing any personal information we hold about you where there is no longer a legal ground for us to hold it, or (iii) in some circumstances, transfer any information we hold about you to a specified third party. If you wish to do this, please contact us at Fundsmith LLP, PO Box 10846, Chelmsford, Essex, CM99 2BW.

(h) Complaints

Should you have any queries or complaints in relation to how we use your personal information, please contact us at Fundsmith LLP, PO Box 10846, Chelmsford, Essex, CM99 2BW. Should you wish to take any data protection complaints or queries further, you have the right to contact the UK Information Commissioner's Office regarding such issues.

Conflicts

Fundsmith has a Conflicts of Interest Policy which contains the details of identified conflicts or potential conflicts of interest and the procedures it follows in order to avoid, minimise and manage such conflicts or potential conflicts. Fundsmith is structured and organised in a way so as to minimise the risks of a client's interests being prejudiced by conflicts of interest and will wherever possible try to ensure that a conflict of interest does not arise. In the event that a conflict of interest cannot be avoided Fundsmith will always act in the best interests of a Fund and ensure that the Fund is fairly treated. If circumstances arise such that Fundsmith's arrangements for avoiding and managing conflicts of interest are not sufficient to ensure with reasonable confidence that the risks of damage to the interests of a Fund or its shareholders will be prevented, the senior management of Fundsmith must act to ensure that appropriate action is taken in the best interests of the Fund and its shareholders. Any such situation will be disclosed to shareholders in the next annual or half yearly report together with details of the action taken by Fundsmith to resolve the situation in the best interests of the Fund.

The Conflicts of Interest Policy is reviewed by senior management of Fundsmith at least once a year or whenever there are material changes in the business services to be offered by Fundsmith. A copy of the current Conflicts of Interest Policy is available from Fundsmith on request.

Cancellation

If you are an individual investor, as a retail client, you will have the right to cancel your investment within 14 days. A cancellation notice will be sent to you. If you wish to cancel your investment you will need to sign and date the cancellation notice and return it to us at Fundsmith LLP, PO Box 10846, Chelmsford, Essex CM99 2BW within 14 days. We will then return your money less any fall in value of the shares. If you do not exercise your right to cancel within 14 days you will continue to hold your investment.

Complaints

Any complaints concerning the Funds or Fundsmith should be referred to the Compliance Officer of Fundsmith at PO Box 10846, Chelmsford, Essex CM99 2BW. Information about our complaints handling process is available on request and on the Fund website. If a complaint is not resolved to the satisfaction of the complainant it may, subject to the status of the complainant, be referred to the Financial Ombudsman Service via their website: financial-ombudsman.org.uk or by their telephone helpline on 0800 023 4567 or email to: complaint.info@financial-ombudsman.org.uk.

Compensation

We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on your status, the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of a claim up to a maximum limit of £85,000. Further information about compensation arrangements is available from us or the Financial Services Compensation Scheme at the following address:

Financial Services Compensation Scheme
PO Box 300
Mitcheldean
GL17 1DY

Telephone: 0800 678 1100

Website: www.fscs.org.uk

Recording telephone calls

We may record telephone conversations to offer you additional security, improve our service standards and to resolve complaints. Telephone calls may also be recorded for training purposes.

Language

This document, the Key Investor Information Document, the full Prospectus and all other communications and documentation sent to you will be in English.

Alternative formats

Copies of this document, the Key Investor Information Document, the full Prospectus and the Fund's annual and half-yearly Report and Accounts can be provided to you in large print on request.

Governing law

Any contract or relationship entered into with us or the Fund will be governed by the laws of England and Wales and subject to the exclusive jurisdiction of the English courts.

Appendix 1

| Fund information | Fundsmith Equity Fund | | | Fundsmith Sustainable Equity Fund | |
|--|-----------------------|---------|---------|-----------------------------------|---------|
| | I Class | R Class | T Class | I Class | T Class |
| Types of share | | | | | |
| Accumulation | Yes | Yes | Yes | Yes | Yes |
| Income | Yes | Yes | Yes | Yes | Yes |
| Dealing levels | | | | | |
| Minimum initial lump sum | £5,000,000 | £1,000 | £1,000 | £5,000,000 | £1,000 |
| Minimum monthly investment | N/A | N/A | £100 | N/A | £100 |
| Minimum holding | £5,000,000 | £1,000 | £1,000 | £5,000,000 | £1,000 |
| Minimum subsequent investment | £5,000 | £250 | £250 | £5,000 | £250 |
| Minimum redemption | £5,000 | £250 | £250 | £5,000 | £250 |
| Charges | | | | | |
| Annual management charge | 0.90% | 1.50% | 1.00% | 0.90% | 1.00% |
| Preliminary/entry charge | Nil | Nil | Nil | Nil | Nil |
| Redemption charge | Nil | Nil | Nil | Nil | Nil |
| Switching charge | Nil | Nil | Nil | Nil | Nil |
| OCF | 0.94% | 1.54% | 1.04% | 0.95% | 1.05% |
| Accounting reference dates | | | | | |
| 31st December, 30th June. | | | | | |
| Income payment dates | | | | | |
| On or about 28th February and 31st August. | | | | | |

Appendix 2

Contact details

Shareholder administration

Fundsmith

PO Box 10846, Chelmsford, Essex CM99 2BW

The Funds

Fundsmith Equity Fund

33 Cavendish Square, London W1G 0PW
Registration Number – IC000846
FCA Product Reference Number – 529093

Fundsmith Sustainable Equity Fund

33 Cavendish Square, London W1G 0PW
Registration Number – IC001098
FCA Product Reference Number – 784191

Authorised corporate director

Fundsmith LLP

33 Cavendish Square, London W1G 0PW
Financial Services Registration Number – 523102

Registrar

SS&C Financial Services International Limited
SS&C House, St Nicholas Lane, Basildon, Essex SS15 5FS

Depository

State Street Trustees Limited

20 Churchill Place, London, E14 5HJ
FCA registration number - 186237

Auditors

Deloitte LLP

Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR

Financial Conduct Authority

The Company, ACD and Depository are all authorised and regulated by the FCA. The FCA can be contacted at:

12 Endeavour Square, London E20 1JN

Telephone: 0800 111 6768

Website: www.fca.org.uk

Appendix 3

ISA terms and conditions

1. Introduction

- 1.1 The following terms and conditions (“Terms”) together with the completed Application Form constitute a legal agreement between you and us, Fundsmith LLP, that sets out the services that we will provide and how we will manage your Individual Savings Account (the “Fundsmith ISA”).
- 1.2 These Terms and the Application Form should be read in conjunction with the Key Investor Information Documents and the rest of this document which contain important information about the Funds. For your own benefit and protection you should read these Terms, the Application Form, the Key Investor Information Documents and the rest of this document carefully before completing and signing the Application Form. If you do not understand any point please contact us for further information. More detailed information about the Funds is contained in each Fund’s Prospectus which is available on request or from our website.
- 1.3 The Fundsmith ISA is also governed by the Individual Savings Account Regulations 1998, as amended from time to time, which take precedence over the Terms in the event of any inconsistency.
- 1.4 Fundsmith LLP is authorised and regulated by the FCA in the way it conducts its investment business. In providing you with a service pursuant to these Terms, you will be classified as a Retail Client in accordance with FCA Rules.
- 1.5 The Fundsmith ISA is a Stocks and Shares ISA as defined below.

2. Definitions

In these Terms the following words have the meanings set out below.

| | | | |
|--|---|--|--|
| “Additional Permitted Subscription” | additional subscriptions which can be made to an ISA by an individual following the death of their spouse or civil partner; | “Income Payment Day” | any day noted in Appendix 1 of this Document on which distributions of income from the Fund are made; |
| “Application Form” | the application form or transfer application form as appropriate, which you complete in order to open your Fundsmith ISA; | “ISA” | an Individual Savings Account; |
| “Document” | this supplementary information document containing information about the Funds and the Fundsmith ISA, as amended from time to time, which should be read in conjunction with each Fund’s Prospectus and Key Investor Information Documents; | “Key Investor Information Document” | the Key Investor Information Document for the relevant class of share in a Fund, which contains important information about that class of shares and the Fund, as amended from time to time; |
| “FCA” | the Financial Conduct Authority or any successor body which may assume some or all of its regulatory responsibilities from time to time; | “Prospectus” | the current prospectus for a Fund, as amended from time to time; |
| “FCA Rules” | the FCA handbook of rules and guidance, as amended from time to time; | “Regulations” | the Individual Savings Account Regulations 1998, as amended from time to time; |
| “Fund” | the Fundsmith Equity Fund or Fundsmith Sustainable Equity Fund, together referred to as the “Funds”; | “Service” | the service of acting as an ISA manager provided to you pursuant to these Terms; |
| “HMRC” | HM Revenue & Customs; | “Shares” | any class of shares in a Fund; |
| | | “Stocks and Shares ISA” | an ISA which can invest in open ended investment companies, unit trusts, investment trusts, company shares, corporate bonds and cash in accordance with the Regulations; |
| | | “Valuation Point” | the time, on any business day, at which a Fund is valued; and |
| | | “We”, “Our” or “Us” | Fundsmith LLP. |

3. Opening a Fundsmith ISA

- 3.1 You may make an application to open a Fundsmith ISA in either of the following ways: (i) in writing by completing the Application Form, (ii) by telephone, or (iii) online via our website. You will be required to provide the same information that is asked for in the Application Form and make the same declarations in all cases. The declarations are important as these are required to ensure that you are eligible to have an ISA.
- 3.2 If you apply to open a Fundsmith ISA by telephone we will read back the required information and declarations to you and ask you to confirm it. If you apply online via our website, you will be asked to make the declaration as part of the process and we will notify you of the declaration. You should tell us if anything is incorrect. We reserve the right not to accept your corrections and if the corrections invalidate your Fundsmith ISA for any reason under the Regulations your ISA will be rendered void and your ISA account closed. If this happens your investment in the Shares will not have the tax benefits associated with an ISA.
- 3.3 If your application is not complete in all respects we may open your Fundsmith ISA on a provisional basis. In these circumstances your Fundsmith ISA payment will be used to buy Shares and we will ask you for the missing information. If you do not provide us with the missing information within 30 days of the date on which we received your application, your ISA will be rendered void and your ISA account closed. If this happens your investment in the Shares will not have the tax benefits associated with an ISA.
- 3.4 If your Fundsmith ISA is rendered void under either paragraph 3.2 or 3.3 above unless you instruct us otherwise, we will transfer the Shares to you but you will not have the tax benefits associated with an ISA. If you instruct us to return your subscription to you, we will sell your Shares and the money paid to you will reflect any rise or fall in the value of the Shares since the date of investment; accordingly you may not get back your subscription in full.
- 3.5 We reserve the right to refuse to accept your application to open a Fundsmith ISA. We do not accept applications from U.S. citizens or those who are tax resident in the United States of America.
- 3.6 If we receive your completed Application Form prior to the tax year to which it relates, we cannot invest your monies until the start of that tax year. In these circumstances we will retain your payment in a non interest bearing client bank account pending the start of the relevant tax year.
- 3.7 In order to comply with anti-money laundering regulations we will need to verify your identity when you open a Fundsmith ISA and may need to request additional evidence of identity or other relevant information from you from time to time. If this is the case we will write to you to request the relevant information. We reserve the right to refrain from investing your money or to freeze your Fundsmith ISA (in which case we will not accept your instructions to make a withdrawal, to accept or invest money or to pay any distributions to you) until adequate evidence of identity has been provided.

4. Investing in your Fundsmith ISA

- 4.1 You may only invest your own money into the Fundsmith ISA.
- 4.2 You can invest into the Fundsmith ISA by either making one or more lump sum payments or by making regular monthly payments or a combination of the two, as detailed in this Document. The total of all amounts invested in your Fundsmith ISA in any tax year (together with the amounts paid into any other ISA which you may have) must not be more than the annual limit set out in section 4 of this Document. Special rules apply to any Additional Permitted Subscription limit to which you may be entitled. Paragraph 6 below explains this in more detail.
- 4.3 If you are making regular savings, Direct Debit payments will be deducted monthly from your bank account on the first of the month, where this date is not a business day the payment will be deducted on the next business day. For regular savings, you will need to select which Fund you wish to invest in on the Application Form. It is not possible to split your monthly investment between the Funds.

4.4 If you want to change the Fund in which you are investing or if you want to stop regular saving either temporarily or completely, please let us know. If you then wish to start saving again, please let us know. You will not need to complete the Direct Debit instruction again unless you have cancelled your existing Direct Debit with your bank or building society or have not invested for 12 months. If payments are not made into the regular savings plan for 3 consecutive months and your shareholding is below the minimum holding level for the Fund set out in this Document, we reserve the right to terminate your ISA.

4.5 If you wish to change the amount of your monthly payment the change will be subject to the current minimum monthly payment level which is set out in Appendix 1 of this Document. You should also ensure that the total amount you invest in ISAs in any tax year is within the annual limit set out in section 4 of this Document.

4.6 The minimum: (i) overall holdings; (ii) initial lump sum investments; (iii) additional lump sum investments; and (iv) monthly savings amounts, for Shares in the Funds are set out in Appendix 1 of this Document.

5. Transfers into a Fundsmith ISA

5.1 If you have an existing ISA with another ISA manager, some or all of which you wish to invest in a Fundsmith ISA, you may apply to transfer the cash value of your existing ISA to us by completing and returning to us a transfer Application Form for the Fundsmith ISA. Subject to our acceptance of your transfer application, we will then arrange for the transfer to take place on your behalf. We accept whole or partial transfers of existing ISAs but the Regulations do not permit partial transfers of ISA investments made in the current tax year; you can only transfer the whole amount of such investments.

5.2 We will act as manager of your Fundsmith ISA under these Terms from the date of the transfer of cash from your previous ISA manager. The investment of the transferred cash into Shares will normally take place at the next Valuation Point after receiving the cash from your previous ISA manager. The timing of the realisation of the cash value of your existing ISA and its transfer to us is outside of our direct control and during this period you may not be invested and may not therefore receive the benefit of any rise in the value of investments.

5.3 As we only offer a Stocks and Shares ISA, any transfer-in to a Fundsmith ISA of a different type of ISA will, subject to our acceptance of your application, be classified by us as a Stocks and Shares ISA. You may only open one Stocks and Shares ISA each tax year.

5.4 We reserve the right to refuse to accept your application to transfer-in to a Fundsmith ISA.

6. Additional permitted subscriptions

6.1 If you are eligible for Additional Permitted Subscriptions, you may apply to open a separate Fundsmith ISA solely for those Additional Permitted Subscriptions. You will need to complete and return to us an Additional Permitted Subscriptions ISA Application Form. We do not accept Additional Permitted Subscriptions into an existing Fundsmith ISA. We reserve the right to refuse to accept your application.

6.2 By applying to open a Fundsmith ISA for Additional Permitted Subscriptions you confirm and agree that:

6.2.1 your spouse or civil partner was an ISA holder and died on or after 3rd December 2014;

6.2.2 you were living together with your spouse or civil partner at the date of their death. For these purposes you will be treated as living together unless you were separated by court order, a deed of separation or as a factual matter in circumstances where the separation was likely to be permanent;

6.2.3 the payments made as Additional Permitted Subscriptions are made within the relevant time limits prescribed in the Regulations (these are described in our General Guidance on the APS Allowance which is available on our website); and

6.2.4 the amount of your Additional Permitted Subscriptions does not exceed the higher of the value of the deceased's ISAs held with a particular ISA manager at the date of their death or the value of the deceased's ISA at the end of the period during which the deceased's ISA can continue to be treated as an ISA as set out in paragraph 22. For these purposes the value of all the deceased's ISAs held with the same ISA manager can be combined to provide a total amount relating to that ISA manager (an "APS limit").

- 6.3 Once you have opened a Fundsmith ISA for Additional Permitted Subscriptions, you may make one or more cash payments into it provided that these payments are made within the prescribed time limit and do not exceed the APS limit. Where we were not the deceased's ISA manager, you will need to determine which of the deceased's ISA manager's APS limits will apply to your Fundsmith ISA. We will ask you to provide information to us about this on the Additional Permitted Subscriptions ISA Application Form. Please note that should you make payments into your Fundsmith ISA which are less than the APS limit for the selected ISA manager, you cannot use the balance to make payments into another ISA.
- 6.4 Where the deceased held a Fundsmith ISA which you have inherited, you may make an in-specie transfer of the deceased's ISA investments into your APS ISA. This will need to be completed within 180 days of your inheriting the deceased's ISA. Further information on the process to make an in-specie transfer can be found in our General Guidance on the APS Allowance which is available on our website.
- ## 7. Cancellation
- You will have the right to cancel your Fundsmith ISA within 14 days after receiving notice of your cancellation rights from us. If you exercise your right to cancel, your Shares will be sold and the proceeds of sale will be repaid to you. The amount which you receive will reflect any rise or fall in the value of the Shares and accordingly you may not get back your subscription in full. If you cancel your Fundsmith ISA following a transfer from another manager we will only repay money to you, not to your previous manager.
- ## 8. Investment choice and objectives
- 8.1 Upon our acceptance of your application your Fundsmith ISA payments will be used to purchase Shares in the Funds according to your instructions given in the Application Form. You will be sent an acknowledgement letter and, if you have invested a lump sum, a contract note confirming the details of the transaction.
- 8.2 The dealing transactions for purchases of Shares will normally be effected by us at the next Valuation Point following our receipt and acceptance of your Application Form or, where you open your Fundsmith ISA by telephone, or online, your instructions.
- 8.3 We shall not be entitled to make any investments or deposits on your behalf for your Fundsmith ISA other than as referred to in these Terms.
- 8.4 As the Fundsmith ISA only invests in Shares of the Funds, the investment objectives, policy and restrictions of your Fundsmith ISA will be the same as those of the Funds which you select to invest in. These are described in this Document and the Key Investor Information Documents.
- 8.5 In providing you with the Service, we make no assessment as to whether or not the Service or any investment made by you in the Shares pursuant to the Service is suitable for you. Accordingly, you do not benefit from the protection of FCA Rules that apply to assessment of suitability. If you require such an assessment you should seek advice from a financial adviser.
- ## 9. Cash received into your Fundsmith ISA
- 9.1 We will not retain cash within your Fundsmith ISA and shall apply all monies received on your behalf to purchase Shares in accordance with your instructions. Income arising from Shares held within your Fundsmith ISA will be dealt with in accordance with paragraph 11 of these Terms.
- 9.2 Where we receive any cash on your behalf that we are unable to apply to the purchase of Shares within one business day, such monies will either be returned to you or will be credited to a client bank account. All money within the client bank account will be held by us on your behalf pursuant to these Terms in accordance with FCA Rules, but interest will not be payable on monies held in such an account.

9.3 Very occasionally the situation may arise where we are holding cash within your Fundsmith ISA in circumstances where we no longer have any contact with you. In the unlikely event that we are unable to trace you after taking reasonable steps to do so in accordance with FCA's Rules and there has been no movement on your cash balance for at least six years, provided that we satisfy any requirements of the FCA, then you consent to us releasing any unclaimed client money balance held for you from our client bank account and we will pay that balance to a registered charity of our choice. Where we pay away any client money balance that was held on your behalf in this manner, we undertake to make good any valid claim which you or your legal successors or assigns may have in relation to any such balance (except where such balance is equal to or less than £25) in the event that you or your legal successors or assigns seek to reclaim the balance in the future.

9.4 In the event that we transfer all or part of our business to a third party, you agree that we may transfer any client money balance that we hold for you in a client bank account to that third party where such money relates to the business being transferred, provided that:

9.4.1 the relevant third party will hold the transferred client money balance in accordance with the FCA's rules relating to client money; or

9.4.2 we have otherwise exercised all due skill, care and diligence to assess that the third party will apply adequate measures to protect the transferred client money balance,

and provided that the terms of the transfer require that the third party will return the relevant client money balance to you as soon as is practicable if you so request. We will notify you of any such transfer within 7 days and provide you with certain information about the transfer in accordance with FCA's Rules.

10. Ownership of shares

10.1 Shares held within your Fundsmith ISA will be registered in your name jointly with our nominee. The Funds do not issue share certificates.

10.2 You will own the beneficial title in all the Shares in your Fundsmith ISA. You agree that during the lifetime of your Fundsmith ISA you are and will remain the only beneficial owner of these Shares free from all charges. None of the Shares held within your Fundsmith ISA may be used as security for a loan.

10.3 We will not lend any of your Shares to a third party or deposit them by way of collateral with a third party or otherwise borrow on your behalf against the security of such Shares. We will not have any security interest or lien over your Shares or any rights of set-off in relation to your Fundsmith ISA.

10.4 Very occasionally the situation may arise where we are holding Shares within your Fundsmith ISA in circumstances where we no longer have any contact with you. If we are unable to trace you after taking reasonable steps to do so in accordance with FCA Rules and we have held Shares on your behalf for at least 12 years and have not received any instructions relating to those Shares from you or from anybody acting on your behalf during that period, provided that we satisfy any FCA Rules and any other requirements, then you consent to us liquidating any unclaimed Shares held on your behalf at their prevailing market value at the time of liquidation and paying away the proceeds, or otherwise transferring ownership of the unclaimed Shares themselves, to a registered charity of our choice. These Shares would cease to be held within the Fundsmith ISA and you would no longer have the tax benefits associated with an ISA. Where we liquidate or transfer unclaimed Shares in this manner, we undertake to pay to you, or your legal successors or assigns, a sum equal to the value of the Shares at the time that they were liquidated or transferred to the relevant charity in the event that you or your legal successors or assigns seek to reclaim the unclaimed Shares in the future. However, this money will not form part of an ISA.

11. Income payments and taxation

- 11.1 We will collect all distributions of income payable by a Fund as soon as practicable. Any distributions of income will be paid (in respect of income Shares) or reinvested (in respect of accumulation Shares) as detailed in this Document. If you wish distributions of income to be paid to you from your Fundsmith ISA you should complete the income payments section of the Application Form.
- 11.2 Any distributions of income paid to you may be paid gross of tax on the relevant Income Payment Day. You authorise us to make the necessary claims from HMRC for tax credits or tax deducted in respect of the Shares and any income distributions in accordance with the Regulations for credit to your Fundsmith ISA or for our reimbursement when we have pre-funded a tax credit. We may supply to HMRC all relevant information and documentation we believe to be appropriate for this purpose in accordance with the Regulations.
- 11.3 We may take such action as may reasonably be required to comply with any directions from or requirements of HMRC in relation to your Fundsmith ISA.

12. Where information is sent

All communication to you will be sent to the address given in your Application Form or for applications made by telephone or online, to the address you provide at that time, unless you notify us of another address. Please notify us as soon as possible of any changes to your personal or contact information.

13. Fundsmith ISA valuations and statements

We will send you a statement containing a valuation of your Fundsmith ISA as at the close of business on 5 April and 5 October each year (although, if circumstances dictate, we may move any such date by up to two weeks), together with details of all transactions made on your behalf since the date of the previous valuation. The statement will be sent to you within 25 business days of the date of the valuation.

14. Fund information

You will be sent all the information sent to holders of Shares in each Fund in which you have invested as soon as it is available and information in relation to any meeting of shareholders. You may attend and vote at meetings of shareholders of each Fund in which you have invested in relation to the Shares in that Fund held in your Fundsmith ISA.

15. Instructing us

- 15.1 You may generally instruct us in writing, or online via our website, or by telephone. If you instruct us online or by telephone we may require you to send written confirmation of your instructions to us at Fundsmith LLP, PO Box 10846, Chelmsford, Essex CM99 2BW.
- 15.2 We will acknowledge your instructions by acting upon them unless we reasonably believe that to do so may be impracticable or might contravene these Terms, the Regulations or any other law or regulation.
- 15.3 We are not obliged to (and our present policy is not to) act on any notice, instruction or other communication from anyone other than you or your personal representative(s) but we may (if we choose to do so) act upon any notice, instruction or other communication that we reasonably believe to be from a person acting under your authority or that of your personal representative(s) or by order of the court.
- 15.4 All communications between us will be in English.

16. Recording telephone conversations

We may record any telephone conversations that we have with you to offer you additional security, improve our service standards and to resolve complaints. Telephone calls may also be recorded for training purposes. Copies of telephone recordings and communications with you will be available on request for a period of 5 years and, where requested by the FCA, for a period of up to 7 years.

17. Disclosure of information

We may disclose any information arising in connection with a transaction under these Terms to any ISA manager to whom you transfer your Fundsmith ISA, to HMRC, FCA or any other relevant authority or as required by such authority (whether or not pursuant to compulsion of law or regulation) and we shall not be under any liability for any such disclosure which we make in good faith.

18. Information required

You will provide us with all information which we may reasonably require to enable us to carry out the Service, and undertake to inform us of any changes in the information given in the Application Form or by telephone or online in relation to your application or if any of the declarations or information provided to us ceases to be true. This is important as it may affect the tax status of your ISA. You will immediately inform us in the event that you become aware that you are no longer eligible to contribute to or to hold a Fundsmith ISA.

19. Transfers

- 19.1 You may transfer part or all of your Fundsmith ISA to a Stocks and Shares ISA or another type of ISA managed by any other ISA manager at any time by giving us valid notice. This notice must be on the transfer application form of the new ISA Manager. Under the Regulations, investments made in the current tax year must be transferred completely; partial transfers are not permitted.
- 19.2 Where you wish to transfer all or part of your Fundsmith ISA holdings to another ISA Manager, we shall on receipt of valid instructions on the transfer form sell the Shares you wish to transfer at the next available Valuation Point and send the resulting cash to your new ISA Manager. The transfer of cash will be made within any reasonable time period that you may specify or, if none, as soon as is reasonably possible following receipt of your instructions, and in any event not more than 30 calendar days from the receipt of your transfer instruction.

- 19.3 Should you decide to transfer only part of your Fundsmith ISA, we shall have discretion to terminate your Fundsmith ISA if the remaining Shares would be below the minimum holding level for the relevant Fund set out in Appendix 1 of this Document. In these circumstances we will notify you and give you an option of either transferring the remainder of your Fundsmith ISA to another ISA Manager, or of having the remaining Shares sold and the proceeds of the sale paid to you. We will give you a reasonable time within which to respond to our notification but if you do not respond within that time we may sell the remaining Shares in your Fundsmith ISA and pay the proceeds of the sale to you.

20. Withdrawals from your Fundsmith ISA

- 20.1 You may instruct us to make withdrawals from your Fundsmith ISA at any time. However if the withdrawal reduces the value of the Shares in your Fundsmith ISA to below the minimum holding level for the relevant Fund set out in Appendix 1 of this Document, we may treat the withdrawal as an instruction by you to terminate your Fundsmith ISA. If you ask us to make a cash withdrawal we will sell Shares in accordance with your instructions at the next available Valuation Point and pay the proceeds to you in accordance with our settlement policy set out in section 3 of this Document. Alternatively, you may instruct us to make a withdrawal by transferring Shares in a Fund to you which we will do within any reasonable time period that you may specify or, if none, as soon as reasonably possible following receipt of your instructions and in any event within 30 calendar days.
- 20.2 Unless you instruct otherwise, when effecting a cash withdrawal request, Shares in the relevant Fund from the oldest ISA by year will be sold first.
- 20.3 Any sums invested in your Fundsmith ISA, even if subsequently withdrawn, will continue to count towards the annual investment limit for ISAs. The current limit is set out in section 4 of this Document.

21. Your right to terminate your Fundsmith ISA

21.1 You are free at any time to terminate your Fundsmith ISA by giving us an instruction to that effect. On termination of your Fundsmith ISA you can choose to have (i) all of your Shares sold and the proceeds either paid to you or transferred to another ISA Manager; or (ii) some or all of your Shares transferred to another ISA Manager and the remaining Shares treated in accordance with sub-paragraph (i) above. We will sell your Shares (if relevant) at the next available Valuation Point following receipt of your instruction. The payment or transfer (as the case may be) of Shares or cash will be made as soon as is reasonably practicable following receipt of your instructions or as provided in the Regulations in relation to a transfer to another ISA Manager.

21.2 Termination of your Fundsmith ISA shall be without prejudice to the completion of transactions already initiated. In all cases, cash proceeds will only be paid out in respect of Shares sold when all settlement monies due on the purchase of those Shares have been received

22. ISA status following death

22.1 In the event of your death, your Fundsmith ISA will continue in existence and will have the tax advantages of an ISA until the earlier of:

- 22.1.1 the completion of the administration of your estate;
- 22.1.2 the third anniversary of the date of your death; or
- 22.1.3 the closure of your ISA by your personal representatives.

During this period it is not possible for any additional subscriptions to be made to your ISA.

22.2 We will accept instructions in relation to your Fundsmith ISA from your personal representatives once we receive all documentation we may reasonably require to ensure that those instructing us are duly authorised to do so. Your personal representatives may instruct us to transfer the Shares to them or to a beneficiary or, alternatively, the Shares may be sold and a transfer made in cash.

23. Termination by us

23.1 We may terminate your Fundsmith ISA at any time by giving not less than 30 days written notice to you. At the end of the notice period your Shares will no longer be held within an ISA and will not have the tax benefits associated with an ISA. We shall have the discretion to have all of your Shares sold and the proceeds paid to you. You may, on receipt of our notice of termination and within the 30 day notice period, instruct us to transfer your Fundsmith ISA to another ISA manager in accordance with the procedure set out in paragraph 19 above.

23.2 We are entitled to terminate your Fundsmith ISA immediately if we are of the opinion that it is not possible to administer it in accordance with the Regulations or if it is rendered void as a result of a breach of the Regulations. We will notify you in writing if this occurs as soon as we become aware of it.

24. Remuneration and expenses

You will be subject to the normal charges payable in respect of the Shares held in your Fundsmith ISA. Details of the current charges in relation to each Fund are set out in Appendix 1 and the Key Investor Information Documents. We do not receive any payment or remuneration from your investment in your Fundsmith ISA other than the normal charges payable in respect of Shares in the Funds.

25. Complaints

25.1 If you have a complaint you may write to the Compliance Officer at PO Box 10846, Chelmsford, Essex CM99 2BW. If you are not satisfied with the way in which we have handled your complaint or disagree with our resolution of it, you may have the right to refer your complaint to the Financial Ombudsman Service, details of which are set out in section 6 of this Document.

25.2 We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations to you. Most types of investment business are covered up to a maximum limit of £85,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme at PO Box 300, Mitcheldean, GL17 1DY or their website: www.fscs.org.uk.

26. Liability

- 26.1 We will not be liable under these Terms for any loss arising from a fall in the value of Shares held within your Fundsmith ISA.
- 26.2 We will provide the Services described in these Terms using all reasonable care and skill and will be liable to you in respect of losses arising from our (or our employees, nominees or delegates) negligence, wilful default, fraud, breach of these Terms or breach of an FCA Rule or the Regulations. We accept responsibility for our nominee company in accordance with these Terms. Nothing in these Terms excludes or restricts any duty or liability we may have to you under the regulatory system.
- 26.3 Without prejudice to paragraph 26.2 above, provided that we have complied with FCA Rules in relation to business continuity and to the extent permitted by FCA Rules, we will not be liable or have any responsibility of any kind for any loss or damage incurred or suffered by you as a result of any event or circumstance not reasonably within our control. In particular, where there is an obligation in these Terms which requires us to purchase or sell Shares within a certain time, and when the issuance or redemption of Shares or the valuation of the Fund is suspended in the circumstances set out in the Prospectus, the time period within which we must fulfil our obligation may be extended to 7 days after the end of the suspension.

27. Material interests

- 27.1 Pursuant to FCA Rules, we have implemented a 'Conflicts of Interest Policy' designed to detect and manage any conflict that may arise (if at all) between (i) our interests and the duties owed to you by us pursuant to these Terms, or (ii) your interests and those of any other client of Fundsmith LLP. Conflicts are monitored by us on an ongoing basis. If circumstances arise such that our arrangements for avoiding and managing conflicts of interest are not sufficient to ensure with reasonable confidence that the risks of damage to the interests of a Fund or its Shareholders will be prevented, our senior management must act to ensure that appropriate action is taken in the best interests of the Fund and its Shareholders. Any such situation will be disclosed to Shareholders of that Fund in the next annual or half yearly report together with details of the action taken by us to resolve the situation in the best interests of the Fund.

- 27.2 Further details about our Conflicts of Interest Policy are available on request.

- 27.3 For the avoidance of doubt when effecting transactions with or for you, we may have a material interest in the transaction. We will not allow any such interest to stand in the way of achieving fair treatment for you. Subject to the Regulations, we shall not be liable to account to you for any profit or benefit arising as a result of any such transaction.

28. Personal information

- 28.1 Please advise us in writing at Fundsmith LLP, PO Box 10846, Chelmsford, Essex CM99 2BW of any changes to your personal information, including any change of address.
- 28.2 We are the data controller in respect of any personal information that you provide. Our data protection policy is set out in section 6 of this Document and forms part of these Terms. This describes the way in which we may use your personal information and you acknowledge this usage and the fact that your personal information may be transferred outside of the United Kingdom, subject to our compliance with the restrictions set out there.

29 Delegation and transfer

- 29.1 We may delegate any of our functions, discretions and duties under these Terms and may provide the delegate with information about you and your Fundsmith ISA. We will, however, remain liable to you for the performance of any such delegated matters. We shall satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under these Terms is competent to carry out those functions and responsibilities.
- 29.2 We may transfer to another company our rights and obligations under these Terms on giving you not less than 30 days written notice and provided that the company to whom the transfer is made has all necessary authorisations and approvals to act as an ISA manager. As part of the transfer process we may transfer all Shares and cash held in your Fundsmith ISA to the company or its nominee. You have the right to terminate your Fundsmith ISA at any time by following the procedure in paragraph 21 above.

30. Changes to the terms

- 30.1 We may amend these Terms at any time by giving you at least 30 days written notice unless shorter notice is required in order to comply with the Regulations or FCA Rules. You have the right to terminate your Fundsmith ISA at any time if you do not like any amendment made to these Terms by following the procedure in paragraph 21 above.
- 30.2 Where details are contained in the Key Investor Information Documents or this Document you are advised to obtain the most up to date versions of these from us, or your financial adviser.

31. Third party rights

The provisions of the Contracts (Rights of Third Parties) Act 1999 will not apply to these Terms.

32. Governing law

These Terms shall be governed by and construed in accordance with the law of England and Wales and both you and we agree to submit to the non-exclusive jurisdiction of the English courts.

Appendix 4

Junior ISA terms and conditions

1. Introduction

- 1.1 The following terms and conditions (“Terms”) together with the completed Application Form constitute a legal agreement between you (the “Registered Contact”) and us, Fundsmith LLP, that sets out the services that we will provide and how we will manage the Junior Individual Savings Account (the “Fundsmith Junior ISA”) which you open.
- 1.2 These Terms and the Application Form should be read in conjunction with the Key Investor Information Documents and the rest of this document which contains important information about the Funds. For your own benefit and protection you should read these Terms, the Application Form, the Key Investor Information Documents and the rest of this document carefully before completing and signing the Application Form. If you do not understand any point please contact us for further information. More detailed information about the Funds is contained in each Fund’s Prospectus which is available on request or from our website.
- 1.3 The Fundsmith Junior ISA is also governed by the Individual Savings Account Regulations 1998, as amended from time to time, which take precedence over the Terms in the event of any inconsistency.
- 1.4 Fundsmith LLP is authorised and regulated by the FCA in the way it conducts its investment business. In providing services pursuant to these Terms, you will be classified as a Retail Client in accordance with FCA rules.
- 1.5 The Fundsmith Junior ISA is a Stocks and Shares Junior ISA as defined below.

2. Definitions

In these Terms the following words have the meanings set out below.

| | | | |
|---------------------------|--|--|--|
| “Application Form” | the application form or transfer application form as appropriate, which you complete in order to open the Fundsmith Junior ISA; | “HMRC” | HM Revenue & Customs; |
| “Cash Junior ISA” | a Junior ISA consisting of cash deposits, national savings or investments in cash funds in accordance with the Regulations; | “Junior ISA” | a Junior Individual Savings Account; |
| “Child” | the individual under the age of 18 named in the Application Form as the child on whose behalf the Fundsmith Junior ISA is opened; | “Key Investor Information Document” | the Key Investor Information Document for the relevant class of share in a Fund, which contains important information about that class of shares and the Fund, as amended from time to time; |
| “Document” | this supplementary information document containing information about the Funds and the Fundsmith Junior ISA, as amended from time to time, which should be read in conjunction with each Fund’s Prospectus and the Key Investor Information Documents; | “Prospectus” | the current prospectus for a Fund, as amended from time to time; |
| “FCA” | the Financial Conduct Authority or any successor body which may assume some or all of its regulatory responsibilities from time to time; | “Registered Contact” | the person as defined in the Regulations who may give us instructions in respect of the Child’s Fundsmith Junior ISA; |
| “FCA Rules” | the FCA handbook of rules and guidance, as amended from time to time; | “Regulations” | the Individual Savings Account Regulations 1998, as amended from time to time; |
| “Fund” | the Fundsmith Equity Fund or Fundsmith Sustainable Equity Fund, together referred to as the “Funds”; | “Service” | the service of acting as a Junior ISA manager provided pursuant to these Terms; |
| | | “Shares” | any class of accumulation shares in a Fund; |
| | | “Stocks and Shares Junior ISA” | a Junior ISA which can invest in open ended investment companies, unit trusts, investment trusts, company shares, corporate bonds and cash in accordance with the Regulations; |
| | | “Valuation point” | the time on any business day, at which a Fund is valued; and |
| | | “We”, “Our” or “Us” | Fundsmith LLP. |

3. Eligibility and status

3.1 Under the Regulations, an application to open a Junior ISA can only be made by a person aged 16 or over. A Junior ISA is opened in respect of a named eligible child. Where the child is under 16, only a person with parental responsibility for the child can apply to open a Junior ISA for that child. If the child is aged 16 or over, either the child or a person with parental responsibility for the child can apply to open the Junior ISA.

3.2 Unless the Junior ISA is being opened in order to accept a transfer in of a Child Trust Fund held for the child where the residency requirements set out below do not apply, a child is an eligible child for a Junior ISA if the Child is either:

3.2.1 resident in the UK for tax purposes; or

3.2.2 is a UK crown servant, or is married to or in civil partnership with a UK crown servant or is a dependant of a UK crown servant.

A child cannot hold both a Junior ISA and a Child Trust Fund. If the child has a Child Trust Fund this must be transferred to the Fundsmith Junior ISA in full in accordance with paragraph 6.3 and the Child Trust Fund will then be closed.

3.3 You confirm that you are eligible to open a Junior ISA on behalf of the Child in accordance with the criteria set out in paragraph 3.1 above and that the Child is eligible for a Junior ISA in accordance with paragraph 3.2 above.

3.4 Once we have accepted the Application Form and opened a Fundsmith Junior ISA for the Child, you will be the Registered Contact for the account and entitled to give us instructions in respect of that Fundsmith Junior ISA. The Registered Contact for a Junior ISA can only be changed in accordance with the procedures and requirements set out in the Regulations. If at any time you wish to change the Registered Contact please advise us in writing at Fundsmith LLP, PO Box 10846, Chelmsford, Essex CM99 2BW.

4. Opening a Fundsmith Junior ISA

4.1 The application to open a Fundsmith Junior ISA can be made in writing by completing the Application Form, by telephone or online via our website. Whichever method is chosen you will be required to provide the same information that is asked for in the Application Form and make the same declarations.

4.2 If you apply to open a Fundsmith Junior ISA by telephone we will read back the required information and declarations to you and ask you to confirm it. You should tell us if anything is incorrect. If your corrections invalidate the Fundsmith Junior ISA for any reason under the Regulations the Child's Fundsmith Junior ISA will be rendered void and the account closed. In these circumstances the Shares will be sold and the proceeds of sale will be paid to the person who made the payment into the Child's Fundsmith Junior ISA. The amount received will reflect any rise or fall in the value of the Shares and accordingly may not be the same amount as the amount of the payment into the Child's Fundsmith Junior ISA. Please ensure as far as possible that any person making a payment into the Child's Fundsmith Junior ISA is aware of and accepts the arrangements set out in this paragraph.

4.3 We reserve the right to refuse to accept your application to open a Fundsmith Junior ISA. We do not accept applications from U.S. citizens or those who are tax resident in the United States of America.

4.4 In order to comply with anti-money laundering regulations we will need to verify your identity and that of the Child when you open a Fundsmith Junior ISA and may need to request additional evidence of identity from you prior to implementing your investment instructions. If this is the case we will write to you to request the relevant documentation. We reserve the right to refrain from investing money or to freeze the Child's Fundsmith Junior ISA (in which case we will not accept instructions to make a subscription or a transfer) until adequate evidence of identity has been provided.

- 4.5 You will have the right to cancel your application for a Fundsmith Junior ISA within 14 days after receiving notice of your cancellation rights from us. Where you have cancellation rights, we will open the Child's Fundsmith Junior ISA and invest any payments made in Shares in accordance with paragraph 7. If you exercise your right to cancel within the cancellation period, the Shares will be sold and the proceeds of sale will be paid to you. The amount received will reflect any rise or fall in the value of the Shares and accordingly may not be the same amount as the amount of the payment into the Child's Fundsmith Junior ISA. The Child's Fundsmith Junior ISA will be treated as if it had never been opened and you will be entitled to open another Stocks and Shares Junior ISA on behalf of that Child. Please ensure as far as possible that any person making a payment into the Child's Fundsmith Junior ISA during any cancellation period is aware of your cancellation rights and accepts the arrangements set out in this paragraph.
- 5. Investing in a Fundsmith Junior ISA**
- 5.1 Any person may make a payment into the Child's Fundsmith Junior ISA. All payments made into the Child's Fundsmith Junior ISA are gifts to the Child and cannot be repaid to the subscriber. The total of all amounts paid into the Child's Fundsmith Junior ISA and any Cash Junior ISA held for the Child in any tax year must not be more than the annual limit for Junior ISAs set out in section 5 of this Document.
- 5.2 Investment into a Fundsmith Junior ISA can be made by either making one or more lump sum payments or by making regular monthly payments or a combination of the two, as detailed in this Document. Section 3 of this Document sets out the accepted methods of payment.
- 5.3 If you are making regular monthly savings into a Fundsmith Junior ISA, direct debit payments will be deducted monthly from your bank account on the first day of the month. Where this day is not a business day the payment will be deducted on the next business day. For regular savings you will need to select which Fund to invest in on the Application Form. It is not possible to split your monthly investment between the Funds. If you wish to change the Fund in which the Junior ISA is invested or the amount of your monthly payment please let us know. The change will be subject to the current minimum monthly payment level which is set out in Appendix 1 of this Document.
- 5.4 If you want to stop regular savings either temporarily or completely, please let us know. If you then wish to start saving again, please let us know. You will not need to complete the direct debit instruction again unless you have cancelled your existing direct debit with your bank or building society or have not invested for 12 months. If payments are not made into the regular savings plan for 3 consecutive months and the shareholding within the Child's Fundsmith Junior ISA is below the minimum holding level for the Fund set out in Appendix 1 of this Document, we reserve the right to require that you transfer the Child's Fundsmith Junior ISA to another Junior ISA manager.
- 5.5 The minimum: (i) overall holdings; (ii) initial lump sum investments; (iii) additional lump sum investments; and (iv) monthly savings amounts, for Shares in the Funds are set out in Appendix 1 of this Document.
- 5.6 You should also ensure that the total amount you invest in any tax year in the Child's Fundsmith Junior ISA and any Cash Junior ISA held on behalf of the same Child is within the annual limit for Junior ISAs set out in section 5 of this Document when aggregated together with any other subscriptions to the Child's Junior ISAs made in that tax year of which you are aware.
- 6. Transfers into a Fundsmith Junior ISA**
- 6.1 If you are the registered contact for an existing Junior ISA with another ISA manager, which you wish to transfer to a Fundsmith Junior ISA, you may apply to transfer the cash value of the existing Junior ISA to us by completing and returning to us a transfer Application Form for the Fundsmith Junior ISA. Subject to our acceptance of your transfer application we will then arrange for the transfer to take place.
- 6.2 We accept whole or partial transfers of existing Junior ISAs subject to the requirements of the Regulations. The Regulations impose two limits on transfers:
- 6.2.1 the Regulations do not permit partial transfers of Junior ISA investments made in the current tax year; you can only transfer the whole amount of such investments; and
- 6.2.2 transfers are also subject to the requirement that a Child may only have one Cash Junior ISA and one Stocks and Shares Junior ISA at any time.

Where the existing Junior ISA is a Cash Junior ISA, it may be transferred in whole or in part to the Fundsmith Junior ISA provided that current tax year subscriptions are transferred in full. However, where the existing Junior ISA is a Stocks and Shares Junior ISA, it must be transferred in full to the Fundsmith Junior ISA. Any current tax year subscriptions which are transferred to us still count towards the overall subscription limit for that year.

- 6.3 If you are the registered contact for an existing Child Trust Fund which you wish to transfer to a Fundsmith Junior ISA, you may apply to transfer the cash value of the existing Child Trust Fund to us by completing and returning to us a transfer Application Form for the Fundsmith Junior ISA. Subject to our acceptance of your transfer application we will then arrange for the transfer to take place. You can only transfer the whole amount of any Child Trust Fund into a Junior ISA.
- 6.4 We will act as manager of the Child's Fundsmith Junior ISA under these Terms from the date of the transfer of cash from the previous Junior ISA manager or Child Trust Fund manager. The investment of the transferred cash into Shares will normally take place at the next Valuation Point after receiving the cash from the previous Junior ISA manager or Child Trust Fund manager. The timing of the realisation of the cash value of the existing Junior ISA or Child Trust Fund and its transfer to us is outside of our direct control and during this period the cash may not be invested and the Child may not therefore receive the benefit of any rise in the value of investments.
- 6.5 As we only offer a Stocks and Shares Junior ISA, any transfer-in to a Fundsmith Junior ISA of a Cash Junior ISA will, subject to our acceptance of the transfer application, be classified by us as a Stocks and Shares Junior ISA. A Child may only have one Stocks and Shares Junior ISA at any time.
- 6.6 We reserve the right to refuse to accept your application to transfer-in to a Fundsmith Junior ISA.

7. Investment choice and objectives

- 7.1 Upon our acceptance of your application and the opening of the Child's Fundsmith Junior ISA, payments into the Child's Fundsmith Junior ISA will be used to purchase accumulation Shares in the Funds in accordance with the Registered Contact's instructions given in the Application Form. You will be sent an acknowledgement letter and, if a lump sum payment has been made, a contract note confirming the details of the transaction. Under the Regulations it is generally not permitted for any amount to be withdrawn from a Junior ISA. This includes any interest, dividend or other distribution arising from investments held within a Junior ISA. For this reason, the payments into a Fundsmith Junior ISA will be used to purchase accumulation Shares of the selected Fund, where the income allocated to the Shares is credited to capital and reflected in the share price rather than being paid as an income distribution.
- 7.2 The dealing transactions for purchases of Shares will normally be effected by us at the next Valuation Point following the opening of the Child's Fundsmith Junior ISA.
- 7.3 We shall not be entitled to make any investments or deposits for the Child's Fundsmith Junior ISA other than as referred to in these Terms.
- 7.4 As the Fundsmith Junior ISA only invests in Shares of the Funds, the investment objectives, policies and restrictions of a Fundsmith Junior ISA will be the same as those of the Funds which the Registered Contact has selected to invest in. These are described in this document and the Key Investor Information Documents.
- 7.5 In providing the Service, we make no assessment as to whether or not the Service or any investment in the Shares pursuant to the Service is suitable for you or the Child. Accordingly, you do not benefit from the protection of FCA Rules that apply to assessment of suitability. If you require such an assessment you should seek advice from a financial adviser.

8. Cash received into a Fundsmith Junior ISA

- 8.1 We will not retain cash within the Fundsmith Junior ISA and shall apply all monies received into the Child's Fundsmith Junior ISA to purchase Shares in accordance with the Registered Contact's instructions.
- 8.2 Where we receive any cash into the Child's Fundsmith Junior ISA that we are unable to apply to the purchase of Shares within one business day, such monies will either be returned to the person making the payment or will be credited to a sterling client money bank account. All money within the client money bank account will be held by us on behalf of the Child pursuant to these Terms in accordance with FCA Rules, but interest will not be payable on monies held in such an account.
- 8.3 Very occasionally the situation may arise where we are holding cash within the Fundsmith Junior ISA in circumstances where we no longer have any contact with you or the Child. In the unlikely event that we are unable to trace you or the Child after taking reasonable steps to do so in accordance with FCA's Rules and there has been no movement on the cash balance within the Child's Fundsmith Junior ISA for at least six years, provided that we satisfy any requirements of the FCA, then you consent to us releasing any unclaimed client money balance held for the Child from our client bank account and we will pay that balance to a registered charity of our choice. Where we pay away any client money balance that was held on the Child's behalf in this manner, we undertake to make good any valid claim which the Child or his legal successors or assigns may have in relation to any such balance (except where such balance is equal to or less than £25) in the event that the Child or his legal successors or assigns seek to reclaim the balance in the future.
- 8.4 In the event that we transfer all or part of our business to a third party, you agree that we may transfer any client money balance that we hold for the Child in a client bank account to that third party where such money relates to the business being transferred, provided that:

8.4.1 the relevant third party will hold the transferred client money balance in accordance with the FCA's Rules relating to client money; or

8.4.2 we have otherwise exercised all due skill, care and diligence to assess that the third party will apply adequate measures to protect the transferred client money balance,

and provided that the terms of the transfer require that the third party will return the relevant client money balance to the Child as soon as is practicable if you so request. We will notify you of any such transfer within 7 days and provide you with certain information about the transfer in accordance with FCA's Rules.

9. Ownership of shares

- 9.1 Shares held within the Child's Fundsmith Junior ISA will be registered jointly in your name and that of our nominee. The Funds do not issue share certificates.
- 9.2 The Child will beneficially own all the Shares.
- 9.3 None of the Shares held within the Child's Fundsmith Junior ISA may be used as security for a loan. No assignment of or charge over the Shares within the Child's Fundsmith Junior ISA is permitted.
- 9.4 We will not lend any of the Shares held in a Fundsmith Junior ISA to a third party or deposit them by way of collateral with a third party or otherwise borrow against the security of such Shares. We will not have any security interest or lien over Shares held in a Fundsmith Junior ISA or any rights of set-off in relation to the Child's Fundsmith Junior ISA.
- 9.5 Very occasionally the situation may arise where we are holding Shares within a Fundsmith Junior ISA in circumstances where we no longer have any contact with you or the Child.

- 9.6 If we are unable to trace you or the Child after taking reasonable steps to do so in accordance with FCA Rules and we have held Shares in the Child's Fundsmith Junior ISA for at least 12 years and have not received any instructions relating to those Shares from you or from anybody acting on your behalf during that period, provided that we satisfy any FCA Rules and any other requirements, then you consent to us liquidating any unclaimed Shares held in the Child's Fundsmith Junior ISA at their prevailing market value at the time of liquidation and paying away the proceeds, or otherwise transferring ownership of the unclaimed Shares themselves, to a registered charity of our choice. These Shares would cease to be held with the Fundsmith Junior ISA and would no longer have the tax benefits associated with a Junior ISA. Where we liquidate or transfer unclaimed Shares in this manner, we undertake to pay to the Child or his legal successors or assigns, a sum equal to the value of the Shares at the time that they were liquidated or transferred to the relevant charity in the event that the Child or his legal successors or assigns seek to reclaim the unclaimed Shares in the future. However, this money will not form part of a Junior ISA.

10. Taxation

- 10.1 You authorise us on behalf of the Child to make the necessary claims from HMRC for tax credits or tax deducted in respect of the Shares and any income distributions in accordance with the Regulations. We may supply to HMRC all relevant information and documentation we believe to be appropriate for this purpose in accordance with the Regulations.
- 10.2 We may take such action as may reasonably be required to comply with any directions from or requirements of HMRC in relation to the Fundsmith Junior ISA. You agree to take any necessary steps within your control that may be required to remedy any breach of the Regulations in respect of the Child's Fundsmith Junior ISA.
- 10.3 We will notify you as soon as reasonably practicable if by reason of any failure to comply with the Regulations the Child's Fundsmith Junior ISA is or will become no longer exempt from tax. If we are instructed by HMRC that the Child's Fundsmith Junior ISA is void, we will notify you of this. The Shares held within the Child's Fundsmith Junior ISA will be sold and the proceeds, after making any appropriate deductions in respect of tax, will be paid to the child.

11. Where information is sent

All communication to you as the Registered Contact, will be sent to the address given in the Application Form or for applications made by telephone or online, to the address you provide at that time, unless you notify us of another address. Please notify us as soon as possible of any changes to your personal or contact information.

12. Fundsmith Junior ISA valuations and statements

We will send you a statement containing a valuation of the Child's Fundsmith Junior ISA as at the close of business on 5 April and 5 October each year (although, if circumstances dictate, we may move any such date by up to two weeks), together with details of all transactions for the Child's Fundsmith Junior ISA since the date of the previous valuation. The statement will be sent to you within 25 business days of the date of the valuation.

13. Fund information

As the Registered Contact, you will be sent all the information sent to holders of Shares in the Funds in which the Child's Fundsmith Junior ISA is invested, as soon as it is available and information in relation to any meeting of shareholders. As the Registered Contact, you may attend and vote at meetings of shareholders of a Fund in relation to the Shares in that Fund held in the Child's Fundsmith Junior ISA.

14. Instructing us

- 14.1 As the Registered Contact, you may generally instruct us in writing, or by telephone. If you instruct us by telephone we may require you to send written confirmation of your instructions to us at Fundsmith LLP PO Box 10846, Chelmsford, Essex CM99 2BW.
- 14.2 We will acknowledge your instructions by acting upon them unless we reasonably believe that to do so may be impracticable or might contravene these Terms, the Regulations or any other law or regulation.

14.3 We are not obliged to (and our present policy is not to) act on any notice, instruction or other communication from anyone other than you or your personal representative(s) but we may (if we choose to do so) act upon any notice, instruction or other communication that we reasonably believe to be from a person acting under your authority or that of your personal representative(s) or by order of the court.

14.4 All communications between us will be in English.

15. Recording telephone conversations

We may record any telephone conversations that we have with you to offer you additional security, improve our service standards and to resolve complaints. Telephone calls may also be recorded for training purposes. Copies of telephone recordings and communications with you will be available on request for a period of 5 years and, where requested by the FCA, for a period of up to 7 years.

16. Disclosure of information

We may disclose any information arising in connection with a transaction under these Terms to any Junior ISA manager to whom the Child's Fundsmith Junior ISA may be transferred, to HMRC, FCA or any other relevant authority or as required by such authority (whether or not pursuant to compulsion of law or regulation) and we shall not be under any liability for any such disclosure which we make in good faith.

17. Information required

You will provide us with all information which we may reasonably require to enable us to carry out the Service, and undertake to inform us of any changes in the information given in the Application Form or by telephone or online in relation to your application or if any of the declarations or information provided to us ceases to be true. This is important as it may affect the tax status of the Child's Fundsmith Junior ISA.

18. Transfers out

18.1 As the Registered Contact, you may transfer the whole of the Child's Fundsmith Junior ISA to a Stocks and Shares Junior ISA managed by any other Junior ISA manager at any time by giving us valid notice. You may also transfer the whole or part of the Child's Fundsmith Junior ISA to a Cash Junior ISA managed by any other Junior ISA manager at any time by giving us valid notice. These notices must be on the transfer application form of the new Junior ISA manager. Under the Regulations, investments made in the current tax year must be transferred completely; partial transfers are not permitted. Please note that a Child may only have one Cash Junior ISA and one Stocks and Shares Junior ISA at any time.

18.2 Where you wish to transfer all or part of the Child's Fundsmith Junior ISA holdings to another Junior ISA manager, we shall on receipt of valid instructions on the transfer form sell the Shares you wish to transfer at the next available Valuation Point and send the resulting cash to the new Junior ISA manager. The transfer of cash will be made within any reasonable time period that you may specify or, if none, as soon as is reasonably possible following receipt of your instructions, and in any event not more than 30 calendar days from the receipt of your transfer instruction.

18.3 Should you decide to transfer only part of the Child's Fundsmith Junior ISA to a Cash Junior ISA, we shall have discretion to close the Child's Fundsmith Junior ISA if the remaining Shares would be below the minimum holding level for the relevant Fund set out in Appendix 1 of this Document. In these circumstances we will notify you and require you to transfer the remainder of the Child's Fundsmith Junior ISA to another Junior ISA Manager.

19. Withdrawals from a Fundsmith Junior ISA

- 19.1 The Regulations do not generally permit any withdrawal of investments or cash to be made from a Junior ISA account prior to the Child's 18th birthday. In relation to the Fundsmith Junior ISA, investments within the account may only be withdrawn prior to the Child's 18th birthday on the closure of the Child's Fundsmith Junior ISA in accordance with paragraph 20.1 below or where the Child has a terminal illness and a terminal illness claim is agreed with HMRC.
- 19.2 As the Registered Contact, we will follow your instructions in relation to the Child's Fundsmith Junior ISA in the event that a terminal illness claim is agreed with HMRC.

20. Termination

- 20.1 A Fundsmith Junior ISA can only be terminated prior to the Child's 18th birthday in the following circumstances:
- 20.1.1 the death of the Child;
 - 20.1.2 by us or at the direction of HMRC where the Child's Fundsmith Junior ISA is void;
 - 20.1.3 by us following the cancellation of the Child's Fundsmith Junior ISA in accordance with paragraph 4.4 above, in which circumstance the Child's Fundsmith Junior ISA is treated as never having been opened;
 - 20.1.4 by us following the withdrawal of all assets in the Child's Fundsmith Junior ISA in accordance with an agreed terminal illness claim; or
 - 20.1.5 by us following a full transfer of the assets to another Junior ISA manager.
- 20.2 You should notify us as soon as possible in the event the Child has died. Under the Regulations, the Child's Fundsmith Junior ISA will cease to benefit from the tax advantages of Junior ISAs from the date of their death.

- 20.3 We reserve the right to require you to transfer the Child's Fundsmith Junior ISA to another Junior ISA Manager. We may exercise this right in the circumstances described in paragraphs 5.4 and 18.3 above or if we determine for any reason that it is necessary for us to close the Child's Fundsmith Junior ISA. If we require you to transfer the Child's Fundsmith Junior ISA we will notify you of this in writing. You agree to implement the transfer in accordance with the procedure set out in paragraph 18 above within 60 days of our notification to you.
- 20.4 The Child's Fundsmith Junior ISA will automatically terminate on the Child's 18th birthday. We will contact the Child prior to their 18th birthday to obtain their instructions in relation to their Fundsmith Junior ISA once they reach 18. In the absence of any instructions from the Child, the Child's Fundsmith Junior ISA will become a Fundsmith ISA, which is a Stocks and Shares ISA which we will manage in accordance with the then applicable Fundsmith ISA Terms and Conditions. Under current HMRC guidance, the investments within the Child's Fundsmith Junior ISA will continue to have the tax advantages of an ISA, but further subscriptions to the ISA cannot be made until the required information and authorisations have been given to us. Full details of this will be sent to the Child prior to their 18th birthday.

21. Remuneration and expenses

The Child's Fundsmith Junior ISA is subject to the normal charges payable in respect of the Shares held within it. Details of the current charges in relation to each Fund are set out in Appendix 1 and the Key Investor Information Documents. We do not receive any payment or remuneration for providing the Services other than the normal charges payable in respect of Shares in the Funds.

22. Complaints

- 22.1 If you have a complaint, you may write to the Compliance Officer at PO Box 10846, Chelmsford CM99 2BW. If you are not satisfied with the way in which we have handled your complaint or disagree with our resolution of it, you may have the right to refer your complaint to the Financial Ombudsman Service, details of which are set out in section 6 of this Document.
- 22.2 We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations to you. Most types of investment business are covered up to a maximum limit of £85,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme at PO Box 300, Mitcheldean, GL17 1DY or their website: www.fscs.org.uk.

23. Liability

- 23.1 We will not be liable under these Terms for any loss arising from a fall in the value of Shares held within a Fundsmith Junior ISA.
- 23.2 We will provide the Services described in these Terms using all reasonable care and skill and will be liable to you in respect of losses arising from our (or our employees, agents nominees or delegates) negligence, wilful default, fraud, breach of these Terms or breach of an FCA Rule or the Regulations. We accept responsibility for our nominee company in accordance with the Terms. Nothing in these terms excludes or restricts any duty or liability we may have to you under the regulatory system.

- 23.3 Without prejudice to paragraph 23.2 above, provided that we have complied with FCA Rules in relation to business continuity and to the extent permitted by FCA Rules, we will not be liable or have any responsibility of any kind for any loss or damage incurred or suffered by you as a result of any event or circumstance not reasonably within our control. In particular, where there is an obligation in these Terms which requires us to purchase or sell Shares within a certain time, and when the issuance or redemption of Shares or the valuation of the Fund is suspended in the circumstances set out in the Prospectus, our obligation will be postponed until such suspension is lifted and we will then comply with the obligation as soon as reasonably practicable and in accordance with the Regulations.

24. Material interests

- 24.1 Pursuant to FCA Rules, we have implemented a 'Conflicts of Interest Policy' designed to detect and manage any conflict that may arise (if at all) between (i) our interests and the duties owed to you by us pursuant to these Terms, or (ii) your interests and those of any other client of Fundsmith LLP. Conflicts are monitored by us on an ongoing basis. If circumstances arise such that our arrangements for avoiding and managing conflicts of interest are not sufficient to ensure with reasonable confidence that the risks of damage to the interests of a Fund or its Shareholders will be prevented, our senior management must act to ensure that appropriate action is taken in the best interests of the Fund and its Shareholders. Any such situation will be disclosed to Shareholders of that Fund in the next annual or half yearly report together with details of the action taken by us to resolve the situation in the best interests of the Fund.
- 24.2 Further details about our Conflicts of Interest Policy are available on request.
- 24.3 For the avoidance of doubt when effecting transactions for the Child's Fundsmith Junior ISA, we may have a material interest in the transaction. We will not allow any such interest to stand in the way of achieving fair treatment for the Child. Subject to the Regulations, we shall not be liable to account to you or the Child for any profit or benefit arising as a result of any such transaction.

25. Personal information

- 25.1 Please advise us in writing at Fundsmith LLP, PO Box 10846, Chelmsford, Essex CM99 2BW of any changes to your or the Child's personal information, including any change of address.
- 25.2 We are the data controller in respect of any personal information that you provide. Our data protection policy is set out in section 6 of this Document and forms part of these Terms. This describes the way in which we may use your and the Child's personal information and you acknowledge this usage and the fact that personal information may be transferred outside of the United Kingdom subject to our compliance with the restrictions set out there.

26. Delegation and transfer

- 26.1 We may delegate any of our functions, discretions and duties under these Terms and may provide the delegate with information about you, the Child and the Child's Fundsmith Junior ISA. We will, however, remain liable to you for the performance of any such delegated matters. We shall satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under these Terms is competent to carry out those functions and responsibilities.
- 26.2 We may transfer to another company our rights and obligations under these Terms on giving you not less than 30 days written notice and provided that the company to whom the transfer is made has all necessary authorisations and approvals to act as a Junior ISA manager. As part of the transfer process we may transfer all Shares and cash held in the Child's Fundsmith Junior ISA to the company or its nominee.

27. Changes to the terms

- 27.1 We may amend these Terms at any time by giving you at least 30 days written notice unless shorter notice is required in order to comply with the Regulations or FCA Rules. You have the right to transfer the Child's Fundsmith Junior ISA to another Junior ISA Manager at any time if you do not like any amendment made to these Terms by following the procedure in paragraph 18 above.
- 27.2 Where details are contained in the Key Investor Information Documents or this Document you are advised to obtain the most up to date versions of these from us, or your financial adviser.

28. Third party rights

Except in relation to any rights expressly given to a third party (including the Child) in these Terms, the provisions of the Contracts (Rights of Third Parties) Act 1999 will not apply to these Terms.

29. Governing law

These Terms shall be governed by and construed in accordance with the law of England and Wales and both you and we agree to submit to the non-exclusive jurisdiction of the English courts.

Fundsmith

33 Cavendish Square
London
W1G 0PW
UK

T 0330 123 1815
E enquiries@fundsmith.co.uk
W www.fundsmith.co.uk

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