Fundsmith

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Dear Fellow Investor,

The table below shows the performance of the Fundsmith Equity Fund (‘Fund’) and other comparators during the first half of 2024 and since inception.

% Total Return	1st Jan to 30th June 2024	Inception to 30th June 2024	
		Cumulative	Annualised
Fundsmith Equity Fund[1]	+9.3	+610.2	+15.4
Equities[2]	+12.7	+369.6	+12.0
UK Bonds[3]	-2.2	+23.7	+1.6
Cash[4]	+2.6	+15.6	+1.1

The Fund is not managed with reference to any benchmark, the above comparators are provided for information purposes only.
[1] T Class Accumulation shares, net of fees priced at midday UK time, source: Bloomberg.
[2] MSCI World Index, £ Net, priced at close of business US time, source: www.msci.com.
[3] Bloomberg Series-E UK Govt 5-10 yr Bond Index, source: Bloomberg.
[4] £ Interest Rate, source: Bloomberg.

Our Fund was up by 9.3% in the first six months of the year, 3.4 percentage points less than what is perhaps the most obvious comparator — the MSCI World Index (£ net).

An increase in value of 9% in a year would be in line with the long-term average for equities, so 9% in a half year would normally be cause for celebration except of course that it is less than the Index.

Part of the problem is that returns have been concentrated in a very few stocks. The S&P 500 Index in GBP returned 17% over the period and just five companies – Amazon, Apple, Meta, Microsoft and Nvidia – were responsible for 46% of the returns. 25% of the returns came from Nvidia alone.

We own three of those five stocks – Apple, Meta and Microsoft – although our Apple stake remains small as we wait patiently for the stock price to reflect the company's current trading. However, we do not own any Nvidia as we have yet to convince ourselves that its outlook is as predictable as we seek. Without owning this stock, and indeed the whole five in at least an index weighting, outperformance was difficult to attain.

What did well for us in the first six months of 2024? Here are the five biggest positive contributors to performance:

Stock	Attribution
Novo Nordisk	+3.4%
Meta Platforms	+2.7%
Microsoft	+2.0%
Alphabet	+1.0%
Stryker	+0.8%

Source: State Street

As ever, we continue to make money with old friends.

The five biggest detractors from our Fund's performance during the period were:

Stock	Attribution
L'Oréal	-0.7%
IDEXX	-0.6%
Nike	-0.6%
Brown-Forman	-0.5%
Waters	-0.5%

Source: State Street

A downturn in pet owners visits to vets after the pandemic splurge and troubles in the Chinese economy account for most of the problems and leave us with little concern over the longer term outlook for most of these companies. In at least one case the problem is probably not the business but the management.

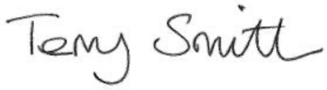
We prefer not to update the valuation at this stage of the year as although share prices are certain, the free cash flow ('FCF') on which we base our valuation has elements of seasonality so we will leave it until the year end to update the portfolio valuation.

Our portfolio turnover in the first half was 3.7%. Voluntary dealing (dealing not caused by redemptions or subscriptions) cost £693,032 during the half year (0.003% or 0.3 of a basis point). The Ongoing Charges Figure for the T Class Accumulation shares was 1.04% and with the cost of all dealing added, the Total Cost of Investment was 1.05%.

During the period we began accumulating stakes in Texas Instruments, the manufacturer of analogue and embedded semiconductors and in April we began buying a new position for the fund, the name of which will be revealed when we have accumulated our desired weighting.

We continue to invest with the aim of long-term superior performance adjusted for risk.

Yours sincerely,



Terry Smith
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Disclaimer: A Key Investor Information Document and an English language prospectus for the Fundsmith Equity Fund are available via the Fundsmith website or on request and investors should consult these documents before purchasing shares in the fund. Past performance is not necessarily a guide to future performance. The value of investments and the income from them may fall as well as rise and be affected by changes in exchange rates, and you may not get back the amount of your original investment. Fundsmith LLP does not offer investment advice or make any recommendations regarding the suitability of its product. This document is communicated by Fundsmith LLP which is authorised and regulated by the Financial Conduct Authority.

Sources: Fundsmith LLP & Bloomberg unless otherwise stated.

Portfolio turnover is a measure of the fund's trading activity and has been calculated by taking the total share purchases and sales less total creations and liquidations divided by the average net asset value of the fund.

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The MSCI World Index is a developed world index of global equities across all sectors and, as such, is a fair comparison given the fund's investment objective and policy.