

Dear Fellow Investor,

New-sustainability-related information for the Fundsmith Equity Fund (the "Fund")

We are writing to inform you that new information in relation to the Fund's approach to sustainability is now available. This information is provided to comply with the UK Financial Conduct Authority's Sustainability Disclosure Requirements and Investment Labels Regime ("SDR").

The way in which the Fund is managed, its investment approach, the assets it will invest in and its risk profile will remain unchanged. Although you are not required to take any action, we recommend that you read this letter.

What is changing?

The Fund's prospectus has been updated to include a new sub-section within Section 2 which contains sustainability-related disclosures. In addition, a new sustainability disclosure document has been prepared. These documents are available for investors on our website at <https://www.fundsmith.co.uk/forms>. In due course, additional sustainability-related reporting will be made available in respect of the Fund.

Why are these changes being made?

As you will be aware, the Fund aims to be a long-term investor in high quality businesses. One of the qualities considered by us in this context is whether a business is able to sustain a high return on capital employed. When assessing this quality, we assess a business's environmental and social characteristics (alongside other factors), as the risks and opportunities resulting from these may materially influence a business's ability to sustain high returns over the long term and, consequently, its perceived investment potential.

The SDR requires the Fund to make additional disclosures regarding how these environmental and social characteristics are factored into the asset selection process.

How are environmental and social characteristics factored into the Fund's asset selection process?

We will not invest in businesses whose environmental and social characteristics pose a material and unmitigated risk to the business's ability to sustain high returns over the Fund's investment time horizon. The assessment of a business's exposure to environmental or social risks is non-prescriptive and intended to be holistic, accounting for the specific context of the business being assessed. A range of qualitative and quantitative data is used as part of the assessment, collected from public sources and via direct engagement with the company.

Investors should note that the application of the Fund's stringent investment criteria prevents many of the sectors most typically associated with poor environmental or social performance from being included in the Fund's portfolio (e.g. mining, defence, oil and gas or utility companies). This is typically, but not exclusively, due to their perceived inability to make a high return on capital employed consistently. The Fund will not invest in any company:

- involved in the production, sale or distribution of controversial weapons; nor
- that has its primary listing in, or which generates a substantial proportion of its profits from, a country identified by and specified in the UN Security Council's Sanctions, and high-risk jurisdictions subject to a "Call for Action" by the Financial Action Task Force.

Although the Fund's Prospectus is being modified to include more information, this does not represent a change in the Fund's existing investment approach.

What are sustainable investment labels and does the Fund qualify for one?

Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not have a UK sustainable investment label as it does not have a sustainability goal.

How do these changes impact you?

Additional sustainability-related information is being made available to you. These changes do not otherwise impact the Fund or your investment in it.

What do you need to do?

You do not need to take any action.

Who is responsible for the costs of making these disclosures?

We will meet all costs associated with the change to the Prospectus and the sustainability disclosure document. There will be no changes to the Fund's portfolio giving rise to additional costs as a result of these changes.

Further Information

If you have any questions, please contact our Customer Services Team on 0330 123 1815 or email us at enquiries@fundsmith.co.uk. If you are calling us from outside of the UK, please call us on +44 1268 448659. Our lines are open Monday to Friday between 9am and 5pm.

Yours sincerely,

A handwritten signature in black ink that reads "Terry Smith". The signature is written in a cursive, slightly slanted style.

Terry Smith
CEO
Fundsmith LLP