**EQUITY FUND AIM**

The Company will invest in equities on a global basis. The Company’s approach is to be a long-term investor in its chosen stocks. It will not adopt short-term trading strategies. The Company has stringent investment criteria which the ACD and Fundsmith Investment Services Limited as investment manager adheres to in selecting securities for the Company’s investment portfolio. These criteria aim to ensure that the Company invests in:

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

Investors should be aware that the application of these investment criteria significantly limits the number of potential investments for the Company’s portfolio. It is envisaged that the investment portfolio of the Company will be concentrated, generally comprising between 20 and 30 stocks. The Company will not invest in derivatives and will not hedge any currency exposure arising from within the operations of an investee business nor from the holding of an investment denominated in a currency other than sterling.

**PERFORMANCE, % TOTAL RETURN**

There were no outright sales or purchases of holdings made in the month. The top 5 contributors in the month were Facebook, Microsoft, Intuit, Estée Lauder and Intercontinental Hotels. The top 5 detractors were Becton Dickinson, Diageo, L’Oréal, Stryker and Coloplast.

**TOP 10 HOLDINGS**

- Microsoft
- Paypal
- Facebook
- Idexx
- Philip Morris
- Intuit
- McCormick
- Estée Lauder
- Novo Nordisk
- L’Oréal

**SECURITY IDENTIFICATION CODES**

<table>
<thead>
<tr>
<th>SHARE CLASS</th>
<th>SEDOL</th>
<th>ISIN</th>
<th>MEXID</th>
<th>CITI</th>
</tr>
</thead>
<tbody>
<tr>
<td>T Class Inc</td>
<td>B4QSX52</td>
<td>GB00B4Q5X52</td>
<td>FUEQUI</td>
<td>LXS3</td>
</tr>
<tr>
<td>R Class Inc</td>
<td>B4Y935C5</td>
<td>GB00B4M93535</td>
<td>FUSMT</td>
<td>LSX4</td>
</tr>
<tr>
<td>R Class Acc</td>
<td>B4LPD15</td>
<td>GB00B4LPD14</td>
<td>FUNDSM</td>
<td>LSX2</td>
</tr>
<tr>
<td>R Inc</td>
<td>B4Q9RKK3</td>
<td>GB00B4Q9RKK3</td>
<td>FUSDMM</td>
<td>LSX1</td>
</tr>
<tr>
<td>I ACC</td>
<td>B4Y1B7W7</td>
<td>GB00B4Y1B7W7</td>
<td>FUGQUI</td>
<td>LSX6</td>
</tr>
<tr>
<td>I INC</td>
<td>B4MR8G8</td>
<td>GB00B4MR8G8</td>
<td>FUNDLS</td>
<td>LSX5</td>
</tr>
</tbody>
</table>

**STANDING DATA**

- **Portfolio Manager**: Terry Smith
- **Fund Type**: UK OEIC
- **Launch Date**: 1st November 2010
- **Accumulation Shares**: Dividends Retained
- **Initial Charge**: None
- **Registrar**: State Street Trustees Ltd.
- **Auditor**: Deloitte LLP
- **Dealing**: Daily at Noon
- **Investment Association Sector**: Global

**GEOGRAPHIC SPLIT**

<table>
<thead>
<tr>
<th>Region</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>68.3</td>
</tr>
<tr>
<td>UK</td>
<td>14.4</td>
</tr>
<tr>
<td>Denmark</td>
<td>6.5</td>
</tr>
<tr>
<td>France</td>
<td>3.6</td>
</tr>
<tr>
<td>Finland</td>
<td>3.3</td>
</tr>
<tr>
<td>Spain</td>
<td>2.5</td>
</tr>
<tr>
<td>Cash</td>
<td>1.3</td>
</tr>
</tbody>
</table>

**FUND PERFORMANCE ANALYSIS**

- **To 28 Aug 2020, T Class Acc**
  - Annualised Rate of Return: +18.4
  - Best Month: +9.4 (Jan’13)
  - Worst Month: -6.9 (Dec’18, Feb’20)
  - Average Month: +1.5
  - % Positive Months: 70

**FUND FACTS**

- **Fund Size** £21.5bn
- **Gross / Net Yield** 1.41% / 0.36%
- **7 Day Fund Liquidity** 60%
- **No. Holdings** 29
- **Average Co. Founded** 1928
- **Average Market Cap** £142.2bn
- **Active Share as at 31.03.20** 90%
- **2019 Transaction Costs** 0.01%

**PORTFOLIO COMMENT FOR AUGUST 2020**

Just a small number of high quality, resilient, global growth companies that are good value and which we intend to hold for a long time, and in which we invest our own money.

**SHARE Classes**

- **T Class Inc**: B4QSX52
- **R Class Inc**: B4Y935C5
- **R Class Acc**: B4LPD15
- **R Inc**: B4Q9RKK3
- **I ACC**: B4Y1B7W7
- **I INC**: B4MR8G8

**ISIN**

- GB00B4Q5X52
- GB00B4M93535
- GB00B4LPD14
- GB00B4Q9RKK3
- GB00B4Y1B7W7
- GB00B4MR8G8

**CITI**

- FUEQUI
- FUSMT
- FUNDSM
- FUSDMM
- FUGQUI
- FUNDLS

**NOTES**

- *Active Share measures how much the portfolio holdings differ from the benchmark index (MSCI World) i.e. a portfolio that is identical to the benchmark would have 0% active share.
- The OCF (Ongoing Charges Figure) is the total expenses paid by the fund (excluding bank overdraft interest), annualised, against its average net asset value. The OCF will fluctuate as the average net assets and costs change. The OCF is updated following the publication of accounts for the periods ending 30th June and 31st December.
- The PTR (Portfolio Turnover Ratio) has been calculated in accordance with the methodology laid down by the FCA. This compares the total share purchases and sales less total creations and liquidations with the average net asset value of the fund.
- The Fund is not managed with reference to any benchmark. Above are a number of comparisons of the Fund’s performance:

**SECURITY IDENTIFICATION CODES**

<table>
<thead>
<tr>
<th>SHARE CLASS</th>
<th>SEDOL</th>
<th>ISIN</th>
<th>MEXID</th>
<th>CITI</th>
</tr>
</thead>
<tbody>
<tr>
<td>T Class Acc</td>
<td>B4QSX52</td>
<td>GB00B4Q5X52</td>
<td>FUEQUI</td>
<td>LXS3</td>
</tr>
<tr>
<td>T INC</td>
<td>B4MR8G8</td>
<td>GB00B4MR8G8</td>
<td>FUNDLS</td>
<td>LSX5</td>
</tr>
<tr>
<td>R Class Inc</td>
<td>B4Y935C5</td>
<td>GB00B4M93535</td>
<td>FUSMT</td>
<td>LSX4</td>
</tr>
<tr>
<td>R Class Acc</td>
<td>B4LPD15</td>
<td>GB00B4LPD14</td>
<td>FUNDSM</td>
<td>LSX2</td>
</tr>
<tr>
<td>R Inc</td>
<td>B4Q9RKK3</td>
<td>GB00B4Q9RKK3</td>
<td>FUSDMM</td>
<td>LSX1</td>
</tr>
<tr>
<td>I ACC</td>
<td>B4Y1B7W7</td>
<td>GB00B4Y1B7W7</td>
<td>FUGQUI</td>
<td>LSX6</td>
</tr>
<tr>
<td>I INC</td>
<td>B4MR8G8</td>
<td>GB00B4MR8G8</td>
<td>FUNDLS</td>
<td>LSX5</td>
</tr>
</tbody>
</table>
PERFORMANCE CHART

All performance is shown in GBP currency.

CUMULATIVE PERFORMANCE (%)  DISCRETE PERFORMANCE (%)  CALENDAR PERFORMANCE (%)

MONTHLY PERFORMANCE TABLE, % TOTAL RETURN, T CLASS, ACCUMULATION SHARES

Performance data as at 31.08.20

<table>
<thead>
<tr>
<th>Key</th>
<th>Chart</th>
<th>Instrument</th>
<th>YTD</th>
<th>1m</th>
<th>3m</th>
<th>6m</th>
<th>1yr</th>
<th>3yrs</th>
<th>5yrs</th>
<th>10yrs</th>
<th>Since launch</th>
<th>Since launch ann.</th>
<th>Del</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Fundsmith Equity T Acc</td>
<td>13.05</td>
<td>4.22</td>
<td>5.55</td>
<td>18.20</td>
<td>9.32</td>
<td>51.36</td>
<td>155.12</td>
<td>-</td>
<td>424.99</td>
<td>18.39</td>
<td>+4.1</td>
<td>+0.1</td>
</tr>
<tr>
<td>B</td>
<td>Sector:IA Global</td>
<td>4.75</td>
<td>3.86</td>
<td>6.40</td>
<td>11.53</td>
<td>6.92</td>
<td>24.55</td>
<td>76.27</td>
<td>166.64</td>
<td>-</td>
<td>7.03</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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/Fundsmith Equity Fund (the “Fund”), which is the subject of this document, does not relate to a collective investment scheme which is authorised under section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) or Recognised under section 287 of the SFA. This document has not been registered as a prospectus with the Monetary Authority of Singapore (the “MAS”). Accordingly, this document and any other document or material issued in connection with the offer or sale, or invitation for subscription or purchase, of units in the Fund may not be circulated or distributed, nor may units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than 1. To an institutional investor under section 304 of the SFA; 2. To a relevant person pursuant to section 305(1) of the SFA or any person pursuant to section 305(2) of the SFA (and such distribution is in accordance with the conditions specified in section 305 of the SFA); or 3. Otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. In particular, for investment fund that are not authorised or recognised by the MAS, units in such funds are not allowed to be offered to the retail public. This document and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply and investors should consider carefully whether the investment is suitable for them. In particular, for investment fund that are not authorised or recognised by the MAS, units in such funds are not allowed to be offered to the retail public. This document and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply and investors should consider carefully whether the investment is suitable for them.

MSCI World Index is the exclusive property of MSCI Inc. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or final products. This report is not approved, reviewed or produced by MSCI. The Global Industry Classification Standard (GICS®) was developed by and is the exclusive property of MSCI and Standard & Poor's and "GICS®" is a service mark of MSCI and Standard & Poors.