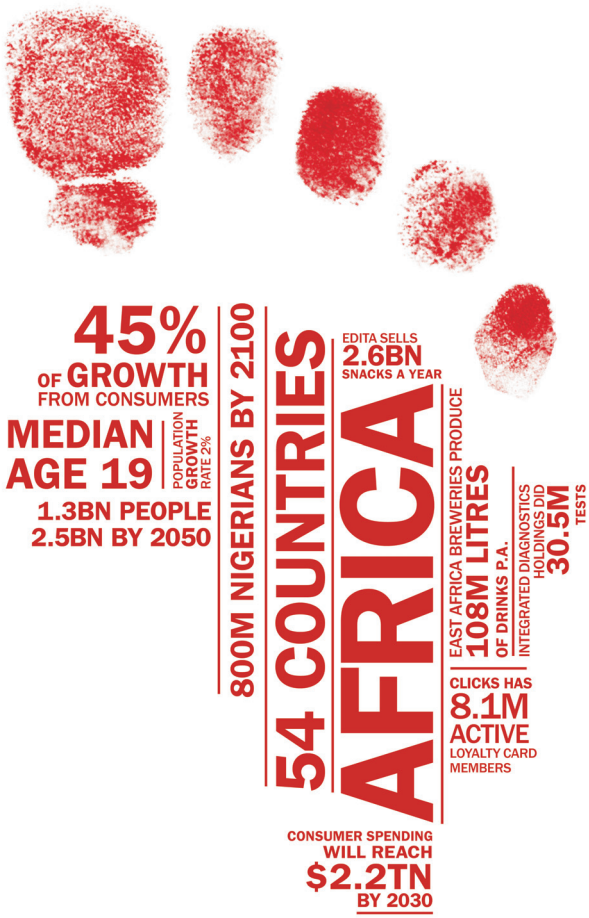
Fundsmith
Emerging Equities Trust

Half Year Report

for the six months ended 30 June 2020

Fundsmith Emerging Equities Trust plc



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Financial Year End	31 December
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Company Summary

The Company

The Company is an investment trust and its shares are listed on the premium segment of the Official List and traded on the main market of the London Stock Exchange. The Company is a member of the Association of Investment Companies.

Total assets less liabilities as at 30 June 2020 were £336.3 million (30 June 2019: £334.4 million) and the market capitalisation was £293.0 million (30 June 2019: £318.3 million).

Management

The Company employs Fundsmith LLP ("Fundsmith") as Investment Manager and Alternative Investment Fund Manager ("AIFM").

Performance is measured against the MSCI Emerging and Frontier Markets Index measured on a net sterling adjusted basis.

Capital Structure

As at 30 June 2020 the Company had in issue 26,640,056 Ordinary Shares of 1p each (30 June 2019: 26,640,056 and 31 December 2019: 26,640,056).

Gearing

The Company has the power to borrow using short-term banking facilities to raise funds for short-term liquidity purposes or for discount management purposes including the purchase of its own shares, provided that the maximum gearing represented by such borrowings shall be limited to 15% of the Company's net assets at the time of drawdown of such borrowings. The Company is not currently geared.

ISA Status

The Company's shares are eligible for Individual Savings Accounts ("ISAs") and for Junior ISAs.

Retail Investors advised by IFAs

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers ("IFAs") in the UK to ordinary retail investors in accordance with the Financial Conduct Authority ("FCA") rules in relation to non-mainstream investment products and intends to continue to do so. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Financial Highlights

Performance Summary

	As at 30 June 2020	As at 30 June 2019	As at 31 December 2019
Net asset value per share	**1,262.3p**	1,255.1p	1,213.0p
Share price	**1,100.0p**	1,195.0p	1,100.0p
Discount of the share price to the net asset value per share*	**12.9%**	4.8%	9.3%
Ongoing charges ratio*	**1.3%**	1.4%	1.4%

	Six months to 30 June 2020	Six months to 30 June 2019	Year ended 31 December 2019
Net asset value per share total return*	**+4.3%**	+2.9%	-0.5%
Share price total return*	**+0.3%**	+0.6%	-7.4%
Index† total return	**-3.4%**	+10.7%	+13.9%

*Alternative Performance Measure (see Glossary)

†MSCI Emerging and Frontier Markets Index, measured on a net sterling adjusted basis

Please refer to the Glossary on pages 22 and 23 for definitions of these terms and the basis of their calculations.

Introduction

I am pleased to report on your Company's activities in the six months to 30 June 2020 and on its financial position as at that date; now some six years since its launch. Your attention is drawn to the Investment Manager's Review on page 7, which deals with investment performance and portfolio matters.

Performance

On first sight of the Financial Highlights table on page 3, the financial position of the Company looks remarkably stable. Yet the few months preceding the half-year end have been the most uncertain for many years. During the first half of the year, the Company's net asset value ("NAV") per share total return* was +4.3% (2019: +2.9%) and the share price total return* was +0.3% (2019: +0.6%). At the period end, the shares stood at a 12.9% discount* to the NAV per share (2019: 4.8% discount).

* Alternative Performance Measure (see Glossary)

Over the same period, the Company's principal performance comparator, the MSCI Emerging & Frontier Markets Index, measured on a net sterling adjusted basis, decreased by 3.4% (2019: increased by 10.7%).

Of course, returns for this half year have been affected by the Covid-19 pandemic and our Investment Manager, Fundsmith LLP ("Fundsmith"), explains in their report both the short and possible long-term impact of the pandemic on the markets in which the Company invests. The Board is encouraged by the Company's NAV performance over this volatile and difficult period, which we believe reflects the positive changes that have been made to the portfolio over the past year. The current portfolio manager is Michael O'Brien who was appointed in May 2019, just over a year ago. We also note the good relative performance against the MSCI Index and the factors explaining this are given in the Investment Manager's Review. I also draw attention to the changes in sector emphasis, away from consumer staples with more weighting in healthcare and technology.

Management Arrangements

As the Covid-19 pandemic spread to the UK in the first quarter, Fundsmith and our other principal service providers implemented their business continuity plans, with the majority of staff including the portfolio managers, working from home. I am pleased to report that from the Board's perspective, communication has remained good and the transition to remote working has been largely smooth. I would remind shareholders that the Company itself has no employees. Your Board has continued its meetings on schedule, using video conferencing very successfully.

Revenue and Dividends

In the last annual report, it was noted that the Company had made a revenue profit in 2019. Accordingly, in order to maintain investment trust status, the Board recommended to shareholders a final dividend of 3.2 pence per share for the year ended 31 December 2019. Following shareholder approval at the Company's Annual General Meeting ("AGM") on 27 May 2020, this dividend was paid on 3 June 2020.

As we have reminded shareholders in the past, the Company's principal objective is to provide shareholder returns through capital growth, and neither the Board nor the Investment Manager target a particular level of income. Therefore, the Board's current policy remains (as from inception) to pay only those dividends required to maintain UK investment trust status. Consequently, the Board has not declared an interim dividend.

Share Price Discount

The Board, in consultation with each of its advisers, has been monitoring the share price discount very closely, having regard to the impact of any buyback on the investee business portfolio and its expected returns. We are disappointed that the share price has lagged the advances made by the NAV per share and the Board has held many ad hoc meetings over the period to consider share price performance and the various ways in which the discount may be addressed, including through share buy backs but also through the Company's marketing and distribution strategy.

The Board has authority from shareholders to buy back up to 14.99% of the Company's issued share capital in the market. However, to date the Board has been of the opinion that share buy backs are not always in the best interests of shareholders as they reduce the size of the Company and therefore increase the ongoing charges ratio. The Board has also been conscious of the increased volatility in emerging markets over the past few months, caused by the impact of Covid-19. In particular, the Board has received no convincing assurance that, in current conditions, share buybacks would significantly reduce the discount for any material time. In addition, our aim is for the Company to eventually return to a position where it is able to grow through the issuance of new shares. For these reasons, while the position is kept under continuous review, the Board has thus far not sought to buy back shares, opting instead to give the markets a chance to settle and, in the meantime, focusing on the Company's and the Investment Manager's marketing efforts.

Investor Communications

The Board recognises that marketing and investor communications are key to keeping current investors informed and also encouraging new investment to help control the share price discount.

As part of our efforts, the Board has appointed Edison Investment Research Limited to produce research notes on the Company. These will be distributed to Edison's extensive network of investors and you can register to receive the notes on Edison's website.

While we were disappointed not to be able to stage our usual AGM this year, a presentation from our portfolio manager, Michael O'Brien has been made available on our website www.feetplc.co.uk. Overall, our website displays the latest news, share prices and performance information, portfolio details and updates from the Investment Manager. I encourage all shareholders to register for updates on our website and to make use of the materials available thereon. Shareholders may also submit questions to the Board by sending an email to me at FEETChairman@fundsmith.co.uk or to the Investment Manager at FEET@fundsmith.co.uk.

Outlook

Many countries around the world are now in the process, albeit hesitantly, of lifting the restrictions which were put into place to manage the spread of Covid-19 and markets are recovering from the substantial falls experienced earlier in the year. While the threats of second waves, local lockdowns, and further periods of high volatility remain, our Investment Manager sees opportunities arising from the pandemic and the Board shares their belief that the Company's portfolio should be well positioned to benefit from them.

Furthermore, while the economic damage has been severe, it has been less acute in emerging markets, most of which are forecast to return to growth next year. The long-term growth prospects of emerging markets still far exceed more developed markets, so our Investment Manager's fundamental approach and long-term view remain unchanged. They will continue to focus on selecting high quality businesses, with long-established and reputable brands, which provide direct exposure to the rise of the consumer classes in emerging markets, albeit with a flexible approach to industry sectors and geographical spread. The Board continues to support this investment strategy and believes that it should deliver attractive returns for the long-term investor.

Martin Bralsford
Chairman
4 August 2020

Investment Policy

The Company maintains a portfolio diversified by issuer concentration and it is anticipated that the Company's portfolio will comprise 35 to 55 investments.

The Company will comply with the following restrictions at the time each investment is made:

(i) not more than 5% of the Company's gross assets can be invested in shares issued by any single company. This limit rises to 10% in respect of up to 40% of gross assets;

(ii) not more than 40% of the Company's gross assets can be invested in shares issued by companies domiciled in any single jurisdiction. Where, as a result of investment performance, the total value of the companies in a particular jurisdiction exceeds 40 per cent. of gross assets, this restriction shall not apply to a portfolio rebalancing transaction (an investment funded from the proceeds of a disposal of shares in a company domiciled in the same jurisdiction, executed at the same time).

(iii) not more than 20% of the Company's gross assets can be in deposits held with a single bank or financial institution. In applying this limit all uninvested cash (except cash representing distributable income or credited to a distribution account that the Depositary holds) should be included;

(iv) not more than 20% of the Company's gross assets can consist of shares and approved money market instruments issued by the same group. When applying the limits set out in (i) this provision would allow the Company to invest not more than 5% in the shares of each of four group member companies, or 10% in two of them (if applying the 40% limit);

(v) the Company's holdings in any combination of shares or deposits issued by a single company or fund must not exceed 20% of the Company's gross assets overall;

(vi) the Company must not acquire shares issued by a company and carrying rights to vote at a general meeting of that company if the Company has the power to influence significantly the conduct of business of that company (or would be able to do so after the acquisition of the shares). The Company is to be taken to have power to influence significantly if it exercises or controls the exercise of 20% or more of the voting rights in that company; and

(vii) the Company must not acquire shares which do not carry a right to vote on any matter at a general meeting of the company that issued them and represent more than 10% of these securities issued by that company.

Uninvested cash or surplus capital or assets may be invested on a temporary basis in:

- cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a single-A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency; or
- any "government and public securities" as defined for the purposes of the FCA rules.

In general, the Company will not use portfolio management techniques such as interest rate hedging and credit default swaps. However, the Company may use currency hedging, through derivatives if necessary, as a portfolio management technique. Whilst the Company, generally, will not hedge its currency exposure, it does reserve the right to do so in the circumstances where, in the opinion of the Investment Manager, a significant depreciation of a currency has become likely but the Investment Manager wishes to continue owning the companies in the portfolio denominated in that currency and where the cost of hedging that currency is unlikely, in the opinion of the Investment Manager, to extinguish any gains from hedging.

Investment Manager's Review

Company and Market Commentary

	Total Return 01.01.20 to 30.06.20 %	Inception* to 30.06.20 Cumulative %	Inception* to 30.06.20 Annualised %
FEET NAV	+4.3	+27.3	+4.1
FEET Share Price	+0.3	+10.5	+1.7
Emerging Markets[1]	-3.4	+49.8	+6.9
UK bonds[2]	+4.5	+28.6	+4.3
UK Cash[3]	+0.3	+3.6	+0.6

*25 June 2014

1 MSCI Emerging and Frontier Markets Index, measured on a net sterling adjusted basis (source: www.msci.com)

2 Bloomberg/Barclays Bond Indices UK Govt 5-10 year (source: Bloomberg)

3 Three month £ LIBOR Interest Rate (source: Bloomberg)

During the first half of the year, both the share price and net asset value (NAV) of Fundsmith Emerging Equities Trust plc ("FEET") rose. The share price total return* was by 0.3% whilst the NAV per share total return* was 4.3%.

*Alternative Performance Measure (see Glossary)

Not only did the Company's NAV rise in the period, it comfortably outperformed the MSCI Emerging and Frontier Markets Index (the "Index"), which fell by 3.4%. The performance of the Index was volatile, falling sharply in the first quarter, particularly in March, as the Covid-19 outbreak evolved from being a local phenomenon in the Chinese city of Wuhan into a pandemic with far reaching social, political and economic consequences. The Index rebounded in the second quarter, particularly in April and June, as markets took the view that large amounts of stimulus would re-accelerate economic growth, with China also showing signs of rapidly improving economic data in this period.

Prior to the severity of the economic impact of the Covid-19 outbreak being recognised by markets, the optimism of 2019 that the US and China would improve their relationship dissipated early in 2020 as increasing anti-China sentiment became evident in the upper echelons of the US administration in what is, of course, an election year with the incumbent keen to follow populist policies. US-China tensions have of course been exacerbated by the impact of Covid-19, more of which we talk about later.

Geo-political tensions are not, of course, limited to those between China and the US. Chinese and Indian troops clashed in the Himalayas, whilst its actions in the South China Sea have caused concerns for both the Philippines and Vietnam. Its relationship with Taiwan, who re-elected a pro-independence leader on an increased majority remains, to put it somewhat diplomatically, strained.

After almost a year of protests in Hong Kong, China implemented a national security law in the Special Administrative Region, in effect over-ruling both Hong Kong's own judicial system and that laid down by the basic law at the time of the territory's 1997 handover. The Beijing imposed law has been widely criticised by the international community, but the reaction of the local business community appears to be somewhat more sanguine.

In Brazil, President Bolsonaro's honeymoon period came to an end on the back of claims of cronyism, faltering global demand for natural resources and then the impact of Covid-19, which has led to a major recession.

FEET continues to overwhelmingly invest in companies not geographies but it is increasingly clear to us that emerging (and even more so frontier) market governments do not always act rationally or in the best interests of investors. This is not something which is likely to go away in the short to medium term (and the cynical, myself included, would suggest ever) and continues to be a risk to any emerging market portfolio.

For instance, MSCI has recently suggested Turkey, Bangladesh and Nigeria are at risk of removal from their Index (or in the case of Turkey, alternatively a downgrade to frontier market status) due to restrictions on foreign investors (including the banning of

short-selling), price interference and deteriorating liquidity in the foreign exchange market respectively.

Although we are not short-term performance junkies and, additionally, with an active share of over 95% not index trackers, we note that FEET underperformed in just two months in the first six months of the year (April and June). The Index performed strongly in both of these months; we strongly suspect this was helped by ETF flows into emerging markets. We also note that Alibaba and Tencent, two of the largest stocks in the Index, rose over the course of H1, helping to confirm our suspicions that ETF flows have not gone away.

As well as the impact of ETF inflows on emerging markets, we also believe that there are increasing signs of a bubble in Chinese equities, particularly in sectors such as technology where China is trying to displace foreign suppliers. The Chinese government has encouraged equity bull markets after periods of economic weakness before. Now state sponsored journals in the mainland are calling for the 'fostering of a healthy bull market', helped of course by the direction of cash from state funds, corporate backed wealth management products (which are typically opaque) and private investors.

As you are well aware, we don't chase indices but instead focus on owning a number of high-quality companies found in a limited range of sectors. This is something which will not change regardless of the level of momentum in the market.

Performance

In terms of the contributors to performance for the six months:

Top Five Contributors	Contribution (%)	Of which currency (%)
MercadoLibre Inc	3.80	0.33
Foshan Haitian Flavouring	2.32	0.20
Nestlé India	0.80	0.03
BIM Birlesik Magazalar AS	0.59	-0.16
Vitasoy International Holdings Ltd	0.58	0.38

(Source: Northern Trust)

The standout performer in the period was MercadoLibre, a business in which we materially increased our holding in the second half of 2019. The business is Latin America's largest e-commerce and online payments business and has seen compound revenue growth of 37% over the last five years. Despite this level of growth, e-commerce penetration rates in the region are low at around 5% of overall retail sales in both Mexico and Brazil, compared to around 16% in the US and 23% in China.

Foshan Haitian, the largest contributor to H1 performance last year, was the second largest positive contributor to H1 performance this year. The group continues to gain share in a fragmented market, and its performance in H1 2020 was particularly encouraging given its exposure to the restaurant sector in China.

Nestlé India performed strongly as a result of continued strategic focus and operational execution, and the business is also a beneficiary of increased spending on staples during the early stages of the Covid-19 outbreak, a phenomena BIM also benefitted from in Turkey where ongoing economic problems are supporting its value-orientated proposition. Vitasoy was also a leading contributor, helped by the currency impact of a strong Hong Kong dollar and encouraging signs of recovery from China, which now accounts for around two-thirds of its revenues.

Top Five Detractors	Contribution %	Of which currency %
Hypera SA	-0.99	-0.75
TravelSky Technology Ltd	-0.71	0.14
Clicks Group Ltd	-0.65	-0.35
Havells India Ltd	-0.47	0.05
Eastern Tobacco	-0.47	0.26

(Source: Northern Trust)

Hypera was the biggest detractor from performance, although the majority of the shortfall came from the substantial weakening in the Brazilian real. The group has recently acquired an attractive portfolio of 18 drugs from a major Japanese pharmaceutical company, following on from an acquisition of two over the counter medicines in December 2019. The two acquisitions totalled US$1.2bn and have increased Hypera's debt levels. We expect strong cashflow will reduce these going forward and lead to a lower perception of risk amongst investors.

We touch elsewhere on TravelSky, but its negative contribution in H1 2020 can be explained by its almost total dependence on China's aviation sector which has clearly been severely impacted by the Covid-19 pandemic but which we believe has attractive long-term prospects.

The performance of Clicks (our sole holding in South Africa) has been impacted by a combination of a weaker rand and extremely tough trading conditions in the country. Havells, arguably the closest stock to an industrial company we own was impacted by demand weakness, whilst Eastern Tobacco's share price weakened on the back of concerns regarding the pace of restructuring.

Top 5 Currencies	Total return 01.01.20 to 30.6.20 (%)
India	0.47
China	0.44
Hong Kong	0.38
Egypt	0.35
Philippines	0.34

Bottom 5 Currencies	Total return 01.01.20 to 30.6.20 (%)
Brazil	-1.16
South Africa	-0.41
Mexico	-0.31
Turkey	-0.16
Nigeria	0.03

(Source: Northern Trust)

The Indian rupee and Chinese yuan were the biggest positive currency contributors to performance. The Indian rupee was helped by improved capital inflows after the autumn 2019 corporate tax cuts. The Chinese yuan performed strongly as a result of a continued current account surplus. Despite their susceptibility to reduced remittance flows from overseas workers, both the Philippine peso and the Egyptian pound also contributed positively to performance.

The biggest detractor from performance was the Brazilian real. The currencies of South Africa and Mexico, both of which are major resources exporters have not been immune to the lockdown induced fall in demand for their main exports. The Turkish lira continues to be weak and not helped by erratic government policy.

Portfolio Turnover and Dealing Costs

Portfolio turnover in the period was 12.4%, down from 17.1% in H1 2019. No tap issues of new shares were made in the first half of 2020 (2019: £3m).

Dealing costs in the half year were £65,962, under half that of the same period in 2019 and just 0.02% of the Company's NAV. This is much lower than the average of past years despite the three new holdings we purchased.

Sales and Purchases

We initiated three new holdings in the period and made one outright sale.

We took advantage of Covid-19 inspired share price weakness to build a stake in XP Inc, a business which was listed in late 2019. XP is the largest online investment platform for retail investors in Brazil and has a 4.5% share of the $2.1 trillion investment market in the country. XP has more than 1.5m retail clients on its platform (0.6% of Brazil's population) who can invest in equity, fixed income and mutual funds. XP is ten times larger than its nearest independent competitor in a market which is controlled by banks and is aiming to grow its market share from c.10% to 25% between now and 2024. Only 10% of retail investment assets in Brazil are in equities, giving the group scope for growth, and the penetration level of brokership accounts (c.1%) is well below that of the developed world.

Again, taking advantage of a sharp share price fall, the second new holding we made was Lojas Renner. Lojas Renner is the largest fashion retailer in Brazil with over 600 stores. Barriers to entry are provided by a combination of consistent execution and investment in physical and digital infrastructure, all of which discourage international entrants. The group is at the end of a seven-year investment programme which began in 2012 and saw the remodelling of the store network, a new logistics platform put in place and the development of the supply chain to reduce lead times. The group is now implementing a multi-channel strategy encompassing both online and offline retail to increase revenues and improve efficiency. Efficiency is also helped by having most of its supply chain within Brazil. Average customer spend is c.£20 per transaction.

The third new holding we have made is Tencent, China's largest social networking, gaming and music streaming company. Its social media platform (WeChat) has over 1.2 billion users, whilst its QQ messaging service has over 600m users. Around the WeChat infrastructure are a number of other services such as payments, utilities, gaming, information and news. 98% of Chinese internet users access the internet through smartphones, clearly supporting Tencent's business model which has focused on building a large user base with relatively low transaction values and a high

proportion of revenues derived from subscriptions. Foreign entrants into the market are highly restricted by Chinese law.

The one outright sale we made in the period was Tiger Brands. A number of business units in the group had been struggling in light of tough trading conditions in South Africa. As well as this, we felt that management had not produced a credible turnaround programme, and thus we made the decision to exit the holding and reallocate capital elsewhere.

Covid-19 Impact

Commentary on the period cannot be complete without reviewing the impact of Covid-19 on the portfolio and the structural industry changes we think it will accelerate going forwards.

Our investment approach has led us to avoid companies in sectors which are both dependent on complicated just-in-time supply chains, and additionally ones which have financially leveraged balance sheets (or efficient balance sheets as corporate financiers would describe them). We do not invest in banks, insurance companies, oil and gas, mining or property businesses, all of which are areas which have seen significant pressures from the pandemic.

We have just one stock exposed to the aviation and travel sector, TravelSky, which is the dominant producer of information technology solutions for China's aviation and travel industry, with a c.99% market share of the airline ticket processing business in the country. Although passenger numbers are well down on last year, China's aviation industry is recovering from the outbreak quicker than those in a number of other countries.

Although several other companies we own were affected by the impact of lockdown measures, we also saw several businesses across our portfolio in areas such as consumer staples, grocery retail, healthcare and technology benefit from the pandemic. Needless to say, most of our investee companies have net cash on their balance sheets.

Covid-19 is likely to significantly accelerate structural change across several industries, and we believe that the three biggest impacts will be formalisation, digitalisation and consolidation – from which our portfolio is well positioned to benefit. These trends will likely help most of our companies gain share from informal, smaller players which lack access to capital and in the case of retail offer significantly less attractive environments for shoppers. Digitalisation, driven by the growth of e-commerce and changing working attitudes, will also positively impact on businesses which either provide services in these areas or are already enabled to serve e-commerce and modern trade channels. Although we aren't always necessarily fans of corporate activity, there may be opportunities for our holdings to consolidate their market positions and utilise their inherent strengths in areas such as distribution, by acquiring rivals who find themselves struggling for growth in a more difficult economic environment.

It is also broadly encouraging as an emerging market investor that the economic impact of Covid-19 on emerging markets (as measured as a percentage of GDP decline) is lower than that in the developed world, and most emerging markets are also forecast to revert to growth close to their long-term rate next year.

The Opportunity

We continue to strongly believe that the portfolio remains well placed to benefit from long-term trends driving the growth of the consuming classes in emerging markets. Put simply, growing emerging market populations are getting richer, consuming more and ultimately undergoing changing tastes which lead to both the development of premium products and the growth of new market segments.

Across those businesses which are well placed to benefit from these trends, there are four common traits we seek from our investments which make up our exacting criteria;

- High returns on operating capital employed in cash;
- Growth driven from the reinvestment of these cash flows at high rates of return;
- Revenues derived from a large number of everyday, small-ticket, repeat, predictable transactions; and
- The ability to protect returns against competition.

Although these themes remain common across our investments, there has been some change of emphasis in how the Company captures them over the last year. This is aimed at trying to improve the performance of the Company whilst maintaining our rigorous investment process which focuses on buying good companies, not overpaying when doing so, and retaining our shareholdings for a

considerable period of time.

First, we have reduced the Company's exposure to those countries where we feel macro and political risk is high. This is best witnessed by a further reduction in the percentage of the portfolio in frontier markets, which at the end of June was 8%, down from 9% at the end of 2019 and 12% from the end of December 2018. The sale of Tiger Brands means we have just one holding in South Africa.

Second, and following the same evolutionary pattern of the Fundsmith Equity Fund, we have increased our exposure to resilient growth stocks in the healthcare and technology segments. A third of the portfolio is invested in stocks which operate in technology and healthcare, an increase from 28% at the end of 2019 and just under 20% at the end of 2018. Consumer stocks accounted for 67% of the portfolio at the end of June 2020.

We see the investment in healthcare and technology as part of the natural evolution of the portfolio and a trend which is likely to continue. Our investments in these sectors comprise businesses which are reinvesting their attractive returns into growing their businesses, whilst at the same time benefiting in many instances from first mover advantage and the ability to build networks to lock out competitors - typically through physical sites in our healthcare companies and embedded users in our technology companies.

We have talked about the long-term drivers of healthcare in emerging markets in the past - increasing populations and spending power increased demand for healthcare, along with a number of specific factors, including greater susceptibility to lifestyle diseases such as diabetes and cancers as consumption trends change, and a greater awareness of health issues (helped of course by internet penetration).

Our healthcare investments are concentrated around diagnostic testing businesses (of which we own five, three of which are in India, one in Egypt and one in Indonesia) and drug producers (we own two, one in Brazil and one in India). Diagnostic testing satisfies an immediate need of a consumer at a relatively low cost by allowing them to find out what is wrong with them and progress the next steps quickly and conveniently without the rigmarole of having to progress through the state healthcare system, should one even exist. Our pharmaceutical holdings focus on the branded generic or over-the-counter markets, which do not carry the ongoing research and development risks of 'big pharma'. The companies we own have strong distribution networks backed by brands. Both have also made acquisitions of complementary product portfolios.

Our largest sector weighting increase has been in the technology sector. Technology has allowed both new business models to flourish and new businesses to develop quickly and seamlessly, benefiting from increasing consumer incomes and spending patterns. The rise of the smartphone in emerging markets has largely displaced desktop computing and has given large elements of emerging market populations access to wide-ranging functionality such as e-commerce, bill payments or (following on from our medical diagnostics theme) test results. Our newest holding, Tencent, with its billion-plus user base and position as one of China's largest internet businesses demonstrates what a technology business can achieve with the right product, business model and regulatory environment.

Third, over the past year we have reduced our exposure to multinational subsidiaries. When we launched the Company, multinational subsidiaries offered us the safety of good governance (something we always seek in an investment) and established distribution, alongside products and brands which we knew well. What we have found is typically there is a dichotomy between multinational subsidiaries with established local management well versed with operating in local markets (both Nestlé India and Hindustan Unilever have been very successful investments for the Company) and those whose management comes from overseas and lacks local market knowledge, is not necessarily innovative and rarely equity incentivised, and whose presence can act as a disincentive to local management.

Finally, we aim to capture this in a portfolio which is more concentrated than it has traditionally been in the past. The Company is mandated to own between 35 and 55 holdings. At the end of June 2020, the portfolio comprised 38 stocks.

Regardless of the impact of Covid-19, we believe that high quality businesses which satisfy a need for consumers, with a reputable brand and products at acceptable prices, will continue to prosper.

Michael O'Brien
Fundsmith LLP
Investment Manager
4 August 2020

Principal Risks and Uncertainties

Equity markets experienced substantial falls during the period associated with uncertainties linked to the Covid-19 pandemic and continue to be volatile. The Directors have considered the impact of the continued uncertainty on the Company's financial position and, based on the information available to them at the date of this report, have concluded that no adjustments are required to the accounts as at 30 June 2020.

A review of the half year and the outlook for the Company can be found in the Chairman's Statement and in the Investment Manager's Review. The principal risks and uncertainties faced by the Company fall into the following broad categories: corporate strategy; investment strategy and activity; operational (service providers); financial; and legal and regulatory. Information on these risks is given in the annual report for the year ended 31 December 2019. The Board believes that the Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remaining six months of the Company's financial year.

Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Going Concern

The Directors believe, having considered the Company's investment objective, risk management policies, capital management policies and procedures, and the nature of the portfolio and the expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future, and, more specifically, that there are no material uncertainties relating to the Company that would prevent its ability to continue in such operational existence for at least twelve months from the date of approval of this half yearly financial report. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the financial statements. In reviewing the position as at the date of this report, the Board has considered the guidance on this matter issued by the Financial Reporting Council.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

(i) the condensed set of financial statements contained within the half year report has been prepared in accordance with the applicable International Accounting Standards (IAS) 34; and

(ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure Guidance and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

On behalf of the Board of Directors

Martin Bralsford
Chairman
4 August 2020

Investment Portfolio

Investments held as at 30 June 2020

Security	Country of incorporation	Fair value £'000	% of investments
Mercadolibre Inc	USA [1]	23,867	7.2
Foshan Haitian Flavouring	China	21,649	6.6
Vitasoy International Holdings Ltd	Hong Kong	18,602	5.6
Nestlé India Ltd	India	14,280	4.3
Asian Paints Ltd	India	12,538	3.8
Hindustan Unilever Ltd	India	12,330	3.7
Godrej Consumer Products Ltd	India	11,438	3.5
Info Edge (India) Ltd	India	11,349	3.4
Marico Ltd	India	11,225	3.4
Philippine Seven Corp	Philippines	10,888	3.3
Top 10 Investments		**148,166**	**44.8**
Havells India Ltd	India	9,976	3.0
Vietnam Dairy Products JSC	Vietnam	9,644	2.9
Avenue Supermarts	India	9,245	2.8
Metropolis Healthcare Ltd	India	9,049	2.7
XP Inc	Brazil	8,616	2.6
Hypera SA	Brazil	8,556	2.6
Travelsky Technology Ltd	China	8,345	2.5
Integrated Diagnostics Holdings Plc	Jersey [2]	8,181	2.5
Eastern Tobacco	Egypt	8,161	2.5
Dr Lal Pathlabs Ltd	India	7,646	2.3
Top 20 Investments		**235,585**	**71.2**
BIM Birlesik Magazalar AS	Turkey	7,491	2.3
Eris Lifesciences Ltd	India	7,267	2.2
Britannia Industries Ltd	India	7,259	2.2
Dali Foods Group Co Ltd	China	7,203	2.2
Walmart De Mexico SAB de CV	Mexico	6,711	2.0
Procter + Gamble Hygiene	India	6,642	2.0
Dabur India Ltd	India	6,360	1.9
Tencent Holdings	China	5,855	1.8
Nestlé Nigeria Plc	Nigeria	5,194	1.6
Clicks Group Ltd	South Africa	5,168	1.6
Top 30 Investments		**300,735**	**91.0**

Investments held as at 30 June 2020 (continued)

Security	Country of incorporation	Fair value £'000	% of investments
East African Breweries Ltd	Kenya	4,711	1.4
Thyrocare Technologies Ltd	India	4,561	1.4
Ceylon Tobacco Co Plc	Sri Lanka	4,556	1.4
British American Tobacco	Bangladesh	4,026	1.2
PT Prodia Widyahusada Tbk	Indonesia	3,951	1.2
Lojas Renner	Brazil	3,024	0.9
Edita Food Industries SAE	Egypt	2,510	0.8
DP Eurasia NV	Netherlands [3]	2,348	0.7
Total Investments (38)		**330,422**	**100.0**

[1] Principal place of business Argentina

[2] Principal place of business Egypt

[3] Principal place of business Turkey

Statement of Comprehensive Income

For the six months ended 30 June 2020

		(Unaudited) Six months ended 30 June 2020			(Unaudited) Six months ended 30 June 2019			(Audited) Year ended 31 December 2019		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Dividend income	4	2,695	–	2,695	2,826	–	2,826	6,833	–	6,833
Gains/(losses) on investments held at fair value through profit or loss										
Gains/(losses) on investments held at fair value through profit or loss	3	–	14,005	14,005	–	8,511	8,511	–	(2,738)	(2,738)
(Losses)/gains on foreign exchange transactions		(29)	(7)	(36)	29	13	42	–	(215)	(215)
Management fees		(1,589)	–	(1,589)	(1,930)	–	(1,930)	(3,650)	–	(3,650)
Other expenses including dealing costs		(439)	(66)	(505)	(462)	644	182	(901)	(206)	(1,107)
Profit/(loss) before finance costs and taxation		638	13,932	14,570	463	9,168	9,631	2,282	(3,159)	(877)
Finance costs		–	–	–	–	–	–	(2)	–	(2)
Profit/(loss) before taxation		638	13,932	14,570	463	9,168	9,631	2,280	(3,159)	(879)
Taxation		(259)	(336)	(595)	(251)	–	(251)	(468)	(500)	(968)
Profit/(loss) for the period/year		379	13,596	13,975	212	9,168	9,380	1,812	(3,659)	(1,847)
Return/(loss) per share (basic and diluted) (p)		**1.42**	**51.04**	**52.46**	**0.80**	**34.48**	**35.28**	**6.81**	**(13.75)**	**(6.94)**

The Company does not have any income or expenses which are not included in the profit for the period/year.

All of the profit and total comprehensive income for the period/year is attributable to the owners of the Company.

The "Total" column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards (IFRS). The "Revenue" and "Capital" columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations.

Statement of Changes in Equity

For the six months ended 30 June 2020

	Share Capital £'000	Share Premium £'000	Capital* Reserve £'000	Revenue Reserve £'000	Total £'000
Balance at 1 January 2020	266	81,595	238,732	2550	323,143
Profit for the period	–	–	13,596	379	13,975
Dividend	–	–	–	(852)	(852)
Balance at 30 June 2020	**266**	**81,595**	**252,328**	**2,077**	**336,266**

For the six months ended 30 June 2019

	Share Capital £'000	Share Premium £'000	Capital* Reserve £'000	Revenue Reserve £'000	Total £'000
Balance at 1 January 2019	264	78,560	242,391	1,271	322,486
Profit for the period	–	–	9,168	212	9,380
Dividend	–	–	–	(533)	(533)
	264	78,560	251,559	950	331,333
Issue of Ordinary Share Capital	2	3,035	–	–	3,037
Balance at 30 June 2019	**266**	**81,595**	**251,559**	**950**	**334,370**

* Capital Reserve is considered distributable.

Statement of Financial Position

As at 30 June 2020

	(Unaudited) 30 June 2020 £'000	(Unaudited) 30 June 2019 £'000	(Audited) 31 December 2019 £'000
Non-current assets			
Investments held at fair value through profit or loss	330,422	329,991	312,267
	330,422	329,991	312,267
Current assets			
Receivables	1,074	910	792
Cash and cash equivalents	7,854	5,283	12,798
	8,928	6,193	13,590
Total assets	339,350	336,184	325,857
Current liabilities			
Trade and other payables	(3,084)	(1,814)	(2,714)
	(3,084)	(1,814)	(2,714)
Total assets less current liabilities	336,266	334,370	323,143
Equity attributable to equity shareholders			
Ordinary share capital	266	266	266
Share premium	81,595	81,595	81,595
Capital reserves	252,328	251,559	238,732
Revenue reserve	2,077	950	2,550
Total equity	336,266	334,370	323,143
Net asset value per share (p)	**1,262.3**	**1,255.1**	**1,213.0**

Statement of Cash Flows

For the six months ended 30 June 2020

	(Unaudited) Six months ended 30 June 2020 £'000	(Unaudited) Six months ended 30 June 2019 £'000	(Audited) Year ended 31 December 2019 £'000
Cash flows from operating activities			
Profit/(loss) for the period/year before taxation	14,570	9,631	(879)
Adjustments for:			
Finance costs	–	–	2
Net (gain)/loss on investments held at fair value through profit or loss	(14,005)	(8,511)	2,944
Net loss/(gain) on foreign exchange	36	(42)	215
Increase in receivables	(282)	(234)	(124)
Increase/(decrease) in payables	34	(578)	(179)
Overseas taxation paid	(259)	(251)	(459)
Net cash flow from operating activities	**94**	**15**	**1,520**
Cash flows from investing activities			
Sale of investments held at fair value through profit or loss	18,295	31,390	50,123
Purchases of investments held at fair value through profit or loss	(22,445)	(31,377)	(43,841)
Net cash flow from investing activities	**(4,150)**	**13**	**6,282**
Cash flows used in financing activities			
Proceeds from issue of new shares	–	3,052	3,052
Issue costs relating to new shares	–	(15)	(15)
Finance costs	–	–	(2)
Dividends paid	(852)	(533)	(533)
Net cash flow from financing activities	**(852)**	**2,504**	**2,502**
Net (decrease)/increase in cash and cash equivalents	(4,908)	2,532	10,304
Effect of foreign exchange rates	(36)	42	(215)
Change in cash and cash equivalents	(4,944)	2,574	10,089
Cash and Cash Equivalents at start of the period/year	12,798	2,709	2,709
Cash and cash equivalents at end of the period/year	**7,854**	**5,283**	**12,798**
Comprised of: Cash at bank	**7,854**	**5,283**	**12,798**

1. General Information

Fundsmith Emerging Equities Trust plc is a company incorporated on 31 October 2013 in the United Kingdom under the Companies Act 2006.

Principal Activity

The principal activity of the Company is that of an investment company within the meaning of Section 833 of the Companies Act 2006.

The Company commenced activities on admission to the London Stock Exchange on 25 June 2014.

2. Significant Accounting Policies

A Basis of preparation – the financial statements have been prepared under the historical cost convention (modified to include investments at fair value through profit or loss) on a going concern basis and in accordance with applicable International Financial Reporting Standards as adopted by the EU (IFRS) and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies in November 2014 (and updated in October 2019). They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The Company is a UK listed company with a predominantly UK shareholder base. The results and the financial position of the Company are expressed in sterling, which is the functional and presentational currency of the Company. The accounting policies have been disclosed consistently and in line with Companies Act 2006.

B Income from investments (other than capital dividends), including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex-dividend, or where no ex-dividend date is quoted, when the Company's right to receive payment is established. Special dividends are credited to capital or revenue, according to the circumstances. Income from underwriting commission is recognised as earned.

C Interest receivable and payable, management fees, and other expenses are treated on an accruals basis.

D The management fee is recognised as a revenue item in the Income Statement. All other expenses are charged to revenue except expenditure of a capital nature, which is treated as capital. The Board will keep under review and amend this treatment if required.

With effect from 31 May 2019, annual management fee payable to Fundsmith was reduced from 1.25 per cent to 1.00 per cent of the Company's net asset value.

E Investments – investments have been designated upon initial recognition as fair value through profit or loss. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned, and are initially measured at fair value. Subsequent to initial recognition, investments are valued at fair value. For listed investments, this is deemed to be bid market prices. Gains and losses arising from changes in fair value are included in net profit or loss for the year as a capital item in the income statement and are ultimately recognised in the capital reserve.

F Transaction costs incurred on the purchase and disposal of investments are recognised as a capital item in the Income Statement.

G Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the related forward contract rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction or, where forward foreign currency contracts have been taken out, at contractual rates and included as an exchange gain or loss in the capital reserve or the revenue account depending on whether the gain or loss is of a capital or revenue nature.

H Cash at bank and in hand comprises cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value. Other debtors and creditors (excluding borrowings) do not carry any interest, are short-term in nature and are accordingly stated at nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

I Equity dividends payable to shareholders are recognised when the shareholders right to receive them is established.

J Capital reserve – gains or losses on realisation of investments are transferred to the capital reserve. Any changes in fair values of investments that are not readily convertible to cash are treated as unrealised gains or losses within the capital reserve.

K Taxation – the charge for taxation is based upon the revenue for the year and is allocated according to the marginal basis between revenue and capital using the Company's effective rate of corporation tax for the accounting period.

L Deferred taxation – deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or a right to pay less tax in future have occurred at the balance sheet date measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying temporary differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods. Due to the Company's status as an investment trust company, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

M Issue costs – these have been offset against the proceeds of share issues and dealt with in the share premium account.

3. Gains/(Losses) on Investments held at Fair Value through Profit or Loss

	(Unaudited) Six months ended 30 June 2020 £'000	(Unaudited) Six months ended 30 June 2019 £'000	(Audited) Year ended 31 December 2019 £'000
Gains/(losses) on investments held at fair value through profit or loss			
Gain/(loss) on sales of investments	2,901	(9,577)	(5,097)
Investment holding unrealised gain	11,104	18,088	2,359
	14,005	**8,511**	**(2,738)**

4. Dividend Income

	(Unaudited) Six months ended 30 June 2020 £'000	(Unaudited) Six months ended 30 June 2019 £'000	(Audited) Year ended 31 December 2019 £'000
Overseas dividends	2,695	2,826	6,833
	2,695	**2,826**	**6,833**

5. Return per share

	(Unaudited) Six months ended 30 June 2020			(Unaudited) Six months ended 30 June 2019			(Audited) Year ended 31 December 2019		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Profit/(loss) for the period/year (£'000)	379	13,596	13,975	212	9,168	9,380	1,812	(3,659)	(1,847)
Return/(loss) per ordinary share (p)	1.42	51.04	52.46	0.80	34.48	35.28	6.81	(13.75)	(6.94)

Return per share is based on returns for the period and the weighted average number of ordinary shares in issue of 26,640,056; (30 June 2019: 26,584,586, 31 December 2019: 26,612,549).

6. Net asset value per share

	(Unaudited) Six months ended 30 June 2020 £'000	(Unaudited) Six months ended 30 June 2019 £'000	(Audited) Year ended 31 December 2019 £'000
Net asset value	336,266	334,370	323,143
Shares in issue	26,640,056	26,640,056	26,640,056
Net asset value per share (p)	**1,262.3**	**1,255.1**	**1,213.0**

These are not statutory accounts in terms of Section 434 of the Companies Act 2006 and are unaudited. Statutory accounts for the year to 31 December 2019, which received an unqualified audit report, have been lodged with the Registrar of Companies. No statutory accounts in respect of any period after 31 December 2019 have been reported on by the Company's auditor or delivered to the Registrar of Companies.

Earnings for the first six months should not be taken as a guide to the results for the full year.

Alternative Investment Fund Managers Directive (AIFMD)

A European Union Directive, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds ("AIFs") and requires them to appoint an Alternative Investment Fund Manager ("AIFM") and depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

Alternative Performance Measures ("APMs")

The measures the Board of Directors uses to assess the Company's performance, which are not specifically defined under the International Financial Reporting Standards but which are viewed as particularly relevant for investment trusts. Definitions of the terms used and the basis of calculation are set out in this Glossary and the APMs are indicated with an asterisk (*).

Developing Economy or Emerging Market

Any country other than those listed in the MSCI World Index (the countries listed in the MSCI World Index as at the date of this Half-Year Report being Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US).

Discount or Premium*

A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

Gearing

In simple terms gearing is borrowing. An investment trust can borrow money to invest in additional investments for its portfolio. The effect of the borrowing on the shareholders' assets is called 'gearing'. If the Company's assets grow shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

Gearing represents borrowings at par less cash and cash equivalents expressed as a percentage of shareholders' funds.

Potential gearing is the company's borrowings expressed as a percentage of shareholders' funds.

Leverage

For the purposes of the Alternative Investment Fund Managers (AIFM) Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.

Net Asset Value (NAV)

The value of the Company's assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV is also described as 'shareholders' funds'. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares.

NAV Total Return

The theoretical total return on shareholders' funds per share, reflecting the change in NAV assuming that dividends paid to shareholders were reinvested at NAV at the time the shares were quoted ex-dividend. A way of measuring investment management performance of investment trusts which is not affected by movements in the share price.

	Six months to 30 June 2020	**Year to 31 December 2019**
Opening NAV	1,213.0p	1,222.0p
Increase/(decrease) in NAV	49.3p	(9.0p)
Closing NAV	**1,262.3p**	**1,213.0p**
% increase/(decrease) in NAV	4.06%	(0.7%)
Impact of reinvested dividends	0.26%	0.2%
NAV Total Return	**4.3%**	**(0.5%)**

Ongoing Charges

Ongoing charges are calculated by taking the Company's annualised operating expenses excluding finance costs, taxation and exceptional items, and expressing them as a percentage of the average daily net asset value of the Company over the year.

	Six months to 30 June 2020	**Year to 31 December 2019**
Operating expenses	4,056	4,552
Average net assets	319,803	331,375
Ongoing Charges (annualised)	**1.3%**	**1.4%**

Share Price Total Return

Share price total return to a shareholder, on a last traded price to a last traded price basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

	Six months to 30 June 2020	**Year to 31 December 2019**
Opening share price	1,100.0p	1,190.0p
Unchanged/(decrease) in share price	–	(90.0p)
Closing Share Price	**1,100.0p**	**1,100.0p**
% Unchanged/(decrease) in share price	–	(7.6%)
Impact of reinvested dividends	0.3%	0.2%
Share Price Total Return	**0.3%**	**(7.4%)**

Investment Platforms

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stockbroker or other financial intermediary. The shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are a number of investment platforms that offer these facilities. A list of some of them, that is not comprehensive nor constitutes any form of recommendation, can be found below:

AJ Bell Youinvest	http://www.youinvest.co.uk/
Barclays Stockbrokers	https://www.smartinvestor.barclays.co.uk/
Bestinvest	http://www.bestinvest.co.uk/
Charles Stanley Direct	https://www.charles-stanley-direct.co.uk/
Club Finance	http://www.clubfinance.co.uk/
FundsDirect	http://www.fundsdirect.co.uk/
Halifax Share Dealing	http://www.halifax.co.uk/Sharedealing/
Hargreaves Lansdown	http://www.hl.co.uk/
HSBC	https://investments.hsbc.co.uk/
iDealing	http://www.idealing.com/
Interactive Investor	http://www.ii.co.uk/
IWEB	http://www.iweb-sharedealing.co.uk/share-dealing-home.asp
Saga Share Direct	https://www.sagasharedirect.co.uk/
Selftrade	https://www.selftrade.co.uk/
The Share Centre	https://www.share.com/
Saxo Capital Markets	http://www.home.saxo/en-gb/

Link Asset Services – Share Dealing Service

A quick and easy share dealing service is available to existing shareholders through the Company's Registrar, Link Asset Services, to either buy or sell shares. An online and telephone dealing facility provides an easy to access and simple to use service.

There is no need to pre-register and there are no complicated forms to fill in. The online and telephone dealing service allows you to trade 'real time' at a known price which will be given to you at the time you give your instruction.

To deal online or by telephone all you need is your surname, investor code, full postcode and your date of birth. Your investor code can be found on your dividend voucher or share certificate. Please have the appropriate documents to hand when you log on or call, as this information will be needed before you can buy or sell shares.

For further information on this service please contact: www.linksharedeal.com (online dealing) or 0371 664 0445† (telephone dealing).

† Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable International rate. Lines are open from 8.00 a.m. to 4.30 p.m. Monday to Friday excluding public holidays in England and Wales.

Risk Warnings

- Past performance is no guarantee of future performance.
- The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined, in part, by the changing conditions in the relevant stock markets in which the Company invests and by the supply and demand for the Company's shares.
- As the shares in an investment trust are traded on a stock market, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested.
- Although the Company's financial statements are denominated in sterling, all of the holdings in the portfolio are currently denominated in currencies other than sterling and therefore they may be affected by movements in exchange rates. As a result, the value of your investment may rise or fall with movements in exchange rates.
- Investors should note that tax rates and reliefs may change at any time in the future.
- The value of ISA and Junior ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs and Junior ISAs may not be maintained.

Company Information

Directors
Martin Bralsford, *(Chairman)*
Rachel de Gruchy
David Potter *(Chairman of the Management Engagement Committee and Senior Independent Director)*
John Spencer *(Chairman of the Audit Committee)*

The Chairman can be contacted by writing to The Company Secretary or by email: FEETchairman@fundsmith.co.uk. The Senior Independent Director can be contacted by emailing FEETSID@fundsmith.co.uk

Registered Office
33 Cavendish Square
London W1G 0PW

Website
www.feetplc.co.uk

Company Registration Number
08756681 (Registered in England and Wales)

The Company is an investment company as defined under Section 833 of the Companies Act 2006.

Investment Manager and AIFM
Fundsmith LLP
33 Cavendish Square
London W1G 0PW
Website: www.fundsmith.co.uk
Authorised and regulated by the Financial Conduct Authority.

Company Secretary
Frostrow Capital LLP
25 Southampton Buildings
London WC2A 1AL
Telephone: 0203 008 4910
E-Mail: info@frostrow.com
Website: www.frostrow.com
Authorised and regulated by the Financial Conduct Authority.

If you have an enquiry about the Company, please contact Frostrow Capital using the stated e-mail address.

Administrator
Northern Trust Global Services Limited
50 Bank Street
Canary Wharf
London E14 5NT

Depositary
Northern Trust Global Services SE
50 Bank Street
Canary Wharf
London E14 5NT

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Custodian and Banker
The Northern Trust Company
50 Bank Street
Canary Wharf
London E14 5NT

Independent Auditor
Deloitte LLP
Statutory Auditor
2 New Street Square
London EC4A 3B2

Registrars
Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone (in UK): 0871 664 0300†
Telephone (from overseas): +44 (0)371 664 0300
E-Mail: enquiries@linkgroup.co.uk
Website: www.linkassetservices.com

Please contact the Registrars if you have a query about a certificated holding in the Company's shares.

†calls cost 12p per minute plus your phone company's access charge and may be recorded for training purposes. Calls outside the UK will be charged at the applicable international rate. Lines are open from 9.00 a.m. to 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

Brokers
Investec Bank plc
2 Gresham Street
London EC2V 7QP

Solicitors
Travers Smith LLP
10 Snow Hill
London EC1A 2AL

Identification Codes

Shares:	SEDOL:	BLSNND1
	ISIN:	GB00BLSNND18
	BLOOMBERG:	FEET LN
	EPIC:	FEET

Foreign Account Tax Companies Act ("FATCA")

32RSE8.99999.SL.826

Legal Entity Identifier

2138003EL6XV8JYU8V55

aic
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