

July 2024

Dear Fellow Investor,

The table below shows performance figures for the first half of 2024 and the cumulative and annualised performance of the Fundsmith Equity Fund – a sub fund of the Fundsmith Sicav ('Fund' or 'Sicav') and various comparators. Please note the differing start dates for the various share classes, noted below the table.

% Total Return	1 <sup>st</sup> Jan to 30 <sup>th</sup> June 2024	Inception to 30 <sup>th</sup> June 2024	
		Cumulative	Annualised
Fundsmith Equity Fund EUR T Class <sup>1</sup>	+12.3	+534.4	+15.7
MSCI World Index EUR <sup>2</sup>	+15.2	+384.7	+13.3
European Bonds <sup>3</sup>	-4.5	+50.2	+3.3
Cash <sup>4</sup>	+1.9	+3.7	+0.3
Fundsmith Equity Fund CHF I Class <sup>1</sup>	+16.8	+340.2	+12.9
MSCI World Index CHF <sup>2</sup>	+20.0	+258.0	+11.0
Fundsmith Equity Fund USD I Class <sup>1</sup>	+8.7	+284.2	+12.7
MSCI World Index USD <sup>2</sup>	+11.7	+200.7	+10.2
Fundsmith Equity Fund GBP I Class <sup>1</sup>	+9.4	+327.5	+15.3
MSCI World Index GBP <sup>2</sup>	+12.7	+239.1	+12.7

<sup>1</sup> Accumulation Shares, net of fees, priced at 13:00 CET, launch dates, **EUR T:** 2.11.11, **CHF I:** 5.4.12, **USD I:** 13.3.13, **GBP I:** 15.4.14, source: Bloomberg. NB Prior to March 2019 performance relates to Fundsmith Equity Fund Feeder

<sup>2</sup> MSCI World Index priced at close of business US time, source: Bloomberg

<sup>3</sup> Bloomberg Series-E Euro Govt 10+ yr Bond Index, source: Bloomberg

<sup>4</sup> Interest Rate, source: Bloomberg

The Fund is not managed with reference to any benchmark, the above comparators are provided for information purposes only.

The T Class Accumulation shares in Euros were up by 12.3% in the first six months of the year, 2.9 percentage points less than what is perhaps the most obvious comparator — the MSCI World Index (€

net). (Note we do not hedge currency exposure and so the main difference in performance between the different currency share classes is due to currency movements in the period. These currency movements also impact the performance of the comparator, MSCI World Index.)

An increase in value of 12% in a year would be better than the long-term average for equities, so 12% 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 EUR returned 19% over the period and just five companies – Amazon, Apple, Meta, Microsoft and Nvidia – were responsible for 49% 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	+3.6%
Meta Platforms	+3.0%
Microsoft	+2.2%
Alphabet	+1.0%
Stryker	+1.0%

Source: Northern Trust

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
Nike	-0.6%
Brown-Forman	-0.5%
L’Oréal	-0.5%
IDEXX	-0.5%
Waters	-0.4%

Source: Northern Trust

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 -0.4%. Voluntary dealing (dealing not caused by redemptions or subscriptions) cost €117,529 during the half year (0.001% or 0.1 of a basis point). The Ongoing Charges Figure for the T Class Accumulation shares was 1.08% and with the cost of all dealing added, the Total Cost of Investment was 1.09%.

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  
CEO  
Fundsmith LLP

Disclaimer: A Key Information Document and an English language prospectus for the Fundsmith Equity Fund (Sicav) 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.

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Fundsmith Equity Fund (Sicav), 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 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; or 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.

Sources: Fundsmith LLP & Bloomberg unless otherwise stated.

Data is as at 30<sup>th</sup> June 2024 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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