

Fundsmith SICAV

(formerly Fundsmith
Equity Fund SICAV)

Société d'Investissement à Capital Variable

Semi-Annual Report and Unaudited Financial Statements
for the period from 1 January 2021 to 30 June 2021

R.C.S. Luxembourg B164404

Subscriptions can only be made on the basis of the current Prospectus, the Key Investor Information Document (“KIID”) supplemented by the most recent annual report and audited financial statements or semi-annual report and unaudited financial statements, if published after such annual report and audited financial statements.

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Directory, Administration and Management

Registered Office

10, rue du Château d'Eau
L-3364 Leudelange
Grand Duchy of Luxembourg

Board of Directors of the SICAV

Mr. Paul Mainwaring, Director, Fundsmith LLP
(from 29 June 2021)

Mr. Simon Godwin, Director, Fundsmith LLP
(until 29 June 2021)

Mr. Garry Pieters, Independent Director

Ms. Sheenagh Joy Gordon-Hart, Independent Director

Management Company

FundRock Management Company S.A.
33, rue de Gasperich
L-5826 Hesperange
Grand Duchy of Luxembourg

Investment Manager, Distributor and Promoter

(these functions are delegated by FundRock Management Company S.A.)

Fundsmith LLP
33, Cavendish Square
London, W1G 0PW
United Kingdom

Authorised and regulated by The Financial Conduct Authority

FCA Registration Number 523102

Investment Advisor

Fundsmith Investment Services Limited
c/o Griffon Solutions Ltd
C2-401, 4th Floor, Grand Baie La Croisette
Grand Bay
Mauritius

Independent Auditor

Deloitte Audit, *société à responsabilité limitée*
20, boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

Administrator (Central Administration Agent, Domiciliary Agent, Registrar and Transfer Agent)

(these functions are delegated by FundRock Management Company S.A.)

From 1 March 2021

Northern Trust Global Services SE
10, rue du Château d'Eau
L-3364 Leudelange
Grand Duchy of Luxembourg

Until 28 February 2021

State Street Bank International GmbH, Luxembourg Branch
49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Depositary

From 1 March 2021

Northern Trust Global Services SE
10, rue du Château d'Eau
L-3364 Leudelange
Grand Duchy of Luxembourg

Until 28 February 2021

State Street Bank International GmbH, Luxembourg Branch
49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Legal Adviser

Elvinger Hoss Prussen, *société anonyme*
2, place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

Swiss Representative & Paying agent*

RBC Investor Services Bank S.A. Esch-sur-Alzette, Zurich Branch
Bleicherweg 7
8027 Zurich
Switzerland

* The prospectus, the articles of association, the Key Investor Information Document, the annual and semi-annual report as well as a list containing all purchases and sales which have been made during the reporting period can be obtained free of charge at the Swiss Representative.

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Directors' Report

The Board of Directors is pleased to provide you with its semi-annual report for the period from 1 January 2021 to 30 June 2021.

The Board of Directors has adopted the ALFI Code of Conduct (the "Code") which sets out principles of good governance. The Board of Directors considers that Fundsmith SICAV (the "SICAV") has been in compliance with the Principles of the Code in all material aspects throughout the financial period from 1 January 2021 to 30 June 2021.

The Board is responsible for the overall management and control of the SICAV in accordance with its articles of association. The Board is further responsible for the implementation of each Sub-Fund's investment objective and policies as well as for oversight of the administration and operation of each Sub-Fund. The Board shall have the broadest powers to act in any circumstances on behalf of the SICAV, subject to the powers reserved by law to its Shareholders. The Board delegated certain authorities to the Management Company in accordance with the SICAV's articles of association, the Prospectus and applicable law. The Management Company is responsible, subject to the overall supervision of the Board, for the provision of investment management services, administrative services and marketing services to the SICAV.

The Directors are also responsible for preparing the semi-annual report and the financial statements in accordance with applicable laws and regulations. The Directors consider that the semi-annual report and accounts provide a fair, balanced and understandable assessment of the SICAV's position and performance and provides all necessary information for Shareholders.

To date the SICAV has the following active Sub-Funds:

Fundsmith SICAV – Fundsmith Equity Fund – launched on 28 October 2011

Fundsmith SICAV – XXXXXX – launched on 1 March 2021

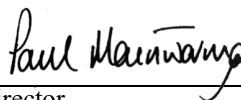
On 11 March 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic. A continuing concern exists about the effects of this virus on the global economy and as a result of this uncertainty the valuation of assets in this report can deviate significantly from the value of actual sales of these assets. Significant corrections in the market and the increased financial market volatility in recent months could significantly affect the fund in terms of future valuations of its assets. The Board of Directors and the Investment Manager continue to monitor the efforts of government to reduce the spread of the virus and hence the economic impact on the portfolios and the SICAV itself.

There is no evidence that the going concern assumption made by the Board of Directors when preparing the financial statements of the SICAV is inappropriate.

On behalf of the Board of Directors:



Director
Date: 31 August 2021



Director

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Investment Manager's Report

This report pertains solely to the Fundsmith Equity Fund (the “Sub-Fund”), a sub-fund of the Fundsmith SICAV.

The table below shows the performance of the Sub-Fund during the first half of 2021 and since inception and other comparators:

% Total Return	1 January 2021	Inception to 30 June 2021	
	to 30 June 2021	Cumulative	Annualised
Fundsmith Equity Fund (SICAV) EUR ¹	+17.2	+447.8	+19.2
MSCI World Index EUR ²	+16.6	+259.0	+14.1
Fundsmith Equity Fund (SICAV) CHF ¹	+19.0	+331.4	+17.1
MSCI World Index CHF ²	+18.5	+197.6	+12.5
Fundsmith Equity Fund (SICAV) USD ¹	+13.6	+266.7	+16.9
MSCI World Index USD ²	+13.0	+146.4	+11.5
Fundsmith Equity Fund (SICAV) GBP ¹	+11.8	+272.5	+20.0
MSCI World Index GBP ²	+11.9	+154.3	+13.8
European Bonds ³	-6.7	+110.9	+8.0
Cash ⁴	-0.3	-1.0	-0.1

¹ Accumulation shares, net of fees, priced at 13:00 CET, launch dates, EUR T: 2 November 2011 – CHF I: 5 April 2012 – USD I: 13 March 2013 – GBP I: 15 April 2014. Prior to March 2019, performance relates to Fundsmith Equity Fund Feeder.

² MSCI World Index priced at close of business US time.

³ Bloomberg/EFFAS Bond Indices Euro Government 10 years.

⁴ EUR interest rate.

^{1,3,4} Source: Bloomberg ² Source: www.msci.com

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

If you have been reading what investment commentators have been saying during this period you might be rather surprised that our Sub-Fund has fared so well. You might even be surprised that we are still here. Since markets started to sense an end to the economic disruption caused by the lockdowns in the final quarter of 2020 there has been a so-called ‘rotation’ from quality stocks, of the sort we own, into so-called value stocks and those expected to recover as the lockdowns end. In such a situation our Sub-Fund is always likely to underperform for a period, after all the companies we invest in mostly have little or nothing to recover from.

However, this inevitable blip was accompanied by lurid headlines and articles in the UK which seemed to suggest that we were in imminent danger of extinction:

‘Fundsmith Equity sees run of outflows as growth stocks slide’
Citywire 19 May 2021

Followed a week later by:

‘Investors ‘begin to drop’ star stock picker Terry Smith as GBP360m flows out of UK’s largest fund’
City A.M. 26 May 2021

I realise that some commentators do not want the facts to get in the way of a good story but our performance versus the ‘value’ stocks and Covid recovery plots tells its own story.

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Investment Manager's Report (continued)

	Covid Drawdown¹	Covid Recovery²	Pre-Covid High to 30 June 2021
Fundsmith Equity Fund ³	-21%	55%	23%
S&P 500 Value Index	-37%	79%	12%
FTSE 100 Index	-35%	41%	-8%
American Airlines	-70%	135%	-30%
BP	-62%	63%	-38%
Carnival Cruises	-84%	175%	-55%
Exxon	-56%	101%	-11%
JP Morgan	-44%	97%	10%
Lloyds Bank	-62%	95%	-27%
Ryanair	-49%	95%	-1%

¹ Fall from 2020 high to Covid low.

² Increase from Covid low until 30 June 2021.

³ Fundsmith Equity Fund (SICAV) I Acc GBP.

Source: Bloomberg. Returns in local currency.

You could have made some good gains by buying the value or recovery stocks at or close to the bottom, although of course this depends on getting your timing right, but if you ran the value/recovery stocks across the period of the downturn and recovery, they would still have significantly underperformed our portfolio.

There are several lessons to be learnt from this, not the least of which is that no amount of recovery or low valuation will turn a poor business into a good one and quality is the main determinant of long term performance.

Moreover, neither have we seen outflows, which the UK headlines might lead you to imagine, in the Sub-Fund. Net inflows in the first half were EUR360m and the Sub-Fund rose in value by EUR1.34 billion.

However, I am not expecting these facts to produce a change of heart amongst some commentators. As I believe former German Chancellor Helmut Kohl said, 'Nothing so disappoints deserting rats as a ship which refuses to sink'.

Returning to the more important subject of our performance, the main contributors in the first half of 2021 were:

PayPal	+1.8%
IDEXX	+1.3%
Intuit	+1.3%
Microsoft	+1.3%
Waters	+1.2%

All of these have featured in our previous tables of Top Five contributors. So much for the idea of taking profits. I suppose a theme which connects at least four of these companies is the growth of everything digital.

The bottom five detractors from our Sub-Fund's performance during the period were:

McCormick	-0.2%
Amadeus	0.0%
Brown Forman	0.0%
Intertek	0.0%
Church & Dwight	0.0%

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Investment Manager's Report (continued)

There isn't much of a theme connecting the detractors. Amadeus continues to suffer unsurprisingly as an airline reservation company and Brown Forman has been affected by the loss of travel retail and on-premise drinking. The comedown from 'pantry loading' in 2020 may also explain the performance of the consumer staples.

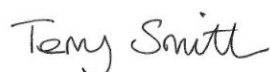
Our portfolio turnover was -9.85%. Voluntary dealing (dealing not caused by redemptions or subscriptions) cost EUR383,778 during the half year (0.006% or 0.6bps). The Total Expense Ratio for the EUR T Class Accumulation Shares was 1.10% and with the cost of dealing added, the Total Cost of Investment was 1.13%.

This time last year I wrote this:

We face an uncertain outlook given recent events, but 'twas ever thus. We have no crystal ball unlike the commentators who tell us that the recovery from the pandemic and resulting closure of economic activities deemed non-essential will be shaped like a V, a U, a W, a bathtub or the Nike swoosh (I'm not making this up). No one knows as the economist J K Galbraith said, 'The only function of economic forecasting is to make astrology look respectable'. However, what we know is that we have assembled a portfolio of high quality companies which have to date proven to be resilient. If you are a long term investor that is the most certain determinant of your future returns.

I am not sure I have anything to add.

Yours sincerely,



Terry Smith
CEO
Fundsmith LLP

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Statement of Net Assets as at 30 June 2021

Assets	Notes	Combined EUR	Fundsmith Equity Fund EUR	XXXXXXX*
Investments at market value	2(c)	6,646,062,590	6,571,933,405	
Cash at bank	2(c)	292,455,430	290,757,725	
Receivable on subscriptions	2(c)	16,942,194	16,232,413	
Dividend income receivable	2(d)	3,816,533	3,801,010	
Reclaims receivable		2,251,057	2,251,057	
Other assets		179,041	168,473	
Total assets		6,961,706,845	6,885,144,083	
Liabilities				
Cash owed to bank	2(c)	(67,789)	(66,945)	
Payable on redemptions	2(c)	(8,065,965)	(8,065,965)	
Payable on investments purchased	2(c)	(584,016)	-	
Management fees payable	3(a)	(10,518,878)	(10,415,797)	
Depositary and administration fees payable	3(b,c)	(689,438)	(686,342)	
Subscription tax payable	4	(300,497)	(298,557)	
Professional fees payable		(73,181)	(72,869)	
Directors' fees payable	3(d)	(322)	-	
Other liabilities		(56,661)	(56,661)	
Total liabilities		(20,356,747)	(19,663,136)	
Total net assets		6,941,350,098	6,865,480,947	

* This Sub-Fund was launched on 1 March 2021.

For the period from 1 January 2021 to 30 June 2021, this Sub-Fund was not registered for marketing in Switzerland.

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Statement of Operations and Changes in Net Assets
for the period from 1 January 2021 to 30 June 2021

	Notes	Combined EUR	Fundsmith Equity Fund EUR	XXXXXX*
Net assets at the beginning of the period		5,525,128,683	5,525,128,683	
Income				
Dividend income	2(d)	35,622,870	35,475,710	
Bank interest income		4,176	-	
Other income		154,376	153,537	
Total income		35,781,422	35,629,247	
Expenses				
Management fees	3(a)	(28,633,129)	(28,499,966)	
Depository and administration fees	3(b,c)	(1,261,727)	(1,258,631)	
Subscription tax	4	(480,132)	(477,269)	
Professional fees		(48,894)	(48,187)	
Directors' fees	3(d)	(20,326)	(19,918)	
Bank charges		(195,442)	(195,442)	
Other expenses		(17,398)	(17,092)	
Total expenses		(30,657,048)	(30,516,505)	
Net investment income		5,124,374	5,112,742	
Net realised gain/(loss) on:				
Investments		(12,982,278)	(13,012,410)	
Foreign currency		3,940,022	4,038,613	
Net realised gain/(loss) for the period		(9,042,256)	(8,973,797)	
Net change in unrealised gain on:				
Investments	2(c)	987,838,194	982,323,355	
Foreign currency	2(b)	3,221,857	3,220,450	
Net change in unrealised gain for the period		991,060,051	985,543,805	
Increase in net assets as a result of operations		987,142,169	981,682,750	
Movements in share capital				
Net receipts as a result of issue of shares		1,230,906,889	1,160,497,157	
Net payments as a result of repurchase of shares		(801,132,603)	(801,132,603)	
Distribution paid	5	(695,040)	(695,040)	
Increase in net assets as a result of movements in share capital		429,079,246	358,669,514	
Net assets at the end of the period		6,941,350,098	6,865,480,947	

* This Sub-Fund was launched on 1 March 2021.

For the period from 1 January 2021 to 30 June 2021, this Sub-Fund was not registered for marketing in Switzerland.

The accompanying notes form an integral part of these financial statements.

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Statistical Information (continued)

Changes in Shares Outstanding

	Currency	Balance as at 1 January 2021	Subscriptions	Redemptions	Balance as at 30 June 2021
Fundsmith Equity Fund					
T Class Accumulation Shares	EUR	17,153,084	5,609,492	3,737,574	19,025,002
T Class Income Shares	EUR	2,595,184	485,657	590,680	2,490,161
I Class Accumulation Shares	EUR	29,582,090	4,468,260	4,757,062	29,293,288
I Class Income Shares	EUR	6,445,322	855,318	844,400	6,456,240
CHF I Class Accumulation Shares	CHF	4,299,946	487,170	172,238	4,614,878
CHF I Class Income Shares	CHF	1,280,069	52,601	34,171	1,298,499
GBP I Class Accumulation Shares	GBP	10,346,709	1,777,064	1,168,135	10,955,638
GBP I Class Income Shares	GBP	4,212,981	497,558	427,934	4,282,605
USD I Class Accumulation Shares	USD	61,763,229	12,672,103	5,372,441	69,062,891
USD I Class Income Shares	USD	12,184,141	1,461,341	1,446,088	12,199,394
R Class Accumulation Shares	EUR	5,352,583	1,820,716	1,101,419	6,071,880
R Class Income Shares	EUR	924,519	162,587	116,815	970,291

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Portfolio of Investments

Fundsmith Equity Fund

Currency	Holdings	Description	Market value EUR	% of net assets
Transferable securities and money market instruments admitted to an official stock exchange listing or dealt in on another regulated market				
Equities				
Denmark				
DKK	1,185,605	Coloplast A/S - B	166,533,337	2.43
DKK	3,247,319	Novo Nordisk A/S - B	230,618,338	3.36
Total Denmark			397,151,675	5.79
Finland				
EUR	3,015,845	Kone Oyj - B	208,032,988	3.03
Total Finland			208,032,988	3.03
France				
EUR	460,722	L'Oreal SA	173,945,591	2.53
EUR	183,408	L'Oreal SA - Pref	69,245,690	1.01
EUR	301,770	L'Oreal SA - Pref 2022	113,933,264	1.66
EUR	346,841	LVMH Moet Hennessy Louis Vuitton SE	230,267,740	3.35
Total France			587,392,285	8.55
Spain				
EUR	2,293,255	Amadeus IT Group SA	135,714,831	1.98
Total Spain			135,714,831	1.98
United Kingdom				
GBP	5,469,340	Diageo PLC	222,268,875	3.24
GBP	2,225,226	InterContinental Hotels Group PLC	123,377,670	1.80
GBP	4,524,946	Unilever PLC	223,443,392	3.25
Total United Kingdom			569,089,937	8.29
United States				
USD	1,368,072	Automatic Data Processing Inc	227,449,944	3.31
USD	676,165	Becton Dickinson and Co	140,443,671	2.05
USD	2,344,049	Brown-Forman Corp - B	148,513,290	2.16
USD	2,269,995	Church & Dwight Co Inc	162,212,061	2.36
USD	1,025,742	Estee Lauder Cos Inc - A	273,994,302	3.99
USD	955,191	Facebook Inc - A	282,776,381	4.12
USD	610,731	IDEXX Laboratories Inc	327,333,097	4.77
USD	704,059	Intuit Inc	291,065,138	4.24
USD	1,454,594	Johnson & Johnson	200,729,435	2.92
USD	2,897,311	McCormick & Co Inc	213,572,017	3.11
USD	1,515,612	Microsoft Corp	346,053,991	5.04
USD	2,027,555	NIKE Inc - B	266,013,702	3.87
USD	1,777,752	PayPal Holdings Inc	437,853,574	6.38
USD	1,641,723	PepsiCo Inc	202,948,527	2.96
USD	2,981,905	Philip Morris International Inc	245,697,019	3.58
USD	2,315,039	Starbucks Corp	218,659,333	3.18
USD	1,139,968	Stryker Corp	249,773,484	3.64
USD	1,094,412	Visa Inc - A	217,243,511	3.16
USD	765,293	Waters Corp	222,219,212	3.24
Total United States			4,674,551,689	68.08
Total equities			6,571,933,405	95.72
Total transferable securities and money market instruments admitted to an official stock exchange listing or dealt in on another regulated market			6,571,933,405	95.72

The accompanying notes form an integral part of these financial statements.

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Portfolio of Investments (continued)

Fundsmith Equity Fund (continued)

	Market value EUR	% of net assets
Total portfolio	6,571,933,405	95.72
Other assets and liabilities	293,547,542	4.28
Net assets at the end of the period	6,865,480,947	100.00

The accompanying notes form an integral part of these financial statements.

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Portfolio of Investments (continued)

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Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

(b) Foreign Currency Translation

Transactions and Balances

Foreign currency transactions are translated into the reference currency using the exchange rates prevailing on the dates of the transactions. Foreign currency assets and liabilities are translated into the base currency using the exchange rate prevailing at the Statement of Net Asset date and are detailed in Note 8.

Foreign exchange gains and losses arising from translation are included in the Statement of Operations and Changes in Net Assets.

(c) Valuation of Investments, Assets and Liabilities

The SICAV's investments, assets and liabilities are valued as follows:

(i) Investment Securities Valuation

In calculating a net asset value, the Administrator may consult the Management Company and the Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Management Company/Investment Manager in determining the valuation price of the Sub-Funds' investments and the Management Company's/Investment Manager's other duties and responsibilities in relation to the SICAV, the Management Company/Investment Manager will endeavour to resolve any such conflict of interest timely and fairly and in the interest of Shareholders.

The value of securities and/or financial derivative instruments which are listed or dealt in on any stock exchange is based on the last available price.

The Board of Directors of the SICAV may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, and deem such adjustment is required to reflect the fair value thereof.

Where the value of any investment is not ascertainable as described in the Articles, the value shall be the probable realisation value estimated by the Board of Directors of the SICAV, or by a competent person, with care and in good faith.

If the Board of Directors of the SICAV deem it necessary, a specific investment may be valued under an alternative method of valuation chosen by the Board of Directors of the SICAV.

(ii) Cash

Cash at bank includes cash on hand or on deposit and is valued at its nominal/face value. Cash owed to bank is shown in the current liabilities in the Statement of Net Assets.

(iii) Assets

Assets, which include dividend income receivable, receivable on investments sold, receivable on subscriptions, prepaid expenses and reclaims receivable, are valued at nominal value unless it appears unlikely that such nominal amount is obtainable.

(iv) Liabilities

Liabilities, which include expenses payable, payable on investments purchased and payable on redemptions, are valued at nominal value.

(d) Dividend Income

Dividends are recognised on the date on which the shares concerned are quoted «ex-dividend», net of withholding tax.

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Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

(e) Distributions

The SICAV may issue accumulation and/or income shares within each Sub-Fund. Accumulation shares do not pay any dividends whereas income shares give their owners the right to receive distributions.

(f) Total Net Asset Value

The total net asset value is equal to the difference between the total assets and the total liabilities of each Sub-Fund and the total net asset value of each share class is expressed in the reference currency of the relevant share class.

The net asset value per share is calculated as of each valuation day by dividing the total net asset value attributable to a share class by the total number of shares in issue or deemed to be in issue in that share class as of the relevant valuation day and rounding the resulting total to two decimal places or such number of decimal places as the Board of Directors of the SICAV may determine.

(g) Transaction Costs

Transaction costs are costs incurred to acquire financial assets or liabilities at market value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs for the period ended 30 June 2021 are disclosed in Note 6.

(h) Swing Pricing

A Sub-Fund may suffer a reduction in value of its investments as a result of the transaction costs incurred in the purchase and sale of its underlying investments and of the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or conversions in and out of the Sub-Fund. This is known as “dilution”. In order to counter this and to protect Shareholders' interests, the Board of Directors may decide to apply “swing pricing” as part of the valuation policy. This will mean that in certain circumstances the Board of Directors may make adjustments in the calculations of the net asset values per share, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

If on any valuation day the aggregate value of transactions in shares of a Sub-Fund results in a net increase or decrease of shares which exceeds a threshold set by the Board of Directors from time to time (relating to the cost of market dealing for that Sub-Fund), the net asset value of the Sub-Fund will be adjusted by an amount (not exceeding 0.25% of the net asset value) which reflects both the estimated fiscal charges and dealing costs that may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the Sub-Fund invests. This maximum amount will not vary even in case of change in market conditions (i.e. it will not be increased in unusual market conditions). The adjustment will be an addition when the net movement results in an increase of all shares of a Sub-Fund and a deduction when it results in a decrease.

Both Sub-Funds are in scope of swing pricing but only XXXXXX applied swing price adjustments during the period. As at 30 June 2021, the Board of Directors of the SICAV did not apply swing pricing.

(i) Use of Estimates

The preparation of the financial statements in conformity with the Luxembourg legal and regulatory requirements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The Board of Directors of the SICAV may also disclose certain contingent assets and liabilities at the date of the financial statements which can affect income and expenses during the reported years. Actual results could differ from those estimates.

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3. Fees

(a) Management Fees

The SICAV remunerates the Management Company and the Investment Manager for their services out of an aggregate management fee, which is payable monthly in arrears and accrued as of each valuation day.

The annual management fee rates applicable to the share classes are expressed as a percentage of the total net assets of each share class and are specified in the following table:

Sub-Fund	T Class	I Class	R Class
Fundsmith Equity Fund	1.00%	0.90%	1.50%

(b) Administration Fees

Northern Trust Global Services SE has been appointed as administrator (the “Administrator”) pursuant to the Central Administration Agreement. The Administrator provides the services of central administration agent, domiciliary and corporate agent, registrar and transfer agent to the SICAV.

The SICAV pays to the Administrator out of the assets of the Sub-Funds an annual fee, accrued as of each valuation day and payable monthly in arrears, for the fund accounting duties. Until 28 February 2021, the annual fee was calculated as 0.015% of the total net assets of each Sub-Fund. From 1 March 2021, the annual fee is calculated as 0.006% of the total net assets of each Sub-Fund and there is an additional charge per annum for each share class, the first two share classes in each Sub-Fund being free of charge.

The Administrator is also entitled to a fee of EUR 9,000 per annum at umbrella level for acting as the domiciliary agent.

The SICAV also pays to the Administrator the following fees for the transfer agency services:

Until 28 February 2021:

Service	Fee
Initial set up fee	EUR 25,000
Annual fee	EUR 3,000/ISIN
Subscription/redemption	EUR 25/manual; EUR 10/automated transaction
Enquiry	EUR 25/written; EUR 5/telephone enquiry

From 1 March 2021:

Service	Fee
Fund maintenance charge	EUR 2,000/sub-fund/annum
Investor maintenance fee	EUR 25/investor account/annum
Dealing fee	EUR 15/manual; EUR 5/automated transaction
Fund distribution fee per Sub-Fund up to 2 share classes	EUR 500/distribution/sub-fund

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3. Fees (continued)

(c) Depositary Fees

Northern Trust Global Services SE has been appointed as depositary of its assets (the “Depositary”) pursuant to the Depositary Agreement. The Depositary is entrusted with the safekeeping of the SICAV’s assets.

The SICAV pays to the Depositary out of the assets of the Sub-Funds an annual fee, accrued as of each valuation day and payable monthly in arrears. Until 28 February 2021, the annual rates applied, expressed as a percentage of the total net assets of each Sub-Fund, were as specified in the following table:

Total net assets	Rate
EUR 0 - EUR 1 billion	0.0120%
EUR 1 billion - EUR 2 billion	0.0070%
From EUR 2 billion	

From 1 March 2021, the annual rates applied are as specified in the following table:

Total net assets	Rate
EUR 0 - EUR 0.5 billion	0.0100%
From EUR 0.5 billion	0.0075%

(d) Directors’ Fees

Mr. Garry Pieters and Ms. Sheenagh Joy Gordon-Hart receive, as compensation for their services as Independent Directors, an annual fee of EUR 30,000 each; subject to approval by the general meeting of Shareholders of the SICAV. Mr. Simon Godwin, who is a Partner of Fundsmith LLP, did not receive a fee for acting as a Director. Mr. Paul Mainwaring, who is an Officer of Fundsmith LLP, does not receive a fee for acting as a Director.

(e) Performance Fees

The SICAV is not subject to performance fees.

4. Taxation

Under current Law and practice, the SICAV is not liable to any Luxembourg tax on profits or income.

The SICAV is, however, liable in Luxembourg to a subscription tax (“*taxe d’abonnement*”) of 0.01% per annum of its total net asset value for institutional shares (I share classes) and of 0.05% per annum of its total net asset value for retail shares (T and R share classes), such tax being payable quarterly on the basis of the value of the aggregate total net asset value of the SICAV at the end of the relevant calendar quarter.

No Luxembourg tax is payable on the realised capital appreciation of the assets of the SICAV.

Dividend and interest income received by the SICAV on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin.

5. Distribution Paid

During the period ended 30 June 2021, the Fundsmith Equity Fund distributed a total amount of EUR 695,040.

6. Transaction Costs

For the period under review, the Sub-Funds incurred transaction costs as specified in the following table:

Sub-Fund	Transaction costs
Fundsmith Equity Fund	EUR 775,512

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7. Contingent Assets and Liabilities

There were no contingent assets and liabilities as at 30 June 2021.

8. Exchange Rates

The exchange rates used as at 30 June 2021 are as follows:

EUR 1 = CHF 1.09706
EUR 1 = DKK 7.43614
EUR 1 = GBP 0.85743
EUR 1 = USD 1.18865

9. Statement of Changes in the Portfolio

A statement of changes in the portfolio for the period ended 30 June 2021 is available upon request, free of charge, from the registered office of the SICAV.

10. Significant Events During the Period

The change of Depositary and Administrator from State Street Bank International GmbH, Luxembourg Branch to Northern Trust Global Services SE was effective from 1 March 2021. Additionally, the SICAV changed its name to Fundsmith SICAV on 1 March 2021 and the Articles were amended with effect on 1 March 2021.

As part of the process, an umbrella fund was formed - Fundsmith SICAV - which contains the Fundsmith Equity Fund and XXXXXX as a new sub-fund. A new prospectus was issued in March 2021.

With effect from 29 June 2021, Mr. Paul Mainwaring replaced Mr. Simon Godwin as a Director of the SICAV.

On 11 March 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic. A continuing concern exists about the effects of this virus on the global economy and as a result of this uncertainty the valuation of assets in this report can deviate significantly from the value of actual sales of these assets. Significant corrections in the market and the increased financial market volatility in recent months could significantly affect the fund in terms of future valuations of its assets. The Board of Directors and the Investment Manager continue to monitor the efforts of government to reduce the spread of the virus and hence the economic impact on the portfolios and the SICAV itself.

There is no evidence that the going concern assumption made by the Board of Directors when preparing the financial statements of the SICAV is inappropriate.

On 12 February 2021, following regulatory approval by the Commission de Surveillance du Secteur Financier (the "CSSF") in Luxembourg, Apex Group Ltd became the ultimate controlling shareholder of FundRock Management Company S.A. and FundRock Management Company S.A. was as of this date a subsidiary of Apex Group Ltd.

There were no other significant events during the period that require adjustment to, or disclosure in, the financial statements.

11. Subsequent Events

On 8 July 2021, the European Commission decided to delay the implementation of regulatory technical standards under the new Sustainable Finance Disclosure Regulation 2019/2088 of the European Parliament and of the Council from 1 January 2022 to 1 July 2022.

There were no other significant events subsequent to the period end date that require adjustment to, or disclosure in, the financial statements.

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Appendix I – Securities Financing Transaction Regulation

The following information is presented with regard to Regulation (EU) 2015/2365 on transparency of securities financing transactions (SFTs) and of reuse.

During the period under review, the SICAV did not have any transactions falling into the scope of the Securities Financing Transaction Regulation.

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Appendix II – Risk Information

As part of the risk-management process, the global exposure of the Sub-Funds is calculated using the relative value at risk (“VaR”) approach. The benchmark used for the purpose of the calculation is MSCI World Index. The expected level of leverage for the Sub-funds, calculated on the basis of the sum of the notionals, is 100% of the net asset value, although higher levels of leverage are possible.

VaR is calculated in the Sub-Fund currency using historical methodology with a one-year look back, 0.9950 decay, 20 day time horizon and 99% confidence interval.

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Appendix III – Portfolio Turnover Ratio

The portfolio turnover ratio (“PTR”) compares the total investment purchases and sales less total subscriptions and redemptions with the average net asset value of each Sub-Fund. The PTR of the Fundsmith Equity Fund for the period from 1 January 2021 to 30 June 2021 and the PTR for XXXXXX for the period from 1 March 2021 to 30 June 2021 are specified in the table below:

Sub-Fund	PTR (%)
Fundsmith Equity Fund	-9.85

