

# Fundsmith SICAV Prospectus

Société d'Investissement à Capital Variable established in the Grand Duchy of Luxembourg  
October 2022

## Important information

**Important:** if you are in any doubt as to the contents of this prospectus you should consult your stockbroker, bank manager, solicitor accountant or other financial adviser.

The Directors, whose names appear in the section “Directory”, accept responsibility for the information contained in this document. The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects at the date hereof and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. The Directors accept responsibility accordingly.

Fundsmith SICAV (the “SICAV”) is an investment company organised under the laws of the Grand duchy of Luxembourg as a société d’investissement à capital variable, is governed by Part I of the UCI Law and qualifies as a UCITS.

No person has been authorised by the SICAV to give any information or make any representations in connection with the offering of Shares other than those contained in this Prospectus or any other document approved by the SICAV or the Management Company, and, if given or made, such information or representations must not be relied on as having been made by the SICAV.

A Key Investor Information Document (“KIID”) for each available Class of Shares must be made available to investors free of charge prior to their subscription for Shares. Prospective investors must consult the KIID for the relevant Class of Shares in which they intend to invest. Requests for subscription or conversion of Shares will be accepted upon verification by the Management Company that the (prospective) Shareholder has received the relevant KIID available on the website of the SICAV at [www.fundsmith.eu](http://www.fundsmith.eu) or free of charge at the registered office of the SICAV or the Administrator during normal business hours on any Business Day.

The SICAV draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the SICAV, notably the right to participate in general meetings of shareholders, if the investor is registered himself and in his own name in the register of shareholders of the SICAV. In cases where an investor invests in the SICAV through an intermediary investing into the SICAV in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the SICAV. Investors are advised to take advice on their rights.

Applications for Shares will only be considered on the basis of this Prospectus. Copies of the Articles, the current Prospectus, the KIIDs and the latest periodical reports (audited annual report and unaudited semi-annual report) may be obtained free of charge from the offices of the Administrator. Copies of this prospectus, the KIIDs and the latest periodical reports of the SICAV are also available online on the website of the SICAV at [www.fundsmith.eu](http://www.fundsmith.eu). The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the SICAV have not changed since the date hereof.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

The provisions of the SICAV's Articles are binding on each of its Shareholders (who are taken to have notice of them).

This Prospectus is based on information, law and practice currently in force in the Grand Duchy of Luxembourg (which may be subject to change) at the date hereof. The SICAV cannot be bound by an out of date Prospectus when it has issued a new Prospectus, and investors should check with the Administrator that this is the most recently published Prospectus.

### **Processing of personal data and outsourcing**

Personal data related to identified or identifiable natural persons provided to, collected or otherwise obtained by or on behalf of, the SICAV (the "Controller") will be processed by the Controller in accordance with the Privacy Notice referred to in Section 11 "Subscription" paragraph "Data Protection", a current version of which is available and can be accessed or obtained online

([www.fundsmith.eu/privacy](http://www.fundsmith.eu/privacy)). Investors and any person contacting, or otherwise dealing directly or indirectly with, the Controller are invited to read and carefully consider the Privacy Notice, prior to contacting or otherwise so dealing, and in any event prior to providing or causing the provision of any Data directly or indirectly to the Controller.

### **Outsourcing**

In order to fulfil its role, the Administrator outsources certain tasks (including but not limited to operational, administrative and control functions, reporting, risk management, legal and regulatory compliance, client/investor services, tasks relating to group management, control functions and support functions, business continuity, product development, IT and other technical support) to has entered into outsourcing arrangements with third party service providers being affiliates or branches from the Northern Trust group and third parties which may be located outside Luxembourg (and potentially the EEA) and in particular in India, the Philippines, Hong Kong, Singapore, the United Kingdom and the United States of America (the "Sub-contractors") (more information on these Sub-contractors can be found on the following website

<https://locations.northerntrust.com/index.html>).

As part of these outsourcing arrangements, the Administrator may be required to disclose and transfer personal and confidential information and documents about the SICAV, the Management Company, the Shareholders, beneficial owners and individuals related to the shareholders such as:

- surname, first name, domicile, address, nationality, date and place of birth, profession (in case of legal persons: corporate name, address of registered office, registration number with the relevant corporate registry, date and place of incorporation, nationality, legal form, shareholder structure);
- information on identification documents: issuance numbers, date and place of issuance, duration of validity and copies of such documents (in case of legal persons: deed and articles of incorporation, excerpts from corporate registry, shareholder register);
- tax domicile and other tax-related documents and information, including the FATCA and/or CRS status; and

- transactions, assets and orders and communications relating thereto, identification data – including the Shareholder and/or the related Individual's name, address, national identifiers, date and country of birth, etc. – account information, contractual and other documentation and transaction information)

(together referred to as the “**Confidential Information**”) to the Sub-contractors.

Countries which are not part of the EU, may not ensure an adequate level of protection of personal data as assessed by the EU Commission. As per the Administration Agreement, the Administrator put in place standard data protection clauses adopted by the EU Commission with its processors and approved third party sub-contractors located outside the EEA.

Except as required or permitted by law or the Administration Agreement, (i) the Sub-contractors are not permitted to share the Confidential Information with non-affiliated entities of the Administrator and (ii) the Administrator will take all reasonable steps to ensure the Sub-contractors treat such disclosed information as confidential.

#### **Restrictions on distribution and sale of shares**

##### **General**

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

The Articles give powers to the Board of Directors to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the SICAV are acquired or held by any person in breach of law or regulations whether Luxembourg or foreign or if such holding may be detrimental to the SICAV or the majority of its Shareholders. More specifically, the Board of Directors shall have power to impose such restrictions as it may

think necessary for the purpose of ensuring that no Shares in the SICAV are acquired or held directly or beneficially by any person or persons in circumstances which, (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Board of Directors to be relevant) in the opinion of the Board of Directors might result in the SICAV incurring any liability to taxation (including inter alia any liability that might derive from the Foreign Account Tax Compliance Act (“**FATCA**”) or the Common Reporting Standard or any similar provisions) or suffering any other disadvantage which the SICAV might not otherwise have incurred or suffered or might result in the SICAV being required to register under any securities or investment or other laws or requirements of any country or authority. More specifically, the SICAV may restrict or prevent the ownership of Shares in the SICAV by any person, firm or corporate body, and without limitation, by any “U.S. Person”. The SICAV may compulsorily redeem all Shares held by any such person as further described in the Articles.

##### **Luxembourg**

The SICAV is registered pursuant to Part I of the UCI Law. However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the assets of the SICAV. Any representations to the contrary are unauthorised and unlawful.

##### **European Union (“EU”)**

The SICAV is a UCITS for the purposes of the UCITS Directive and the Board of Directors proposes to market the Shares in accordance with the UCITS Directive in certain member states of the EU and in countries which are not member states of the EU.

##### **Overseas Marketing**

The SICAV may, subject to approval by the appropriate authority, be made available and marketed to investors in other jurisdictions. Supplementary information may be made available to investors in such jurisdictions by way of a country specific addendum, dependent upon the legal and regulatory requirements of each country or jurisdiction. The KIDs, Prospectus or other regulatory

documents may also be translated into the language of the country in which the SICAV is to be made available, dependent upon the legal and regulatory requirements of each country or jurisdiction. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to read this Prospectus, as well as any country-specific information relevant to their jurisdiction which may either be included within, or in addenda to this Prospectus.

Notwithstanding any information provided in this Prospectus about other jurisdictions in which the SICAV may be made available, potential investors are required to inform themselves of the legal requirements and restrictions in their own jurisdiction and act in accordance with them. This Prospectus does not amount to a solicitation or offer to any person in any jurisdiction in which such solicitation or offer would be unauthorised or unlawful.

#### **Ireland**

The SICAV has been registered with the Central Bank of Ireland (the “Central Bank”) so that it may be made available and marketed to Irish investors. An Irish Country Supplement with tax information is available on the SICAV website: [www.fundsmith.eu](http://www.fundsmith.eu). This supplement provides important information for Irish investors. The Central Bank has not approved the SICAV, takes no responsibility for the contents of the Prospectus or for the financial soundness of the SICAV or for the correctness of any statements made or expressed in the Prospectus.

#### **United States of America (“U.S.”)**

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any of the states of the U.S. Shares may not be offered, sold or transferred in the United States of America, its territories and possessions, any state of the U.S. and the District of Columbia, or offered or sold to any U.S. Person, as defined below. Neither the SICAV nor the Management Company have been nor do they intend to be registered under the U.S. Investment Company Act of 1940, as amended.

#### **Singapore**

The offer or invitation of Shares in the SICAV, which is the subject of this Prospectus, 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. The SICAV is not authorised or recognised by the Monetary Authority of Singapore (the “MAS”) and the Shares are not allowed to be offered to the retail public. This Prospectus and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA and accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you.

This Prospectus has not been registered as a prospectus with the MAS. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares 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 (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 305 of the SFA by a relevant person which is:

- a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

Securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 305 of the SFA except:

- 1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;
- 2) where no consideration is or will be given for the transfer;
- 3) where the transfer is by operation of law;
- 4) as specified in Section 305A(5) of the SFA; or
- 5) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

#### **Securities Financing Transactions**

Regulation (EU) 2015/2365 (“SFT Regulation”) lays down rules on transparency of securities financing transactions and of reuse. In accordance with the SFT Regulation, securities financing transactions (“SFTs”) include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions. The definition of SFTs does not include derivative contracts. However, it includes total return swaps which have effects equivalent to Securities Financing Transactions.

The SICAV will not use, enter into SFTs or reuse. Should the above change in the future, the SICAV will amend accordingly this Prospectus.

#### **Important investor disclosure**

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the SICAV. All or part of the fees and expenses may be charged to the capital of the SICAV. This will have the effect of lowering the capital value of your investment. There can be no assurance that the investment objectives of the relevant Sub-fund will be achieved. Investors should read and consider the section entitled “Risk Factors” before investing in the SICAV.

The value of the Shares may fall as well as rise and a Shareholder on transfer or redemption of Shares may not get back the amount he initially invested. Income from the Shares may fluctuate in money terms and changes in rates of exchange may cause the value of Shares to go up or down. The levels and basis of, and reliefs from taxation may change.

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, conversion, redemption or disposal of the Shares of the SICAV.

Further copies of this Prospectus may be obtained from the Administrator.

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, the English language Prospectus will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus in a language other than English, the language of the Prospectus on which such action is based shall prevail.

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# Directory Fundsmith SICAV

## Registered office

10, rue du Château d'Eau,  
L-3364 Leudelange  
Grand Duchy of Luxembourg  
RCS Luxembourg B164404

## Board of directors

**Paul Richard Mainwaring**  
Director  
Fundsmith LLP

**Garry Pieters**  
Independent Director  
The Directors' Office

**Sheenagh Joy Gordon-Hart**  
Independent Director  
The Directors' Office

## Management Company

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

## Distributor and Promoter

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

FCA Registration Number 523102



### **Depository and administrator**

(Central administration agent, domiciliary agent,  
registrar and transfer agent)

#### **Northern Trust Global Services SE**

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

Northern Trust Global Services SE is authorised and regulated  
by the Luxembourg Commission de Surveillance du Secteur  
Financier.

### **Investment Manager**

#### **Fundsmith Investment Services Limited**

c/o Griffon Solutions  
C2-401, 4th Floor, Office Block C,  
Grand Baie La Croisette,  
Grand Baie  
Mauritius

### **Independent auditor**

#### **Deloitte Audit, société à responsabilité limitée**

20, Boulevard de Kockelscheuer  
L-1821 Luxembourg  
Grand Duchy of Luxembourg

### **Legal advisers**

#### **Elvinger Hoss Prussen, société anonyme**

2, place Winston Churchill  
L-1340 Luxembourg  
Grand Duchy of Luxembourg

## Definitions

In this Prospectus the words and expressions set out in the first column below shall have the meanings set opposite them unless the context requires otherwise. All references to “Euro” or “EUR” are to the unit of the European single currency, all references to “Sterling” or “GBP” are to the currency of the United Kingdom, all references to “Swiss Franc” or “CHF” are to the currency of Switzerland and all references to “U.S. Dollars” or “USD” are to the currency of the United States of America.

<b>Accumulation Shares</b>	Shares in respect of which income is accumulated and added to the capital property attributable to the relevant Sub-fund or Share Class
<b>Administration Agreement</b>	the agreement pursuant to which the Administrator is appointed by the SICAV and the Management Company
<b>Administrator Articles</b>	Northern Trust Global Services SE the articles of incorporation of the SICAV, as may be amended from time to time
<b>Board, Board of Directors or Directors</b>	the members of the board of directors of the SICAV for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time
<b>Business Day</b>	any day when the banks are fully open in Luxembourg (and/or such other place or places and such other day or days as the Directors may determine and notify to Shareholders in advance)
<b>CRS</b>	the Common Reporting Standard
<b>CSSF</b>	the Luxembourg authority, currently the Commission de Surveillance du Secteur Financier, or its successor in charge of the supervision of undertakings for collective investment in the Grand-Duchy of Luxembourg

<b>Cut-Off Time</b>	such time in respect of any relevant Dealing Day as shall be specified in the Prospectus or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Cut-Off Time is no later than the point as at which the Net Asset Value is determined for the relevant Dealing Day	<b>Ineligible Applicant</b>	any person to whom a transfer of Shares (legally or beneficially) or by whom a holding of Shares (legally or beneficially) would or, in the opinion of the Directors, might: <ul style="list-style-type: none"> <li>a) be in breach of law or regulations whether Luxembourg or foreign; or</li> <li>b) may be detrimental to the SICAV or the majority of its Shareholders; or</li> <li>c) might result in the SICAV incurring any liability to taxation (including inter alia any liability that might derive from the Foreign Account Tax Compliance Act ("FATCA") or the Common Reporting Standard or any similar provisions) or suffering any other pecuniary disadvantages which the Company might not otherwise have incurred or suffered; or</li> <li>d) require the SICAV or the Management Company to be registered under any securities or investment or others laws or requirements of any country or authority</li> </ul>
<b>Dealing Day</b>	in respect of a Sub-fund, any Business Day on which Shares of that Sub-fund may be subscribed to, redeemed and/or exchanged for Shares of another Sub-fund, as specified in this Prospectus and the relevant Sub-fund Appendix		
<b>Depository</b>	Northern Trust Global Services SE		
<b>Depository Agreement</b>	the depository agreement pursuant to which the Depository is appointed by the SICAV		
<b>Distributor</b>	Fundsmith LLP		
<b>EU</b>	the European Union		
<b>FATCA</b>	the Foreign Account Tax Compliance provisions in the U.S. Hiring Incentives to Restore Employment Act enacted in March 2010		
<b>FCA</b>	Financial Conduct Authority or its successor authority in the United Kingdom		
<b>Income Shares</b>	Shares in respect of which income is distributed periodically to Shareholders	<b>Institutional Investors</b>	Institutional investors, as these terms are accepted in Luxembourg for the purposes of Article 174 of the UCI Law
<b>Independent Auditor</b>	the approved statutory auditor (réviseur d'entreprises agréé) appointed for the SICAV in compliance with the UCI Law	<b>Investment Management Agreement</b>	the investment management agreement pursuant to which the Investment Manager is appointed as investment manager of the SICAV
		<b>Investment Manager</b>	Fundsmith Investment Services Limited

<b>Luxembourg GAAP</b>	Luxembourg generally accepted accounting principles	<b>Money Market Instruments</b>	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time
<b>Management Company</b>	FundRock Management Company S.A.	<b>Net Asset Value</b>	the net asset value of the SICAV or a Class of Shares (as the context requires) as calculated in accordance with the Articles
<b>Management Company Agreement</b>	the management company agreement pursuant to which the Management Company is appointed as management company of the SICAV	<b>Net Asset Value per Share</b>	the Net Asset Value in respect of any Sub-fund or Class divided by the number of Shares of the relevant Class in issue at the relevant time
<b>Member State</b>	a member state of the European Union.  The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the European Union, within the limits set forth by this agreement and related acts, are considered as equivalent to Member States	<b>OCF</b>	ongoing charges figure
<b>Mémorial C</b>	the Mémorial C, Recueil Spécial des Sociétés et Associations (i.e. the official journal of the Grand-Duchy of Luxembourg). On 1 June 2016, the Luxembourg Memorial C has been replaced by RESA	<b>Promoter</b>	Fundsmith LLP
<b>Minimum Additional Subscription</b>	the minimum additional investment for each Class of Shares as specified in the Prospectus	<b>Prospectus</b>	this Prospectus, as may be amended or supplemented from time to time
<b>Minimum Holding</b>	the minimum holding for each Class of Shares as specified in the Prospectus	<b>Redemption Price</b>	the price per Share at which Shares are redeemed
<b>Minimum Redemption</b>	the minimum redemption for each Class of Shares as specified in the Prospectus	<b>Reference Currency</b>	the base currency of the SICAV or Sub-fund or of the relevant Class as the context requires
<b>Minimum Subscription</b>	the minimum investment for each Class of Shares as specified in the Prospectus	<b>Regulated Market</b>	A regulated market as defined in the Directive 2014/65/EU of 15 May 2014 on markets in financial instruments and any other market which is regulated, operates regularly and is recognised and open to the public
		<b>RESA</b>	Recueil Electronique des Sociétés et Associations, the new electronic platform of central publication regarding companies and associations, as implemented by the law of 27 May 2016 on the reform of the regime of legal publication regarding companies and associations

<b>SICAV</b>	Fundsmith SICAV	<b>Transferable Securities</b>	Shall mean:
<b>Share or Shares</b>	shares of any Class in the SICAV or in a Sub-fund as the context requires		a) shares and other securities equivalent to shares,
<b>Share Class or Class of Shares of Class</b>	all of the Shares issued by the SICAV as a particular class of Shares, as specified in the relevant Sub-fund Appendix		b) bonds and other debt instruments,
<b>Shareholder</b>	a holder of Shares in the SICAV		c) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and Money Market Instruments
<b>SFT Regulation</b>	means Regulation (EU) No 2015/2365 on transparency of securities financing transactions and of reuse	<b>UCI(s)</b>	undertaking(s) for collective investment
<b>Sub-fund</b>	a specific portfolio of assets and liabilities within the SICAV having its own Net Asset Value and represented by a separate Share Class, with a specific investment policy and objective. The specifications of each Sub-fund are described in the Sub-fund Appendix to this Prospectus	<b>UCI Law</b>	the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended
<b>Sub-fund Appendix</b>	an appendix to this prospectus describing the features of a Sub-fund	<b>UCITS</b>	an undertaking for collective investment in transferable securities established pursuant to the UCITS Directive
<b>Subscription Price</b>	the price per Share at which Shares may be issued calculated in the manner described in the section "Subscriptions" of this Prospectus and in the relevant Sub-fund Appendix	<b>UCITS Directive</b>	Directive 2009/65/EC of the European Parliament and Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended or re-enacted from time to time
<b>SEC</b>	Securities and Exchange Commission in the U.S.	<b>UCITS V Regulation</b>	Commission Delegated Regulation EU/2016/438 of 17 December 2015 supplementing the UCITS Directive with regard to obligations of depositaries
<b>Taxonomy Regulation</b>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088		

<b>U.S. Person</b>	any U.S. Person that would fall within the ambit of the FATCA provisions
<b>Valuation Day</b>	in respect of a Dealing Day, the Business Day as of which the Administrator determines the applicable Net Asset Value per Share of a Class or a Sub-fund, as specified in this Prospectus and in the relevant Sub-fund Appendix

# 1.

## The SICAV

The SICAV is an open-ended investment company incorporated under the laws of Luxembourg as a Société d'Investissement à Capital Variable ("SICAV") in accordance with the provisions of Part I of the UCI Law and structured as an umbrella fund with multiple sub-funds. The SICAV was incorporated for an unlimited period on 28 October 2011 under the name of Fundsmith Equity Fund Feeder. The Articles have been published in the Mémorial C on 14 November 2011. The SICAV changed its name to Fundsmith Equity Fund SICAV on 29 March 2019 and the Articles were amended on 22 March 2019. The SICAV changed its name to Fundsmith SICAV on 1st March 2021 and the Articles were amended for the last time with effect on 1st March 2021 and have been published in the RESA on 16th March 2021. The SICAV is registered with the Luxembourg Trade and Companies Register under number B164404.

The Board of Directors may, at any time, decide on the creation of one or several Sub-funds and in such case, new Sub-fund Appendices will be added. Each Sub-fund may issue one or more Share Classes as further described in the relevant Sub-fund Appendix.

The SICAV has appointed FundRock Management Company S.A. as its management company, within the meaning of Part I of the UCI Law. Further details on the Management Company are provided below under the section "Management Company".

At all times the SICAV's capital will be equal to the Net Asset Value of the SICAV and will not fall below the minimum capital required by Luxembourg law.

The Reference Currency is EUR. The Reference Currency of each Sub-fund is as specified in the relevant Sub-fund Appendix.

# 2.

## Investment objective and policy

The Board of Directors shall have power to determine the corporate and investment objective and policy of the SICAV and the Sub-funds, and the course of conduct of the management and business affairs of the SICAV.

The investment objective of the SICAV is to achieve long term growth in value according to the investment strategy and policy defined for each Sub-fund in the relevant Sub-fund Appendix.

The investment objective and policy of each Sub-fund is defined by the Board of Directors in compliance with the principle of risk spreading and subject to the applicable restrictions of the UCI Law.

Investors are invited to refer to the description of the investment objective and policy of the Sub-fund in the relevant Sub-fund Appendix. Investors are warned that there can be no assurance that the investment objectives of any Sub-fund will be achieved.



# 3.

## Investment Restrictions, use of financial derivative instruments and investment techniques

### General Investment Restrictions

The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of each Sub-fund and the currency of denomination of the Sub-fund. According to Article 40 of the UCI Law, each Sub-fund shall be regarded as a separate UCITS for the purpose of this section.

#### I.

- 1) Each Sub-fund may, subject to the provisions laid down in section 2 of this Prospectus, invest in:
  - a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
  - b) Transferable Securities and Money Market Instruments dealt in on another market in a Member State which is regulated, operates regularly and open to the public;
  - c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State of the European Union in Europe, Asia, Oceania (including Australia), the American continents and Africa or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public;
  - d) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market and such admission is secured within a year of the issue.
  - e) units or shares of UCITS and/or other UCI, whether situated in a Member State or not, provided that:
    - such other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;

- the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive, as amended;
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units or shares of other UCITS or other UCIs.
- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is a Member State or if the registered office of the credit institution is situated in a non-EU Member State provided that it is subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in EU law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market and/or financial derivative instruments dealt in over-the-counter (“OTC derivatives”), provided that:
- the underlying consists of instruments covered by this section (1), financial indices, interest rates, foreign exchange rates or currencies, in which the SICAV may invest according to its/their investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the SICAV’s initiative;
- and/or
- h) Money Market Instruments other than those dealt in on a Regulated Market and defined in the Definitions Section of this Prospectus, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets;
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by the Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
  - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several

listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2) In addition, a Sub-fund may invest a maximum of 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to under (1) above.

II. A Sub-fund may hold ancillary liquid assets. Each Sub-fund will not invest more than 20% of its net assets in cash and deposits at sight (such as cash held in current accounts) for ancillary liquidity purposes in normal market conditions. Under exceptional unfavourable market conditions (such as the September 11 attacks or the bankruptcy of Lehman Brothers in 2008) and on a temporary basis, this limit may be breached, if justified in the interest of the investors.

III. a)(i) The SICAV will invest no more than 10% of the net assets of any Sub-fund in Transferable Securities and Money Market Instruments issued by the same issuing body.

(ii) The SICAV may not invest more than 20% of the net assets of any Sub-fund in deposits made with the same body. The risk exposure of a Sub-fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) f) above or 5% of its net assets in other cases.

b) Moreover where a Sub-fund holds investment in Transferable Securities and Money Market Instruments of any issuing body which individually exceed 5% of its net assets, the total of all such investments must not account for more than 40% of its total net assets.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph III. a), the SICAV shall not combine for each Sub-fund, where this would lead to investing more than 20% of its assets in a single body, any of the following:

- investments in Transferable Securities or Money Market Instruments issued by that body,
  - deposits made with that body, or
  - exposures arising from OTC derivative transactions undertaken with that body.
- c) The limit of 10% laid down in sub-paragraph III. a) (i) above will be increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by a Member State, its local authorities, or by another eligible state or by public international bodies of which one or more Member States are members.
- d) The limit of 10% laid down in sub-paragraph III. a) (i) may be of a maximum of 25% for covered bond as defined under article 3, point 1 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (hereafter "Directive (EU 2019/2162)", and for certain bonds when they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds issued before 8 July 2022 must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest. If a Sub-fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the relevant Sub-fund's Net Asset Value.
- e) The Transferable Securities and Money Market Instruments referred to in paragraphs III. c) and III. d) shall not be included in the calculation of the limit of 40% stated in paragraph III. b) above.

The limits set out in sub-paragraphs a), b) c) and d) may not be aggregated and, accordingly, investments in Transferable Securities and Money Market Instruments issued by the same issuing body, in deposits or in financial derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-fund's net assets.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III.

The SICAV may cumulatively invest up to 20% of the net assets of any Sub-fund in Transferable Securities and Money Market Instruments within the same group.

- f) **Notwithstanding the above provisions, a Sub-fund may be authorised to invest up to 100% of its net assets, in accordance with the principle of risk spreading, in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities or agencies, or by another member state of the OECD, Singapore, Hong Kong or any member state of the G20 or by public international bodies of which one or more Member States are members, provided that the Sub-fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of its total net assets.**

#### IV.

- a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate

benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-fund's investment policy.

- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

#### V.

The SICAV, i.e. all the Sub-funds together may not acquire Shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

Each Sub-fund may acquire in total no more than:

- 10% of the non-voting Shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the Money Market Instruments of the same issuer.

The limits under the second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities or by any other eligible state, or issued by public international bodies of which one or more Member States of the EU are members.

These provisions are also waived as regards Shares held by a Sub-fund in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that state, where under the legislation of that state, such a holding represents the only way in which a Sub-fund can invest in the securities of issuing bodies of that state provided that the investment policy of

the company from the non-Member State of the EU complies with the limits laid down in paragraphs III., V. and VI. a), b), c) and d).

## VI.

- a) A Sub-fund may acquire units of the UCITS and/or other UCIs referred to in paragraph I. (1) e), provided that no more than 10% of its net assets be invested in the units of other UCITS or other UCI, unless otherwise provided in Section 2 of this Prospectus.

In case a Sub-fund may invest more than 10% in UCITS or other UCIs, it may not invest more than 20% of its net assets in units of a single UCITS or other UCI.

For the purpose of the application of the investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

Investments made in units of other UCIs may not, in aggregate, exceed 30% of the net assets of a Sub-fund.

- b) The underlying investments held by the UCITS or other UCIs in which a Sub-fund invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- c) When a Sub-fund invests in the units of other UCITS and/or other UCIs linked to the SICAV by common management or control, no subscription or redemption fees may be charged to the Sub-fund on account of its investment in the units of such other UCITS and/or other UCIs.

In its annual report it shall indicate the total management fees charged both to the Sub-fund and to the UCITS and other UCIs in which it has invested during the relevant period.

- d) A Sub-fund may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated.

## VII.

A Sub-fund shall ensure that its global exposure relating to derivative instruments does not exceed its total net assets.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If a Sub-fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in restriction III. When a Sub-fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in restriction III.

When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this restriction.

## VIII.

- a) The SICAV may not borrow amounts in excess of 10% of its total net assets, any such borrowings to be from banks and to be effected only as a temporary basis provided that the purchase of foreign currencies by way of back to back loans remains possible.
- b) The SICAV may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the SICAV from (i) acquiring Transferable Securities, Money Market Instruments or other financial instruments

referred to in I. (1) e), g) and h) which are not fully paid, and (ii) performing permitted securities lending activities that shall not be deemed to constitute the making of a loan.

- c) The SICAV may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.
- d) The SICAV may not acquire movable or immovable property.
- e) The SICAV may not acquire either precious metals or certificates representing them.

IX. If the percentage limitations set forth in the above restrictions are exceeded for reasons beyond the control of the SICAV or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

The SICAV and/ or the Sub-fund will in addition comply with such further restrictions as may be required by the regulatory authorities in which the Shares are marketed.

X. Each Sub-fund may, subject to the conditions provided for in the Articles as well as in this Prospectus, subscribe, acquire and/or hold securities to be issued or issued by another or more Sub-fund of the SICAV under the condition however that:

- a) the target Sub-fund does not, in turn, invest in the Sub-fund invested in this target Sub-fund;
- b) no more than 10% of the assets of the target Sub-fund whose acquisition is contemplated may, pursuant to the Articles be invested in aggregate in units of other target Sub-funds of the same SICAV;
- c) voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

d) in any event, for as long as these securities are held by the SICAV, their value will not be taking into consideration of the calculation of the total net assets of the SICAV for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law.

XI. Under the conditions and within the limits laid down by the UCI Law, the SICAV may, to the widest extent permitted extend permitted by the applicable law and regulations (i) create a Sub-fund qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Sub-fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

- a) A Feeder UCITS shall invest at least 85% of its assets in the units of another Master UCITS.
- b) A Feeder UCITS may hold up to 15% of its assets in one or more of the following:
  - ancillary liquid assets in accordance with paragraph II. above;
  - financial derivative instruments, which may be used only for hedging purposes.

The Feeder UCITS shall calculate its global exposure related to Financial Derivative Instruments by combining its own direct exposure with either:

- a) the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investment into the Master UCITS; or
- b) the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS.

# 4.

## Shares

### Classes of shares

Each Sub-fund may offer more than one Class of Shares as further detailed in the relevant Sub-fund Appendix. Each Class of Shares may have different features with respect to its criteria for subscription, redemption, minimum holding, fee structure, currency and dividend policy. A separate Net Asset Value per Share will be calculated for each Class. The limits for minimum subscription for any Class of Shares may be waived or reduced at the discretion of the Directors.

The Classes of Shares currently available within a Sub-fund as well as their respective features are specified in the relevant Sub-fund Appendix. Further Classes may be created by the Board of Directors in which case this Prospectus and the relevant Sub-fund Appendix will be modified accordingly.

### Distribution policy

The SICAV may issue Accumulation and/or Income Shares within each Sub-fund, as specified in the relevant Sub-fund Appendix.

The Board of Directors reserves the right to introduce a distribution policy that may vary between the Classes of Income Shares in issue within each Sub-fund. The distribution policy applicable to each Class of Income Shares within each Sub-fund will be described in the relevant Sub-fund Appendix.

Subject to any further indications in the relevant Sub-fund Appendix, the part of the relevant year's net income corresponding to Accumulation Shares will not be paid to shareholders and instead will be capitalised in the relevant Sub-fund for the benefit of the Accumulation Shares.

Payments will be made in the Reference Currency of the relevant Class. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Sub-fund. In any event, no distribution may be made if, as a result thereof, the Net Asset Value would fall below the minimum share capital required by the UCI Law, currently EUR 1,250,000.

### **Publication of net asset value per share**

The Net Asset Value per Share may be obtained free of charge from, and will be available at the offices of the Administrator during business hours in Luxembourg as well as on the website of the SICAV at [www.fundsmith.eu](http://www.fundsmith.eu).

Please refer to the section on “Fees and Expenses” for additional information on fees and expenses payable by the SICAV and/or the Sub-fund. The KIID(s) issued for the Sub-funds and the Classes of Shares also contain additional information on ongoing charges incurred by the Sub-funds.



# 5.

## Board of directors of the SICAV

The Board of Directors is responsible for the overall management and control of the SICAV in accordance with the Articles. The Board of Directors is further responsible for the implementation of the investment objective and policies of the Sub-funds as well as for oversight of the administration and operations of the SICAV.

The members of the Board of Directors will receive periodic reports from the Management Company and/or the Administrator detailing the performance and analysing the investment portfolio of each Sub-fund.

The Board of Directors shall have the broadest powers to act in any circumstances on behalf of the SICAV, subject to the powers reserved by law to the Shareholders.

# 6.

## Management Company

The SICAV has appointed FundRock Management Company S.A. ("FundRock") to serve as its management company within the meaning of the UCI Law. The Management Company is responsible, subject to the overall supervision of the Directors, for the provision of investment management services, administrative services and marketing services to the SICAV, as described in Annex 2 of the UCI Law.

The Management Company was incorporated as a "société anonyme" under the laws of the Grand Duchy of Luxembourg on 10 November 2004 under the name RBS (Luxembourg) S.A. and its deed of incorporation was published in the Mémorial C, Recueil des Sociétés et Associations (the "Mémorial") on 6 December 2004. With effect from 1 January 2016, it changed its name to FundRock Management Company S.A. The Management Company is approved as a management company regulated by chapter 15 of the UCI Law and has also been authorised as alternative investment fund manager under the amended Law of 12 July 2013 on alternative investment fund managers. The Management Company is registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés de Luxembourg) under number B 104 196. The Management Company has a subscribed and paid-up capital in excess of EUR 10,000,000.

The board of directors of the Management Company are:

### Chairman

- **Mr Michel Marcel Vareika**  
Independent Non-Executive Director, Luxembourg

### Members

- **Mr Romain Denis**  
Executive Director, Managing Director,  
FundRock Management Company S.A., Luxembourg
- **Mr Thibault Gregoire**  
Executive Director, Chief Financial Officer,  
FundRock Management Company S.A., Luxembourg
- **Mr Xavier Parain**  
Executive Director, Head of FundRock,  
FundRock Management Company S.A., Luxembourg

The following persons have been appointed conducting officers (dirigeants) of the Management Company within the meaning of Article 102 of the UCI Law and CSSF Circular 18/698:

- Mr Franck Caramelle, Head Of Alternative Investments
- Mr Romain Denis, Executive Director - Managing Director
- Mr Khalil Haddad, Valuation Manager
- Mr Emmanuel Nantas, Director – Compliance
- Mr Xavier Parain, Executive Director – Head of Fundrock

The Management Company shall also ensure compliance of the SICAV with the investment restrictions and oversee the implementation of the SICAV's strategies and investment policy.

The Management Company shall also send reports to the Directors on a quarterly basis and inform each board member without delay of any non-compliance of the SICAV with the investment restrictions.

The Management Company will receive periodic reports from the Investment Manager detailing the SICAV's performance and analysing the Sub-fund's investment portfolio. The Management Company will receive similar reports from the SICAV's other service providers in relation to the services which they provide.

The Management Company will monitor on a continuing basis the activities of the third parties to which it has delegated functions. The agreements entered into between the Management Company and the relevant third parties provide that the Management Company can give at any time further instruction to such third parties and that it can withdraw their mandate with immediate effect if this is in the interest of the Shareholders. The Management Company's liability towards the SICAV is not affected by the fact that it has delegated certain functions to third parties.

The Management Company acts also as management company for other investment funds, the names of which will be kept up to date and be published in the annual and semi-annual financial

reports of the Management Company and may be obtained on request from the Management Company. The Management Company has implemented a conflict of interest policy in accordance with the UCI Law and the relevant CSSF regulations and circulars.

The Management Company has established and applies a remuneration policy in accordance with principles laid out under the UCITS Directive and any related legal and regulatory provisions applicable in Luxembourg.

The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the UCITS that it manages and of the investors in such UCITS, and which includes, inter alia, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that the Management Company manages.

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), the Management Company ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that the Management Company's employees who are identified as risk-takers under UCITS Directive are not remunerated based on the performance of the UCITS under management.

An up-to-date version of the remuneration policy (including, but not limited to, the description of how remuneration and benefits are calculated, as well as the identity of the persons responsible for awarding the remuneration and benefits and the composition of the remuneration committee) is available at: [www.fundrock.com/pdf/Fundrock\\_Remuneration\\_policy.pdf](http://www.fundrock.com/pdf/Fundrock_Remuneration_policy.pdf). A paper version of this remuneration policy is made available free of charge at the Management Company's registered office.

The Management Company's remuneration policy, in a multi-year framework, ensures a balanced regime where remuneration both drives and rewards the performance of its employees in a measured, fair and well-thought out fashion which relies on the following principles\*:

- identification of the persons responsible for awarding remuneration and benefits (under the supervision of the remuneration committee and subject to the control of an independent internal audit committee);
- identification of the functions performed within the Management Company which may impact the performance of the entities under management;
- calculation of remuneration and benefits based on the combination of individual and company's performance assessment;
- determination of a balanced remuneration (fixed and variable);
- implementation of an appropriate retention policy with regards to financial instruments used as variable remuneration;
- deferral of variable remuneration over 3-year periods;
- implementation of control procedures/adequate contractual arrangements on the remuneration guidelines set up by the Management Company's respective portfolio management delegates.

\* It should be noted that, upon issuance of final guidelines, this remuneration policy may be subject to certain amendments and/or adjustments.

With the prior consent of the Board of Directors, the Management Company may delegate all or part of its duties and powers to any person or entity, provided such duties and powers remain under the supervision and responsibility of the Management Company.

In that context, the Management Company has appointed Fundsmith Investment Services Limited as investment manager and Fundsmith LLP as Distributor of the SICAV, as further described under Section "Investment Manager" and Section "Distributor" below.

The Management Company and the SICAV have also appointed Northern Trust Global Services SE to carry out certain administrative functions as Administrator for the SICAV, as further described under the section "Administrator" below.

# 7.

## Investment Manager

Fundsmith Investment Services Limited is a limited liability company having its registered office at c/o Griffon Solutions, C2-401, 4th Floor, Office Block C, Grand Baie La Croisette, Grand Baie, Mauritius and licensed by the Financial Services Commission (Licence Number C114013161).

Fundsmith Investment Services Limited has been appointed as the Investment Manager of the SICAV pursuant to the Investment Management Agreement entered into for an unlimited period of time.

The Investment Manager will manage the investment and reinvestment of the assets of the Sub-fund in accordance with the Sub-fund's investment objectives and investment and borrowing restrictions.

The Investment Manager may also appoint one or more investment advisers to advise it or provide recommendations or assistance on the management of the Sub-fund.

# 8.

## Administrator

Northern Trust Global Services SE has been appointed as the Administrator pursuant to the Administration Agreement entered into for an unlimited period of time from the date of its signature. The Administrator will act as central administration agent for the SICAV and in such capacity will carry out all administrative duties related to the administration of the SICAV, including the calculation of the Net Asset Value of the Shares and the provision of accounting services to the SICAV.

Northern Trust Global Services SE is a credit institution authorised in Luxembourg under Chapter 1 of Part 1 of the Luxembourg law of 5 April 1993 on the financial sector, subject to the supervision by the European Central Bank and the Luxembourg Commission de Surveillance du Secteur Financier.

The Administrator's ultimate holding company is Northern Trust Corporation, a company which is incorporated in the State of Delaware, United States of America, with its headquarters at 50 South La Salle Street, Chicago, Illinois.

The Administrator acts as the SICAV's administrator, registrar and transfer agent. Subject to the Administration Agreement, it is responsible for handling the processing of subscriptions for Shares, dealing with requests for repurchase and conversion and accepting transfers of funds, for the keeping of the register of Shareholders and providing and supervising the mailing of statements, reports, notices and other documents to the Shareholders. It will also be responsible for the general administrative functions as agreed pursuant to the Administration Agreement, such as the calculation of the Net Asset Value and the maintenance of accounting records for the SICAV and its Sub-funds.

The Administrator has also been appointed as domiciliary agent pursuant to the Administration Agreement.

As at the date of this Prospectus, and save the conflicts of interest and mitigation measures disclosed in section 10 "Depositary" below considering the Administrator is also acting as Depositary of the SICAV, the Administrator is not aware of any conflicts of interest in respect of its appointment as the Administrator of the SICAV. If a conflict of interest arises, the Administrator will ensure it is addressed in accordance with the Administration Agreement, applicable laws and in the best interests of the Shareholders.

# 9.

## Distributor and Promoter

Upon the recommendation of and with the consent of the SICAV, the Management Company has delegated its distribution functions to Fundsmith LLP.

The Distributor is, inter alia, responsible for assisting investors and/or financial intermediaries to make applications for Shares and for observing all applicable laws and regulatory requirements relating to the promotion, distribution, sale and purchase of Shares in the relevant countries of distribution of Shares.

Fundsmith LLP is also acting as Promoter of the SICAV.

# 10.

## Depository

The SICAV has appointed Northern Trust Global Services SE as its Depository within the meaning of the UCI Law pursuant to the Depository Agreement for (i) the safekeeping of the assets of the SICAV, (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as are agreed in the Depository Agreement.

Northern Trust Global Services SE's, registered office is located at 10, rue du Château d'Eau, L-3364 Leudelange, Grand Duchy of Luxembourg. Northern Trust Global Services SE is registered with the CSSF as a credit institution, authorised in Luxembourg according to the Luxembourg law of 5 April 1993 on the financial sector as amended from time to time. The rights and duties of the Depository are governed by the Depository Agreement.

The Depository is entrusted with the safekeeping of the SICAV's assets. All financial instruments that can be held in custody are registered in the Depository's books within segregated accounts, opened in the name of the SICAV, in respect of each Sub-fund, as the case may be. For other assets than financial instruments and cash, the Depository will verify the ownership of such assets by the SICAV in respect of each Sub-fund, as the case may be. Furthermore, the Depository shall ensure that the SICAV's cash flows are properly monitored. The Depository's other responsibilities under the UCI Law are to:

- ensure that the sale, issue, redemption, conversion and cancellation of Shares of each Sub-fund effected by the SICAV or by the Management Company or by the Administrator are carried out in accordance with the UCI Law and the Articles;
- ensure that the value of Shares is calculated in accordance with the UCI Law and the Articles;
- carry out the instructions of the Management Company, unless they conflict with the UCI or the Articles;
- ensure that in transactions involving the assets comprising the SICAV, the consideration is remitted to it within the usual time limits provided in the Articles; and
- ensure that the gross income and gross income payments of the SICAV are applied in accordance with the Articles.



### **Delegation**

Under the terms of the article 34bis of the UCI Law and of the Depositary Agreement, the Depositary, in order to effectively conduct its duties, may delegate its safekeeping obligations provided that:

- i) the delegation was not made with the intention of avoiding the requirements of the UCITS Directive and of the UCI Law, as amended;
- ii) the Depositary can demonstrate that there is an objective reason for the delegation;
- iii) it has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate parts of its duties so as to ensure that each third-party delegate has and maintains the required expertise and competence;
- iv) it keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party delegate of its duties and of the arrangements of the third party in respect of the matters delegated to it to ensure that the obligations of the third-party delegates continue to be competently discharged.

The liability of the Depositary will not be affected by virtue of any such delegation. The Depositary has delegated to sub-delegates the responsibility for the safekeeping of the SICAV's financial instruments and cash. The identities of such appointed sub-delegates are set forth on

[www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing](http://www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing).

Subject to Article 34bis(3) of the UCI Law, the Depositary and the SICAV will ensure that, where (i) the law of a third country requires that certain financial instruments of the SICAV be held in custody by a local entity and there is no local entities in that third country subject to effective prudential regulation (including minimum capital requirements) and supervision and (ii) the SICAV instructs the Depositary to delegate the safekeeping of these financial instruments to such a local entity, the investors of the SICAV shall be duly informed, prior to their investment, of the fact that such delegation is required due to the legal constraints of the law of the third country, of the circumstances justifying the delegation and of the risks involved in such a delegation.

Any liability that the Depositary may incur with respect to any damage caused to the SICAV, the Shareholders or third parties as a result of the defective performance of its duties will be determined under the Depositary Agreement.

The Depositary Agreement provides that the appointment of the Depositary will continue unless and until terminated by the SICAV or the Depositary giving to the other parties not less than 6 months' written notice although in certain circumstances the Depositary Agreement may be terminated immediately by the SICAV or the Depositary.

The Depositary Agreement contains provisions indemnifying the Depositary and limiting the liability of the Depositary in certain circumstances.

### **Conflicts of interests**

The Depositary and its affiliate companies provide a variety of services to their clients including those clients for whom the Depositary acts as depositary.

The Management Company has delegated certain administrative functions to Northern Trust Global Services SE, including registrar, fund accounting, calculation, transfer agency and domiciliation services. Northern Trust Global Services SE has functionally and hierarchically separated the performance of its depositary functions from its administration tasks delegated to it by the Management Company.

It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the SICAV or a particular Sub-fund and/or other funds managed by the Management Company or other funds for which the Depositary acts as the depositary or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and applicable laws in Luxembourg and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

The Depositary has delegated safekeeping services to either an affiliate company or third-party sub-custodians in certain eligible markets in which the SICAV may invest, listed on [www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing](http://www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing).

Notwithstanding whether an affiliate company or a third-party sub-custodian has been appointed, the Depositary has undertaken and shall undertake regular due diligence reviews on such sub-custodians.

The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any of the sub-delegates listed on [www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing](http://www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing).

As part of these outsourcing arrangements, the Depositary may be required to disclose and transfer Confidential Information (as defined in the section headed "Important information" of this Prospectus).

Countries which are not part of the EU, may not ensure an adequate level of protection of personal data as assessed by the EU Commission. As per the Depositary Agreement, the Depositary put in place standard data protection clauses adopted by the EU Commission with its processors and approved third party sub-contractors located outside the EEA.

Except as required or permitted by law or the Depositary Agreement, (i) the Sub-contractors are not permitted to share the Confidential Information with non-affiliated entities of the Depositary and (ii) the Depositary will take all reasonable steps to ensure the Sub-contractors treat such disclosed information as confidential.

# 11.

## Subscriptions

Unless otherwise provided for a specific Sub-fund in the relevant Sub-fund Appendix, Shares will be available for subscription at the Subscription Price on each Dealing Day of the relevant Sub-fund on a forward pricing basis as further described under the section “Procedure” below or in the relevant Sub-fund Appendix.

The Directors are authorised from time to time to resolve to close a Class of Shares to new subscriptions on such basis and on such terms as the Directors may in their absolute discretion determine.

In addition, the Directors may decide to close a Sub-fund to subscriptions for such period of time as they consider to be in the best interests of the Sub-fund and its Shareholders if, on any Valuation Day, the amount of the Sub-fund’s assets would prevent it to be managed in an efficient way and/or further inflows would be detrimental to the performance of the Sub-fund and the completion of its objective and/or would trigger tax implications that would be detrimental to the SICAV.

### **Procedure**

Applicants for Shares should complete and sign an Account Opening Form and send it to the Administrator by mail. Once the account has been opened, the applicant will be notified. The applicant should then complete a Deal Instruction Form and send that by mail (or, subject to the following, by facsimile) to the Administrator.

Thereafter, Shareholders wishing to apply for additional Shares should complete a Deal Instruction Form and send it by email, by post, by fax, by way of SWIFT or other electronic means (including subscriptions submitted in Portable Document Format (PDF) as an attachment to an email sent to the email address indicated in the Application Form), in accordance with the investors’ instructions on the Application Form to the Administrator. Each application will be subject to appropriate security clearance procedures to protect the interests of investors.

The SICAV, the Management Company and the Administrator shall not be responsible for any risks associated with using and relying on emails, e.g. network errors, interceptions or corruptions by unauthorized persons, miscommunication, incorrect destination, failure of technical infrastructure, or any other risks related to electronic communication.

Applications accepted prior to the Cut-Off Time for a particular Dealing Day will be processed on that Dealing Day. Any applications received after the Cut-Off Time for a particular Dealing Day will be processed on the following Dealing Day. Payment in the Reference Currency of the relevant share class in respect of the subscription monies must be received by the Administrator within 4 Business Days of the relevant Dealing Day. In the event that the subscription monies are not received in a timely manner, the Board can elect to compulsorily redeem the deal if it deems this to be in the interests of the Fund. In this event, the investor may be liable for any associated losses or costs incurred.

Dealing Days for each Class of Shares and the respective Cut-Off Times are in relevant the Sub-fund Appendix.

The original signed Account Opening Form and such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required by the Administrator must be sent by mail and received by the Administrator in order to process the initial application for shares. Thereafter, Shareholders wishing to apply for additional Shares may apply for Shares by facsimile and these applications may be processed without a requirement to submit original documentation. Amendments to a Shareholder's registration details and payment instructions will only be effected on receipt of original documentation.

Fractions of Shares to two decimal places will be issued if necessary. Interest on subscription monies will accrue to the relevant Sub-fund in accordance with the provision under the section "Delivery into Clearstream/Euroclear" below.

The SICAV reserves the right to reject any application in whole or part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of the applicant.

### **Delivery into Clearstream/Euroclear**

Arrangements can be made for Shares to be held in accounts maintained with either Clearstream or Euroclear.

Investors should note that Clearstream will accept deliveries of fractional Shares to two decimal places. Investors should further note that Euroclear shall only accept deliveries for whole numbers of Shares.

### **Subscription price**

Unless otherwise provided for a specific Sub-fund in the relevant Sub-fund Appendix, the Subscription Price per Share will be equal to the Net Asset Value per Share as of the relevant Valuation Day determined in accordance with the policy set out below in the section "Valuation". The Net Asset Value per Share applicable to any Dealing Day will be calculated, available and published after the Cut-Off Time for that Dealing Day, at a time specified in the relevant Sub-fund Appendix. As a result, subscription requests shall be submitted at an unknown Net Asset Value.

The SICAV may agree to issue Shares as consideration for a contribution in kind of transferable securities and/or other permitted assets, in compliance with applicable laws and regulations, in particular the obligation for the independent auditor of the SICAV to deliver a valuation report and provided that such assets comply with the investment policy and restrictions of the relevant Sub-fund as described in the relevant Sub-fund appendix for the Shares of the SICAV. Any costs incurred in connection with a contribution in kind of assets shall be borne by the relevant Shareholders, unless the Board of Directors considers the contribution in kind in the interest of the SICAV or made to protect the interest of the Shareholders.

### **Minimum investment**

The Minimum Holding, the Minimum Subscription and the Minimum Additional Subscription (if any) for each Sub-fund are set out in the relevant Sub-fund Appendix.

## Ineligible applicants

The Account Opening Form requires each prospective applicant for Shares to represent and warrant to the relevant Sub-fund that, among other things, it is not an Ineligible Applicant.

In particular, the Shares may not be offered, issued or transferred to directly or beneficially by any person or persons in circumstances which (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Board of Directors to be relevant), in the opinion of the Directors, might result in the SICAV incurring any liability to taxation (including inter alia any liability that might derive from the Foreign Account Tax Compliance Act ("FATCA") or the Common Reporting Standard or any similar provisions) or suffering any other pecuniary disadvantage which the SICAV might not otherwise incur or suffer, or would result in the SICAV being required to register under any securities or investment or other laws or requirements of any country or authority.

Shares may generally not be issued or transferred to any U.S. Person, except that the Directors may authorise the issue or transfer of Shares to or for the account of a U.S. Person provided that the Directors are satisfied that such issue or transfer will not result in any adverse legal, regulatory or tax consequences to the SICAV or its Shareholders as a whole. Each applicant for, and transferee of, Shares who is a U.S. Person will be required to provide such representations, warranties or documentation as may be required by the Directors to ensure that these requirements are met prior to the issue or the registration of any transfer of Shares. If the transferee is not already a Shareholder, it will be required to complete the appropriate Account Opening Form.

## Form of shares

All the Shares will be registered Shares and will only be issued in book entry form, meaning that a Shareholder's entitlement will be evidenced by an entry in the SICAV's register of Shareholders, as maintained by the Administrator. No share certificates will be issued or delivered.

## Suspension

The Directors may declare a suspension of the issue of Shares within a Sub-fund in certain circumstances as described under "Suspension of Valuation of Assets". No Shares will be issued during any such period of suspension.

## Luxembourg Register of Beneficial Owners

The Luxembourg Law of 13 January 2019 creating a Register of Beneficial Owners (the "RBO Law") entered into force on the 1 March 2019. The RBO Law requires all companies registered on the Registre de Commerce et des Sociétés of Luxembourg, including the SICAV, to obtain and hold information on their beneficial owners ("Beneficial Owners") at their registered office. The SICAV must register Beneficial Owner-related information with the Luxembourg Register of Beneficial Owners, which is established under the authority of the Luxembourg Ministry of Justice.

The RBO Law broadly defines a Beneficial Owner, in the case of corporate entities such as the SICAV, as any natural person(s) who ultimately owns or controls the SICAV through direct or indirect ownership of a sufficient percentage of the Shares or voting rights or ownership interest in the SICAV, including through bearer Shareholders, or through control via other means, other than a company listed on a Regulated Market that is subject to disclosure requirements consistent with EU law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding of 25% plus one Share or an ownership interest of more than 25% in the SICAV held by a natural person shall be an indication of direct ownership. A shareholding of 25% plus one Share or an ownership interest of more than 25% in the SICAV held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership.

In case the aforementioned Beneficial Owner criteria are fulfilled by an investor with regard to the SICAV, this investor is obliged by law to inform the SICAV in due course and to provide the required supporting documentation and information which is necessary for the SICAV to fulfill its obligation under the RBO Law. Failure by the SICAV and the relevant Beneficial Owners to comply with their respective obligations deriving from the RBO Law will be subject to criminal fines. Should an investor be unable to verify whether they qualify as a Beneficial Owner, the investor may approach the SICAV for clarification.

### **Anti-money laundering**

In accordance with international regulations and Luxembourg laws and regulations (including, but not limited to, the amended Law of 12 November 2004 on the fight against money laundering and financing of terrorism), the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, CSSF Circulars 13/556, 15/609 and 17/650 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector in order to prevent UCI from acts/occurrences of money laundering and financing of terrorism. As a result of such provisions, a detailed identification and verification of the identity of an applicant for Shares and where applicable the beneficial owner, on a risk sensitive basis, as well as the monitoring of the relationship on an ongoing basis is required. Amendments to a Shareholder's details and payment instructions will only be effected on receipt of original documentation.

Except for applicants applying through companies who are regulated professionals of the financial sector, bound in their country by rules on the prevention of money laundering equivalent to those applicable in Luxembourg, (i) the Administrator must verify the identity of the applicant and (ii) for that purpose any applicant applying in its own name or applying through companies established in non equivalent countries, is obliged to submit to the Administrator in Luxembourg all necessary information, which the Administrator may reasonably require to verify the Shareholder's identity. In the case of an applicant acting on behalf of a third party, the Administrator must also verify the identity of the beneficial owner(s). Furthermore, any such applicant hereby undertakes that it will notify the Administrator

prior to the occurrence of any change in the identity of any such beneficial owner.

The requirements apply to both purchases made directly to the SICAV and indirect purchases received from an intermediary or nominee. In case of a subscription for an intermediary and/or nominee acting on behalf of his customer, enhanced customer due diligence measures for this intermediary and/or nominee will be applied in accordance with the amended Law of 12 November 2004 on the fight against money laundering and financing of terrorism and CSSF Regulation 12-02. In this context, Investors must inform without delay the Management Company, the SICAV or the Administrator when the person(s) designated as beneficial owner(s) change and in general, ensure at all times that each piece of information and each document provided to the Management Company or the Administrator or intermediary and/or nominee remains accurate and up-to-date.

In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto or may refuse to pay redemption proceeds or pay income on shares until proper information has been provided. Investors should note specifically that where redemption proceeds are requested to be remitted to an account which is not in the name of the investor, the Administrator shall settle such redemption requests in exceptional circumstances only and reserves the right to request such information as may be reasonably necessary in order to verify the identity of the investor and the owner of the account to which the redemption proceeds have been requested to be paid. The redemption proceeds will not be paid to a third party account unless exceptional circumstances exist and/or if the investor and/or owner of the account provides such information. Neither the SICAV nor the Administrator will be held responsible for delay of or failure to process deals resulting from not providing documentation or providing incomplete documentation.

From time to time, Shareholders may be asked to supply additional or updated identification documents in accordance with clients' ongoing due diligence obligations according to the relevant laws and regulations.

Each applicant for Shares will be required to make such representations as may be required by the Directors in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("OFAC") website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations. The Management Company shall ensure that due diligence measures on the SICAV's investments are applied on a risk-based approach in accordance with Luxembourg applicable laws and regulations.

## Data protection

The SICAV (the "Controller") processes information relating to several categories of identified or identifiable natural persons (including, in particular but not limited to, prospective or existing investors, their beneficial owners and other natural persons related to prospective or existing investors) who are hereby referred to as the "Data Subjects". This information has been, is and/or will be provided to, obtained by, or collected by or on behalf of, the Controller directly from the Data Subjects or from other sources (including prospective or existing investors, intermediaries such as distributors, wealth managers and financial advisers, as well as public sources) and is hereby referred to as the "Data".

Detailed and up-to-date information regarding the processing of Data by the Controller is contained in a privacy notice (the "Privacy Notice"). Investors and any persons contacting, or otherwise dealing directly or indirectly with, the Controller or its service providers in relation to the SICAV are invited to obtain and take the time to carefully consider and read the Privacy Notice.

Any question, enquiry or solicitation regarding the Privacy Notice and the processing of Data by the Controller in general may be addressed to [ir@fundsmith.co.uk](mailto:ir@fundsmith.co.uk) or to 33 Cavendish Square London, W1G 0PW, United Kingdom for the attention of Fundsmith LLP, or by calling +44 203 551 6339.

## Obtaining and accessing the Privacy Notice

The Privacy Notice is available and can be accessed or obtained online ([www.fundsmith.eu/privacy](http://www.fundsmith.eu/privacy)), by calling +44 2035516339 or upon request addressed to [ir@fundsmith.co.uk](mailto:ir@fundsmith.co.uk) or to 33 Cavendish Square, London, W1G 0PW, United Kingdom for the attention of Fundsmith LLP.

The Privacy Notice notably sets out and describes in more detail:

- the legal basis for processing the Data; and where applicable the categories of Data processed, from which source the Data originate, and the existence of automated decision-making, including profiling (if any);
- that Data will be disclosed to several categories of recipients; that certain of these recipients (the "Processors") are processing the Data on behalf of the Controller; that the Processors include most of the service providers of the Controller; and that the Processors will act as processors on behalf of the Controller and may also process Data as controllers for their own purposes;
- that Data will be processed by the Controller and the Processors for several purposes (the "Purposes") and that these Purposes include (i) the general holding, maintenance, management and administration of prospective and existing investment and interest in the SICAV, (ii) enabling the Controller to perform its services and the Processors to perform their services for the SICAV, and (iii) enabling the Controller and the Processors to comply with legal, regulatory and/or tax (including FATCA/CRS) obligations;
- that Data may, and where appropriate will, be transferred outside of the European Economic Area, including to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data;
- that any communication (including telephone conversations) (i) may be recorded by the Controller and the Processors and (ii) will be retained for a period of 10 years from the date of the recording;
- that Data will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods;



- that failure to provide certain Data may result in the inability to deal with, invest or maintain an investment or interest in, the SICAV;
- that Data Subjects have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted or to object thereto, the right to portability, the right to lodge a complaint with the relevant data protection supervisory authority, or the right to withdraw any consent after it was given.

All persons contacting, or otherwise dealing directly or indirectly with, any of the Controller or their service providers in relation to the SICAV, will likely be requested to formally acknowledge, agree, accept, represent, warrant and/or undertake (where applicable) that they have obtained and/or have been able to access the Privacy Notice; that the Privacy Notice may be amended at the sole discretion of the Controller; that they may be notified of any change to or update of the Privacy Notice by any means that the Controller deem appropriate, including by public announcement; that they have authority to provide, or to cause or allow the provision, to the Controller any Data relating to third-party natural persons that they provide, or cause or allow the provision, to the Controller; that, if necessary and appropriate, they are required to obtain the (explicit) consent of the relevant third-party natural persons to such processing; that these third-party natural persons have been informed of the processing by the Controller of the Data as described herein and their related rights; that these third-party natural persons have been informed of, and provided with, easy access to the Privacy Notice; that when notified of a change or update of the Privacy Notice they will continue this change or update to these third-party natural persons; that they and each of these third-party natural persons shall abide by any limitation of liability provision contained in the Privacy Notice; and that they shall indemnify and hold the Controller harmless from and against adverse consequences arising from any breach of the foregoing.



# 12.

## Redemptions

Shareholders may apply for redemption of all or any of their Shares on any Dealing Day specified for the relevant Sub-fund in the relevant Sub-fund Appendix. Unless otherwise provided for a specific Sub-fund in the relevant Sub-fund Appendix, shareholders should send a completed redemption request in the form available from the Administrator to be received by the Administrator no later than the Cut-Off Time for the Dealing Day in question.

### Procedure

Unless otherwise provided for a specific Sub-fund in the relevant Sub-fund Appendix, instructions for the redemption of Shares may be made by email, by post, by fax, by way of SWIFT or other electronic means (including redemptions submitted in Portable Document Format (PDF) as an attachment to an email sent to the email address indicated in the Application Form), in accordance with the investors' instructions on the Application Form.

Each application will be subject to appropriate security clearance procedures to protect the interests of investors.

The SICAV, the Management Company and the Administrator shall not be responsible for any risks associated with using and relying on emails, e.g. network errors, interceptions or corruptions by unauthorized persons, miscommunication, incorrect destination, failure of technical infrastructure, or any other risks related to electronic communication.

Any redemption requests received after the Cut-Off Time for a Dealing Day will be processed on the next Dealing Day.

A request for a partial redemption of Shares will be refused, or the holding redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Shares retained by the Shareholder would be less than the Minimum Holding.

A redemption request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion).

### Minimum redemption

The Minimum Redemption (if any) for each Sub-fund is set out in the relevant Sub-fund Appendix.

### Redemption price

Unless otherwise provided for a specific Sub-fund in the relevant Sub-fund Appendix, the Redemption Price per Share will be equal to the Net Asset Value per Share as of the relevant Valuation Day determined in accordance with the policy set out below in the section "Valuation". The Net Asset Value per Share applicable to any Dealing Day will be calculated, available and published after the Cut-Off Time for that Dealing Day. As a result, redemption requests shall be submitted at an unknown Net Asset Value.

### Settlement

Unless otherwise provided for a specific Sub-fund in the relevant Sub-fund Appendix, payment of redemption proceeds will be made as soon as practicable after the relevant Dealing Day and normally within 4 Business Days of the relevant Dealing Day. Payment will be made in the Reference Currency of the Shares being redeemed by direct transfer in accordance with instructions given by the redeeming Shareholder to the Administrator and at the Shareholder's risk. Payments made on receipt of faxed instructions will only be processed where payment is made to the account of record as provided on either (a) the original, duly signed, initial Account Opening Form, or (b) the original, duly signed bank mandate change request.

### Suspension

The Directors may declare a suspension of the redemption of Shares within a Sub-fund in certain circumstances as described under "Suspension of Valuation of Assets". No Shares will be redeemed during any such period of suspension.

### Compulsory redemptions

The Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Board of Directors might result in the SICAV or the Management Company incurring any liability or

taxation or suffering any other disadvantage which the SICAV or the Management Company may not otherwise have incurred or suffered (including, but not limited to, Shareholders who become Ineligible Applicants or U.S. Persons under FATCA, persons that do not provide necessary information requested by the SICAV in order to comply with legal and regulatory rules as but not limited to the FATCA provisions, and persons that are deemed to cause potential financial risk for the SICAV), in accordance with the Articles. Furthermore, the Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time in exceptional circumstances where they determine that such a compulsory redemption is in the interest of investors. If the Net Asset Value of the Shares held by the Shareholders is less than the Minimum Holding for the relevant Class of Shares, the SICAV reserves the right to require compulsory redemption of all Shares of the relevant Class held by a Shareholder or alternatively to effect a compulsory exchange of all Shares of the relevant Class held by a Shareholder for Shares of another Class which has a lower Minimum Holding. Where the Net Asset Value of the Shares held by a Shareholder is less than the Minimum Holding and the SICAV decides to exercise its right to compulsorily redeem for this reason, the SICAV will notify the Shareholder in writing and allow such Shareholder 30 calendar days to purchase additional Shares to meet the minimum requirement.

### Deferred redemptions

The Directors may (but are not obliged to) defer redemptions at a particular Dealing Day to the next Dealing Day where the requested redemptions exceed 10% of the Sub-fund's Net Asset Value. The Directors will ensure the consistent treatment of all Shareholders who have sought to redeem Shares at any Dealing Day at which redemptions are deferred. The Directors will prorate all such redemption requests to the stated level (i.e. 10% of the Sub-fund's Net Asset Value) and will defer the remainder until the next Dealing Day. The Directors will also ensure that all deals relating to an earlier Dealing Day are completed before those relating to a later Dealing Day are considered.

The Directors currently expect not to exercise such power to defer redemptions except to the extent that they consider that existing Shareholders would otherwise be materially prejudiced or that such exercise is necessary to comply with applicable law or regulation.

### **Redemptions in kind**

The SICAV shall have the right, if the Board of Directors so determines, to satisfy payment of the Redemption Price, to any Shareholder who agrees, in kind by allocating to such Shareholder investments from the portfolio of assets of the relevant Sub-fund equal in value (calculated in the manner described in the Articles) as of the Valuation Day, when the Redemption Price is calculated, to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other holders of Shares and the valuation used shall be confirmed by a special report of the auditor of the SICAV. The costs of any such transfers shall be borne by the transferee.

### **Anti-money laundering**

Investors should note that the Directors may refuse to settle a redemption request if it is not accompanied by such additional information as they, or the Administrator on their behalf, may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for anti-money laundering verification purposes as described under "Subscriptions".

# 13.

## Exchanging between share classes

Except when issues and redemptions of Shares have been suspended in the circumstances described under “Suspension of Valuation of Assets”, holders of Shares of a Sub-fund may request an exchange of some or all of their Shares in one Class of a Sub-fund (the “Original Class”) for Shares in another Class of that or another Sub-fund (the “New Class”). Such exchanges can only take place, if following the exchange, the Shareholder’s holding in the New Class will satisfy the criteria and applicable Minimum Holding requirements of that Class.

### Procedure

Instructions for the conversion of Shares may be made by email, by post, by fax, by way of SWIFT or other electronic means (including conversions submitted in Portable Document Format (PDF) as an attachment to an email sent to the email address indicated in the Application Form), in accordance with the investors’ instructions on the Application Form. Each application will be subject to appropriate security clearance procedures to protect the interests of investors.

The SICAV, the Management Company and the Administrator shall not be responsible for any risks associated with using and relying on emails, e.g. network errors, interceptions or corruptions by unauthorized persons, miscommunication, incorrect destination, failure of technical infrastructure, or any other risks related to electronic communication.

Shareholders should send a completed exchange request in the form available from the Administrator to be received by the Administrator prior to the earlier of the Cut-Off Time for redemptions in the Original Class and the Cut-Off Time for subscriptions in the New Class. Any applications received after such time will be dealt with on the next Dealing Day.

The Directors may at their absolute discretion reject any request for the exchange of Shares in whole or in part.

Fractions of Shares to two decimal places may be issued by a Sub-fund on exchange where the value of Shares exchanged from the Original Class is not sufficient to purchase an integral number of Shares in the New Class and any balances representing entitlements of less than a fraction of a Share to two decimal places will be retained by the Sub-fund in order to discharge administration costs.

An exchange request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion) or in the event of a suspension of calculation of the Net Asset Value of the Sub-fund in respect of which the exchange requests are made.

An exchange of Shares of one Class for Shares of another Class will be treated as a redemption of Shares and a simultaneous purchase of Shares. An exchanging Shareholder may, therefore, realise a taxable gain or loss in connection with the conversion under the laws of the country of the shareholder's citizenship, residence or domicile.

The number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

$$S = \frac{(R \times \text{NAV})}{\text{SP}}$$

where:

**S** is the number of Shares of the New Class to be allotted.

**R** is the number of Shares in the Original Class to be redeemed.

**NAV** is the Net Asset Value per Share of the Original Class as at the relevant Dealing Day.

**SP** is the Net Asset Value per Share of the New Class as at the relevant Dealing Day.

All terms and notices regarding the subscription and redemption of Shares shall equally apply, where relevant, to the exchange of Shares.

# 14.

## Prevention of late trading and market timing

Late trading is to be understood as the acceptance of a subscription, conversion or redemption order for shares in a fund after the time limit fixed for accepting orders on the relevant day and the execution of such order at the price based on the net asset value applicable to such same day.

The SICAV considers that the practice of late trading is not acceptable as it violates the provisions of this Prospectus which provide that an order received after the Cut-Off Time is dealt with at a Subscription or Redemption Price based on the Net Asset Value calculated on the next applicable Dealing Day. As a result, subscriptions, exchanges and redemptions of Shares shall be dealt with at an unknown Net Asset Value. The Cut-Off Time with respect to a Dealing Day for each Class of Shares is set out in Appendix 1 to this Prospectus.

Market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the undertaking for collective investment.

The SICAV considers that the practice of market timing is not acceptable as it may affect the SICAV's performance through an increase of the costs and/or entail a dilution of the profit. As a result, the SICAV reserves the right to refuse any application for subscription or exchange of Shares which might or appears to be related to market timing practices and to take any appropriate measures in order to protect investors against such practice.

# 15.

## Valuation

### **Net asset value and valuation of assets**

The Net Asset Value of each Class and each Sub-fund will be calculated by the Administrator as of each Valuation Day in accordance with the Articles. The Net Asset Value of each Class will be expressed in the relevant Reference Currency of the relevant Class in a Sub-fund.

The Net Asset Value of each Sub-fund shall be determined as of the Valuation Day by valuing the assets of the Sub-fund (including income accrued but not collected) and deducting the liabilities of the Sub-fund.

The Net Asset Value attributable to a Sub-fund shall be determined as of the Valuation Day by calculating that portion of the Net Asset Value of the Sub-fund as of the Valuation Day by reference to the number of Shares in issue in each Sub-fund as of the relevant Valuation Day subject to adjustment to take account of assets and/or liabilities attributable to the Sub-fund.

The Net Asset Value per Share of each Sub-fund shall be calculated as of the Valuation Day by dividing the Net Asset Value of the Sub-fund by the total number of Shares in issue or deemed to be in issue in that Sub-fund as of the relevant Valuation Day and rounding down the resulting total to two decimal places (after the cents) or such number of decimal places as the Directors may determine.

#### **A. The assets of the SICAV shall be deemed to include:**

- a) all cash on hand or on deposit, including any interest accrued thereon;
- b) all bills and demand notes and accounts receivable (including proceeds of securities sold but not settled);
- c) all bonds, time notes, shares, stock, units/shares in undertakings for collective investment, debenture stocks, subscription rights, warrants, options and other investments and securities owned or contracted for by the Company;
- d) all stock, stock dividends, cash dividends and cash distributions receivable by the Company (provided that the Company may make adjustments with regard to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);

- e) all interest accrued on any interest-bearing securities owned by the Company except to the extent that the same is included or reflected in the principal amount of such security;
  - f) the preliminary expenses of the Company insofar as the same have not been written off, provided that such preliminary expenses may be written off directly from the capital of the Company, and
  - g) all other assets of every kind and nature, including prepaid expenses.
- A. The value of such assets shall be determined as follows:**
- 1) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the SICAV may consider appropriate in such case to reflect the true value thereof.
  - 2) 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.
  - 3) The value of securities and/or financial derivative instruments dealt in on any other regulated market is based on the last available price.
  - 4) In the event that any of the securities held in the SICAV's portfolios on the relevant day are not listed or dealt in on any stock exchange or other regulated market or if, with respect to securities quoted or dealt in on any stock exchange or dealt in on any other regulated market or if the price as determined pursuant to sub-paragraphs 2) or 3) is not representative of the fair market value of the relevant securities, the value of such securities will be determined based on the reasonably foreseeable sales price determined prudently and in good faith.
  - 5) The financial derivative instruments which are not listed on any official stock exchange or traded on any other regulated market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the SICAV in accordance with market practice.
  - 6) Units or shares in open-ended investment funds shall be valued at their last available net asset value reduced by any applicable redemption charge.
  - 7) Liquid assets and money market instruments may be valued at mark-to-market, mark-to-model and/or using the amortised cost method, which approximates market value.  
In calculating the Net Asset Value there shall be deducted from the assets of the SICAV:
    - a) all borrowings, loans, bills and accounts payable and all accrued interest on loans or borrowings of the SICAV (including accrued fees for commitment for such loans or borrowings);
    - b) all accrued or payable expenses, including, but not limited to, administrative expenses, the remuneration of the Administrator, the Depositary, the Management Company, the Investment Manager, the investment advisor (if any) and any service providers of the SICAV, together with a sum equal to the value added tax chargeable thereon (if any);
    - c) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the SICAV;
    - d) an appropriate provision for future taxes based on capital and income to the Valuation Day, as determined from time to time by the SICAV, and other reserves, if any, authorised and approved by the Board of Directors, as well as such amount (if any) as the Board of Directors may consider to be an appropriate allowance in respect of any contingent liabilities of the SICAV;
    - e) an amount as of the relevant Valuation Day representing the projected liability of the relevant calls on Shares in respect of any warrants issued and/or options written by the SICAV; and
    - f) an amount as of the relevant Valuation Day representing the projected liability of the SICAV in respect of costs and expenses to be incurred by the SICAV in the event of a subsequent liquidation;
    - g) the formation expenses of the SICAV insofar as the same have not been written off; and



- h) the total amount (whether actual or estimated by the Directors) of any other liabilities properly payable out of the assets of the SICAV (including all establishment, operational and ongoing administrative fees, costs and expenses) as of the relevant Valuation Day, in accordance with the Articles.

In calculating the Net Asset Value of each Sub-fund the following principles will apply:

- a) The Board of Directors may at its discretion permit any other method of valuation to be used if they consider that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good practice.
- b) Shares of the SICAV to be redeemed under the Articles shall be treated as existing and taken into account until immediately after the time specified by the Board of Directors as of the Valuation Day on which such redemption is made and from such time and until paid by the SICAV the price therefore shall be deemed to be a liability of the SICAV.
- c) Shares to be issued by the SICAV shall be treated as being in issue as from the time specified by the Board of Directors as of the Valuation Day on which such issue is made and from such time and until received by the SICAV. The price therefore shall be deemed to be a debt due to the SICAV.
- d) The value of all assets and liabilities not expressed in the reference currency of a Class will be converted into the reference currency of such Class at the rate of exchange determined as of the relevant Valuation Day in good faith by or under procedures established by the Board of Directors.
- e) Where, as of any Valuation Day, a Sub-fund has contracted to:
- purchase any asset, the value of the consideration to be paid for such asset shall be shown as a liability of the SICAV and the value of the asset to be acquired shall be shown as an asset of a Sub-fund; or
  - sell any asset, the value of the consideration to be received for such asset shall be shown as an asset of the SICAV and the asset to be delivered shall not be included in the assets of a Sub-fund,
- but provided, in each case, (i) that if the exact value or nature of such consideration or such asset is not known as of such Valuation Day, then its value shall be estimated by a Sub-fund, and (ii) unless the Directors have reason to believe such purchase or sale will not be completed.
- f) The Board of Directors, in its absolute discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset and / or liability of a Sub-fund.
- g) There shall be added to the assets of a Sub-fund a sum representing any interest, dividends or other income accrued but not received and a sum representing unamortised expenses.
- h) There shall be added to the assets of the SICAV any actual or estimated amount of any taxation of a capital nature which may be recoverable by a Sub-fund and the total amount (whether actual or estimated by the Directors or their delegate) of any claims for repayment of any taxation levied on income or capital gains including claims in respect of double taxation relief.

In the absence of fraud, bad faith, gross negligence or manifest error, every decision taken by the Directors or any committee of the Directors or any duly authorised person on behalf of the SICAV in calculating the Net Asset Value of a Sub-fund or the Net Asset Value per Share shall be final and binding on the Sub-fund and on present, past or future Shareholders, subject to the Articles.

The Directors have delegated to the Administrator the day to day responsibility for the calculation of the Net Asset Value and Net Asset Value per Share.

**Swing pricing**

A Sub-fund may suffer a reduction in value of its investment as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or conversions in and out of a 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 a "swing pricing" as part of the valuation policy.

This will mean that in certain circumstances, the Board 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 transactions in Shares of a Sub-fund result in a net increase or decrease of Shares which exceeds a threshold set by the Board from time to time (relating to the cost of market dealing for the Sub-fund), the Net Asset Value 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 a Sub-fund and the estimated bid/offer spread of the assets in which a Sub-fund invests. This maximum amount will not vary even in case of change of 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.

The Management Company has implemented a swing pricing mechanism policy, which has been approved by the Board as well as specific operational procedures governing the day-to-day application of the swing pricing mechanism. The applicable swing factor will be determined on the basis of the below mentioned factors and is then approved by the Board.

Swing pricing is applied on the capital activity of a Sub-fund and does not address the specific circumstances of each individual investor transaction. The decision to swing is based on the overall net-flows into a Sub-fund, not per Share Class. The swing pricing adjustments aims to protect the overall performance of a Sub-fund, to the benefit of existing investors.

### **Publication of net asset value per share**

The Net Asset Value per Share of each Sub-fund may be obtained free of charge from, and will be available at, the offices of the Administrator during business hours in Luxembourg as well as on the website of the SICAV at [www.fundsmith.eu](http://www.fundsmith.eu).

The Net Asset Value per Share applicable to any Dealing Day will be calculated, available and published after the Cut-Off Time for that Dealing Day.

### **Suspension of determination of net asset value**

The Directors may at any time and from time to time suspend the determination of the Net Asset Value per Share of any Sub-fund and the issue, conversion and redemption of Shares during:

- a) any period when any of the principal stock exchanges or markets on which any substantial portion of the investments of the Company attributable to such Sub-fund from time to time are quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;
- b) the existence of any state of affairs which constitutes an emergency as a result of which disposals or valuation of assets owned by the Company attributable to such Sub-fund would be impracticable; or
- c) any breakdown or restriction in the means of communication normally employed in determining the price or value of any of the investments attributable to any particular Sub-fund or the current price or values on any stock exchange; or
- d) any period when the SICAV is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange; or
- e) if the Board of Directors has determined that there has been a material change in the valuations of a substantial proportion of the investments of the SICAV attributable to a particular Sub-fund in the preparation or use of a valuation or the carrying out of a later or subsequent valuation; or
- f) during any other circumstance or circumstances where a failure to do so might result in the SICAV or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or any other detriment which the Company or its Shareholders might so otherwise have suffered; or

- g) during any period when the determination of the net asset value per Share of and/or the redemptions in the underlying investment funds representing a material part of the assets of the relevant Sub-fund is suspended; or
- h) any period when, in the opinion of the Board of Directors, there exists unusual circumstances where it would be impracticable or unfair towards the Shareholders to continue dealing in the Shares of any Class of a Sub-fund; or
- i) in the event of winding up or liquidation of the SICAV or of a Sub-fund, in which event the Board of Directors may decide to suspend the determination of the Net Asset Value as from the date of its decision to propose to the Shareholders the winding up or liquidation of the SICAV or the date of its decision to wind up or liquidate the relevant Sub-fund; or
- j) while the Net Asset Value of any subsidiary of the SICAV may not be determined accurately; or
- k) when the master UCITS of a feeder UCITS Class temporarily suspends the repurchase, redemption or subscription of its units, whether on its own initiative or at the request of its competent authorities; or
- l) any period where circumstances exist that would justify the suspension for the protection of Shareholders in accordance with the UCI Law.

Any suspension of valuation of the Net Asset Value of a Sub-fund and the issue, exchange and redemption of Shares in any Class of a Sub-fund shall be publicised by the SICAV and shall be notified to Shareholders having made an application for subscription, redemption or conversion of Shares for which the calculation of the Net Asset Value has been suspended.

# 16.

## Fees and expenses

Any fees or expenses payable by a Shareholder or out of the assets of the SICAV, respectively of each Sub-fund are set out in this section.

Any costs incurred by the SICAV, which are not attributable to a specific Sub-fund, will be charged to all Sub-funds in proportion to their net assets. Each Sub-fund will be charged with all costs or expenses directly attributable to it. Further incorporated Sub-funds will only bear the initial costs relating to their own launching.

Charges relating to the creation of any new Sub-fund shall be amortised in that Sub-fund's accounts over a period not exceeding five years following the relevant new Sub-fund's launch date.

### **Charges**

Unless otherwise provided for a specific Sub-fund in the relevant Sub-fund Appendix, the following charges may be charged to a Sub-fund:

#### **Preliminary charge**

A Sub-fund does not levy any preliminary charge on the subscription of Shares by an investor.

#### **Redemption charge**

A Sub-fund does not levy any redemption charge on the redemption of Shares by an investor.

#### **Exchange charge**

A Sub-fund does not levy any exchange charge on the exchange of Shares by an investor.

### **Fees**

#### **Management fee**

The Management Company, the Investment Manager and the Distributor will be remunerated for their services out of an aggregate management fee, as specified in the relevant Sub-fund Appendix.

Unless otherwise provided in the Sub-fund Appendix, the Management Company and the Investment Manager will not receive any performance fee.

The Investment Manager is entitled to appoint investment advisor(s). Such appointment will be at the cost of the Investment Manager. However, the SICAV, the Investment Manager and the investment advisor (if any) may contractually agree that the payment of the fees be effected by the SICAV (acting on behalf of the Investment Manager) out of the assets of the SICAV and/or the relevant Sub-fund. In such a case, the management fee will be reduced in proportion to the payment made to the relevant investment advisor so that the total fees paid by the SICAV and/or the Sub-fund, as the case may be, to the Investment Manager and to the investment advisor will never exceed the amount of the management fee, as disclosed in the relevant Sub-fund Appendix.

**Depository's fees**

The SICAV shall pay to the Depository out of the assets of the SICAV an annual fee, accrued as of each Valuation Day and payable monthly in arrears, at a maximum annual rate of 0.1% of the Net Asset Value for the depository duties (including cash flow monitoring and reconciliation, asset safekeeping and verification and oversight responsibilities). The Depository shall also be entitled to remuneration for its custody services and other ancillary services as per the Depository Agreement.

**Paying agents' fees**

Fees and expenses of any paying agent(s) appointed by the SICAV which will be at normal commercial rates will be borne by the Sub-funds.

**Administrator's fees**

The SICAV shall pay to the Administrator out of the assets of the SICAV an annual fee, accrued as of each Valuation Day and payable monthly in arrears, at a maximum annual rate of 0.03% of the Net Asset Value for the fund accounting duties. The Administrator shall also be entitled to a remuneration per transaction for the transfer agency function as well as to a remuneration for the ancillary services as per the Administration Agreement.

**Directors' fees**

With the exception of Mr. Mainwaring, the SICAV shall pay the Directors out of the assets of the SICAV an annual fee which will be published in the corresponding annual/semi-annual report. Mr. Mainwaring shall not receive a fee for acting as Director.

**Operating expenses and fees**

Each Sub-fund bears its own operating and other expenses. Where applicable, these expenses include (but are not limited to) (a) all investment expenses (including, but not limited to, specific expenses incurred in obtaining systems, research and other information utilised for portfolio management purposes, including the costs of statistics and services, service contracts for quotation equipment and related hardware and software), (b) all fees and expenses of transactional and trade-related services including, for the avoidance of doubt and without limitation, costs incurred in arranging and participating in stocklending programme, (c) all administrative expenses and custody fees, (d) all of the charges and expenses of legal and professional advisers, accountants and auditors (including in connection with the preparation of the SICAV's tax returns), (e) all brokers' commissions, all fees for investment research and/or trade ideas, all borrowing charges on short positions taken through derivative instruments and any issue or transfer taxes or stamp duties chargeable in connection with securities transactions, (f) all taxes and corporate fees payable to governments or agencies, (g) all interest on borrowings, (h) all communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (i) the fees and expenses of the Directors (in accordance with the Articles), including the reasonable travel expenses of the Directors and all of the costs of insurance for the benefit of the Directors (if any), (j) all litigation, regulatory investigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (k) the fees of the CSSF, (l) the cost of termination of the SICAV and/or the Sub-funds, as the case may be, (m) the fees and expenses of any regulator, paying agent, representative, distributor or correspondent bank appointed in connection with the registration of the SICAV and the Sub-funds or the marketing of Shares or the application for and maintenance of particular tax treatment for the Shares in any jurisdiction, (n) the costs of any liability insurance obtained on behalf of the SICAV and the Sub-funds, and (o) all other organisational and operating expenses.

Any such operating and other expenses may be deferred and amortised by the Sub-funds, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the Sub-funds will be provided for in the calculation of the Net Asset Value of a Sub-fund. Operating expenses and the fees and expenses of service providers which are payable by the SICAV and/or the Sub-funds shall be borne by all Shares of a Sub-fund in proportion to the Net Asset Value of the relevant Sub-fund or attributable to the relevant Sub-fund provided that fees and expenses directly or indirectly attributable to a particular Sub-fund shall be borne solely by the relevant Sub-fund.

# 17.

## Taxation

### General

The information below on Luxembourg taxation are brief summaries of the tax advice received by the Directors relating to current law and practice which may be subject to change and interpretation.

This section does not purport to be a comprehensive description of all Luxembourg tax laws and considerations that may be relevant to a decision to invest in, own, hold, or dispose of Shares.

The information given below does not constitute legal or tax advice and prospective investors should consult their own professional advisers on the possible tax consequences of buying, selling, exchanging, holding or redeeming Shares under the laws of the jurisdictions in which they may be subject to tax. Investors are also advised to inform themselves as to any exchange control regulations applicable in their country of residence.

Generally the tax consequences of acquiring, holding, exchanging, redeeming or disposing of Shares in the SICAV will depend on the relevant laws of the jurisdiction to which the Shareholder is subject. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed gains of the SICAV. These consequences will vary with the law and practice of the Shareholder's country of residence, domicile or incorporation and with his personal circumstances. The Directors, the SICAV and each of the SICAV's agents shall have no liability in respect of the individual tax affairs of Shareholders.

Dividends, interest and capital gains (if any) which the SICAV receives with respect to investments may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the SICAV may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Luxembourg and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the SICAV the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of the repayment.

### **Luxembourg withholding tax**

Interest and dividend income received by the SICAV may be subject to non-recoverable withholding tax in the source countries. The SICAV may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of the Investments. However, the SICAV may benefit from double tax treaties entered into by Luxembourg which may provide for exemption from withholding tax or reduction of withholding tax rate.

Under current Luxembourg tax law and subject to the considerations below, there is no withholding tax on any distribution, redemption or payment made by the SICAV to its Shareholders under the Shares. There is also no withholding tax on the distribution of liquidation proceeds to the Shareholders.

### **Taxation of the SICAV in Luxembourg**

The following summary is based on the law and practice currently applicable in Luxembourg and is subject to changes therein.

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 0.05% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate Net Asset Value of the SICAV at the end of the relevant calendar quarter. No such tax is payable on the value of assets which consist of units or shares of other Luxembourg funds that have already been subject to such tax.

No stamp duty or other tax is payable at a proportional rate in Luxembourg on the issue of Shares against cash except a fixed registration duty of EUR 75.00 if the Articles of the SICAV are amended. No Luxembourg tax is payable on the realised capital appreciation of the assets of the SICAV.

A reduced subscription tax rate of 0.01% per annum or an exemption of the subscription tax may be applicable to certain Classes of Shares, notably those reserved to institutional investors pursuant to articles 174(2)(c) and 175 of the UCI Law. The effective rate of the subscription tax applicable to the various Classes of Shares is disclosed in Appendix 1 to this Prospectus.

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

In addition, the SICAV may be liable to certain taxes in countries where the SICAV carries out its investment activities. Those taxes are not recoverable by the SICAV in Luxembourg.

### **Taxation of shareholders**

Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, converting, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile and/or incorporation.

It is expected that Shareholders in the SICAV will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the taxation consequences for each investor of subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares in the SICAV. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile and/or incorporation and with his personal circumstances.

Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, converting, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile and/or incorporation.

### **Value added tax**

The SICAV is considered in Luxembourg as a taxable person for value added tax ("VAT") purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the SICAV could potentially trigger VAT and require the VAT registration of the SICAV in Luxembourg as to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.



No VAT liability arises in principle in Luxembourg in respect of any payments by the SICAV to its shareholders, to the extent such payments are linked to their subscription to the SICAV's Shares and do therefore not constitute the consideration received for any taxable services supplied.

## **FATCA**

FATCA requires financial institutions outside the US ("Foreign Financial Institutions" or "FFIs") to pass information about "Financial Accounts" held, directly or indirectly, by "Specified US Persons" to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement.

On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The SICAV would hence have to comply with this Luxembourg IGA as implemented into Luxembourg law by the law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the U.S. Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the SICAV may be required to collect information aiming to identify its financial account holders (including certain entities and their controlling persons) that are Specified U.S. Persons for FATCA purposes ("FATCA Reportable Accounts"). Any such information on FATCA Reportable Accounts provided to the SICAV will be shared with the Luxembourg tax authorities (Administration des Contributions Directes) which will exchange that information on an automatic basis with the IRS.

The SICAV intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its Share of any such payments attributable to actual and deemed U.S. investments of the SICAV. The SICAV will continually assess the extent of the requirements that FATCA, and notably the FATCA Law, place upon it.

To ensure the SICAV's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the SICAV may:

- a) request information or documentation, including W-9 or W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain that Shareholder's FATCA status;
- b) report information concerning a Shareholder and his/her/its account holding in the SICAV to the Luxembourg tax authorities (Administration des Contributions Directes) if such account is deemed a FATCA Reportable Account under the FATCA Law and the Luxembourg IGA;
- c) report information to the Luxembourg tax authorities (Administration des Contributions Directes) concerning payments to Shareholders with FATCA status of a non-participating foreign financial institution;
- d) deduct applicable U.S. withholding taxes from certain payments made to a Shareholder by or on behalf of the SICAV in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e) divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

By investing in the SICAV, the Shareholders acknowledge that (i) the SICAV is responsible for the treatment of the personal data provided for in the Luxembourg FATCA Law; (ii) the personal data will inter alia be used for the purposes of the Luxembourg FATCA Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (Administration des Contributions Directes) and to the IRS; (iv) responding to FATCA-related questions is mandatory; and (v) the Shareholders have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (Administration des Contributions Directes).

The SICAV reserves the right to refuse any subscription for Shares if the information provided or not provided does not satisfy the requirements under FATCA, the FATCA Law and the Luxembourg IGA.

Prospective investors should consult their professional advisor on the individual impact of FATCA.

All prospective investors and shareholders should consult with their own tax advisors regarding the possible implications of FATCA on their investment in the SICAV.

### **Automatic exchange of information**

The Organisation for Economic Co-operation and Development (“OECD”) has developed a common reporting standard (“CRS”) to achieve a comprehensive and multilateral automatic exchange of information on a global basis.

On 29 October 2014, Luxembourg signed the OECD’s multilateral competent authority agreement (“Multilateral Agreement”) to automatically exchange information under the CRS. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (“DAC2”) was adopted to implement the CRS among the EU Member States. The CRS and the DAC2 were implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation (“CRS Law”).

The CRS Law requires Luxembourg financial institutions to identify their financial account holders (including certain entities and their controlling persons) and establish if they are fiscally resident in (i) an EU Member State other than Luxembourg or (ii) a jurisdiction which has signed the Multilateral Agreement and which is identified in the list of reportable jurisdictions published by Grand Ducal Decree (“CRS Reportable Accounts”). The first official list of CRS reportable jurisdictions was published on 24 March 2017 and is updated from time to time. Luxembourg financial institutions will then report the information on such CRS Reportable Accounts to the Luxembourg tax authorities (Administration des Contributions Directes), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the SICAV may require its Shareholders to provide information or documentation in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status; and report information regarding a Shareholder and his/her/its account holding in the SICAV to the Luxembourg tax authorities (Administration des Contributions Directes) if such an account is deemed a CRS Reportable Account under the CRS Law.

By investing in the SICAV, the Shareholders acknowledge that (i) the SICAV is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will inter alia be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (Administration des Contributions Directes) and to the tax authorities of CRS reportable jurisdictions; (iv) responding to CRS-related questions is mandatory; and (v) the Shareholders have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (Administration des Contributions Directes).

The SICAV reserves the right to refuse any subscription for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

Prospective investors should consult their professional advisor on the individual impact of the CRS.

# 18.

## Risk management process

In accordance with applicable laws and regulations, the Management Company uses for each Sub-fund a risk management process which enables it to monitor and measure at all times the risks associated with the Sub-fund's investments and their contribution to its overall risk profile.

As part of this risk-management process, the Management Company may use Value at Risk ("VaR") approach or Commitment Approach to monitor and measure the global exposure depending on the type of investment of a Sub-fund. The risk management methodology employed by the Management Company in respect of each Sub-fund shall be disclosed in the relevant Sub-fund Appendix.

Unless otherwise provided in the Sub-fund Appendix, the SICAV will not use leverage except for short term liquidity management, if required.

# 19.

## SFDR

### **Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”)**

The Investment Manager identifies and analyses sustainability risk (i.e. an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment) as part of its investment management process.

Sustainability risk means an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a sub-fund’s investment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that this data will be correctly assessed.

Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the Net Asset Value of the concerned Sub-fund.

The use of environmental, social and governance (“ESG”) criteria may affect a Sub-fund’s investment performance and, as such, investing in ESG may perform differently compared to similar funds that do not use such criteria. A sub-fund’s sustainability policy means that it may be unable to invest in certain sectors and companies due to the ESG screening that the Investment Manager undertakes. This may mean that a sub-fund may be more sensitive to certain market movements than other funds.

The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives and policies of the Sub-funds.

The Investment Manager is currently not in a position to consider principal adverse impacts of investment decisions on sustainability factors due to a lack of available and reliable data.

Further information about the ESG characteristics applied by the Investment Manager is included in Fundsmith's responsible investment policy available online at the website [www.fundsmith.eu](http://www.fundsmith.eu) and in the "Fundsmith's Approach to Responsible Investment" guide available on the same website.

# 20.

## Risk factors

The risks described herein should not be considered to be an exhaustive list of the risk which potential investors should consider before investing in a Sub-fund. Prospective investors should review this Prospectus carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares. Prospective investors should consider, among others, the following factors before subscribing for Shares.

### **Risks of investing in a Sub-fund of the SICAV**

#### **Risks inherent in the holding of shares**

There is no assurance that any appreciation in the value of investments in Shares will occur. The Net Asset Value per Share is expected to fluctuate over time with the performance of the Sub-fund's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption, if the Net Asset Value per Share at the time of such redemption is less than the Subscription Price paid by such Shareholder or if there remain any unamortised costs and expenses of establishing the Sub-fund. An investment in Shares should only be made by those persons who are able to sustain a loss on their investment.

The Shares should be viewed as long term investments (at least 5 years).

#### **Amortisation of organisational costs**

The SICAV's financial statements will be prepared in accordance with Luxembourg generally accepted accounting principles. Luxembourg GAAP restrict the amortisation of organisational costs. Notwithstanding this, the Directors are proposing to amortise the costs and expenses of establishing the SICAV and the financial statements may be qualified in this regard.

#### **Charges to capital**

Where all or part of fees and/or charges in respect of any Sub-fund may be charged against capital rather than income, this will enhance income returns but may constrain future capital growth.

**Business risk**

The investments of a Sub-fund are subject to market fluctuations and other risks inherent with investment in stocks and shares. As such, the price of Shares in a Sub-fund and the income from them can go down as well as up and a Shareholder may not get back the amount invested.

There can be no assurance that a Sub-fund will achieve its investment objective. The investment results of a Sub-fund are reliant upon the success of the Investment Manager.

**Valuation of investments**

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 a Sub-fund's investments and the Management Company's/Investment Manager's other duties and responsibilities in relation to a Sub-fund, the Management Company/Investment Manager will endeavour to resolve any such conflict of interest timely and fairly and in the interest of investors.

In addition, where there is any conflict between IFRS and the valuation principles set out in the Articles and this document in relation to the calculation of Net Asset Value, the latter principles shall take precedence.

**Depositary liability**

In the event of loss suffered by a Sub-fund as a result of the Depositary's actions or omissions, the SICAV would generally, in order to bring a successful claim against the Depositary, have to demonstrate that it has suffered a loss as a result of Depositary's failure in performing its obligations under the Depositary Agreement. The SICAV may also have to demonstrate that it has suffered a loss as a result of the Depositary's negligence, fraud or wilful default.

**Taxation risks**

The attention of potential investors is drawn to the taxation risks associated with investing in the SICAV. Especially, the tax consequences of acquiring, holding, exchanging, redeeming or disposing of Shares will depend on the relevant laws of the jurisdiction to which a prospective investor or Shareholder is subject. Please see the heading "Taxation" above for additional information on Luxembourg taxation.

**U.S. tax-exempt investors**

Certain prospective investors may be subject to U.S. federal and state laws, rules and regulations which may regulate their participation in the SICAV, or their engaging directly or indirectly through an investment in the SICAV, in investment strategies of the types which the SICAV may utilise from time to time. While the SICAV believes that its investment programs are otherwise generally appropriate from a tax perspective for the U.S. Tax Exempt Investors for which an investment in the SICAV would be suitable, each type of such investor may be subject to different laws, rules and regulations and should consult with their own advisers as to the advisability and tax consequences of an investment in the SICAV. Investment in the SICAV by tax-exempt entities subject to ERISA and other tax-exempt investors requires special consideration. Trustees or administrators of such investors are urged carefully to review the matters discussed in this Prospectus and the relevant Account Opening Form and Deal Instruction Form.

**Suspension of dealings in shares**

Investors are reminded that their right to redeem Shares (including a redemption by way of exchanging Shares between Classes and Sub-funds) may be suspended in any of the exceptional circumstances as described under "Valuation – Suspension of Determination of the Net Asset Value" above. Payment of redemption proceeds may be delayed if the Directors declare a temporary suspension of the determination of the Net Asset Value of a Sub-fund.

**Long-term investment strategy**

The SICAV's investment philosophy is to seek to invest in companies which will provide higher than average risk adjusted returns over the long-term. The SICAV does not seek to engage in short-term trading strategies to generate returns. Accordingly any investment in the SICAV should be viewed as a long term investment.

**Concentration**

The Sub-fund's investment approach is to invest in a relatively small number of securities (subject to the spread and concentration limits set out above). This may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss to the Sub-fund than if a larger number of investments were made.

**Political and/or environmental risks**

The investee companies may operate in countries where the ownership rights may be uncertain and development of the resources of investee companies may be subject to disruption due to factors including civil disturbances, industrial action, interruption of power supplies, as well as adverse climatic conditions.

**Settlement risks**

Any investment in stocks and shares involves a level of settlement risk. This arises where a settlement in a transfer system does not take place as expected because a counterparty does not pay or deliver on time or as expected. Usually such transactions will settle later when the appropriate payment or delivery has been made but occasionally the transaction will fail, delays or failures in settlement can cause loss to the SICAV.

**Liquidity risk**

There is a risk that an investment cannot be liquidated in a timely manner at a reasonable price.

**Deferred redemptions**

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10% of the total number of Shares then in issue, redemption requests may be reduced rateably and pro rata and the redemption of Shares may be carried forward to the next following Dealing Day. In the event of a large number of redemptions, this power to defer redemptions could be exercised on a number of successive Dealing Days and materially restrict a Shareholder's ability to redeem his Shares (as described in more detail in the section "Redemptions").

**Legal risk**

The SICAV may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the SICAV and its operations.

**Other activities of the management company**

The Management Company and its members, officers, employees and affiliates, including those involved in the management of the SICAV, may be engaged in businesses in addition to the management of the SICAV. The Management Company may have proprietary interests in, and manage and advise, other accounts or funds which may have investment objectives similar or dissimilar to those of the SICAV. The attention of prospective investors is further drawn to the section on "Conflicts of Interest" below.

**Counterparty risk**

The SICAV will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to its own insolvency or that of others, bankruptcy, market illiquidity or disruption or other causes and whether resulting from systemic or other reasons.



**Currency risk**

The Reference Currency of the SICAV is the Euro, whereas the underlying investments of the Sub-funds are denominated in a variety of currencies including U.S. Dollars, Euros and Sterling. The Management Company/Investment Manager will not seek to hedge out currency exposure at Sub-fund level. Consequently, the performance of the Sub-fund may be strongly influenced by movements in foreign exchange rates because the Reference Currency may not correspond to the currency of the securities positions it held.

**Performance risk**

Investors are reminded that risk levels will depend on individual investment selections made by the Investment Manager.

**Cancellation risk**

If the value of the investment falls before notice of cancellation is given, a full refund of the original investment may not be provided but rather the original amount less the fall in value.

**FATCA and CRS**

Although the SICAV will attempt to satisfy any obligations imposed on it under the IGA and the Luxembourg FATCA Law to avoid the imposition of the 30% withholding tax, no assurance can be given that the SICAV will be able to satisfy these obligations. If the SICAV becomes subject to a withholding tax as a result of FATCA, the value of Shares held by all Shareholders may be materially affected.

The SICAV and/or its Shareholders may also be indirectly affected by the fact that a non-U.S. financial entity does not comply with FATCA regulations even if the SICAV satisfies with its own FATCA obligations.

The SICAV will endeavour to satisfy any obligations imposed on it for FATCA and CRS purposes in order to avoid the application of any Luxembourg penalties for non-compliance under the Luxembourg FATCA Law and the Luxembourg CRS Law. Should the SICAV become subject to such penalties, the value of Shares held by all Shareholders may be materially affected.

# 21.

## Conflicts of interest

The Directors, the Management Company, the Investment Manager, the Depositary and the Administrator and/or their respective affiliates or any person connected with them (together the “Relevant Parties”) may from time to time act as directors, investment manager, manager, distributor, trustee, custodian, depositary, registrar, broker, administrator, investment adviser or dealer in relation to, or be otherwise involved in, other investment funds which have similar or different objectives to those of the SICAV or which may invest in the SICAV. It is, therefore, possible that any of them may, in the course of business, have actual or potential conflicts of interest with the SICAV. The Board of Directors and each of the Relevant Parties will, at all times, have regard in such event to its obligations to the SICAV and will endeavour to ensure that such conflicts are resolved timely and fairly. In addition, subject to applicable law, any Relevant Party may deal, as principal or agent, with the SICAV, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm’s length basis. Any Relevant Party may deal with the SICAV as principal or as agent, provided that it complies with applicable law and regulation and the provisions of the Management Company Agreement, the Investment Management Agreement, the Administration Agreement and/or the Depositary Agreement, where and to the extent applicable.

In calculating the SICAV’s Net Asset Value, the Administrator may consult with the Management Company and the Investment Manager with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Management Company and the Investment Manager in determining the Net Asset Value of the SICAV and the entitlement of the Management Company and the Investment Manager to a management fee which is calculated on the basis of the Net Asset Value of the SICAV.

The Management Company and the Investment Manager or any of their affiliates or any person connected with them may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the SICAV. Each of the Management Company and the Investment Manager has established and implemented a conflicts of interest policy that contains appropriate measures to mitigate such conflicts of interests.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the SICAV. The Directors will seek to ensure that any conflict of interest of which they are aware is resolved timely and fairly.

# 22.

## Rebates and retrocessions

Subject to applicable laws and regulations, the Management Company/Distributor, at its discretion, may on a negotiated basis, enter into private arrangements with a sub-distributor under which the Management Company/Distributor makes payments to or for the benefit of such sub-distributor in connection with the distribution of Shares of a Sub-fund, which represent a rebate of all or part of the fees paid by that Sub-fund to the Management Company/Distributor. In addition, the Management Company/Distributor or a sub-distributor at their discretion, subject to applicable law and regulations, may on a negotiated basis enter into private arrangements with a holder or prospective holder of Shares under which the Management Company/Distributor or sub-distributor are entitled to make payments to the holders of Shares of part or all of fees paid to the Management Company/Distributor.

Consequently, the effective net fees payable by a holder of Shares who is entitled to receive a rebate under the arrangements described above may be lower than the fees payable by a holder of Shares who does not participate in such arrangements. Such arrangements reflect terms privately agreed between parties other than the SICAV, and for the avoidance of doubt, the SICAV cannot, and is under no duty to, enforce equality of treatment between Shareholders by other entities.

# 23.

## General information on the SICAV

### Shareholder meetings and reports to shareholders

Notice of any general meeting of Shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the SICAV and/or a Sub-fund) shall be mailed to each Shareholder at least 8 days prior to the meeting and/or shall be published to the extent and in the manner required by Luxembourg law as shall be determined by the Board of Directors.

If the Articles are amended, such amendments shall be filed with the Luxembourg Trade and Companies' Register and published in the RESA.

Detailed audited reports of the SICAV on its activities and on the management of its assets are published annually; such reports shall include, inter alia, a statement of assets and liabilities, a detailed income and expenditure account for the financial year, the number of Shares in issue and the Net Asset Value per Share, a report on the activities of the financial year, a description of the assets of the SICAV and a report from the Independent Auditor. The semi-annual unaudited reports of the SICAV on its activities are also published including, inter alia, a description of the assets of the SICAV and the number of Shares issued and redeemed since the last publication.

The SICAV's financial statements will be prepared in accordance with Luxembourg GAAP. The accounts of the SICAV are maintained in Euro being the Reference Currency of the SICAV. The financial statements relating to the different Classes shall be expressed in the relevant Reference Currency of the relevant Class.

The aforementioned documents will be available to the Shareholders within four months for the annual reports and two months for the semi-annual reports of the date thereof at the registered office of the SICAV. Upon request, these reports will be sent free of charge to any Shareholder and copies may be obtained free of charge by any person at the registered office of the SICAV. These reports are also made available to Shareholders on the website of the SICAV at [www.fundsmith.eu](http://www.fundsmith.eu).

The accounting year of the SICAV commences on 1 January of each year and terminates on 31 December of each year. The SICAV will publish an annual report as per 31 December and a semi-annual report drawn up as per 30 June.

The annual general meeting takes place at the registered office of the SICAV, or at such other place in the Grand Duchy of Luxembourg as specified in the notice of meeting each year at any date and time decided by the Board of Directors but no later than within six months from the end of the SICAV's previous financial year.

The Shareholders of any Class may hold, at any time, general meetings to decide on any matters that relate exclusively to such Class.

### **Dissolution and liquidation of the SICAV**

The SICAV may be dissolved at any time by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

Whenever the share capital falls below two-thirds of the minimum capital indicated in the Articles, the question of the dissolution of the SICAV shall be referred to a general meeting of Shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the Shares present or represented at the meeting and voting.

The question of the dissolution of the SICAV shall also be referred to a general meeting of Shareholders whenever the share capital falls below one quarter of the minimum capital set by the Articles; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by Shareholders holding one quarter of the Shares present or represented at the meeting and voting.

The meeting must be convened so that it is held within a period of 40 days from the date that the net assets have fallen below two-thirds or one quarter of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, duly approved by the CSSF and appointed by the general meeting of Shareholders that shall determine their powers and their compensation.

The net proceeds of liquidation of the SICAV shall be distributed by the liquidators to the holders of Shares of each Class in proportion to their holding of such Class.

Should the SICAV be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with applicable provisions of Luxembourg law. Luxembourg law specifies the steps to be taken to enable Shareholders to participate in the distribution of the liquidation proceeds and provides for a deposit in escrow at the "Caisse de Consignations". Amounts not claimed from escrow within the statute of limitation period shall be forfeited in accordance with the provisions of Luxembourg law.

### **Closure of a Sub-fund or classes**

#### **Closure decided by the board of directors**

In the event that for any reason the value of the net assets in any Class fall below EUR 10,000,000.- or such other amount as may be determined by the Board of Directors from time to time to be the minimum level of assets for such Class to be operated in an economically efficient manner or if a change in the economic or political situation relating to the Class concerned would justify such liquidation or if justified for financial or commercial reasons or if the Board of Directors considers it in the general best interests of the Shareholders to liquidate the relevant Class of Shares.

A written notice shall be sent to the shareholders of the relevant Sub-fund or relevant Class prior to the effective date for the compulsory redemption. This notice will indicate the reasons and the procedure for the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-fund or the Class concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the effective date of the compulsory redemption.

#### **Closure decided by the shareholders**

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the general meeting of Shareholders of any Sub-fund or any Class may, upon a proposal from the Board of Directors, redeem all the Shares of the relevant Sub-fund or Class and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the

Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

**Consequences of the closure**

Assets which may not be distributed to Shareholders upon the implementation of the redemption will be deposited with the Caisse de Consignation on behalf of the persons entitled thereto. All redeemed Shares shall be cancelled.

**Mergers**

Any merger of a Sub-fund with another Sub-fund of the SICAV or with another UCITS (whether subject to Luxembourg law or not) shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for the merger to the general meeting of Shareholders of the SICAV concerned. In the latter case, no quorum is required for this general meeting and the decision for the merger is taken by a simple majority of the votes cast. Such a merger will be undertaken in accordance with the provisions of the UCI Law.

In case of a merger of a Sub-fund where, as a result, the SICAV ceases to exist, the merger shall be decided by a meeting of Shareholders. No quorum is required for such meetings and decisions are taken by a simple majority of the votes cast.

**Right to redeem shares before the effective date of a merger**

If the SICAV is involved in a merger within the meaning of the UCI Law as a merging or receiving UCITS, as described above, Shareholders will in any case be entitled to request, without any charge other than those retained by the SICAV and/or the relevant Sub-fund to meet disinvestment costs, the redemption of their Shares, or, where possible, to convert them into units or shares of another UCITS pursuing a similar investment policy and managed by the Management Company or by any other company with which the Management Company is linked by common management or control, or by substantial direct or indirect holding, in accordance with the relevant provisions of the UCI Law.

Shareholders will receive information on any contemplated merger, in accordance with the terms of the UCI Law, at least

one month prior to the last date for requesting redemption or conversion of their Shares as provided above.

**Directors' interests**

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the SICAV and the Shares are set out below.

- a) Mr Paul Richard Mainwaring is a member of the Board of Director and Chief Financial Officer of the Distributor.
- b) The Directors or companies of which they are shareholders, members, officers or employees may subscribe for, exchange or redeem, Shares on the same terms as other Shareholders.

**Indemnity**

The Articles provide that the SICAV may indemnify any Director or officer, and his/her/its heirs, executors and administrators, against expenses reasonably incurred by him/her/it in connection with any action, suit or proceeding to which he/she/it may be made a party by reason of his/her/its being or having been a Director or officer of the SICAV or at his/her/its request, of any other company of which the SICAV is a Shareholder or creditor and from which he/she/it is not entitled to be indemnified, except in relation to matters as to which he/she/it shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or misconduct; in the event of a settlement, indemnification shall be provided only, in connection with such matters covered by the settlement as to which the SICAV is advised by its counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not exclude other rights to which he/she/it may be entitled.

**General explanation of FATCA and power to request information**

FATCA provisions generally impose a reporting to the U.S. Internal Revenue Service of U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

The basic terms of FATCA currently appear to include the SICAV as a “Financial Institution”, such that in order to comply, the SICAV may require all Shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned legislation.

Despite anything else herein contained and as far as permitted by Luxembourg law, the SICAV shall have the right to:

- Withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholding in the SICAV;
- Require any Shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the SICAV in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- Divulge any such personal information to any tax or regulatory authority, as may be required by law or such authority;
- Withhold the payment of any dividend or redemption proceeds to a Shareholder until the SICAV holds sufficient information to enable it to determine the correct amount to be withheld.

#### **Documents available**

Copies of the following documents may be obtained free of charge during usual business hours on any full bank business day in Luxembourg at the registered office of the SICAV:

- a) the Articles and any amendments thereto;
- b) the Prospectus, the KIIDs and the Account Opening Form and Deal Instruction Form for Shares of a Sub-fund;
- c) the Management Company Agreement between the SICAV and the Management Company;
- d) the Investment Management Agreement between the SICAV, the Management Company and the Investment Manager;
- e) the Depositary Agreement between the SICAV and the Depositary;

- f) the Administration Agreement between the SICAV, the Management Company and the Administrator;
- g) the cooperation agreement entered into between the Management Company and the Depositary, as required by the UCI Law; and
- h) the latest annual and semi-annual reports and accounts of the SICAV referred to under the heading “Shareholder Meetings and Reports to Shareholders”.

#### **Complaints handling**

Information on the procedures in place for the handling of complaints by prospective investors and/or Shareholders are available upon request from the Administrator or the Management Company.

#### **Enquiries**

Any investor enquiries or complaints should be submitted to the Administrator’s office at 10, rue du Château d’Eau, L-3364 Leudelange, Grand Duchy of Luxembourg and the Administrator will respond to any enquiry. Under the circumstances where performance related complaints are received, the Administrator will forward the complaint to the Management Company for a response.

As an alternative, for investors who are resident in the Asia Pacific region, the same service is also offered during Asian working hours. Investors resident in the Asia Pacific region should address any enquiries or complaints to Northern Trust Global Services SE at 10, rue du Château d’Eau, L-3364 Leudelange, Grand Duchy of Luxembourg or by telephone 0035228294136 or email [fundsmith-ta-lux@ntrs.com](mailto:fundsmith-ta-lux@ntrs.com).

The expected timeline for the commencement of these services for investors who are resident in the Asia Pacific region is December 1, 2022.



# 24.

## Additional information for investors in the Federal Republic of Germany

Zeider Legal Services, Bettinastrasse, 60325 Frankfurt has undertaken the function of Information Agent in the Federal Republic of Germany (the "German Information Agent").

The SICAV does not issue printed individual certificates. Applications for the redemptions and conversion of Shares may be sent to Northern Trust Global Services SE at 10, rue du Château d'Eau, L-3364 Leudelange, Grand Duchy of Luxembourg.

All payments to investors, including redemption proceeds and potential distributions, may, upon request, be facilitated through Northern Trust Global Services SE.

Shareholders resident in the Federal Republic of Germany may obtain this Prospectus, the KIDs, the Articles, the annual report and the semi-annual report of the SICAV at no cost in hard copy form from the German Information Agent as well as inspect the documents listed in the section of the Prospectus headed "Documents available".

Issue, redemption and conversion prices of the Shares, and any other information to the Shareholders, are also available from the German Information Agent.

The issue, redemption and conversion prices of the Shares will be published on the following website: <https://www.fundsmith.eu>.

Any other information to the Shareholders will be published in Germany on the following website: <https://www.fundsmith.eu>.

In addition, investors in the Federal Republic of Germany will be informed by means of a durable medium (§167 of the Investment Code (Kapitalanlagegesetzbuch/KAGB)) in the following cases:

- suspension of the redemption of the Shares;
- termination of the management of the SICAV or its liquidation;
- any amendments to the articles of incorporation of the SICAV which are inconsistent with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the assets of the SICAV;
- merger of the SICAV with one or more other funds; and
- the modification of the SICAV to form a master or feeder fund structure.

# 25.

## Additional information for investors in Austria

### **Paying and information agent**

**Zeidler Legal Process Outsourcing Ltd**  
SouthPoint, Herbert House, Harmony Row,  
Grand Canal Dock,  
Dublin 2, Ireland

### **Tax representative**

**Deloitte Tax Wirtschaftsprüfungs GmbH**  
Renngasse 1 / Freyung  
A-1013 Vienna, Austria

Zeidler Legal Process Outsourcing Ltd (“Zeidler” or the “Austrian Agent”) has been engaged by the SICAV to provide facilities as per article 92 (1) b) - f) of EU Directive 2019/1160 at normal commercial rates. This means that Zeidler will carry out the following tasks:

- i. facilitate the handling of information and provide investors access to procedures and arrangements in order to deal with any shareholder complaint;
- ii. provide shareholders in an appropriate manner with information on the issue, sale, repurchase or redemption price of shares;
- iii. provide to shareholders the Prospectus, the Articles, the KIIDs, the annual report and the semi-annual report. The KIIDs will be provided in German, while all other documents referred to in this paragraph may be provided in English;
- iv. provide shareholders with information relevant to the tasks the Zeidler performs in a durable medium; and
- v. act as a point of contact for communications with the Austrian Financial Supervisory Authority.

In addition, the SICAV has appointed Northern Trust Global Services SE to provide facilities as per article 92 (1) a) of EU Directive 2019/1160 (at normal commercial rates) for the SICAV. This means that Northern Trust Global Services SE will carry out the task of processing subscription, repurchase and redemption orders and make other payments to shareholders relating to the shares of the SICAV.

Applications for the redemption and repurchase of shares are processed by Northern Trust Global Services SE. Any investor in Austria wishing to buy or sell shares should send their application to the Transfer Agent at 10, rue du Château d'Eau, L-3364 Leudelange, Grand Duchy of Luxembourg.

Applications for the redemption and repurchase of shares may also be sent to the Austrian Paying and Information Agent ("Austrian Agent") for transmission to the SICAV.

All payments to shareholders, including redemption proceeds, potential distributions and other payments, may, upon request, be paid through the Austrian Agent.

The Prospectus, the KIIDs, the Articles and the annual and semi-annual reports of the SICAV may also be obtained, free of charge and in hardcopy, at the registered office of the management company FundRock Management Company S.A., 33, rue de Gasperich, L-5826 Hesperange, Grand Duchy of Luxembourg and are also available on the SICAV's website.

The issue, redemption, and conversion prices can also be obtained free of charge and in printed form at the registered office of the Management Company as well on the SICAV's website.

Shareholder notices and any other information to the shareholders, to which shareholders are entitled at the registered office of the SICAV can be obtained at the registered office of the SICAV and, if provided for that purpose, from the Austrian Agent.

# Appendices

**Fundsmith SICAV**

Fundsmith Equity Fund

**Fundsmith SICAV**

Fundsmith Sustainable Equity Fund

## Fundsmith SICAV

### Fundsmith Equity Fund

#### Investment objective and policy

The investment objective of the Sub-fund is to achieve long term growth in value.

The Sub-fund will invest in equities on a global basis. The Sub-fund's approach is to be a long-term investor in its chosen stocks. It will not adopt short-term trading strategies.

The Sub-fund has stringent investment criteria which the Investment Manager adheres to in selecting securities for the Sub-fund's investment portfolio. These criteria aim to ensure that the Sub-fund invests in:

- a) high quality businesses that can sustain a high return on operating capital employed;
- b) businesses whose advantages are difficult to replicate;
- c) businesses which do not require significant leverage to generate returns;
- d) businesses with a high degree of certainty of growth from reinvestment of their cash flows at high rates of return;
- e) businesses that are resilient to change, particularly technological innovation; and/or
- f) businesses whose valuation is considered by the Investment Manager to be attractive.

The Sub-fund takes sustainability risk and environmental, social and governance ("ESG") characteristics into account as part of its selection process. In that respect, the Sub-fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR. For the assessment, areas like corporate strategy, corporate governance, transparency and the product and service range of a company are taken into account.

In accordance with its investment criteria, the Sub-fund promotes environmental characteristics and may invest in one or more underlying investments that contribute to climate change mitigation and/or climate change adaptation.

As described in detail in the Sub-fund's investment policy, an ESG assessment on the investments is conducted in accordance with the Investment Manager's responsible investment approaches by using information provided by the companies as well as third-party data.

At the date of this Prospectus, the Investment Manager expects that the proportion of the Sub-fund's investments in taxonomy-aligned environmentally sustainable activities (including investments in enabling and transitional activities) amounts to 0%. As information is not yet readily available from investee companies' public disclosures, the proportion is calculated using a combination of information on taxonomy-alignment obtained from investee companies and third-party providers.

The "do no significant harm" principle applies only to those investments underlying the Sub-fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

In addition to ESG criteria, other sustainability criteria are taken into account in the management of the Sub-fund such as the positive impacts a company may have through innovation and product development as well as negative impacts it may have on the environment and society. Companies are also expected to have good governance standards that protect the interests of minority investors'. The Investment Manager's responsible investment approaches can be summarised as "considering ESG issues when building a portfolio." and takes into account the following areas – integration screening, engagement and proxy voting.

Issuers are assessed via an ESG and sustainability analysis, which covers the following elements:

- **Integration:** the main environmental and social considerations to be included in the Sub-fund's investment process are that the stock included in the Sub-fund's portfolio integrate environmental and social risks in their assessment of the sustainability of the company's return on capital. If a company does excessive damage to the environment or society then its future return on capital will be lower. These risks include, amongst others, the companies' supply chain and the companies' attempt to reduce their environmental footprint.
- **Screening:** the Investment Manager concentrates its investment decisions on good business companies by using financial screens.
- **Engagement and proxy voting:** the Investment Manager is seeking to engage with companies included in the portfolio of the Sub-fund by engaging with the executive management or senior management to promote long term capital allocation that promotes sustainable growth. The Investment Manager seeks to formally express approval or disapproval through voting on specific ESG proxies in these companies.

The investment universe is determined by the Investment Manager by using information provided by the companies (for example company sustainability reports) and third-party data.

Further information about the ESG characteristics applied is included in Fundsmith's responsible investment policy available upon request or online at the website [www.fundsmith.eu](http://www.fundsmith.eu) and in the "Fundsmith's Approach to Responsible Investment" guide available on the same website.

It is envisaged that the investment portfolio of the Sub-fund will be concentrated, generally comprising between 20 and 30 stocks.

In accordance with the investment objectives and policies of the Sub-fund and subject to applicable restrictions, the Investment Manager is authorised to borrow on behalf of the Sub-fund within the limits as set out under Article 50 of the UCI Law.

The specific investment restrictions are as follows:

- a) the Sub-fund will not invest in units of other UCITS or other collective investment schemes with the exception of money market funds, in which the Sub-fund may invest up to 10% of its Net Asset Value;
- b) the Sub-fund will not invest in derivatives and will not hedge any currency exposure arising from within the operations of an investee business nor from the holding of an investment denominated in a currency other than the Reference Currency; and
- c) the Sub-fund does not intend to have an interest in immovable or tangible movable property.

Subject to the limits set out in the General Investment Restrictions in section 3 of this Prospectus, the Sub-fund will not invest more than 20% of its net assets in cash and deposits at sight (such as cash held in current accounts) for ancillary liquidity purposes in normal market conditions.

#### **Profile Of Typical Investor**

The profile of the typical investor for whom the Sub-fund has been designed is an investor wishing to invest in stocks, shares and related financial instruments for the long term (at least 5 years) and who is prepared to accept fluctuations in the value of their investment and the risks associated with investing in the Sub-fund, as described in the section on "Risk Factors" of this Prospectus.

#### **Comparison/Benchmark**

The Sub-fund will not use indices as benchmarks in financial instruments and financial contracts or to measure the performance of the Sub-fund according to the provisions of the Benchmark Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 ("Benchmark Regulation").

The Sub-fund is actively managed and uses the benchmark MSCI World Index for performance comparison purposes and for the calculation of its global exposure.

The benchmark does not take into account the ESG characteristics of the Sub-fund. The factsheet shows the performance of the MSCI World Index, in Euro net with dividends reinvested (priced at the close of US business and sourced from [www.msci.com](http://www.msci.com)). The MSCI World Index is a market capitalisation weighted index of global developed world equities. This shows what you might have earned if you had invested in a broad portfolio of global developed world equities.

In addition, even if comparisons are made, the Investment Manager is taking investment decisions with the intention of achieving the Sub-fund's investment objective; this may include decisions regarding asset selection, regional allocation, sector views and overall level of exposure to the market. The Investment Manager is not in any way constrained by the benchmark in its portfolio positioning and the Sub-fund will not hold all, or indeed may not hold, any of the benchmark constituents. The deviation from the benchmark may be complete or significant.

#### **Global Exposure**

The global exposure of the Sub-fund is calculated using the relative VaR Approach. The benchmark used for the purpose of the calculation is MSCI World Index. The expected level of leverage for the Sub-fund, calculated on the basis of the sum of the notionals, is 100%, although higher levels of leverage are possible.

#### **Specific Risk Consideration**

Further to the risk factors described in the section "Risk factors" of this Prospectus, the following specific risk considerations should be considered:

#### **Risks relating to the application of ESG criteria**

The use of ESG criteria may affect the Sub-fund's investment performance and, as such, investing in ESG may perform differently compared to similar compartments that do not use such criteria. The Sub-fund's sustainability policy means that it is unable to invest in certain sectors and companies due to the ESG screening that the Investment Manager undertakes. This may mean that the Sub-fund is more sensitive to certain market movements than other funds.

ESG based exclusionary criteria used in the Sub-fund's investment policy may result in the Sub-fund foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to its ESG characteristics when it might be disadvantageous to do so. In the event the ESG characteristics of a security held by the Sub-fund change, resulting in the Investment Manager having to sell the security, neither the Sub-fund nor the Investment Manager accept liability in relation to such change.

The relevant exclusions might not correspond directly with investors own subjective ethical views.

In evaluating a security or issuer based on ESG criteria, the Investment Manager is dependent upon information and data, which may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Investment Manager may incorrectly assess a security or issuer. There is also a risk that the Investment Manager may not apply the relevant ESG criteria correctly or that the Sub-fund could have indirect exposure to issuers who do not meet the relevant ESG criteria used by the Sub-fund. Neither the Sub-fund nor the Investment Manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such ESG assessment.

#### **Reference Currency**

The Reference Currency of the Sub-fund is EUR.

## Share class information

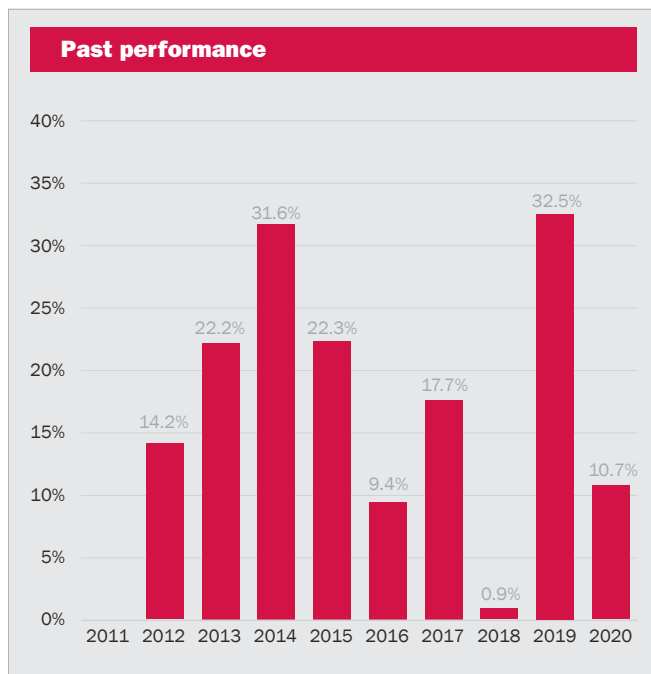
	T Classes	USD T Classes	I Classes	CHF I Classes	GBP I Classes
Reference currency	EUR	USD	EUR	CHF	GBP
Available Shares Classes (Accumulation Shares and/or Income Shares) and ISIN Code	T Class Accumulation Shares (ISIN LU0690375182) T Class Income Shares (ISIN LU0690375422)	USD T Class Accumulation Shares (ISIN LU2404859402) USD T Class Income Shares (ISIN LU2404859584)	I Class Accumulation Shares (ISIN LU0690374029) I Class Income Shares (ISIN LU0690374532)	CHF I Class Accumulation Shares (ISIN LU0765121677) CHF I Class Income Shares (ISIN LU0765126635)	GBP I Class Accumulation Shares (ISIN LU01053186349) GBP I Class Income Shares (ISIN LU01053186000)
Eligible Investors	Individuals or other investors wishing to invest at least EUR 2,000 directly	Individuals or other investors wishing to invest at least USD 2,000 directly	Primarily pension fund, corporate or other Institutional Investors seeking to invest at least EUR 5,000,000 as a minimum	Institutional Investors seeking to invest at least CHF 6,000,000 as a minimum	Institutional Investors seeking to invest at least GBP 5,000,000 as a minimum
Minimum Subscription	EUR 2,000	USD 2,000	EUR 5,000,000	CHF 6,000,000	GBP 5,000,000
Minimum Holding	EUR 2,000	USD 2,000	EUR 5,000,000	CHF 6,000,000	GBP 5,000,000
Minimum Additional Subscription	EUR 1,000	USD 1,000	EUR 5,000	CHF 6,000	GBP 5,000
Minimum Redemption	EUR 1,000	USD 1,000	EUR 5,000	CHF 6,000	GBP 5,000
Preliminary Charge	Nil	Nil	Nil	Nil	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil
Exchange Charge	Nil	Nil	Nil	Nil	Nil
Management fee	1.0% per annum	1.0% per annum	0.9% per annum	0.9% per annum	0.9% per annum
Subscription Tax (taxe d'abonnement)	0.05% per annum	0.05% per annum	0.01% per annum	0.01% per annum	0.01% per annum
Dealing Day	Each Business Day	Each Business Day	Each Business Day	Each Business Day	Each Business Day
Cut-Off Time for a Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day
Valuation Day for a Dealing Day	The Dealing Day	The Dealing Day	The Dealing Day	The Dealing Day	The Dealing Day
Calculation of the Net Asset Value for a Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day
Listing	No	No	No	No	No
Launch Date	2 November 2011	3 December 2021	2 November 2011	23 March 2012	15 April 2014
Initial Offer Price	10 EUR	10 USD	10 EUR	10 CHF	10 GBP
Ongoing Charge	1.12%	1.11%	0.97%	0.97%	0.97%



	USD I Classes	R classes	USD R Classes
Reference currency	USD	EUR	USD
Available Shares Classes (Accumulation Shares and/or Income Shares) and ISIN Code	USD I Class Accumulation Shares (ISIN LU0893933373)  USD I Class Income Shares (ISIN LU0893933456)	R Class Accumulation Shares (ISIN LU0690374615)	USD T Class Accumulation Shares (ISIN LU2404859402)  USD T Class Income Shares (ISIN LU2404859584)
Eligible Investors	Institutional Investors seeking to invest at least USD 6,000,000 as a minimum	Individuals or other investors wishing to invest at least EUR 2,000 through a financial intermediary	Individuals or other investors wishing to invest at least USD 2,000 through a financial intermediary
Minimum Subscription	USD 6,000,000	EUR 2,000	USD 2,000
Minimum Holding	USD 6,000,000	EUR 2,000	USD 2,000
Minimum Additional Subscription	USD 6,000	EUR 1,000	USD 1,000
Minimum Redemption	USD 6,000	EUR 1,000	USD 1,000
Preliminary Charge	Nil	Nil	Nil
Redemption Charge	Nil	Nil	Nil
Exchange Charge	Nil	Nil	Nil
Management fee	0.9% per annum	1.5% per annum	1.5% per annum
Subscription Tax (taxe d'abonnement)	0.01% per annum	0.05% per annum	0.05% per annum
Dealing Day	Each Business Day	Each Business Day	Each Business Day
Cut-Off Time for a Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day
Valuation Day for a Dealing Day	The Dealing Day	The Dealing Day	The Dealing Day
Calculation of the Net Asset Value for a Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day
Listing	No	No	No
Launch Date	4 March 2013	2 November 2011	3 December 2021
Initial Offer Price	10 USD	10 EUR	10 USD
Ongoing Charge	0.97%	1.62%	1.61%

## Past performance

The performance of the T Class for the last nine years is set out below:



This performance is calculated based on the net asset value per class (which includes all charges) and assuming the income has been re-invested in the fund.

Past performance is not necessarily a guide to future performance. The performance is shown in Euros. The investment policy of this Sub-fund has been changed on 29 March 2019. Therefore, the past performance before that date may not be representative of the current investment policy.

The performance of the I Classes (in various currencies) and the R Classes differs because of the different Annual Management Charges and, in the case of certain of the I Classes, because of currency differences. The equivalent graphs for both these classes are available from the relevant KIID, which can be obtained from [www.fundsmith.eu](http://www.fundsmith.eu).

# Fundsmith SICAV

## Fundsmith Sustainable Equity Fund

### Investment Objective And Policy

The investment objective of the Sub-fund is to achieve long term growth in value.

The Sub-fund will invest in equities on a global basis. The Sub-fund's approach is to be a long-term investor in its chosen stocks. It will not adopt short-term trading strategies.

The Sub-fund has stringent investment criteria which the Investment Manager adheres to in selecting securities for the Sub-fund's investment portfolio. These criteria aim to ensure that the Sub-fund invests in:

- a) high quality businesses that can sustain a high return on operating capital employed;
- b) businesses whose advantages are difficult to replicate;
- c) businesses which do not require significant leverage to generate returns;
- d) businesses with a high degree of certainty of growth from reinvestment of their cash flows at high rates of return;
- e) businesses that are resilient to change, particularly technological innovation; and/or
- f) businesses whose valuation is considered by the Investment Manager to be attractive.

The Sub-fund takes sustainability risk and ESG characteristics into account as part of its selection process. In that respect, the Sub-fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR. For the assessment, areas like corporate strategy, corporate governance, transparency and the product and service range of a company are taken into account.

In accordance with its investment criteria, the Sub-fund promotes environmental characteristics and may invest in one or more underlying investments that contribute to climate change mitigation and/or climate change adaptation.

As described in detail in the Sub-fund's investment policy, an ESG assessment on investments is conducted in accordance with the Investment Manager's responsible investment approaches by using information provided by the companies as well as third-party data and applying exclusion criteria as further defined below.

At the date of this Prospectus, the Investment Manager expects that the proportion of the Sub-fund's investments in taxonomy-aligned environmentally sustainable activities (including investments in enabling and transitional activities) amounts to 0%. As information is not yet readily available from investee companies' public disclosures, the proportion is calculated using a combination of information on taxonomy-alignment obtained from investee companies and third-party providers.

The "do no significant harm" principle applies only to those investments underlying the Sub-fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

In addition to ESG criteria, other sustainability criteria are taken into account in the management of the Sub-fund such as the positive impacts a company may have through innovation and product development as well as negative impacts it may have on the environment and society. Companies are also expected to have good governance standards that protect the interests of minority investors'. The Investment Manager's responsible investment approaches can be summarised as "considering ESG issues when building a portfolio" and takes into account the following areas – integration screening, engagement and proxy voting.

In addition to ESG criteria, the Sub-fund will not invest in businesses which have substantial interests<sup>1</sup> in any of the following sectors:

- Aerospace and Defence
- Brewers, Distillers and Vintners
- Casinos and Gaming
- Gas and Electric Utilities
- Metals and Mining
- Oil, Gas and Consumable Fuels
- Pornography
- Tobacco<sup>2</sup>

The Investment Manager will use its internal methodology to identify and exclude relevant issuers and sectors. The Investment Manager's ESG and sustainability analysis in the selection of issuers covers the following elements:

- **Integration:** the main environmental and social considerations to be included in the Sub-fund's investment process are that the stock included in the Sub-fund's portfolio integrate environmental and social risks in their assessment of the sustainability of the company's return on capital. If a company does excessive damage to the environment or society then its future return on capital will be lower. These risks include, amongst others, the companies' supply chain and the companies' attempt to reduce their environmental footprint.
- **Screening:** the Investment Manager concentrates its investment decisions on good business companies by using financial screens as well as excluding the sectors mentioned above. It then further removes any companies that are deemed to have an excessive net negative impact on the world and that aren't doing enough to reduce it.
- **Engagement and proxy voting:** the Investment Manager is seeking to engage with companies included in the portfolio of the Sub-fund by engaging with the executive management

or senior management to promote long term capital allocation that promotes sustainable growth. The Investment Manager seeks to formally express approval or disapproval through voting on specific ESG proxies in these companies.

The investment universe is determined by the Investment Manager by using information provided by the companies (for example company sustainability reports) and third-party data.

Further information about the ESG characteristics applied is included in Fundsmith's responsible investment policy available upon request or online at the website [www.fundsmith.eu](http://www.fundsmith.eu) and in the "Fundsmith's Approach to Responsible Investment" guide available on the same website.

It is envisaged that the investment portfolio of the Sub-fund will be concentrated, generally comprising between 20 and 30 stocks.

In accordance with the investment objectives and policies of the Sub-fund and subject to applicable restrictions, the Investment Manager is authorised to borrow on behalf of the Sub-fund within the limits as set out under Article 50 of the UCI Law. The specific investment restrictions are as follows:

- a) The Sub-fund will not invest in units of other UCITS or other collective investment schemes with the exception of money market funds, in which the Sub-fund may invest up to 10% of its Net Asset Value;
- b) The Sub-fund will not invest in derivatives and will not hedge any currency exposure arising from within the operations of an investee business nor from the holding of an investment denominated in a currency other than the Reference Currency; and
- c) The Sub-fund does not intend to have an interest in immovable or tangible movable property.

Subject to the limits set out in the General Investment Restrictions in section 3 of this Prospectus, the Sub-fund will not invest more than 20% of its net assets in cash and deposits at sight (such as cash held in current accounts) for ancillary liquidity purposes in normal market conditions.

<sup>1</sup>Greater than 5% of revenue

<sup>2</sup>Including tobacco supporting products

**Profile Of Typical Investor**

The profile of the typical investor for whom the Sub-fund has been designed is an investor wishing to invest in stocks, shares and related financial instruments for the long term (at least 5 years) and who is prepared to accept fluctuations in the value of their investment and the risks associated with investing in the Sub-fund, as described in the section on “Risk Factors” of this Prospectus.

**Specific Risk Consideration**

Further to the risk factors described in the section “Risk factors” of this Prospectus, the following specific risk considerations should be considered:

**Risks relating to the application of ESG criteria**

The use of ESG criteria may affect the Sub-fund’s investment performance and, as such, investing in ESG may perform differently compared to similar compartments that do not use such criteria. The Sub-fund’s sustainability policy means that it is unable to invest in certain sectors and companies due to the ESG screening that the Investment Manager undertakes. This may mean that the Sub-fund is more sensitive to certain market movements than other funds.

ESG based exclusionary criteria used in the Sub-fund’s investment policy may result in the Sub-fund foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to its ESG characteristics when it might be disadvantageous to do so. In the event the ESG characteristics of a security held by the Sub-fund change, resulting in the Investment Manager having to sell the security, neither the Sub-fund, nor the Investment Manager accept liability in relation to such change.

The relevant exclusions might not correspond directly with investors own subjective ethical views.

In evaluating a security or issuer based on ESG criteria, the Investment Manager is dependent upon information and data, which may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Investment Manager may incorrectly assess a security or issuer. There is also a risk that the Investment Manager may not apply the relevant ESG criteria correctly or that the Sub-fund could have indirect exposure to issuers who do not meet the relevant ESG criteria used by the Sub-fund. Neither the

Sub-fund nor the Investment Manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such ESG assessment.

**Comparison/Benchmark**

The Sub-fund will not use indices as benchmarks in financial instruments and financial contracts or to measure the performance of the Sub-fund according to the provisions of the Benchmark Regulation.

The Sub-fund is actively managed and uses the benchmark MSCI World Index for performance comparison purposes and for the calculation of its global exposure.

The benchmark does not take into account the ESG characteristics of the Sub-fund.

The factsheet shows the performance of the MSCI World Index, in Euro net with dividends reinvested (priced at the close of US business and sourced from [www.msci.com](http://www.msci.com)). The MSCI World Index is a market capitalisation weighted index of global developed world equities. This shows what you might have earned if you had invested in a broad portfolio of global developed world equities.

In addition, even if comparisons are made, the Investment Manager is taking investment decisions with the intention of achieving the Sub-fund’s investment objective; this may include decisions regarding asset selection, regional allocation, sector views and overall level of exposure to the market. The Investment Manager is not in any way constrained by the benchmark in its portfolio positioning and the Sub-fund will not hold all, or indeed may not hold, any of the benchmark constituents. The deviation from the benchmark may be complete or significant.

**Reference Currency**

The Reference Currency of the Sub-fund is EUR.

**Global Exposure**

The global exposure of the Sub-fund is calculated using the relative VaR Approach. The benchmark used for the purpose of the calculation is MSCI World Index. The expected level of leverage for the Sub-fund, calculated on the basis of the sum of the notionals, is 100%, although higher levels of leverage are possible.

## Share class information

	<b>T Classes</b>	<b>I Classes</b>	<b>CHF I Classes</b>	<b>GBP I Classes</b>	<b>USD I Classes</b>	<b>R classes</b>
<b>Reference currency</b>	<b>EUR</b>	<b>EUR</b>	<b>CHF</b>	<b>GBP</b>	<b>USD</b>	<b>EUR</b>
<b>Available Shares Classes (Accumulation Shares and/or Income Shares) and ISIN Code</b>	T Class Accumulation Shares (ISIN LU2289279700)  T Class Income Shares (ISIN LU2289279882)	I Class Accumulation Shares (ISIN LU2289280112)  I Class Income Shares (ISIN LU2289280203)	CHF I Class Accumulation Shares (ISIN LU2289280385)  CHF I Class Income Shares (ISIN LU2289280468)	GBP I Class Accumulation Shares (ISIN LU2289280898)  GBP I Class Income Shares (ISIN LU2289280971)	USD I Class Accumulation Shares (ISIN LU2289280542)  USD I Class Income Shares (ISIN LU2289280625)	R Class Accumulation Shares (ISIN LU2289279965)  R Class Income Shares (ISIN LU2289280039)
<b>Eligible Investors</b>	Individuals or other investors wishing to invest at least EUR 2,000 directly	Primarily pension fund, corporate or other Institutional Investors seeking to invest at least EUR 5,000,000 as a minimum	Institutional Investors seeking to invest at least CHF 6,000,000 as a minimum	Institutional Investors seeking to invest at least GBP 5,000,000 as a minimum	Institutional Investors seeking to invest at least USD 6,000,000 as a minimum	Individuals or other investors wishing to invest at least EUR 2,000 through a financial intermediary
<b>Minimum Subscription</b>	EUR 2,000	EUR 5,000,000	CHF 6,000,000	GBP 5,000,000	USD 6,000,000	EUR 2,000
<b>Minimum Holding</b>	EUR 2,000	EUR 5,000,000	CHF 6,000,000	GBP 5,000,000	USD 6,000,000	EUR 2,000
<b>Minimum Additional Subscription</b>	EUR 1,000	EUR 5,000	CHF 6,000	GBP 5,000	USD 6,000	EUR 1,000
<b>Minimum Redemption</b>	EUR 1,000	EUR 5,000	CHF 6,000	GBP 5,000	USD 6,000	EUR 1,000
<b>Preliminary Charge</b>	Nil	Nil	Nil	Nil	Nil	Nil
<b>Redemption Charge</b>	Nil	Nil	Nil	Nil	Nil	Nil
<b>Exchange Charge</b>	Nil	Nil	Nil	Nil	Nil	Nil
<b>Management fee</b>	1.0% per annum	0.9% per annum	0.9% per annum	0.9% per annum	0.9% per annum	1.5% per annum
<b>Subscription Tax (taxe d'abonnement)</b>	0.05% per annum	0.01% per annum	0.01% per annum	0.01% per annum	0.01% per annum	0.05% per annum
<b>Dealing Day</b>	Each Business Day	Each Business Day	Each Business Day	Each Business Day	Each Business Day	Each Business Day
<b>Cut-Off Time for a Dealing Day</b>	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day
<b>Valuation Day for a Dealing Day</b>	The Dealing Day	The Dealing Day	The Dealing Day	The Dealing Day	The Dealing Day	The Dealing Day
<b>Calculation of the Net Asset Value for a Dealing Day</b>	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day	1.00 p.m. Luxembourg time on the relevant Dealing Day
<b>Listing</b>	No	No	No	No	No	No
<b>Launch Date</b>	1st March 2021	1st March 2021	1st March 2021	1st March 2021	1st March 2021	1st March 2021
<b>Initial Offer Price</b>	10 EUR	10 EUR	10 CHF	10 GBP	10 USD	10 EUR
<b>Ongoing Charge</b>	1.12%	0.97%	0.97%	0.97%	0.97%	1.62%

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