

Price&NAV Data

As at 31 Oct 2022	
Price	1215.00p
NAV	1314.98p
Premium (+) / Discount (-)	-7.6%
OCF to 30.06.22	1.3%

Standing Data

As at 31 Oct 2022	
Portfolio Manager post 31.5.19	Michael O'Brien
Fund Type	Investment Trust
EPIC Code/Ticker	FEET
Inception Date	25 <sup>th</sup> June 2014
Performance Fee	None
AMC pre/post 31.5.19	1.25% / 1.0%
Base Currency	GBP
Sponsor & Broker	Investec Bank
Legal Adviser	Travers Smith LLP
Auditor	Deloitte LLP
Administrator	Northern Trust
Registrar	Link Asset Services
Depositary	Northern Trust
Co. Secretary	Frostrow Capital LLP
Dealing	LSE Main Market
AIC Sector	Emerging Markets

Key Facts

As at 31 Oct 2022 by Listing	
Est Portfolio Yield <sup>a</sup>	1.6%
No. Holdings	30
Median Company Founded	1984
Median Market Cap	£8.5bn
Gearing policy	None
No. Shares in Issue	26,288,283
Market Capitalisation	£319m
2021 Transaction Costs	0.06%
2021 PTR <sup>a</sup>	38.0%

Geographical Split

As at 31 Oct 2022 by Listing		%
India		42.6
US		17.1
Hong Kong		5.9
Brazil		4.2
China		4.1
Other Countries		10.9
Cash incl. Money Market a/c's		15.2

Sector Split

As at 31 Oct 2022 by NAV - GICS® Categories		%
Consumer Staples		38.0
Technology		13.9
Communication Services		9.3
Healthcare		8.1
Materials		5.6
Consumer Discretionary		5.5
Industrials		2.6
Financials		1.9
Cash incl. Money Market a/c's		15.2

Security Identification Codes

Name	Code
SEDOL	BLSNND1
ISIN	GB00BLSNND18
EPIC	FEET

IMPORTANT NOTE

The Board of Fundsmith Emerging Equities Trust plc ('the Company') announced on 14<sup>th</sup> September 2022 that, following notification from Fundsmith LLP (the investment manager and AIFM of the Company) that it intends to give notice under the investment management agreement, proposals will be put forward for the Company to be placed into voluntary liquidation, with the cash proceeds arising on realisation of the portfolio returned to shareholders. Until the appointment of the liquidator FEET shares remain tradeable on the London Stock Exchange.

Further information can be found here; <https://www.feetplc.co.uk/news/feet-news/?id=ry5z09w>. Should you require further guidance on what this means please contact a suitably qualified financial adviser.

Fund Aim

To provide shareholders with an attractive return by investing in a portfolio of shares issued by listed or traded companies which have the majority of their operations in, or revenue derived from, Developing Economies and which provide direct exposure to the rise of the consumer classes in those countries or to the broader social and/or economic development of those countries.

The Company maintains a portfolio diversified by issuer concentration and the Company's portfolio will normally comprise 25 to 40 investments.

The Investment Manager intends to find companies which make their money by a large number of everyday, repeat, relatively predictable transactions. Its strategy is to not overpay when buying the shares of such companies and then do as little dealing as possible in order to minimise the expenses of the Company, allowing the investee companies' returns to compound for Shareholders with minimum interference.

The Investment Manager will avoid the financial sector and heavily cyclical sectors such as construction and manufacturing, utilities, resources and transport, and will instead focus almost exclusively on consumer stocks and in any event only on stocks in companies which will benefit from the rise of the consuming class in the Developing Economies.

The companies in which the Company will seek to invest have relatively predictable revenues and low capital intensity, and correspondingly high returns on capital. The targeted companies will also deliver most or all of their profits in cash. They will have defensible and strong market positions, typically derived from a combination of brands, trademarks and distribution systems or networks. The Investment Manager believes this combination will deliver compound growth in shareholder value over the long term.

The Investment Manager is also cognisant of the additional risks of investing in Developing Economies as opposed to developed economies, both in terms of the countries in which the companies operate and the standard of corporate governance within the companies themselves. The Investment Manager will take into account the degree of economic freedom, particularly the measure derived by the Heritage Foundation, of the country in which the companies are listed and/or operate in assessing the risks of any particular opportunity.

Past performance is not a guide to future performance.

Performance Overview, % Return

	Oct 2022	2022 to 31.10.22	2021	2020	2019	2018	2017	Inception to 31.10.22	Annualised to 31.10.22
FEET NAV <sup>1</sup>	-5.4	-13.1	+3.8	+20.7	-0.5	-3.0	+21.2	+32.9	+3.5
FEET Share Price	-9.3	-11.0	-3.4	+29.1	-7.4	-9.4	+24.5	+22.3	+2.4
Equities <sup>2</sup>	-6.1	-17.0	-1.4	+14.4	+13.9	-9.3	+25.3	+45.1	+4.6
UK Bonds <sup>3</sup>	+4.5	-15.2	-4.5	+4.6	+3.8	+1.2	+1.4	+4.3	+0.5
Cash <sup>4</sup>	+0.2	+0.9	+0.1	+0.3	+0.8	+0.7	+0.4	+4.6	+0.5

<sup>1</sup>Source: Bloomberg, starting NAV 995.5, net of fees. <sup>2</sup>MSCI Emerging & Frontier Markets Index, £ Net, source: www.msci.com. <sup>3</sup>Bloomberg/Barclays Bond Indices UK Govt 5-10yr, source: Bloomberg. <sup>4</sup>£ Interest Rate, source: Bloomberg.

Portfolio Comment for October 2022

We began buying a new position for the fund, the name of which will be revealed when we have accumulated our desired weighting. We exited our holdings in DP Eurasia over increasing concerns about the Russian, and in particular, Turkish economies. Our stake in Philippine Seven was exited over concerns about the competitive environment. Medlive was exited as we became increasingly concerned over competition in the market in which it operates and the increasing divergence between its actual performance and what we thought it was capable of at the time of investment. The fund sold two Indian holdings in the period - Proctor & Gamble Hygiene and Eris, the former on valuation grounds, the latter over concerns about competition in the Indian generic pharmaceutical market. The top 5 contributors in the month were Hypera, Vitasoy, Mercadolibre, Genpact and Wal-Mart de Mexico. The top 5 detractors were Foshan Haitian, NetEase, Asian Paints, Tencent and Hindustan Unilever.

Top 10 holdings

- ▶ Asian Paints
- ▶ Mercadolibre
- ▶ Avenue Supermarts
- ▶ Nestlé India
- ▶ Hindustan Unilever
- ▶ Hypera
- ▶ WNS
- ▶ Marico
- ▶ Foshan Haitian
- ▶ Info Edge

Our Values

- ▶ No Fees For Performance
- ▶ No Upfront Fees
- ▶ No Nonsense
- ▶ No Debt or Derivatives
- ▶ No Shorting
- ▶ No Market Timing
- ▶ No Index Hugging
- ▶ No Trading
- ▶ No Hedging

Fundsmith knows

**Performance chart**

24/06/2014 - 31/10/2022



**Cumulative performance (%) Performance data as at 31 October 2022**

Key	Instrument	YTD	1M	3M	6M	1Y	3Y	5Y	From inception	From inception annualised
A	Fundsmith Emerging Equities Trust (NAV)	-13.1	-5.4	-2.4	-4.6	-13.0	3.3	14.9	32.9	3.5
B	Fundsmith Emerging Equities Trust (Price)	-11.0	-9.3	4.7	3.0	-13.8	3.9	7.8	22.3	2.4
C	Sector: Emerging Markets	-10.2	-5.2	-3.2	-6.9	-10.7	7.9	2.0	26.6	2.9

The OCF (Ongoing Charges Figure) is the total expenses paid by the fund (excluding bank overdraft interest), annualised, against its average net asset value. The OCF will fluctuate as the average net assets and costs change. The OCF is updated following the publication of accounts for the periods ending 30th June and 31st December.

Cash in the Sector and Geographic split represents current assets, of which cash is typically the largest part, less any current liabilities.

^ Estimated Portfolio Yield is an estimate of the dividends received as a percentage of the market capitalisation. Where the OCF exceeds the amount no dividends will be distributable to shareholders.

\* The PTR (Portfolio Turnover Rate) is a measure of the fund's trading activity, and has been calculated by taking the total share purchases and sales less total creations and liquidations divided by the average net asset value of the fund.

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