THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from your stockbroker, bank, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (the "FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This document comprises a prospectus relating to Fundsmith Emerging Equities Trust plc (the "**Company**") in connection with the issue of Ordinary Shares, prepared in accordance with the Prospectus Rules of the Financial Conduct Authority made pursuant to section 73A of FSMA. This Prospectus has been approved by the Financial Conduct Authority and has been filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules.

The Ordinary Shares are only suitable for investors: (i) who understand and are willing to assume the potential risks of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Ordinary Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment. If you are in any doubt about the contents of this Prospectus, you should consult your accountant, legal or professional adviser or financial adviser.

The Company and each of the Directors, whose names appear on page 30 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read the entire Prospectus and, in particular, the section headed "Risk Factors" beginning on page 15 when considering an investment in the Company.

Fundsmith Emerging Equities Trust plc

(incorporated and registered in England and Wales with number 08756681)

Placing and Offer for Subscription of up to 25 million Ordinary Shares
of £0.01 each at an Issue Price of £10 per Ordinary Share and

Admission to the premium segment of the Official List and trading on the London Stock Exchange's
Main Market for listed securities

Sponsor and broker
Investec Bank plc

Application will be made for the Ordinary Shares to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares will commence at 8.00 a.m. on 25 June 2014 in respect of the Issue. Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be at the sole risk of the parties concerned. The Ordinary Shares are not dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

The Offer for Subscription will remain open until noon on 20 June 2014. The application procedure for persons wishing to participate in the Offer for Subscription is set out in the paragraph headed "The Offer" on page 49 of this Prospectus and in the Application Form. To be valid, Application Forms must be completed and returned with the appropriate remittance by post (or by hand during normal business hours) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU (in the case of Paper Application Forms) or submitted (in the case of Online Applications) as soon as possible and, in any event, no later than noon on 20 June 2014.

The Ordinary Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended, or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States. The Company has not been, and will not be, registered under the US Investment Company Act of 1940, as amended. Accordingly, the offer and sale of Ordinary Shares to US persons (as defined in Regulation S under the Securities Act) is subject to further restrictions. The Ordinary Shares have not been, and will not be, registered under the securities laws or with any securities regulatory authority of any province or territory of any member state of the EEA (other than the United Kingdom), Canada, Australia, the Republic of South Africa or Japan. Subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered, sold, taken up or delivered in, into or from any member state of the EEA (other than the United Kingdom), Canada, Australia, the Republic of South Africa or Japan or to or for the account or benefit of any national, resident or citizen or any person resident in any member state of the EEA (other than the United Kingdom), Australia, Canada, the Republic of South Africa or Japan. This Prospectus does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The distribution of this Prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves of and observe any restrictions.

Investec Bank plc ("**Investec**"), which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for the Company and for no one else in relation to Admission and the Issue and the other arrangements referred to in this Prospectus. Investec will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to Admission and the Issue and the other arrangements referred to in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing any advice in relation to Admission or the Issue, the contents of this Prospectus or any transaction or arrangement referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by the FSMA or the regulatory regime established thereunder, Investec does not make any representation express or implied in relation to, nor accepts any responsibility whatsoever for, the contents of the Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, Admission or the Issue. Investec (and its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for any statutory liability) whether arising in tort, contract or otherwise which it might have in respect of the contents of the Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, Admission or the Issue.

This Prospectus is dated 28 May 2014

CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A—E (A.1—E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted into the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Section A – Introduction and warnings		
Element	*Disclosure Requirement*	*Disclosure*
A.1	Warning	This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the document as a whole by the investor. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Use of prospectus by financial intermediaries	Not applicable. The Company has not given its consent to the use of this Prospectus for the resale or final placement of the Ordinary Shares by financial intermediaries.

Section B – Introduction and warnings		
Element	*Disclosure Requirement*	*Disclosure*
B.1	Legal and Commercial Name	Fundsmith Emerging Equities Trust plc
B.2	Domicile/Legal Form/Legislation/ Country of Incorporation	The Company was incorporated and registered in England and Wales on 31 October 2013 with registered number 08756681 as a public company limited by shares with the name FEEIT plc. The Company changed its name to Fundsmith Emerging Equities Trust plc on 30 December 2013. The Company is not authorised or regulated as a collective investment scheme by the FCA. However, from Admission, it will be subject to the Listing Rules and the Disclosure and Transparency Rules. The principal legislation under which the Company operates and under which the Ordinary Shares will be issued is the Companies Act. The Directors intend, at all times, to conduct the affairs of the Company so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010, as amended.
B.5	Group structure	The Company does not have any subsidiaries.

B.6	Major shareholders	Terry Smith will own 500,000 Ordinary Shares upon Admission which includes 50,000 Ordinary Shares that he already owns, and other partners and employees of the Investment Manager will own in aggregate approximately 95,000 Ordinary Shares upon Admission. Save as set out above, as at the date of this Prospectus, the Company is not aware of any person who will, immediately following Admission, hold three per cent. or more of the voting rights in the Company as a Shareholder or through a direct or indirect holding of financial instruments (in each case for the purposes of Chapter 5 of the Disclosure and Transparency Rules of the FCA). The Company is not aware of any person who, directly or indirectly owns or controls the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company. The voting rights of the Company's Shareholders are the same in respect of each Ordinary Share held.
B.7	Historical financial information	Not applicable. No historical financial information has been included in this Prospectus.
B.8	Pro forma financial information	Not applicable. No pro forma financial information is included in this Prospectus.
B.9	Profit forecast	Not applicable. There are no profit forecasts or estimates in this Prospectus.
B.10	Qualifications in the audit report	Not applicable. There are no audit reports in this Prospectus.
B.11	Working capital insufficiency	Not applicable. Taking into account the minimum Net Proceeds, the Company is of the opinion that the Company has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of the Admission.
B.34	Investment policy	The Company's investment policy is to invest in 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. It is anticipated that the Company's initial portfolio will comprise 35 to 55 investments once the Net Proceeds are substantially invested. The Company will maintain a portfolio diversified by issuer concentration. The Company will comply with the following restrictions at the time each investment is made: (i) not more than 5 per cent. of Gross Assets can be invested in shares issued by any single company. This limit rises to 10 per cent. in respect of up to 40 per cent. of Gross Assets; (ii) not more than 40 per cent. of Gross Assets can be invested in shares issued by companies domiciled in any single jurisdiction; (iii) not more than 20 per cent. of Gross Assets can be in deposits held with a single bank or financial institution. In applying this limit all uninvested cash (except cash representing distributable income or credited to a distribution account that the Depositary holds) should be included;

		(iv) not more than 20 per cent. of Gross Assets can consist of shares and approved money market instruments issued by the same group. When applying the limits set out in (i) this provision would allow the Company to invest not more than 5 per cent. in the shares of each of four group member companies, or 10 per cent. in two of them (if applying the 40 per cent. limit); (v) the Company's holdings in any combination of shares or deposits issued by a single company or fund must not exceed 20 per cent. of Gross Assets overall; (vi) the Company must not acquire shares issued by a company and carrying rights to vote at a general meeting of that company if the Company has the power to influence significantly the conduct of business of that company (or would be able to do so after the acquisition of the shares). The Company is to be taken to have power to influence significantly if it exercises or controls the exercise of 20 per cent. or more of the voting rights in that company; and (vii) the Company must not acquire shares which do not carry a right to vote on any matter at a general meeting of the company that issued them and represent more than 10 per cent. of these securities issued by that company. Uninvested cash or surplus capital or assets may be invested on a temporary basis in: • cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a single-A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency; or • any "government and public securities" as defined for the purposes of the FCA rules. In general, the Company will not use portfolio management techniques such as interest rate hedging and credit default swaps. However, the Company may use currency hedging, through derivatives if necessary, as a portfolio management technique. Whilst the Company, generally, will not hedge its currency exposure, it does reserve the right to do so in the circumstances where, in the opinion of the Investment Manager, a significant depreciation of a currency has become likely but the Investment Manager wishes to continue owning the companies in the portfolio denominated in that currency and where the cost of hedging that currency is unlikely, in the opinion of the Investment Manager, to extinguish any gains from hedging
B.35	Borrowing limits	The Company has the power to borrow using short-term banking facilities to raise funds for short-term liquidity purposes or for discount management purposes including the purchase of its own shares, provided that the maximum gearing represented by such borrowings shall be limited to 15 per cent. of the Net Asset Value at the time of draw down of such borrowings.
B.36	Regulatory status	Not applicable. The Company is not regulated by the FCA or any other regulatory authority but will, following Admission, be subject to the Listing Rules and the Disclosure and Transparency Rules.

B.37	Typical investor	Typical investors in the Company are expected to be institutional and sophisticated investors and private clients.
B.38	Investment of 20 per cent. or more in single underlying asset or investment company	Not applicable – no asset will constitute 20 per cent. or more of Gross Assets on Admission.
B.39	Investment of 40 per cent. or more in single underlying asset or investment company	Not applicable – no asset will constitute 40 per cent. or more of Gross Assets on Admission.
B.40	Service providers	**Investment Manager** The Company has entered into the Investment Management Agreement with the Investment Manager, pursuant to which the Investment Manager will manage the Company's investments and assets in accordance with the investment policy. The Investment Manager will be entitled to an annual fee which shall accrue daily and will be 1.25 per cent. of NAV per annum. The fee will be payable quarterly in arrear in cash. **Company Secretary** Frostrow Capital LLP will provide company secretarial services to the Company pursuant to the Company Secretarial Agreement. The Company Secretary will be responsible for production of the Company's accounts, regulatory compliance and providing support to the Board's corporate governance process and its continuing obligations under the Listing Rules and the Disclosure and Transparency Rules. In addition, the Company Secretary will be responsible for liaising with the Company, the Investment Manager, the Registrar and the Administrator in relation to the payment of any dividends, as well as general secretarial functions required by the Companies Act (including but not limited to the maintenance of the Company's statutory books). Under the terms of the Company Secretarial Agreement, the Company Secretary is entitled to an annual fee of £85,000 per annum (plus VAT) in respect of the company secretarial services it will provide, including corporate governance, regulatory compliance and Listing Rule continuing obligations. The Company Secretary will, in addition, be entitled to recover reasonable third party expenses and disbursements. **Administrator** State Street Bank and Trust Company has been appointed as Administrator to the Company pursuant to the Accounting and Administration Services Agreement. Under the terms of the Accounting and Administration Services Agreement, the Investment Manager has delegated the performance of certain valuation services it provides pursuant to the terms of the Investment Management Agreement to the Administrator.

		The Administrator will be responsible for the maintenance of the books and financial accounts of the company and the calculation, in conjunction with the Investment Manager, of the Net Asset Value of the Company and the Ordinary Shares. Under the terms of the Accounting and Administration Services Agreement, the Administrator is entitled to an annual fee in respect of the valuation and accounting services it will provide calculated by reference to the Company's NAV as follows: an amount equal to the aggregate of (i) four basis points of the NAV of the Company up to £100 million; (ii) three basis points of the NAV of the Company between £100 million and £400 million; and (iii) two basis points of the NAV of the Company in excess of £400 million. In addition, a further fee of £1,500 per annum will be payable in respect of the tax reporting services provided by the Administrator. A minimum fee of £25,000 per annum shall apply following the Company's first financial year. The Administrator will, in addition, be entitled to recover third party expenses and disbursements. **Depositary** State Street Trustees Limited has been appointed as the Company's depositary pursuant to the Depositary Agreement. The Depositary has delegated its obligations in respect of the safe keeping of the Company's investments to State Street Bank and Trust Company which in turn has appointed sub-custodians in jurisdictions where the Company may make investments. The Depositary will be entitled to an annual fee from the Company calculated by reference to the services performed (in respect of custody services) as well as a fee equal to two basis points of the gross asset value of the Company (in respect of depositary services). A minimum fee of £25,000 per annum in respect of custody services and £10,000 per annum in respect of depositary services which shall apply, in each case, following the Company's first financial year. The Depositary will, in addition, be entitled to recover reasonable third party expenses and disbursements. **Registrar** Capita Registrars Limited has been appointed as the Company's Registrar pursuant to the Registrar Agreement. The Registrar will be entitled to an annual fee from the Company equal to £1.25 per Shareholder per annum or part thereof; with a minimum of £3,250 per annum. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as published from time to time. **Broker** Investec has been appointed as corporate broker to the Company. Under the terms of the Broker Agreement, Investec is entitled to a fee of £50,000 per annum in respect of the first year following Admission and £55,000 per annum thereafter (exclusive of VAT).
B.41	Regulatory status of investment manager and custodian	The Investment Manager is authorised and regulated by the FCA. The Depositary is authorised by the Prudential Regulation Authority and is subject to regulation by the FCA and to limited regulation by the Prudential Regulation Authority.

B.42	Calculation of Net Asset Value	The Administrator, in conjunction with the Investment Manager, will calculate the Net Asset Value and the Net Asset Value per Ordinary Share as at the end of each Business Day and will report such calculation to the Board and the Investment Manager. The Net Asset Value of the Company will be calculated on the basis of the bid prices of the Company's underlying investments or a lower figure if, in the reasonable opinion of the Investment Manager, the underlying investment is worth less than the bid price. If trading in an underlying investment held by the Company is suspended, the last available bid price of that investment will be used to calculate the Net Asset Value unless the Investment Manager believes another value is a better representation of the fair value of the investment.
		These calculations will be reported daily to Shareholders through a RNS announcement. The Company may delay public disclosure of the Net Asset Value to avoid prejudice to its legitimate interests, provided that such delay would not be likely to mislead the public and the Company has put in place appropriate measures to ensure confidentiality of that information.
B.43	Cross liability	Not applicable – the Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
B.44	No financial statements have been made up	Not applicable – the Company has not commenced operations and does not currently hold any assets.
B.45	Portfolio	Not applicable – the Company has not commenced operations and does not currently hold any assets.
B.46	Net Asset Value	Not applicable – the Company has not commenced operations and does not currently hold any assets.

Section C – Securities		
Element	*Disclosure Requirement*	*Disclosure*
C.1	Type and class of securities being offered	The total number of Ordinary Shares issued under the Issue will be determined by the Company, Investec and the Investment Manager after taking into account demand for the Ordinary Shares, subject to a maximum of 25 million Ordinary Shares being issued under the Issue in aggregate. The ISIN for the Ordinary Shares is GB00BLSNND18 and the SEDOL is BLSNND1.
C.2	Currency of the securities issue	The Ordinary Shares are denominated in Sterling.
C.3	Number of Ordinary Shares issued	As at the date of this Prospectus, the Company has 50,000 fully paid Ordinary Shares issued at a price of £1.00 each in issue.
C.4	Description of the rights attaching to the Ordinary Shares	The Ordinary Shares carry the right to receive all dividends declared by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, the Shareholders are entitled to all of the surplus assets of the Company. Shareholders will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share held.

C.5	Restrictions on the free transferability of the securities	The Board may, in its absolute discretion and without assigning any reason therefor, refuse to register any instrument of transfer of shares, all or any of which are not fully paid. The Board may also refuse to register a transfer unless: (1) in the case of a share represented by a certificate, the duly stamped instrument of transfer (if required) is lodged at the registered office of the Company or at some other place as the Board may appoint accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require; (2) in the case of a share represented by a certificate, the instrument of transfer is in respect of only one class of share; and (3) in the case of a transfer to joint holders of a share represented by a certificate, the transfer is in favour of not more than four such transferees. In the case of shares to be held in CREST accounts, or through another system for holding shares in uncertificated form, the Board may refuse to register a transfer if the Uncertificated Securities Regulations 2001 (as amended) allow it to do so, and must do so where such regulations so require. The Board may also decline to register a transfer of shares if they represent not less than 0.25 per cent. by number of their class and there has been a failure to comply with a notice requiring disclosure of interests in the shares unless the shareholder has not, and proves that no other person has, failed to supply the required information.
C.6	Admission	Application will be made for the Ordinary Shares to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares will commence at 8.00 a.m. on 25 June 2014 in respect of the Issue.
C.7	Dividend policy	At least initially, the Company does not anticipate paying any dividends. The Company's intention is to provide capital growth and not to provide any particular level of dividend. The Company will comply with the investment trust rules regarding distributable income but does not expect significant income from the shares in which it invests. Any dividends and distributions will be at the discretion of the Board.

Section D – Risks		
Element	*Disclosure Requirement*	*Disclosure*
D.1	Key information on the key risks that are specific to the issuer or its industry	The key risk factors relating to the Company, its investment policy and its investment portfolio are: • the value of the equities in which the Company will principally invest may fluctuate and there is no guarantee that the amounts invested by the Company will be returned in whole or in part. Developing Economy stock markets are inherently more volatile than developed market stock markets and may periodically experience increased short-term volatility and an investment in the Company should be regarded as long-term in nature. Companies in Developing Economies (and other markets) that offer a high dividend yield may be liable to diminish in capital value over time;

		• a general economic downturn or the materialisation of one or a combination of certain identified risks could have a materially adverse effect on the Company's financial results. The risks associated with Developing Economies can generally be expected to result in increased volatility in the share prices of companies in Developing Economies and portfolios which invest in them when compared to companies and portfolios in developed markets. Investment trusts investing in Developing Economies, including the Company, can generally be expected to display greater share price and net asset value volatility than those investing in developed markets; • the shares of companies in Developing Economies are typically denominated in currencies other than Sterling and their operations are conducted in currencies other than Sterling. The Company will therefore have an exposure to foreign exchange risk as a result of changes in exchange rates between those currencies and Sterling, which may be favourable or unfavourable. This foreign exchange risk may result in the increased volatility of the NAV per Ordinary Share. The Company will consider hedging currencies in very limited circumstances where appropriate in order to mitigate foreign exchange risk; • investment in Developing Economies has dangers which might loosely be labelled as problems of corporate governance. Corruption remains a significant issue in some Developing Economies. Its effects seriously constrains the development of local economies, can erode stability and trust and have large macro economic and social costs. There remains, across some Developing Economies, insufficient effective anti-corruption legislation and insufficient co-ordination of anti-corruption initiatives; • the Company is not constrained from weighting to any sector. This may lead to the Company having significant exposure to portfolio companies from certain business sectors from time to time. Greater concentration of investments in any one sector may result in greater volatility in the value of the Company's investments and consequently its NAV and may materially and adversely affect the performance of the Company and returns to its shareholders; • the Company will rely on key individuals at the Investment Manager to identify and select investment opportunities and to manage the day-to-day affairs of the Company. The death or departure of any of these from the Investment Manager without adequate replacement may have a material adverse effect on the Company's business prospects and results of operations. In particular, the death or incapacity of Terry Smith is likely to give rise to a significant public perception risk regarding the potential performance of the Company and such a perception could lead to volatile trading and a fall in the Company's share price. Accordingly, the ability of the Company to achieve its investment objective depends heavily on the experience of the Investment Manager's team, and more generally on the ability of the Investment Manager to attract and retain suitable staff. The Board will have broad discretion to monitor the performance of the Investment Manager or to appoint a replacement but the performance of the Investment Manager or that of any replacement cannot be guaranteed;

		• the Company will be dependent upon the Investment Manager's successful implementation of the Company's investment policy and investment strategies, and ultimately on its ability to create an investment portfolio capable of generating attractive returns. This implementation in turn will be subject to a number of factors, including market conditions and the timing of investments relative to market cycles, many of which are beyond the control of the Company and difficult to predict. There can be no assurance that the Company will be successful in sourcing suitable investments or that the Company will make any investments at all; • the Company is newly formed and has a limited operating history. As a consequence, prior to Admission, prospective investors in the Company will have no opportunity to evaluate the terms of any potential investment opportunities or actual significant investments, or financial data to assist them in evaluating the prospects of the Company and the related merits of an investment in the Ordinary Shares. Following Admission, Shareholders will only have a role in approving any investments the Company makes to the extent required under the Listing Rules; and • prior to investing in a company, the Company will perform due diligence on its proposed investments. In doing so, it would typically rely in part on information from third parties as a part of this due diligence. To the extent that the Company or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, this may impact on the profitability or valuation of the investment.
D.3	Key information on the key risks specific to the securities	The key risk factors relating to the Ordinary Shares are: • the market price of the Ordinary Shares may fluctuate widely in response to many factors and there can be no assurance that the Ordinary Shares of the Company will be repurchased by the Company even if they trade materially below their Net Asset Value for a short time; • Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares. Prior to Admission, there has been no public market for the Ordinary Shares and there is no guarantee that an active trading market will develop or be sustained after Admission. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares may be adversely affected. Even if an active trading market develops, the market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company;

		• the Company may use gearing in certain circumstances. Where an investment trust is geared, its net asset value and price performance would be expected to represent an amplification of any upward or downward movement in the investment trust's portfolio as a result of price changes of the investments contained therein. In the event that interest rates rise and the interest required to be paid by the Company increases, returns to investors will be reduced. The Company will only borrow for short-term liquidity purposes or for discount management purposes including purchase of its own shares. The Company's borrowings shall be limited to 15 per cent. of the Net Asset Value at the time of draw down of such borrowings; and • although the Ordinary Shares are freely transferable, there are certain circumstances in which the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of, or redeem, the Ordinary Shares. These circumstances include where a transfer of Ordinary Shares would cause, or is likely to cause: (i) the assets of the Company to be considered "plan assets" under the Plan Asset Regulations; (ii) the Company to be required to register under the Investment Company Act, or members of the senior management of the Company to be required to register as "investment advisers" under the Investment Advisers Act; (iii) the Company to be required to register under the US Exchange Act or any similar legislation, amongst others; or (iv) the Company to be unable to comply with its obligations under FATCA.

Section E – Offer		
Element	*Disclosure Requirement*	*Disclosure*
E.1	Net proceeds and costs of the Issue	The Net Proceeds, assuming target Gross Issue Proceeds of £250 million, to the Company will amount to approximately £247.5 million, after the deduction of commissions relating to the Issue and the other fees and expenses payable by the Company which are related to the Issue which are expected to amount to £2.5 million in aggregate. The costs and expenses of the Issue which will be paid by the Company have been capped at 1 per cent. of Gross Issue Proceeds and will not therefore exceed £2.5 million, assuming Gross Issue Proceeds are £250 million. In the event that the Company raises its minimum issue size of £100 million, the initial expenses will not exceed £1 million.
E.2a	Reason for offer and use of proceeds	The Directors intend to use the Gross Issue Proceeds of the Issue, after paying the expenses (including the Issue commissions) of the Issue, to fund investments in Developing Economies companies in accordance with the Company's investment policy as well as to fund the Company's operational expenses. Such expenses include (i) acquisition costs and expenses (such as due diligence costs, legal, tax advice and taxes); (ii) the Management Fee; (iii) Directors' fees; and (iv) other operational costs and expenses. Suitable acquisition opportunities may not be immediately available. It is likely, therefore, that for a period following Admission and at certain other times, the Company will have surplus cash.

		The Directors expect that the annual running costs of the Company will initially be approximately £4.1 million per annum assuming Gross Issue Proceeds of £250 million and excluding costs relating to running companies and assets held as a result of future acquisitions. The Company will use the Net Proceeds of the Issue to initially meet its running costs as necessary prior to making any investments.
E.3	Terms and conditions of the offer	Investec has agreed to use its reasonable endeavours to procure Placees to subscribe for the Placing Shares on the terms and subject to the conditions set out in the Placing and Offer Agreement. Furthermore, Ordinary Shares are available to the public under the Offer for Subscription. The Offer is only being made in the UK. The terms and conditions of application under the Offer are set out in Part 8 of this Prospectus and in the Application Form. The Offer for Subscription will close at noon on 20 June 2014 (or such later date, not being later than 4 July 2014, as the Company and Investec may agree). The Company has discretion to accept (i) applications pursuant to the Offer which arrive later than noon on 20 June 2014, and (ii) applications pursuant to the Offer which are received for less than £1,000. If the Offer period is extended, the Company will notify investors of such change by the publication of an RNS Announcement. The Issue is conditional, inter alia, on: (i) the Placing and Offer Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; (ii) Admission occurring by 8.00 a.m. on 25 June 2014 (or such later date, not being later than 9 July 2014, as the Company and Investec may agree) in respect of the Issue; and (iii) the Issue raising in aggregate at least £100 million before the deduction of the Issue commissions and the other fees and expenses payable by the Company which are related to the Issue.
E.4	Material interests	Not applicable. There are no interests that are material to the Placing.
E.5	Name of person selling Securities/ lock-up agreements	There are no selling shareholders. Each of the partners and certain employees of the Investment Manager has entered into a lock-up agreement pursuant to which he has agreed not to sell the Ordinary Shares he owns for one year from Admission, save in limited circumstances.
E.6	Dilution	Other than the subscriber shares issued on the Company's incorporation, the Company has no shares in issue and there will therefore be no dilution of existing Shareholders.
E.7	Expenses charged to the investor	No fees or expenses will be borne by investors save for the costs and expenses of the Issue that will be paid out of the Gross Issue Proceeds and will therefore be borne indirectly by the investors.

RISK FACTORS

Investment in the Ordinary Shares carries a high degree of risk, including the risks in relation to the Company and the Ordinary Shares referred to below, which could materially and adversely affect the Company's business, financial condition and results. An investment in the Ordinary Shares should not be regarded as short-term in nature. Potential investors should review this Prospectus carefully and in its entirety and consider consulting an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in Ordinary Shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss which may result.

Prospective investors should note that the risks relating to the Company, its investments and the Ordinary Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Ordinary Shares and should be used as guidance only. Additional risks and uncertainties relating to the Company that are not currently known to the Company, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Company's business, prospect and financial position and, if any such risk should occur, the price of the Ordinary Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

Risk relating to the Developing Economies sector

Investments in Developing Economies equities may be riskier than investments in more developed markets

The value of the equities in which the Company will principally invest may fluctuate and there is no guarantee that the amounts invested by the Company will be returned in whole or in part. Developing Economy stock markets are inherently more volatile than developed market stock markets and may periodically experience increased short-term volatility and an investment in the Company should be regarded as long-term in nature. Companies in Developing Economies (and other markets) that offer a high dividend yield may be liable to diminish in capital value over time.

Investing in equity securities of companies with substantial assets in, or revenues derived from, Developing Economies involves considerations and risks which are not normally associated with more developed markets or economies. These may include:

- differences in auditing and financial reporting standards or the application thereof which may result in the unavailability or unreliability of material information about economies and companies;
- less stringent laws and practices in relation to the fiduciary duties of officers and directors and protection of investors;
- poor systems for the registration and custody of securities;
- a higher risk of dishonesty in commercial dealings;
- difficulty of bringing legal proceedings to enforce contractual rights;
- difficulty of enforcing judgments;
- the risk of nationalisation or expropriation of assets or confiscatory taxation;
- social, economic or political uncertainty (including war);
- dependence on exports and the corresponding importance of international trade and commodities prices;
- currency exchange rate fluctuations which affect both the Sterling value of share prices and the competitiveness and profitability of issuers;

- limitations on foreign investors or repatriation of invested capital and foreign exchange controls;
- potentially higher rates of inflation (including hyperinflation);
- a potential risk of substantial deflation;
- a higher degree of governmental involvement in and control over economies;
- arbitrary government decisions resulting, inter alia, from a lower level of democratic accountability than is typical of developed nations;
- poor oversight of securities markets;
- poor liquidity in securities markets, including the potential suspension of securities markets, which could render it difficult or impossible for the Company to liquidate investments and therefore expose the Company to losses; and
- longer settlement periods for securities transactions.

Actual examples of these risks happening include the confiscation of Repsol assets by the Argentinean government, Danone's joint venture partner in China using Danone's know how to set up in direct competition with it in that market and the Bumi dispute following a minority investment in a business controlled by a local family in Indonesia.

A general economic downturn or the materialisation of one or a combination of the above risks could have a materially adverse effect on the Company's financial results. The risks associated with Developing Economies can generally be expected to result in increased volatility in the share prices of companies in Developing Economies and portfolios which invest in them when compared to companies and portfolios in developed markets. Investment trusts investing in Developing Economies, including the Company, can generally be expected to display greater share price and net asset value volatility than those investing in developed markets.

The laws and regulations of many Developing Economies are not well established or are at an early stage of development. These laws and regulations, and the applicable legal framework, may be vague, contradictory, not comprehensive and subject to varying interpretation. Accordingly there can be no assurance that the Company will be able to achieve effective enforcement of its rights by way of legal proceedings.

The Company will be exposed to foreign exchange risks through its investment in Developing Economies

The shares of companies in Developing Economies are typically denominated in currencies other than Sterling and their operations are conducted in currencies other than Sterling. The Company will therefore have an exposure to foreign exchange risk as a result of changes in exchange rates between those currencies and Sterling, which may be favourable or unfavourable. This foreign exchange risk may result in the increased volatility of the NAV per Ordinary Share. The Company will consider hedging currencies in very limited circumstances where appropriate in order to mitigate foreign exchange risk.

The Company may face competition from domestic investors, other foreign investment funds and strategic investors

The Company's ability to implement its strategy and achieve its desired returns will depend largely on its ability to identify and invest in suitable assets at satisfactory prices and on satisfactory terms. A growing number of funds of all descriptions are seeking investment opportunities with a focus on Developing Economies. The Company may face significant competition from domestic investors, other foreign investment funds and strategic investors. Many competitors have greater financial resources than the Company and a greater ability to borrow funds to acquire assets. Competition for attractive investment opportunities may lead to higher asset prices which may affect the Company's ability to invest on terms which the Investment Manager considers attractive. Such conditions may have a material adverse impact on the Company's ability to secure attractive investment opportunities and consequently may have an adverse effect on the Net Asset Value and the market price of the Ordinary Shares.

The corporate governance of companies in Developing Economies may not meet the standards of more established markets

Investment in Developing Economies has dangers which might loosely be labelled as problems of corporate governance. There are examples of companies which have had assets confiscated by governments (Repsol in Argentina), which have had their know how taken by a local joint venture partner who has set up in competition with them (Danone in China) and of minority investment in business controlled by local families which have gone awry (Bumi in Indonesia). Corruption remains a significant issue in some Developing Economies. Its effects seriously constrain the development of local economies, can erode stability and trust and have large macro economic and social costs. There remains, across some Developing Economies, insufficient effective anti-corruption legislation and insufficient co-ordination of anti-corruption initiatives. The Investment Manager will fully assess these risks and choose investments very carefully, knowing that, as a minority shareholder, it is unlikely to be able to change the corporate governance landscape.

The value of the Company's investments in or relating to Developing Economies may be affected by political and country risks

The value of the Company's investments in or relating to Developing Economies may be affected by changes in foreign exchange rates and controls, interest rates or government policy, as well as social and civil unrest and other political, economic and other developments in or affecting Developing Economies. Future political and economic conditions in a particular Developing Economy may result in its governments adopting different policies with respect to foreign investment. Any such changes in policy may affect ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, with potentially adverse effects on the Company's investments. Future actions of the governments in Developing Economies could have a significant effect on the local economies, which could adversely affect private sector companies, market conditions and prices and yields of the Company's investments. The Company does not intend to obtain political risk insurance. In recent years Developing Economies have witnessed various terrorist attacks, civil unrest and other acts of violence or war, and it is possible that in the future such events as well as other adverse social, economic or political events in Developing Economies may adversely affect the value and prospects of the Company's investments.

Accounting and financial reporting standards in Developing Economies are generally less stringent than those applicable in the United Kingdom

Accounting, auditing and financial reporting standards, practices and disclosure requirements imposed on companies incorporated in Developing Economies are generally less stringent than those applicable in the United Kingdom. This may make it more difficult to obtain accurate information and carry out effective due diligence in respect of potential investments. In addition, there is generally less government supervision and regulation of stock exchanges, brokers and listed companies, which may lead to an increased risk of irregularities.

Securities' exchanges in Developing Economies can be less developed

The securities' exchanges in Developing Economies can be less developed than stock markets in the developed world. Trading volumes can be substantially lower so that accumulation and disposal of holdings may be time consuming and may need to be conducted at unfavourable prices. Prices may also be more volatile. Any significant extension of settlement periods in a sector of the Developing Economies' financial markets as a result of unforeseen circumstances may lead to delays in the receipt of proceeds from the sale of securities. It is possible that the Company could miss investment opportunities as a result of an inability of the Company to make intended securities purchases due to settlement problems. Securities' exchanges typically have the right to suspend or limit trading in any instrument traded on that exchange. Any suspension of any security held by the Company could make it impossible for the Company to liquidate positions and thereby expose the Company to losses. The value of the Company's investments may be affected generally by factors affecting securities' exchanges in Developing Economies, such as price and volume volatility in the capital markets, interest rates, changes in policies of the governments in Developing Economies, taxation laws or policies and other political and economic developments, including closure of stock exchanges, which may have an adverse bearing on individual securities, a specific sector, or all sectors including equity and debt markets.

Market transparency in some Developing Economies lags behind European and US standards with some Developing Economies still being very opaque

The level of information generally available in Developing Economies can be far behind European and US standards. Whilst the Board and the Investment Manager believe that Developing Economies possess great investment potential, they are also aware that they harbour greater risk due to a lack of transparency. Such a lack of transparency may impact the Investment Manager's ability to make investment decisions (whether in respect of further investment or divesting of an existing investment) as efficiently as it would expect to be able to do so in connection with European and US investments and any such delays may have a negative impact on the NAV of the Company and/or returns to investors.

Risks relating to the Company's business

The Company is newly formed and has a limited operating history

The Company was incorporated on 31 October 2013, and intends to invest primarily in 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, but currently has no investments and will not do so until after Admission. As a consequence, prior to Admission, prospective investors in the Company will have no opportunity to evaluate the terms of any potential investment opportunities or actual significant investments, or financial data to assist them in evaluating the prospects of the Company and the related merits of an investment in the Ordinary Shares. Following Admission, Shareholders will only have a role in approving any investments the Company makes to the extent required under the Listing Rules.

The Company is reliant on the performance and retention of key personnel

The Company will rely on key individuals at the Investment Manager to identify and select investment opportunities and to manage the day-to-day affairs of the Company. There can be no assurance as to the continued service of these key individuals at the Investment Manager. The death or departure of any of these from the Investment Manager without adequate replacement may have a material adverse effect on the Company's business prospects and results of operations. In particular, the death or incapacity of Terry Smith is likely to give rise to a significant public perception risk regarding the potential performance of the Company and such a perception could lead to volatile trading and a fall in the Company's share price. Accordingly, the ability of the Company to achieve its investment objective depends heavily on the experience of the Investment Manager's team, and more generally on the ability of the Investment Manager to attract and retain suitable staff. The Board will have broad discretion to monitor the performance of the Investment Manager or to appoint a replacement but the performance of the Investment Manager or that of any replacement cannot be guaranteed.

Delays in deployment of the proceeds of the Issue may have an impact on the Company's results of operations and cash flows

As at the date of this Prospectus, the Company has no investments, and pending deployment of the Net Proceeds intends to invest cash held in cash deposits, gilts and money market funds. Interim cash management is likely to yield lower returns than the expected returns from investments. There can be no assurance as to how long it will take for the Company to invest all of the Net Proceeds of the Issue, and the longer the period the greater the likelihood that the Company's results of operations will be materially adversely affected. To the extent that there is a delay in investing the Net Proceeds, the Company's aggregate return on investments will be reduced.

There can be no assurance that the Investment Manager will be successful in implementing the Company's investment objectives

The Company will be dependent upon the Investment Manager's successful implementation of the Company's investment policy and investment strategies, and ultimately on its ability to create an investment portfolio capable of generating attractive returns. This implementation in turn will be subject to a number of factors, including market conditions and the timing of investments relative to market cycles, many of which are beyond the control of the Company and difficult to predict. There can be no assurance that the Company will be successful in sourcing suitable investments or that the Company will make any investments at all.

The past performance of the Investment Manager is not a guarantee of the future performance of the Company

The Company has presented certain information in this Prospectus regarding the past performance of the Investment Manager and its key individuals in respect of another fund. The past performance of the Investment Manager and its key individuals is not indicative, or intended to be indicative, of future performance or results of the Company for several reasons. For example:

- the Fundsmith Equity Fund was established over three years ago, while the Company is newly-formed;
- the Fundsmith Equity Fund is a global fund, whereas the Company is a Developing Economies fund;
- the structure, term, strategies and investment objectives and policies of the Company, on the one hand, and the other fund with which the Investment Manager or its key individuals were associated, on the other hand, may affect their respective returns;
- conditions in the markets prevailing when the Investment Manager or its key individuals managed such other fund may be different from those conditions that will be relevant to the Company; and
- the future performance and results of the Company will be subject to fluctuating market conditions, changes in macro-economic factors and the availability of financing.

Accordingly, there can be no assurance that the Company will have the same opportunities to invest in assets that generate similar returns to such other funds and their risk profile is markedly different.

Market conditions may delay or prevent the Company from making appropriate investments that generate attractive returns

Market conditions may have a negative impact on the Company's ability to identify and execute investments in suitable assets that might generate acceptable returns. As evident during the recent market downturn, market conditions have had a significant impact on investment pricing and liquidity levels. Market conditions may also restrict the supply of suitable assets that may generate acceptable returns. Adverse market conditions and their consequences may have a material adverse effect on the Company's business, results of operations and cash flows. To the extent that there is a delay in making investments, the Company's returns will be reduced.

The Company's performance will depend on investment market conditions

If conditions affecting the investment market negatively impact the price at which the Company is able to dispose of its assets, or if the Company suffers a material increase in its operating costs, this may have a material adverse effect on the Company's business and results of operations.

The Company is not constrained to investing in diversified sectors

The Company is not constrained from weighting to any sector. This may lead to the Company having significant exposure to portfolio companies from certain business sectors from time to time. Greater concentration of investments in any one sector may result in greater volatility in the value of the Company's investments and consequently its NAV and may materially and adversely affect the performance of the Company and returns to its shareholders.

The Company may be forced to dispose of its investments at a time when it will not be able to obtain the best value for its investments

Whilst the Company is not a limited life company, and is under no obligation to sell its investments within a fixed time frame, there can be no assurance that, at the time the Company seeks to dispose of its investments, conditions in the relevant market will be favourable or that the Company will be able to maximise the returns on such disposed investments. To the extent that market conditions are not favourable, the Company may not be able to dispose of investments at a gain. If the Company were required to dispose of or liquidate an investment on unsatisfactory terms, it may realise less than the last bid price at which the investment was previously recorded. As a result of the foregoing, there can be no assurances that the Company's portfolio can generate attractive returns for its Shareholders.

The Company's due diligence may not identify all risks and liabilities in respect of an investment

Prior to investing in a company, the Company will perform due diligence on the proposed investment. In doing so, it would typically rely in part on information from third parties as a part of this due diligence. To the extent that the Company or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, this may impact on the profitability or valuation of the investment. For example, the Company may acquire an investment with unknown or undiscovered liabilities or investments may be acquired that are not consistent with the Company's strategy and which fail to perform in accordance with projections.

Interest rates may fluctuate

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on the Company's variable rate cash borrowings. In the event that interest rate movements lower the level of income receivable on cash deposits or raise the interest required to be paid by the Company, returns to investors will be reduced.

Risks relating to the Ordinary Shares

The market price of the Ordinary Shares may fluctuate widely in response to different factors and there can be no assurance that the Ordinary Shares of the Company will be repurchased by the Company even if they trade materially below their Net Asset Value

The market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors, including, amongst other things, additional issuances or future sales of the Company's shares or other securities exchangeable for, or convertible into, its shares in the future, the addition or departure of Board members or key individuals at the Investment Manager, divergence in financial results from stock market expectations, changes in stock market analyst recommendations regarding the Developing Economies or investment trust sectors as a whole, the Company or any of its assets, a perception that other market sectors may have higher growth prospects, general economic conditions, prevailing interest rates, legislative changes affecting investment trusts or investments in Developing Economies and other events and factors within or outside the Company's control. Stock markets experience extreme price and volume volatility from time to time, and this, in addition to general economic, political and other conditions, may materially adversely affect the market price for the Ordinary Shares. The market value of the Ordinary Shares may vary considerably from the Company's underlying Net Asset Value. There can be no assurance, express or implied, that Shareholders will receive back the amount of their investment in the Ordinary Shares.

The Company has Shareholder approval, conditional on Admission, to make market purchases of up to 14.99 per cent. of the Ordinary Shares in issue immediately following Admission (and the Directors intend to seek annual (or, if required, more frequent) renewal of this authority from Shareholders) and subject to the requirements of the Listing Rules, the Companies Act, the Articles and other applicable legislation, the Company may thus purchase Ordinary Shares in the market with the intention of, amongst other things, enhancing the Net Asset Value per Ordinary Share. The Company may decide to make any such purchases (and the timing of such purchases), however, at the absolute discretion of the Directors. There can be no assurance that any purchases will take place or that any purchases will have the effect of narrowing any discount to Net Asset Value at which the Ordinary Shares may trade.

Further, the Directors may, but are not required by the Company's constitutional documents to, call a continuation vote in the event that, after the end of the fourth financial year of the Company's existence (being 31 December 2018), the Ordinary Shares have traded at an average discount in excess of 10 per cent. of the Net Asset Value per Ordinary Share in a relevant year. As such, there can be no assurance that a continuation vote will be held in circumstances where the Ordinary Shares have traded at such an average discount following the end of the fourth financial year of the Company.

A liquid market for the Ordinary Shares may fail to develop

Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares. Prior to Admission, there has been no public market for the Ordinary Shares and there is no guarantee that an active trading market will develop or be sustained after Admission. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares may be adversely affected. Even if an active trading market develops, the market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company.

The Company may in the future issue new Shares, which may dilute Shareholders' equity

Further issues of Ordinary Shares or C Shares may, subject to compliance with the relevant provisions of the Companies Act and the Articles, be made on a non-pre-emptive basis. Existing holders of Ordinary Shares may, depending on the level of their participation in the relevant share issue, have the percentage of voting rights they hold in the Company diluted.

Sales of Ordinary Shares by members of the Board or the possibility of such sales, may affect the market price of the Ordinary Shares

Sales of Ordinary Shares or interests in Ordinary Shares by the Board could cause the market price of the Ordinary Shares to decline. Whilst the Directors may sell their Ordinary Shares in the market, a substantial amount of Ordinary Shares being sold, or the perception that sales of this type could occur, could cause the market price of the Ordinary Shares to decline. This may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate.

At least initially, the Company does not currently anticipate paying any dividends or distributions as it is not expected to receive significant income. The Company's ability to pay dividends will depend upon its ability to generate sufficient earnings and certain legal and regulatory restrictions

At least initially, the Company does not currently anticipate paying any dividends or distributions as it does not expect to receive significant income from its underlying investments. Subject to the requirement to make distributions in order to maintain investment trust status, any dividends and other distributions paid by the Company will be made at the discretion of the Board. The payment of any such dividends or other distributions will in general depend on the Company's ability to generate realised profits, which, in turn, will depend on the Company's ability to acquire investments which pay dividends, its financial condition, its current and anticipated cash needs, its costs and net proceeds on sale of its investments, legal and regulatory restrictions and such other factors as the Board may deem relevant from time to time. As such, investors should have no expectation as to the amount of dividends or distributions that will be paid by the Company or that dividends or distributions will be paid at all.

The Company may use gearing in certain circumstances

Where an investment trust is geared, its net asset value and price performance would be expected to represent an amplification of any upward or downward movement in the investment trust's portfolio as a result of price changes of the investments contained therein. In the event that interest rates rise and the interest required to be paid by the Company increases, returns to investors will be reduced. The Company will only borrow for short-term liquidity purposes or for discount management purposes including purchase of its own shares. The Company's borrowings shall be limited to 15 per cent. of the Net Asset Value at the time of draw down of such borrowings.

The Company has not and will not register as an investment company under the Investment Company Act

The Company is not, and does not intend to become, registered in the United States as an investment company under the Investment Company Act and related rules and regulations. The Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered and does not plan to register, none of these protections or restrictions is or will be applicable to the Company. In addition, to avoid being required to register as an investment company under the Investment Company Act, the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of Ordinary Shares held by a person to whom the sale or transfer of Shares may cause the Company to be classified as an investment company under the Investment Company Act. These procedures may materially affect certain Shareholders' ability to transfer their Shares.

The Ordinary Shares are subject to certain provisions that may cause the Board to refuse to register, or require the transfer of, Ordinary Shares

Although the Ordinary Shares are freely transferable, there are certain circumstances in which the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of the Ordinary Shares. These circumstances include where a transfer of Ordinary Shares would cause, or is likely to cause: (i) the assets of the Company to be considered "plan assets" under the Plan Asset Regulations; (ii) the Company to be required to register under the Investment Company Act, or members of the senior management of the Company to be required to register as "investment advisers" under the Investment Advisers Act; (iii) the Company to be required to register under the US Exchange Act or any similar legislation, amongst others; or (iv) the Company to be unable to comply with its obligations under the Foreign Account Tax Compliance Provisions (commonly known as FATCA).

The assets of the Company could be deemed to be "plan assets" that are subject to the requirements of ERISA or Section 4975 of the Internal Revenue Code, which could restrain the Company from making certain investments, and result in excise taxes and liabilities

Under the current Plan Asset Regulations, if interests held by Benefit Plan Investors are deemed to be "significant" within the meaning of the Plan Asset Regulations (broadly, if Benefit Plan Investors hold 25 per cent. or greater of any class of equity interest in the Company) then the assets of the Company may be deemed to be "plan assets" within the meaning of the Plan Asset Regulations. After the Issue, the Company may be unable to monitor whether Benefit Plan Investors or investors acquire Ordinary Shares and therefore, there can be no assurance that Benefit Plan Investors will never acquire Ordinary Shares or that, if they do, the ownership of all Benefit Plan Investors will be below the 25 per cent. threshold discussed above or that the Company's assets will not otherwise constitute "plan assets" under Plan Asset Regulations. If the Company's assets were deemed to constitute "plan assets" within the meaning of the Plan Asset Regulations, certain transactions that the Company might enter into in the ordinary course of business and operation might constitute non-exempt prohibited transactions under ERISA or the Internal Revenue Code, resulting in excise taxes or other liabilities under ERISA or the Internal Revenue Code. In addition, any fiduciary of a Benefit Plan Investor or an employee benefit plan subject to Similar Law that is responsible for the Plan's investment in the Ordinary Shares could be liable for any ERISA violations or violations of such Similar Law relating to the Company.

Risk relating to regulation and taxation

Investment trust status

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions under section 1158 of the CTA 2010 and the Investment Trust Regulations 2011 for it to be approved by HMRC as an investment trust. In respect of each accounting period for which the Company is an approved investment trust, the Company will be exempt from UK corporation tax on its chargeable gains. There is a risk that the Company does not receive approval of its investment trust status from HMRC or, having received such approval, the Company fails to maintain its status as an investment trust. In such circumstances, the Company would be subject to the normal rates of corporation tax on chargeable gains arising on the transfer or disposal of investments and other assets, which could adversely affect the Company's financial performance, its ability to provide returns to its Shareholders or the post-tax returns received by its Shareholders. In addition, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status, as the Ordinary Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for maintaining investment trust status, will, as soon as reasonably practicable, notify Shareholders of this fact.

Overseas taxation

The Company may be subject to tax under the tax rules of the jurisdictions in which it invests. Although the Company will endeavour to minimise any such taxes this may affect the level of returns to Shareholders.

Changes in tax legislation or practice

Statements in this Prospectus concerning the taxation of Shareholders or the Company are based on UK tax law and practice as at the date of this Prospectus.

Any changes to the tax status of the Company or any of its underlying investments, or to tax legislation or practice (whether in the UK or in jurisdictions in which the Company invests), could affect the value of investments held by the Company, affect the Company's ability to provide returns to Shareholders and affect the tax treatment for Shareholders of their investments in the Company (including the applicable rates of tax and availability of reliefs).

Prospective investors should consult their tax advisers with respect to their own tax position before deciding whether to invest in the Company.

FATCA

TO ENSURE COMPLIANCE WITH UNITED STATES TREASURY DEPARTMENT CIRCULAR 230, EACH PROSPECTIVE INVESTOR IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF US TAX ISSUES HEREIN IS NOT INTENDED TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY A PROSPECTIVE INVESTOR FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PROSPECTIVE INVESTOR UNDER APPLICABLE TAX LAW; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF TREASURY DEPARTMENT CIRCULAR 230) OF THE OFFER TO SELL ORDINARY SHARES BY THE COMPANY; AND (C) A PROSPECTIVE INVESTOR IN ORDINARY SHARES SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT ADVISOR.

The Foreign Account Tax Compliance provisions (commonly known as "**FATCA**") are US provisions contained in the US Hiring Incentives to Restore Employment Act 2010. FATCA is aimed at reducing tax evasion by US citizens.

FATCA imposes a withholding tax of 30 per cent. on (i) certain US source interest, dividends and certain other types of income; and (ii) the gross proceeds from the sale or disposition of assets which produce US source interest or dividends, which are received by a foreign financial institution ("**FFI**"), unless the FFI complies with certain reporting and other related obligations under FATCA. The UK has concluded an intergovernmental agreement ("**IGA**") with the US, pursuant to which parts of FATCA have been effectively enacted into UK law.

Under the IGA, a FFI that is resident in the UK (a "**Reporting FI**") is not subject to withholding under FATCA provided that it complies with the terms of the IGA, including requirements to register with the IRS and requirements to identify, and report certain information on, accounts held by US persons owning, directly or indirectly, an equity or debt interest in the Company (other than equity and debt interests that are regularly traded on an established securities market, for which see below), and report on accounts held by certain other persons or entities to HMRC.

The Company expects that it will be treated as a Reporting FI pursuant to the IGA and that it will comply with the requirements under the IGA. The Company also expects that its Ordinary Shares may, in accordance with current HMRC practice, comply with the conditions set out in the IGA to be "regularly traded on an established securities market" meaning that the Company should not have to report specific information on its Shareholders and their investments to HMRC. However, there can be no assurance that the Company will be treated as a Reporting FI, that its Ordinary Shares will be considered to be "regularly traded on an established securities market" or that it would not in the future be subject to withholding tax under FATCA or the IGA. If the Company becomes subject to a withholding tax as a result of FATCA or the IGA, the return on investment of some or all Shareholders may be materially adversely affected.

The UK has also concluded similar intergovernmental agreements ("**Additional IGAs**") with other jurisdictions (including the Isle of Man, Guernsey and Jersey (the "**Crown Dependencies**") and seven of the British Overseas Territories (Cayman Islands, Gibraltar, Montserrat, Bermuda, the Turks and Caicos Islands, the British Virgin Islands and Anguilla)). The Additional IGAs with the Crown Dependencies and Gibraltar may require the Company to report more widely on its Shareholders, although the Company expects that it may be able to benefit from a similar reporting exemption to that contained in the IGA and outlined above.

Other jurisdictions are also considering introducing FATCA-style legislation in order to obtain information about their respective tax residents. Again, these may require the Company to report more widely on its Shareholders but the exact scope of such rules will need to be determined on a jurisdiction by jurisdiction basis.

FATCA, the IGA and the Additional IGAs are complex. The above description is based in part on regulations, official guidance, the IGA and the Additional IGAs, all of which are subject to change. All prospective investors and Shareholders should consult with their own tax advisors regarding the possible implications of FATCA or FATCA-style legislation on their investment in the Company.

Alternative Investment Fund Managers Directive

The AIFM Directive, which was transposed by EU member states into national law on 22 July 2013, seeks to regulate alternative investment fund managers ("**AIFMs**") and imposes obligations on AIFMs in the EU or who market shares in such funds to EU investors. In order to obtain authorisation under the AIFM Directive, an AIFM needs to comply with various organisational, operational and transparency obligations, which may create significant additional compliance costs, some of which may be passed to investors in the alternative investment funds ("**AIFs**") and may affect dividend returns.

The Company will, following Admission, be an EU AIF for the purposes of the AIFM Directive and related regimes in relevant EU member states. At the current time, the Company intends to appoint a third party, the Investment Manager, as its AIFM.

The Investment Manager intends to make an application to the FCA to become an authorised AIFM following Admission. Following authorisation (and assuming it is granted), the Investment Manager will be subject to the full requirements of the AIFM Directive.

In the event that the Investment Manager is does not have its application for authorisation granted or, following authorisation, is no longer able to be the AIFM of the Company and a suitable replacement cannot be found, the Company may be required to become authorised itself as a self-managed AIF under the AIFM Directive. This will place a significant cost and administrative burden on the Company, and may therefore reduce returns for investors.

Any regulatory changes arising from implementation of the AIFM Directive (or otherwise) that limit the Company's ability to market future issues of its shares may materially adversely affect the Company's ability to carry out its investment policy successfully and to achieve its investment objective, which in turn may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Ordinary Shares.

IMPORTANT INFORMATION

Prospective Shareholders should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than as contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Investment Manager, Administrator or Investec or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules neither the delivery of this Prospectus nor any subscription made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to its date.

Prospective Shareholders must not treat the contents of this Prospectus or any subsequent communications from the Company, the Investment Manager, the Administrator or Investec or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

In connection with the Placing, Investec or any of its affiliates acting as an investor for its or their own account(s) may subscribe for the Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this Prospectus to the Ordinary Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, Investec or any of its affiliates acting as an investor for its or their own account(s). Investec does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

If you are in doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant, legal or professional adviser or other financial adviser.

Data protection

The information that a prospective investor in the Company provides in documents in relation to a subscription for Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("personal data") will be held and processed by the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) and/or the Administrator in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom. Each prospective investor acknowledges and consents that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company) and/or the Administrator for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the prospective investor with information about other products and services provided by the Investment Manager, or its affiliates, which may be of interest to the prospective investor;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Each prospective investor acknowledges and consents that where appropriate it may be necessary for the Company (or any third party, functionary, or agent appointed by the Company) and/or the Administrator to:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to provide services to prospective investors; and

- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors the United Kingdom (as applicable).

If the Company (or any third party, functionary or agent appointed by the Company) and/or the Administrator discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

Prospective investors are responsible for informing any third party individual to whom the personal data relates to the disclosure and use of such data in accordance with these provisions.

Regulatory information
This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The issue or circulation of this Prospectus may be prohibited in some countries.

Investment considerations
The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment decisions or any other matter. Prospective investors must inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply to them as a result of the purchase, holding, transfer, redemption or other disposal of the Ordinary Shares.

Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's investment objectives will be achieved.

It should be remembered that the price of the Ordinary Shares, and the income from such Ordinary Shares (if any), can go down as well as up.

This Prospectus should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum and the Articles which investors should review. A summary of the Articles is contained in Part 6 of this Prospectus under the section headed "Articles of association".

Forward looking statements
This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and the Directors concerning, amongst other things, the investment strategy, financing strategies, investment performance, results of operations, financial condition, prospects, the condition of the Developing Economies and the dividend policies of the Company and the Developing Economies' companies in which it will invest. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. There are a number of factors that

could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in general market conditions and in the Developing Economies specifically, legislative or regulatory changes, changes in taxation regimes or development planning regimes, the Company's ability to invest its cash and the proceeds of the Issue in suitable investments on a timely basis and the availability and cost of capital for future investments.

Potential investors are advised to read this Prospectus in its entirety, and, in particular, the section of this Prospectus entitled "Risk Factors" for a further discussion of the factors that could affect the Company's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur or may not occur as foreseen.

These forward-looking statements speak only as at the date of this Prospectus. Subject to its legal and regulatory obligations (including under the Listing Rules, the Prospectus Rules, the DTRs and the Takeover Code), the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Presentation of financial information

The Company is newly formed and as at the date of this Prospectus has only commenced limited operations and has no assets or liabilities, and therefore no statutory financial statements have been prepared as at the date of this Prospectus. All future financial information for the Company is intended to be prepared in accordance with IFRS as adopted by the European Union and, unless otherwise indicated, the financial information in this Prospectus has been prepared in accordance with IFRS as adopted by the European Union. In making an investment decision, prospective investors must rely on their own examination of the Company from time to time and the terms of the Issue.

Presentation of industry, market and other data

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Company's business and the track record of the Directors contained in this Prospectus consists of estimates based on data and reports compiled by professional organisations and analysts, information made public by investment vehicles previously managed by the Directors, on data from other external sources and on the Company's, the Directors' and Investment Manager's knowledge of Developing Economies. Information regarding the macroeconomic environment has been compiled from publicly available sources. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Company to rely on internally developed estimates. The Company takes responsibility for compiling, extracting and reproducing market or other industry data from external sources, including third parties or industry or general publications, but none of the Company, the Investment Manager or Investec has independently verified that data. The Company gives no assurance as to the accuracy and completeness of, and takes no further responsibility for, such data. Similarly, while the Company believes its and the Investment Manager's internal estimates to be reasonable, they have not been verified by any independent sources and the Company cannot give any assurance as to their accuracy.

Currency presentation

Unless otherwise indicated, all references in this Prospectus to "GBP", "pounds sterling", "£", "pence" or "p" are to the lawful currency of the UK.

Governing law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales.

Website

The contents of the Company's website, www.feetplc.co.uk, do not form part of this Prospectus. Investors should base their decision whether or not to invest in the Ordinary Shares on the contents of this Prospectus alone.

Notice to prospective investors in the European Economic Area

The Ordinary Shares have not been, and will not be, registered under the securities laws, or with any securities regulatory authority of, any member state of the EEA other than the United Kingdom and subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered, sold, taken up or delivered in or into any member state of the EEA other than the United Kingdom.

The distribution of this Prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions.

For the attention of United States residents

The Ordinary Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any State or any other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S). In addition, the Company has not been and will not be registered under the Investment Company Act, and investors will not be entitled to the benefits of the Investment Company Act. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Ordinary Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Ordinary Shares in the United States or to US Persons may constitute a violation of US law or regulation. Applicants for Ordinary Shares will be required to certify that they are not US Persons and are not subscribing for Ordinary Shares on behalf of US Persons. Any person in the United States who obtains a copy of this Prospectus is requested to disregard it.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Application Forms in respect of the Offer*	noon on 20 June 2014
Latest time and date for commitments under the Placing*	noon on 20 June 2014
Publication of results of the Issue	23 June 2014
Admission and commencement of unconditional dealings in the Ordinary Shares issued under the Issue **	8.00 a.m. on 25 June 2014
CREST accounts credited in respect of uncertificated Ordinary Shares issued under the Issue	25 June 2014
Where applicable, share certificates despatched in respect of Ordinary Shares issued under the Issue	Week commencing 7 July 2014

* The Directors may, with prior approval of Investec, extend such date and thereby extend either Placing and Offer periods, to a time and date no later than noon on 4 July 2014 in respect of the Issue. If the Placing and Offer periods are extended, the Company will notify investors of such change by the publication of an RNS Announcement.

** Times and dates are subject to change. All dealings in the Ordinary Shares prior to the commencement of unconditional dealings will be on a "conditional basis" and will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned.

ISSUE STATISTICS

Target size of the Placing and Offer	£250 million
Issue price per Ordinary Share for the Issue	£10
Target estimated net proceeds receivable by the Company[1]	up to £247.5 million

DEALING CODES

The dealing codes for the Ordinary Shares will be as follows:

ISIN:	GB00BLSNND18
SEDOL:	BLSNND1
Ticker:	FEET

1 The maximum size of the Issue is £250 million with the actual size of the Issue being subject to investor demand. The number of Ordinary Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds, is not known at the date of this Prospectus but will be notified by the Company via an RNS announcement prior to Admission. The Issue will not proceed if the Gross Issue Proceeds would be below £100 million. It is also assumed for this purpose that 25 million Ordinary Shares are issued pursuant to the Issue and that the costs and expenses of the Issue payable by the Company are equal to one per cent. of the Gross Issue Proceeds.

DIRECTORS AND ADVISERS

Directors
Martin Bralsford
David Potter
John Spencer

Registered office and directors' business address
33 Cavendish Square
London W1G 0PW

Investment Manager
Fundsmith LLP
5th Floor, 52-54 Gracechurch Street
London EC3V 0EH

Sponsor and broker
Investec Bank plc
2 Gresham Street
London EC2V 7QP

Legal advisers to the Company as to English law
Travers Smith LLP
10 Snow Hill
London EC1A 2AL

Legal advisers to the sponsor and broker as to English law
Wragge Lawrence Graham & Co LLP
4 More London Riverside
London SE1 2AU

Auditors and Reporting Accountants
Deloitte LLP
2 New Street Square
London EC4A 3BZ

Company Secretary
Frostrow Capital LLP
25 Southampton Buildings
London WC2A 1AL

Administrator
State Street Bank and Trust Company
20 Churchill Place
Canary Wharf
London E14 5HJ

Depositary
State Street Trustees Limited
20 Churchill Place
London E14 5HJ

Registrars and receiving agents
Capita Asset Services
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

PART 1
THE COMPANY

Introduction

The Company is a newly established, externally managed investment trust incorporated in England and Wales, with an unlimited life and is targeting raising £250 million pursuant to the Issue. The Company will be listed on the Official List and the Ordinary Shares will be traded on the main market of the London Stock Exchange.

The Company's investment objective is 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. For the purposes of the Company's investment policy, a "Developing Economy" means any country other than those listed in the MSCI World Index (the countries listed in the MSCI World Index as at the date of this Prospectus being Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US). It is anticipated that the initial portfolio will comprise between 35 and 55 equity investments once the Net Proceeds are substantially invested.

The Company is not regulated by the FCA or any other regulatory authority but will, following Admission, be subject to the Listing Rules and the Disclosure and Transparency Rules. The Listing Rules include a listing principle that a listed company must ensure that it treats all holders of the same class of shares that are in the same position equally in respect of the rights attaching to such shares. The Directors intend, at all times, to conduct the affairs of the Company so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010, as amended.

The Company has entered into the Investment Management Agreement with the Investment Manager, pursuant to which the Investment Manager will manage the Company's investments and assets in accordance with the investment policy. The Investment Manager will be the Company's AIFM for the purposes of the AIFM Directive. A summary of the Investment Management Agreement is set out in paragraph 9 of Part 6 of this Prospectus.

Terry Smith will own 500,000 Ordinary Shares upon Admission which includes 50,000 Ordinary Shares that he already owns, and other partners and employees of the Investment Manager will own in aggregate approximately 95,000 Ordinary Shares upon Admission.

Each of the partners and certain employees of the Investment Manager has entered into a lock-up agreement pursuant to which he has agreed not to sell the Ordinary Shares he owns for one year from Admission, save in limited circumstances. The Directors have, in aggregate, subscribed or agreed to subscribe at Admission for 108,000 Ordinary Shares at the Issue Price on *pari passu* terms. Through this investment in the Company and a remuneration structure strongly linked to long-term Shareholder value, the Directors' and the Investment Manager's interests will be firmly aligned to those of the Shareholders.

Investment policy

The Company's investment policy is to invest in 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. It is anticipated that the Company's initial portfolio will comprise 35 to 55 investments once the Net Proceeds are substantially invested.

The Company will maintain a portfolio diversified by issuer concentration.

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

(i) not more than 5 per cent. of Gross Assets can be invested in shares issued by any single company. This limit rises to 10 per cent. in respect of up to 40 per cent. of Gross Assets;

(ii) not more than 40 per cent. of Gross Assets can be invested in shares issued by companies domiciled in any single jurisdiction;

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

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

(v) the Company's holdings in any combination of shares or deposits issued by a single company or fund must not exceed 20 per cent. of Gross Assets overall;

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

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

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

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

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

The Company has the power to borrow using short-term banking facilities to raise funds for short-term liquidity purposes or for discount management purposes including the purchase of its own shares, provided that the maximum gearing represented by such borrowings shall be limited to 15 per cent. of the Net Asset Value at the time of draw down of such borrowings.

Investment restrictions
The Company will comply with the investment restrictions set out below and will continue to do so for so long as they remain requirements of the FCA:

- neither the Company nor any of its subsidiaries will conduct any trading activity which is significant in the context of the group as a whole;
- the Company must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with the published investment policy; and
- not more than 10 per cent. of the Gross Assets at the time an investment is made will be invested in other closed-ended investment funds which are listed on the Official List.

The Directors do not currently intend to propose any material changes to the Company's investment policy, save in the case of exceptional or unforeseen circumstances. As required by the Listing Rules, any material change to the investment policy of the Company will be made only with the approval of Shareholders.

In the event of any breach of the investment restrictions applicable to the Company, Shareholders will be informed of the remedial actions to be taken by the Company through an RNS announcement.

The Developing Economies opportunity

The Investment Manager believes that the rise of the consumer in the Developing Economies is a well established trend with a predictable pattern of development and a long way to run. Rather than investing in companies whose listing is in Developing Economies, in general the Investment Manager will seek to focus on those companies which are exposed to the rise of the consumer in Developing Economies. This is, in the opinion of the Investment Manager, a better way of delivering a return which captures the growth in those markets.

Timing and opportunity

Analysis from Euromonitor suggests that the consuming class (representing consumers with more than $5,000 in disposable income) in Developing Economies will grow by approximately one billion individuals between 2010 and 2020. Further, a recent study by Groningen University, Brookings Institution and McKinsey forecasts world consumption in the emerging markets to rise from $12 trillion in 2010 to $30 trillion in 2025, an increase of 150 per cent. This compares to a rise over the same period from $26 trillion to $34 trillion in the developed markets.

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.

Approximately a fifth of the companies in which the Company may invest are quoted subsidiaries or franchisees of the multinational companies which may be invested in by the Investment Manager's existing fund, the Fundsmith Equity Fund. This means the Investment Manager is well placed to conduct due diligence and assess the corporate governance of these companies. There are strong opportunities available to some of these quoted subsidiaries. For example, Nestlé India has sales of $1.6 billion from a country of 1.2 billion people, less than Nestlé sells in Australia (population 23 million). In 2013, Jubilant Foodworks, India's largest fast food retailer and a Domino's Pizza master franchisee, had just £165 million of sales compared with over £250m for Domino's Pizza Group PLC, the UK master franchisee.

Potential investment opportunities

The Investment Manager has compiled a list of listed or traded companies that, as at the date of this Prospectus, fall within the Company's investment policy and which exhibit, in the Investment Manager's opinion, characteristics that would lead the Investment Manager to consider making an investment (such characteristics being further detailed above and in Part 3 of this Prospectus). The Investment Manager refers to such companies as the Company's "Investable Universe" and it consists of 139 companies.

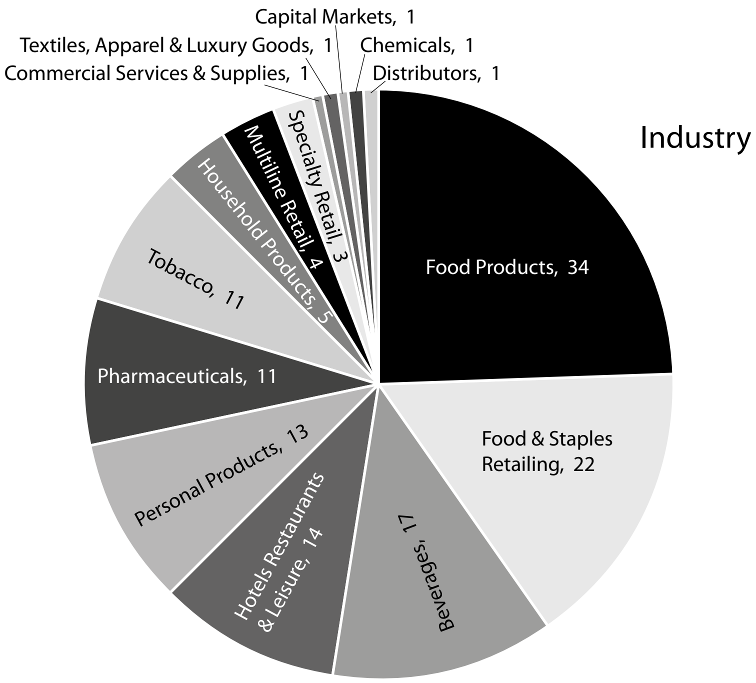
The companies in the Investable Universe are domiciled in the jurisdictions set out below:

Bangladesh	2	Kenya	1	Saudi Arabia	1
Brazil	10	Macau	2	Singapore*	1
Chile	2	Malaysia	4	South Africa	12
China	6	Mexico	7	South Korea	1
Colombia	2	Nigeria	6	Sri Lanka	4
Czech Republic	1	Pakistan	6	Thailand	4
Egypt	2	Peru	1	Trinidad & Tobago	2
Hong Kong*	9	Philippines	5	Turkey	2
India	30	Poland	2	United States*	1
Indonesia	9	Russia	3	Vietnam	1

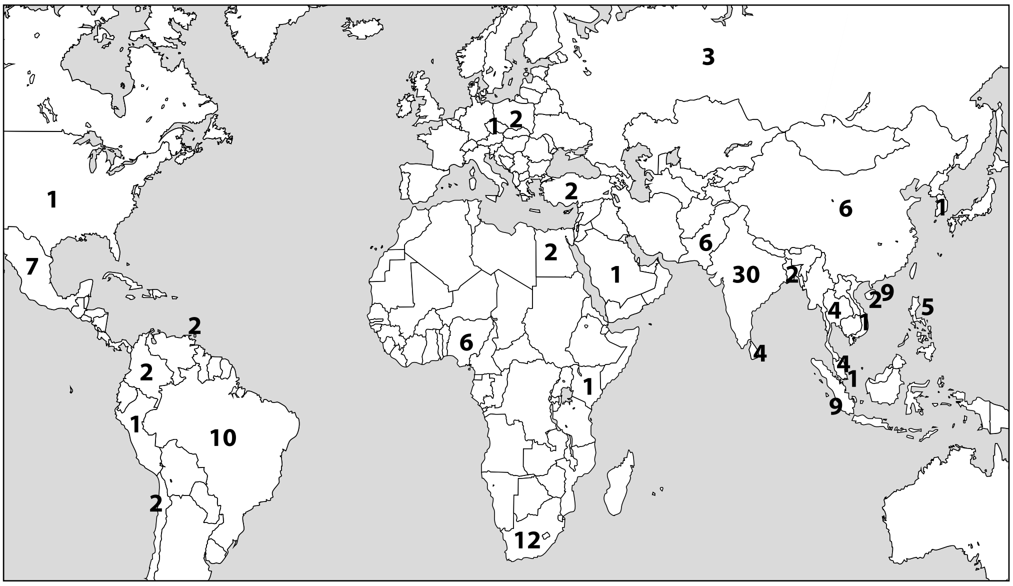
Jurisdictions marked with an "*" are not "Developing Economies" for the purposes of the Company's investment policy. However, the companies included in the Investable Universe that are domiciled in those jurisdictions have the majority of their operations in, or revenue derived from, Developing Economies and, as such, would be eligible for investment by the Company.

Set out below is a breakdown of the Investable Universe by reference to the industry, by domicile and by currency in which the relevant companies operate:

By industry

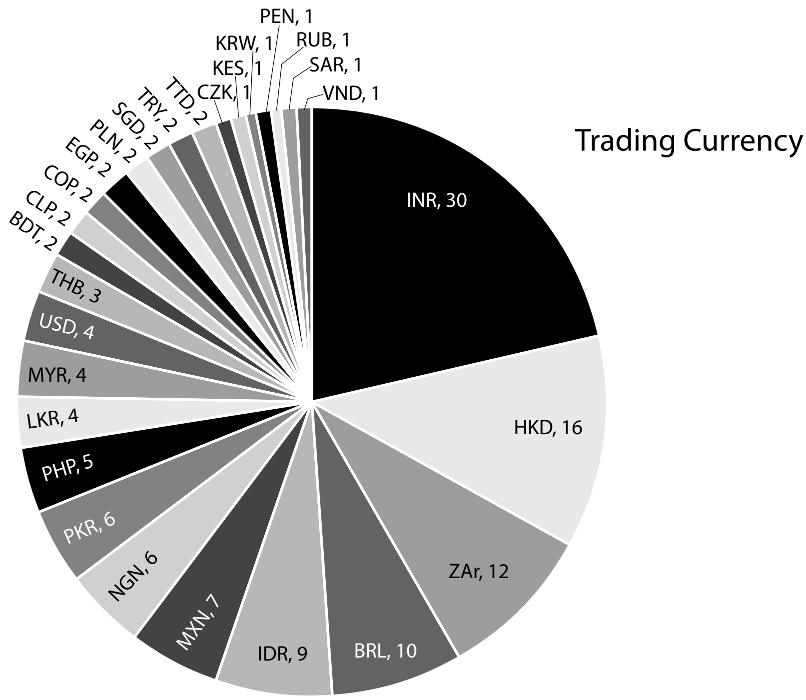


By domicile



Region	Nº
Asia Pacific	42
Indian Subcontinent	42
Africa/Middle East	22
South America	15
North America incl. Mexico & Caribbean	10
Eastern Europe	8
Total	139

By currency



Source: Investment Manager, classification of industries made in accordance with the Global Industry Classification Standard. Please note that Future Consumer Enterprise, a company in the Investment Universe is classified by the Global Industry Classification Standard as operating in the "Capital Markets" sector. Future Consumer Enterprise's business consists of holdings in businesses in the fashion apparel and accessories, fast moving consumer goods (FMCG) and food processing, rural distribution and edutainment sectors. Its underlying holdings mean that the Investment Manager considers that it has characteristics which bring it within the Investable Universe.

Given the fact that the criteria for potential investments of the Company are the same (save for location) as those used for the Fundsmith Equity Fund, which invests in companies in developed markets, there is considerable similarity in the types of company identified as being in the Investable Universe as those invested in by the Fundsmith Equity Fund. The majority of the companies in the Investable Universe are in the consumables or leisure sectors and many of the companies are listed subsidiaries of, or closely related to, companies in the investable universe of Fundsmith Equity Fund. For example, in the Company's Investable Universe is Gillette India (subsidiary of P&G, headquartered and operating in India, Personal Products), Jubilant Foodworks (franchisee of Domino's Pizza, headquartered and operating in India, Food Retailing), Nestle Pakistan (subsidiary of Nestle, headquartered and operating in Pakistan, Food Products), East African Breweries (subsidiary of Diageo, headquartered and operating in Kenya, Beverages), and Hindustan Unilever (a subsidiary of Unilever, headquartered and operating in India, Personal Products).

Other examples of companies in the Investable Universe include Godrej (headquartered and operating in India, Consumer Products), Jollibee (headquartered and operating in Philippines, Food Retailing), Grupo Nutresa (Colombia, headquartered and operating in Food Manufacturer), Angostura (operating in Trinidad and Tobago with broad geographical sales, Beverages), Kimberley Clark de Mexico (headquartered and operating in Mexico, Personal Products), Hengan (headquartered in Hong Kong but with operations in China, Personal Products), Spar (headquartered and operating in South Africa, Food retailer and distributor), Vinamilk (headquartered and operating in Vietnam, Food Manufacturer), Distell (headquartered and operating in South Africa, Beverages), Jyothy (headquartered and operating in India, Household Products), Natura (headquartered and operating in Brazil, Cosmetics), Café de Coral (headquartered and operating in Hong Kong, Fast Food), Tiger Brands (headquartered and operating in South Africa, Food Manufacturer), United Spirits (headquartered and operating in India, Beverages) and 3M India (headquartered and operating in India, Consumer Products).

There are, in addition, two sectors which are represented in the Investable Universe which are not represented in the developed world investable universe of the Fundsmith Equity Fund and they are retailers and breweries. Developing Economies retailers show strong growth potential within national boundaries and can have higher operating margins and return on capital employed ("**ROCE**") than is typical of the developed world. The Investable Universe includes retailers such as Sun Art, PriceSmart, Magnet (based in Russia) and Walmart Mexico. Brewers are dominated by local tastes (in every major beer market in the world, the leading brand is local), but the high margin and strong ROCE make them good potential investments. Brewers include Carlsberg Malaysia, Guinness Nigeria, CCU (listed in and operating in Chile) and ThaiBev (listed in Singapore but with operations in Thailand).

The Company's investment policy will also enable it to invest in companies which are developing major brands and corporations in Developing Economies and which may emerge as the multinational winners of tomorrow.

Overall, the Investable Universe has a total market value of approximately £500 billion, which implies an average market capitalisation of greater than £3 billion. Based on the latest financial information available when the Investment Manager conducted its initial research, the average free float was approximately 40 per cent. and the Investable Universe showed an average ROCE of approximately 30 per cent and a free cash flow yield of over 4 per cent. Using the same data, over 5 years, the free cash flow yield of the Investable Universe has grown by over 190 per cent., which implies a compound annual growth rate of over 24 per cent.

The table below shows the aggregated cumulative return and annualised return on the shares of the companies comprising the Investable Universe over one, three, five and ten year periods as at 31 March 2014, together with the total returns on the MSCI Emerging Markets Index over the same periods. It should be noted that the returns on an investment by the Company in the Investable Universe would be subject to a reduction to take account of the Management Fee payable to the Investment Manager and the ongoing costs of the Company and these are not reflected in the tables below.

GBP

To 31/3/14

Cumulative Return	**1 Year**	**3 years**	**5 years**	**10 years**
Equal Weighted	-10%*	29.90%	265.50%	1187.10%
Market Cap Weighted	-12.8%*	39.50%	298.70%	1434.10%
MSCI Emerging Markets Index	-10.2%*	-11.9%	69.0%	188.8%

GBP

To 31/3/14

Annualised Return	1 Year	3 years	5 years	10 years
Equal Weighted	-10%*	9.10%	29.60%	29.10%
Market Cap Weighted	-12.8%*	11.70%	31.90%	31.40%
MSCI Emerging Markets Index	-10.2%*	-4.1%	11.1%	11.2%

Source: Bloomberg

Shareholders should be aware that the companies which form part of the Investable Universe will change from time to time. The Company may continue to hold an investment even if the market in which it operates, or derives its revenue from, no longer falls within the definition of a Developing Economy subsequent to an investment being made. The exact composition of the fully invested portfolio will depend on a number of factors (including the continued availability of shares issued by the companies in the Investable Universe at the time of the Company's investment which cannot be guaranteed).

Prospective investors should note that the information in the above tables in respect of the returns of the companies in the Investable Universe is intended to be illustrative only and is not designed to be indicative, or to predict the future performance, of the Company or its eventual investment portfolio, the returns of which may be materially different from the historic returns from companies in the Investable Universe as described above. In particular, the Investable Universe comprises 139 companies. It is anticipated that the Company's initial portfolio will comprise between 35 and 55 investments once the Net Proceeds are substantially invested meaning that a majority of the companies in the Investible Universe will not form part of the initial portfolio and the returns of the investments actually made by the Company will not necessary correlate with the aggregate returns of the entire Investable Universe. To repeat the clichés, past performance is no guide to future performance.

Investment Manager

Under the Investment Management Agreement, Fundsmith LLP, the Investment Manager, which is authorised and regulated in the UK by the Financial Conduct Authority, has been appointed by the Company as its Investment Manager and in such capacity acts as discretionary investment manager to the Company within the strategic guidelines set out in the Company's investment policy and subject to the oversight of the Board.

The Investment Manager was founded in 2010 and shortly thereafter launched the Fundsmith Equity Fund, a conviction-led global equities fund with an equivalent strategy to the Company's.

Terry Smith will lead the Investment Manager in the identification and selection of the Company's pipeline of potential investments, including the provision of investment and portfolio management services relating to the ongoing management of the assets.

Further details in relation to the Investment Manager and the Investment Manager's team are set out in Part 3 of this Prospectus. A summary of the terms of the Investment Management Agreement is provided in paragraph 9 of Part 6 of this Prospectus.

Capital structure

The Company's issued share capital at Admission will comprise the Ordinary Shares currently in issue and those which will be issued pursuant to the Issue. The Ordinary Shares will be admitted to trading on the main market for listed securities of the London Stock Exchange and will be listed on the premium segment of the Official List.

Shareholders will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share held.

On a winding up, provided the Company has satisfied all of its liabilities, the Shareholders are entitled to all of the surplus assets of the Company.

The Company's Articles contain provisions that permit the Directors to issue C Shares from time to time. C Shares are shares which convert into Ordinary Shares only when a specified proportion of the net proceeds of issuing such C Shares have been invested in accordance with the Company's investment policy (prior to which the assets of the Company attributable to the C Shares are segregated from the assets of the Company attributable to the Ordinary Shares). A C Share issue would therefore permit the Board to raise further capital for the Company whilst avoiding any immediate dilution of investment returns for existing Shareholders which may otherwise result.

The Ordinary Shares carry the right to receive all dividends declared by the Company, subject to the right of the C Shares (if any have been issued by the Company) to receive dividends that the Directors resolve to pay out of the net assets attributable to the C Shares and from income received and accrued which is attributable to the C Shares.

Further issues

The Board will have authority to allot further Ordinary Shares following Admission, representing up to 10 per cent. of the Company's issued share capital immediately following Admission, such authority lasting until the first annual general meeting of the Company. To the extent that the authority is used before the first annual general meeting, the Company may convene a general meeting to refresh the authority. Shareholders' pre-emption rights over this unissued share capital have been disapplied so that the Board will not be obliged to offer any such new Ordinary Shares to Shareholders pro rata to their existing holdings. The reason for this is to retain flexibility, following Admission, to issue new Ordinary Shares (including Ordinary Shares issued in accordance with the authority referred to above) to investors. Except where authorised by Shareholders, no Ordinary Shares will be issued at a price which is less than the Net Asset Value per existing Ordinary Share at the time of their issue unless they are first offered pro rata to Shareholders on a pre-emptive basis.

As noted under "Capital Structure" above, the Articles contain provisions that permit the Directors to issue C Shares from time to time and a C Share issue would permit the Board to raise further capital for the Company whilst avoiding any immediate dilution of investment returns for existing Shareholders which may otherwise result.

Purchase of own shares

The Directors have the authority to purchase in the market up to 14.99 per cent. of the Ordinary Shares in issue immediately following Admission. This authority will expire at the conclusion of the Company's first annual general meeting or if earlier, 18 months from the date on which the resolution conferring the authority was passed. The Directors intend to seek annual renewal of this authority from Shareholders at each annual general meeting. Whether the Company purchases any such Ordinary Shares, and the timing and the price paid on any such purchase, will be at the discretion of the Directors. Ordinary Shares which are bought back may be cancelled or held in treasury. It is the current intention of the Directors to hold any Ordinary Shares which have been bought back in treasury. Ordinary Shares held in treasury may be sold by the Company at prices equal to or above the prevailing Net Asset Value per Ordinary Share.

Discount Management

If after the end of the fourth financial year of the Company's existence (being 31 December 2018) or any subsequent year, the Ordinary Shares have traded, on average, at a discount in excess of 10 per cent. of Net Asset Value per Ordinary Share in that year, the Directors will consider proposing a special resolution at the Company's next annual general meeting that the Company ceases to continue in its present form. If such vote is proposed and passed, the Board will be required to formulate proposals to be put to Shareholders within four months to wind up or otherwise reconstruct the Company, having regard to the illiquid nature of the Company's underlying assets. Any such proposals may incorporate arrangements which enable investors who wish to continue to be exposed to the Company's investment portfolio to maintain some or all of their existing exposure.

The discount or premium at which the Ordinary Shares trade on each Business Day in a financial year for the purposes of the continuation vote mechanism will be determined by reference to the closing bid price of the Ordinary Shares on each relevant Business Day and the most recently published Net Asset Value per Ordinary Share.

Dividend policy

At least initially, the Company does not anticipate paying any dividends. The Company's intention is to provide capital growth and not to provide any particular level of dividend. The Company will comply with the investment trust rules regarding distributable income but does not expect significant income from the shares in which it invests.

Any dividends and distributions will be at the discretion of the Board. Subject to the Companies Act, the Company may, by ordinary resolution, declare dividends to be paid to members of the Company according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.

Subject to the Companies Act, the Board may from time to time pay to the shareholders of the Company such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company, on such dates and in respect of such periods as it thinks fit.

Were the Company to be in a position to pay a dividend, then it may, subject to complying with all relevant criteria and with the approval of the Shareholders by ordinary resolution, choose to offer Shareholders a scrip dividend alternative or may establish a scrip dividend scheme that would allow Shareholders to receive Ordinary Shares instead of a cash dividend.

Investment trust status

The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010, as amended.

In summary, in order for the Company to be eligible as an investment trust:

- all or substantially all of the Company's business consists of investing its funds in shares, land or other assets with the aim of spreading investment risk and giving Shareholders the benefit of the results of the management of its funds;
- the Company's Ordinary Shares must be admitted to trading on a regulated market, such as the main market of the London Stock Exchange, throughout the accounting period; and
- the Company must not be a venture capital trust (within the meaning of Part 6 of the Income Tax Act 2007) or UK REIT (within the meaning of Part 12 of the Corporation Tax Act 2010).

In order for the Company to maintain its investment trust status it must:

- not be a close company;
- not retain in respect of any accounting period an amount which is greater than 15 per cent. of its income for the period; and
- notify HMRC if it revises its investment policy or breaches the regime.

Duration

The Company has been established with an unlimited life.

PART 2
DIRECTORS AND ADMINISTRATION

The Directors

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles and the investment policy and have overall responsibility for the Company's activities including its investment activities and reviewing the performance of the Company's portfolio.

The Directors may delegate certain functions to other parties such as the Investment Manager, the Administrator, the Company Secretary, the Depositary and the Registrar. In particular, the Directors have delegated responsibility for day to day management of the investments comprised in the Company's portfolio to the Investment Manager. The Directors have responsibility for exercising supervision of the Investment Manager.

Martin Bralsford

Martin Bralsford (aged 66) was articled with Pannell Kerr Forster & Co, London, qualifying as a Chartered Accountant in 1970 and obtained a masters degree at the London Business School in 1974. Until July 2007 he was Chief Executive of C.I. Traders, taking up this role in August 2002 when it acquired Le Riche Group. C.I. Traders was an AIM listed public company with c £325 million turnover and c 3,500 employees engaged in leisure, retail, (including a Marks & Spencer Franchise) and wholesale distribution and property businesses mainly in the Channel Islands. It had an enterprise value of c £460 million. He joined Le Riche Group as its Chief Executive in November 1992 after having previously been Group Managing Director and Chairman of Premier Brands Ltd, (now Premier Foods Ltd), part of Hillsdown Holdings. Prior to this he held a number of financial and general management appointments in Calor Gas, Rank Group, Smith Kline Beecham and Cadbury Schweppes. He has served as an independent member of the boards of a number of commercial, banking and investment companies including Gartmore Capital Strategy Fund Limited and Acorn Income Fund Limited. He is a Trustee of a number of charitable trusts; a former President of the Jersey Chamber of Commerce; and a former Chairman of both the Training and Employment Partnership in Jersey and the Durrell Wildlife Conservation Trust of which he is a Life Trustee.

David Potter

After 35 years in the City (CSFB, Montagu, Midland, Guinness Mahon, Investec) David Potter (aged 69) has spent the last 15 years as a Chairman, Non Executive and Trustee in a wide range of companies and institutions. He is currently Chairman of Spark Ventures PLC, a Director of Maven Income and Growth VCT, a member of the Council of The Centre for the Study of Financial Innovation, Chairman of the Bryanston and National Film & TV School Foundations and a member of The King's College London Investment Board.

John Spencer

John Spencer (aged 70) qualified as a chartered accountant in 1966 and worked with KPMG from 1966 to 1969. He joined Barclays Bank in 1969 and held a variety of posts, including President of Barclays Bank of New York and chief executive of the USA Banking division. He returned to the UK in 1990 as deputy chief executive of BZW and chief executive of the Global Markets division and was appointed a member of the Group Executive Committee. Mr. Spencer retired in 1995. He was non-executive chairman of Regent Inns plc from 1995 to 1998 and served as non-executive chairman of Softtechnet.com plc, a director of Numerica Group plc and chief executive of Snell & Wilcox Limited, a private company. He was appointed director of Tullett Prebon (originally Collins Stewart) in September 2000 and became the Senior Independent Non-executive Director, and a member of the Audit, Remuneration and Nominations Committees. He resigned in June 2007. Mr. Spencer has been non-executive director of tpSEF Inc. from August 2013.

Corporate governance

The Listing Rules require that the Company must "comply or explain" against the UK Corporate Governance Code (the "**Governance Code**"). In addition, the Disclosure and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The Directors have considered the principles and recommendations of the AIC Code by reference to the AIC Guide. The AIC Code, as explained in the AIC Guide, addresses all the principles set out in the Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Governance Code) will provide better information to Shareholders.

As a newly incorporated company, the Company does not comply with the Governance Code or the AIC Code as at the date of this Prospectus. However, the Directors recognise the value of the Governance Code and have taken appropriate measures to ensure that from Admission the Company will comply, so far as is possible given the Company's size and nature of business, with the AIC Code. The areas of non-compliance by the Company with the AIC Code will be as follows:

The Governance Code includes provisions relating to the role of the chief executive; executive directors' remuneration; and the need for an internal audit function. For the reasons set out in the AIC Code, the Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company, and the Company will not therefore comply with them.

The Company has not established a nomination committee or a remuneration committee, which is not in accordance with provisions B.2.1 and D.2.1 respectively of the Governance Code. As all of the Directors are independent and non-executive, the Company considers that the Board as a whole can fulfil the role otherwise undertaken by such committees.

Audit Committee

The Company's Audit Committee, comprising all the Directors will meet formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and remuneration of the auditor and to review the annual accounts, interim reports and interim management statements. Where non-audit services are to be provided by the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement will be considered before proceeding. John Spencer will act as chairman of the Audit Committee. The principal duties of the Audit Committee will be to consider the appointment of external auditors, to discuss and agree with the external auditors the nature and scope of the audit, to keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the auditor, to review the external auditors' letter of engagement and management letter and to analyse the key procedures adopted by the Company's service providers.

Management Engagement Committee

The Company's Management Engagement Committee, comprising all the Directors, will meet formally at least once a year for the purpose, amongst other things, of reviewing the actions and judgments of the Investment Manager and also the terms of the Investment Management Agreement.

Other committees

As noted above, the Board will fulfil the responsibilities typically undertaken by a nomination committee and a remuneration committee.

Directors' share dealings

The Directors have adopted a code of directors' dealings in Ordinary Shares, which is based on the Model Code for directors' dealings contained in the Listing Rules. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

Administrator

State Street Bank and Trust Company has been appointed as Administrator to the Company pursuant to the Accounting and Administration Services Agreement (further details of which are set out in paragraph 9 of Part 6 of this Prospectus). Under the terms of the Accounting and Administration Services Agreement, the Investment Manager has delegated the performance of certain valuation services it provides pursuant to the terms of the Investment Management Agreement to the Administrator.

The Administrator will be responsible for the maintenance of the books and financial accounts of the company and the calculation, in conjunction with the Investment Manager, of the Net Asset Value of the Company and the Ordinary Shares.

Company Secretary

Frostrow Capital LLP will provide company secretarial services to the Company pursuant to the Company Secretarial Agreement (further details of which are set out in paragraph 9 of Part 6 of this Prospectus).

The Company Secretary will be responsible for production of the Company's accounts, regulatory compliance and providing support to the Board's corporate governance process and its continuing obligations under the Listing Rules and the Disclosure and Transparency Rules. In addition, the Company Secretary will be responsible for liaising with the Company, the Investment Manager, the Registrar and the Administrator in relation to the payment of any dividends, as well as general secretarial functions required by the Companies Act (including but not limited to the maintenance of the Company's statutory books).

Registrar

Capita Registrars Limited has been appointed as the Company's Registrar pursuant to the Registrar Agreement (further details of which are set out in paragraph 9 of Part 6 of this Prospectus).

Depositary

State Street Trustees Limited has been appointed as the Company's depositary pursuant to the Depositary Agreement (further details of which are set out in paragraph 9 of Part 6 of this Prospectus). The Depositary is authorised by the Prudential Regulation Authority and is subject to regulation by the FCA and to limited regulation by the Prudential Regulation Authority. The Depositary has delegated its obligations in respect of the safe keeping of the Company's investments to State Street Bank and Trust Company which in turn has appointed sub-custodians in jurisdictions where the Company may make investments.

Broker

Investec has been appointed as corporate broker to the Company.

Auditor

Deloitte LLP will provide audit services to the Company. The annual report and accounts will be prepared in accordance with IFRS as adopted by the European Union.

Fees and expenses

Initial expenses

The costs and expenses of the Issue which will be paid by the Company have been capped at 1 per cent. of Gross Issue Proceeds and will not therefore exceed £2.5 million, assuming Gross Issue Proceeds are £250 million. In the event that the costs and expenses of the Issue exceed 1 per cent. of Gross Issue Proceeds, the Investment Manager will pay such additional costs and expenses incurred over and above the cap.

The costs and expenses of the Issue will be paid out of Gross Issue Proceeds and will therefore be borne indirectly by the investors.

The costs and expenses of the Issue will be paid on or around Admission and will include, without limitation, placing fees and commissions; registration, listing and admission fees; printing, advertising and distribution costs; legal fees, and any other applicable expenses. All such expenses will be immediately written off.

On the assumption that the Company achieves its target issue size of £250 million, the Net Asset Value of the Company immediately following Admission is expected to increase by £247.5 million (in other words, 99 per cent. of Gross Issue Proceeds) and the initial expenses of the Issue will not exceed £2.5 million. In the event that the Company raises its minimum issue size of £100 million, the Net Asset Value of the Company immediately following Admission is expected to increase by £99 million and the initial expenses will not exceed £1 million.

Ongoing expenses

Investment Manager's fees

The Investment Manager will be entitled to an annual fee which shall accrue daily and will be 1.25 per cent. of NAV per annum.

The fee will be payable quarterly in arrear in cash.

No performance fee will be payable.

Other fees and expenses

The Company will also incur further on-going annual fees and expenses, which will include the following:

- *Administrator*

  Under the terms of the Accounting and Administration Services Agreement, the Administrator is entitled to an annual fee in respect of the valuation and accounting services it will provide calculated by reference to the Company's NAV as follows: an amount equal to the aggregate of (i) four basis points of the NAV of the Company up to £100 million; (ii) three basis points of the NAV of the Company between £100 million and £400 million; and (iii) two basis points of the NAV of the Company in excess of £400 million. In addition, a further fee of £1,500 per annum will be payable in respect of the tax reporting services provided by the Administrator. A minimum fee of £25,000 per annum shall apply following the Company's first financial year. The Administrator will, in addition, be entitled to recover third party expenses and disbursements.

- *Company Secretary*

  Under the terms of the Company Secretarial Agreement, the Company Secretary is entitled to an annual fee of £85,000 per annum (plus VAT) in respect of the company secretarial services it will provide, including corporate governance, regulatory compliance and Listing Rule continuing obligations. The Company Secretary will, in addition, be entitled to recover reasonable third party expenses and disbursements.

- *Registrar*

  The Registrar will be entitled to an annual fee from the Company equal to £1.25 per Shareholder per annum or part thereof; with a minimum of £3,250 per annum. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as published from time to time.

- *Depositary*

  The Depositary will be entitled to an annual fee from the Company calculated by reference to the services performed (in respect of custody services) as well as a fee equal to two basis points of the gross asset value of the Company (in respect of depositary services). A minimum fee of £25,000 per annum in respect of custody services and £10,000 per annum in respect of depositary services, shall apply, in each case, following the Company's first financial year. The Depositary will, in addition, be entitled to recover reasonable third party expenses and disbursements.

- *Broker*

  Investec has been appointed as corporate broker to the Company. Under the terms of the Broker Agreement, Investec is entitled to a fee of £50,000 per annum in respect of the first year following Admission and £55,000 per annum thereafter (exclusive of VAT).

- *Directors*

  The Directors will be remunerated for their services at a fee of £20,000 per annum (£25,000 for the Chairman). Further information in relation to the remuneration of the Directors is set out in Part 6 of this Prospectus.

- *Other operational expenses*

  All other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including, without limitation, the incidental costs of making its investments and the implementation of its investment objective and policy; travel, accommodation and printing costs; the cost of directors' and officers' liability insurance and website maintenance; audit and legal fees; and annual listing fees. All out of pocket expenses that are reasonably and properly incurred, of the Investment Manager, the Administrator, the Company Secretary, the Depositary, the Receiving Agent and Registrar and the Directors relating to the Company will be borne by the Company. No fees or expenses, including those listed above, will be borne by Investors.

The Directors estimate that the operating cash flow in the first year following Admission will be between 1.65 per cent. and 1.85 per cent. This is an estimate only and not intended to be, and is not, a profit forecast.

Meetings and reports

The Company expects to hold its first annual general meeting in the second quarter of 2015 and subsequent annual general meetings in the second quarter of each calendar year. The Company's audited annual report and accounts will be prepared to 31 December each year, commencing in 2014, and it is expected that copies will be sent to Shareholders in April each year or earlier if possible. Shareholders will also receive an unaudited interim report each year in respect of the period to 30 June, expected to be despatched in August each year, or earlier if possible. The Company's audited annual report and accounts and interim report will be available on the Company's website.

The Company will also produce interim management statements for so long as it is required to do so by the Disclosure and Transparency Rules.

The Company's accounts and the annual report will be drawn up in sterling and in accordance with IFRS as adopted by the European Union.

Net Asset Value publication and calculation

The Administrator, in conjunction with the Investment Manager, will calculate the Net Asset Value and the Net Asset Value per Ordinary Share as at the end of each Business Day and will report such calculation to the Board and the Investment Manager. The Administrator will announce the Net Asset Value to Shareholders through a Regulatory Information Service. In the event the Net Asset Value is outside the expected range agreed with the Investment Manager, the Administrator will seek the Investment Manager's approval before announcing the Net Asset Value.

The Net Asset Value of the Company will be calculated on the basis of the bid prices of the Company's underlying investments or a lower figure if, in the reasonable opinion of the Investment Manager, the underlying investment is worth less than the bid price. If trading in an underlying investment held by the Company is suspended, the last available bid price of that investment will be used to calculate the Net Asset Value unless the Investment Manager believes another value is a better representation of the fair value of the investment.

These calculations will be reported daily to Shareholders through a RNS announcement. The Company may delay public disclosure of the Net Asset Value to avoid prejudice to its legitimate interests, provided that such delay would not be likely to mislead the public and the Company has put in place appropriate measures to ensure confidentiality of that information.

The Board may determine that the Company shall temporarily suspend the determination of the Net Asset Value per Ordinary Share when the prices of any investments owned by the Company cannot be promptly or accurately ascertained; however, in view of the nature of the Company's proposed investments, the Board does not envisage any circumstances in which valuations will be suspended. If the Board suspends the determination of Net Asset Value it will report the suspension to Shareholders through a Regulatory Information Service.

PART 3
THE INVESTMENT MANAGER, INVESTMENT PROCESS AND STRATEGY

The Investment Manager

Fundsmith LLP is a fund management company established on 16 April 2010 by Terry Smith. Fundsmith LLP is a limited liability partnership established in England and Wales with registered number OC354233. The business is 100 per cent. owned and controlled by its partners, who have worked closely together over many years, and is headquartered in London with an office in Connecticut, USA.

Fundsmith LLP currently manages over £1.7 billion in one global equity strategy across three funds in different jurisdictions. Fundsmith LLP is authorised and regulated by the FCA.

The investment management team will be headed by Terry Smith, based in London, assisted by Julian Robins, as Head of Research, based in the USA, and Michael O'Brien, Jonathan Imlah, Sandip Patodia and Tom Boles in London.

Terry Smith

Terry Smith graduated in History with a 1st class degree from University College Cardiff in 1974. He worked for Barclays Bank from 1974 until 1983 and became an Associate of the Chartered Institute of Bankers in 1976. He obtained an MBA at The Management College, Henley in 1979. He became a stockbroker with W Greenwell & Co in 1984 and was the top-rated bank analyst in London from 1984 to 1989. In 1990 he became Head of UK Company Research at UBS Phillips & Drew, a position from which he was dismissed in 1992 following the publication of his bestselling book Accounting for Growth. He joined Collins Stewart shortly after, and became a director in 1996. In 2000 he became Chief Executive and led the management buy-out of Collins Stewart, which was floated on the London Stock Exchange five months later. In 2003 Collins Stewart acquired Tullett Liberty and followed this in 2004 with the acquisition of Prebon Group, creating the world's second largest inter-dealer broker. Collins Stewart and Tullett Prebon were demerged in 2006. He founded Fundsmith LLP in 2010. In 2012 he was appointed a Member of the New Zealand Order of Merit for his contribution to New Zealand-UK relations.

Terry Smith, the founder of the Investment Manager, has experience as a chief executive responsible for businesses and joint ventures operating in Brazil, China, India, Indonesia, Korea, Mexico, the Philippines, the Republic of South Africa and Thailand.

Julian Robins

Julian Robins started his career with the stockbroking firm EB Savory Milln in 1984. From 1987 until 1999, he worked for BZW and after their takeover of BZW's equity business in 1998, CSFB. Between 1988 and 1993 he was BZW's senior bank analyst in London, from 1993 until 1999, he worked as an institutional salesman in New York. In 1999 he was one of the founders of Collins Stewart's New York office. He has 1st class degree in Modern History from Christ Church, Oxford and is qualified as a Series 7 Registered Representative and Series 24 General Securities Principal with FINRA.

Michael O'Brien

Michael joined Fundsmith in October 2013. He began his career at Guinness Flight Global Asset Management (subsequently Investec Asset Management) in 1994 as an analyst, taking responsibility for the Group's UK Small and Emerging Companies Funds in 1997, and subsequent to this the Recovery Fund. Michael also was an investment advisor to the group's Venture Capital Trust. In 2000 Michael joined Collins Stewart as a UK analyst covering a wide range of sectors and was also instrumental in the development of the firm's research product. Michael holds an MPhil from Cambridge University.

Jonathan Imlah

Jonathan joined Fundsmith in December 2013 from Canaccord Genuity where he was the lead Technology analyst since 2010. He was previously at Altium Securities where he covered technology for 6 years, latterly as Head of Research. Prior to Altium, he worked in the large cap technology team at Dresdner Kleinwort covering pan European IT services. Jonathan was Techmark analyst of the year in 2007 and was number 1 or 2 in his sector in the FT Starmine survey between 2009 and 2013. Prior to taking up a career as an analyst Jonathan was a country investment report writer working in Spain, India, Russia, Hungary, Brazil, Peru, Zimbabwe and Guatemala.

Jonathan has an MBA from INSEAD and a degree in French and Philosophy from St Andrews University and is a fluent Spanish speaker.

Sandip Patodia

Sandip joined Fundsmith in 2014 from Morgan Stanley, where he had been a Vice-President within the UK Investment Banking team. Sandip spent four years with Morgan Stanley as a corporate broker, providing corporate finance advice to UK listed companies on all aspects of their interaction with the equity markets. Prior to that he spent four years working as a M&A adviser at Ernst & Young. Sandip holds a first class honours degree in Electronics and Computer Science from Aston University and is a qualified Chartered Accountant with the Institute of Chartered Accountants of Scotland.

Tom Boles

Tom joined Fundsmith in 2013 having completed an MSc in Economics and Finance from the University of Bristol with distinction in 2012, where his dissertation was on Persistence of Performance in the Mutual Fund Management Industry. He graduated from Bristol in 2011 with a BSc in Economics, having conducted work experience at Odey Asset Management and Neptune Investment Management. He is also an Investment Management Certificate (IMC) holder and a Level 1 CFA exam holder.

Investment approval and management process

Set out below is a summary of the intended investment approval and management process that will be generally applied in respect of the Company's investments (to the extent appropriate given the nature of a relevant investment opportunity):

Initial analysis

The Company will be invested using the following methodology, namely:

1. *Seeking high quality businesses with specific characteristics and intangible assets*

In the Investment Manager's view, a high quality business is one which can sustain a high return in cash on operating capital employed, in cash. Earnings per share is not the same as cash, but more importantly it takes no account of the capital employed to generate those earnings or the return which is earned on that capital.

The Investment Manager will not just look for a high rate of return. It will seek a sustainable high rate of return. An important contributor to this is repeat business, usually from consumers. A company that sells many small items each day is better able to earn consistent returns over the years than a company whose business is cyclical. This approach rules out most businesses that do not sell directly to consumers or which make goods which are not consumed at short and regular intervals.

Capital goods companies and industrial suppliers make components, ingredients and packaging to sell to businesses. Business buyers are able to defer purchases of such products when the business cycle turns down. Moreover, business buyers employ staff to drive down the cost of purchase and lengthen their payment terms. In contrast, consumers generally have no direct bargaining power – it is not normal for consumers to be able to negotiate a lower price for everyday luxuries and necessities.

An important contributor to resilience is a resistance to product obsolescence. The Investment Manager will not invest the Company in industries which are subject to rapid technological innovation. Innovation is often sought by investors but does not always produce lasting value for them and can have high capital costs. The Investment Manager will seek to benefit from incremental product development in long established products and industries.

Even when a company sells to consumers, it is unlikely to fit the Investment Manager's criteria if its products have a life which can be extended. Consumers can defer replacing their cars, houses and appliances, but not food and toiletries. Hence the Investment Manager does not intend to invest the Company in manufacturers of consumer durables.

The Investment Manager will seek to invest the Company in businesses whose assets are intangible and difficult to replicate. These businesses will hopefully do something unusual: they will break the rule of mean reversion that states returns must revert to the average as new capital is attracted to business activities earning above average returns. They can do this because their most important assets are not physical assets, which can be replicated by anyone with access to capital, but intangible assets which can be very difficult to replicate, no matter how much capital a competitor is willing to spend.

Moreover, it is hard for companies to replicate these intangible assets using borrowed funds, as banks tend to favour the (often illusory) comfort of tangible collateral. This means that the business does not suffer from an increased number of competitors when credit is freely available.

The kinds of intangible assets the Investment Manager will seek are brand names, trademarks, dominant market shares, patents, licenses, franchises, intellectual property or know how, distribution networks, client relationships and installed bases of equipment or software that lock-in clients for service, spares, repairs, renewals, consumables and transactions. Some combination of such intangibles defines a company's franchise. Since stock markets typically value companies on the assumption that their returns will regress to the mean, businesses whose returns do not do this can become undervalued. This presents an opportunity for the Company.

The Company will only invest in companies that earn a high return on their capital on an unleveraged basis. Although the companies may have leverage, they do not require borrowed money to function. In assessing leverage, the Investment Manager will include off-balance sheet finance in the form of operating leases, which are common in some sectors, such as retailing.

The Investment Manager will seek businesses which have growth potential. The Investment Manager views growth potential as the ability of a company to be able to reinvest at least a portion of its excess cash flow back into the business to grow, whilst generating a high return on the cash thus reinvested. Over time, this should compound their shareholders' wealth by generating more than a pound of stock-market value for each pound reinvested.

The source of growth is also a factor to consider. Growth in profits from increasing prices can simply build an umbrella beneath which competitors can flourish. The Investment Manager will focus on companies which have physical growth in the merchandise or service sold rather than simply pricing power.

2. Avoiding over paying for shares

The Company will only invest in shares where the Investment Manager believes the valuation is attractive. The Investment Manager will estimate the free cash flow of every company after tax and interest, but before dividends and other distributions, and after adding back any discretionary capital expenditure which is not needed to maintain the business. The Investment Manager aims to invest only when free cash flow per share as a percentage of a company's share price (the "**free cash flow yield**") is high relative to long-term interest rates and when compared with the free cash flow yields of other investment candidates both within and outside the Company's portfolio. The Investment Manager will buy securities that it believes will grow and compound in value, which bonds cannot, at yields that are similar to or better than what the Company would get from a bond.

3. Buying and holding

The Company will seek to be a long-term, buy-and-hold investor. The Investment Manager will recommend only stocks that will compound in value over the years. Even when the Investment Manager is able to find a new company suitable for the Company, it will have to wait, sometimes forever, for a price and valuation it can justify investing in. The resulting low level of dealing activity also minimises the frictional costs of trading, a cost which is often overlooked by investors as it is not normally disclosed as part of the costs of running funds.

4. Not attempting market timing

The Investment Manager will not attempt to manage the percentage invested in equities in the Company's portfolio to reflect any view of market levels, timing or developments. The Investment Manager's unwillingness to make investment decisions on the basis of market timing is one factor that will prevent the Company from investing in sectors that are highly cyclical.

5. Corporate governance

Investment in Developing Economies has risks associated with it which might loosely be labelled as problems of corporate governance. There are examples of companies that have had assets confiscated by governments, which have had their know how taken by a local joint venture partner who set up in competition with them and of minority investment in business controlled by local families which have gone awry. As a minority investor, the Investment Manager will assume that the corporate governance landscape applying to an investment made by the Company is one that will not change following investment and as such will exercise care in selecting the investments it makes having regard to the existing corporate governance landscape.

Conflicts of interest

The Investment Manager and its officers and employees may from time to time act for other clients or manage other funds, which may have similar investment objectives and policies to that of the Company. Circumstances may arise where investment opportunities will be available to the Company which are also suitable for one or more of such clients of the Investment Manager or such other funds. The Directors have satisfied themselves that the Investment Manager has procedures in place to address potential conflicts of interest and that, where a conflict arises, the Investment Manager will allocate the opportunity on a fair basis.

The Investment Manager has a conflicts of interest policy which contains the details of identified conflicts or potential conflicts of interest and the procedures it follows in order to avoid, minimise and manage such conflicts or potential conflicts.

The Investment Manager is structured and organised in a way so as to minimise the risks of a client's interests being prejudiced by conflicts of interest and will wherever possible try to ensure that a conflict of interest does not arise. In the event that a conflict of interest cannot be avoided the Investment Manager will always act in the best interests of the Company and ensure that the Company is fairly treated.

If circumstances arise such that the Investment Manager's arrangements for avoiding and managing conflicts of interest are not sufficient to ensure with reasonable confidence that the risks of damage to the interests of the Company or its Shareholders will be prevented, the senior management of the Investment Manager must act to ensure that appropriate action is taken in the best interests of the Company and its Shareholders. Any such situation will be disclosed to Shareholders in the next annual or half yearly report together with details of the action taken by the Investment Manager to resolve the situation in the best interests of the Company.

The conflicts of interest policy is reviewed by senior management of the Investment Manager at least once a year or whenever there are material changes in the business services to be offered by the Investment Manager.

PART 4
THE ISSUE

The Issue

The Company is targeting raising £250 million through the Issue.

The total number of Ordinary Shares issued under the Issue will be determined by the Company, Investec and the Investment Manager after taking into account demand for the Ordinary Shares, subject to a maximum of 25 million Ordinary Shares being issued under the Issue in aggregate.

The actual number of Ordinary Shares to be issued pursuant to the Issue are not known as at the date of this Prospectus but will be notified by the Company via an RNS announcement and the Company's website, prior to Admission.

The Issue will not proceed if the Gross Issue Proceeds would be less than £100 million. If the Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant. The target Issue size should not be taken as an indication of the number of Ordinary Shares to be issued.

The Directors have determined that the Ordinary Shares under the Issue will be issued at a price equal to £10 per Ordinary Share.

The Issue is not being underwritten.

Typical investors in the Company are expected to be institutional and sophisticated investors and private clients.

The Placing

Investec has agreed to use its reasonable endeavours to procure Placees to subscribe for the Placing Shares on the terms and subject to the conditions set out in the Placing and Offer Agreement. Details of the Placing and Offer Agreement are set out in paragraph 9 of Part 6 of this Prospectus.

The terms and conditions which shall apply to any subscription for Ordinary Shares procured by Investec pursuant to the Placing are contained in Part 7 of this Prospectus.

The Offer

Furthermore, the Company has also agreed to make an offer to the public in the United Kingdom pursuant to the Offer for Subscription. Ordinary Shares are being made available under the Offer for Subscription at the Issue Price, subject to the terms and conditions of application under the Offer for Subscription which are set out in Part 8 of this Prospectus and in the Application Form. These terms and conditions should be read carefully before an application is made. The Offer for Subscription will close at noon on 20 June 2014 (or such later date, not being later than 4 July 2014, as the Company and Investec may agree). The Company has discretion to accept (i) applications pursuant to the Offer which arrive later than noon on 20 June 2014, and (ii) applications pursuant to the Offer which are received for less than £1,000.

Applications under the Offer for Subscription must be for Ordinary Shares with a minimum subscription amount of £1,000 and thereafter in multiples of £100. The Directors (in consultation with Investec) may in their absolute discretion waive the minimum application amounts in respect of any particular application for Ordinary Shares under the Offer. Multiple applications will not be accepted pursuant to the Offer.

Applications must either be made on the Application Form attached at the end of the Prospectus at the Appendix (a "**Paper Application Form**") or can be submitted via an electronic application form accessible via https://www.feetipo.com. Paper Application Forms can also be downloaded from the website.

An application (i) by a nominee, (ii) on behalf of a corporation, (iii) for more than £10,000 worth of Ordinary Shares by an applicant who is not already an investor in Fundsmith Equity Fund, or (iv) for more than £99,990 worth of Ordinary Shares by an applicant who is already an investor in Fundsmith Equity Fund, can only be made using a Paper Application Form.

Please note that applications made online will only be able to be made in the following amounts:

- for applicants who are already investors in the existing Fundsmith Equity Fund - £5,000 and thereafter in multiples of £5,000 up to £95,000, and £99,990; and

- for applicants who are not already invested in Fundsmith Equity Fund - £1,000 and thereafter in multiples of £500 up to £10,000.

If an applicant wishes to make an application for an amount other than those listed above, they may do so (in multiples of £100) using a Paper Application Form.

Completed Paper Application Forms accompanied by a cheque or banker's draft in relation to the Offer for Subscription must be posted (or delivered by hand during normal business hours) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU and electronic application forms must be submitted electronically via the online application website, in each case so as to be received as soon as possible and, in any event, no later than noon on 20 June 2014 in respect of the Offer.

The terms and conditions which shall apply to any Application for Ordinary Shares pursuant to the Offer for Subscription are contained in Part 8 of this Prospectus.

Conditions
The Issue is conditional, inter alia, on:

(i) the Placing and Offer Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission;

(ii) Admission occurring by 8.00 a.m. on 25 June 2014 (or such later date, not being later than 9 July 2014, as the Company and Investec may agree) in respect of the Issue; and

(iii) the Issue raising in aggregate at least £100 million before the deduction of the Issue commissions and the other fees and expenses payable by the Company which are related to the Issue.

Pricing
All Ordinary Shares issued pursuant to the Placing and the Offer for Subscription will be, issued at the Issue Price.

Subscriber warranties
Each subscriber of Ordinary Shares in the Issue and each subsequent investor in the Ordinary Shares will be deemed to have represented, warranted, acknowledged and agreed to the representations, warranties, acknowledgments and agreements set out in paragraphs 4 and 5 in Part 7 to this Prospectus.

The Company, the Investment Manager, Investec, and their respective directors, officers, members, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company.

Scaling back and allocation
The Directors are authorised to issue up to 25 million Ordinary Shares pursuant to the Issue. To the extent that applications under the Offer and commitments under the Placing exceed 25 million Ordinary Shares, the Company reserves the right, at its sole discretion, but following agreement with Investec, to scale back applications in such amounts as it considers appropriate. The Company reserves the right to decline in whole or in part any application for Ordinary Shares pursuant to the Issue. Accordingly, applicants for Ordinary Shares may, in certain circumstances, not be allotted the number of Ordinary Shares for which they have applied.

The Company will notify investors of the number of Ordinary Shares in respect of which their application has been successful and the results of the Issue will be announced by the Company on or around 23 June 2014 via an RIS announcement.

Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant to the bank account from which the money was received if the applicant applied online. Alternatively a cheque will be sent to the address provided on the Paper Application Form, as applicable.

Issue arrangements

The Placing and Offer Agreement contains provisions entitling Investec to terminate the Placing and Offer for Subscription (and the arrangements associated with them) at any time prior to Admission in certain circumstances. If this right is exercised, the Issue and these arrangements will lapse and any monies received in respect of the Issue will be returned to applicants without interest.

The Placing and Offer Agreement provides for Investec to be paid commissions in respect of the Ordinary Shares to be allotted pursuant to the Issue. Any commissions received by Investec may be retained, and any Ordinary Shares subscribed for by Investec may be retained, or dealt in, by them for their own benefit.

Further details of the terms of the Placing and Offer Agreement are set out in paragraph 9 of Part 6 of this Prospectus.

General

The Net Proceeds, assuming target Gross Issue Proceeds of £250 million, to the Company will amount to approximately £247.5 million, after the deduction of commissions relating to the Issue and the other fees and expenses payable by the Company which are related to the Issue which are expected to amount to £2.5 million in aggregate.

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK, the Company and its agents (and their agents) or the Investment Manager may require evidence in connection with any application for Ordinary Shares, including further identification of the applicant(s), before any Ordinary Shares are issued.

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of the Prospectus and prior to Admission, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s). In the event that a supplementary prospectus is published, potential investors in the Offer will have a statutory right of withdrawal.

Clearing and settlement

Payment for the Ordinary Shares, in the case of the Placing, should be made in accordance with settlement instructions to be provided to Placees by Investec. Payment for the Ordinary Shares, in the case of the Offer, should be made in accordance with the Terms and Conditions of Application under the Offer set out in Part 8 to this Prospectus and in the Application Form. To the extent that any application for Ordinary Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the risk of the applicant.

Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST following each Admission. In the case of Ordinary Shares to be issued in uncertificated form pursuant to the Issue, these will be transferred to successful applicants through the CREST system. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes. Ordinary Shares issued under the Offer will be issued to successful applicants in accordance with the Terms and Conditions of Application under the Offer set out in Part 8 to this Prospectus.

CREST

CREST is a paperless settlement procedure operated by Euroclear enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. Upon Admission, the Articles will permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission in respect of the Ordinary Shares issued under the Issue and it is expected that the Ordinary Shares will be admitted with effect from that time. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

It is expected that the Company will arrange for Euroclear to be instructed on 25 June 2014 to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to Ordinary

Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

The transfer of Ordinary Shares out of the CREST system following the Issue should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. An investor applying for Ordinary Shares in the Issue may elect to receive Ordinary Shares in uncertificated form if such investor is a system-member (as defined in the Regulations) in relation to CREST. If a Shareholder or transferee requests Ordinary Shares to be issued in certificated form and is holding such Ordinary Shares outside CREST, a share certificate will be despatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Ordinary Shares. Shareholders holding definitive certificates may elect at a later date to hold such Ordinary Shares through CREST or in uncertificated form provided they surrender their definitive certificates.

Admission and dealings

Admission is expected to take place and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 25 June 2014 in respect of the Issue. Conditional dealings on the London Stock Exchange are expected to commence at 8.00 a.m. on 23 June 2014 in respect of the Issue and will only be settled if Admission takes place. All dealings in Ordinary Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned.

The ISIN number of the Ordinary Shares is GB00BLSNND18 and the SEDOL code is BLSNND1.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Ordinary Shares, nor does it guarantee the price at which a market will be made in the Ordinary Shares. Accordingly, the dealing price of the Ordinary Shares may not necessarily reflect changes in the Net Asset Value per Ordinary Share.

Where applicable, definitive share certificates in respect of the Ordinary Shares are expected to be despatched, by post at the risk of the recipients, to the relevant holders, not later than the week commencing 7 July 2014 in respect of the Issue. The Ordinary Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

Use of proceeds

The Directors intend to use the Gross Issue Proceeds of the Issue, after paying the expenses (including the Issue commissions) of the Issue, to fund investments in Developing Economies companies in accordance with the Company's investment policy as well as to fund the Company's operational expenses. Such expenses include (i) acquisition costs and expenses (such as due diligence costs, legal, tax advice and taxes); (ii) the Management Fee; (iii) Directors' fees; and (iv) other operational costs and expenses. Suitable acquisition opportunities may not be immediately available. It is likely, therefore, that for a period following Admission and at certain other times, the Company will have surplus cash.

The Directors expect that the annual running costs of the Company will initially be approximately £4.1 million per annum assuming Gross Issue Proceeds of £250 million and excluding costs relating to running companies and assets held as a result of future acquisitions. The Company will use the Net Proceeds of the Issue to initially meet its running costs as necessary prior to making any investments.

Lock-up arrangements

Each of the partners and certain employees of the Investment Manager, who together are expected to hold approximately 545,000 Ordinary Shares following Admission, has undertaken to the Company and Investec that, following Admission, he or she will, subject to certain limited exceptions, not sell or otherwise dispose of, or agree to sell or otherwise dispose of, any Ordinary Shares (or any interest therein) in the capital of the Company held by him or her, except with the prior written consent of the Company and Investec.

These restrictions apply to disposals of such Ordinary Shares for a period of one year from Admission in respect of the partners and certain employees of the Investment Manager.

The limited exceptions referred to above include circumstances where the disposal of any Ordinary Shares would be made to a family trust of a Director or partner of the Investment Manager, as a result of a scheme of reconstruction or reorganisation or a buy back of Ordinary Shares made by way of tender offer, where required by law, or as a result of a takeover.

Purchase and transfer restrictions

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the Investment Manager or Investec.

The Company has elected to impose the restrictions described below on the Issue and on the future trading of the Ordinary Shares so that the Company will not be required to register the offer and sale of the Ordinary Shares under the Securities Act and will not have an obligation to register as an investment company under the Investment Company Act and related rules and also to address certain ERISA, Internal Revenue Code and other considerations.

These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the Ordinary Shares to trade such securities. The Company and its agents will not be obligated to recognise any resale or other transfer of the Ordinary Shares made other than in compliance with the restrictions described below.

The Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and the Ordinary Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act). There will be no public offer of the Ordinary Shares in the United States. The Ordinary Shares are being offered and sold outside the United States to non-US Persons in reliance on the exemption from registration provided by Regulation S under the Securities Act.

Moreover, the Company has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act.

The Ordinary Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S: (i) to a person outside the United States and not known by the transferor to be a US Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

Further information

Prospective investors should carefully consider the additional information set out in the other parts of this Prospectus and in particular the section entitled **RISK FACTORS** set out at the beginning of this Prospectus.

PART 5
UK TAXATION

Introduction

The following statements are based upon current UK tax law and current practice of HMRC, both of which are subject to change, possibly with retrospective effect. The statements are intended only as a general guide and are not intended to be comprehensive. The statements may not apply to certain Shareholders, such as dealers in securities, insurance companies, trustees, collective investment schemes or Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment, who may be subject to special rules. They apply only to Shareholders resident for UK tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold Ordinary Shares as an investment rather than trading stock and who are the absolute beneficial owners of those Ordinary Shares.

There may be other tax consequences of an investment in the Company and all prospective investors, in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of subscribing for, purchasing, holding or disposing of Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

The Company

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies the conditions in section 1158 CTA 2010 and the Investment Trust Regulations 2011 for it to be approved by HMRC as an investment trust. However, neither the Investment Manager nor the Directors can guarantee that this approval will be granted or maintained.

In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust, the Company will be exempt from UK corporation tax on its chargeable gains. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way.

In principle, the Company will be liable to UK corporation tax on any dividend income it receives. However, there are exemptions from this charge which are expected to be applicable in respect of many of the dividends it receives.

A company that is an investment trust in respect of an accounting period is able to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting period (referred to here as the "streaming" regime). Pursuant to the streaming regime the Company may, if it so chooses, designate as an "interest distribution" all or part of any amount it distributes to Shareholders as dividends, to the extent that it has "qualifying interest income" for the accounting period. Were the Company to designate any dividend it pays in this manner, it would be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period.

Income arising from overseas investments may be subject to foreign withholding tax at the applicable rate of the jurisdiction in question. However, relief may be available under the terms of an applicable double tax treaty.

Shareholders

Taxation of chargeable gains

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to capital gains tax in respect of any gain arising on a disposal of their Ordinary Shares. Each such individual has an annual exemption, such that capital gains tax is only chargeable on gains arising from all sources during the tax year in excess of this figure. The annual exemption for individuals for the 2014-2015 tax year is £11,000. The exemption may not be transferred between spouses. The current capital gains tax rate is 18 per cent. for basic rate tax payers and 28 per cent. for higher and additional rate tax payers, subject to the availability of relief for capital losses. No indexation allowance will be available to individual Shareholders.

Corporate Shareholders who are resident in the UK will generally be subject to corporation tax on chargeable gains arising on a disposal of their Ordinary Shares. Indexation allowance may be available to reduce the amount of chargeable gain that is subject to corporation tax but cannot create or increase an allowable loss.

Taxation of dividends – individuals

(A) Dividends which are not designated as "interest distributions"

Under current UK law, the Company will not be required to withhold tax at source when paying a dividend. An individual Shareholder resident in the UK for tax purposes who receives a dividend from the Company should generally be entitled to a non-repayable tax credit which may be set-off against the Shareholder's total income tax liability on the dividend.

UK resident individual Shareholders will be liable to income tax on the amount of any dividends received. Additional rate taxpayers will be liable to income tax at 37.5 per cent., higher rate taxpayers at 32.5 per cent., and basic rate taxpayers at 10 per cent. As noted above, a tax credit equal to 10 per cent. of the gross dividend should be available to set off against a Shareholder's total income tax liability on the dividend. After taking account of the 10 per cent. tax credit, the effective dividend tax rate for additional rate Shareholders will be 30.6 per cent., for higher rate Shareholders this will be 25 per cent. and for basic rate taxpayers there will be no further tax.

(B) "Interest distributions"

Should the Directors elect to apply the streaming regime to any dividends paid by the Company, a UK resident individual Shareholder in receipt of such a dividend would be treated as though they had received a payment of interest. Such a Shareholder would be subject to UK income tax at the current rates of 20 per cent., 40 per cent. or 45 per cent., depending on whether the Shareholder is a basic, higher or additional rate taxpayer. Such distributions would be paid to the individual Shareholder after the deduction of 20 per cent. income tax.

Taxation of dividends – companies

(A) Dividends which are not designated as "interest distributions"

Subject to the discussion of "interest distributions" below, UK resident Shareholders within the charge to corporation tax should generally be exempt from corporation tax on dividends paid by the Company but will not be able to claim a repayment of the tax credit attaching to the dividends.

(B) "Interest distributions"

If the Directors were to elect for the streaming regime to apply, and such UK resident corporate Shareholders were to receive dividends designated by the Company as interest distributions, they would be subject to corporation tax on any such amounts received.

Dividends paid by the Company to a Shareholder which is a company (whether or not UK resident) should not generally be subject to any deduction at source of UK tax (regardless of whether the dividends are designated as "**interest distributions**").

It is particularly important that prospective investors who are not resident in the UK for tax purposes obtain their own tax advice concerning tax liabilities on dividends received from the Company.

SIPPs and SSASs

The Directors have been advised that the Ordinary Shares should be eligible for inclusion in a UK self-invested pension plan (a "**SIPP**") or a UK small self administered scheme (a "**SSAS**"), subject to the terms of, and the discretion of the trustees (or, where applicable, the providers) of, the SIPP or the SSAS, as the case may be.

ISAs

Ordinary Shares allotted under the Placing are not eligible for direct transfer into an ISA. Subject to applicable subscription limits and the composition of the Company's portfolio, Ordinary Shares acquired pursuant to an offer to the public (such as the Offer for Subscription) or in the secondary market may be eligible for inclusion in a stocks and shares Individual Savings Account ("**ISA**") if they are allotted or allocated to the ISA account manager, although the ISA account manager should be asked to confirm ISA eligibility.

The opportunity to invest in Ordinary Shares through an ISA is restricted to certain UK resident individuals aged 18 and over. Investments held in ISAs are free of UK tax on both capital gains and income. Sums received by a Shareholder on a disposal of Ordinary Shares held in an ISA do not count towards the Shareholder's annual limit. However, a disposal of Ordinary Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

Stamp duty and stamp duty reserve tax

Neither UK stamp duty nor stamp duty reserve tax ("**SDRT**") should arise on the issue of the Ordinary Shares.

Transfers on sale of Ordinary Shares outside of CREST will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer, rounded up to the nearest £5. The purchaser normally pays the stamp duty.

An agreement to transfer Ordinary Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of Ordinary Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. Such SDRT will generally be collected through the CREST system. Deposits of Ordinary Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

UK Inheritance Tax ("IHT")

UK domiciled individuals are chargeable to IHT in respect of property situated anywhere in the world. Individuals who are neither domiciled in the UK nor deemed domiciled here for UK IHT purposes are chargeable to IHT in respect of property situated in the UK only. Applying the general principle that shares are situated where they can be effectively dealt with, registered shares are generally situated where the title of ownership must be registered. Accordingly, it should be assumed that an individual Shareholder will be treated as if they owned a UK situs asset for UK IHT purposes.

Where property is regarded as situated in the UK for IHT purposes, a gift by an individual holder of such property or the death of an individual holder may (subject to certain exemptions and reliefs) give rise to a liability to IHT. This is regardless of whether or not the individual holder is domiciled in the UK for IHT purposes and whether or not the holder is resident in the UK for tax purposes. For IHT purposes, a transfer of assets at less than full market value will be treated as a gift and particular rules apply where the donor reserves or retains some interest or benefit in the property being transferred. A gift of an asset in certain circumstances is potentially exempt from IHT and falls outside the individual's estate provided that the donor lives for 7 years.

PART 6
ADDITIONAL INFORMATION

1. The Company

(a) The Company was incorporated and registered in England and Wales on 31 October 2013 with registered number 08756681 as a public company limited by shares with the name FEEIT plc. The Company changed its name to Fundsmith Emerging Equities Trust plc on 30 December 2013. The Company is not authorised or regulated as a collective investment scheme by the FCA. However, from Admission, it will be subject to the Listing Rules and the Disclosure and Transparency Rules. The principal legislation under which the Company operates and under which the Ordinary Shares will be issued is the Companies Act. The Company does not have any subsidiaries.

(b) The registered office of the Company is at 33 Cavendish Square, London W1G 0PW and the telephone number of the Company is +44 (0) 20 3551 6339.

(c) The registrars of the Company are Capita Asset Services. They will be responsible for maintaining the register of members of the Company.

2. Share and loan capital of the Company

(a) The Company's issued share capital, which is paid up in full, at the date of this Prospectus is:

Issued	
Nominal Value	Number
£500	50,000

The following is a summary of the changes in the issued share capital of the Company from incorporation to the date of this Prospectus.

Date of Issue or transfer	*Number of Ordinary Shares Issued or transferred*	*Price (pence)*	*Nature of issue*
31 October 2014	49,998	100	subscriber shares issued to the Investment Manager
31 October 2014	2	100	subscriber shares issued to Terry Smith

On 22 May 2014, Terry Smith acquired 49,998 Ordinary Shares from the Investment Manager at a price of 100 pence per Ordinary Share. Terry Smith has given an undertaking to make a capital contribution to the Company of £450,000 immediately following Admission in respect of the Ordinary Shares already owned by him as at the date of this Prospectus. This capital contribution is to cover the difference in price at which the subscriber shares were issued to, or acquired by, Terry Smith (as applicable) (namely 100 pence per subscriber share) and the Issue Price and to therefore ensure that Terry Smith has subscribed for Ordinary Shares on the same terms as Shareholders who subscribed for Ordinary Shares pursuant to the Issue.

(b) Immediately following Admission (and assuming Gross Issue Proceeds of £250 million), the Company's issued share capital is expected to be:

Issued and fully paid	
Nominal Value (£)	Number
250,500	25,050,000

(c) By resolutions passed at the general meeting of the Company on 22 May 2014 it was resolved, conditionally upon Admission occurring on or before 25 June 2014 in respect of the Issue:

(i) to authorise the Directors generally and unconditionally to exercise all the powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Companies Act 2006 respectively up to maximum nominal amount of

£350,000 such authority to expire, unless sooner revoked or varied by the Company in general meeting, immediately following Admission, but so as to enable the Company before the expiry of such authority to make offers or agreements which would or might require shares or rights to be allotted or granted after such expiry and to enable the Directors to allot shares or grant such rights in pursuance of such offers or agreements as if the authority conferred thereby had not expired, such authority to be in substitution for all existing authorities granted to the Directors in respect of the allotment of shares or rights;

(ii) on the expiry of the authority described in paragraph 2(c)(i) above, to authorise the Directors generally and unconditionally to exercise all the powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Companies Act 2006 respectively up to maximum nominal amount equal to an amount equivalent to one third of the allotted and fully paid up share capital immediately following Admission, to such persons and at such times and on such terms as they think proper, such authority to expire, unless sooner revoked or varied by the Company in general meeting, at the conclusion of the next annual general meeting of the Company, but so as to enable the Company before such date to make offers or agreements which would or might require shares or rights to be allotted or granted after such date and to enable the Directors to allot shares or grant such rights in pursuance of such offers or agreements as if the authority conferred thereby had not expired, such authority together with the authority contained within Resolution 3 set out in the Notice of General Meeting to be in substitution (with effect from Admission) for all existing authorities granted to the directors in respect of the allotment of shares or rights, without prejudice to any allotments made pursuant to the terms of such authorities;

(iii) in addition to the authority described in paragraph 2(c)(ii) above, to authorise the Directors generally and unconditionally to exercise all powers of the Company to allot equity securities (as defined in section 560 of the Companies Act) in connection with a rights issue in favour of the holders of equity securities and any other persons entitled to participate in such issue where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as maybe) to the respective number of equity securities held by them up to an amount equivalent to one third of the allotted and fully paid up share capital immediately following Admission during the period expiring at the end of the next annual general meeting of the Company subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory but so as to enable the Company to make prior to the expiry of such period any offer or agreement which would or might require such shares or rights to be allotted or granted after the expiry of the said period and so as to enable the Directors to allot such shares or grant such rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution;

(iv) to empower the Directors until the next annual general meeting to allot equity securities and sell treasury shares (as defined in section 560 of the Companies Act) for cash pursuant to the authorities referred to in paragraphs 2(c)(i) and 2(c)(ii) above as if section 561(1) of the Companies Act did not apply to any such allotment, such power being limited to:

(aa) the allotment of Ordinary Shares of up to an aggregate nominal amount equal to £350,000 in connection with a proposed placing and offer for subscription of Ordinary Shares, in each case, as more particularly described in a prospectus published by the Company on or around 28 May 2014;

(bb) the allotment of equity securities in connection with an issue or offer by way of rights in favour of holders of equity securities and any other person entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective numbers of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors may deem fit to deal with fractional entitlements or problems arising under the laws of any overseas territory or the requirements of any regulatory authority or any stock exchange; and

(cc) the allotment (other than pursuant to the power referred to in paragraphs 2(c)(iv) (aa) and (bb) above) of equity securities up to an aggregate nominal amount of £35,050 or such other amount as represents ten per cent. of the allotted and fully paid up share capital immediately following Admission,

save that the Company may, before expiry of that authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offers or agreements as if such authority had not expired;

(v) to authorise the Company generally and unconditionally for the purpose of section 701 of the Companies Act to make market purchases (as defined in section 693 of the Companies Act) of Ordinary Shares on such terms and in such manner as the Directors may from time to time determine, provided that:

(aa) the maximum number of Ordinary Shares authorised to be purchased under the authority is 5,246,500 Ordinary Shares (or such lesser amount, if applicable, as is equal to 14.99 per cent. of the allotted and fully paid up share capital of the Company immediately following Admission);

(bb) the minimum price (exclusive of expenses) which may be paid for such Ordinary Shares is 1 pence per share, being the nominal amount thereof;

(cc) the maximum price (exclusive of expenses) which may be paid for such Ordinary Shares is an amount equal to the higher of (i) five per cent. above the average of the middle market quotations for such shares taken from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made and (ii) the price stipulated by Article 5(1) of the Buyback and Stabilisation Regulations;

(dd) the authority will (unless previously renewed or revoked) expire on the earlier of the end of the next Annual General Meeting of the Company and the date which is 18 months after the date on which the resolution was passed;

(ee) the Company may make a contract to purchase its own Ordinary Shares under the authority conferred by the resolution prior to the expiry of the authority, and such contract will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own Ordinary Shares in pursuance of any such contract; and

(ff) Ordinary Shares purchased pursuant to the authority conferred by this resolution shall be either: (i) cancelled immediately upon completion of the purchase; or (ii) be held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act.

(vi) that, conditional upon Admission, the Articles be adopted as the Company's articles of association;

(vii) that the capital of the Company be reduced by the cancellation of its share premium account in order to create distributable reserves.

(d) The Directors have absolute authority to allot the Ordinary Shares under the Articles and are expected to resolve to do so shortly prior to Admission.

(e) The provisions of section 561(1) of the Companies Act (to the extent not disapplied pursuant to sections 570-571 of the Companies Act) confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560 of the Companies Act) which are, or are to be, paid up in cash and, upon Admission, will apply to any shares to be allotted by the Directors, except to the extent disapplied by the resolution referred to in paragraph 2(c)(iv) above.

(f) No share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

(g) The Ordinary Shares will be listed on the Official List and will be traded on the main market of the London Stock Exchange. The Ordinary Shares are not listed or traded on, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on, any other stock exchange or securities market.

(h) The Ordinary Shares are in registered form and, from Admission, will be capable of being held in uncertificated form and title to such Ordinary Shares may be transferred by means of a relevant system (as defined in the Regulations). Where the Ordinary Shares are held in certificated form, share certificates will be sent to the registered members or their nominated agent (at their own risk) within 10 Business Days of the completion of the registration process or transfer, as the case may be, of the Ordinary Shares. Where Ordinary Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Registrar, whose registered address is set out on page 30 of this Prospectus, maintains a register of Shareholders holding their Ordinary Shares in CREST.

(i) Ordinary Shares are being issued pursuant to the Issue at a price of £10 per Ordinary Share which represents a premium of £9.99 over their nominal value of one pence each. No expenses are being charged to any subscriber or purchaser.

(j) Both the Companies Act and the Listing Rules allow for disapplication of pre-emption rights which may be waived by a special resolution of the Shareholders, either generally or specifically, for a maximum period not exceeding five years. As set out in 2(c)(iv) above, the Company has disapplied these pre-emption rights in respect of a defined number of Ordinary Shares until the next annual general meeting of the Company.

(k) Each new Ordinary Share will rank in full for all dividends and distributions declared made or paid after their issue and otherwise pari passu in all respects with each existing Ordinary Share and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each existing Ordinary Share, as set out in the Articles. The New Shares will be denominated in Sterling.

3. Articles of association

The Articles contain provisions, *inter alia*, to the following effect:

(a) Voting rights

Subject to any special terms as to voting upon which any shares may be issued, or may for the time being be held and any restriction on voting referred to below, every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and every proxy (regardless of the number of members for whom he is proxy) shall have one vote on a show of hands. On a poll, every shareholder present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder.

The duly authorised representative of a corporate shareholder may exercise the same powers on behalf of that corporation as it could exercise if it were an individual shareholder.

A shareholder is not entitled to vote unless all calls due from him have been paid.

A shareholder is also not entitled to attend or vote at meetings of the Company in respect of any shares held by him in relation to which he or any other person appearing to be interested in such shares has been duly served with a notice under section 793 of the Companies Act and, having failed to comply with such notice within the period specified in such notice (being not less than 28 days from the date of service of such notice), is served with a disenfranchisement notice. Such disentitlement will apply only for so long as the notice from the Company has not been complied with or until the Company has withdrawn the disenfranchisement notice, whichever is the earlier.

(b) ***General meetings***

The Company must hold an annual general meeting each year in addition to any other general meetings held in the year. The Directors can call a general meeting at any time.

At least 21 clear days' written notice must be given for every annual general meeting. For all other general meetings, not less than 14 days' written notice must be given. The notice for any general meeting must state: (i) whether the meeting is an annual general meeting; (ii) the date, time and place of the meeting; (iii) the general nature of the business of the meeting and (iv) any intention to propose a resolution as a special resolution. All members who are entitled to receive notice under the Articles must be given notice.

Before a general meeting starts, there must be a quorum, being two members present in person or by proxy.

Each Director can attend and speak at any general meeting.

(c) ***Dividends***

Subject to the Companies Act, the Company may, by ordinary resolution, declare dividends to be paid to members of the Company according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board. Subject to the Companies Act, the Board may from time to time pay to the shareholders of the Company such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company, on such dates and in respect of such periods as it thinks fit.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide (no such shares presently being in issue), all dividends shall be apportioned and paid pro rata according to the amounts paid or credited as paid up (other than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. Any dividend unclaimed after a period of 12 years from the date of declaration shall be forfeited and shall revert to the Company.

The Board may, if authorised by an ordinary resolution, offer the holders of shares the right to elect to receive additional shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend.

Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

The Board may withhold dividends payable on shares representing not less than 0.25 per cent. by number of the issued shares of any class (calculated exclusive of treasury shares) after there has been a failure to comply with any notice under section 793 of the Companies Act requiring the disclosure of information relating to interests in the shares concerned as referred to in paragraph 3(a) above.

(d) ***Return of capital***

On a voluntary winding-up of the Company the liquidator may, with the sanction of a special resolution of the Company and subject to the Companies Act and the Insolvency Act 1986 (as amended), divide amongst the shareholders of the Company in specie the whole or any part of the assets of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine.

(e) C Shares and Deferred Shares

The Articles permit the Directors to issue C Shares on the following terms. Defined terms used in this paragraph are set out at the end of the paragraph.

(a) The holders of the Ordinary Shares, the C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights to be paid dividends: (a) the Deferred Shares (to the extent that any are in issue and extant) shall entitle the holders thereof to a non-cumulative dividend at a fixed rate of one per cent. of the nominal amount thereof (the "**Deferred Dividend**") on the date six months after the Conversion Date on which such Deferred Shares were created in accordance with paragraph (g) below (the "**Relevant Conversion Date**") and on each anniversary of such date payable to the holders thereof on the register of members on that date as holders of Deferred Shares but shall confer no other right, save as provided herein, on the holders thereof to share in the profits of the Company. The Deferred Dividend shall not accrue or become payable in any way until the date six months after the Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of members of the Company as holders of Deferred Shares on that date. It should be noted that given the proposed repurchase of the Deferred Shares as described below, it is not expected that any dividends will accrue or be paid on such shares; (b) the C Shareholders shall be entitled to receive in that capacity such dividends as the Directors may resolve to pay out of net assets attributable to the C Shares and from income received and accrued which is attributable to the C Shares; (c) the Existing Ordinary Shares shall confer the right to dividends declared in accordance with the Articles; (d) the Ordinary Shares into which C Shares shall convert shall rank pari passu with the Existing Ordinary Shares for dividends and other distributions made or declared by reference to a record date falling after the Calculation Date; and (e) no dividend or other distribution shall be made or paid by the Company on any of its shares (other than any Deferred Shares for the time being in issue) between the Calculation Date and the Conversion Date relating (both dates inclusive) and no such dividend shall be declared with a record date falling between the Calculation Date and the Conversion Date (both dates inclusive).

(b) The holders of the Ordinary Shares, the C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights as to capital: the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) at a time when any C Shares are for the time being in issue and prior to the Conversion Date be applied amongst the holders of the Existing Ordinary Shares pro rata according to the nominal capital paid up on their holdings of Existing Ordinary Shares, after having deducted therefrom an amount equivalent to (C-D) using the methods of calculation of C and D given in the definition of Conversion Ratio, which amount shall be applied amongst the C shareholders pro rata according to the nominal capital paid up on their holdings of C Shares. For the purposes of this paragraph (b): (a) the Calculation Date shall be such date as the liquidator may determine; and (b) the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) at a time when no C Shares are for the time being in issue be applied as follows: (i) first, if there are Deferred Shares in issue, in paying to the deferred shareholders one pence in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders; and (ii) secondly, the surplus shall be divided amongst the ordinary shareholders pro rata according to the nominal capital paid up on their holdings of Ordinary Shares.

(c) As regards voting: (a) the C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as that applying to holders of Existing Ordinary Shares as set out in the Articles as if the C Shares and Existing Ordinary Shares were a single class; and (b) the Deferred Shares shall not carry any right to receive notice of nor to attend or vote at any general meeting of the Company.

(d) The following shall apply to the Deferred Shares: (a) the C Shares shall be issued on such terms that the Deferred Shares arising upon Conversion (but not the Ordinary Shares arising on Conversion) may be repurchased by the Company in accordance with the terms set out herein; (b) immediately upon Conversion, the Company shall repurchase all of the Deferred Shares which arise as a result of Conversion for an aggregate consideration of one pence for every 1,000,000 Deferred Shares and the notice referred to in paragraph (g)(b) below shall be deemed to constitute notice to each C Shareholder (and any person or persons having rights to acquire or acquiring C Shares on or after the Calculation Date) that the Deferred Shares shall be repurchased immediately upon Conversion for an aggregate consideration of one pence for each holding of 1,000,000 Deferred Shares. On repurchase, each Deferred Share shall be treated as cancelled in accordance with section 706 of the Act without further resolution or consent; and (c) the Company shall not be obliged to: (i) issue share certificates to the deferred shareholders in respect of the Deferred Shares; or (ii) account to any deferred shareholder for the repurchase moneys in respect of such Deferred Shares.

(e) Without prejudice to the generality of the Articles, for so long as any C Shares are for the time being in issue it shall be a special right attaching to the Existing Ordinary Shares as a class and to the C Shares as a separate class that without the sanction or consent of such holders given in accordance with the Company's Articles: (a) no alteration shall be made to the Articles of the Company; (b) no allotment or issue will be made of any security convertible into or carrying a right to subscribe for any share capital of the Company other than the allotment or issue of further C Shares; and (c) no resolution of the Company shall be passed to wind-up the Company.

For the avoidance of doubt but subject to the rights or privileges attached to any other class of shares, the previous sanction of a special resolution of the holders of Existing Ordinary Shares and C Shares, as described above, shall not be required in respect of: (a) the issue of further Ordinary Shares ranking pari passu in all respects with the Existing Ordinary Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Existing Ordinary Shares by the issue of such further Ordinary Shares); or (b) the sale of any shares held as treasury shares (as such term is defined in section 724 of the Act) in accordance with sections 727 and 731 of the Act or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).

(f) For so long as any C Shares are for the time being in issue, until Conversion of such C Shares and without prejudice to its obligations under applicable laws the Company shall: (a) procure that the Company's records, and bank and custody accounts shall be operated so that the assets attributable to the C Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares; (b) allocate to the assets attributable to the C Shares such proportion of the income, expenses and liabilities of the Company incurred or accrued between the date on which the Company first receives the Net Proceeds and the Calculation Date relating to such C Shares (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares; and (c) give appropriate instructions to the Investment Manager to manage the Company's assets so that such undertakings can be complied with by the Company.

(g) The C Shares for the time being in issue shall be sub-divided and converted into Ordinary Shares and Deferred Shares on the Conversion Date in accordance with the following provisions of this paragraph (g):

(a) the Directors shall procure that within 10 Business Days of the Calculation Date: (i) the Conversion Ratio as at the Calculation Date and the numbers of Ordinary Shares and Deferred Shares to which each C Shareholder shall be entitled on Conversion shall be calculated; and (ii) the Auditors shall be requested to confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso immediately after the definition of H below.

(b) The Directors shall procure that, as soon as practicable following such confirmation and in any event within 10 Business Days of the Calculation Date, a notice is sent to each C shareholder advising such shareholder of the Conversion Date, the Conversion Ratio and the numbers of Ordinary Shares and Deferred Shares to which such C shareholder will be entitled on Conversion.

(c) On conversion each C Share shall automatically subdivide into 10 conversion shares of one pence each and such conversion shares of one pence each shall automatically convert into such number of Ordinary Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:

(i) the aggregate number of Ordinary Shares into which the same number of conversion shares of one pence each are converted equals the number of C Shares in issue on the Calculation Date multiplied by the Conversion Ratio (rounded down to the nearest whole Ordinary Share).

(ii) each conversion share of one pence which does not so convert into an Ordinary Share shall convert into one Deferred Share.

(iii) The Ordinary Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C shareholders pro rata according to their respective former holdings of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to Ordinary Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any Ordinary Shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company).

(iv) Forthwith upon Conversion, the share certificates relating to the C Shares shall be cancelled and the Company shall issue to each former C Shareholder new certificates in respect of the Ordinary Shares which have arisen upon Conversion to which he or she is entitled. Share certificates in respect of the Deferred Shares will not be issued.

(v) The Directors may make such adjustments to the terms and timing of Conversion as they in their discretion consider are fair and reasonable having regard to the interests of all Shareholders.

The following definitions are only relevant for the purpose of the foregoing:

"Calculation Date" means the earliest of the:

(i) close of business on the date to be determined by the Directors after the day on which the Investment Manager shall have given notice to the Directors that at least 90 per cent. of the Net Proceeds (or such other percentage as the Directors and Investment Manager shall agree) shall have been invested; or

(ii) close of business on the date falling nine calendar months after the allotment of the C Shares or if such a date is not a Business Day the next following Business Day; or

(iii) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent;

"Conversion" means conversion of the C Shares into Ordinary Shares and Deferred Shares in accordance with paragraph (g) above;

"Conversion Date" means the close of business on such Business Day as may be selected by the Directors falling not more than 10 Business Days after the Calculation Date;

"Conversion Ratio" means the ratio of the net asset value per C Share to the net asset value per Ordinary Share, which is calculated as:

$$\text{Conversion Ratio} = \frac{A}{B}$$

$$A = \frac{C - D}{E}$$

$$B = \frac{F - C - G + D}{H}$$

and where:

C is the aggregate value of: (a) the value of the investments of the Company attributable to the C Shares; and (b) the amount which, in the Directors' opinion, fairly reflects, on the Calculation Date, the value of the current assets of the Company attributable to the C Shares (excluding the investments valued under (a) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature);

D is the amount (to the extent not otherwise deducted from the assets attributable to the C Shares) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shares on the Calculation Date;

E is the number of the C Shares in issue on the Calculation Date;

F is the aggregate value of: (a) value of all the investments of the Company; and (b) the amount which, in the Directors' opinion, fairly reflects, on the Calculation Date, the value of the current assets of the Company (excluding the investments valued under (a) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature);

G is the amount (to the extent not otherwise deducted in the calculation of F) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company on the Calculation Date; and

H is the number of Ordinary Shares in issue on the Calculation Date (excluding any Ordinary Shares held in treasury),

provided always that the Directors shall make such adjustments to the value or amount of A and B as the Auditors shall report to be appropriate having regard among other things, to the assets of the Company immediately prior to the date on which the Company first receives the Net Proceeds relating to the C Shares and/or to the reasons for the issue of the C Shares.

"Deferred Shares" means deferred shares of one pence each in the capital of the Company arising on Conversion;

"Existing Ordinary Shares" means the Ordinary Shares in issue immediately prior to Conversion;

"Force Majeure Circumstances" means (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable; (ii) the issue of any proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are proposed to be issued; or (iii) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest

"Net Proceeds" means the net cash proceeds of the issue of the C Shares (after deduction of those commissions and expenses relating thereto and payable by the Company);

References to ordinary shareholders, C shareholders and deferred shareholders should be construed as references to holders for the time being of Ordinary Shares, C Shares and Deferred Shares respectively.

References to the Auditors confirming any matter should be construed to mean confirmation of their opinion as to such matter whether qualified or not.

(f) Transfer of shares

The Ordinary Shares are in registered form.

The Articles provide for shares to be held in CREST accounts, or through another system for holding shares in uncertificated form, such shares being referred to as "Participating Securities". Subject to such of the restrictions in the Articles as shall be applicable, any member may transfer all or any of his shares. In the case of shares represented by a certificate ("**Certificated Shares**") the transfer shall be made by an instrument of transfer in the usual form or in any other form which the Board may approve. A transfer of a Participating Security need not be in writing, but shall comply with such rules as the Board may make in relation to the transfer of such shares, a CREST transfer being acceptable under the current rules.

The instrument of transfer of a Certificated Share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee and the transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members.

The Board may, in its absolute discretion and without assigning any reason therefor, refuse to register any instrument of transfer of shares, all or any of which are not fully paid.

The Board may also refuse to register a transfer unless:

(1) in the case of a Certificated Share, the duly stamped instrument of transfer (if required) is lodged at the registered office of the Company or at some other place as the Board may appoint accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require;

(2) in the case of a Certificated Share, the instrument of transfer is in respect of only one class of share; and

(3) in the case of a transfer to joint holders of a Certificated Share, the transfer is in favour of not more than four such transferees.

In the case of Participating Securities, the Board may refuse to register a transfer if the Uncertificated Securities Regulations 2001 (as amended) allow it to do so, and must do so where such regulations so require.

The Board may also decline to register a transfer of shares if they represent not less than 0.25 per cent. by number of their class and there has been a failure to comply with a notice requiring disclosure of interests in the shares (as referred to in paragraph (i) below) unless the shareholder has not, and proves that no other person has, failed to supply the required information. Such refusal may continue until the failure has been remedied, but the Board shall not decline to register:

(1) transfer in connection with a bona fide sale of the beneficial interest in any shares to any person who is unconnected with the shareholder and with any other person appearing to be interested in the share;

(2) a transfer pursuant to the acceptance of an offer made to all the Company's shareholders or all the shareholders of a particular class to acquire all or a proportion of the shares or the shares of a particular class; or

(3) a transfer in consequence of a sale made through a recognised investment exchange or any stock exchange outside the United Kingdom on which the Company's shares are normally traded.

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA or the US Code; (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to be registered or qualified under the US Investment Company Act and/or the US Investment Advisers Act of 1940 and/or the US Securities Act and/or the US Exchange Act and/or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the US Exchange Act; (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the US Code; or (v) may cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligation), then the Board may declare the Shareholder in question a "Non-Qualified Holder" and the Board may require that any shares held by such Shareholder ("Prohibited Shares") shall (unless the Shareholder concerned satisfies the Board that he is not a Non-Qualified Holder) be transferred to another person who is not a Non-Qualified Holder, failing which the Company may itself dispose of such Prohibited Shares at the best price reasonably obtainable and pay the net proceeds to the former holder.

(g) Variation of rights

Subject to the Companies Act, all or any of the rights attached to any class of share may (unless otherwise provided by the terms of issue of shares of that class) be varied (whether or not the Company is being wound up) either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of such holders. The quorum at any such general meeting is two persons holding or representing by proxy at least one-third in nominal value of the issued shares of that class and at an adjourned meeting the quorum is one holder present in person or by proxy, whatever the amount of his shareholding. Any holder of shares of the class in question present in person or by proxy may demand a poll. Every holder of shares of the class shall be entitled, on a poll, to one vote for every share of the class held by him. Except as mentioned above, such rights shall not be varied.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the Articles or the conditions of issue of such shares, be deemed to be varied by the creation or issue of new shares ranking pari passu therewith or subsequent thereto.

(h) Share capital and changes in capital

Subject to and in accordance with the provisions of the Companies Act, the Company may issue redeemable shares. Without prejudice to any special rights previously conferred on the holders of any existing shares, any share may be issued on terms that they are, at the option of the Company or a member liable, to be redeemed on such terms and in such manner as may be determined by the Board (such terms to be determined before the shares are allotted).

Subject to the provisions of the Articles and the Companies Act, the power of the Company to offer, allot and issue any new shares in the Company and any shares lawfully held by the Company or on its behalf (such as shares held in treasury) shall be exercised by the Board at such time and for such consideration and upon such terms and conditions as the Board shall determine.

The Company may by ordinary resolution alter its share capital in accordance with the Companies Act. The resolution may determine that, as between the holders of shares resulting from the sub-division, any of the shares may have any preference or advantage or be subject to any restriction as compared with the others.

(i) ***Disclosure of interests in shares***

Section 793 of the Companies Act provides a public company with the statutory means to ascertain the persons who are, or have within the last three years been, interested in its relevant share capital and the nature of such interests. When a shareholder receives a statutory notice of this nature, he or she has 28 days (or 14 days where the shares represent at least 0.25 per cent. of their class) to comply with it, failing which the Company may decide to restrict the rights relating to the relevant shares and send out a further notice to the holder (known as a "**disenfranchisement notice**"). The disenfranchisement notice will state that the identified shares no longer give the shareholder any right to attend or vote at a shareholders' meeting or to exercise any other right in relation to shareholders' meetings.

Once the disenfranchisement notice has been given, if the Directors are satisfied that all the information required by any statutory notice has been supplied, the Company shall, within not more than seven days, withdraw the disenfranchisement notice.

The Articles do not restrict in any way the provisions of section 793 of the Companies Act.

(j) ***Non-UK shareholders***

Shareholders with addresses outside the United Kingdom are not entitled to receive notices from the Company unless they have given the Company an address within the United Kingdom at which such notices shall be served.

(k) ***Untraced shareholders***

Subject to various notice requirements, the Company may sell any of a shareholder's shares in the Company if, during a period of 12 years, at least three dividends on such shares have become payable and no dividend has been claimed during that period in respect of such shares and the Company has received no communication from such shareholder.

(l) ***Borrowing powers***

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any of its undertaking, property and assets (present and future) and uncalled capital and subject to any relevant statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligations of the Company or any third party provided that the Board shall restrict the borrowings of the Company, and exercise all powers of control exercisable by the Company in relation to its subsidiaries, so as to secure (in relation to its subsidiaries so far as the Board is able) that the aggregate amount for the time being of all borrowings by the Company shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to 1000 times the adjusted capital and reserves of the Company.

These borrowing powers may be varied by an alteration to the Articles which would require a special resolution of the shareholders.

(m) ***Directors***

Subject to the Companies Act, and provided he has made the necessary disclosures, a Director may be a party to or otherwise directly or indirectly interested in any transaction or arrangement with the Company or in which the Company is otherwise interested or a proposed transaction or arrangement with the Company.

The Board has the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under section 175 of the Companies Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with, the interests of the Company. Any such authorisation will only be effective if the matter is proposed in writing for consideration in accordance with the Board's normal procedures, any requirement about the quorum of the meeting is met without including the Director in question and any other interested director and the matter was agreed to without such directors voting (or would have been agreed to if the votes of such directors had not been counted). The Board may impose terms or conditions in respect of its authorisation.

Save as mentioned below, a Director shall not vote in respect of any matter in which he has, directly or indirectly, any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A Director shall (in the absence of material interests other than those indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:

(1) the giving of any guarantee, security or indemnity to him or any other person in respect of money lent to, or an obligation incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiaries;

(2) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of the Company or any of its subsidiaries for which he himself has assumed any responsibility in whole or in part alone or jointly under a guarantee or indemnity or by the giving of security;

(3) any proposal concerning his being a participant in the underwriting or sub-underwriting of an offer of shares, debentures or other securities by the Company or any of its subsidiaries;

(4) any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise, provided that he is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of such company (or of any corporate third party through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed to be a material interest in all circumstances);

(5) any arrangement for the benefit of employees of the Company or any of its subsidiaries which does not accord to any Director any privilege or advantage not generally accorded to the employees to which such arrangement relates; and

(6) any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for the benefit of any of the Directors or for persons who include Directors, provided that for that purpose "insurance" means only insurance against liability incurred by a Director in respect of any act or omission by him in the execution of the duties of his office or otherwise in relation thereto or any other insurance which the Company is empowered to purchase and/or maintain for, or for the benefit of any groups of persons consisting of or including, Directors.

The Directors shall be paid such remuneration by way of fees for their services as may be determined by the Board, save that, unless otherwise approved by ordinary resolution of the Company in general meeting, the aggregate amount of such fees of all Directors shall not exceed £250,000 per annum. The Directors shall also be entitled to be repaid by the Company all hotel expenses and other expenses of travelling to and from board meetings, committee meetings, general meetings or otherwise incurred while engaged in the business of the Company. Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

The Company may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, to or for the benefit of past directors who held executive office or employment with the Company or any of its subsidiaries or a predecessor in business of any of them or to or for the benefit of persons who are or were related to or dependants of any such Directors.

The Directors and officers of the Company are entitled to be indemnified against all losses and liabilities which they may sustain in the execution of the duties of their office, except to the extent that such an indemnity is not permitted by sections 232 or 234 of the Companies Act. Subject to sections 205(2) to (4) of the Companies Act, the Company may provide a Director with funds to meet his expenditure in defending any civil or criminal proceedings brought or threatened against him in relation to the Company. The Company may also provide a Director with funds to meet expenditure incurred in connection with proceedings brought by a regulatory authority and indemnify a Director in connection with the Company's activities as a trustee of a pension scheme.

The Directors are obliged to retire by rotation and are eligible for re-election at the third annual general meeting after the annual general meeting at which they were elected. Any non-executive Director who has held office for nine years or more is subject to re-election annually. Any Director appointed by the Board holds office only until the next annual general meeting, when he is eligible for re-election.

There is no age limit for Directors.

Unless and until otherwise determined by ordinary resolution of the Company, the Directors (other than alternate Directors) shall not be less than 2 nor more than 10 in number.

(n) Redemption

The Ordinary Shares are not redeemable.

(o) Electronic communication

The Company may communicate electronically with its members in accordance with the provisions of the Electronic Communications Act 2000.

The above is a summary only of certain provisions of the Articles, the full provisions of which are available for inspection as described in paragraph 15 below.

4. Mandatory bids and compulsory acquisition rules relating to the Ordinary Shares

(a) Mandatory bid

The City Code on Takeovers and Mergers applies to the Company. Under Rule 9 of the City Code, if:

(i) a person acquires an interest in shares in the Company which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or

(ii) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquiror and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquiror or its concert parties during the previous 12 months.

(b) Compulsory acquisition

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

5. Information on the Directors

(a) Details of the names of companies and partnerships (excluding directorships of the Company) of which the Directors are or have been members of the administrative, management or supervisory bodies or partners at any time in the five years preceding the date of this Prospectus:

Name	*Current directorships/partnerships*	*Past directorships/partnerships*
David Martin Bralsford	Albion Prime VCT Plc (formerly Albion Protected VCT Plc) (in liquidation)* Canaccord Genuity Wealth (International) Ltd The Stanley Gibbons Group plc National Motor Museum Trading Ltd Versatus Ltd LFH International Ltd Blue Coast Properties Plc and subsidiaries A de Gruchy & Co Ltd Camper and Nicholson Marina Investments Ltd Grand Harbour Marina plc Eisvogel GP Limited Rockayne Limited Rockayne Holdings Limited Rockayne (Jersey) Limited (trading as Channel Island Lines) Channel Island Lines (Guernsey) Limited Channel Islands (UK) Limited Marbral Ltd Marbral Advisory Ltd Waterglade Ltd Cornue Ltd (formerly Gladewater Ltd) Boxgreen Ltd Dirac Ltd	Computer Patent Annuities Holdings Ltd Record Currency Management (Jersey) Ltd
David Roger William Potter	Maven Income & Growth VCT4 PLC Spark Ventures plc Illustrated London News Limited	Vantis plc (liquidated) Ortus VCT (liquidated) Vycon Inc. Execution Noble Limited Camco International Limited Quercus Publiching plc Solar Integrated Technologies Limited
John Strathmore Spencer	tpSEF Inc.	

*Albion Prime VCT Plc entered solvent voluntary liquidation after its assets were merged into another venture capital trust

(b) None of the Directors:

(i) has any convictions in relation to fraudulent offences for at least the previous five years; or

(ii) has been declared bankrupt or been a director or member of the administrative, management or supervisory body of a company or a senior manager of a company at the time of any receivership or liquidation for at least the previous five years; or

(iii) has been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company for at least the previous five years.

6. Directors' and others' interests

(a) The Directors currently have no interests in the share capital of the Company. Immediately following Admission the interests (all of which are or will be beneficial unless otherwise stated) of the Directors in the ordinary share capital of the Company are as follows:

	*Immediately following Admission**		
	Number of Ordinary Shares	*Total issue price (£)*	*Percentage of issued share capital** (%)*
Martin Bralsford	100,000	1,000,000	0.4
David Potter	5,000	50,000	0.02
John Spencer (held directly)	3,000	30,000	0.012

* Assuming each of the Directors subscribes for the Ordinary Shares for which he or she has indicated an intention to subscribe and that the Placing and the Offer are fully subscribed

** Assuming target Gross Issue Proceeds of £250 million

(b) Save as disclosed in paragraph 6(a) above, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

(c) The voting rights of the Company's Shareholders are the same in respect of each Ordinary Share held.

(d) Terry Smith will own 500,000 Ordinary Shares upon Admission which includes 50,000 Ordinary Shares that he already owns, and other partners and employees of the Investment Manager will own in aggregate approximately 95,000 Ordinary Shares upon Admission. Save as set out above, as at the date of this Prospectus, the Company is not aware of any person who will, immediately following Admission, hold three per cent. or more of the voting rights in the Company as a Shareholder or through a direct or indirect holding of financial instruments (in each case for the purposes of Chapter 5 of the Disclosure and Transparency Rules of the FCA). The Company is not aware of any person who, directly or indirectly owns or controls the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

(e) The Directors are in addition to the Company, directors/partners of the companies listed in paragraph 5 of this Part 6. The Articles contain provisions whereby a Director shall not vote inter alia in respect of any matter in which he has, directly or indirectly, any material interest. Save, in relation to the directorships listed in paragraph 5 of this Part 6, there are no potential conflicts of interest between any duties owed by the Directors to the Company and their private interests and/or other duties.

7. Directors' appointments

Under the terms of their appointments as non-executive Directors of the Company, each Director is entitled to an annual fee of £20,000 per annum. The Chairman is paid a further £5,000 per annum in addition to this amount. The Directors may elect to apply the cash amount equal to their annual fee to subscribe for or purchase Ordinary Shares. The Directors hold their office in accordance with the Articles and their appointment letters. No Director has a service contract with the Company, nor are any such contracts proposed. The retirement, disqualification and removal provisions relating to the Directors (in their capacity as directors) are summarised in paragraph 3(m) of this Part 6.

8. Employees

The Company does not have any employees.

9. Material contracts and related party transactions

(a) The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company since its incorporation and which are or may be material to the Company or have been entered into by the Company at any time and contain a provision under which the Company has any obligation or entitlement which is material to the Company at the date of this Prospectus:

(i) A placing and offer agreement dated 28 May 2014 (the "**Placing and Offer Agreement**") entered into by the Company, each of the Directors, the Investment Manager and Investec pursuant to which, subject to certain conditions, Investec has agreed to act as sponsor in respect of the Issue and to use its reasonable endeavours to procure purchasers for the Ordinary Shares to be issued pursuant to the Placing.

The Placing and Offer Agreement is conditional on, among other things, Admission occurring by 8.00 a.m. on 25 June 2014 (or such later date, not being later than 9 July 2014 as the Company and Investec may agree).

The Placing and Offer Agreement is further conditional upon the Gross Issue Proceeds totalling not less than £100 million. In the event that any of the conditions in the Placing and Offer Agreement are not met, Investec shall, amongst other things, not be under any obligation to complete the Placing, the Company shall withdraw its application for Admission (making such announcement as reasonably required by Investec) and appropriate arrangements for the return of Issue monies received shall be made.

In consideration for their services under the Placing and Offer Agreement, Investec will receive from the Company a corporate finance fee and placing commission (such commission calculated by reference to the number of Ordinary Shares acquired by Placees procured by Investec) together with reimbursement for all out-of-pocket expenses incurred by it in connection with the Issue.

The Company, the Investment Manager and the Directors have in the Placing and Offer Agreement given certain customary warranties (subject, in the case of the Directors, to certain agreed caps), and the Company and the Investment Manager have agreed to provide customary indemnities, to Investec.

(ii) An agreement ("**Investment Management Agreement**") dated 27 May 2014 between the Company and the Investment Manager whereby the Investment Manager is appointed to act as investment manager of the Company. The Investment Manager has agreed to provide customary services of a discretionary investment manager that is also appointed as an AIFM to the Company. The Company has consented to the Investment Manager delegating certain valuation services to the Administrator; however, the Investment Manager shall remain liable to the Company for such delegated services.

The Investment Manager shall be entitled to receive an annual fee from the Company of 1.25 per cent. of Net Asset Value. The Investment Manager shall also be entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company.

The Investment Management Agreement may be terminated by either party on twelve months' notice and may be immediately terminated by either party in certain circumstances such as a material breach which is not remedied. The Company has also agreed to indemnify the Investment Manager for losses that the Investment Manager may incur in the performance of its duties pursuant to the Investment Management Agreement or otherwise in connection with the Company's activities that are not attributable to, inter alia, a material breach of the Investment Management Agreement by, or the negligence, fraud, wilful default or bad faith of, the Investment Manager.

(iii) An agreement ("**Accounting and Administration Services Agreement**") dated 27 May 2014 between the Company, the Investment Manager and the Administrator whereby the Administrator is appointed to act as administrator of the Company. Under the terms of the Accounting and Administration Services Agreement, the Investment Manager has also delegated the performance of certain valuation services it provides pursuant to the terms of the Investment Management Agreement to the Administrator.

The Administrator shall be entitled to receive an annual fee calculated by reference to the Company's NAV as follows: an amount equal to the aggregate of (i) four basis points of the NAV of the Company up to £100 million; (ii) three basis points of the NAV of the Company between £100 million and £400 million; and (iii) two basis points of the NAV of the Company in excess of £400 million. In addition, a further fee of £1,500 per annum will be payable in respect of the tax reporting services provided by the Administrator. A minimum fee of £25,000 per annum shall apply following the Company's first financial year. The Administrator shall also be entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company.

The Accounting and Administration Services Agreement may be terminated by either party on 180 days' notice and may be immediately terminated by either party in certain circumstances such as a material breach which is not remedied. The Accounting and Administration Agreement contains customary indemnities from the Company in favour of the Administrator.

(iv) An agreement ("**Company Secretarial Agreement**") dated 27 May 2014 between the Company and the Company Secretary whereby the Company Secretary is appointed to act as company secretary of the Company.

The Company Secretary shall be entitled to receive an annual fee of £85,000 (plus VAT). The Company Secretary shall also be entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred and documented on behalf of the Company.

The Company Secretarial Agreement may be terminated by either party on six months' notice and may be immediately terminated by the Company in certain circumstances such as a persistent or material breach which is not remedied. The Company Secretarial Agreement contains customary indemnities given by the Company in favour of the Company Secretary.

(v) An agreement ("**Depositary Agreement**") dated 27 May 2014 between the Company, the Investment Manager and the Depositary whereby the Depositary is appointed to act as custodian and depositary of the Company.

The Depositary will perform the customary services of a depositary in accordance with the AIFMD. It is permitted to delegate the performance of its obligations, including the safe keeping of assets, subject to certain conditions being satisfied.

The Depositary shall be entitled to receive an annual fee calculated by reference to the services performed (in respect of custody services) as well as a fee equal to two basis points of the gross asset value of the Company (in respect of depositary services). A minimum fee of £25,000 per annum in respect of custody services and £10,000 per annum in respect of depositary services which shall apply, in each case, following the Company's first financial year and shall also be entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company.

The Depositary Agreement may be terminated by either party on 90 days' prior written notice following an initial period of six months from the date of the agreement. The Depositary Agreement may be immediately terminated by either party in certain circumstances such as a material breach which is not remedied. The Depositary Agreement contains customary indemnities given by the Company in favour of the Depositary.

The Depositary has delegated its obligations in respect of the safe keeping of the Company's investments to State Street Bank and Trust Company which in turn has appointed sub-custodians in jurisdictions where the Company may make investments.

The identities of the appointed sub-custodians as at the date of this Prospectus are as follows:

Argentina – Citibank N.A. (Securities Services Unit, Bartolome Mitre 530, (C1036AAJ), 1036 Buenos Aires, Argentina);

Australia – The Hong Kong and Shanghai Banking Corporation Ltd. (HSBC Custody and Clearing, Level 13, 580 George St., Sydney, NSW 2000, Australia);

Brazil – Citibank N.A. – São Paulo Branch (AV Paulista, 1111, São Paulo, SP 01311-920 Brazil);

Chile – Banco Itau Chile (Enrique Foster Sur 20, Piso 5, Las Condes, Santiago de Chile);

China – HSBC Bank (China) Company Limited (33rd Floor, HSBC Building, Shanghai IFC, 8 Century Avenue, Pudong, Shanghai, China (200120));

Columbia – Cititrust Colombia, S.A. Sociedad Fiduciaria (Carrera 9A No 99-02, Bogotá DC, Colombia);

Czech Republic – Ceskoslovenska Obchodni Banka A.S. (Radlická 333/150, 150 57 Prague 5, Czech Republic);

Egypt – HSBC Bank Egypt SAE (6th Floor, 306 Corniche El Nil, Maadi, Cairo, Egypt);

Ghana – Standard Chartered Bank Ghana Limited (P.O. Box 768, 1st Floor, High Street Building, Accra, Ghana);

Hong Kong – Standard Chartered Bank (Hong Kong) Limited (15th Floor Standard Chartered Tower, 388 Kwun Tong Road, Kwun Tong, Hong Kong);

India – Deutsche Bank AG (Domestic Custody Services, Block B1, 4th Floor, Nirlon Knowledge Park, Off Western Express Highway, Goregaon (E), Mumbai, India 400 063);

Ivory Coast – Standard Chartered Bank Côte d'Ivoire (23, Bld de la République, 17 BP 1141 Abidjan 17, Côte d'Ivoire);

Kenya – Standard Chartered Bank Kenya Limited (Custody Services, Standard Chartered @ Chiromo, Level 5, 48 Westlands Road, P.O. Box 40984-00100 GPO, Nairobi, Kenya);

Korea – Deutsche Bank AG (Direct Securities Services, 18th Floor, Young-Poong Bldg., 33 Seorin-dong, Chongro-ku, Seoul 110-752 Korea);

Malaysia – Deutsche Bank (Malaysia) Berhad (Domestic Custody Services, Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia);

Mexico – Banco Nacional de México S.A. (Banamex) (Global Securities Services, 3er piso, Torre Norte, Act. Roberto Medellin No. 800, Col. Santa Fe, Mexico, D.F. 01210);

Morocco – Citibank Maghreb (Zénith Millénium Immeuble1, Sidi Maârouf – B.P. 40, Casablanca 20190 Morocco);

Nigeria – Stanbic IBTC Bank Plc. (Plot 1712, Idejo St., Victoria Island, Lagos, Nigeria 101007);

Pakistan – Deutsche Bank A.G. (Unicentre – Unitowers, I.I. Chundrigar Road, P.O. Box 4925, Karachi – 74000, Pakistan);

Peru – Citibank del Perú S.A. (Canaval y Moreyra 480, 3rd Floor, San Isidro, Lima 27, Peru);

Philippines – Deutsche Bank AG (Global Transaction Banking, Tower One, Ayala Triangle, 1226 Makati City, Philippines);

Singapore – Citibank, N.A. (Citigroup® Global Transaction Services, Regional Services Center, Citi Singapore Campus (CSC), 3 Changi Business Park Crescent, #07-00, Singapore 486026);

South Africa – FirstRand Bank Limited (Mezzanine Floor, 3 First Place Bank City, Corner Simmonds & Jeppe Sts., Johannesburg 2001, Republic of South Africa);

Sri Lanka – The Hongkong and Shanghai Banking Corporation Limited (24, Sir Baron Jayatilake Mawatha, Colombo 01, Sri Lanka);

Thailand – Standard Chartered Bank (Thai) Public Company Limited (Sathorn Nakorn Tower – 14th Floor, Zone B, 90 North Sathorn Road, Silom, Bangkok 10500, Thailand);

Turkey – Deutsche Bank, A.Ş. (Eski Buyukdere Caddesi, Tekfen Tower No. 209, Kat: 17 4.Levent 34394, Istanbul, Turkey);

Uganda – Standard Chartered Bank Uganda Limited (5 Speke Road, P.O. Box 7111, Kampala, Uganda)

Vietnam – Hong Kong & Shanghai Banking Corp. Ltd. (Centre Point, 106 Nguyen Van Troi Street, Phu Nhuan District, Ho Chi Minh City, Vietnam); and

Zimbabwe – Stanbic Bank Zimbabwe Limited (3rd Floor, Stanbic Centre, 59 Samora Machel Avenue, Harare, Zimbabwe).

The Depositary has not contractually discharged any of its liabilities under the Depositary Agreement in respect of the delegated services.

(vi) An agreement ("**Registrar Agreement**") dated 27 May 2014 between the Company and the Registrar whereby the Registrar is appointed to act as registrar of the Company. The Registrar shall be entitled to receive an annual registration fee from the Company based on activity, subject to an annual minimum charge of £3,250. The Registrar shall also be entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred and documented on behalf of the Company.

The Registrar Agreement may be terminated by either party on six months' notice following an initial term of three years and may be immediately terminated by either party in certain circumstances such as a material breach which is not remedied or if the parties cannot agree on an increase in fees. The Registrar Agreement contains customary indemnities from the Company in favour of the Registrar.

(vii) An agreement ("**Receiving Agent Agreement**") dated 27 May 2014 between the Company, the Investment Manager and the Receiving Agent whereby the Receiving Agent is appointed to act as receiving agent of the Company in connection with the Offer and the Investment Manager is appointed to process applications made in the Offer by existing investors in the Fundsmith Equity

Fund. The Receiving Agent shall be entitled to receive customary fees for the performance of its services and shall also be entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred and documented on behalf of the Company. The Receiving Agent Agreement will terminate if the Issue does not take place and may also be terminated by the Company or the Receiving Agent in certain circumstances such as a material breach which is not remedied. The Receiving Agent Agreement contains customary indemnities from the Company in favour of the Receiving Agent and the Investment Manager.

(viii) A Broker Agreement dated 27 May 2014 between the Company and Investec pursuant to which Investec will act as corporate broker to the Company. As part of the engagement, Investec has agreed, amongst other things, to advise on and co-ordinate an investor liaison programme for the Company, and to monitor and report to the Board where appropriate on the trading of the Ordinary Shares and significant movements in its share price.

Investec shall be entitled to a fee of £50,000 per annum in respect of the first year following Admission and £55,000 per annum thereafter, payable semi-annually in advance. All fees and other expenses are exclusive of VAT, if any.

The Broker Agreement may be terminated by either party on one month's notice provided that the Company shall not serve any written notice prior to the second anniversary of Admission.

The Company has agreed to provide a customary indemnity to Investec against all losses which Investec may suffer or incur by reason of or arising out of or in connection with its engagement under the Broker Agreement.

The Broker Agreement is governed by and construed in accordance with the laws of England.

(ix) An undertaking between the Company and Terry Smith dated 27 May 2014 under which Terry Smith agrees to pay the Company £450,000 upon Admission. This is to cover the difference in the price he paid for the 50,000 subscriber shares owned by him and the Issue Price.

(b) Except with respect to the appointment letters entered into between the Company and each director and the Investment Management Agreement, the Company has not been a party to any related party transaction since its incorporation.

10. Working capital

Taking into account the minimum Net Proceeds, the Company is of the opinion that the Company has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of the Admission.

11. Capitalisation and indebtedness

At the date of this Prospectus, the Company:

(i) does not have any secured, unsecured or unguaranteed indebtedness, including direct and contingent indebtedness;

(ii) has not granted any mortgage or charge over any of its assets; and

(iii) does not have any contingent liabilities or guarantees.

12. No significant change

There has been no significant change in the financial or trading position of the Company since its incorporation.

13. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) since the Company's incorporation which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company.

14. General

(a) The total costs (including fees and commissions) (exclusive of recoverable VAT) payable by the Company in connection with the Issue and Admission are estimated to amount to up to £2.5 million assuming Gross Issue Proceeds of £250 million (assuming all Ordinary Shares issued pursuant to the Issue). The estimated net cash proceeds accruing to the Company from the Issue are £247.5 million (assuming all Ordinary Shares are issued pursuant to the Issue). Since the Company has not commenced operations and therefore not generated any earnings, the Issue will represent a significant gross change to the Company. At the date of this Prospectus and until Admission, the assets of the Company are £50,000. Under the Issue, on the basis that 25 million Ordinary Shares are to be issued, the net assets of the Company would increase by approximately £247.5 million immediately after Admission assuming that the expenses of the Issue do not exceed 1.00 per cent. of the Gross Issue Proceeds. Following completion of the Issue, the net proceeds of the Issue will be invested in accordance with the Company's investment policy and pending investment will be held on deposit or invested in near cash instruments and consequently it is expected that the Company will derive earnings from Gross Assets in the form of dividends and interest.

(b) The Issue will result in the existing Ordinary Shares being diluted by 99.99 per cent. (assuming Gross Issue Proceeds of £250 million). None of the Ordinary Shares available under the Issue are being underwritten.

(c) The Placing of the Ordinary Shares is being carried out on behalf of the Company by Investec which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority.

(d) The Investment Manager may be a promoter of the Company. Save as disclosed in paragraph 9 above no amount or benefit has been paid, or given, to the promoter or any of its subsidiaries since the incorporation of the Company and none is intended to be paid, or given.

(e) Each of the Investment Manager and Investec has given and not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear. The Investment Manager accepts responsibility for the information attributed to it in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The telephone number of the Investment Manager is +44 (0)330 1 231 815.

(f) Where information contained in this Prospectus has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

(g) The Company has no existing interests in real property and has no tangible fixed assets which are material to its business.

(h) CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of Ordinary Shares under CREST. The Directors have applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted, and accordingly enabled for settlement in CREST, as soon as practicable after Admission has occurred. CREST is a voluntary system and Shareholders who wish to receive and retain a share certificate will be entitled to do so.

(i) Since incorporation, the Company has not made up any financial statements or published any financial information.

(j) The Company expects a typical investor in the Company will be institutional and sophisticated investors and private clients.

15. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL up to and including the date of Admission:

(a) the statement of capital of the Company and the Articles;

(b) the letters of appointment referred to in this Part 6;

(c) the letters of consent referred to in paragraph 14(e) above; and

(d) this Prospectus.

This Prospectus is dated 28 May 2014.

PART 7
TERMS AND CONDITIONS OF THE PLACING

1. Introduction

Each Placee which confirms its agreement to Investec to subscribe for Ordinary Shares under the Placing will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and/or Investec may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (a "**Placing Letter**").

2. Agreement to purchase Ordinary Shares

Conditional on: (i) Admission occurring and becoming effective by 8.00 a.m. on or prior to 25 June 2014 (or such later time and/or date, not being later than to 9 July 2014, as the Company, the Investment Manager and Investec may agree) in respect of the Placing; (ii) the Placing and Offer Agreement becoming otherwise unconditional in all respects and not having been terminated on or before 25 June 2014 (or such later time and/or date, not being later than 9 July 2014 as the Company, the Investment Manager and Investec may agree); and (iii) Investec confirming to the Placees their allocation of Ordinary Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to it by Investec at the Issue Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

Applications under the Placing must be for a minimum subscription amount of £10,000. The Directors (in consultation with Investec) may in their absolute discretion waive the minimum application amounts in respect of any particular application for Ordinary Shares under the Placing.

3. Payment for Ordinary Shares

Each Placee undertakes to pay the Issue Price for the Ordinary Shares issued to the Placee in the manner and by the time directed by Investec. In the event of any failure by any Placee to pay as so directed and/or by the time required by Investec, the relevant Placee shall be deemed hereby to have appointed Investec or any nominee of Investec as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Ordinary Shares in respect of which payment shall not have been made as directed, and to indemnify Investec and its respective affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales. A sale of all or any of such Ordinary Shares shall not release the relevant Placee from the obligation to make such payment for relevant Ordinary Shares to the extent that Investec or its nominee has failed to sell such Ordinary Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, exceeds the Issue Price per Ordinary Share.

4. Representations and warranties

By agreeing to subscribe for Ordinary Shares, each Placee which enters into a commitment to subscribe for Ordinary Shares will (for itself and for any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be deemed to undertake, represent and warrant to each of the Company, the Investment Manager, the Registrar and Investec that:

(a) in agreeing to subscribe for Ordinary Shares under the relevant Placing, it is relying solely on this Prospectus and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Ordinary Shares or the Placing. It agrees that none of the Company, the Investment Manager, Investec or the Registrar, nor any of their respective officers, agents, employees or affiliates, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

(b) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Ordinary Shares under the Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Investment Manager, Investec or the Registrar or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;

(c) it has carefully read and understands this Prospectus in its entirety and acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in this Part 7 and the Articles as in force at the date of Admission;

(d) it has not relied on Investec or any person affiliated with Investec in connection with any investigation of the accuracy of any information contained in this Prospectus;

(e) it acknowledges that the content of this Prospectus is exclusively the responsibility of the Company and its Directors and neither Investec nor any person acting on its behalf nor any of its affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the relevant Placing based on any information, representation or statement contained in this Prospectus or otherwise;

(f) it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by Investec, the Company or the Investment Manager;

(g) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;

(h) it accepts that none of the Ordinary Shares have been or will be registered under the laws of any Excluded Territory. Accordingly, the Ordinary Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Excluded Territory unless an exemption from any registration requirement is available;

(i) if it is within the United Kingdom, it is a person who falls within Articles 49 or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or is a person to whom the Ordinary Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Ordinary Shares may be lawfully offered under that other jurisdiction's laws and regulations;

(j) if it is a resident in the EEA (other than the United Kingdom), it is a qualified investor within the meaning of the law in the relevant member state implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive and otherwise permitted to be marketed to in accordance with the provisions of the AIFM Directive as implemented in the relevant member state of the EEA in which is located;

(k) in the case of any Ordinary Shares acquired by an investor as a financial intermediary within the meaning of the law in the relevant member state of the EEA in which is located implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive; (i) the Ordinary Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant member state other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of Investec has been given to the offer or resale; or (ii) where Ordinary Shares have been acquired by it on behalf of persons in any relevant member state other than qualified investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons;

(l) if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

(m) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Ordinary Shares and it is not acting on a non-discretionary basis for any such person;

(n) if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for Ordinary Shares under the relevant Placing and will not be any such person on the date any such Placing is accepted;

(o) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering materials concerning the Issue or the Ordinary Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;

(p) it acknowledges that none of Investec nor any of their respective affiliates nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and participation in the relevant Placing is on the basis that it is not and will not be a client of Investec and that Investec does not have any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Placing nor, if applicable, in respect of any representations, warranties, undertaking or indemnities contained in any Placing Letter;

(q) that, save in the event of fraud on the part of Investec, none of Investec, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of Investec's role as sponsor and broker or otherwise in connection with the Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;

(r) it acknowledges that where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Ordinary Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or Investec. It agrees that the provision of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;

(s) it irrevocably appoints any Director and any director of Investec to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Ordinary Shares for which it has given a commitment under the relevant Placing, in the event of its own failure to do so;

(t) it accepts that if the relevant Placing does not proceed or the conditions to the Placing and Offer Agreement are not satisfied or the Ordinary Shares for which valid application are received and accepted are not admitted to listing on the Official List and to trading on the London Stock Exchange's main market for listed securities for any reason whatsoever then none of Investec or the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;

(u) in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering ("**Money Laundering Legislation**") and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;

(v) it acknowledges that due to anti-money laundering requirements, Investec and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Investec and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify Investec and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;

(w) that they are aware of, have complied with and will at all times comply with their obligations in connection with money laundering under the Proceeds of Crime Act 2002;

(x) it acknowledges and agrees that information provided by it to the Company, Registrar, Administrator or Company Secretary will be stored on the Registrar's, the Administrator's and the Company Secretary's computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection Act 1998 (the "**Data Protection Law**") and other relevant data protection legislation which may be applicable, the Registrar, the Administrator and the Company Secretary are required to specify the purposes for which they will hold personal data. The Registrar, the Administrator and the Company Secretary will only use such information for the purposes set out below (collectively, the "**Purposes**"), being to:

    (i) process its personal data (including sensitive personal data) as required by or in connection with its holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;

    (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;

    (iii) provide personal data to such third parties as the Administrator, the Company Secretary or Registrar may consider necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares or as the Data Protection Law may require, including to third parties outside the United Kingdom or the European Economic Area;

    (iv) without limitation, provide such personal data to the Company, Investec or the Investment Manager and their respective Associates for processing, notwithstanding that any such party may be outside the United Kingdom or the European Economic Area; and

    (v) process its personal data for the Administrator's or the Company Secretary's internal administration.

(y) In providing the Registrar, the Administrator and the Company Secretary with information, it hereby represents and warrants to the Registrar, the Administrator and the Company Secretary that it has obtained the consent of any data subjects to the Registrar, the Administrator and the Company Secretary and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the purpose set out in paragraph (v) above). For the purposes of this Prospectus, "data subject", "personal data" and "sensitive personal data" shall have the meanings attributed to them in the Data Protection Law;

(z) Investec and the Company are entitled to exercise any of their rights under the Placing and Offer Agreement or any other right in their absolute discretion without any liability whatsoever to them;

(aa) the representations, undertakings and warranties contained in this Prospectus are irrevocable. It acknowledges that Investec and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Ordinary Shares are no longer accurate, it shall promptly notify Investec and the Company;

(ab) where it or any person acting on behalf of it is dealing with Investec, any money held in an account with Investec on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the Financial Conduct Authority which therefore will not require Investec to segregate such money, as that money will be held by Investec under a banking relationship and not as trustee;

(ac) any of its clients, whether or not identified to Investec, will remain its sole responsibility and will not become clients of Investec for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;

(ad) it accepts that the allocation of Ordinary Shares shall be determined by Investec and the Company in their absolute discretion and that such persons may scale down any Placing commitments for this purpose on such basis as they may determine;

(ae) time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares and to comply with its other obligations under the relevant Placing; and

(af) authorises Investec to deduct from the total amount subscribed under the relevant Placing the aggregation commission (if any) (calculated at the rate agreed with the Placee) payable on the number of Ordinary Shares allocated under that Placing.

5. United States purchase and transfer restrictions

By participating in the Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment Manager and Investec that:

(a) it is not a US Person, is not located within the United States, is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S and is not acquiring the Ordinary Shares for the account or benefit of a US Person;

(b) it acknowledges that the Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration or an exemption from registration under the Securities Act;

(c) it acknowledges that the Company has not registered under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the Investment Company Act;

(d) unless the Company expressly consents in writing otherwise, no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the Internal Revenue Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Internal Revenue Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Internal Revenue Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Internal Revenue Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;

(e) that if any Ordinary Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

"FUNDSMITH EMERGING EQUITIES TRUST PLC (THE "COMPANY") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOTBE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS."

(f) if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;

(g) it is purchasing the Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;

(h) it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person's status under the US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the US securities laws to transfer such Ordinary Shares or interests in accordance with the Articles;

(i) it acknowledges and understand the Company is required to comply with FATCA and that the Company will follow FATCA's extensive reporting and withholding requirements. The Placee agrees to furnish any information and documents which the Company may from time to time request, including but not limited to information required under FATCA;

(j) it is entitled to acquire the Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Manager, Investec or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Issue or its acceptance of participation in the Placing;

(k) it has received, carefully read and understands this Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the Ordinary Shares to or within the United States or to any US Persons, nor will it do any of the foregoing; and

(l) if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

6. Supply and disclosure of information

If Investec, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Ordinary Shares under either Placing, such Placee must promptly disclose it to them.

7. Miscellaneous

The rights and remedies of Investec, the Registrar, the Investment Manager and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

Each Placee agrees to be bound by the Articles once the Ordinary Shares, which the Placee has agreed to subscribe for pursuant to the relevant Placing, have been acquired by the Placee. The contract to subscribe for Ordinary Shares under the Placing and the appointments and authorities mentioned in this Prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Investec, the Company, the Investment Manager and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for Ordinary Shares under the Placing, references to a Placee in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

Investec and the Company expressly reserve the right to modify the Placing (including, without limitation, their timetable and settlement) at any time before allocations are determined. The Placing is subject to the satisfaction of the conditions contained in the Placing and Offer Agreement and the Placing and Offer Agreement not having been terminated. Further details of the terms of the Placing and Offer Agreement are contained in paragraph 9 of Part 6 of this Prospectus.

PART 8
TERMS AND CONDITIONS OF APPLICATIONS UNDER THE OFFER

1. Offer to acquire Ordinary Shares

The amount being subscribed for pursuant to the Offer for Subscription must be for a minimum of £1,000, and thereafter in multiples of £100. Financial intermediaries who are investing on behalf of clients should make separate Applications for each client.

Applications must either be made on the Application Form attached at the end of the Prospectus at the Appendix (a "**Paper Application Form**") or can be submitted via an electronic application form accessible via https://www.feetipo.com (an "**Online Application**") (each an "**Application Form**"). The Paper Application Form can also be downloaded from the website.

An application (i) by a nominee, (ii) on behalf of a corporation, (iii) for more than £10,000 worth of Ordinary Shares by an applicant who is not already an investor in Fundsmith Equity Fund, or (iv) for more than £99,990 worth of Ordinary Shares by an applicant who is already an investor in Fundsmith Equity Fund can only be made using a Paper Application Form. Paper Application Forms must be sent to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

(a) offer to subscribe for such number of Ordinary Shares at the Issue Price per Ordinary Share specified in your Application Form in relation to applications under the Offer or any smaller number for which such application is accepted at the Issue Price on the terms, and subject to the conditions, set out in the Prospectus, including these Terms and Conditions of Application and the Articles;

(b) agree that, in consideration of the Company agreeing that it will not offer for subscription any Ordinary Shares to any person other than by means of the procedures referred to in this Prospectus, your application may not be revoked and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by the Receiving Agent of your Application Form;

(c) undertake to pay the subscription amount specified in your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Ordinary Shares applied for in certificated form or be entitled to commence dealing in Ordinary Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent or the Investment Manager (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent, the Investment Manager and the Company against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Ordinary Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by a cheque drawn on a branch of a United Kingdom clearing bank to the bank account name from which they were first received at your risk of any proceeds of the remittance which accompanied your Application Form, without interest);

(d) agree, that where on your Application Form a request is made for Ordinary Shares to be deposited into a CREST Account (i) the Receiving Agent may in its absolute discretion amend the form so that such Ordinary Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds) and (ii) the Receiving Agent or the Company may authorise your financial adviser or whoever he or she may direct to send a document of title for or credit your CREST account in respect of the number of Ordinary Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form.

(e) agree, in respect of applications for Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph (d) of this paragraph 1 of this Part 8 to issue Ordinary Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph (d) above (and any monies returnable to you) may be retained by the Receiving Agent:

(i) pending clearance of your remittance,

(ii) pending investigation of any suspected breach of the warranties contained in paragraphs 5(a), (b), (c), (f), (g), (i), (n), (o), (p), (q) or (s) of this Part 8 below or any other suspected breach of these Terms and Conditions of Application, or

(iii) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the Money Laundering Regulations and any other regulations applicable thereto, and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;

(f) agree, on the request of the Receiving Agent or the Investment Manager, to disclose promptly in writing to it such information as the Receiving Agent or the Investment Manager may request in connection with your application and authorise the Receiving Agent and the Investment Manager to disclose any information relating to your application which it may consider appropriate;

(g) agree that if evidence of identity satisfactory to the Receiving Agent or the Investment Manager is not provided to the Receiving Agent or the Investment Manager within a reasonable time (in the opinion of the Receiving Agent or the Investment Manager) following a request therefor, the Receiving Agent or the Company may terminate the agreement with you to allot Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been allotted to you may be reallotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by either a cheque drawn on a branch of a United Kingdom clearing bank to the bank account name on which the payment accompanying the application was first drawn (in respect of applications made using Paper Application Forms) or by electronic transfer to the bank account from which the payment was originally made (in respect of applications made using an Online Application), in each case without interest and at your risk;

(h) agree that you are not applying on behalf of a person engaged in money laundering, drug laundering or terrorism;

(i) undertake to ensure that, in the case of an application signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;

(j) undertake to pay interest at the rate described in paragraph 2 of this Part 8 below if the remittance accompanying your Application Form is not honoured on first presentation;

(k) authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Ordinary Shares for which your application is accepted or if you have completed section 2B on your Paper Application Form, but subject to paragraph 1(d) of this Part 8 above, to deliver the number of Ordinary Shares for which your application is accepted into CREST, and/or a crossed cheque for any monies returnable, by post to your address (or that of the first named applicant) as set out in your Application Form (and agree that where the monies returnable are less than the Issue Price of an

Ordinary Share such monies may be retained by the Company and donated to a charity nominated by the Company);

(l) confirm that you have read and complied with paragraph 7 of this Part 8 below;

(m) agree that all subscription cheques and payments other than those made by investors in the Fundsmith Equity Fund making an Online Application for between £1,000 and £99,990 will be processed through a bank account in the name of "Capita Registrars Limited re: FEET plc" opened by the Receiving Agent. Subscription payments made by investors in the Fundsmith Equity Fund making an Online Application for between £1,000 and £99,990 will be processed through a bank account in the name of "FEET Client Money Account";

(n) agree that your Application Form is addressed to the Company, the Investment Manager and the Receiving Agent;

(o) acknowledge that the offer to the public of Ordinary Shares is being made only in the United Kingdom and represent that you are a United Kingdom resident (unless you are able to provide such evidence as the Company may, in its absolute discretion, require that you are entitled to apply for Ordinary Shares and be allotted Ordinary Shares without compliance by the Company or any of its advisers with any regulatory, filing or other requirements or restrictions); and

(p) acknowledge that the Company does not accept any liability for any inaccuracies in your application or for any late or failed delivery of your Application Form.

2. Acceptance of your Offer

The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) by notifying the UK Listing Authority of the basis of allocation (in which case the acceptance will be on that basis).

The basis of allocation will be determined by Investec in agreement with the Company, the Investment Manager and the Receiving Agent. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application. The Company reserves the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received through the post by not later than noon on 20 June 2014 provided that the cover bears a legible postmark with a date not later than 19 June 2014 in respect of the Issue.

The Receiving Agent and the Investment Manager will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The Receiving Agent and/or the Investment Manager may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Receiving Agent and/or the Investment Manager to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Receiving Agent plus 2 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

3. Conditions

The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:

(a) admission of the Ordinary Shares, issued and to be issued pursuant to the Issue, to listing on the Official List and to trading on the London Stock Exchange in accordance with the rules of the UK Listing Authority by 8.00 a.m. on 25 June 2014 (or such later time or date, as the Company and Investec may agree (not being later than 9 July 2014)) in respect of the Issue; and

(b) the Placing and Offer Agreement referred to in paragraph 9 of Part 6 of this Prospectus becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including precontractual representations) at any time after acceptance. This does not affect any other right you may have.

4. Return of application monies

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in your favour, by post (in respect of applications made using a Paper Application Form) or by electronic transfer to the bank account from which the payment was originally made (in respect of applications made using an Online Application), in each case at the risk of the person(s) entitled thereto and without interest. In the meantime, application monies will be retained by the Receiving Agent and the Investment Manager (as applicable) in a separate account.

5. Warranties

By completing an Application Form, you:

(a) undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in this Part 8 of this Prospectus and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;

(b) warrant that you are a resident of, and are located for the purposes of the Offer in the United Kingdom and no other jurisdiction;

(c) warrant that you are not a US Person, you are not located within the United States, you are acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S and are not acquiring the Ordinary Shares for the account or benefit of a US Person;

(d) confirm that (save for advice received from your financial adviser (if any)) in making an application you are not relying on any information or representations in relation to the Company other than those contained in the Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representation;

(e) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations contained therein;

(f) acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Investec, the Investment Manager or the Receiving Agent;

(g) warrant that you are not under the age of 18 on the date of your application;

(h) agree that all documents and monies sent by post or by electronic transfer to, by or on behalf of the Company, the Investment Manager or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application Form or the bank account from which the payment was originally made in respect of Online Applications;

(i) confirm that you have reviewed the restrictions contained in paragraph 7 below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or complied with the provisions therein;

(j) agree that, in respect of those Ordinary Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the share registry;

(k) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with English Law and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

(l) irrevocably authorise the Company, the Investment Manager or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by or issued to you into your name and authorise any representatives of the Company, the Investment Manager and/or the Receiving Agent to execute any documents required therefore and to enter your name on the register of members of the Company;

(m) agree to provide the Company with any information which it may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations;

(n) warrant that, if the laws of any territory or jurisdiction outside of the United Kingdom are relevant to your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, Investec, the Investment Manager or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your application;

(o) agree that Investec, the Investment Manager and the Receiving Agent are acting for the Company in connection with the Offer for Subscription and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you or be responsible to you for the protections afforded to their customers;

(p) warrant that you are not subscribing for the Ordinary Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the Ordinary Shares;

(q) warrant that the information contained in the Application Form is true and accurate;

(r) agree that if you request that Ordinary Shares are issued to you on a date other than Admission and such Ordinary Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Ordinary Shares on a different date; and

(s) warrant that you are not applying as, or as nominee or agent of, a person who is or may be a person mentioned in any of sections 67, 70, 93 or 96 of the UK Finance Act 1986 (depositary receipts and clearance services).

6. Money laundering

You agree that, in order to ensure compliance with the Money Laundering Regulations, the Receiving Agent and/or the Investment Manager may at its absolute discretion require verification of identity of you as the applicant lodging an Application Form and further may request from you and you will assist in providing identification on:

(a) the owner(s) and/or controller(s) (the "**payor**") of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker's draft or cheque; or

(b) where it appears to the Receiving Agent or the Investment Manager (as applicable) that a holder or the payor is acting on behalf of some other person or persons, such person or persons.

Failure to provide the necessary evidence of identity may result in your application being rejected or delays in the despatch of documents.

Without prejudice to the generality of this paragraph 6, verification of the identity of holders and payors will be required if the value of the Ordinary Shares applied for, whether in one or more applications considered to be connected, exceeds £10,000.

If you are not already an investor in the Fundsmith Equity Fund and you are making an application using a Paper Application Form for an amount exceeding £10,000 and you use a building society cheque or banker's draft, you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker's draft and adds its stamp. If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and payer an original or copy of that person's passport or driving licence certified by a solicitor and an original or certified copy of two of the following documents, no more than 3 months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressee's risk) together with a signed declaration as to the relationship between the payor and you the holder.

If you are already an investor in the Fundsmith Equity Fund and you are making an application using an Online Application for Ordinary Shares having a value between £1,000 and £99,990, you consent to the Investment Manager using documentation previously provided by you for the purposes of verifying your identity in connection with your application for Ordinary Shares. You also agree to provide such other information as the Investment Manager may request in its sole and absolute discretion in connection with the verification of your identity in accordance with these terms and conditions.

For the purpose of the United Kingdom's money laundering regulations a holder making an application for Ordinary Shares will not be considered as forming a business relationship with any of the Company, the Investment Manager or the Receiving Agent but will be considered as effecting a one-off transaction with the Company, Investment Manager and/or the Receiving Agent (as applicable).

The holder(s) submitting an application for Ordinary Shares will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent or Investment Manager (as applicable) determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).

If the amount being subscribed exceeds £10,000 and you are not already an existing investor in the Fundsmith Equity Fund making an Online Application you should endeavour to have the declaration contained in section 6 of the Application Form signed by an appropriate firm as described in that section. If you cannot have that declaration signed and the amount being subscribed exceeds £10,000 then you must provide with the Application Form the identity documentation detailed in section 6 of the Notes on how to complete the Paper Application Form for each underlying beneficial owner.

7. Overseas investors

The attention of investors who are not resident in, or who are not citizens of the United Kingdom is drawn to paragraphs 7(a) to 7(e) below:

(a) The offer of Ordinary Shares under the Offer is only being made in the UK. Persons who are resident in, or citizens of, countries other than the United Kingdom ("Overseas Investors") who wish to subscribe for Ordinary Shares under the Offer may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for Ordinary Shares under the Offer. It is the responsibility of all Overseas Investors receiving this Prospectus and/or wishing to subscribe for the Ordinary Shares under the Offer, to satisfy themselves as to full observance of the laws of any relevant territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities requiring to be observed and paying any issue, transfer or other taxes due in such territory.

(b) No person receiving a copy of this Prospectus in any territory other than the United Kingdom may treat the same as constituting an offer or invitation to him, unless in the relevant territory such an offer can lawfully be made to him without compliance with any further registration or other legal requirements.

(c) The Ordinary Shares have not been and they will not be registered under the Securities Act, or with any securities regulatory authority of any State or any other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S). In addition, the Company has not been and will not be registered under the Investment Company Act, and investors will not be entitled to the benefits of the Investment Company Act.

(d) None of the Ordinary Shares have been or will be registered under the laws of any member state of the EEA (other than the United Kingdom), Australia, Canada, Japan, or the Republic of South Africa or under the Securities Act or with any securities regulatory authority of any State or other political subdivision of the any member state of the EEA (other than the United Kingdom), the United States, Australia, Canada, Japan, or the Republic of South Africa. Accordingly, unless an exemption under such Act or laws is applicable, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within any member state of the EEA (other than the United Kingdom), Australia, Canada, Japan, the Republic of South Africa or the United States (as the case may be). If you subscribe for Ordinary Shares you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company that you are not a US Person or a resident of any member state of the EEA (other than the United Kingdom), Australia, Canada, Japan or the Republic of South Africa or a corporation, partnership or other entity organised under the laws of any member state of the EEA (other than the United Kingdom), the United States, Australia or Canada (or any political subdivision of any of them), Japan or the Republic of South Africa and that you are not subscribing for such Ordinary Shares for the account of any US Person or resident of any member state of the EEA (other than the United Kingdom), Australia, Canada, Japan, Australia or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Ordinary Shares in or into any member state of the EEA (other than the United Kingdom), the United States, Australia, Canada, Japan or the Republic of South Africa or to any US Person or resident in any member state of the EEA (other than the United Kingdom), Australia, Canada, Japan or the Republic of South Africa. No application will be accepted if it shows the applicant, payor or a prospective holder having an address in any member state of the EEA (other than the United Kingdom), the United States, Australia, Canada, Japan or the Republic of South Africa.

(e) Persons (including, without limitation, nominees and trustees) receiving this prospectus should not distribute or send it to any US person or in or into any member state of the EEA (other than the United Kingdom), the United States, Canada, Australia, Japan and South Africa or their respective territories of possessions or any other jurisdictions where to do so would or might contravene local securities laws or regulations.

(f) The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares pursuant to the Offer if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

8. The Data Protection Act

Pursuant to the Data Protection Act 1998 (the "DPA") the Company, the Investment Manager and/or the Registrar, may hold personal data (as defined in the DPA) relating to past and present shareholders.

Such personal data held is used by the Registrar to maintain the Company's register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends and other distributions to Shareholders and (b) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

By becoming registered as a holder of Ordinary Shares in the Company a person becomes a data subject (as defined in the DPA) and is deemed to have consented to the processing by the Company or its Registrar of any personal data relating to them in the manner described above

9. Miscellaneous

To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Ordinary Shares and the Offer for Subscription.

The rights and remedies of the Company, the Investment Manager, Investec and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to either of them and the exercise or partial exercise of one will not prevent the exercise of others.

The Company reserves the right to extend the closing time of the Offer for Subscription from noon on 20 June 2014 in respect of the Offer by giving notice to the London Stock Exchange. In this event, the Company will notify investors of such change through a publication of a notice through an RNS Announcement.

The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest.

You agree that Investec, the Investment Manager and the Receiving Agent are acting for the Company in connection with the Issue and no-one else and that none of Investec, the Investment Manager and the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you or otherwise in relation to the Issue or for providing the protections afforded to their customers.

Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as where used in the Prospectus.

NOTES ON HOW TO COMPLETE THE PAPER APPLICATION FORM

Terms and expressions defined in the Prospectus have the same meanings in the Paper Application Form.

Completed Paper Application Forms should be returned, by post (or by hand during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than noon on 20 June 2014, together in each case with payment by cheque or duly endorsed banker's draft in full in respect of the application. If you post your Paper Application Form, you are recommended to use first class post and to allow at least two days for delivery.

HELP DESK: If you have a query concerning the completion of this Application Form, please telephone Capita Asset Services between 9.00 a.m. and 5.30 p.m. (London time) Monday. to Friday on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline (other network providers' costs may vary). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of any proposals to invest in the Company nor give any financial, legal or tax advice.

1. Application

Fill in (in figures) in Box 1 the amount of money in sterling being subscribed for the Ordinary Shares. The amount being subscribed must be for a minimum of £1,000 and thereafter in multiples of £100. Financial intermediaries who are investing on behalf of clients should make separate Applications for each client.

2A. Holder details

Fill in (in block capitals) the full name(s) of each holder and the address of the first named holder. Applications may only be made by persons aged eighteen or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form in section 3.

If you are applying as a nominee, you must complete section 2A in the legally registered name of the nominee.

If you are making a joint application you will not be able to transfer your Ordinary Shares into an ISA. If you are interested in transferring your Ordinary Shares into an ISA, you should apply in your name only.

If you do wish to apply jointly, you may do so with up to three other persons. Box 1 and sections 2A, 2B, 3, 5 and 6 must be completed by one applicant. All other persons who wish to join in the application must complete and sign in section 3. You must be able to give the confirmations, agreements, acknowledgements and representations contained in the terms and conditions of public application under the Offer for Subscription for each such person. Another person may sign on behalf of any joint applicant if that other person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection. Certificates, cheques and other correspondence will be sent to the address in section 6.

2B. CREST

If you wish your Ordinary Shares to be deposited in a CREST account in the name of the holders given in section 2A, enter in section 2B the details of that CREST account. Where it is requested that Ordinary Shares be deposited into a CREST account please note that payment for such Ordinary Shares must be made prior to the day such Ordinary Shares might be allotted and issued. It is not possible for an Applicant to request that Ordinary Shares be deposited in their CREST account on an against payment basis. Any Application Form received containing such a request will be rejected.

3. Signature

All holders named in section 2A must sign in section 3 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

4. Cheque/banker's draft, payment details

Payment must be made by a cheque or banker's draft and must accompany your Application. All payments by cheque or banker's draft must accompany your Application Form and be for the exact amount inserted in Box 1 of your Application Form. Your cheque or banker's draft must be made payable to "Capita Registrars Limited re Fundsmith Emerging Equities Trust plc A/C" in respect of an Application and crossed "Account Payee only". If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp. Cheques should be drawn on the personal account to. which you have sole or joint title to the funds. Your cheque or banker's draft must be drawn in pounds sterling on an account at a bank branch in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees, and must bear a United Kingdom bank sort code number in the top right hand corner. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the bank or building society has confirmed the name of the account holder by stamping and endorsing the cheque to such effect. Your payment must relate solely to this Application. No receipt will be issued.

5. Reliable introducer declaration

Applications with a value greater than £10,000 will be subject to verification of identity requirements. This will involve you providing the verification of identity documents listed below UNLESS you can have the declaration provided in section 5 be given and signed by a firm acceptable to the Company (or any of its agents). In order to ensure your Application is processed in a timely and efficient manner all Applicants are strongly advised to have the declaration provided in Box 5 of the Application Form completed and signed by a suitable firm.

If the declaration in section 5 cannot be completed and the value of the Application is greater than £10,000 the documents listed below must be provided with the completed Application Form, as appropriate, in accordance with internationally recognised standards for the prevention of money laundering. Notwithstanding that the declaration in section 5 has been completed and signed the Company (or any of its agents) reserves the right to request of you the identity documents listed below and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your Application may be rejected or revoked. Where certified copies of documents are requested below, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

6A. For each holder being an individual enclose:

(1) a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport; Government or Armed Forces identity card; driving licence; and

(2) certified copies of at least two of the following documents which purport to confirm that the address given in section 2A is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill; a recent bank statement; a council rates bill; or similar document issued by a recognised authority; and

(3) if none of the above documents show their date and place of birth, enclose a note of such information; and

(4) details of the name and address of their personal bankers from which the Company (or any of its agents) may request a reference, if necessary.

6B. For each holder being a company (a holder company) enclose:

(1) a certified copy of the certificate of incorporation of the holder company; and

(2) the name and address of the holder company's principal bankers from which the Company (or any of its agents) may request a reference, if necessary; and

(3) a statement as to the nature of the holder company's business, signed by a director; and

(4) a list of the names and residential addresses of each director of the holder company; and

(5) for each director provide documents and information similar to that mentioned in 6A above; and

(6) a copy of the authorised signatory list for the holder company; and

(7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than five per cent. of the issued share capital of the holder company and, where a person is named, also complete 6C below and, if another company is named (hereinafter a beneficiary company), also complete 6D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

6C. For each person named in 6B(7) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in 6B(1) to 6B(4)

6D. For each beneficiary company named in 6B(7) as a beneficial owner of a holder company enclose:

(1) a certified copy of the certificate of incorporation of that beneficiary company; and

(2) a statement as to the nature of that beneficiary company's business signed by a director; and

(3) the name and address of that beneficiary company's principal bankers from which the Company (or any of its agents) may request a reference, if necessary; and

(4) enclose a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

The Company (or any of its agents) reserves the right to ask for additional documents and information.

7. Contact details

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are entered here and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

DEFINITIONS

The following definitions apply throughout this Prospectus, unless the context requires otherwise:

"Accounting and Administration Services Agreement"	the accounting and administration services agreement between the Company, the Investment Manager and Administrator, a summary of which is set out in paragraph 9 of Part 6 of this Prospectus
"Administrator"	State Street Bank and Trust Company
"Admission"	the admission of the Ordinary Shares issued pursuant to the Issue to the Official List and to trading on the main market of the London Stock Exchange becoming effective in accordance with the Listing Rules and/or the LSE Admission Standards
"AIC"	the Association of Investment Companies
"AIC Code"	the AIC Code of Corporate Governance, as amended from time to time
"AIC Guide"	the AIC Corporate Governance Guide for Investment Companies, as amended from time to time
"AIF"	an Alternative Investment Fund, as defined in the AIFM Directive
"AIFM"	an Alternative Investment Fund Manager, as defined in the AIFM Directive
"AIFM Directive"	the EU Directive on Alternative Investment Fund Managers
"Application Form"	the Paper Application Form set out in the Appendix to this Prospectus and/or the Online Application (as the context may require) used in accordance with the terms and conditions of application under the Offer
"Articles"	the articles of association of the Company (as adopted conditionally on Admission)
"Audit Committee"	the audit committee of the Company
"Benefit Plan Investor"	(i) an employee benefit plan that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of the ERISA (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of section 4975 of the Internal Revenue Code (including an individual retirement account), (ii) an entity whose underlying assets include "plan assets" by reason of a plan's investment in the entity, or (iii) any "benefit plan investor" as otherwise defined in section 3(42) of ERISA or regulations promulgated by the US Department of Labor
"Board"	the directors of the Company whose names are set out on page 30 of this Prospectus
"Broker Agreement"	the company secretarial agreement between the Company and Investec, a summary of which is set out in paragraph 9 of Part 6 of this Prospectus
"Business Day"	a day on which the London Stock Exchange and banks in England and Wales are normally open for business
"Capita Asset Services"	a trading name of Capita Registrars Limited, a company incorporated in England and Wales with registered number 2605568
"Companies Act"	the Companies Act 2006, as amended from time to time
"Company"	Fundsmith Emerging Equities Trust plc
"Company Secretarial Agreement"	the company secretarial agreement between the Company and the Company Secretary, a summary of which is set out in paragraph 9 of Part 6 of this Prospectus
"Company Secretary"	Frostrow Capital LLP
"CREST"	the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in the Regulations)
"CREST Account"	an account in the name of the relevant holder in CREST
"C Shares"	ordinary shares of ten pence each in the capital of the Company issued as "C Shares" and having the rights and being subject to the restrictions set out in the Articles, which will convert into Ordinary Shares as set out in the Articles
"CTA 2010"	Corporation Tax Act 2010
"Depositary"	State Street Trustees Limited

"Developing Economies"	means any country other than those listed in the MSCI World Index (the countries listed in the MSCI World Index as at the date of this Prospectus being Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US)
"Directors"	the directors of the Company whose names are set out on page 30 of this Prospectus
"DTRs" or "Disclosure and Transparency Rules"	the disclosure and transparency rules made by the FCA under Part VI of the FSMA
"EEA"	the states which comprise the European Economic Area
"ERISA"	the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder
"Euroclear"	Euroclear UK and Ireland Limited, the operator of CREST
"Exchange Act"	the US Securities Exchange Act of 1934, as amended from time to time
"Excluded Territory"	any member state of the EEA (other than the United Kingdom), the United States of America, Canada, Australia, Japan and the Republic of South Africa and any other jurisdiction where the extension or availability of the Issue would breach any applicable law
"FATCA"	the U.S. Foreign Account Tax Compliance Act of 2010
"FCA"	the Financial Conduct Authority
"Finance Act 2006"	the Finance Act 2006, as amended from time to time
"FSMA"	the Financial Services and Markets Act 2000, as amended from time to time
"Fundsmith Equity Fund"	Fundsmith Equity Fund, an investment company of variable capital established in England and Wales with regulated number IC000846
"Governance Code"	the code of best practice including the principles of good governance published by the Financial Reporting Council in June 2008, as amended from time to time (as replaced by the UK Corporate Governance Code, from the date of its issue)
"Gross Assets"	the aggregate value of the total assets of the Company
"Gross Issue Proceeds"	the aggregate value of the Ordinary Shares issued under the Issue at the Issue Price
"HMRC"	HM Revenue and Customs
"IFRS"	International Financial Reporting Standards, as adopted by the European Union, as amended from time to time
"Internal Revenue Code"	the U.S. Internal Revenue Code of 1986, as amended
"Investable Universe"	the companies in which the Company may invest as at the date of this Prospectus, as described in more detail in Part 1 of this Prospectus
"Investment Advisers Act"	the US Investment Advisers Act of 1940, as amended from time to time
"Investment Company Act" or "ICA"	the US Investment Company Act of 1940, as amended from time to time
"Investment Manager"	Fundsmith LLP
"Investment Management Agreement"	the investment management agreement between the Company and the Investment Manager, a summary of which is set out in paragraph 9 of Part 6 of this Prospectus
"Investment Trust Regulations"	The Investment Trust (Approved Company) (Tax) Regulations 2011
"IRS"	the US Internal Revenue Service
"Issue"	the Placing and the Offer for Subscription
"Issue Price"	£10 per Ordinary Share
"Listing Rules"	the Listing Rules made by the FCA under Part VI of the FSMA, as amended from time to time

"London Stock Exchange"	London Stock Exchange plc
"Management Fee"	the fee payable by the Company to the Manager, as described in paragraph 9 of Part 6 of this Prospectus
"Model Code"	the Model Code as set out in Annex 1 of Listing Rule 9
"Money Laundering Regulations"	the Money Laundering Regulations 2007
"Net Asset Value" or "NAV"	the net asset value of the Company calculated in accordance with the valuation policies of the Company from time to time as appropriate
"Net Proceeds"	the net proceeds of the Issue, estimated at £247.5 million in aggregate (after deducting expenses of approximately £2.5 million) and assuming Gross Issue Proceeds of £250 million
"New Shares"	up to 25 million new Ordinary Shares in aggregate to be allotted and issued by the Company pursuant to the Placing and the Offer
"Offer" or "Offer for Subscription"	the offer for subscription closing on 20 June 2014 described in this Prospectus
"Official List"	the Official List of the UK Listing Authority
"Online Application"	has the meaning given to it in Part 8
"Ordinary Shares"	ordinary shares (issued and to be issued) of 1 pence each in the share capital of the Company
"Paper Application Form"	the application form set out in the Appendix to this Prospectus for use in connection with the Offer
"Placee"	a person subscribing for Ordinary Shares under the Placing
"Placing"	the conditional placing by Investec on behalf of the Company of Ordinary Shares at the Issue Price closing on 20 June 2014 pursuant to the Placing and Offer Agreement
"Placing and Offer Agreement"	the Placing and Offer Agreement between the Company, the Directors, the Investment Manager and Investec, as described in paragraph 9 of Part 6 of this Prospectus
"Placing Letter"	as defined in Part 7 of this Prospectus
"Placing Shares"	the New Shares to be allotted and issued pursuant to the Placing
"Plan Asset Regulations"	the US Department of Labor Regulations, 29 C.F.R. 2510.3-101, as and to the extent modified by section 3(42) of ERISA
"Plans"	a tax qualified annuity plan described in section 405 of the Internal Revenue Code and an individual retirement account or individual retreat annuity as described in section 408 of the Internal Revenue Code
"Prospectus"	this document including the Appendix
"Prospectus Rules"	the Prospectus Rules made by the FCA under Part VI of the FSMA
"Receiving Agent"	Capita Asset Services
"Receiving Agent Agreement"	the receiving agent agreement between the Company, the Investment Manager and the Receiving Agent a summary of which is set out in paragraph 9 of Part 6 of this Prospectus
"Registrar"	Capita Asset Services
"Registrar Agreement"	the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 9 of Part 6 of this Prospectus
"Regulation S"	means Regulation S under the US Securities Act of 1933
"Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
"RNS announcement"	means an announcement by a regulatory news service
"RPI"	the monthly retail prices index in the UK that demonstrates the movement of retail prices
"Securities Act"	the US Securities Act of 1933, as amended from time to time

"Shareholder"	a holder of Ordinary Shares in the Company
"shares"	transferable securities
"Similar Law"	any US federal, state, local or foreign law that is similar to provision 406 of ERISA or section 4975 of the Internal Revenue Code
"Substantial Shareholder"	a company or body corporate that is beneficially entitled, directly or indirectly, to 10 per cent. or more of the dividends and/or share capital that controls, directly or indirectly, 10 per cent. or more of the voting rights of the Company
"Takeover Code"	the City Code on Takeovers and Mergers
"Treasury Regulations"	the US Department of Treasury Regulations
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority"	the FCA acting in its capacity as the competent authority for the purposes of Part VI of the FSMA and in the exercise of its functions in respect of Admission to the Official List
"US" or "United States"	the United States of America (including the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction
"US Person"	a "US Person" as defined in Regulation S of the Securities Act
"VAT"	UK Value Added Tax
"$"	US dollars

APPENDIX – APPLICATION FORM

Important: before completing this form, you should read notes on how to complete the Paper Application Form set out in the Prospectus.

To: Capita Asset Services, acting as receiving agent for Fundsmith Emerging Equities Trust plc.

1. Application

I/We the person(s) detailed in section 2A below offer to subscribe the amount shown in Box 1 for Ordinary Shares subject to the terms and conditions of public application under the Offer for Subscription set out in the Prospectus dated 28 May 2014 and subject to the Articles of the Company.

Box 1 Subscription monies
(minimum subscription of £1,000 and then in multiples of £100)

£

2A. Details of Holder(s) in whose Name(s) Ordinary Shares will be issued (BLOCK CAPITALS)

Mr, Mrs, Miss, or Title
Forenames (in full)
Surname/Company Name
Address (in Full)
Designation (if any)

Mr, Mrs, Miss, or Title
Forenames (in full)
Surname/Company Name
Address (in Full)
Designation (if any)

Mr, Mrs, Miss, or Title
Forenames (in full)
Surname/Company Name
Address (in Full)
Designation (if any)

Mr, Mrs, Miss, or Title
Forenames (in full)
Surname/Company Name
Address (in Full)
Designation (if any)

2B. CREST details

(Only complete this section if Ordinary Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in section 2A).

CREST Participant ID

CREST Member Account ID

3. Signature(s) *all holders must sign*

First holder signature:
Name (Print)
Dated

Second holder signature:
Name (Print)
Dated

Third holder signature:
Name (Print)
Dated

Fourth holder signature:
Name (Print)
Dated

4. Cheques/banker's draft details

Pin or staple to this form your cheque or banker's draft for the exact amount shown in section 1 made payable to "Capita Registrars Limited re Fundsmith Emerging Equities Trust plc A/C". Cheques and banker's payments must be drawn in Sterling on an account at a bank branch in the UK and must bear a UK bank sort code number in the top right hand corner.

5. Reliable introducer declaration

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 6 of the notes on how to complete this Application Form.

The declaration below may only be signed by a person or institution (being a regulated financial services firm) (the "**firm**") which is itself subject in its own country to operation of "customer due diligence" and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom and Guernsey. Acceptable countries include Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, the Republic of South Africa, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

Declaration: To the Company and the Receiving Agent

With reference to the holder(s) detailed in section 2A, all persons signing at section 3 and the payor if not also the applicant (collectively the "**subjects**") WE HEREBY DECLARE:

(i) we operate in one of the above mentioned countries and our firm is su/bject to money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in the United Kingdom;

(ii) we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;

(iii) each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;

(iv) we confirm the accuracy of the names and residential/business address(es) of the holder(s) given at section 2A and if a CREST Account is cited at section 2B that the owner thereof is named in section 2A;

(v) having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Ordinary Shares mentioned; and

(vi) where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its officials.

Signed	
Name	
Position *having authority to bind the firm*	
Name of regulatory authority	
Firm's licence number	
Website address or telephone number of regulatory authority	

STAMP of firm giving full name and business address	

6. Contact details

To ensure the efficient and timely processing of this application please enter below, in block capitals, the contact details of a person the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the (or one of the) person(s) signing in section 3 on behalf of the first named holder. If no details are entered here and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name		E-mail address	
Contact Address		Postcode	
Telephone Nº		Fax Nº	

For Official Use only: