

## **Findlay Park Funds p.l.c.**

(An investment company with variable capital incorporated in Ireland with registered number 276115 established as an umbrella fund)

Annual Report and Audited Financial Statements

For the financial year ended 31st December, 2019

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## INTRODUCTION

### FINDLAY PARK FUNDS P.L.C.

Findlay Park Funds p.l.c. (the “Company”) was incorporated in Ireland on 26th November, 1997 and is an umbrella type investment company with variable capital under the laws of Ireland as a public limited company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and any regulations made thereafter.

The Company is a recognised collective investment scheme for the purposes of Section 264 of the Financial Services and Markets Act 2000 (the “FSMA”) of the United Kingdom.

The Redeemable Participating Shares of the Company and related documents may only be distributed in or from Switzerland to qualified investors within the meaning of Art. 10 Para. 3, 3bis and 3ter CISA. In Switzerland, the Representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the Paying agent is Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the Representative in Switzerland. The basic documents of the Company as well as the annual and semi-annual reports may be obtained in Switzerland free of charge at the office of the Representative.

At 31st December, 2019 the Company comprised one sub-fund, represented by series of Redeemable Participating Shares. This sub-fund is the Findlay Park American Fund, which launched on 9th March, 1998 (the “American Fund” or “Findlay Park American Fund”).

The authorisation of the Findlay Park Latin American Fund (the “Latin American Fund” or “Findlay Park Latin American Fund”) was revoked by the Central Bank of Ireland on 31st December, 2018 following the merger of the Latin American Fund with the Brown Advisory Latin American Fund, a sub-fund of Brown Advisory Funds plc.

#### Valuation Day

The Net Asset Value of the American Fund is calculated by the Administrator at the valuation point, which is the close of business in the last relevant market on each relevant Dealing Day. Dealing takes place on any business day (unless otherwise determined by the Directors) provided that there will not be less than one Dealing Day in any fortnight.

### FINDLAY PARK AMERICAN FUND

#### Fund Objective

A single portfolio of assets is maintained for the American Fund, which is invested in accordance with the investment objectives, policies, powers and restrictions set out in the prospectus issued by the Company (the “Prospectus”). The investment objective of the American Fund is to achieve capital growth, principally through investment in the securities of companies in the Americas. The American Fund aims to achieve a return above the performance of the Russell 1000 Net 30% Total Return Index. The functional currency of the American Fund is US Dollar. As at 31st December, 2019, the following share classes in the American Fund were available:

Share Class	Denomination	Launch Date	Launch Price	Irish Stock Exchange
Dollar Class	US Dollar	9th March, 1998	US \$10.00	Listed
Sterling Hedged Class	Sterling	9th March, 2004	GBP £12.03	Not Listed
Sterling Unhedged Class	Sterling	11th May, 2015	GBP £53.04	Not Listed

The American Fund is not marketed to new investors; however, it remains open to existing investors.

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## MANAGEMENT AND ADMINISTRATION

### REGISTERED OFFICE OF THE COMPANY

30 Herbert Street  
Dublin 2  
D02 W329  
Ireland

### CURRENT DIRECTORS

Robert Alexander Hammond - Chambers (British national and resident)\* (Chairman)  
Richard Hayes (Irish national and resident)\*  
Dermot Butler (Canadian national and Irish resident)\*  
Robert Burke (Irish national and resident)\*  
Simon Pryke (British national and resident)\*\*

\* Independent Non-Executive Director

\*\* Non-Executive Director

### INVESTMENT MANAGER AND UK FACILITIES REPRESENTATIVE

Findlay Park Partners LLP  
Almack House, 4th Floor  
28 King Street  
London SW1Y 6QW  
United Kingdom

### DEPOSITARY

Brown Brothers Harriman Trustee  
Services (Ireland) Limited  
30 Herbert Street  
Dublin 2  
D02 W329  
Ireland

### COMPANY SECRETARY

HMP Secretarial Limited  
Riverside One  
Sir John Rogerson's Quay  
Dublin 2  
D02 X576  
Ireland

### SWISS REPRESENTATIVE

ACOLIN Fund Services AG  
Leutschenbachstrasse 50  
CH – 8050 Zurich  
Switzerland

### LEGAL ADVISORS – AS TO IRISH LAW

McCann Fitzgerald  
Riverside One  
Sir John Rogerson's Quay  
Dublin 2  
D02 X576  
Ireland

### ADMINISTRATOR AND REGISTRAR/ TRANSFER AGENT

Brown Brothers Harriman Fund Administration  
Services (Ireland) Limited  
30 Herbert Street  
Dublin 2  
D02 W329  
Ireland

### INDEPENDENT AUDITORS

Grant Thornton  
Chartered Accountants and Registered Auditors  
13-18 City Quay  
Dublin 2  
D02 ED70  
Ireland

### LISTING SPONSOR AT THE IRISH STOCK EXCHANGE

McCann Fitzgerald Listing Services Limited  
Riverside One  
Sir John Rogerson's Quay  
Dublin 2  
D02 X576  
Ireland

### SWISS PAYING AGENT

Helvetische Bank AG  
Seefeldstrasse 215  
CH – 8008 Zurich  
Switzerland

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## CHAIRMAN'S REVIEW

*Coronavirus: The events and outcome of 2019 are, by the nature of an annual report, its focus. However so soon into 2020, the world is engulfed in a pandemic - the likes of which have not been experienced since the outbreak of Spanish 'flu in 1918, just over 100 years ago. It lasted for about two years. The spread of the Coronavirus that originated in China has been notable for its speed and has created chaos around the world. I'll make a few observations later in my statement about how the Findlay Park American Fund might be affected (our net asset values have already been impacted) but it has to be said that any prognosis must be speculative.*

### 2019

The past year, 2019, has been a good one in terms of shareholder returns. It has also been a busy one in terms of corporate activity.

- **The net asset values** of the three share classes of the Findlay Park American Fund (the "Fund") all rose by in excess of 20%; the US Dollar class increased by 26.8%, the Sterling hedged class by 24.3% and the Sterling unhedged class by 21.9% (the difference between this return and that of the Dollar share class is accounted for by the fact that the US Dollar actually fell by 3.9% over the year.

Although making positive returns is the basic objective of the Fund, we recognise that our returns need to be competitive. The Fund uses the Russell 1000 Net 30% Total Return Index ("the Index") as its benchmark comparator – allowing us to compare the Fund's returns with it in determining our relative returns. Our benchmark produced a return of 30.7%, compared to our own of 26.8%. The difference is largely accounted for by the extent of portfolio liquidity held throughout the year – which averaged 16% - or put another way, the return of 26.8% was earned by c.84% of the Fund's net assets. The level of cash held in the Fund is an output of the investment process, not an asset allocation decision, reflecting the investment opportunities - lack of them - at attractive valuations. We use the phrase "risk adjusted returns" from time to time in describing our returns; in this instance, risk adjustment has been affected by running a highish level of liquidity.

After a duration of nearly 11 years, the bull markets in America should probably be regarded as rather mature. Certainly, values, as measured by price: earnings ratios are quite full. While it is not easy to tell what might spark a bear market, a mature, highly priced equity market is vulnerable to unexpected shocks – aka black swan events – a rather obvious statement now that we have encountered one. In any event we have deemed it wise to take risk off the table, even at the expense of short-term relative performance.

My comments and statistics later in the statement concentrate on long-term positive returns, which is the stated objective of the Fund. So those relevant to the year 2019 are contained in the Investment Manager's own comprehensive review.

- The Organisational Effectiveness Report, which we are required to produce each year focuses on two aspects of Findlay Park Funds plc operations: stewardship and investment. Last year's report set in motion our long-term succession plan in respect to board composition. During the year we undertook, with the help of a head hunter, a review of the skills and experience needed at board level to govern the Company, focusing on stewardship skills and experience (administration, compliance, accounting etc.) and investment skills and experience (portfolio management). Alongside the basic must-have skills and experience, we have taken into consideration Irish residency, IT skills and experience and gender diversity.

I expect that we will report the appointment of a new director within the first half of the year. Our succession plan calls for another appointment within the next twelve months; we are well down the road of identifying that new director.

- Our stewardship duties include the onboarding of a continuing stream of new and/or updating of old regulation. There is a constant flow of such regulatory obligations – added to which the Central Bank of Ireland (the Regulator) also conducts thematic reviews of topical issues that may affect either the stewardship or investment of UCITS funds. During the year it pursued - quite rightly - two particular themes: the liquidity of funds (in respect of their ability to meet share redemption obligations) and active/passive management (in respect to the appropriateness of fees charged for portfolio management).

Liquidity: We have always monitored the liquidity of the portfolio of the Fund in respect of the ability to sell all of its holdings. There has never been a time when most of the portfolio couldn't be liquidated within ten days. However, we have now broadened the analysis to look at liquidity in very stressed situations (an example would be the stock market crash of October 19th 1987). Under such circumstances, the liquidity of any holding in any fund would be compromised by the volume of sales orders that such a situation would entail. Our analyses show that we can meet redemptions under normal and stressed circumstances *without destroying the structure of the Fund* - a really important point.

2019 (continued)

Active v. passive management. There is no doubt that a lot of funds are managed with the constituents and weightings of an index as the template for portfolio construction. Thereafter the weightings of individual holdings are managed within a narrow tolerance of the index weighting, giving rise to “closet index tracking” – but charged as active management. Not only does the Fund have a portfolio of circa 50 holdings, it also actively chooses *not* to invest in a very large number of companies, which do not meet the strict Findlay Park criteria for investment: so active management involves what to invest in and what *not* to invest in. It is appropriate to remind shareholders that the costs incurred by the Fund (including portfolio management fees) are capped at 1% of the Fund's net assets.

- Finally, circa 3½ years after the UK voted to leave the European Union, it did so at the end of January 2020. Although the vast majority of the Fund's shareholders are resident in the UK, its regulation will continue to be that of a European Union UCITS fund – although it should be noted that its investment manager will be regulated as a UK investing institution. Membership of the European Union was never going to have much, if any, effect on the Fund's investment returns.

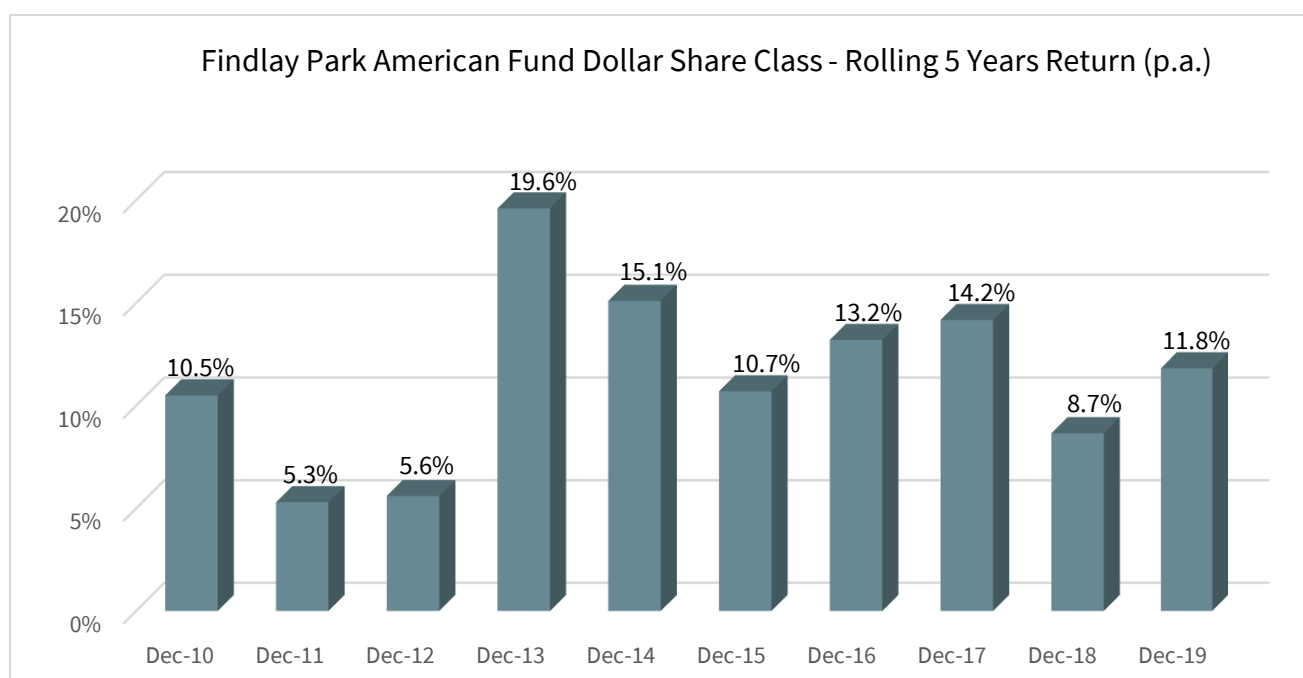
Findlay Park American Fund

Findlay Park American Fund Long-Term Total Returns				
Share Class	NAV December 31 <sup>st</sup> 2014	NAV December 31 <sup>st</sup> 2019	Return	Total Return (including Dividends)
Dollar Class	\$78.71	\$137.38	74.5%	74.8%
Sterling Hedged Class	£42.88	£70.56	64.6%	64.9%
Sterling Unhedged Class**	£53.04	£103.69	95.5%	95.8%

\*\*Inception date 11/05/2015

Source: Findlay Park. Past Performance is not a reliable indicator of future results. American Fund performance is calculated on a NAV to NAV basis, inclusive of dividends and net of fees.

The stated objective of the Fund is long-term capital appreciation. That means a positive return over five years. So, the Chairman's Statement focuses on reporting to you against that objective. We have always regarded five years as long-term. So the first chart below illustrates the five year returns per annum (“p.a.”) of the Dollar share class for the past ten years. The numbers are broadly similar for the Sterling Hedged class shares, being slightly less because of the cost of currency hedging. It shows that, at each year-end of the past ten years, a positive return has been earned and the objective achieved.



Source: Findlay Park. Past Performance is not a reliable indicator of future results. American Fund performance is calculated on a NAV to NAV basis, inclusive of dividends and net of fees.

Findlay Park American Fund (continued)

As a matter of record, the details of the returns earned over the past five years is shown in the table below. As there were not yet five years' worth of performance data at the year-end for the Sterling Unhedged class shares, the return figures shown are since the inception of the share class, May 11th 2015. The sterling quote of the net asset value benefited from an increase of 17.5% in the value of the US Dollar against the pound.

Findlay Park American Fund Five Year Record						
Year	USD Class	% change	GBP Hedged Class	% change	GBP Unhedged Class**	% change
2014	\$78.71		£42.88		£53.04	
2015	\$80.26	2.0%	£43.75	2.0%	£54.35	2.5%
2016	\$87.54	9.1%	£47.34	8.3%	£70.83	30.4%
2017	\$107.69	23.0%	£57.54	21.6%	£79.59	12.4%
2018	\$108.51	0.8%	£56.88	-1.2%	£85.19	7.0%
2019	\$137.38	26.8%	£70.56	24.3%	£103.69	21.9%
<b>5 Year Return *:</b>	<b>\$58.67</b>	<b>74.8%</b>	<b>£27.68</b>	<b>64.9%</b>	<b>£50.65</b>	<b>95.8%</b>
<b>5 Year Return (pa) *:</b>		<b>11.8%</b>		<b>10.5%</b>		<b>15.6%</b>
<b>* Including dividends</b>	<b>\$0.2346</b>		<b>£0.1327</b>		<b>£0.1854</b>	

\*\* Inception date 11/05/2015

Source: Findlay Park. Past Performance is not a reliable indicator of future results. American Fund performance is calculated on a NAV to NAV basis, inclusive of dividends and net of fees.

I know that I am guilty of belabouring the point about the pursuit of positive returns over the long-term being our priority in the management of the portfolio but it is important. The management of a portfolio to earn positive returns is different from one focused purely on relative returns. Two particular differences to highlight are: losing money is acceptable providing it is less than some benchmark and portfolio risk inherent in stock and sector weightings is quite different between the two approaches. As a for instance of the latter, having 25% invested in a hot sector, whose index weighting is, say, 30%, is a large absolute risk but a small relative risk. That lesson was never better learned than in the 2000/03 dot.com boom debacle.

I emphasise this to underline the huge emphasis that Findlay Park Partners ("FPP") place on not losing money in the process of identifying and then investing in companies. Our Investment Manager has a list of 29 investment filters that it applies to its analysis of the companies that we do invest in and indeed to those we might invest in. There tend to be different investment considerations when making an investment to hold for, say, five plus years to one for 5 or so months. An important aspect of that process is the sustainability of a company's business over the long-term – particularly as we are long-term investors. Amongst those considerations are Environment, Social and Governance issues, now popularised under the acronym ESG. By choosing the very best companies – managed on a long-term basis for sustainable business development – to invest in is not only the best way of making money but also of not losing it.

The role of companies is changing from that of purely making money for shareholders to one concerned with the performance of a company in relation to its other stakeholders, including society as a whole. Indeed those that fulfil these obligations best are likely to be those that are best run and so, in turn, likely to make the best returns for their shareholders. Our Investment manager has always focused on these and other long-term considerations in selecting stocks for investment and has recently appointed Rose Beale to the investment team to provide additional focus on ESG, particularly in our relationships with our investee companies.

I am reminded of the adage: stock markets do not create wealth, companies do. Choosing the right company to invest in is what creates above average returns. That is what Findlay Park Partners have done well and why the long-term returns are excellent. Indeed the cover page of Findlay Park's web site highlights its own purpose:

"Our purpose is to generate compelling compound returns for our investors, measured over decades."

For the record; the returns earned for the Dollar class shares (in US\$s) since inception are 12.8% pa, over the last 5 years, 11.8% pa and over the last 10 years, 13.4% compared with 6.9%, 10.8% and 12.9% for the Index.

**Findlay Park American Fund (continued)**

However, investment involves judgement and judgement involves people – talent and experience. The key to the successful investment, the processes and the implementation lies in the team of 11 professionals that has been built and is ably led by Anthony Kingsley. But it is not just the investment team that is responsible for the remarkable success over many years. Team Findlay Park consists - not only of those excellent investment professionals but also of the team that runs the business, led by our colleague Simon Pryke, the firm's CEO. He has reporting to him outstanding people with skills in administration, regulation and law, secretarial and very importantly these days, IT. Each year the Board of Directors spends a whole day in the offices of Findlay Park Partners monitoring the resources and functioning of the Investment Manager and undertaking deep dives into specific and topical areas. This year we focused on cyber crime and ESG, amongst other matters. It is indeed an impressive team and bears witness to the fact that behind all successful corporate stories lies good leadership and management. These three bullet points below attest to the character of the firm:

- The Fund is the only client that FPP have, avoiding any conflicts with other clients which might have very different investment objectives;
- FPP is a partnership, which, in my opinion, provides good alignment of the partners' interests with that of its client, the Fund; individually, they are also shareholders in the Fund;
- FPP do not actively market the Fund and are not motivated to chase assets under management ("AUM", as the acronym is); that in turn allows FPP to focus their considerable resources on managing their one portfolio and also thereby to focus on absolute returns (notwithstanding the need to earn competitive returns – as already mentioned).

**Prospects**

A month ago I would have written a very different ending to this statement. But events – the coronavirus pandemic - have engulfed us with quite extraordinary speed, creating chaos to the lives and livelihood of millions of people – most especially it turns out – within Europe. Quite how the United States will be affected is unknown because the virus has only just started to develop there. But, if it does catch on to any great extent, then the companies in which we are invested will be affected. Indeed already share prices across the board have retreated to a considerable extent in a short space of time. As I write this statement on 12th March, 2020 the net asset value of the Dollar share class has declined to \$112.62, a fall of 18% from the year end on which we are reporting. By contrast, the Index has fallen 23.3%.

Neither the short-term nor long-term consequences of this pandemic can be assessed with any accuracy. If large swathes of commerce are to be rendered inactive or only part active, it is difficult to see how a fairly severe recession can be avoided. Keynes's multiplier will work in reverse. That will affect profit and loss accounts, revenues, earnings and probably dividends. Lower share prices are only to be expected and the stock market – ever a forerunner of events – has already anticipated this - or part of it. Perhaps more damaging, however, will be the effect on the balance sheets of those companies (and individuals for that matter) that are materially indebted. (We take great care to invest in companies with strong balance sheets, precisely because they are a protection in rocky times). While governments and central banks everywhere will be doing their best to alleviate the consequences of the pandemic, they themselves are not in great financial state to ward off a severe recession.

The longer-term consequences will become clearer as the events unfold and once the pandemic starts to abate. The biggest consequences, I would guess, will fall upon China and its key position within the world's supply chain. The world cannot afford to be held ransom to the ambitions and fortunes of the country. Indeed the pandemic has highlighted how fragile a connected-globalised world is, especially one heavily dependent on the fortunes of one country. Whatever the future may hold, it is unlikely that we will return to *the status quo ante*. Globalisation, already under political attack in so many countries, is likely to undergo some sort of reshaping – giving rise to opportunities and threats.

So how do we manage our own affairs? Well, first of all, we observe Kipling's "If", "If you can keep your head about you when all our losing theirs,...". Don't get carried away by events. We invest very carefully in well managed, financially sound, cash generative, sustainable businesses; we have harboured a fair amount of liquidity. While we certainly didn't expect such an event, we were prepared for something unpredictable. It doesn't mean that we wouldn't be affected – the share prices of all companies – good or bad – tend to fall in such circumstances. And they have.



**Prospects (continued)**

Whatever the future may hold, investment in (to repeat) well managed, financially sound, cash generative, sustainable businesses will provide the best protection and the best long-term returns for shareholders. So we will continue to invest as we have always done - carefully and thoughtfully – with due regard to the responsibilities we have in looking after shareholders' money in good and bad times.

**Alex Hammond-Chambers**  
**12th March, 2020**

## INVESTMENT MANAGER'S REVIEW

### Performance

A positive total return of 26.8% was generated in 2019 for the American Fund's US Dollar Shares. Over two years – a time period which combines the more challenging stock market performance of 2018 with the very strong stock market performance of 2019 – the American Fund's compound annual growth rate (CAGR) was 13.0%.

This two year compound performance compares favourably with the American Fund's benchmark and other US indices. We manage risk by trying to avoid the permanent loss of capital in any investment that we make. Our approach has consistently resulted in the American Fund having lower volatility than its benchmark. We believe that we can generate higher compound returns for investors by taking less risk.

Table 1: American Fund & Index Performance over 12 months, 2 year CAGR, and since inception.

Fund & Index Performance			
Name	2019 Return	2 Year CAGR	CAGR since Fund Inception
FP American Fund (USD Class)	26.8%	13.0%	12.8%
Russell 1000 Net 30% Total Return (Benchmark)	30.7%	11.2%	6.9%
S&P 500 Net 30% Total Return	30.7%	11.4%	6.7%
Russell 2000 Net 30% Total Return	25.0%	5.3%	7.1%

Source: Bloomberg. Past performance is not a reliable indicator of future results. American Fund performance is calculated on a NAV to NAV basis, inclusive of dividends and net of fees.

With limited earnings growth for American companies during 2019, the stock market's return was almost entirely the result of multiple expansion. This is in complete contrast to what happened during 2018. The biggest driver of 2019 multiple expansion has been aggressive monetary stimulus which has underpinned the continued re-rating of business models that are delivering a combination of high growth and high returns.

Table 2: American Fund Largest Contributors and Detractors 2019.

Largest Contributors 2019		Largest Detractors 2019	
Stock	Contribution to Return	Stock	Contribution to Return
Microsoft Corporation	2.38%	EOG Resources, Inc.	-0.10%
Air Products and Chemicals, Inc.	1.88%	ICU Medical, Inc.	-0.07%
Danaher Corporation	1.84%	Intuit Inc.	-0.02%
Fidelity National Information Services, Inc. (FIS)	1.31%	Walt Disney Company	-0.02%
Fiserv, Inc.	1.27%	Alcon, Inc.	-0.01%

Source: FactSet (daily return methodology). Past performance is not a reliable indicator of future results.

**Microsoft's** CEO, Satya Nadella, has been pivotal to the company's success, driving positive change to its business culture. The key strategic shift was the move from a licence to a subscription model for software services. Since 2015, the increasing revenue contribution from Cloud services, and sustained pricing power in the Server Products and Windows franchises, has transformed Microsoft from one of the lowest growth firms in the American Fund at the time of purchase, to one of the highest today.

**Air Products** builds and operates industrial gas production plants that are usually located near client facilities. The company generates a high degree of recurring revenues reflecting the long-term contracts that underpin this business. The gases Air Products provides are essential to its customers giving us a high degree of confidence in the inevitability of the outcome for the company. In contrast to its competitors, Air Products has a balance sheet that is almost debt-free which puts the management team in a strong position to allocate capital to new projects effectively.

Healthcare operations now account for approximately two thirds of **Danaher's** revenues. Our visit to China earlier in the year reassured us about the company's prospects in that market, with products well aligned with China's ambitious policies for healthcare development and environmental sustainability. In 2019, Danaher announced their intention to acquire the Biopharma business from GE, this deal (although yet to close) has been viewed positively by investors, coupled with a spinoff of their dental business; it will improve the company's organic growth rate and margins.

**Fidelity National Information Services and Fiserv** provide essential software and processing to banks and other financial services companies and have long track records of delivering stable and predictable cash flows. We remain enthusiastic about the benefits of their respective mergers with Worldpay and First Data.

**Performance (continued)**

Share prices of companies in the Energy sector have been under pressure in recent years due to consistently weak returns, low free cash flows (FCF), declining capital efficiency and concerns related to climate change – which raise questions over the terminal value of these businesses. We prefer to think of **EOG Resources** as an applied technology business that happens to explore for, and produce, oil and gas. While EOG is not immune to economic headwinds, we believe that its operational performance is differentiated from other energy companies. In 2019 EOG grew its organic oil production at a double-digit rate, earned a 12% Return on Capital Employed (ROCE), improved its capital efficiency, generated over \$2bn in FCF, increased its dividend by over 30% and, by the end of the year, had very little debt. We are excited by EOG's potential for exploration – finding new oil and gas deposits – and the impact that this should have on the company's FCF generation and return on capital employed.

**ICU Medical** is a medical products company that we have tracked since the appointment of a new CEO in 2014. The share price fell after our initial investment in 2019 when the company reduced near-term earnings expectations during the summer. ICU provides equipment vital to the intravenous delivery of medications and we think the company has potential to grow revenues and free cash flow following a multi-year restructuring and the integration of a large acquisition. ICU also maintains a cash-rich balance sheet which offers Mergers & Acquisitions (M&A) optionality to our investment thesis. We increased our investment after the significant share price reduction.

**Intuit** was the largest new investment made by the American Fund in 2019. Intuit is a leading provider of tax preparation and accounting software used by individuals and small businesses to fulfil the compulsory requirement to file tax returns. Unsurprisingly the company performed well in the last downturn: tax returns are mandatory regardless of the state of the economy.

A recent trip to the US served as a reminder of the reach, marketing power and brand strength of new holding **Walt Disney**. The combination of brand partnerships including Lego, McDonald's, Walmart, United Airlines and the extensive reach of Disney's own media channels creates a launch pad for new services, films and other media. Two recent examples: Disney announced that over 10 million customers had signed up for their video streaming service in just forty-eight hours, while Frozen 2 has become the biggest grossing animated movie of all time.<sup>1</sup> Disney deploys their portfolio of characters across multiple businesses in movies, television, theme parks and consumer products; each of these builds deeper consumer affinity for their brands.

Spun off from the Swiss healthcare conglomerate Novartis in April 2019, **Alcon** is one of the world's leading eye-care companies with significant global market share in products for eye surgery and vision care. While Alcon shares underperformed the market in 2019, we remain confident that the company will develop into a faster growing, more profitable enterprise over the next few years. We increased our investment gradually over the course of 2019.

**Outlook**

Politics is likely to continue to create volatility during the election year of 2020 and we will be monitoring the Democratic nomination process closely. Volatility usually presents us with opportunities in stocks that we know well. We are keeping an eye on inflation and we will continue to focus on identifying resilient companies that have pricing power.

Rising productivity is becoming more evident in the US, offsetting some of the risk of rising inflation due to full employment. Job creation is continuing in spite of weaker manufacturing data and some fall out from the trade conflict with China. We continue to hear anecdotal evidence that new positions are becoming more difficult to fill. An absence of suitable applicants is now the most important challenge that many businesses face.

Encouraged by negative real interest rates, more developed economies are loosening fiscal constraints. Regardless of who wins the White House in November, we anticipate more spending on infrastructure, mirroring a trend we are seeing develop in the UK. Infrastructure spending can arguably be justified as producing assets likely to deliver a rate of return above the cost of 10-year debt. Fewer people seem concerned about ballooning fiscal deficits.

2019 has been a year of valuation multiple expansion for the US stock market combined with very little earnings growth. Although we could see a pick-up in 2020, both global growth and earnings growth are likely to remain subdued, while it is hard to imagine another year of multiple expansion like 2019. We believe that the American Fund's valuation premium to the Russell 1000 Net 30% Total Return Index is justified by the superior growth prospects of the companies it is invested.

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<sup>1</sup> <https://variety.com/2020/film/box-office/frozen-2-biggest-animated-movie-ever-disney-box-office-1203456758/>

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**INVESTMENT MANAGER'S REVIEW (continued)****Outlook (continued)**

Disciplined implementation of our Investment Philosophy has been key to the American Fund's long-term performance. We will continue to invest in businesses that generate strong free cash flows where we believe management are effective allocators of capital. Before we make an investment we need to have a high degree of confidence in the terminal value of the business and an awareness of the risk of permanent capital loss if we are wrong about our assumptions. We have a strong and collaborative Investment Team that work together extremely effectively. With our entire focus on one fund, the Findlay Park American Fund, we are committed to trying to generate compelling compound returns for our investors, measured over decades.

**Findlay Park Partners LLP**  
**January, 2020**

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## DIRECTORS' REPORT

The Board of Directors (the "Directors") has pleasure in submitting its twenty-second annual report together with the audited financial statements for the Company for the financial year ended 31st December, 2019 and comparatives for the financial year ended 31st December, 2018.

The Company is organised in the form of an umbrella fund. At 31st December, 2019 the Company comprised one separate portfolio of investments, represented by a separate series of Redeemable Participating Shares. This fund is the Findlay Park American Fund.

The authorisation of the Findlay Park Latin American Fund was revoked by the Central Bank of Ireland on 31st December, 2018 following the merger of the Latin American Fund with the Brown Advisory Latin American Fund, a sub-fund of Brown Advisory Funds plc.

### Statement of Directors' Responsibilities

Irish company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the assets, liabilities and financial position of the Company and of the profit or loss of the Company for that financial year. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements. The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Act, 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations"), the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations") and the Listing Rules of the Irish Stock Exchange. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under the UCITS Regulations, the Directors are required to entrust the assets of the Company to the Depositary for safekeeping. In carrying out this duty, the Company has delegated the safekeeping of the Company's assets to Brown Brothers Harriman Trustee Services (Ireland) Limited (the "Depositary").

### Relevant Audit Information Statement

The Directors in office at the date of this report have each confirmed that:

- as far as they are aware, there is no relevant audit information of which the Company's auditor is un-aware; and
- they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Audit Committee

The Directors decided it was not necessary to constitute an audit committee given the frequency of the meetings of the Directors throughout the year and given the number of the Directors, who collectively have the relevant skill and experience, and the nature, scale and complexity of the Company and its activities.

### Accounting Records

To ensure that adequate accounting records are kept in accordance with Section 281 of the Companies Act, 2014, the Directors of the Company have employed a service organisation, Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the "Administrator") to maintain the accounting records of the Company. The accounting records are located at the offices of the Administrator as stated on page 2.

### Directors

The names of the persons who served as Directors at any time during the financial year ended 31st December, 2019 are set out below:

Robert Alexander Hammond - Chambers (British national and resident)\* (Chairman)  
Richard Hayes (Irish national and resident)\*  
Dermot Butler (Canadian national and Irish resident)\*  
Robert Burke (Irish national and resident)\*  
Simon Pryke (British national and resident)\*\*

\*Independent Non-Executive Director

\*\*Non-Executive Director

## DIRECTORS' REPORT (continued)

### Directors' and Secretary Interests

Except as noted below, none of the Directors, the Company Secretary, nor their persons closely associated hold or held any beneficial interests in the Company as at 31st December, 2019 or during the financial year.

The following are the Directors' interests in the American Fund.

#### As at 31st December, 2019

		Dollar Shares	Sterling Hedged Shares	Sterling Unhedged Shares
<b>American Fund:</b>				
	Robert Alexander Hammond-Chambers	–	3,827	–
	Richard Hayes	6,500	–	–
	Simon Pryke	1,306	–	–

#### As at 31st December, 2018

		Dollar Shares	Sterling Hedged Shares	Sterling Unhedged Shares
<b>American Fund:</b>				
	Robert Alexander Hammond-Chambers	–	3,827	–
	Richard Hayes	7,390	–	–
	Simon Pryke	1,306	–	–

### Transactions Involving Directors

There are no contracts or arrangements of any significance in relation to the business of the Company, other than those stated in Note 13 and Note 17 to the financial statements, in which the Directors or Company Secretary had any interest as defined in the Companies Act, 2014 at any time during the financial year ended 31st December, 2019.

In accordance with the Central Bank UCITS Regulations, any transaction carried out with the Company by the Promoter, Findlay Park Partners LLP (the "Investment Manager"), the Depositary, the Investment Adviser and/or associated or group companies of these entities ("connected parties") must be carried out as if negotiated at arm's length. Such transactions must be in the best interest of the shareholders of the Company.

The Directors of the Company are satisfied that (i) there are arrangements (evidenced by written procedures) in place to ensure that the obligations set out above are applied to all transactions with connected parties; and (ii) transactions with connected parties entered into during the financial year complied with these obligations.

### Directors' Compliance Statement

The Directors acknowledge that they are responsible for securing the Company's compliance with the Company's "relevant obligations" within the meaning of section 225(2) of the Companies Act, 2014 (described below as the "Relevant Obligations").

The Directors confirm that they have:

- drawn up a compliance policy statement setting out the Company's policies (that are, in the opinion of the Directors, appropriate to the Company) in respect of the Company's compliance with its Relevant Obligations;
- put in place appropriate arrangements or structures that, in the opinion of the Directors, provide a reasonable assurance of compliance in all material respects with the Company's Relevant Obligations; and
- during the financial year to which this report relates, conducted a review of the arrangements or structures that the Directors have put in place to ensure material compliance with the Company's Relevant Obligations.

### Risk Management Objectives and Policies

The risks, as determined by FRS 102, arising from the Company's financial instruments are market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk. Details on these risks and how they are monitored, and where possible, managed by the Company are set out in Note 16, 'Financial Risk Management' on pages 39 to 44.

## DIRECTORS' REPORT (continued)

### Dividends

The following dividends were declared by the Company during the financial year ended 31st December, 2019 and financial year ended 31st December, 2018.

#### Findlay Park American Fund

##### 31st December, 2019

Ex-Date	Pay-Date	Description
<b>Dollar Share Class</b>		
2nd January, 2019	8th January, 2019	Distribution of US\$0.2074 per share
<b>Sterling Hedged Share Class</b>		
2nd January, 2019	8th January, 2019	Distribution of US\$0.1439 per share (£0.1140)
<b>Sterling Unhedged Share Class</b>		
2nd January, 2019	8th January, 2019	Distribution of US\$0.2046 per share (£0.1621)

##### 31st December, 2018

There were no dividends declared.

#### Findlay Park Latin American Fund

##### 31st December, 2019

Dividends distribution was not applicable for the Latin American Fund, since the Latin American Fund liquidated on 30th April, 2018 and its authorisation was revoked by the Central Bank of Ireland on 31st December, 2018.

##### 31st December, 2018

Ex-Date	Pay-Date	Description
<b>Dollar Share Class</b>		
2nd January, 2018	9th January, 2018	Distribution of US\$0.1558 per share
<b>Sterling Unhedged Share Class</b>		
2nd January, 2018	9th January, 2018	Distribution of US\$0.1587 per share (£0.1181)

### Significant Events During the Year

There were no significant events affecting the Company during the year.

### Significant Events Since the Year End

The following dividend distributions were declared and paid by the American Fund since the financial year ended 31st December, 2019:

Ex-Date	Pay-Date	Description
<b>Dollar Share Class</b>		
2nd January, 2020	7th January, 2020	Distribution of US\$0.0011 per share
<b>Sterling Hedged Share Class</b>		
2nd January, 2020	7th January, 2020	Distribution of US\$0.0037 per share (£0.0028)
<b>Sterling Unhedged Share Class</b>		
2nd January, 2020	7th January, 2020	Distribution of US\$0.0029 per share (£0.0022)

On 27th February, 2020, a circular was issued to shareholders in the Company notifying them of an Extraordinary General Meeting to be held on 26th March, 2020 to approve amendments to the Company's Constitution and Prospectus. It is intended that subject to shareholder approval, an updated Constitution and Prospectus will be issued to Shareholders on or about 15th April, 2020.

On 11th March, 2020, the World Health Organization officially declared COVID-19, the disease caused by the novel coronavirus, a pandemic. The Directors are aware that global financial markets have been monitoring and reacting to the outbreak. All markets have incurred increased volatility and uncertainty since the onset of the pandemic. The Directors have also noted the operational risks that are posed to the Company and its service providers due to global and local movement restrictions that have been enacted by various governments. COVID-19 pandemic is an unprecedented event and the eventual impact on the global economy and markets will largely depend on the scale and duration of the outbreak. The Directors will continue to monitor this situation. Due to the associated volatility of this pandemic, the Directors have not yet determined the full financial impact of this pandemic on the Company's financial position subsequent to the year-end.

There were no other significant events affecting the Company since the year end.

**Corporate Governance Statement**

The Company is subject to and complies with Irish statute comprising the Companies Act, 2014 and with the UCITS Regulations and the Listing Rules of the Irish Stock Exchange. Each of the service providers engaged by the Company is subject to its own corporate governance requirements.

The Board of Directors have assessed the measures included in the voluntary Corporate Governance Code for Collective Investment Schemes and Management Companies as published by the Irish Funds ("IF") in December 2011 (the "IF Code"). The Board has adopted all corporate governance practices and procedures in the IF Code for the year ended 31st December, 2019.

*Financial Reporting Process - Description of Main Features*

The Directors are responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage/mitigate rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Directors have established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator, to maintain the accounting records of the Company independently of the Investment Manager and the Depositary. The Administrator is required under the terms of the administration agreement to maintain proper books and records on behalf of the Company. To that end the Administrator performs regular reconciliations of its records to those of the Depositary. The Administrator is also contractually obliged to prepare for review and approval by the Directors the annual report including financial statements intended to give a true and fair view and the half yearly financial statements.

The Directors evaluate and discuss significant accounting and reporting issues as the need arises. From time to time the Directors also examine and evaluate the Administrator's financial accounting and reporting routines and monitor and evaluate the external auditors' performance, qualifications and independence. The Administrator has operating responsibility in respect of its internal controls in relation to the financial reporting process and the Administrator's report to the Directors.

*Risk Assessment*

The Directors are responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Directors have also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

*Control Activities*

The Administrator maintains control structures to manage the risks over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report. Examples of control activities exercised by the Administrator include analytical review procedures, reconciliations and automatic controls in IT systems. Prices not available from external independent sources are typically subject to the Directors' review and approval.

*Information and Communication*

The Company's policies and the Directors' instructions with relevance for financial reporting are updated and communicated via appropriate channels, such as e-mail, correspondence and meetings to ensure that all financial reporting information requirements are met in a complete and accurate manner.

*Monitoring*

The Directors receive regular presentations and review reports from the Depositary, Investment Manager and Administrator. The Directors also have an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the External Auditor.

*Capital Structure*

No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, Irish statute comprising the Companies Act, 2014, the UCITS Regulations and the Listing Rules of the Irish Stock Exchange as applicable to investment funds. The Articles of Association themselves may be amended by special resolution of the shareholders.

*Powers of the Directors*

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the Directors. The Directors have delegated the day to day administration of the Company to the Administrator; the investment management and distribution functions to the Investment Manager.



**Corporate Governance Statement (continued)***Powers of the Directors (continued)*

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property or any part thereof and may delegate these powers to the Investment Manager.

The Directors may, with the consent of the Depositary, at any time and from time to time temporarily suspend the calculation of the Net Asset Value of a particular fund and the issue, repurchase and conversion of shares in any of the following instances:

- (a) any period when any of the principal markets on which a substantial portion of the investments of the American Fund from time to time is quoted are closed (otherwise than for ordinary holidays) or during which dealings therein are restricted or suspended;
- (b) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a material portion of investments of the American Fund is not reasonably practicable without this being seriously detrimental to the interests of shareholders of the American Fund or if, in the opinion of the Directors, redemption prices cannot fairly be calculated;
- (c) any breakdown in the means of communication normally employed in determining the price of a substantial portion of investments or the current prices on any market or stock exchange of the American Fund; or
- (d) any period when the Directors are unable to repatriate funds for the purpose of making payment on the redemption of shares from the holders thereof or during which any transfer of funds involved in the realisation or acquisition of a substantial portion of investments or payments due on redemption of such shares cannot, in the opinion of the Directors, be effected at normal rates of exchange.

Any such suspension of issue and redemption shall be notified immediately to the Central Bank of Ireland and the Irish Stock Exchange and published in the Financial Times (and in such other publications as may be required by any regulatory authority in any jurisdiction in which the Company is registered) for the information of shareholders in the American Fund without delay and all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Registered shares may be transferred by instrument in writing in a form approved by the Directors but need not be under seal. No transfer of subscriber shares can be effected without the prior written consent of the Company. The instrument of transfer of a share must be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of such share.

The Directors may decline to register a transfer if they are aware or reasonably believe the transfer would result in the beneficial ownership of shares by a person in contravention of any restrictions on ownership imposed by the Directors or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the American Fund or shareholders generally.

*Shareholder Meetings*

The Annual General Meeting of the Company will be held in Ireland, normally during the month of June or such other date as the Directors may determine. Notice convening the Annual General Meeting in each year at which the audited financial statements of the Company will be presented (together with the Directors' and Independent Auditors' Reports of the Company) will be sent to shareholders at their registered addresses not less than 21 clear days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors in such manner as provided by Irish law.

Each of the shares entitles the holder to attend and vote at meetings of the Company and of the fund represented by those shares. Matters may be determined by a meeting of shareholders on a show of hands unless a poll is requested by three shareholders or by shareholders holding 10 percent or more of the shares or unless the chairman of the meeting requests a poll. Each shareholder has one vote on a show of hands. Each share gives the holder one vote in relation to any matters relating to the Company which are submitted to shareholders for a vote by poll.

No class of shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other share class or any voting rights in relation to matters relating solely to any other share class.

Any resolution to alter the class rights of the shares requires the approval of the holders of the shares represented or present and voting at a general meeting of the class. The quorum for any general meeting of the class convened to consider any alteration to the class rights of the shares shall be such number of shareholders being two or more persons holding shares issued in that class.

Each of the shares other than subscriber shares entitles the shareholder to participate equally on a pro-rata basis in the dividends and net assets of the Company in respect of which the shares have been issued, save in the case of dividends declared prior to becoming a shareholder.

**Corporate Governance Statement (continued)***Shareholder Meetings (continued)*

Management Shares entitle the shareholders holding them to attend and vote at all general meetings of the Company but do not entitle the holders to participate in the dividends or net assets of the Company.

*Composition and Operation of Board and Committees*

There are five Directors currently, all of whom are non-executive Directors and four of whom are independent of the Investment Manager, this complies with the requirements of the Irish Stock Exchange Listing Rules, which require a minimum of two independent non-executive Directors for investment funds. The Articles of Association do not provide for retirement of Directors by rotation. However, the Directors may be removed by the shareholders by ordinary resolution in accordance with the procedures established under the Irish Companies Act, 2014. The Board of Directors meets at least quarterly. There are no sub-committees of the Board of Directors.

With regards to diversity, the policy of the Board of Directors in determining its composition focuses first of all on competence, on having the best possible team of directors in relation to the skill set and experience required to fulfil its obligations. In the process of looking for new directors from time to time, the Board casts its net as wide as possible in its search including diversity of gender, race, age and other appropriate human attributes. The Directors believe that such a policy is in the best interests of shareholders.

The Board has satisfied itself that the Directors have sufficient time to fully discharge their duties and disclose in writing to the Board of Directors their other time commitments, including other CIS directorships and non-fund directorships.

**UCITS V Remuneration**

In line with the requirements of the UCITS Regulations, the Company has adopted a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority ("ESMA") guidelines on sound remuneration policies under the UCITS Directive (the "Remuneration Guidelines"). The remuneration policy is appropriate to the Company's size, internal organisation and the nature, scope and complexity of its activities.

The Company's remuneration policy applies to certain identified staff whose professional activities have a material impact on the risk profile of the Company. As at 31st December, 2019, the Company did not have any employees and the Company's remuneration policy applies only to members of the Company's management body (i.e. the board of directors). The Directors not affiliated with the Investment Manager receive a fixed annual fee which compensates these directors for their tasks, expertise and responsibilities. Directors that are employees of the Investment Manager (or an affiliate) are not paid any fees for their services as directors.

Quantitative remuneration disclosures required by paragraphs (a) and (b) of Regulation 89(3A) and by paragraphs (c) and (d) of Regulation 24(B) of the UCITS Regulations are presented in Note 13 of the financial statements.

The remuneration policy was amended to take account of the issue of Remuneration Guidelines in October 2016, and in particular, the requirements in relation to delegated management functions, but no other material changes have been made to the remuneration policy since its adoption.

**Independent Auditors**

The Independent Auditors, Grant Thornton, Chartered Accountants and Registered Auditors have indicated their willingness to continue in office in accordance with the provisions of Section 383 (2) of the Companies Act, 2014.

**Signed on behalf of the Board of Directors by:**

**Robert Burke**      **Director**  
**Richard Hayes**    **Director**

**Date: 26th March, 2020**

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## REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS

We have enquired into the conduct of Findlay Park Funds p.l.c. (the "Company") for the financial year ended 31st December, 2019, in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the Shareholders in the Company, in accordance with Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the "UCITS Regulations"), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### **Responsibilities of the Depositary**

Our duties and responsibilities are outlined in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the Shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

### **Basis of Depositary Opinion**

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in the Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Company has been managed:

- (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations; and
- (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

### **Opinion**

In our opinion, the Company has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Constitution and by the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations"); and
- (ii) otherwise in accordance with the provisions of the Constitution, the UCITS Regulations and the Central Bank UCITS Regulations.

**Robert Mountford**  
**For and on behalf of Brown Brothers Harriman Trustee Services (Ireland) Limited**  
**30 Herbert Street**  
**Dublin 2**  
**D02 W329**  
**Ireland**

**Date: 26th March, 2020**

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## **INDEPENDENT AUDITORS' REPORT**

To the shareholders of Findlay Park Funds p.l.c.

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Findlay Park Funds plc (or the "Company"), which comprise the Statement of Financial Position and the Statement of Investments as at 31 December 2019 and the Income Statement and the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the financial year then ended, and the related notes to the financial statements, including the statement of accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland).

In our opinion, the Company's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the Company as at 31 December 2019 and of its financial performance for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act, 2014, and the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (or "ISAs (Ireland)") and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (or "IAASA") Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the Company. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and the directing of efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and therefore we do not provide a separate opinion on these matters.

#### **Overall audit strategy**

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example, the selection of pricing sources to value the investment portfolio. We also addressed the risk of management override of internal controls, including evaluating whether there was any evidence of potential bias that could result in a risk of material misstatement due to fraud.

#### **How we tailored the audit scope**

The Company is an umbrella investment company with segregated liability between sub-funds. As at 31 December 2019, there was one sub-fund in existence. The directors control the affairs of the Company and they are responsible for the overall investment policy which is determined by them. The Company engages Findlay Park Partners LLP (or the "Investment Manager") to manage certain duties and responsibilities with regards to the day-to-day management of the Company.

The Directors have delegated certain responsibilities to Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the "Administrator") including maintenance of the accounting records. The financial statements, which remain the responsibility of the directors, are prepared on their behalf by the Administrator. The Company has appointed Brown Brothers Harriman Trustee Services (Ireland) Limited (the "Depository") to act as depository of the Company's assets.

## INDEPENDENT AUDITORS' REPORT (continued)

To the shareholders of Findlay Park Funds p.l.c.

### **How we tailored the audit scope (continued)**

We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of third party service providers, the accounting processes and controls, and the industry in which the Company operates.

In establishing the overall approach to our audit we assessed the risk of material misstatement at a Company level, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Company's interaction with the administrator, and we assessed the control environment in place at the administrator.

### **Materiality and audit approach**

The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Company as follows: 0.5% of Net Asset Value at 31 December 2019. We have applied this benchmark as the main objective of the Company is to provide investors with a total return at Company level.

We agreed with the board of directors that we would report to them misstatements identified during our audit above 5% of materiality as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### **Significant matters identified**

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are set out below as significant matters together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.

#### **Valuation of financial assets at fair value through profit or loss:**

<b>Description of significant matter</b>	<b>Audit response to significant matter</b>
Financial assets represent the principal elements of the financial statements. There is a risk that the financial assets at fair value through profit or loss included in the Statement of Financial Position as at 31 December 2019 are not valued at fair value in line with FRS 102.	We performed 100% independent valuation of the portfolio at the financial year end using an independent pricing source. These prices were compared to the price used by management and any differences in prices were compared to our pricing thresholds.  No issues were identified during the course of our audit.

#### **Existence of financial assets:**

<b>Description of significant matter</b>	<b>Audit response to significant matter</b>
Financial assets represent the principal elements of the financial statements. We considered the risk that the financial assets included in the Statement of Financial Position did not exist or that they were not held in the Company's name at the financial year end, which could result in a material misstatement.	We obtained independent confirmations from the Company's Depository and agreed the holdings per the confirmation to the books and records maintained by the Administrator.  No issues were identified during the course of our audit.

Notes 1, 2, and 16, along with the Statement of Investments as at 31 December 2019 detail the accounting policies, value and existence of financial assets held at the financial year end in these financial statements.

### **Other information**

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, such as the Chairman's Report, the Directors' Report, the Investment Manager's Report, the Depository's Report and the unaudited appendices to the Annual Report. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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## **INDEPENDENT AUDITORS' REPORT (continued)**

To the shareholders of Findlay Park Funds p.l.c.

### **Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations, which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.  
In our opinion the information given in the directors' report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014.

### **Matters on which we are required to report by exception**

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Under the Companies Act 2014, we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of those Acts have not been made. We have no exceptions to report arising from this responsibility.

### **Corporate governance statement**

In our opinion, based on the work undertaken in the course of our audit of the financial statements, the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement, is consistent with the financial statements and has been prepared in accordance with section 1373(2) (c) of the Companies Act 2014.

Based on our knowledge and understanding of the Company and its environment obtained in the course of our audit of the financial statements, we have not identified material misstatements in the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement.

In our opinion, based on the work undertaken during the course of our audit of the financial statements, the information required by section 1373(2) (a), (b), (e) and (f) is contained in the Corporate Governance Statement.

In accordance with S.I. No. 360/2017 – European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, we are required to review the Directors' statement, set out on page 16 in relation to their diversity reporting obligations. We have nothing to report having performed our review.

### **Responsibilities of management and those charged with governance for the financial statements**

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Company's financial reporting process.

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## **INDEPENDENT AUDITORS' REPORT (continued)**

To the shareholders of Findlay Park Funds p.l.c.

### **Responsibilities of the auditor for the audit of the financial statements**

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. The auditor will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

The auditor also provides those charged with governance with a statement that they have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on their independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, the auditor determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. These matters are described in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act, 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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**INDEPENDENT AUDITORS' REPORT** (continued)

To the shareholders of Findlay Park Funds p.l.c.

**Report on other legal and regulatory requirements**

We were appointed by the Board of Directors on 26 November 2019 to audit the financial statements for the year ended 31 December 2019. This is the twenty-second year we have been engaged to audit the financial statements of the Company. Under the transitional provision of the EU audit reform, we cannot be reappointed after 17 June 2023.

We are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs. Our audit approach is a risk-based approach and is explained more fully in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report.

We have not provided non-audit services prohibited by the IAASA's Ethical Standard and have remained independent of the entity in conducting the audit.

**Niamh Meenan**  
**For and on behalf of Grant Thornton**  
**Chartered Accountants & Statutory Audit Firm**  
**13-18 City Quay**  
**Dublin 2**

**26th March, 2020**



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**STATEMENT OF FINANCIAL POSITION**

		<b>Findlay Park American Fund US\$ As at</b>	<b>Findlay Park American Fund US\$ As at</b>
	<b>Note</b>	<b>31st December, 2019</b>	<b>31st December, 2018</b>
<b>Current Assets</b>			
Financial Assets at Fair Value through Profit or Loss	2	14,896,383,597	11,860,491,785
Cash and Cash Equivalents	3	409,935,886	268,562,674
Debtors	4	13,887,863	17,248,517
Fee Reimbursement Receivable	10	314,025	231,145
		<hr/>	<hr/>
		15,320,521,371	12,146,534,121
<b>Current Liabilities</b>			
Creditors - Amounts falling due within one year	5	(21,547,924)	(19,449,426)
		<hr/>	<hr/>
		(21,547,924)	(19,449,426)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>			
	7	15,298,973,447	12,127,084,695
		<hr/>	<hr/>

Signed on behalf of the Board of Directors by:

**Robert Burke**      **Director**  
**Richard Hayes**    **Director**

**Date: 26th March, 2020**

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

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**INCOME STATEMENT**

For the financial year ended 31st December, 2019

	<b>Note</b>	<b>Findlay Park American Fund US\$ 2019</b>
Income	8	174,395,043
Net gain on Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	2	3,266,281,575
<b>Total Investment Income</b>		<b>3,440,676,618</b>
Expenses	9	(7,131,913)
Investment management fees	10	(138,700,522)
Fee Reimbursement	10	3,608,018
Net profit from operations before finance costs		3,298,452,201
<b>Finance Costs</b>		
Dividend paid	20	(23,242,464)
Profit for the year from operations before taxation		3,275,209,737
Withholding tax on dividends		(35,551,714)
Capital gains tax		–
Profit for the year from operations after taxation		3,239,658,023
<b>Increase in Net Assets Attributable to Holders of Redeemable Participating Shares from operations</b>		<b>3,239,658,023</b>

Income and expenses arise solely from continuing operations. There were no other recognised gains and losses other than those dealt with in the Income Statement.

The Income Statement comparatives are on the next page.

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

**INCOME STATEMENT** (continued)

For the financial year ended 31st December, 2018

	Note	Total US\$ 2018	Findlay Park American Fund US\$ 2018	Findlay Park Latin American Fund* US\$ 2018
Income	8	199,103,590	196,268,629	2,834,961
Net gain/(loss) on Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	2	16,828,782	21,419,147	(4,590,365)
<b>Total Investment Income/(Loss)</b>		215,932,372	217,687,776	(1,755,404)
Expenses	9	(10,689,041)	(10,175,651)	(513,390)
Investment management fees	10	(131,177,221)	(129,167,215)	(2,010,006)
Fee Reimbursement	10	5,124,967	5,124,967	–
Net profit/(loss) from operations before finance costs		79,191,077	83,469,877	(4,278,800)
<b>Finance Costs</b>				
Dividend paid	20	(4,517,626)	–	(4,517,626)
Profit/(Loss) for the year from operations before taxation		74,673,451	83,469,877	(8,796,426)
Withholding tax on dividends		(43,505,848)	(43,489,342)	(16,506)
Capital gains tax		1,618,764	–	1,618,764
Profit/(Loss) for the year from operations after taxation		32,786,367	39,980,535	(7,194,168)
<b>Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares from operations</b>		32,786,367	39,980,535	(7,194,168)

\*Fund liquidated on 30th April, 2018. The authorisation of the Findlay Park Latin American Fund was revoked by the Central Bank of Ireland on 31st December, 2018.

Income and expenses arise solely from continuing operations, except for Findlay Park Latin American Fund, which was liquidated on 30th April, 2018 and the authorisation of the Findlay Park Latin American Fund was revoked by the Central Bank of Ireland on 31st December, 2018. There were no other recognised gains and losses other than those dealt with in the Income Statement.

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS  
OF REDEEMABLE PARTICIPATING SHARES**

For the financial year ended 31st December, 2019

	<b>Findlay Park American Fund US\$ 2019</b>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year</b>	<b>12,127,084,695</b>
Increase in Net Assets Attributable to Holders of Redeemable Participating Shares from operations	3,239,658,023
<b>Capital Transactions</b>	
Proceeds from Redeemable Participating Shares issued	2,671,137,915
Cost of Redeemable Participating Shares redeemed	(2,738,907,186)
Decrease in net assets from capital transactions	(67,769,271)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the year</b>	<b>15,298,973,447</b>

For the financial year ended 31st December, 2018

	<b>Total US\$ 2018</b>	<b>Findlay Park American Fund US\$ 2018</b>	<b>Findlay Park Latin American Fund* US\$ 2018</b>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year</b>	<b>13,318,788,116</b>	<b>12,822,046,324</b>	<b>496,741,792</b>
Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares from operations	32,786,367	39,980,535	(7,194,168)
<b>Capital Transactions</b>			
Proceeds from Redeemable Participating Shares issued	1,769,478,739	1,754,443,293	15,035,446
Cost of Redeemable Participating Shares redeemed	(2,994,238,798)	(2,489,385,457)	(504,853,341)
Subscription and Redemption charge	270,271	–	270,271
Decrease in net assets from capital transactions	(1,224,489,788)	(734,942,164)	(489,547,624)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the year</b>	<b>12,127,084,695</b>	<b>12,127,084,695</b>	<b>–</b>

\*Fund liquidated on 30th April, 2018. The authorisation of the Findlay Park Latin American Fund was revoked by the Central Bank of Ireland on 31st December, 2018.

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

**STATEMENT OF INVESTMENTS**  
**FINDLAY PARK AMERICAN FUND**

As at 31st December, 2019

Industry	Holding	Security Description	Fair Value US\$	% of Total Net Assets
<b>EQUITIES</b>				
<b>Business Services 14.10% (31st December, 2018: 12.52%)</b>				
	3,986,715	Fidelity National Information Services Inc	554,512,189	3.63%
	4,650,000	Fiserv Inc	537,679,500	3.52%
	2,035,287	Marsh & McLennan Cos Inc	226,751,325	1.48%
	1,875,000	NASDAQ Inc	200,812,500	1.31%
	870,563	Accenture PLC	183,314,451	1.20%
	1,603,661	Intercontinental Exchange Inc	148,418,825	0.97%
	539,244	Aon PLC	112,319,133	0.73%
	1,305,013	SS&C Technologies Holdings Inc	80,127,798	0.52%
	875,000	TransUnion	74,908,750	0.49%
	141,000	Cintas Corp	37,940,280	0.25%
			<b>2,156,784,751</b>	<b>14.10%</b>
<b>Consumer Discretionary 12.27% (31st December, 2018: 13.19%)</b>				
	7,552,000	Live Nation Entertainment Inc	539,741,440	3.53%
	11,030,457	Comcast Corp	496,039,651	3.24%
	2,875,000	Hilton Worldwide Holdings Inc	318,866,250	2.08%
	464,188	Sherwin-Williams Co	270,872,266	1.77%
	688,157	Walt Disney Co	99,528,147	0.65%
	273,141	Martin Marietta Materials Inc	76,381,149	0.50%
	385,000	McDonald's Corp	76,079,850	0.50%
			<b>1,877,508,753</b>	<b>12.27%</b>
<b>Consumer Staples 1.14% (31st December, 2018: 3.17%)</b>				
	3,139,670	Coca-Cola Co	173,780,734	1.14%
			<b>173,780,734</b>	<b>1.14%</b>
<b>Energy 2.64% (31st December, 2018: 2.42%)</b>				
	4,823,542	EOG Resources Inc	404,019,878	2.64%
			<b>404,019,878</b>	<b>2.64%</b>
<b>Financials 13.54% (31st December, 2018: 16.43%)</b>				
<b>Banks</b>				
	2,998,648	Prosperity Bancshares Inc	215,572,805	1.41%
	2,963,784	Wells Fargo & Co	159,451,579	1.04%
	1,110,876	Commerce Bancshares Inc	75,472,915	0.49%
			<b>450,497,299</b>	<b>2.94%</b>
<b>Insurance</b>				
	2,506,976	Berkshire Hathaway Inc Class B	567,830,064	3.71%
	689,861	Fairfax Financial Holdings Ltd	323,927,339	2.12%
	242,552	Alleghany Corp	193,937,303	1.27%
			<b>1,085,694,706</b>	<b>7.10%</b>
<b>Other Financials</b>				
	2,525,737	American Express Co	314,428,999	2.06%
	4,648,795	Charles Schwab Corp	221,096,690	1.44%
			<b>535,525,689</b>	<b>3.50%</b>
<b>Total Financials</b>			<b>2,071,717,694</b>	<b>13.54%</b>
<b>Healthcare 14.92% (31st December, 2018: 12.91%)</b>				
	2,425,000	Becton Dickinson & Co	659,527,250	4.31%
	3,536,350	Danaher Corp	542,758,998	3.55%
	4,500,000	Agilent Technologies Inc	383,895,000	2.51%
	756,273	Thermo Fisher Scientific Inc	245,690,409	1.60%
	2,575,000	Alcon Inc	145,667,750	0.95%
	332,748	Cooper Cos Inc	106,908,605	0.70%
	450,000	ICU Medical Inc	84,204,000	0.55%
	250,000	UnitedHealth Group Inc	73,495,000	0.48%
	75,000	Anthem Inc	22,652,250	0.15%

**STATEMENT OF INVESTMENTS** (continued)  
**FINDLAY PARK AMERICAN FUND** (continued)  
As at 31st December, 2019

Industry	Holding	Security Description		Fair Value US\$	% of Total Net Assets
<b>Healthcare 14.92% (31st December, 2018: 12.91%) (continued)</b>					
	606,093	Envista Holdings Corp		17,964,597	0.12%
				2,282,763,859	14.92%
<b>Industrials 9.84% (31st December, 2018: 13.54%)</b>					
	2,320,000	Air Products & Chemicals Inc		545,176,800	3.56%
	3,774,807	Waste Connections Inc		342,714,727	2.24%
	1,394,572	Deere & Co		241,623,545	1.58%
	3,539,621	Agnico-Eagle Mines Ltd		218,076,050	1.43%
	460,000	IDEX Corp		79,120,000	0.52%
	875,000	Jacobs Engineering Group Inc		78,601,250	0.51%
				1,505,312,372	9.84%
<b>Technology 15.82% (31st December, 2018: 13.34%)</b>					
	4,707,744	Microsoft Corp		742,411,229	4.85%
	349,334	Alphabet Inc Class C		467,066,545	3.05%
	1,406,788	Intuit Inc		368,479,981	2.41%
	1,668,803	Autodesk Inc		306,158,598	2.00%
	1,900,494	TE Connectivity Ltd		182,143,345	1.19%
	1,225,968	Analog Devices Inc		145,694,037	0.95%
	329,484	Adobe Systems Inc		108,667,118	0.71%
	780,086	Texas Instruments Inc		100,077,233	0.66%
				2,420,698,086	15.82%
<b>Telecommunications 0.75% (31st December, 2018: 0.68%)</b>					
	1,470,554	T-Mobile US Inc		115,320,845	0.75%
				115,320,845	0.75%
<b>Transportation 0.54% (31st December, 2018: 0.72%)</b>					
	455,021	Union Pacific Corp		82,263,247	0.54%
				82,263,247	0.54%
<b>Total Equities</b>				<b>13,090,170,219</b>	<b>85.56%</b>
<b>Financial Equity Assets at Fair Value through Profit or Loss</b>				<b>13,090,170,219</b>	<b>85.56%</b>
<b>Financial Equity Liabilities at Fair Value through Profit or Loss</b>				<b>-</b>	<b>-</b>
<b>BONDS</b>					
<b>Government Securities 11.73% (31st December, 2018: 8.62%)</b>					
	500,000,000	United States Treasury Bill	0.00% 30/01/2020	499,434,100	3.27%
	500,000,000	United States Treasury Bill	0.00% 27/02/2020	498,825,555	3.26%
	500,000,000	United States Treasury Bill	0.00% 30/04/2020	497,477,035	3.25%
	300,000,000	United States Treasury Bill	0.00% 26/03/2020	298,944,576	1.95%
				1,794,681,266	11.73%
<b>Total Bonds</b>				<b>1,794,681,266</b>	<b>11.73%</b>
<b>Financial Bond Assets at Fair Value through Profit or Loss</b>				<b>1,794,681,266</b>	<b>11.73%</b>
<b>Financial Bond Liabilities at Fair Value through Profit or Loss</b>				<b>-</b>	<b>-</b>
<b>Investments*</b>				<b>14,884,851,485</b>	<b>97.29%</b>

**STATEMENT OF INVESTMENTS** (continued)  
**FINDLAY PARK AMERICAN FUND** (continued)  
As at 31st December, 2019

**FORWARD FOREIGN CURRENCY CONTRACTS 0.08% (31st December, 2018: 0.04%)**

<b>Maturity Date</b>	<b>Amount Bought</b>	<b>Amount Sold</b>	<b>Counterparty</b>	<b>Unrealised Gain</b>	<b>% of Total Net Assets</b>
<b>Class Hedging - Sterling Hedged Share Class</b>					
30/01/2020	1,293,142,996 GBP	1,702,934,258 USD	Brown Brothers Harriman	11,532,112	0.08%
<b>Total Forward Foreign Currency Contracts<sup>∞</sup></b>				<b>11,532,112</b>	<b>0.08%</b>
<b>Financial Forward Foreign Currency Contract Assets at Fair Value Through Profit or Loss</b>				<b>11,532,112</b>	<b>0.08%</b>
<b>Financial Forward Foreign Currency Contract Liabilities at Fair Value Through Profit or Loss</b>				<b>-</b>	<b>-</b>
<b>Total Financial Assets at Fair Value through Profit or Loss</b>				<b>14,896,383,597</b>	<b>97.37%</b>
<b>Total Financial Liabilities at Fair Value through Profit or Loss</b>				<b>-</b>	<b>-</b>
Cash				409,935,886	2.68%
Other Net Liabilities				(7,346,036)	(0.05%)
<b>Total Net Assets Attributable to Holders of Redeemable Participating Shares</b>				<b>15,298,973,447</b>	<b>100.00%</b>

**Portfolio Analysis**

	<b>US\$</b>	<b>% of Total Assets</b>
* Transferable securities admitted to an official stock exchange listing or traded on a regulated market	14,884,851,485	97.15%
∞ OTC financial derivative instruments	11,532,112	0.08%
<b>Total Investments</b>	<b>14,896,383,597</b>	<b>97.23%</b>

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## NOTES TO THE AUDITED FINANCIAL STATEMENTS

For the financial year ended 31st December, 2019

### 1 Statement of Accounting Policies

The significant accounting policies and estimation techniques adopted by the Company are as follows:

#### **Basis of Presentation of Financial Statements**

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Act, 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations"), the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations") and the Listing Rules of the Irish Stock Exchange. The financial statements have been prepared in accordance with Financial Reporting Standards FRS 102: "The financial reporting standard applicable in the UK and Republic of Ireland". Accounting standards generally accepted in Ireland in preparing financial statements giving a fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Financial Reporting Council.

The financial statements are prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The Company meets the criteria to avail of the exemption available to certain investment funds under FRS 102 not to prepare a statement of cash flow.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's accounting policies. The resulting accounting estimates will, by definition, seldom equal the related actual results and the differences could be material. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

#### **Valuation of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss**

The Company has chosen to apply the recognition and measurement provisions of International Accounting Standard ("IAS") 39: 'Financial Instruments: Recognition and Measurement', (as adopted for use in the European Union) and the disclosure and presentation requirement of FRS 102 to account for all the financial instruments. The Company has designated all of its investments into financial assets or financial liabilities at fair value through the profit or loss.

#### **Listed Securities**

In accordance with IAS 39, the fair value of investments quoted, listed or normally dealt in, or under the rules of a recognised market is calculated by reference to the last traded price on such recognised market as at the valuation point. If an investment is quoted in more than one stock exchange or market, the Administrator or their delegate adopt the price or, as the case may be, last traded price on the recognised market, which, in their opinion, provides the principal market for such investments. Listed securities as at 31st December, 2019 include equities and certain government bonds.

#### **Unlisted Securities**

Unlisted securities as at 31st December, 2019 include forward foreign currency contracts only.

#### **Forward Foreign Currency Contracts**

The Company may enter into forward foreign currency contracts. Forward foreign currency contracts may be used as a substitute for investing directly in currencies or to hedge the currency exposure associated with some or all of a fund's portfolio securities. A forward foreign currency contract is an agreement between two parties to buy and sell a currency at a set price on a future date.

The market value of a forward foreign currency contract fluctuates with changes in forward currency exchange rates. Forward foreign currency contracts are marked to market daily and the change in value is recorded by the Company as an unrealised gain or loss.

Realised gains or losses equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed are recorded upon delivery or receipt of the currency or, if a forward foreign currency contract is offset by entering into another forward foreign currency contract with the same broker, upon settlement of the net gain or loss. These contracts may involve market risk in excess of the unrealised gain or loss reflected.

Forward foreign currency contracts may also be utilised for foreign exchange hedging for the benefit of a particular class of share within the Company. In that event, its costs and related liabilities and/or benefits shall be for the account of that share class only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share for shares of any such class. In addition, the Company could be exposed to risk if the counterparties are unable to meet the terms of the contracts or if the value of the currency changes unfavourably to the functional currency of the Company.



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## NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)

For the financial year ended 31st December, 2019

### 1 Statement of Accounting Policies (continued)

#### Realised Gains and Losses on Investments

Realised gains and losses on sales of financial assets and financial liabilities at fair value through profit or loss are calculated on an average cost basis. The associated foreign exchange movement between the date of purchase and the date of sale on the sale of financial assets and financial liabilities at fair value through profit or loss is included in net gain/(loss) on financial assets at fair value through profit or loss in the Income Statement. Investment transactions are accounted for on trade date basis.

#### Cash and Cash Equivalents

Cash and other liquid assets are valued at their face value together with accrued interest, where applicable, to the valuation point on the relevant dealing day unless, in the opinion of the Directors (in consultation with the Findlay Park Partners LLP (the "Investment Manager")) and the Administrator, any adjustment should be made to reflect the true value thereof.

#### Income Recognition

Dividend income is recognised in the Income Statement on the date upon which the relevant security is listed as "ex-dividend" to the extent that information thereon is reasonably available to the Company. Dividend and interest income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in the Income Statement, and net of any tax credits. Bank deposit interest and other income are accounted for on an accruals basis.

Interest income and expenses are recognised in the Income Statement for all debt instruments using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

#### Expenses

Expenses are recognised in the Income Statement on an accruals basis.

#### Rebate Income

Where a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment in shares of another Collective Investment Scheme, this commission must be paid into the property of the Company. Rebate income is recognised in the Income Statement on a receipts basis. The rebate income received for the financial year ended 31st December, 2019 was US\$nil (31st December, 2018: US\$64,229).

#### Taxation

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B(1) of the Taxes Consolidation Act, 1997, as amended. It is not chargeable to Irish tax on its income or capital gains. However, Irish tax can arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares. Any tax arising on a chargeable event is a liability of the shareholders, albeit it is paid by the Company (although if the Company fails to deduct the tax, or the correct amount of tax it becomes ultimately a liability of the Company).

No Irish tax will arise on the Company in respect of chargeable events in respect of a shareholder who is:

- (i) an exempt Irish investor (as defined in Section 739B(1) of the Taxes Consolidation Act, 1997, as amended) who has provided the Company with the necessary signed statutory declarations, or
- (ii) who is neither Irish resident nor ordinarily resident in Ireland for tax purposes at the time of the chargeable event provided the necessary signed statutory declarations are held by the Company.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

#### Foreign Exchange Translation

##### **Functional and Presentation Currency**

The functional currency of the Company is US Dollar. This reflects the fact that the majority of Company's investments are made in the United States. The presentation currency of the Company is also US Dollar.

##### **Transactions and Balances**

Assets and liabilities denominated in currencies other than the functional currency of the Company are translated into the functional currency at exchange rates prevailing at the statement of financial position date. Transactions in currencies other than the functional currency of the Company are translated into the functional currency at the exchange rates ruling at the date of the transactions. Gains and losses on foreign currency transactions are included in the Income Statement in determining the results for the year. Proceeds from subscriptions and amounts paid for redemptions in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transactions.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)

For the financial year ended 31st December, 2019

### 1 Statement of Accounting Policies (continued)

#### Dividend Policy

The Articles of Association empower the Directors to declare dividends out of the profits of the Company being: net income (including interest and dividend income) and/or realised and unrealised capital gains on the disposal valuation of investments and other funds less realised and unrealised accumulated capital losses of the Company.

If sufficient net income after expenses is available in the Company, the Directors' current intention is to make a single distribution in each year of substantially the whole of the net income (including interest and dividends) of the Company. The net amount of all realised and unrealised gains (less realised and unrealised losses) arising on the disposal of investments shall not be distributed but shall form part of the assets of the Company. The amounts of distributions paid for the financial year ended are disclosed in the Income Statement.

Under Regulation 51 of The Offshore Funds (Tax) Regulations 2009, American Fund Dollar Shares and Sterling Hedged Shares were accepted into the UK's reporting regime with effect from 1st January, 2010. The American Fund Sterling Unhedged Shares were accepted into the UK's reporting regime with effect from 11th May, 2015.

#### Redeemable Participating Shares

Redeemable Participating Shares provide shareholders with the right to redeem their shares for cash equal to their proportionate share of the Net Asset Value of the Company and, accordingly, are classified as liabilities. The liability to shareholders is presented in the Statement of Financial Position as "Net Assets Attributable to Holders of Redeemable Participating Shares" and is based on the residual assets of the Company after deducting all other liabilities. The amounts redeemed and issued for the financial year ended are disclosed in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.

#### Subscription and Redemption Charge

The Company may apply a charge on the subscription or the redemption of shares which will be retained to cover the fees, duties and other costs involved in purchasing or, as appropriate, redeeming investments in the underlying property of the Company. Further details of these charges are set out in the Prospectus. Currently there is no such subscription or redemption charge as determined at the discretion of the Company. The amounts charged in relation to subscription and redemption for the financial year ended, if any, are disclosed in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.

### 2 Financial Assets and Financial Liabilities at Fair Value through Profit or Loss

#### Findlay Park American Fund

		Realised and Unrealised Gains/(Losses) Charged to Profit and Loss		Realised and Unrealised Gains/(Losses) Charged to Profit and Loss
	Fair Value 2019 US\$	2019 US\$	Fair Value 2018 US\$	2018 US\$
<b>Financial Assets</b>				
Equities	13,090,170,219	3,232,829,280	10,809,877,657	116,399,601
Bonds	1,794,681,266	640,924	1,045,415,778	179,551
Forward Foreign Currency Contracts	11,532,112	32,811,371	5,198,350	(95,160,005)
	14,896,383,597	3,266,281,575	11,860,491,785	21,419,147

#### Findlay Park Latin American Fund\*

		Realised and Unrealised Gains/(Losses) Charged to Profit and Loss
	Fair Value 2018 US\$	2018 US\$
<b>Financial Assets</b>		
Equities	–	(7,954,395)
Forward Foreign Currency Contracts	–	3,364,030
	–	(4,590,365)

\*Fund liquidated on 30th April, 2018. The authorisation of the Findlay Park Latin American Fund was revoked by the Central Bank of Ireland on 31st December, 2018.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)

For the financial year ended 31st December, 2019

### 3 Cash and Cash Equivalents

All cash and bank balances are held with Brown Brothers Harriman & Co. or with third party institutions approved by the Company on overnight deposit or directly with a sub-depositary.

The table below reflects the Company's exposure to the following institutions through its cash holdings at 31st December, 2019 and 31st December, 2018.

	Findlay Park American Fund US\$ As at 31st December, 2019	Findlay Park American Fund US\$ As at 31st December, 2018
Citibank, New York	200,000,000	114,000,000
JPMorgan Chase, New York	200,000,000	–
Bank of Nova Scotia, Toronto	9,920,000	152,030,000
Brown Brothers Harriman & Co.	15,886	2,674
Bank of Montreal, London	–	2,530,000
	<u>409,935,886</u>	<u>268,562,674</u>

### 4 Debtors

	Findlay Park American Fund US\$ As at 31st December, 2019	Findlay Park American Fund US\$ As at 31st December, 2018
Receivable for shares issued	8,728,804	6,752,023
Accrued income receivable	5,103,632	8,251,492
Other receivables	55,427	50,825
Receivable for investment securities sold	–	2,194,177
	<u>13,887,863</u>	<u>17,248,517</u>

### 5 Creditors – Amounts falling due within one year

	Findlay Park American Fund US\$ As at 31st December, 2019	Findlay Park American Fund US\$ As at 31st December, 2018
Investment management fees (Note 10)	12,794,182	10,442,347
Payable for shares redeemed	8,406,186	3,178,878
Transfer agent fees	78,838	104,337
Trustee fees	77,822	123,378
Administration fees	75,651	124,047
Depositary fees	40,060	80,055
Audit fees	30,180	32,273
Legal fees	22,795	20,249
Other payables	13,625	9,677
Directors' fees and expenses	8,585	–
Payable for investment securities purchased	–	5,334,185
	<u>21,547,924</u>	<u>19,449,426</u>

### 6 Share Capital

#### Authorised

The initial authorised share capital of the Company is EUR 38,092 divided into 30,000 Management Shares with a par value of EUR 1.27 each (issued at IR£1 converted to EUR 1.269738) and 500,000,000 Redeemable Participating Shares of nil par value initially designated as unclassified shares and which may be issued as shares of the Company. All Redeemable Participating Shares have equal voting rights.

**NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)**

For the financial year ended 31st December, 2019

**6 Share Capital (continued)**

The Redeemable Participating Shares are classified as financial liabilities. Redeemable Participating Shares have priority over other claims to the assets of the entity on liquidation. The Redeemable Participating Shares can be put back to the American Fund on any dealing day for cash equal to a proportionate share of the American Fund's Net Asset Value. The American Fund provides its shareholders with the right to redeem their interest in the fund at any dealing date for cash equal to their proportionate share of the Net Asset Value of the American Fund. Under FRS 102, this right represents in substance a liability of the American Fund to shareholders.

The Company's Management Shares do not participate in the profits of the Company.

The shares in issue are shown in Note 7 (Net Asset and Net Asset Value per Redeemable Participating Share).

**Management Shares**

There are seven Management Shares in issue, which are held by the Investment Manager and its nominees. Management Shares do not entitle the holders thereof to any dividend and on a winding-up entitle the holder to receive the amount paid up thereon but not otherwise to participate in the assets of the Company. The Management Shares do not form part of the shareholders' funds and are not included in the Net Asset Value of the relevant Fund.

**Movement in Redeemable Participating Shares during the financial year ended 31st December, 2019****Findlay Park American Fund**

	Dollar Class Share	Sterling Hedged Class Share	Sterling Unhedged Class Share	Total Class Shares
Shares in issue as at 1st January, 2019	90,580,030	16,805,982	9,955,883	117,341,895
Shares issued	12,375,385	6,119,750	4,820,456	23,315,591
Dividends reinvested	6,719	526	1,013	8,258
Shares redeemed	(17,377,542)	(4,455,248)	(1,563,292)	(23,396,082)
Shares in issue as at 31st December, 2019	85,584,592	18,471,010	13,214,060	117,269,662

**Movement in Redeemable Participating Shares during the financial year ended 31st December, 2018****Findlay Park American Fund**

	Dollar Class Share	Sterling Hedged Class Share	Sterling Unhedged Class Share	Total Class Shares
Shares in issue as at 1st January, 2018	96,624,871	17,301,436	9,969,741	123,896,048
Shares issued	11,028,953	3,803,952	1,975,329	16,808,234
Shares redeemed	(17,073,794)	(4,299,406)	(1,989,187)	(23,362,387)
Shares in issue as at 31st December, 2018	90,580,030	16,805,982	9,955,883	117,341,895

**Findlay Park Latin American Fund\***

	Dollar Class Share	Sterling Unhedged Class Share	Total Class Shares
Shares in issue as at 1st January, 2018	26,200,527	2,744,696	28,945,223
Shares issued	719,348	104,761	824,109
Dividends reinvested	25,238	66	25,304
Shares redeemed	(26,945,113)	(2,849,523)	(29,794,636)
Shares in issue as at 31st December, 2018	—	—	—

\*Fund liquidated on 30th April, 2018. The authorisation of the Findlay Park Latin American Fund was revoked by the Central Bank of Ireland on 31st December, 2018.

**NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)**

For the financial year ended 31st December, 2019

**7 Net Asset and Net Asset Value per Redeemable Participating Share**

The Net Asset Value per Redeemable Participating Share is calculated by dividing the total net assets of each Fund attributable to a class by the number of Redeemable Participating Shares of that class in issue.

	<b>Findlay Park American Fund</b>	<b>Findlay Park Latin American Fund*</b>
<b>For the year ended 31st December, 2019</b>		
Net Assets	US\$15,298,973,447	–
Participating Shares Issued and Outstanding	117,269,662	–
Net Asset Value Per Dollar Class Share**	US\$137.38	–
Net Asset Value Per Sterling Hedged Class Share**	£70.56	–
Net Asset Value Per Sterling Unhedged Class Share**	£103.69	–
<b>For the year ended 31st December, 2018</b>		
Net Assets	US\$12,127,084,695	–
Participating Shares Issued and Outstanding	117,341,895	–
Net Asset Value Per Dollar Class Share**	US\$108.52	–
Net Asset Value Per Sterling Hedged Class Share**	£56.88	–
Net Asset Value Per Sterling Unhedged Class Share**	£85.19	–
<b>For the year ended 31st December, 2017</b>		
Net Assets	US\$12,822,046,324	US\$496,741,792
Participating Shares Issued and Outstanding	123,896,048	28,945,223
Net Asset Value Per Dollar Class Share**	US\$107.66	US\$17.13
Net Asset Value Per Sterling Hedged Class Share**	£57.52	–
Net Asset Value Per Sterling Unhedged Class Share**	£79.57	£12.90

\*Fund liquidated on 30th April, 2018. The authorisation of the Findlay Park Latin American Fund was revoked by the Central Bank of Ireland on 31st December, 2018.

\*\*This is the Net Asset Value per share for financial reporting purposes, which takes into account financial reporting adjustments not incorporated in the daily dealing NAV.

**8 Income**

	<b>Findlay Park American Fund US\$</b>
<b>For the year ended 31st December, 2019</b>	
Dividend Income	128,368,345
Bank interest and other interest	45,997,992
Miscellaneous income	28,706
Rebate income	–
	<b>174,395,043</b>

	<b>Total US\$</b>	<b>Findlay Park American Fund US\$</b>	<b>Findlay Park Latin American Fund* US\$</b>
<b>For the year ended 31st December, 2018</b>			
Dividend Income	167,140,531	164,484,781	2,655,750
Bank interest and other interest	31,765,400	31,694,374	71,026
Miscellaneous income	133,431	25,246	108,185
Rebate income	64,228	64,228	–
	<b>199,103,590</b>	<b>196,268,629</b>	<b>2,834,961</b>

\*Fund liquidated on 30th April, 2018. The authorisation of the Findlay Park Latin American Fund was revoked by the Central Bank of Ireland on 31st December, 2018.

**NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)**

For the financial year ended 31st December, 2019

**9 Expenses**

	<b>Findlay Park American Fund US\$</b>
<b>For the year ended 31st December, 2019</b>	
Transaction costs	3,497,113
Administration fees	859,545
Trustee expenses	845,058
Transfer agent fees	741,150
Depository fees	489,933
Directors' fees and expenses	239,522
Other expenses	181,511
Professional expenses	108,227
Directors' insurance	61,002
Legal expenses	57,390
Audit fees (Note 14)	30,060
Tax expenses	21,402
	<b>7,131,913</b>

	<b>Total US\$</b>	<b>Findlay Park American Fund US\$</b>	<b>Findlay Park Latin American Fund* US\$</b>
<b>For the year ended 31st December, 2018**</b>			
Transaction costs	5,260,116	5,079,400	180,716
Administration fees	1,825,683	1,791,465	34,218
Trustee expenses	1,353,784	1,333,718	20,066
Depository fees	940,022	783,813	156,209
Transfer agent fees	654,697	637,790	16,907
Directors' fees and expenses	203,148	169,856	33,292
Other expenses	131,371	131,371	–
Professional expenses	104,555	94,522	10,033
Legal expenses	79,894	59,153	20,741
Audit fees (Note 14)	59,721	25,106	34,615
Directors' insurance	55,424	48,831	6,593
Tax expenses	20,626	20,626	–
	<b>10,689,041</b>	<b>10,175,651</b>	<b>513,390</b>

\*Fund liquidated on 30th April, 2018. The authorisation of the Findlay Park Latin American Fund was revoked by the Central Bank of Ireland on 31st December, 2018.

\*\*The comparatives have been restated to conform with the current presentation practices.

**10 Investment Management Fee and Performance Fee**

The Company has appointed Findlay Park Partners LLP as Investment Manager.

**Findlay Park American Fund**

The Investment Manager is entitled to an annual fee of 1 percent of the Net Asset Value of the American Fund which is accrued daily and payable monthly in arrears.

The Investment Management fee is exclusive of value added tax (if any).

The Investment Manager earned an investment management fee of US\$138,700,522 for the financial year ended 31st December, 2019 (31st December, 2018: US\$129,167,215) of which US\$12,794,182 (31st December, 2018: US\$10,442,347) was outstanding as at 31st December, 2019.

Reimbursement expense by the Investment Manager for the financial year ended 31st December, 2019 amounted to US\$3,608,018 (31st December, 2018: US\$5,124,967) of which US\$314,025 (31st December, 2018: US\$231,145) was outstanding as at 31st December, 2019.

Effective 1st January, 2018 shareholders in the American Fund were no longer charged a performance related investment management fee. Therefore, no performance fee was paid for the financial year ended 31st December, 2019.

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**NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)**

For the financial year ended 31st December, 2019

**10 Investment Management Fee and Performance Fee (continued)****Findlay Park American Fund (continued)**

Effective 26th April, 2018, the Investment Manager agreed to apply a cap on the ongoing operating expenses ("Ongoing Charges Cap") borne by each share class of the American Fund as outlined in the table below. For the financial year ended 31st December, 2018, the Ongoing Charges Cap was recalculated retrospectively from 1st January, 2018.

<b>Share Class</b>	<b>Ongoing Charges Cap</b>
Dollar Class Share	1%
Sterling Hedged Class Share	1%
Sterling Unhedged Class Share	1%

Each Ongoing Charges Cap percentage listed above is calculated as a percentage of the average daily Net Asset Value of the relevant class of Shares. The Ongoing Charges Cap limits the operating expenses paid by the Company, such as the Investment Manager's fee, fees and expenses charged in the ordinary course of business by the American Fund's service providers, including, without limitation, its auditors, legal advisors and other professional service providers, American Fund insurance expenses, Directors' fees and expenses, listing fees, printing expenses and regulatory filing fees. The Investment Manager is entitled, upon 30 days' written notice to the Directors and the Shareholders in the American Fund, to cease making Ongoing Charges Cap payments to the American Fund in which case such payments will be met by the American Fund.

Each class of shares continue to be responsible for payment of any other cost.

**Findlay Park Latin American Fund**

Prior to the Latin American Fund's liquidation, the Investment Manager was entitled to an annual fee of 1.25 percent of the Net Asset Value of Latin American Fund which was accrued daily and payable monthly in arrears.

The Investment Manager was also entitled to a performance related investment management fee payable annually in arrears in respect of each performance period of the Latin American Fund. The performance fee was calculated using the performance of the base currency shares (the Dollar Class) and apportioned pro rata across all share classes.

The performance periods were successive twelve month periods ending on 31st December each year.

The Investment Management fee and the performance fee were exclusive of value added tax (if any).

The Investment Manager earned an investment management fee of US\$2,010,006 for the financial year ended 31st December, 2018.

**11 Administration and Transfer Agent Fees**

The Company has appointed Brown Brothers Harriman Fund Administration Services (Ireland) Limited to serve as the Administrator and Transfer Agent.

The Transfer Agent is entitled to an annual minimum fee of US\$10,000 for acting as Transfer Agent to the American Fund. This fee is accrued and calculated at each valuation point and is payable monthly in arrears.

The Administrator is paid by the American Fund an Administration Charge and fees in respect of its duties as Administrator. The Administration Charge accrues and is calculated daily and is paid monthly in arrears at a rate of: 0.007 percent per annum on the first US\$5 billion, 0.006 percent per annum between US\$5 billion and US\$10 billion, 0.005 percent per annum between US\$10 billion and US\$15 billion and 0.004 percent per annum on all assets exceeding US\$15 billion, plus value added tax (if any). A minimum Administration Charge equivalent of US\$50,000 per annum is payable.

The Administrator is also entitled to be repaid all of its properly vouched out-of-pocket expenses out of the assets of the American Fund (plus VAT thereon, if any).

In addition, the Administrator is entitled to a further fee of US\$10,000 in respect of the costs of maintaining the currency hedge on the American Fund Sterling Hedged Share Class.

**Findlay Park American Fund**

Brown Brothers Harriman Fund Administration Services (Ireland) Limited as Administrator and Transfer Agent earned a fee of US\$1,600,695 for the financial year ended 31st December, 2019 (31st December, 2018: US\$2,429,255) of which US\$154,489 (31st December, 2018: US\$228,384) was outstanding as at 31st December, 2019.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)

For the financial year ended 31st December, 2019

### 11 Administration and Transfer Agent Fees (continued)

#### Findlay Park Latin American Fund

Brown Brothers Harriman Fund Administration Services (Ireland) Limited as Administrator and Transfer Agent earned a fee of US\$51,125 for the financial year ended 31st December, 2018.

### 12 Depository Fees

The Company has appointed Brown Brothers Harriman Trustee Services (Ireland) Limited (the "Depository") to carry out depository functions. The Depository is entitled to an annual minimum fee of US\$20,000 for acting as Depository to the Company.

#### Findlay Park American Fund

The Depository is paid by the American Fund, fees accruing and calculated daily and paid monthly in arrears at a maximum rate of 0.1 percent per annum of the Net Asset Value of the American Fund. In addition, the Depository levies charges at its normal commercial rates in respect of the settlement of investment transactions, as agreed with the Investment Manager from time to time, along with other sub-depository fees, expenses and charges. The fees are exclusive of value added tax (if any).

The Depository earned a fee of US\$1,334,991 for the financial year ended 31st December, 2019 (31st December, 2018: US\$2,117,530) of which US\$117,882 (31st December, 2018: US\$203,433) was outstanding as at 31st December, 2019.

#### Findlay Park Latin American Fund

The Depository was paid by the Latin American Fund, fees accruing and calculated daily and paid monthly in arrears at a maximum rate of 0.513 percent per annum of the Net Asset Value of the Latin American Fund. In addition, the Depository levied charges at its normal commercial rates in respect of the settlement of investment transactions, as agreed with the Investment Manager from time to time, along with other sub-depository fees, expenses and charges. The fees were exclusive of value added tax (if any).

The Depository earned a fee of US\$176,275 for the financial year ended 31st December, 2018.

### 13 Directors' Fees and Expenses

Each Director is entitled to such remuneration for his services as the Directors may determine provided that the aggregate emoluments of all Directors in respect of any twelve month accounting period shall not exceed US\$300,000 plus expenses, or such higher amount as may be approved by Directors or the Company in a general meeting. Mr Simon Pryke, a Partner in Findlay Park Partners LLP, agreed to waive his remuneration for acting as Director of the Company for the financial year ended 31st December, 2019. The Directors' remuneration is payable by the Company.

For the financial year ended 31st December, 2019, the Directors' aggregate emoluments (including expenses) amounted to US\$239,522 (31st December, 2018: US\$203,148), of which US\$8,585 (31st December, 2018: US\$nil) was outstanding as at 31st December, 2019.

The Directors and officer's indemnity and company reimbursement liability insurance for the financial year ended 31st December, 2019 was US\$61,002 (31st December, 2018: US\$55,424).

### 14 Auditors' Remuneration

The following tables outline the auditors remuneration (including expenses) paid during the financial year ended 31st December, 2019 and the financial year ended 31st December, 2018.

	Findlay Park American Fund US\$		
<b>For the financial year ended 31st December, 2019</b>			
Statutory audit fees			
Grant Thornton Ireland	30,060		
	<u>30,060</u>		
		<b>Findlay Park American Fund US\$</b>	<b>Findlay Park Latin American Fund* US\$</b>
<b>For the financial year ended 31st December, 2018</b>			
Statutory audit fees			
Grant Thornton Ireland	59,721	25,106	34,615
	<u>59,721</u>	<u>25,106</u>	<u>34,615</u>

\*Fund liquidated on 30th April, 2018. The authorisation of the Findlay Park Latin American Fund was revoked by the Central Bank of Ireland on 31st December, 2018.



## NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)

For the financial year ended 31st December, 2019

### 15 Other Fees

The Company also pays out of the assets of the American Fund, fees in respect of the publication and circulation of details of the Net Asset Value per Redeemable Participating Share, stamp duties, taxes, brokerage, tax, legal and other professional advisers (including the auditors).

### 16 Financial Risk Management

#### Strategy in Using Financial Instruments

The Company invests in equities and other investments so as to secure its investment objectives as stated on page 1. In pursuing its investment objective, the Company is exposed to a variety of financial risks, including those determined by FRS 102 to be, to a greater or lesser extent, market risk (including market price risk, currency risk and interest rate risk) credit risk and liquidity risk that could result in a reduction in the Company's net assets.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the American Fund's financial performance.

The risks, and the Directors' approach to the management of these risks, are as follows:

#### Market Risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements: market price risk, currency risk and interest rate risk. The Investment Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolios on an ongoing basis and reports to the Directors on a quarterly basis.

The American Fund's investments comply with the investment restrictions contained in the UCITS Regulations. The American Fund uses the "commitment approach" to calculate the global exposure of the American Fund in accordance with requirements of the Central Bank of Ireland.

#### Market Price Risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument held by the Company will fluctuate because of changes in market prices.

The Company's assets consist principally of quoted equities, the values of which are determined by market prices. All security investments present a risk of loss of capital. The Investment Manager monitors the price risk of individual equity holdings through a careful selection of securities in a diversified portfolio of equities in accordance with the investment objective of the Company and within the specific limits as set out in the Prospectus. The focus of the portfolio is investment in the undervalued shares of well-managed companies which are able to sustain earnings and cash flow growth in a variety of economic conditions. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Investment Manager reviews the portfolio daily and monitors the individual companies in the portfolio closely. In addition, in accordance with Company policy, the Investment Manager may from time to time buy or sell financial futures and forward foreign currency contracts.

The Directors manage the market price risks inherent in the investment portfolios by ensuring full and timely access to relevant information from the Investment Manager. The Directors meet regularly and at each meeting review investment performance and overall market positions. They monitor the Investment Manager's compliance with the Company's objectives.

There were no changes to the Company's policies and processes for managing market risk or in the methods used to monitor market risk since the prior year end.

An analysis of American Fund's investment portfolios is shown in the Statement of Investments on pages 27 to 29.

The table below documents the impact on the American Fund's Net Assets Attributable to Holders of Redeemable Participating Shares if prices of stock had increased or decreased by 10% with all other variables remaining constant.

	31st December, 2019	31st December, 2018
Findlay Park American Fund	+/- US\$1,488,485,149	+/- US\$1,185,529,344

The market price risk information is a relative estimate of risk rather than a precise and accurate number. The market price information represents a hypothetical outcome and is not intended to be predictive as future market conditions could vary significantly from those experienced in the past.

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**NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)**

For the financial year ended 31st December, 2019

**16 Financial Risk Management (continued)****Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate because of changes in foreign exchange rates.

Certain assets, liabilities and income of the American Fund are denominated in currencies other than the functional currency of the American Fund. They are therefore exposed to currency risk as the value of the securities denominated in other currencies will fluctuate due to changes in the exchange rates. Income denominated in foreign currencies is managed alongside any other currency balances the American Fund may have.

In accordance with Company policy, the Investment Manager monitors the American Fund's exposure to foreign currencies on a regular basis.

All uninvested cash balances are maintained in US Dollar. Income denominated in currencies other than the functional currency of the American Fund is converted to US Dollar on receipt. To mitigate the Company's exposure to material foreign exchange risk, forward foreign currency contracts are used from time to time to limit the Company's exposure to fluctuations in exchange rates when it is adjudged that a significant change is likely which might affect the value of the investments materially and adversely.

These contracts are limited to currencies and amounts commensurate with the asset exposure to those currencies. In view of this, the exposures on such contracts can be netted against each other, reducing global exposure. In accordance with Company policy, the Investment Manager reports to the Directors quarterly.

There were no changes to the Company's policies and processes for managing currency risk or in the methods used to monitor foreign currency risk since the prior year end.

The tables below and overleaf document the Company's exposure to currency risks at 31st December, 2019 and 31st December, 2018.

**Findlay Park American Fund****As at 31st December, 2019****Financial Assets**

	<b>British Pound US\$</b>	<b>Canadian Dollar US\$</b>	<b>Euro US\$</b>
Investments at Fair Value			
Through Profit or Loss	–	323,927,339	–
Short-Term Trade			
Receivables	3,084,583	–	–
Cash and Cash Equivalents	3	–	6,539
Share Class Hedging	1,714,466,370	–	–
	<u>1,717,550,956</u>	<u>323,927,339</u>	<u>6,539</u>

**Financial Liabilities**

	<b>British Pound US\$</b>	<b>Canadian Dollar US\$</b>	<b>Euro US\$</b>
Liabilities at Fair Value			
Through Profit or Loss	–	–	–
Short-Term Trade Payables	(1,188,691)	–	–
Share Class Hedging	–	–	–
	<u>(1,188,691)</u>	<u>–</u>	<u>–</u>

**NOTES TO THE AUDITED FINANCIAL STATEMENTS** (continued)

For the financial year ended 31st December, 2019

**16 Financial Risk Management (continued)****Currency Risk (continued)****Findlay Park American Fund (continued)****As at 31st December, 2018**

<b>Financial Assets</b>	<b>British Pound US\$</b>	<b>Canadian Dollar US\$</b>	<b>Euro US\$</b>
Investments at Fair Value			
Through Profit or Loss	78,935,292	197,278,332	–
Short-Term Trade			
Receivables	2,045,660	–	–
Cash and Cash Equivalents	365	66	–
Share Class Hedging	1,151,316,977	–	–
	<b>1,232,298,294</b>	<b>197,278,398</b>	<b>–</b>

<b>Financial Liabilities</b>	<b>British Pound US\$</b>	<b>Canadian Dollar US\$</b>	<b>Euro US\$</b>
Liabilities at Fair Value			
Through Profit or Loss	–	–	–
Short-Term Trade Payables	(1,331,108)	–	–
Share Class Hedging	–	–	–
	<b>(1,331,108)</b>	<b>–</b>	<b>–</b>

The table below documents the impact on the American Fund's Net Assets Attributable to Holder of Redeemable Participating Shares if exchange rates increased or decreased by 10% with all other variables remain constant.

<b>Findlay Park American Fund</b>	<b>31st December, 2019</b>	<b>31st December, 2018</b>
British Pound	+/- US\$171,636,227	+/- US\$123,096,719
Canadian Dollar	+/- US\$32,392,734	+/- US\$19,727,840
Euro	+/- US\$654	–

**Interest Rate Risk**

Interest rate risk is defined by FRS 102 as the risk that income and capital values may be affected by interest rate movements.

The majority of the financial assets held by American Fund were non-interest bearing, the values of which are not correlated to a change in interest rates. As a result, the American Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. No sensitivity analysis has been provided due to this. The American Fund from time to time invests its uninvested cash in US Treasury Bills. Any excess cash and cash equivalents are invested at short-term interest rates.

There were no changes to the Company's policies and processes for monitoring interest risk since the prior year end.

**Credit Risk**

The Company takes on exposure to credit risk which is the risk of the failure of a counterparty to a transaction failing to discharge its obligations to settle a trade. The majority of the American Fund's financial assets and financial liabilities are equity securities. As a result, they are not subject to significant amounts of credit risk.

All transactions in listed securities are settled and paid for, upon delivery of stock and by using approved brokers. The risk of default is considered minimal, as securities are only delivered to the broker once the broker has made payment. The American Fund only pays a broker for a purchase once the securities have been received by the Depository.

The Investment Manager monitors the credit ratings of banks and uses a list of authorised banks and limits when placing money on short-term deposit with banks. This list is approved by the Directors.

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**NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)**

For the financial year ended 31st December, 2019

**16 Financial Risk Management (continued)****Credit Risk (continued)**

Cash held via accounts opened on the books of Brown Brothers Harriman & Co. ("BBH") are obligations of BBH while cash held in accounts opened directly on the books of a third party cash correspondent bank, sub-depositary or a broker (collectively, 'agency accounts') are obligations of the agent. Cash held via agency cash accounts are liabilities of the agent, creating a debtor/creditor relationship directly between the agent and the Company. Accordingly, while BBH is responsible for exercising reasonable care in the administration of such agency cash accounts where it has appointed the agent (i.e., in the case of cash correspondent banks and sub-depositary), it is not liable for their repayment in the event the agent, by reason of its bankruptcy, insolvency or otherwise, fails to make repayment.

As at 31st December, 2019, all cash and bank balances held on overnight deposit were with third party institutions that have a long-term credit rating which is above investment grade as issued by Standard & Poor's (31st December, 2018: same).

The Depositary must ensure that there is legal separation of non-cash assets held in depositary, that such assets are held on a fiduciary basis, and that appropriate internal control systems are maintained such that records clearly identify the nature and amount of all assets under depositary. The Depositary must ensure the ownership of each asset and the location of documents of title for each asset.

All securities that BBH holds in depositary (as global sub-depositary for and on behalf of the Depositary for further benefit underlying clients) are segregated from BBH's own assets, whether they are held in BBH's vault, in segregated accounts on the books of their sub-depositary, or in an account maintained at a central securities depositary. BBH maintains segregated accounts per client on its own books as well as on the books of the sub-depositary in the local market, where this is possible. The Depositary must also ensure non-cash assets are held on a fiduciary basis through a network of global sub-depositary. BBH's sub-depositaries are required by contract with BBH and generally by operation law to segregate the securities of depositary clients from the general banking assets of the sub-depositary.

BBH performs both initial and ongoing due diligence reviews on the sub-depositaries within its global depositary network through its Network Management group. Such reviews include an assessment of service level standards, management expertise, market information, depositary operations, reporting and technology capabilities at the sub-depositaries, as well as reviews in relation to their reputation and standing in the market and their ongoing commitment to providing depositary services. Service level agreements are put in place with each sub-depositary, as well as the usual contractual arrangements, and these are reviewed on a regular basis through service review meetings, including on-site due diligence meetings.

Regular financial analysis of all sub-depositaries is carried out by BBH's Risk and Credit group and is focused on the sub-depositary bank's capital adequacy, asset quality, earnings, liquidity and credit ratings as key indicators, amongst others. These reviews form part of BBH's routine assessment of a sub-depositary's financial strength and standing.

In accordance with Company policy, the Investment Manager monitors the American Fund's credit position on a regular basis and reports to the Directors quarterly.

There were no changes to the Company's policies and processes for monitoring credit risk since the prior year end.

**Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company is exposed to daily cash redemptions of Redeemable Participating Shares so it is therefore exposed to the liquidity risk of meeting shareholder redemptions at any time. The Company invests the majority of its assets in equities and other investments that are traded in an active market and can be readily disposed of. The American Fund's listed securities are considered readily realisable as they are listed on a recognised stock exchange.

In accordance with Company policy, the Investment Manager monitors the American Fund's liquidity position on a daily basis and reports to the Directors quarterly.

There were no changes to the Company's policies and processes for managing liquidity risk since the prior year end.

The tables overleaf analyse the American Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

**NOTES TO THE AUDITED FINANCIAL STATEMENTS** (continued)

For the financial year ended 31st December, 2019

**16 Financial Risk Management (continued)****Liquidity Risk (continued)****Findlay Park American Fund**

	<b>Less than 1 month US\$</b>	<b>More than 1 month US\$</b>
<b>At 31st December, 2019</b>		
Accrued expenses	13,076,876	64,862
Redemption of shares awaiting settlement	8,406,186	–
Redeemable Participating Shares*	15,298,973,447	–
Derivatives:		
Forward Foreign Currency Contracts		
Payable	1,712,897,173	–
Receivable	(1,702,934,258)	–
Forward Foreign Currency Contracts Net Payable/(Receivable)	9,962,915	–
<b>Total Financial Liabilities</b>	<b>15,330,419,424</b>	<b>64,862</b>

**Findlay Park American Fund**

	<b>Less than 1 month US\$</b>	<b>More than 1 month US\$</b>
<b>At 31st December, 2018</b>		
Payable for securities purchased	5,334,185	–
Accrued expenses	10,462,596	473,767
Redemption of shares awaiting settlement	3,178,878	–
Redeemable Participating Shares*	12,127,084,695	–
Derivatives:		
Forward Foreign Currency Contracts		
Payable	1,150,904,034	–
Receivable	(1,146,118,627)	–
Forward Foreign Currency Contracts Net Payable/(Receivable)	4,785,407	–
<b>Total Financial Liabilities</b>	<b>12,150,845,761</b>	<b>473,767</b>

\*Redeemable Participating Shares are redeemed on demand at the holder's option.

The table below analyses the American Fund's derivative financial instruments for which the contractual maturities are considered to be essential to an understanding of the timing of cash flows based on the American Fund's investment strategy. The amounts disclosed in the table represent the undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

**Findlay Park American Fund**

	<b>Less than 7 days US\$</b>	<b>7 days to 1 month US\$</b>	<b>1-12 months US\$</b>	<b>More than 12 months US\$</b>
<b>At 31st December, 2019</b>				
Forward Foreign Currency Contracts	–	(11,532,112)	–	–
<b>At 31st December, 2018</b>				
Forward Foreign Currency Contracts	–	(5,198,350)	–	–

**Fair Value Estimation**

FRS 102 Section 11.27 on "Fair Value: Disclosure" requires disclosure relating to the fair value hierarchy in which fair value measurements are categorised for assets and liabilities. The disclosures are based on a three level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

The Company has classified fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

## NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)

For the financial year ended 31st December, 2019

### 16 Financial Risk Management (continued)

#### Fair Value Estimation (continued)

- (i) Level 1: Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and US government treasury notes. Quoted prices for these instruments are not adjusted.
- (ii) Level 2: Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include over-the-counter traded derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.
- (iii) Level 3: Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgement or estimation. As observable prices are not available for these securities, the American Fund would use valuation techniques to derive the fair value if applicable.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the financial asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Directors in consultation with the Investment Manager. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The tables below provide an analysis within the fair value hierarchy of the American Fund's financial assets and liabilities measured at fair value as at 31st December, 2019 and as at 31st December, 2018:

#### As at 31st December, 2019

##### Financial Assets at Fair Value Through

Profit or Loss	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Equities	13,090,170,219	–	–	13,090,170,219
Bonds	1,794,681,266	–	–	1,794,681,266
Forward Foreign Currency Contracts	–	11,532,112	–	11,532,112
Total Financial Assets at Fair Value Through Profit or Loss	14,884,851,485	11,532,112	–	14,896,383,597

#### As at 31st December, 2018

##### Financial Assets at Fair Value Through

Profit or Loss	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Equities	10,809,877,657	–	–	10,809,877,657
Bonds	1,045,415,778	–	–	1,045,415,778
Forward Foreign Currency Contracts	–	5,198,350	–	5,198,350
Total Financial Assets at Fair Value Through Profit or Loss	11,855,293,435	5,198,350	–	11,860,491,785

### 17 Related Party Transactions

Parties are related if any one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)

For the financial year ended 31st December, 2019

### 17 Related Party Transactions (continued)

Mr Simon Pryke, a Director of the Company, is a Partner in Findlay Park Partners LLP, the Investment Manager. As disclosed in Note 10, the Investment Manager earned a fee of US\$138,700,522 for the financial year ended 31st December, 2019 (31st December, 2018: US\$131,177,221). The Investment Manager did not earn a performance fee for the financial year ended 31st December, 2019 (31st December, 2018: same).

In accordance with the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, any transaction carried out with the Company by the Promoter, the Investment Manager, the Depositary, the Investment Adviser and/or associated or group companies of these entities ("connected persons") must be carried out as if negotiated at arm's length. Such transactions must be in the best interest of the shareholders of the Company.

The Board of Directors of the Company is satisfied that (i) there are arrangements (evidenced by written procedures) in place to ensure that the obligations set out above are applied to all transactions with connected persons; and (ii) transactions with connected persons entered into during the period complied with these obligations.

As disclosed in Note 13, Directors' fees in respect of the Company amounted to US\$239,522 (31st December, 2018: US\$203,148).

The following partners of the Investment Manager, in aggregate with their persons closely associated, have indicated their interest in the American Fund.

#### As at 31st December, 2019

	Employee	Dollar Shares	Sterling Hedged Shares	Sterling Unhedged Shares
<b>American Fund:</b>	Anthony Kingsley	55,354	–	959
	James Findlay	265,948	81,555	–
	Charles Park	406,287	94,726	14,032
	Edward McMullan	–	16,081	1,491
	Jonathan Tredgett	3,197	–	–
	Simon Pryke	1,306	–	–
	Christopher Watts	635	–	–
	Hywel Evans	150	–	–

The Directors' interests in the American Fund together with those of their persons closely associated are provided in the Directors' Report on page 12.

The Directors are not aware of any transactions with connected persons during the financial year ended 31st December, 2019, other than those disclosed in these financial statements (31st December, 2018: none).

### 18 Efficient Portfolio Management

The Company may employ techniques and instruments relating to transferable securities and/or other financial instruments under the conditions and within the limits laid down by the Central Bank of Ireland provided that such instruments are used for efficient portfolio management.

Techniques and instruments utilised for the purpose of efficient portfolio management may only be used in accordance with the investment objective of the American Fund. Any technique or instrument must be one which is reasonably believed by the Investment Manager to be economically appropriate to the efficient portfolio management of the American Fund.

In order to safeguard the performance of the American Fund to the Russell 1000 Net 30% Total Return Index, the Investment Manager has the option to use exchange traded index futures as an efficient portfolio management technique.

The Company currently has three classes of shares available for subscription for existing shareholders in the American Fund. Firstly, Dollar Class Shares, which are denominated in US Dollar. The Net Asset Value per Share for Dollar Class Shares is calculated in US Dollar and subscriptions and redemptions are effected in that currency. Secondly, Sterling Hedged Class Shares which are denominated in Sterling. The Net Asset Value per Share for Sterling Hedged Class Shares is calculated in Sterling and subscriptions and redemptions are effected in that currency. Thirdly, Sterling Unhedged Class Shares which are denominated in Sterling. The Net Asset Value per Share for Sterling Unhedged Class Shares is calculated in Sterling and subscriptions and redemptions are effected in that currency.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)

For the financial year ended 31st December, 2019

### 18 Efficient Portfolio Management (continued)

The Investment Manager may hedge the currency exposure of the Sterling Hedged Class Shares to the functional currency. As foreign exchange hedging may be utilised for the benefit of a particular class of shares within the American Fund, its costs and related liabilities and/or benefits shall be for the account of that class of shares only. Accordingly, such costs and related liabilities and/or benefits will be reflected only in the Net Asset Value per share of the Sterling Hedged Class Shares.

These currency hedging transactions will not be combined with or offset against any other currency transactions undertaken by the American Fund and in no case will these transactions exceed 105 percent of the Net Asset Value of the Sterling Hedged Class Shares. Save for class specific gains or losses associated with currency hedging activities, the Net Asset Value per share of the Sterling Hedged Class Shares will be calculated in the manner as set out in the Prospectus.

Investors should be aware that this strategy may substantially limit holders of the Sterling Hedged Class Shares from benefiting if such currency falls against the functional currency and/or against the currency in which the investments of the American Fund are denominated.

The currency hedging described will be used for the purpose of efficient portfolio management only. The periodic reports in relation to the American Fund will give an indication of how the currency hedging transactions have been utilised during the period to which the reports relate.

During the financial year ended 31st December, 2019 the Company did not engage in any other efficient portfolio management techniques (31st December, 2018: same).

### 19 Subscription and Redemption Charges

The subscription and redemption charge for the financial year ended 31st December, 2019 amounted to US\$nil (31st December, 2018: same) on American Fund and for the financial year ended 31st December, 2018 to US\$270,271 on Latin American Fund.

The charge applied to subscriptions and redemptions is currently 0.0% for the American Fund and it was 0.5% for the Latin American Fund prior to its liquidation of the Net Asset Value per Share as determined at the discretion of the Company. This charge and any initial charge, as determined at the discretion of the Investment Manager, are collectively the shareholder "Transaction Charges". Shareholder Transaction Charges shall, in aggregate, not exceed 5 percent of the Net Asset Value per Share in the case of subscriptions and 3 percent of the Net Asset Value per Share in the case of redemptions. Further details of these charges are set out in the Prospectus.

### 20 Dividends

The following dividends were declared by the Company during the financial year ended 31st December, 2019 and financial year ended 31st December, 2018.

#### Findlay Park American Fund

##### 31st December, 2019

Ex-Date	Pay-Date	Description
<b>Dollar Share Class</b>		
2nd January, 2019	8th January, 2019	Distribution of US\$0.2074 per share
<b>Sterling Hedged Share Class</b>		
2nd January, 2019	8th January, 2019	Distribution of US\$0.1439 per share (€0.1140)
<b>Sterling Unhedged Share Class</b>		
2nd January, 2019	8th January, 2019	Distribution of US\$0.2046 per share (€0.1621)

##### 31st December, 2018

There were no dividends declared.

#### Findlay Park Latin American Fund

##### 31st December, 2019

Dividends distribution was not applicable for the Latin American Fund, since the Latin American Fund liquidated on 30th April, 2018 and its authorisation was revoked by the Central Bank of Ireland on 31st December, 2018.



**NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)**

For the financial year ended 31st December, 2019

**20 Dividends (continued)****Findlay Park Latin American Fund (continued)**

31st December, 2018

Ex-Date	Pay-Date	Description
<b>Dollar Share Class</b>		
2nd January, 2018	9th January, 2018	Distribution of US\$0.1558 per share
<b>Sterling Unhedged Share Class</b>		
2nd January, 2018	9th January, 2018	Distribution of US\$0.1587 per share (£0.1181)

**21 Soft Commissions**

There were no soft commission arrangements entered into during the year ended 31st December, 2019 (31st December, 2018: nil).

**22 Transaction Costs**

During the financial year ended 31st December, 2019 the transaction costs which have been defined as brokerage transaction costs and depositary transaction costs have been charged to the American Fund in relation to purchases and sales of transferable securities, futures or any other eligible assets (brokerage transaction costs on fixed income or forward foreign currency contracts are excluded). The table below outlines the transaction costs for the financial years ended 31st December, 2019 and 31st December, 2018.

Fund	31st December, 2019	31st December, 2018
	US\$	US\$
Findlay Park American Fund	3,497,113	5,079,400
Findlay Park Latin American Fund*	–	180,716

\*Fund liquidated on 30th April, 2018. The authorisation of the Findlay Park Latin American Fund was revoked by the Central Bank of Ireland on 31st December, 2018.

**23 Exchange Rates**

The following exchange rates to US Dollar were used to convert the investments and other assets and liabilities denominated in currencies other than US Dollar as at 31st December, 2019 and 31st December, 2018.

Currency	31st December, 2019	31st December, 2018
British Pound	US\$1=0.7549	US\$1=0.7846
Canadian Dollar	US\$1=1.2986	US\$1=1.3652
Euro	US\$1=0.8915	–

**24 Significant Events During the Year**

There were no significant events affecting the Company during the year.

**25 Significant Events Since the Year End**

The following dividend distributions were declared and paid by the American Fund since the financial year ended 31st December, 2019:

Ex-Date	Pay-Date	Description
<b>Dollar Share Class</b>		
2nd January, 2020	7th January, 2020	Distribution of US\$0.0011 per share
<b>Sterling Hedged Share Class</b>		
2nd January, 2020	7th January, 2020	Distribution of US\$0.0037 per share (£0.0028)
<b>Sterling Unhedged Share Class</b>		
2nd January, 2020	7th January, 2020	Distribution of US\$0.0029 per share (£0.0022)

On 27th February, 2020, a circular was issued to shareholders in the Company notifying them of an Extraordinary General Meeting to be held on 26th March, 2020 to approve amendments to the Company's Constitution and Prospectus. It is intended that subject to shareholder approval, an updated Constitution and Prospectus will be issued to Shareholders on or about 15th April, 2020.

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**NOTES TO THE AUDITED FINANCIAL STATEMENTS (continued)**

For the financial year ended 31st December, 2019

**25 Significant Events Since the Year End (continued)**

On 11th March, 2020, the World Health Organization officially declared COVID-19, the disease caused by the novel coronavirus, a pandemic. The Directors are aware that global financial markets have been monitoring and reacting to the outbreak. All markets have incurred increased volatility and uncertainty since the onset of the pandemic. The Directors have also noted the operational risks that are posed to the Company and its service providers due to global and local movement restrictions that have been enacted by various governments. COVID-19 pandemic is an unprecedented event and the eventual impact on the global economy and markets will largely depend on the scale and duration of the outbreak. The Directors will continue to monitor this situation. Due to the associated volatility of this pandemic, the Directors have not yet determined the full financial impact of this pandemic on the Company's financial position subsequent to the year-end.

There were no other significant events affecting the Company since the year end.

**26 Approval of Financial Statements**

The Board of Directors approved the annual report and audited financial statements on 26th March, 2020.

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**STATEMENT OF CHANGES IN THE PORTFOLIO (unaudited)**

For the financial year ended 31st December, 2019

In accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the "UCITS Regulations"), a statement of changes in the composition of the Statement of Investments during the reporting period is provided to ensure that shareholders can identify changes in the investments held by the Company. The following Schedules of Changes in Investments reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases and aggregate disposals greater than one per cent of the total sales for the period. At a minimum the largest 20 purchases and 20 sales must be given.

**Aggregate purchases greater than one percent of the total cost of purchases**

<b>Units</b>	<b>Security Description</b>	<b>Cost US\$</b>
1,456,788	Intuit Inc	385,527,105
3,423,000	T-Mobile US Inc	270,128,580
3,075,000	Fiserv Inc	259,983,623
2,618,615	EOG Resources Inc	227,709,362
1,410,000	Autodesk Inc	209,011,718
3,180,000	Live Nation Entertainment Inc	207,517,422
3,534,570	Agnico-Eagle Mines Ltd	191,553,377
2,200,000	Agilent Technologies Inc	156,921,491
2,575,000	Alcon Inc	147,752,854
960,000	Walt Disney Co	138,513,238
525,000	Becton Dickinson & Co	126,713,744
241,719	Fairfax Financial Holdings Ltd	113,131,046
411,000	Adobe Systems Inc	110,886,854
508,563	Berkshire Hathaway Inc Class B	104,752,207
1,167,690	TE Connectivity Ltd	104,489,246
946,883	Analog Devices Inc	99,483,840
2,130,000	Comcast Corp	93,703,471
450,000	ICU Medical Inc	93,165,067
875,000	Jacobs Engineering Group Inc	77,008,685
385,000	McDonald's Corp	74,748,351
460,000	IDEX Corp	74,147,513
1,574,896	Charles Schwab Corp	73,684,200
669,053	American Express Co	72,807,949
1,066,848	Prosperity Bancshares Inc	71,308,788
1,305,013	SS&C Technologies Holdings Inc	70,829,349
455,021	Union Pacific Corp	69,510,749
875,000	TransUnion	57,896,904
250,000	UnitedHealth Group Inc	55,124,295
45,929	Alphabet Inc Class C	52,394,916

**STATEMENT OF CHANGES IN THE PORTFOLIO** (unaudited) (continued)  
For the financial year ended 31st December, 2019

**Aggregate disposals greater than one percent of the total value of sales**

<b>Units</b>	<b>Security Description</b>	<b>Proceeds US\$</b>
6,923,596	Twenty-First Century Fox Inc	341,250,774
1,670,668	Accenture PLC	318,084,281
1,638,000	3M Co	308,366,172
4,988,011	Coca-Cola Co	242,640,359
3,250,000	T-Mobile US Inc	239,739,746
1,119,423	Air Products & Chemicals Inc	228,824,767
1,428,000	Autodesk Inc	227,524,912
1,830,073	Microsoft Corp	217,828,454
1,375,000	United Technologies Corp	177,613,057
1,250,000	Danaher Corp	176,486,803
3,715,401	Wells Fargo & Co	173,243,394
2,540,439	Agnico-Eagle Mines Ltd	149,080,097
277,000	Sherwin-Williams Co	139,988,576
564,926	Martin Marietta Materials Inc	131,310,261
525,000	MasterCard Inc	126,188,856
406,000	Cooper Cos Inc	123,678,730
2,820,000	Schlumberger Ltd	121,400,229
2,510,883	Charles Schwab Corp	111,365,836
1,350,000	Agilent Technologies Inc	110,572,816
635,523	Union Pacific Corp	105,890,481
410,000	Adobe Systems Inc	105,192,677
1,022,178	Texas Instruments Inc	103,309,056
841,337	American Express Co	99,599,487
150,075	Alleghany Corp	97,742,547
538,285	Fidelity National Information Services Inc	74,237,376
440,000	Deere & Co	72,139,016
743,716	Waste Connections Inc	66,082,408
912,405	Prosperity Bancshares Inc	64,994,694
1,500,000	Comcast Corp	64,832,185
1,250,000	CDK Global Inc	63,760,388

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**APPENDIX 1 – TOTAL EXPENSE RATIOS (UNAUDITED)**

The total expense ratios (TERs) for the period are set out in the table below.

The annualised TER calculation includes all annual operating costs including performance fees (where applicable) and excludes bank interest, FX and dealing costs, and withdrawn taxes on dividends and interest in compliance with the guidelines set out by the Swiss Funds and Asset Management Association (SFAMA). The TERs are not required to be included in this Report by the Central Bank of Ireland or the Irish Stock Exchange. They are provided for information purpose only and are unaudited.

For the rolling 12 months ended 31st December, 2019:

<b>Findlay Park American Fund</b>	<b>31st December, 2019</b>
Dollar Class Share	1.00%
Sterling Hedged Class Share	1.00%
Sterling Unhedged Class Share	1.00%

**Performance Overview**

	1 Year	3 Year	Since Inception		
	%	%	%	% Compounded Rate of Return	Date
<b>Findlay Park American Fund - Dollar Class Share</b>	26.8%	57.2%	1,277.1%	12.8%	31st December, 2019
<b>Russell 1000 Net 30% Total Return</b>	30.7%	49.7%	326.7%	6.9%	31st December, 2019
<b>S&amp;P 500 Net 30% Total Return</b>	30.7%	50.5%	309.5%	6.7%	31st December, 2019
<b>Russell 2000 Net 30% Total Return</b>	25.0%	26.6%	344.0%	7.1%	31st December, 2019

Past performance for the American Fund is calculated using the Dollar Class Share, inclusive of any distributions, on a NAV to NAV basis, net of fees, and is not indicative of future performance. The past performance of the indices is quoted inclusive of dividends.