

Fund *profile*

Fund managers



William Warren



Chris Kent

Fund objective

The fund aims to increase the value of shareholders' investments primarily through capital growth. The fund is actively managed.

Class launch date

06 November 2018 (B acc USD)

The fund was established in November 2018 to provide European investors access to a strategy that has been available via a UK-domiciled OEIC since 27 October 2014.

Benchmark

S&P 500 TR

Morningstar category

US Large-Cap Blend Equity

Legal structure

SICAV

SRRI

5

ISIN code

B acc USD: LU1893894342

Charges

Ongoing charge: 0.95%

Initial charge: 0%

Performance fee: 20%

The ongoing charge covers the annual operating expenses of running the fund and is shown as at the date of the Key Investor Information Document, where further information about the fund's charges can be found. A performance fee is charged only when the share price outperforms the fund's benchmark index by a minimum percentage. Additional costs may be incurred, such as portfolio transaction costs and transfer taxes, which may reduce performance.



Capital at risk. This content has been prepared for investment professionals only. All financial investments involve taking risk which means investors may not get back the amount initially invested. This fund uses derivatives for investment purposes, including to take short positions. The fund will lose money if the price of the underlying asset in a short trade rises in value.

This is a marketing communication. Refer to the fund prospectus and KIID/KID before making any final investment decisions.

Artemis Funds (Lux) – US Extended Alpha

The *Artemis Funds (Lux) – US Extended Alpha* fund was launched in November 2018 to provide European investors access to an existing UK-domiciled strategy. It combines a traditional long-only portfolio of US stocks with a number of short positions where the managers seek to profit from decreases they anticipate in company share prices. Managers William and Chris have a has a strong performance record and many years of experience in managing long/short strategies.

Extending the opportunity for stockpicking in the US

The long/short ('130/30') structure allows the managers to take larger positions in the US market. William and Chris enter in to short positions in equities where they anticipate a price loss; this enables them to increase the allocations in their preferred long positions.

The strategy does not use 'pair trades' – instead, it seeks to generate alpha through single stock shorts. During periods of weakness in the wider market, gains from short selling may help offset downward pressure on long positions. Short stock exposures are achieved using contracts for difference (CFDs).

The strategy draws on the research capabilities and specialist sector knowledge of Artemis' experienced US team. Their proprietary macroeconomic and stock analysis – meeting company management; forensic analysis of reports and accounts – underpins William's and Chris' stock selection.

Unique risk-reward process

The team seeks to identify companies with an attractive risk profile across a range of scenarios. Each of the strategy long positions displays an asymmetric risk profile, its upside potential significantly outweighing its downside risks. For the short positions, the opposite is true; here they look for stocks where the downside significantly outweighs the upside.





Portfolio construction

Typically 70-120 long positions*

Typically 50-120 short positions*

'All-cap' strategy

Blend-style

Gross exposure: 130% to 160%*

Net exposure: 85% to 110%*

Expected tracking error 3-8%*

Risk Considerations

Market volatility risk

The value of the fund and any income from it can fall or rise because of movements in stockmarkets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.

Currency risk

The fund's assets may be priced in currencies other than the fund base currency. Changes in currency exchange rates can therefore affect the fund's value.

Derivatives risk

The fund may invest in derivatives with the aim of profiting from falling ('shorting') as well as rising prices. Should the asset's value vary in an unexpected way, the fund value will reduce.

Cash risk

The fund may hold a large amount of cash. If it does so when markets are rising, the fund's returns could be less than if the cash was fully invested in other types of assets.

Leverage risk

The fund may operate with a significant amount of leverage. Leverage occurs when the economic exposure created by the use of derivatives is greater than the amount invested. A leveraged portfolio may result in large fluctuations in its value and therefore entails a high degree of risk including the risk that losses may be substantial.

* The above numbers reflect the current view of the Fund Manager and may change over time. For information about formal investment restrictions relevant to this fund please refer to the prospectus.

Glossary

Long/short ('130/30'): A 130-30 structure implies using a ratio of 130% of starting capital allocated to long positions and accomplishing this by taking in 30% of the starting capital from shorting stocks.

Pair trades: Pair trades are a trading strategy that involve matching a long position with a short position in two stocks with a high correlation.

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The fund is a sub-fund of Artemis Funds (Lux). For further information, visit www.artemisfunds.com/sicav. For further information on sustainability-related aspects of the fund, visit www.artemisfunds.com.

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