

Artemis US Equity Fund



Cormac Weldon
Fund manager, since
launch

Class I accumulation shares, USD

June 2018

Data as of 31 May 2018

The fund's aims

The fund aims to achieve long-term capital growth by investing principally in the shares of companies listed, quoted or traded in the United States of America.

Fund update

The market was strong this month, rising 2.4% in dollar terms on the back of good earnings. The fund slightly underperformed with a return of 2.1%.

While the fund's underperformance was disappointing, we should acknowledge that it performed strongly in more difficult markets early in the year, so to almost match a very strong rebound in the market is reassuring. We feel happy with our positioning, which remains in a mixture of companies with strong franchises and good growth together with some more economically-sensitive companies.

A developing theme in the portfolio has been to invest in domestically-focused casino and gambling companies. Our main holding is Churchill Downs, but during the month we added Caesar's Entertainment. In addition to having strong competitive positions in regional

casinos, we believe that both companies are positioned to benefit from a recent Supreme Court decision. This will enable individual states to decide if they wish to allow sports gambling. Already a number of large states, such as New Jersey and Pennsylvania, have chosen to do so. We believe that those companies who already have good connections with gaming regulators are in a position to benefit from this decision, hence we hold Churchill Downs. While most sports gambling in the US is illegal and therefore hard to quantify, it is estimated that the current market is worth around \$150 billion.

More recently we bought Marathon Petroleum, an oil refinery. Two factors have made us much more optimistic about the prospects for companies that refine crude oil into gasoline and diesel. The first is that the Permian Basin in Texas currently lacks sufficient pipeline capacity to transport the crude oil which is produced

there. This has depressed oil prices in the region. Refineries which are buying that crude oil and are able to sell it at market prices are benefiting from this disruption. It is likely to last a year or so. The second positive factor relates to recent rules which will limit oceangoing tankers' use of high-sulphur fuel from 2020 onwards. In future, we would expect these tankers to use diesel, thereby increasing demand for that product at a time when capacity is already tight. Marathon petroleum should benefit from both of these developments.

Composition

Top ten holdings

Microsoft	5.1%
Alphabet	4.0%
Amazon	3.7%
Boeing	2.8%
Chevron	2.6%
Anthem	2.6%
Cintas Corp	2.6%
Bank Of America Corp	2.2%
Huntington Ingalls Industries	2.0%
Abbott Laboratories	2.0%

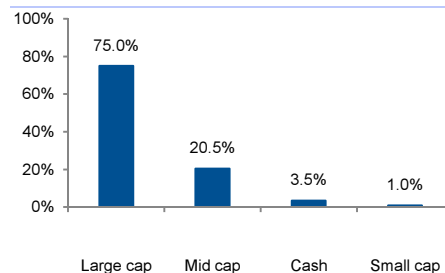
Source: Artemis as at 31 May 2018.

Market sector split

Information Technology	26.3%
Health Care	16.2%
Industrials	15.5%
Consumer Discretionary	12.1%
Financials	11.5%
Energy	6.3%
Consumer Staples	4.5%
Materials	1.4%
Utilities	1.3%
Real Estate	1.0%
Telecommunication Services	0.4%

Source: Artemis as at 31 May 2018. Please note that figures may not add up to 100% due to rounding and the cash holding.

Asset allocation



Source: Artemis as at 31 May 2018. Please note figures may not add up to 100% due to rounding.

Performance

Cumulative performance

	Since launch	3 years	1 year	6 months	3 months
Artemis US Equity Fund	52.5%	39.3%	17.7%	7.1%	0.8%
S&P 500 TR	48.7%	36.7%	14.4%	3.2%	0.2%

'Since launch' data from 27 October 2014. Source: Lipper Limited, mid to mid in US dollars to 31 May 2018. All figures show total returns with dividends reinvested.

Discrete performance to year end

	2017	2016	2015	2014	2013
12 months to 31 December	24.9%	6.2%	3.7%	n/a	n/a

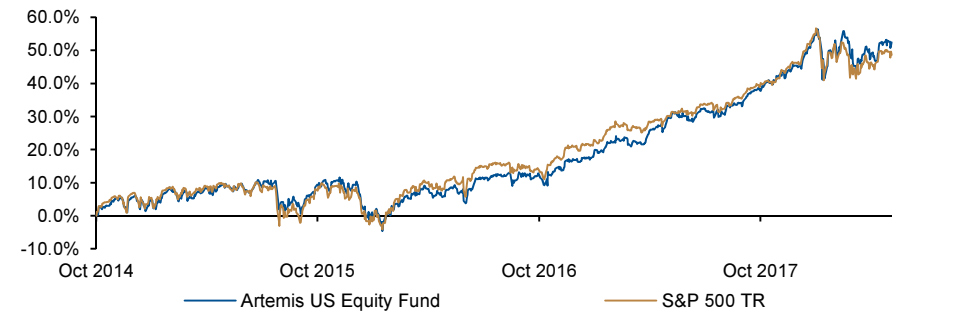
Please remember that past performance is not a guide to the future. Source: Lipper Limited, mid to mid in US dollars. All figures show total returns with dividends reinvested. As the share class was launched on 27 October 2014, complete five year performance data is not yet available. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the share class.

Discrete performance to quarter end

	2018	2017	2016	2015	2014
12 months to 31 March	18.5%	15.0%	0.6%	n/a	n/a

Please remember that past performance is not a guide to the future. Source: Lipper Limited, mid to mid in US dollars. All figures show total returns with dividends reinvested. As the share class was launched on 27 October 2014, complete five year performance data is not yet available. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the share class.

Percentage growth



Data from 27 October 2014. Source: Lipper Limited, mid to mid in US dollars to 31 May 2018. All figures show total returns with dividends reinvested.

Key facts

Fund type	OEIC
Focus	Capital growth
Asset class	Equity
Regional focus	USA
IA sector	IA North America NR
SEDOL	BMMV4T1
ISIN	GB00BMMV4T14
Type	Accumulation
Class currency	USD
Accumulation date	30 April
Valuation point (UK business days)	12:00
Year end	28 February
Fund launch date	19 September 2014
Class launch date	27 October 2014
Class launch price	100c
SRRI	5
Fund size (mid basis)	\$45.7m

Source: Artemis as at 31 May 2018.

Prices and yield

Mid price	152.46c
Historic yield	0.12%

The historic yield reflects distributions declared over the past twelve months as a percentage of the mid-market share price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions.

Charges

Initial charge	0%
Ongoing charge	1.00%

The ongoing charge includes the annual management charge of 0.75% and is shown as at the date of the Key Investor Information Document (KIID), where a full explanation of the fund's charges can be found.

Risks and important information

THIS INFORMATION IS FOR INVESTMENT PROFESSIONALS ONLY. IT IS NOT FOR USE WITH OR BY PRIVATE INVESTORS.

The fund is a sub-fund of Artemis Investment Funds ICVC which is a UCITS fund incorporated with limited liability under the laws of England and Wales and organised as an open-ended investment company with variable capital (or "ICVC"). The ICVC is managed by Artemis Fund Managers Ltd. Artemis Investment Management LLP acts as the investment adviser to the ICVC. The ICVC issues, redeems and exchanges shares of different classes. The ICVC is registered in Austria, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Singapore, Spain, Switzerland and the UK. Such registrations are subject to applicable local laws and regulations and some sub-funds and/or share classes may not be available in all jurisdictions. Shares in the funds may not be offered to the public in any other jurisdiction and this document must not be issued or distributed other than in circumstances which do not constitute an offer to the public and are in accordance with local laws and regulations.

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- in Austria from Erste Bank der Oesterreichischen Sparkassen AG, Graben 21, 1010 Wien, Oesterreich.
- in France from CACEIS Bank France SA, 1-3 Place Valhubert, 75013 Paris.
- in Germany from Zeidler Legal Services, Bettinastrasse 48, 60325 Frankfurt am Main.
- in Ireland from Bridge Consulting Limited, 33 Sir Rogerson's Quay, Dublin 2.
- in Luxembourg from Caceis Bank Luxembourg, 5, allée Scheffer, L-2520 Luxembourg.
- in Spain from Allfunds Bank SA, Estafeta, 6, La Moraleja, Complejo Plaza de la Fuente, Alcobendas 28109, Madrid.
- in Switzerland from RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH-

8027 Zurich, which acts as the Swiss representative and paying agent.

In the Netherlands, Artemis Investment Funds ICVC is registered with the Authority for Financial Markets in Amsterdam.

The additional expenses of the fund are currently capped at 0.25%. This has the effect of capping the ongoing charge for the class I shares issued by the fund at 1%. Artemis reserves the right to remove the cap without notice.

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