

# Artemis Global Equity Income Fund



Jacob de Tusch-Lec  
Fund manager, since launch



Sam Morley  
Analyst, since April 2016



Jacob Brahm  
Analyst, since May 2016



James Davidson  
Analyst, since December 2018

Class I distribution shares, EUR

**September 2019**  
Data as of 31 August 2019

## The fund's aims

The fund aims to achieve income combined with capital growth from a wide range of investments. The fund will mainly invest in global equities but may have exposures to fixed interest securities. We will not be restricted in our choice of investments, regardless of size of the company, the industry it trades in or the geographical split of the portfolio.

## Fund update

A series of inflammatory tweets aimed at China and the Fed by President Trump, tensions in Hong Kong and a steady accumulation of weak economic data in Europe and the US left their mark in August.

The US yield curve inverted again, which some investors interpreted as a sign of impending recession. Most developed economies now face inverted or negative yield curves. By the end of the month, yields on US\$17 trillion of assets worldwide were negative rather than – as has been the rule throughout financial history – positive.

In the equity market, defensive shares outperformed cyclical stocks as safe-haven assets and currencies soared. If we look at a stock with predictable and defensive earnings such as Nestlé, we can understand why a dividend yield of 2.5% over next 12 months,

paid in Swiss francs and growing at an above-inflation pace, is so attractive – particularly given that the same company can now issue debt at negative yields. We don't hold Nestlé but we wouldn't argue with the logic of those who do.

We also understand that the near-zero cost of long-term capital is supporting 'secular' growth stocks. Meanwhile, 'disrupters' such as Airbnb, Uber and WeWork are being given cash to burn as they attempt to destroy the painstakingly assembled protective moats of incumbents.

Investors such as pension funds, whose long-term liabilities can't be covered by negative yields from bonds, are increasingly pursuing these two types of stocks. Stocks that fall into neither of these camps, however, lack natural buyers. These include modestly valued companies that pay attractive dividends but

which might prove vulnerable in the event of a recession. These are the types of stock towards which we have traditionally had a bias.

It was, in part, a consequence of these increasingly extreme trends away from value and cyclical that the fund fell by more than the index in August.

On a stock-specific level, the biggest detractors in August were sensible-yet-cyclical names such as GM, Citigroup, and Synchrony. Our energy names – such as Borr and Tenaris – were hurt by weakness in the oil price. On a more positive note, we made money in infrastructure (Spark New Zealand, Ferrovial, Iberdrola and Vinci). Given that bond yields had fallen to all-time lows, that stocks whose fortunes are somewhat linked to the direction of the bond market did well was not surprising.

## Composition

### Top ten holdings

|                        |      |
|------------------------|------|
| General Motors         | 3.6% |
| Rai Way                | 3.5% |
| INWIT                  | 3.4% |
| Verizon Communications | 2.6% |
| Broadcom               | 2.5% |
| Microsoft              | 2.5% |
| Citigroup Inc          | 2.5% |
| Blackstone Group       | 2.5% |
| Sanofi                 | 2.4% |
| Bank Leumi Le-Israel   | 2.3% |

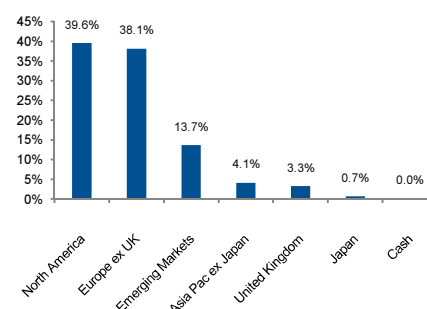
Source: Artemis as at 31 August 2019.

### Market sector split

|                        |       |
|------------------------|-------|
| Financials             | 18.4% |
| Industrials            | 14.5% |
| Communication Services | 14.2% |
| Information Technology | 11.1% |
| Materials              | 9.5%  |
| Energy                 | 8.0%  |
| Consumer Discretionary | 7.3%  |
| Utilities              | 5.9%  |
| Health Care            | 5.3%  |
| Real Estate            | 4.1%  |
| Consumer Staples       | 1.1%  |

Source: Artemis as at 31 August 2019. Please note that figures may not add up to 100% due to rounding and the cash holding.

### Geographic breakdown



Source: Artemis as at 31 August 2019. 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 Global Equity Income Fund | 0.1%         | 11.7%   | -8.6%  | -1.7%    | 3.4%     |
| MSCI AC World NR EUR              | 30.3%        | 31.6%   | 5.4%   | 6.2%     | 5.6%     |
| IA Global Equity Income NR        | 45.4%        | 28.6%   | 5.9%   | 9.9%     | 6.0%     |

'Since launch' data from 3 June 2015. Source: Lipper Limited, mid to mid in euros to 31 August 2019. All figures show total returns with dividends reinvested. Benchmarks shown are for comparison: further information can be found in the fund's Key Investor Information Document. This class may be in a currency or have charges or a hedging approach different from those in the IA sector benchmark.

### Discrete performance to year end

|                          | 2018   | 2017 | 2016 | 2015 | 2014 |
|--------------------------|--------|------|------|------|------|
| 12 months to 31 December | -13.7% | 8.0% | 4.1% | n/a  | n/a  |

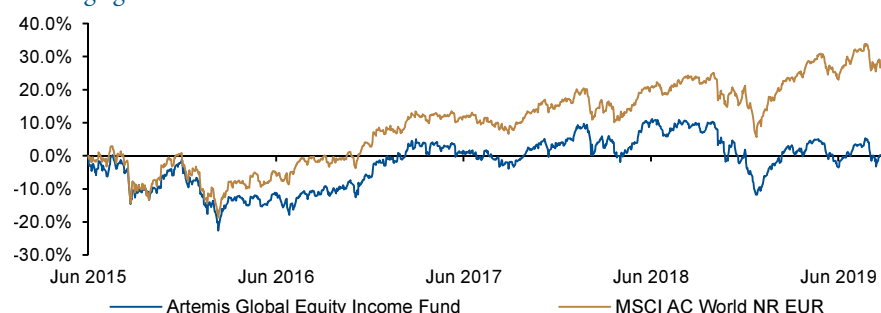
Please remember that past performance is not a guide to the future. Source: Lipper Limited, mid to mid in euros. All figures show total returns with dividends reinvested. As the fund was launched on 3 June 2015, complete five year performance data is not yet available. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the share class.

### Discrete performance to quarter end

|                      | 2019  | 2018 | 2017  | 2016   | 2015 |
|----------------------|-------|------|-------|--------|------|
| 12 months to 30 June | -5.0% | 7.4% | 17.0% | -11.4% | n/a  |

Please remember that past performance is not a guide to the future. Source: Lipper Limited, mid to mid in euros. All figures show total returns with dividends reinvested. As the fund was launched on 3 June 2015, 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 3 June 2015. Source: Lipper Limited, mid to mid in euros to 31 August 2019. All figures show total returns with dividends reinvested.

### Key facts

|                                    |                            |
|------------------------------------|----------------------------|
| Fund type                          | OEIC                       |
| Focus                              | Income                     |
| Asset class                        | Equity                     |
| Regional focus                     | Global                     |
| IA sector                          | IA Global Equity Income NR |
| SEDOL                              | BW9HLS0                    |
| ISIN                               | GB00BW9HLS08               |
| Type                               | Distribution               |
| Class currency                     | EUR                        |
| Distribution date                  | 31 October, 30 April       |
| Valuation point (UK business days) | 12:00                      |
| Year end                           | 28 February                |
| Fund launch date                   | 3 June 2015                |
| Class launch date                  | 3 June 2015                |
| Class launch price                 | 100c                       |
| SRRI                               | 6                          |
| Fund size (mid basis)              | €53.9m                     |

Source: Artemis as at 31 August 2019.

### Prices and yield

|                |        |
|----------------|--------|
| Mid price      | 89.77c |
| Historic yield | 3.02%  |

The historic yield reflects distributions declared over the past twelve months as a percentage of the mid-market 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 | 0.900% |

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, Denmark (for professional investors only), Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Singapore, Spain, Sweden, 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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