

Artemis US Select Fund



Cormac Weldon
Fund manager, since
launch

Class I accumulation shares, EUR hedged

August 2019

Data as of 31 July 2019

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

As investors looked ahead to a well-flagged cut in interest rates, the S&P 500 index moved higher in July. There had been some debate as to whether the Federal Reserve would cut rates by 50 basis points (0.5%). In the event, it settled on a 25 basis point cut. But given the gathering clouds globally, our sense is that the Fed remains open to cutting rates again, particularly if there is, as we expect, no immediate resolution to the widening trade dispute between the US and China.

The fund's positioning reflects our expectation that economic growth will continue to decline moderately, falling to less than 2% next year. In that environment, we would expect that the market will prefer a mixture of 'growth' companies (because they are less sensitive to the economic cycle) and those whose earnings exhibit a high degree of predictability. In addition, we are adding selectively to what may

be regarded as 'value' stocks where we believe the drivers of their business have been fundamentally misunderstood. For instance, we bought Masco earlier in the year. The vast majority of its revenue comes from consumers buying their plumbing equipment and paints to renovate existing homes. The decline in interest rates (and falling mortgage costs) should also stimulate the new-build housing market. This will provide a modest boost to their financial performance and may help to change the market's perception of the company.

An example of a holding with good growth characteristics is Fidelity National Information Services (FIS), which recently acquired WorldPay. FIS has traditionally sold solutions that enable banks to upgrade their legacy systems to newer technology, reducing costs and becoming more customer-friendly at the same time. WorldPay, meanwhile, provides

solutions to retailers, both off-line and online, for processing card payments. As such, it also has strong relationships with banks. We believe the combined business will grow revenues while also having the stability to withstand a period of slower economic growth.

As investors warmed to their merger (which concluded at the end of the month), our holdings in FIS and WorldPay were our best performers in July. Another holding being helped by M&A activity was T-Mobile US, which is buying rival operator Sprint (the fourth mobile network in the US).



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Composition

Top ten holdings

Microsoft	6.1%
Amazon	4.7%
Boeing	4.3%
Fidelity National Information Services	4.2%
Anthem	3.4%
Visa	3.0%
T-Mobile US	2.8%
Crown Castle Intl	2.6%
Bank Of America Corp	2.5%
Comcast A	2.5%

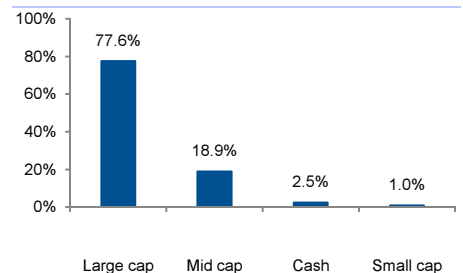
Source: Artemis as at 31 July 2019.

Market sector split

Information Technology	22.9%
Consumer Discretionary	14.2%
Financials	13.2%
Health Care	12.5%
Communication Services	10.8%
Industrials	7.3%
Real Estate	5.0%
Consumer Staples	3.7%
Utilities	3.4%
Materials	3.2%
Energy	1.1%

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

Asset allocation



Source: Artemis as at 31 July 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 US Select Fund	55.5%	51.4%	8.7%	15.8%	3.5%
S&P 500 TR (Hedged to EUR)	42.1%	35.1%	4.6%	9.6%	0.8%

'Since launch' data from 1 April 2016. Source: Lipper Limited, mid to mid in euros to 31 July 2019. All figures show total returns with dividends reinvested.

Discrete performance to year end

	2018	2017	2016	2015	2014
12 months to 31 December	-5.4%	24.0%	n/a	n/a	n/a

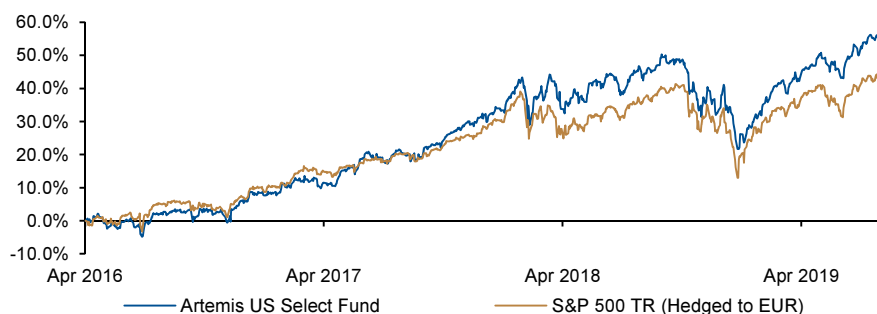
Please remember that past performance is not a guide to the future. Source: Lipper Limited, mid to mid in euros. All figures show total returns with dividends reinvested. As the share class was launched on 1 April 2016, complete five year performance data is not yet available. Returns may vary as a result 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	8.2%	18.0%	20.3%	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 share class was launched on 1 April 2016, 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 1 April 2016. Source: Lipper Limited, mid to mid in euros to 31 July 2019. 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	BMMV509
ISIN	GB00BMMV5097
Type	Accumulation
Class currency	EUR
Accumulation date	30 April
Valuation point (UK business days)	12:00
Year end	28 February
Fund launch date	19 September 2014
Class launch date	1 April 2016
Class launch price	100c
SRRI	5
Fund size (mid basis)	€1,480.5m

Source: Artemis as at 31 July 2019.

Prices and yield

Mid price	155.53c
Historic yield	0.25%

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	0.870%

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

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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.
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- in Spain from Allfunds Bank SA, Estafeta, 6, La Moraleja, Complejo Plaza de la Fuente, Alcobendas 28109, Madrid.

- in Sweden from MFEX Mutual Funds Exchange AB, Grev Turegatan 19, Box 5378, SE-102 49 Stockholm.
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