

Artemis US Extended Alpha Fund



Stephen Moore
Fund manager, since launch



Class R accumulation shares, USD

December 2018
Data as of 30 November 2018

The fund's aims

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

Fund update

Following the heavy losses of October, US equities bounced back in November. Although the lower oil price weighed on the performance of the energy sector, it boosted consumer discretionary stocks. Sentiment was supported by what appeared to be the slightly more dovish tone from Fed chair Jerome Powell, who seemed to retreat from his earlier hawkish stance. Although concerns around trade persisted ahead of the G20 negotiations, they weighed on the market less than they had in the previous months. As the market expected, the mid-term elections resulted in the Democrats taking control of the House of Representatives while the Senate remained in Republican hands. Concerns around tariffs are likely to come back to the fore: the election doesn't change the agenda on trade, which remains in President Trump's hands.

The fund outperformed the benchmark over the

month. Stockpicking within semiconductors was particularly helpful, with long positions such as Xilinx supporting returns alongside selected short positions. Our underweight stance in Apple also helped. The replacement cycle for smartphones is slowing, meaning Apple faces the prospect of lower growth in earnings. Our continued negative stance on a large industrial company made a positive contribution over the month. We also saw good performance from recent additions to the fund Delta Airlines and low-cost gym operator Planet Fitness following their pleasing third-quarter numbers. Detractors included some of our holdings in the retailing sector such as Best Buy, Burlington Stores and Nordstrom.

In activity, we took advantage of the rebound in the market to reduce the fund's net exposure. Declining liquidity, increasing tension around trade and the growing chance of recession

continue to be our chief concerns. There are still opportunities, however. For instance, we added further to our healthcare holdings such as medical equipment and device maker Medtronic. It has a stronger growth profile than its competitors yet trades on a lower valuation.



Third party endorsements are not a recommendation to buy. For information, visit artemisfunds.com/endorsements.

Composition

Top 10 long holdings

Microsoft	6.5%
Alphabet	5.0%
Berkshire Hathaway	3.8%
Unitedhealth Group	3.1%
Xilinx	2.6%
Zoetis Inc	2.6%
US Treasury 2.75% 2028	2.6%
Comcast A	2.4%
Cintas Corp	2.4%
Anthem	2.3%

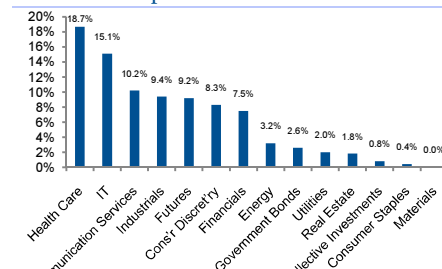
Source: Artemis as at 30 November 2018.

Top 10 shorts by sector

Information Technology	-0.9%
Consumer Discretionary	-0.7%
Information Technology	-0.7%
Information Technology	-0.6%
Financials	-0.5%
Information Technology	-0.5%
Financials	-0.5%
Industrials	-0.5%
Information Technology	-0.5%
Consumer Discretionary	-0.4%

Source: Artemis as at 30 November 2018.

Net sector exposure



Source: Artemis as at 30 November 2018.

Fund exposure

	Long	Short	Net	Gross
Large > \$20 bn	79.8%	-13.0%	66.8%	92.8%
Mid	24.6%	-11.2%	13.4%	35.8%
Small < \$2 bn	10.5%	-1.4%	9.0%	11.9%
Total	114.9%	-25.7%	89.2%	140.5%

Source: Artemis as at 30 November 2018.

Performance

Cumulative performance

	Since launch	1 year	6 months	3 months	1 month
Artemis US Extended Alpha Fund	41.7%	5.5%	0.7%	-5.4%	2.3%
S&P 500 TR	40.6%	6.3%	3.0%	-4.4%	2.0%

Please remember that past performance is not a guide to the future. 'Since launch' data from 1 April 2016. Source: Lipper Limited, mid to mid in US dollars to 30 November 2018. All figures show total returns with dividends reinvested.

Discrete performance to year end

	2017	2016	2015	2014	2013
12 months to 31 December	22.3%	n/a	n/a	n/a	n/a

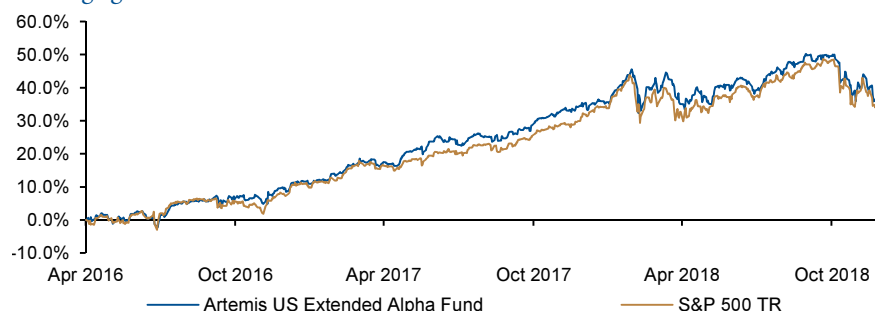
Please remember that past performance is not a guide to the future. Source: Lipper Limited, mid to mid in US dollars. All figures show total returns with dividends reinvested. As the share class was launched on 1 April 2016, complete five year performance data is not yet available. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the share class.

Discrete performance to quarter end

	2018	2017	2016	2015	2014
12 months to 30 September	16.2%	21.2%	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 US dollars. 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 US dollars to 30 November 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	BMMV5D2
ISIN	GB00BMMV5D29
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	1 April 2016
Class launch price	100c
SRRI	5
Fund size (mid basis)	\$2,060.4m

Source: Artemis as at 30 November 2018.

Prices and yield

Mid price	141.70c
Historic yield	0.00%

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	1.57%
Performance fee	20%

The ongoing charge includes the annual management charge of 1.5% and is shown as at the date of the Key Investor Information Document (KIID). A performance fee is charged only when the share price outperforms the fund's benchmark index by a minimum percentage. A full explanation of the fund's charges can be found in the KIID.

Risks and important information

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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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- 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 Sweden from MFEX Mutual Funds Exchange AB, Grev Turegatan 19, Box 5378, SE-102 49 Stockholm.
- 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 fund will use derivatives to meet its investment objective, to protect the value of the fund, to reduce costs and with the aim of profiting from falling prices. The costs and benefits of currency hedging transactions will apply to hedged shares.

Artemis Fund Managers Limited is entitled to a performance fee per share.

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