

Artemis US Absolute Return Fund

Class I accumulation shares, CHF hedged



Stephen Moore
Fund manager, since launch



June 2018

Data as of 31 May 2018

The fund's aims

The fund aims to achieve a positive return over the longer term, notwithstanding changing market conditions, investing principally in the shares of companies listed, quoted or traded in the United States of America.

Fund update

The fund generated a positive return in May. Economic news and earnings data continued to support the market even while uncertainties over trade sanctions provoked volatility. At the end of the month, Trump's administration confirmed that steel and aluminium tariffs would apply to Canada, Mexico and the EU. This unsettled markets somewhat, but was dismissed as posturing. May's jobs report was good, with unemployment falling to a very low 3.8%. Nevertheless, wage inflation remained relatively muted and so expectations for interest rates remained largely unchanged. Retail sales data for April suggested that consumer spending is still solid. Industrial production also improved.

Long positions in technology stocks – particularly Micron, Alphabet and Lam Research – made some of the best contributions to performance. Our long position in Cintas, which

is the leader in the uniform rental and ancillary services market, also performed well. We continue to remain positive on this stock, which has a dominant market position. The density of the delivery and collection routes surrounding its centralised laundry and warehouse facilities allows it to spread its fixed costs, maximise capacity utilisation and so improve margins. The company also makes better use of digital tools than its competitors, giving an operational advantage and more potential for cross-selling. We therefore believe that Cintas will be able to sustain its growth.

Over the month, we added to long positions in software and services by buying Microsoft, Alphabet and Oracle and reduced our exposure to videogame producers. We also increased our exposure to energy, buying a long position in Marathon Petroleum, an oil refiner. We are more positive on oil refiners generally as the

lack of pipeline capacity to transport the oil away from the Permian Basin in Texas has put pressure on the oil price in the region. Refineries will benefit from buying this cheaper crude oil while being able to sell it at normal market prices. This situation is likely to continue for the next 12 months.



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

Composition

Top 10 long holdings

Cintas Corp	2.3%
Alphabet	2.2%
Microsoft	2.1%
Lam Research	1.6%
Oracle	1.6%
Applied Materials	1.5%
Berkshire Hathaway	1.3%
Las Vegas Sands	1.2%
Churchill Downs Inc	1.1%
Zoetis Inc	1.0%

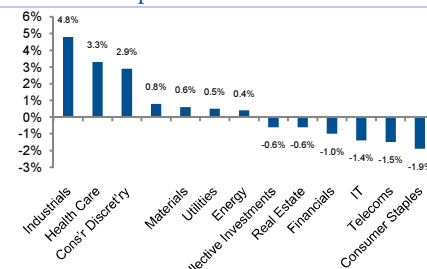
Source: Artemis as at 31 May 2018.

Top 10 shorts by sector

Information Technology	-1.6%
Information Technology	-1.5%
Information Technology	-1.2%
Information Technology	-1.2%
Telecommunication Services	-1.0%
Financials	-0.9%
Consumer Discretionary	-0.8%
Information Technology	-0.7%
Telecommunication Services	-0.7%
Industrials	-0.6%

Source: Artemis as at 31 May 2018.

Net sector exposure



Source: Artemis as at 31 May 2018.

Fund exposure

	Long	Short	Net	Gross
Large > \$20 bn	29.8%	-22.9%	6.9%	52.7%
Mid	15.3%	-16.0%	-0.7%	31.3%
Small < \$2 bn	2.1%	-2.1%	0.0%	4.3%
Total	47.3%	-41.0%	6.3%	88.3%

Source: Artemis as at 31 May 2018.

Performance

Cumulative performance

	Since launch	1 year	6 months	3 months	1 month
Artemis US Absolute Return Fund	2.5%	-0.1%	-0.4%	-0.6%	0.5%
LIBOR CHF 3 month	-1.6%	-0.7%	-0.4%	-0.2%	-0.1%

'Since launch' data from 1 April 2016. Source: Lipper Limited, mid to mid in Swiss francs 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	2.1%	n/a	n/a	n/a	n/a

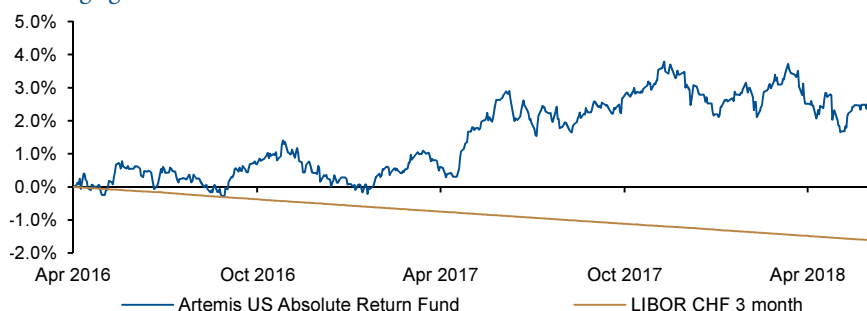
Please remember that past performance is not a guide to the future. Source: Lipper Limited, mid to mid in Swiss francs. All figures show total returns with dividends reinvested. As the share class was launched on 1 April 2016, complete five year performance data is not yet available. Returns may vary 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 31 March	1.9%	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 Swiss francs. 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 Swiss francs to 31 May 2018. All figures show total returns with dividends reinvested.

Key facts

Fund type	OEIC
Focus	Capital growth
Asset class	Absolute return
Regional focus	USA
IA sector	IA Targeted Absolute Return NR
SEDOL	BYSZ048
ISIN	GB00BYSZ0482
Type	Accumulation
Class currency	CHF
Accumulation date	30 April
Valuation point (UK business days)	12:00
Year end	28 February
Fund launch date	27 October 2014
Class launch date	1 April 2016
Class launch price	100c
SRRI	3
Fund size (mid basis)	CHF825.2m

Source: Artemis as at 31 May 2018.

Prices and yield

Mid price	102.50c
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	0.86%
Performance fee	20%

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). A performance fee is charged as 20% of any outperformance of the share class against the greater of the LIBOR 3 month index or zero. A full explanation of the fund's charges can be found in the KIID.

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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made on the basis of the current prospectus and the relevant Key Investor Information Document ("KIID") and Costs and Charges Information document, as well as the latest annual or interim reports. Please refer to the "Risk Warnings" section of the prospectus before investing in any sub-fund. The aforementioned documents can be obtained free of charge from the manager's website at www.artemisfunds.com, and/or its registered office at Cassini House, 57 St James's Street, London, SW1A 1LD and/or:

- 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.

There is no guarantee that the fund will achieve a positive return over the longer term or any other time period and

investors' capital is at risk. 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 fund may hold large cash deposits. The aforementioned documents can be obtained free of charge from the manager's website at www.artemisfunds.com, and/or its registered office at Cassini House, 57 St James's Street, London, SW1A 1LD and/or:

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