

Artemis US Select Fund



Cormac Weldon
Fund manager, since
launch

Class I accumulation shares, GBP

April 2020

Data as of 31 March 2020

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

Performance in March – The shutting-down of large parts of the US economy in response to the coronavirus epidemic had a huge impact on markets in March. Lockdowns saw many businesses closing their doors for an indefinite period. One complicating factor is that these companies are often carrying a lot of debt, leaving them poorly placed to weather a downturn.

If it were needed, March offered renewed evidence that investing in shares – even those of large, financially-strong companies – always carries risk. Our benchmark index, the S&P 500, fell by 9.7% in dollar terms on the month, taking its year-to-date decline to 14.1%. The fund also fell, albeit by less than the index.

The holdings that held up well – As might have been expected, some of the fund's more 'defensive' holdings – those companies whose

earnings should be less damaged by the sudden contraction in the US economy – performed well in relative terms.

Progressive Corporation is a car and household insurer. The shutdown means that there will be a significant reduction in the number of miles being driven, reducing the incidence of accidents. Our holding in Amazon also performed well. With many bricks-and-mortar retailers closed for the duration, home deliveries have inevitably become more important.

And those that didn't – Amazon aside, our holdings in the shares of consumer-focused companies performed poorly in March. Burlington Stores, a discount retailer, fell sharply as its stores began to close. The share price of gym chain Planet Fitness fell for similar reasons.

Outlook – Congress and the central bank, the Federal Reserve, have acted quickly to try to cushion what will be an unprecedented slowdown in the US economy. Today, debate centres on the timing and shape of the eventual recovery. When businesses do re-open, it will initially produce something of a sharp rebound – a so-called 'V-shaped' recovery. But we believe the heavy debt load corporate America is carrying could mean the subsequent recovery proves to be rather slower and tamer than some commentators hope.

We are aware that the recent market turmoil has seen a number of companies' shares becoming very cheap versus the rest of the US market. Yet many of these apparently 'cheap' companies are also highly indebted and will likely struggle in a global economy overburdened by indebtedness. As ever, careful stockpicking will be paramount.



Third party endorsements are not a recommendation to buy. For information, visit [artemisfunds.com/endorsements](https://www.artemisfunds.com/endorsements).

Composition

Top ten holdings

| | |
|--|------|
| Amazon | 6.9% |
| Visa | 4.1% |
| Procter & Gamble | 4.1% |
| Microsoft | 3.5% |
| Fidelity National Information Services | 3.5% |
| NextEra Energy | 3.4% |
| T-Mobile US | 3.3% |
| Mondelez International | 3.2% |
| Alphabet | 3.1% |
| Johnson & Johnson | 2.6% |

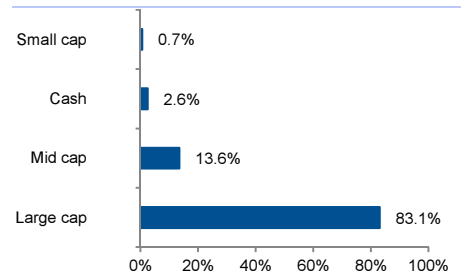
Source: Artemis as at 31 March 2020.

Market sector split

| | |
|------------------------|-------|
| Information Technology | 22.4% |
| Health Care | 17.0% |
| Communication Services | 14.5% |
| Consumer Discretionary | 11.9% |
| Financials | 9.2% |
| Consumer Staples | 7.7% |
| Materials | 4.4% |
| Utilities | 3.4% |
| Industrials | 3.4% |
| Real Estate | 3.3% |

Source: Artemis as at 31 March 2020. Please note that figures may not add up to 100% due to rounding and the cash holding.

Asset allocation



Source: Artemis as at 31 March 2020. Please note figures may not add up to 100% due to rounding.

Performance

Cumulative performance

| | Since launch | 5 years | 3 years | 1 year | 6 months |
|------------------------|--------------|---------|---------|--------|----------|
| Artemis US Select Fund | 111.2% | 84.0% | 34.3% | 4.4% | -9.2% |
| S&P 500 TR GBP | 89.4% | 65.8% | 17.1% | -2.2% | -12.8% |
| IA North America NR | 72.3% | 49.8% | 11.4% | -3.4% | -13.0% |
| Position in sector | 9/77 | 10/80 | 12/88 | 16/98 | 24/98 |
| Quartile | 1 | 1 | 1 | 1 | 1 |

'Since launch' data from 19 September 2014. Source: Lipper Limited, mid to mid in sterling to 31 March 2020. All figures show total returns with dividends reinvested. Sector is IA North America NR. 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

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------------------|-------|------|-------|-------|-------|
| 12 months to 31 December | 29.1% | 3.3% | 15.2% | 26.6% | 11.7% |

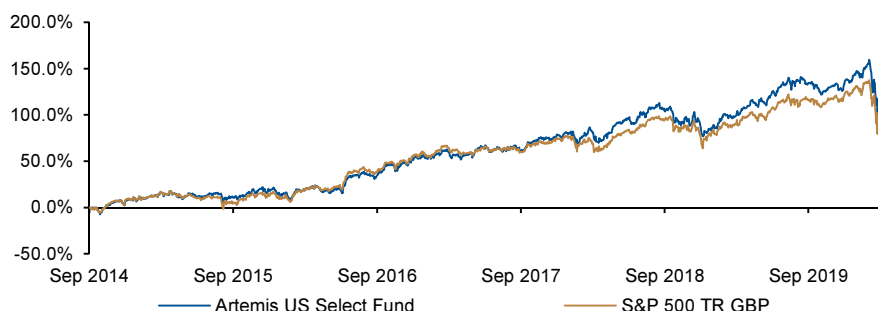
Past performance is not a guide to the future. Source: Lipper Limited. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the share class.

Discrete performance to quarter end

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|-----------------------|------|-------|------|-------|------|
| 12 months to 31 March | 4.4% | 18.2% | 8.8% | 30.8% | 4.8% |

Past performance is not a guide to the future. Source: Lipper Limited. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. 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 19 September 2014. Source: Lipper Limited, mid to mid in sterling to 31 March 2020. 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 | BMMV510 |
| ISIN | GB00BMMV5105 |
| Type | Accumulation |
| Class currency | GBP |
| Accumulation date | 30 April |
| Valuation point (UK business days) | 12:00 |
| Year end | 28 February |
| Fund launch date | 19 September 2014 |
| Class launch date | 19 September 2014 |
| Class launch price | 100p |
| SRRI | 5 |
| Fund size (mid basis) | £1,437.2m |

Source: Artemis as at 31 March 2020.

Prices and yield

| | |
|----------------|---------|
| Mid price | 211.20p |
| Historic yield | 0.22% |

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 | 0.850% |

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

To ensure you understand whether this fund is suitable for you, please read the Key Investor Information Document and Costs and Charges Information Document, which are available, along with the fund's Prospectus, from artemisfunds.com.

The value of any investment, and any income from it, can rise and fall with movements in stockmarkets, currencies and interest rates. These can move irrationally and can be affected unpredictably by diverse factors, including political and economic events. This could mean that you won't get back the amount you originally invested.

The fund's past performance should not be considered a guide to future returns.

The fund may have investments concentrated in a limited number of companies, industries or sectors. This can be more risky than holding a wider range of investments.

The fund may invest in the shares of small and medium-sized companies. Shares in smaller companies carry more risk than larger, more established companies because they are often more volatile and, under some circumstances, harder to sell. In addition, information for reliably determining the value of smaller companies – and the risks that owning them entails – can be harder to come by.

The costs and benefits of currency hedging transactions will apply to hedged shares.

Third parties (including FTSE and Morningstar) whose

data may be included in this document do not accept any liability for errors or omissions. For information, visit artemisfunds.com/third-party-data.

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