



Artemis UK Special Situations Fund

Class I distribution units, GBP

MARKETING MATERIAL

477.46p

price at 31 May 2020

0.860%

ongoing charge

June 2020 (data as of 31 May 2020)

OBJECTIVE AND INVESTMENT POLICY

Objective	To grow capital over a five year period.	
Investment policy	What the fund invests in	<ul style="list-style-type: none"> 80% to 100% in company shares. Up to 20% in in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives.
	Use of derivatives	The fund may use derivatives for efficient portfolio management purposes to: <ul style="list-style-type: none"> reduce risk manage the fund efficiently.
	Where the fund invests	<ul style="list-style-type: none"> United Kingdom, including companies in other countries that are headquartered or have a significant part of their activities in the United Kingdom.
	Industries the fund invests in	<ul style="list-style-type: none"> Any
	Other limitations specific to this fund	<ul style="list-style-type: none"> None
Investment strategy	<ul style="list-style-type: none"> The fund is actively managed. A research-driven, bottom-up stock selection process is used to identify unrecognised growth potential in companies that are often out-of-favour. The manager seeks companies that are in recovery, need re-financing or are suffering from investor indifference ('special situations'). These companies often have the potential to deliver significant capital growth. Companies are assessed on the basis of absolute and relative valuation with consideration to potential upside. 	
Benchmarks	<ul style="list-style-type: none"> FTSE All-Share Index TR A widely-used indicator of the performance of the UK stockmarket, in which the fund invests. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark. IA UK All Companies NR A group of other asset managers' funds that invest in similar asset types as this fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark. 	

INVESTMENT COMMENTARY

With some parts of the world beginning to exit their lockdowns, and with investors showing their willingness to support companies' efforts to raise cash to see themselves through to the recovery, the UK market made progress during May. The FTSE All-Share moved 3.4% higher.

Yet while the overall trend was positive, there remained a high level of volatility in some sectors, with government policy affecting sentiment toward the travel and leisure industries.

Supporting Johnson Service Group's refinancing

Johnson Service Group had been trading well before Covid-19 arrived. Its investment in efficient plants and high levels of service was helping it win market share in the hotel linen and workwear markets. Clearly, the past two months have been tough. But Johnson Service moved quickly to support its employees and customers and to reduce cash outflows. While its balance sheet was already relatively strong, it was keen to strengthen it further by raising enough money to remove debt altogether. This gives its management flexibility to weather a prolonged shutdown as well as take advantage of any opportunities that might arise.

Dart Group

We have admired this business for some time but until this month's refinancing couldn't find the right opportunity to invest. As the owner of airline Jet2, Dart Group has been hurt by the curtailment of international travel. But unlike other airlines, it came into this downturn with a strong balance sheet and, helped by the demise of Thomas Cook last year, was trading strongly. The current downturn will clearly have an impact on less well-financed holiday operators. So we expect Dart Group to be in an even stronger competitive position in the future. We expect bookings to bounce back as people seek to escape these shores following lockdown.

News of dividend cuts...

While dividend cuts are almost the norm these days, we thought we should comment on two of our holdings: BT and Imperial Brands. Both have been surrounded by speculation over cuts for a while and both duly obliged in May. BT has cut its dividend to zero for a year to help finance the rollout of its fibre network while maintaining decent balance sheet strength. For its part, Imperial Brands cut its dividend by a third to reduce debt more quickly. We support both decisions.

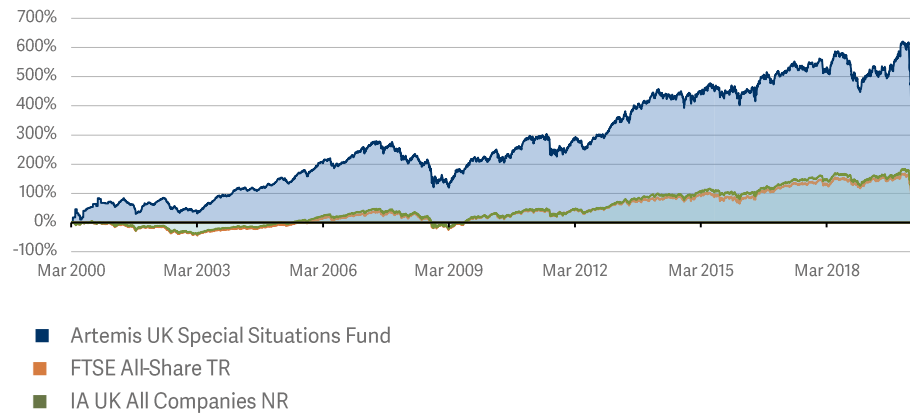
PERFORMANCE

Past performance is not a guide to the future

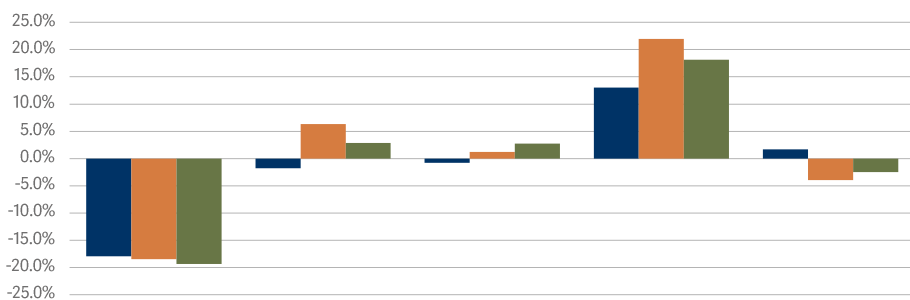
CUMULATIVE PERFORMANCE

	Since launch	5 yrs	3 yrs	1 yr	6 mo	3 mo	1 mo
Artemis UK Special Situations Fund	467.0%	-1.7%	-12.6%	-6.0%	-17.2%	-10.1%	2.1%
FTSE All-Share TR	114.8%	6.9%	-8.4%	-11.2%	-16.1%	-7.8%	3.4%
IA UK All Companies NR	128.8%	5.6%	-8.0%	-9.6%	-15.5%	-7.8%	2.8%

PERCENTAGE GROWTH

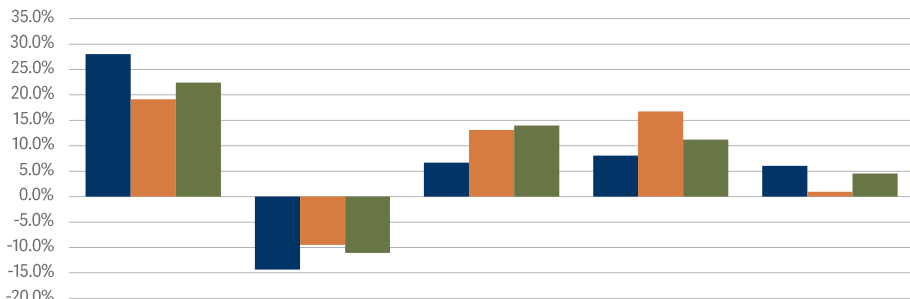


12 MONTHS TO 31 MARCH



	2020	2019	2018	2017	2016
Artemis UK Special Situations Fund	-17.9%	-1.8%	-0.8%	13.0%	1.7%
FTSE All-Share TR	-18.5%	6.4%	1.2%	22.0%	-3.9%
IA UK All Companies NR	-19.3%	2.9%	2.7%	18.1%	-2.5%

12 MONTHS TO 31 DECEMBER



	2019	2018	2017	2016	2015
Artemis UK Special Situations Fund	28.0%	-14.3%	6.7%	8.1%	6.0%
FTSE All-Share TR	19.2%	-9.5%	13.1%	16.8%	1.0%
IA UK All Companies NR	22.4%	-11.1%	14.0%	11.2%	4.6%

Source: Lipper Limited from 9 March 2000 to 31 May 2020. Data prior to 1 July 2013 reflects class R accumulation GBP. 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 class. This class may have charges or a hedging approach different from those in the IA sector benchmark.

COMPOSITION

TOP 10 HOLDINGS

AstraZeneca	4.8%
British American...	4.8%
Prudential	4.5%
Barclays	4.0%
3i	3.9%
Tesco	3.9%
Persimmon Plc	3.8%
Balfour Beatty	3.5%
Oxford Instruments	3.4%
QinetiQ Group	3.3%

Source: Artemis as at 31 May 2020.

MARKET SECTOR SPLIT

Industrials	27.3%
Financials	21.8%
Consumer Services	17.1%
Consumer Goods	15.0%
Healthcare	7.3%
Technology	3.7%
Oil & Gas	3.3%
Basic Materials	1.9%
Telecommunications	1.3%

Source: Artemis as at 31 May 2020. Figures may not add up to 100% due to rounding and cash holdings.

ASSET ALLOCATION BY MARKET CAP

Large cap	55.6%
Mid cap	38.1%
Small cap	5.0%
Cash	1.3%
Unquoted	0.0%

Source: Artemis as at 31 May 2020. Figures may not add up to 100% due to rounding.

RISK CONSIDERATIONS

To ensure you understand whether this fund is suitable for you, please read the Key Investor Information which is available, along with the fund's Prospectus, from www.artemisfunds.com or www.fundinfo.com.

The fund is exposed to the following risks:

Market volatility risk	The value of the fund and any income from it can fall or rise because of movements in stockmarkets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
Currency risk	The fund's assets may be priced in currencies other than the fund base currency. Changes in currency exchange rates can therefore affect the fund's value.
Special situations risk	The fund invests in companies that are in recovery, need re-financing or are suffering from lack of market attention (special situations). These companies are subject to higher-than-average risk of capital loss.

OTHER INFORMATION

To ensure you understand whether this fund is suitable for you, please read the Key Investor Information which is available, along with the fund's Prospectus from www.artemisfunds.com or www.fundinfo.com.

The fund is an authorised unit trust scheme. For further information, visit www.artemisfunds.com/unittrusts.

Visit www.artemisfunds.com/glossary for an explanation of investment terms.

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Any forward-looking statements are based on Artemis' current expectations and projections and are subject to change without notice.


Issued by Artemis Fund Managers Ltd which is authorised and regulated by the Financial Conduct Authority.

FUND DATA

INVESTMENT TEAM



Derek Stuart
Fund manager,
since launch



Andy Gray
Fund manager,
since January
2014

KEY FACTS

Fund type	Unit trust
Asset class	Equity
Focus	Capital growth
Regional focus	United Kingdom
SEDOL	BB36JR1
ISIN	GB00BB36JR17
Fund launch date	9 March 2000
Class launch date	1 July 2013
Class launch price	462.5p
Class currency	GBP
Valuation point (UK business days)	12:00
Year end	31 December
Distribution date	28 February
Fund size	£473.7m

Source: Artemis as at 31 May 2020.

PRICE AND YIELD

Price	477.46p
Historic yield	2.46%

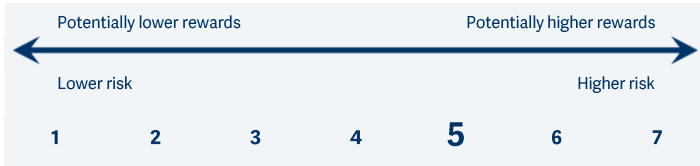
Source: Artemis as at 31 May 2020. The historic yield reflects distributions declared over the past 12 months as a percentage of the price. Investors may be subject to tax on their distributions.

CHARGES

Initial charge	0%
Ongoing charge	0.860%

The ongoing charge covers the annual operating expenses of running the fund and is shown as at the date of the Key Investor Information Document, where further information about the fund's charges can be found.

RISK AND REWARD PROFILE



The fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the fund may have risen and fallen in the past due to movements in markets, currencies and interest rates). It may not be a reliable indication of the future risk profile of the fund.

RATINGS AND AWARDS

FE Alpha Manager - Derek Stuart

Source: FE Alpha Manager rating applies to Derek Stuart based on data to 31/12/19. For more information visit artemisfunds.com/endorsements. Third party endorsements are not a recommendation to buy.

DISTRIBUTION HISTORY

Record date	Ex-dividend date	Payment date	Distribution
31 Dec 2019	02 Jan 2020	28 Feb 2020	13.0749p
31 Dec 2018	02 Jan 2019	28 Feb 2019	15.8786p
29 Dec 2017	02 Jan 2018	28 Feb 2018	13.2481p
30 Dec 2016	03 Jan 2017	28 Feb 2017	12.6927p
31 Dec 2015	01 Jan 2016	26 Feb 2016	11.8620p
31 Dec 2014	01 Jan 2015	27 Feb 2015	9.5018p
31 Dec 2013	01 Jan 2014	28 Feb 2014	11.1243p

Source: Artemis. Distribution is per unit/share. For accumulation classes, distributions are reinvested and reflected in the price. Maximum last 10 distributions shown.

