ARTEMIS FUND MANAGERS LIMITED

PROSPECTUS OF THE ARTEMIS RETAIL FUNDS

Dated 31 July 2019

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1. **Definitions**

"Accumulation Units"	units in respect of which any income is retained and reflected in the value of each unit;
"Administrator"	any third party provider of administration or fund pricing services to the Funds;
"Approved Bank"	as defined, from time to time, in the Regulations;
"COLL"	refers to the appropriate chapter or rule in the COLL Sourcebook;
"the COLL Sourcebook"	the Collective Investment Schemes Sourcebook issued by the FCA, as amended from time to time;
"Distribution Units"	units in respect of which any income is distributed to holders of those units;
"EEA State"	a member state of the European Union and any other state which is within the European Economic Area;
"Eligible Institution"	one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook;
"FCA"	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time;
"FCA Handbook"	the FCA Handbook of Rules and Guidance, as amended from time to time;
"FCA Register"	the public record, as required by section 347 of the Financial Services and Markets Act 2000 of every: (a) authorised person; (b) AUT; (c) ICVC; (d) recognised scheme; (e) recognised investment exchange; (f) recognised clearing house; (g) individual to whom a prohibition order relates;

(h) approved person; and

(i) person within such other class (if any) as the FCA may determine;

"Funds" Artemis Capital Fund, Artemis European Growth Fund, Artemis European Opportunities Fund, Artemis Global Growth Fund, Artemis Global Income Fund, Artemis Global Select Fund, Artemis High Income Fund, Artemis Income Fund, Artemis Monthly Distribution Fund, Artemis Strategic Bond Fund, Artemis UK Select Fund, Artemis UK Smaller Companies Fund and Artemis UK Special Situations Fund;

"Home State"

(1) (in relation to a credit institution) the EEA State in which the credit institution has been authorised in accordance with the Banking Consolidation Directive;

(2) (in relation to an investment firm):

(a) where the investment firm is a natural person, the EEA State in which his head office is situated;

(b) where the investment firm is a legal person, the EEA State in which its registered office is situated or, if under its national law it has no registered office, the EEA State in which its head office is situated;

(3) (in relation to an insurer with an EEA right) the EEA State in which the registered office of the insurer is situated;

(4) (in relation to a market) the EEA State in which the registered office of the body which provides trading facilities is situated or, if under its national law it has no registered office, the EEA State in which that body's head office is situated; and

(5) (in relation to a Treaty firm) the EEA State in which its head office is situated, in accordance with paragraph 1 of Schedule 4 to the Financial Services and Markets Act 2000 (Treaty rights);

"Regulated Activities Order"	the Financial Services and Markets Act 2000 (regulated Activities) Order 2001 (SI 2001/544);
"Regulations"	the FCA Handbook (including the COLL Sourcebook);
"Trust Deeds"	the trust deeds constituting the Funds, as amended from time to time in accordance with the COLL Sourcebook;
"UCITS Directive"	Directive 2009/65/EC as amended by Directive 2014/91/EU and as further amended from time to time;
"UCITS Scheme"	a scheme constituted in accordance with the UCITS Directive; and
"Unitholder"	a holder of registered units in one or more of the Funds.

Defined terms used in this Prospectus shall have the same meaning as they are given in the Regulations unless otherwise defined in this Prospectus.

2. Management and administration

2.1 The Manager

The Manager of the Funds is Artemis Fund Managers Limited, a private limited company incorporated in England on 11th February 1986. The Manager's issued share capital is £6,212,058 fully paid, and it is a subsidiary of Artemis Investment Management LLP, which is incorporated in England.

The Manager's address is Cassini House, 57 St James's Street, London SW1A 1LD, which is both the head office and registered address.

The Directors of Artemis Fund Managers Limited are:

J L Berens
J E Dodd
J R Loukes
L E Cairney
M J Murray
P A E-A Saacke

All of the above Directors are members of Artemis Investment Management LLP (which is the parent undertaking of Artemis Fund Managers Limited). John Dodd and Mark Murray are directors of Artemis Strategic Asset Management Limited and Artemis Asset Management Limited.

The Manager is authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN.

The Manager may delegate its management and administration functions to third parties (including associates) subject to the rules contained in the COLL Sourcebook and it has delegated investment management to Artemis Investment Management LLP, registration and administration to DST Financial

Services International Limited and DST Financial Services Europe Limited respectively and fund accounting and pricing to J.P. Morgan Chase Bank N.A., London Branch.

2.2 The Trustee

J.P. Morgan Europe Limited is the Trustee of the Trust.

The Trustee is incorporated in England as a private limited company. Its registered and head office is at 25 Bank Street, Canary Wharf, London E14 5JP. The principal business activity of the Trustee is acting as depositary and trustee of collective investment schemes.

2.2.1 Duties of the Trustee

The Trustee is responsible for the safekeeping of scheme property, monitoring the cash flows of the Funds, and must ensure that certain processes carried out by the Manager are performed in accordance with the applicable rules and scheme documents.

2.2.2 Conflicts of interest

As part of the normal course of global custody business, the Trustee may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping and related services. Within a multi-service banking group such as JPMorgan Chase Group, from time to time conflicts may arise as a result of the relationship between the Trustee and its safekeeping delegates, for example, where an appointed delegate is an affiliated group company and is providing a product or service to a fund and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which received remuneration for other related custodial products or services it provides to the funds, for instance foreign exchange, securities lending, pricing or valuation services. In the event of any potential conflict of interest which may arise during the normal course of business, the Trustee will at all times have regard to its obligations under applicable laws including Article 25 of the UCITS Directive.

Up-to-date information regarding the description of the Trustee's duties and of conflicts of interest that may arise therefrom as well as from the delegation of any safekeeping functions by the Trustee will be made available to investors on request.

2.2.3 Delegation of Safekeeping Functions

The Trustee is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of the property of each Fund.

The Trustee has delegated safekeeping of the property of each Fund to JP Morgan Chase Bank N.A. ("the Custodian"). In turn, the Custodian has delegated the custody of assets in certain markets in which the Funds may invest to various sub-delegates ("sub-custodians"). A list of sub-custodians is maintained by the Manager at www.artemisfunds.com.

2.2.4 Updated Information

Up-to-date information regarding the Trustee, its duties, its conflicts of interest and the delegation of its safekeeping functions will be made available to Investors on request.

2.2.5 Terms of Appointment

The Trustee was appointed as the trustee of the Funds by virtue of the Trust Deeds and is a Bank authorised by the FCA to act as depositary of a UCITS.

The Trustee was appointed as depositary under a Depositary Agreement dated 4 January 2018 between the Manager and the Trustee (the "Depositary Agreement"). Under the Depositary Agreement, the Trustee is free to render similar services to others and the Trustee, and the Manager are subject to a duty not to disclose confidential information.

The powers, duties, rights and obligations of the Trustee and the Manager under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Handbook.

Under the Depositary Agreement the Trustee will be liable to the Funds for the loss by the Trustee or its delegates of Financial Instruments or for losses suffered by the Funds as a result of the Trustee's negligent or intentional failure to fulfil its obligations.

However, the Depositary Agreement excludes the Trustee from liability for certain types of losses.

It also provides that the Trustee will be entitled to an indemnity from the property of the Trusts for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence or failure to exercise due skill and care on its part.

The Depositary Agreement may be terminated on 90 days' notice by the Manager or the Trustee, or earlier should certain breaches of the Depositary Agreement occur or one of the parties suffer an insolvency event. However, termination of the Depositary Agreement will not take effect, nor may the Trustee retire voluntarily, until a new depositary has been appointed.

Details of the fees payable to the Trustee are given in paragraph 16.

2.3 The Investment Adviser

The Investment Adviser to each Fund is Artemis Investment Management LLP, which is incorporated in England. The Investment Adviser's registered address is Cassini House, 57 St James's Street, London SW1A 1LD. Its principal places of business are 42 Melville Street, Edinburgh EH3 7HA and Cassini House, 57 St James's Street, London SW1A 1LD.

The principal activity of the Investment Adviser is providing investment management services, and the agreement with the Manager provides for advising on the purchase, sale and variation of investments within the categories allowed. The Investment Adviser has authority to make all day to day investment decisions on behalf of the Manager but subject to further instructions which the Manager may give. The appointment of the Investment Adviser may be terminated by either party by giving three months' notice to the other party

or such longer or shorter notice period as may be agreed between the parties. The appointment may also be terminated immediately by the Manager in a range of circumstances where it is in the best interests of the Unitholders to do so.

The Investment Adviser is authorised and regulated by the Financial Conduct Authority of the address set out above.

2.4 **The Registrar**

The Registrar is DST Financial Services International Limited. The Registrar's registered address is DST House, St Nicholas Lane, Basildon, Essex SS15 5FS. The register of holders of units in each of the Funds can be inspected at this address.

2.5 **The Auditors**

The Auditors are Ernst & Young LLP, Chartered Accountants and Registered Auditors, of Atria One, 144 Morrison Street, Edinburgh EH3 8EX.

2.6 **Fund pricing**

J.P. Morgan Chase Bank N.A., London Branch of 25 Bank Street, Canary Wharf, London E14 5JP has been appointed to provide fund accounting and pricing services to each Fund.

2.7 **Administration**

DST Financial Services Europe Limited, of DST House, St Nicholas Lane, Basildon, Essex SS15 5FS has been appointed as transfer agent.

3. **Funds under management**

The Funds covered by this Prospectus are:

Artemis Capital Fund, Artemis European Growth Fund, Artemis European Opportunities Fund, Artemis Global Growth Fund, Artemis Global Income Fund, Artemis Global Select Fund, Artemis High Income Fund, Artemis Income Fund, Artemis Monthly Distribution Fund, Artemis Strategic Bond Fund, Artemis UK Select Fund, Artemis UK Smaller Companies Fund and Artemis UK Special Situations Fund. Details of other funds operated by the Manager are available from the Manager on request.

4. **Conflicts of Interest**

The Manager, the Investment Adviser and other companies within the Artemis group of companies may, from time to time, act as investment managers or advisers to other companies or funds which follow similar investment objectives to those of the Funds. It is therefore possible that the Manager and/or the Investment Adviser may in the course of their businesses have potential conflicts of interest with a Fund or that potential conflicts of interest may arise between a Fund and other funds managed by the Manager and/or the Investment Adviser. Each of the Manager and the Investment Adviser will, however, have regard in such event to its obligations under the Trust Deed and the investment advisory agreement respectively and, in particular, to its obligation to act in the best interests of each Fund so far as practicable, having regard to its obligations to other clients when undertaking any investment where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the Manager

and the Investment Adviser will ensure that each Fund and other collective investment schemes it manages are fairly treated.

The Manager acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Manager or its Unitholders will be prevented. Should any such situations arise the Manager will disclose these to Unitholders (in an appropriate format).

The Trustee may, from time to time, act as the depositary of other companies or funds, may provide banking or other services to the Funds and may purchase or sell or deal in the purchase or sale of scheme property, provided always that the services concerned and any such dealing are in accordance with the provisions of the COLL Sourcebook.

The Administrator may, from time to time, act as the administrator of other companies or funds.

5. The constitution

Each Fund is constituted by a Trust Deed made between the Manager and the Trustee. The Funds are Authorised Unit Trust Schemes and comply with the conditions of the UCITS Directive as authorised unit trusts. Unitholders are not liable for the debts of the Funds.

6. Investment limitations

Please see Appendix B for details of the limitations on the types of investments which may be included in the property of the Funds.

7. Typical investor profile

The Funds are marketable to all retail investors and as appropriate to pension funds and other institutional investors.

8. Past performance

Appendix D contains details of the Funds' past performance.

9. Characteristics of units in the Funds

9.1 The Trust Deeds provide for different classes of unit to be established in each Fund. Such classes may vary by factors such as fee structure. Each of the Funds (except for the Artemis Strategic Bond Fund, Artemis High Income Fund, UK Select Fund and Artemis European Opportunities Fund- see below) issue Class R units and Class I units. Class R units and Class I units are distinguished by their criteria for subscription (please see paragraph 16 and Appendix A).

9.2 In addition, within each class there may be made available both Distribution Units and Accumulation Units. The types currently available in each Fund are as set out in Appendix A. With Accumulation Units, any net income is not distributed but retained within the relevant Fund increasing the value of each Accumulation Unit but leaving the number of units held unchanged. With Distribution Units, any net income is paid to holders of those units.

9.3 Artemis Strategic Bond Fund issues Class MR, Class QR, Class MI and Class QI units, distinguished by their criteria for subscription and frequency of income distributions (please see paragraph 17 and Appendix A). Artemis European Opportunities Fund issues IH units, distinguished by their criteria for subscription and the application to them of the costs and benefits of hedging transactions (please see paragraph 16 and Appendix A). Artemis High Income Fund issues Class R, Class I and Class MI units, distinguished by their criteria for subscription and frequency of income distributions (please see paragraph 17 and Appendix A). Artemis UK Select Fund issues Class R, Class I and Class G units, distinguished by their criteria for subscription.

9.4 Class I, Class MI, Class QI and Class IH units are only available to such investors as the Manager shall determine from time to time at the Manager's sole discretion. Class G units are only available to investors who have entered into a written agreement with the Manager.

9.5 If you invest in Artemis Strategic Bond Fund you should be aware that whilst investing in the monthly distributing unit classes (Class MR and Class MI) will produce a regular income, it may constrain the potential for capital growth in comparison to the quarterly distributing unit classes (Class QR and Class QI). Because Class QR and Class QI distribute quarterly they effectively invest more in the Fund than Class MR and Class MI which means that they will experience proportionally larger gains in a rising market, and proportionally larger losses in a falling market, than Class MR and Class MI units. The different unit classes may suit the needs of different investors. If you are unsure which unit class is most appropriate to your needs we recommend that you seek advice from a professional adviser. The Manager and the Trustee will monitor the administration of Artemis Strategic Bond Fund to ensure that all unitholders are treated fairly regardless of which class they are invested in, but taking into consideration the inherent differences between the classes due to their different distribution frequencies.

9.6 If you invest in Artemis High Income Fund you should be aware that whilst investing in the monthly distributing unit classes (Class MI) will produce a regular income, it may constrain the potential for capital growth in comparison to the quarterly distributing unit classes (Class R and Class I). Because Class R and Class I distribute quarterly they effectively invest more in the Fund than Class MI which means that they will experience proportionally larger gains in a rising market, and proportionally larger losses in a falling market, than Class MI units. The different unit classes may suit the needs of different investors. If you are unsure which unit class is most appropriate to your needs we recommend that you seek advice from a professional adviser. The Manager and the Trustee will monitor the administration of Artemis High Income Fund to ensure that all unitholders are treated fairly regardless of which class they are invested in, but taking into consideration the inherent differences between the classes due to their different distribution frequencies.

9.7 If you invest in Artemis European Opportunities Fund you should be aware that Class IH units are hedged units. Hedged unit classes allow the Manager to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency or currencies in which the assets of the portfolio[6] are denominated and Sterling which is the base currency of the Artemis European Opportunities Fund. The Manager may utilise currency forwards, currency futures, currency option transactions, currency swaps, currency hedging with interest rate or equity swap transactions (or such other instruments as are permitted under Appendix B (Investment and Borrowing Powers)) to hedge the rate of exchange between the currency or currencies in

which the assets of the Fund are denominated against Sterling. The costs and benefits of such currency hedging transactions will accrue solely to the investors in the Class IH units. This includes the costs of hedging and the allocation of any gains and losses resulting from the hedging transactions. Any gains and losses resulting from the hedging transactions will be allocated to capital. The currency transactions will not cause the Class IH units to be leveraged. In respect of Class IH units, and subject to certain minimum thresholds, the Manager intends to operate a target hedge ratio of 100% with a tolerance limit of +/- 5%. Adjustments to any hedge to keep within this target range will be made on a periodic basis as necessary. As such the Class IH units may not be completely protected from all currency fluctuations. Unitholders should be aware that Class IH units will still be exposed to the market risks that relate to the underlying investments in the Fund and to other risks as set out in paragraph 24.

9.8 The holders of units in each Fund are entitled to participate in the property of the Fund and the income thereof *pari passu* with the other Unitholders. Title to units in each Fund will be evidenced by entry of each Unitholder's name and address on the relevant register of Unitholders.

9.9 Further classes of units may be established by the Manager with the approval of the FCA, the agreement of the Trustee and in accordance with the Trust Deeds. On the introduction of any new class, a revised Prospectus will be prepared setting out the detail of each class.

9.10 Where a Fund has different classes of units, each class may attract different charges and so monies may be deducted from that Fund's property attributable to such classes in unequal proportions. In these circumstances, the proportionate interests of the classes to the relevant Fund's total scheme property will be adjusted accordingly.

9.11 Unitholders are entitled (subject to the restrictions set out in paragraphs 10 and 11) to convert all or part of their units in a class for units in another class within the same Fund or another fund which is managed by the Manager. Details of this conversion facility and the restrictions are set out below.

9.12 The nature of the right represented by units is that of a beneficial interest under a trust.

9.13 The base currency of each of the Funds is pounds sterling and units are priced in pounds sterling.

9.14 The units have not been and will not be registered under the US Securities Act of 1933 (as amended). They may not be offered or sold in the US, its territories and possessions, or any state of the United States of America or the District of Columbia. The units also may not be offered, sold or transferred to US persons (who fall within the definition of "US Person" as defined in rule 902 in regulation 5 of the United States Securities Act 1933).

The units have not been and will not be registered under the US Investment Company Act of 1940 (as amended). Neither the Manager not the Investment Adviser have been registered under the US Investment Advisors Act of 1940.

10. Converting between units within a Fund

A Unitholder in a Fund may at any time convert all or some of his units of one class or type (the "Original Units") for units of another class or type (the "New Units") in that Fund, subject to certain restrictions including meeting the

subscription criteria for the relevant class (please see paragraphs 9 and 17 for more information). The Manager will not normally make a charge on converting between classes. A conversion between different types of units e.g. between Accumulation Units and Distribution Units or between Class R units and Class I units, will not incur any charges.

Unitholders may be required to provide written instructions to the Manager (which, in the case of joint Unitholders, must be signed by all the joint Unitholders) before a conversion is effected. A request for a conversion on any business day must be received by the earlier of the relevant dealing cut off points for both the redemption of the Original Units and for the acquisition of the New Units.

The number of New Units issued will be determined by reference to the respective prices of New Units and Original Units at the valuation point applicable at the time the Original Units are redeemed and the New Units are issued.

Conversion of the Original Units specified in a conversion notice shall take place at the first valuation point after the conversion notice is received or deemed to have been received by the Manager or at such other valuation point as the Manager at the request of the Unitholder giving the relevant conversion notice may determine. For the purposes of this clause and for the avoidance of doubt, the Manager shall be construed as the Unitholder of all units in the relevant Fund which are in issue and in respect of which no other person's name is entered on the register of Unitholders.

The Manager shall determine the number of New Units to be issued or sold to the Unitholder on a conversion in accordance with the following formula:

$$N = \frac{O \times (CP \times ER)}{SP}$$

where:

N is the number of New Units to be issued or sold (rounded down to three decimal places);

O is the number of Original Units specified (or deemed to be specified) in the conversion notice which the holder has requested to convert;

CP is the price of a single Original Unit as at the valuation point;

ER is 1, where the Original Units and the New Units are designated in the same currency and, in any other case, is the exchange rate determined by the Manager in its absolute discretion (subject to the COLL Sourcebook) as representing the effective rate of exchange between the two relevant currencies as at the date the conversion notice is received (or deemed to have been received) by the Manager having adjusted such rate as may be necessary to reflect any costs incurred by a Fund in making any transfer of assets as may be required as a consequence of such a conversion being effected; and

SP is the price of a single New Unit as at the valuation point.

The Manager may adjust the number of New Units to be issued or sold to reflect the imposition of any conversion charges (as set out above) together with any other charges or levies in respect of the issue or sale of the New Units or

cancellation or redemption of the Original Units as may be made without infringement of the COLL Sourcebook.

If the conversion would result in the Unitholder holding a number of Original Units or New Units of a value which is less than the minimum holding in the class concerned, the Manager may, if it thinks fit, convert the whole of the applicant's holding of Original Units to New Units (and make a charge on such conversion) or refuse to effect any conversion of the Original Units. No conversion will be allowed during any period when the right of Unitholders to require the redemption of their units is suspended. A conversion between units within a Fund may be subject to income equalisation as referred to in paragraph 22.2. A conversion of units within the same fund is not generally treated as a disposal for the purposes of taxation of capital gains, however, this may not be the case for conversions involving Class IH units. Unitholders should seek professional advice in relation to their tax status.

A Unitholder who converts between classes of units will have no right to withdraw from or cancel the transaction.

The Manager may carry out a compulsory conversion of some or all of the units of one class into another class where it reasonably believes it is in the interests of Unitholders to do so (for example, to merge two existing unit classes). The Manager will give Unitholders 60 days' written notice before any such compulsory conversion is carried out.

11. Switching between funds

Switches between a Fund and any other Fund or funds managed by the Manager are permitted at the discretion of the Manager where the investment criteria of the unit class into which the Unitholder wishes to switch are met. The Manager may at its discretion make a charge on switching of units between funds, including any applicable stamp duty reserve tax provision.

Unitholders may be required to provide written instructions to the Manager (which, in the case of joint Unitholders must be signed by all the joint Unitholders) before switching is effected. Any request for switching must be received by the earlier of the relevant dealing cut off points for both the redemption of the Original Units and for the acquisition of the New Units.

No switch will be allowed during any period when the right of Unitholders to require the redemption of their units is suspended. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a switch.

Written instructions must be received by the Manager before the dealing cut off point in the fund concerned to be dealt with at the prices at the relevant valuation point on that dealing day or the next dealing day, or on the next dealing day following a suspension of units in the fund. Switching requests received after a dealing cut off point will be held over until the next day which is a dealing day in each of the relevant funds.

Where a request is to switch between funds with a choice of unit classes, then the switch will be made to units of the same class in the new fund, and where both such classes have a redemption charge, the redemption charge will not be applied. When switching from a fund with a redemption charge to one without, the redemption charge will be applied.

Please note that a switch of units in one fund for units in any other fund is treated as a redemption of the Original Units and a purchase of New Units and will, for persons subject to United Kingdom taxation, be a disposal for the purposes of taxation of capital gains. Unitholders should seek professional advice in relation to their tax status.

A Unitholder who switches between funds will have no right to withdraw from or cancel the transaction.

12. Unitholder meetings

12.1 The provisions below, unless the context otherwise requires, apply to class meetings as they apply to general meetings of each of the Funds, but by reference to units of the class concerned and the Unitholders and value and price of such units.

12.2 The Manager may requisition a general meeting at any time. Subject to certain conditions, Unitholders may also requisition a general meeting of a Fund. A requisition by Unitholders must state the objects of the meeting, be dated, be signed by Unitholders who, at the date of the requisition, are registered as holding not less than one tenth in value of all units then in issue in that Fund and the requisition must be deposited at the office of the Trustee. The Manager must convene a general meeting no later than eight weeks after receipt of such a requisition.

12.3 Unitholders will receive at least 14 days' notice of a general meeting of a Fund and are entitled to be counted in the quorum and vote at such a meeting either in person or by proxy. The quorum for a meeting is two Unitholders, present in person or by proxy. The quorum for an adjourned meeting is one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to Unitholders of the relevant Fund at their registered addresses.

12.4 At a general meeting, on a show of hands every Unitholder in that Fund who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

12.5 On a poll vote, Unitholders may vote either in person or by proxy in relation to the units which they hold. The voting rights attaching to each unit are such proportion of the voting rights attached to all the units in issue that the price of the unit bears to the aggregate price of all the units in issue at a reasonable date before the notice of meeting is sent out, such date to be decided by the Manager.

12.6 A Unitholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

12.7 In the case of joint Unitholders, the vote of the most senior Unitholder who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Unitholders. For this purpose seniority is determined by the order in which the names stand in the register of Unitholders.

12.8 Except where the Regulations or the Trust Deeds require an extraordinary resolution (which needs at least 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the Regulations will be passed by a simple majority of the votes validly cast for and against the resolution.

12.9 The Manager may not be counted in the quorum for a meeting and neither the Manager nor any associate (as defined in the Regulations) of the Manager is entitled to vote at any meeting of a Fund except in respect of units which the Manager or such associate holds on behalf of or jointly with a person who, if the registered Unitholder, would be entitled to vote and from whom the Manager or associate has received voting instructions.

12.10 Where all the units in a Fund are registered to, or held by, the Manager or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Trustee, instead be passed with the written consent of Unitholders representing 50% or more, or for an extraordinary resolution 75% or more, of the units in issue.

12.11 "Unitholders" in this context means Unitholders entered on the relevant Fund's register at a time to be determined by the Manager and stated in the notice of the meeting which must not be more than 48 hours before the time fixed for the meeting.

13. Income allocations

13.1 The annual and interim accounting periods of the Funds end each year on the dates set out in Appendix A. Allocations of income are made in respect of the income available for allocation in each relevant accounting period. The Trustee shall allocate the amount of income available between the classes of units in issue in each Fund at the end of the relevant accounting period.

13.2 Distributions of income for the Funds are paid on or before the relevant annual income allocation date and on or before the relevant interim income allocation dates.

13.3 In respect of Accumulation Units, the income will become part of the capital property of the relevant Fund as at the end of the relevant accounting period to increase the value of each unit.

13.4 In respect of units in the Artemis Monthly Distribution Fund, units will go ex-dividend on the last day of each calendar month. Any income will then be either distributed (in the case of Distribution Units) or transferred to the capital property of the Fund (in the case of Accumulation Units) on the relevant Income Allocation Date.

13.5 In respect of Class MI units in the Artemis High Income Fund, units will go ex-dividend on the seventh day of each calendar month. Any income will then be distributed on the relevant Income Allocation Date two months following the Distribution Date. Unless advised otherwise, the Manager will distribute the income attributable to Class MI units. This will be paid directly into the Unitholder's bank or building society account on or before the relevant Income Allocation Dates shown in Appendix A. Where such Unitholders have not provided bank or building society account details, income will be reinvested in new units until such bank or building society account details have been received by the Manager.

13.6 The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of a Fund in respect of that period, and deducting the aggregate of the Manager's and Trustee's remuneration for that Fund and other payments properly paid or

payable out of the income account in respect of that accounting period and adding the Manager's best estimate of any relief from tax on that remuneration and those other payments. The Manager then makes such other adjustments as it considers appropriate (and after consulting the Auditors as appropriate) in relation to taxation of the proportion of the price of units that is related to income (taking into account any provisions in the Trust Deed relating to income equalisation), potential income which is unlikely to be received until 12 months after each Income Allocation Date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters. Distributions are paid by crediting a Unitholder's bank or building society account.

13.7 Included in the price of units will be an income equalisation amount representing the value of income attributable to the unit in question accrued since the end of the last accounting period (interim or final as the case may be). For more information on equalisation please see paragraph 22.2.

13.8 For Artemis Strategic Bond Fund, Class QR and Class QI units will go ex-dividend on 31 March, 30 June, 30 September and 31 December. Any income will then be either distributed (in the case of Distribution Units) or transferred to the capital property of the Artemis Strategic Bond Fund (in the case of Accumulation Units) on the next Income Allocation Date. Class MR and Class MI units will go ex-dividend on the last day of each calendar month. Any income will then be either distributed (in the case of Distribution Units) or transferred to the capital property of Artemis Strategic Bond Fund (in the case of Accumulation Units) on the next Income Allocation Date. Allocation of income to holders of Accumulation Units will be transferred to the capital property of Artemis Strategic Bond Fund on the relevant Income Allocation Date and be reflected in the value of units on the first business day following that Income Allocation Date. Unless advised otherwise, the Manager will distribute the income attributable to Distribution Units. This will be paid directly into the Unitholder's bank or building society account on or before the relevant Income Allocation Dates shown in Appendix A. Where such Unitholders have not provided bank or building society account details, income will be reinvested in new units until such bank or building society account details have been received by the Manager.

13.9 Income relating to a Fund is allocated at each valuation point among unit classes in that Fund in proportion to the value of each unit class relative to the value of the entire Fund as at the immediately preceding valuation point including any unit issue and cancellation movements applied at the immediately preceding valuation point.

13.10 If a distribution remains unclaimed for a period of six years after it has become due it will be forfeited and will revert to the relevant Fund.

13.11 In the case of Distribution Units, the Manager may, from time to time, smooth the income payments during the accounting year with the balance of income (if any) being paid in respect of the final distribution period of an annual accounting period.

14. Valuation of property

14.1 There is only a single price for units. The price of a unit is calculated by reference to the net asset value of the Fund to which it relates, calculated in accordance with the provisions set out in Appendix C. The valuations will be as at 12 noon on each business day.

14.2 The Manager may determine that any day shall not be a business day. Such a determination would generally only be made in respect of a particular day if that day were a holiday on a stock exchange which was the principal market for a significant portion of a Fund's portfolio of securities (namely, its assets other than cash, deposits and short term paper) or was a holiday elsewhere which impeded the calculation of the fair market value of the portfolio.

14.3 The Manager will, upon completion of each valuation, notify the Trustee of the price of units of each class of each Fund and the amount of any dilution adjustment made in respect of any purchase or redemption of units.

14.4 The Manager may change the time for the valuation point in accordance with the Regulations.

14.5 Where permitted and subject to the Regulations, the Manager may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

15. Dilution Adjustment

15.1 The actual cost of purchasing or selling assets and investments in the Funds may deviate from the mid-market value used in calculating the unit prices, due to dealing charges, taxes, and any spread between the buying and selling prices of a Fund's underlying investments. These costs could have an adverse effect on the value of the Funds, known as "dilution". In order to mitigate the effect of dilution, the Regulations allow the Manager to adjust the sale and purchase price of units in the Funds to take into account the possible effects of dilution. This is known as making a dilution adjustment or operating swinging single pricing. The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Funds.

15.2 The price of the units in each class of each Fund will always be calculated separately. Should any dilution adjustment be applied to a Fund, it will, in percentage terms, affect the price of the units in each class of such Fund identically.

15.3 The Manager reserves the right to make a dilution adjustment on a daily basis. The dilution adjustment is calculated using the estimated dealing costs of a Fund's underlying investments, taking into consideration any dealing spreads, commission and transfer taxes. The need to make a dilution adjustment will depend on the difference between the value of units being acquired and the value of units being sold as a proportion of the total value of that Fund. The measurement period will typically be a single day but, where a trend develops so that for a number of days in a row there is a surplus of acquisitions or redemptions on each and every day, the aggregate effect of such acquisitions or redemptions as a proportion of the total relevant Fund value will be considered.

15.4 Where a Fund is experiencing net acquisitions of its units the dilution adjustment would increase the price of its units above their mid-market value. Where a Fund is experiencing net redemptions the dilution adjustment would decrease the price of its units to below their mid-market value.

15.5 It is the Manager's policy to reserve the right to impose a dilution adjustment on purchases, sales and switches of units of whatever size and whenever made. In the event that a dilution adjustment is made, it will be applied to all transactions in a Fund during the relevant measurement period and all transactions during

the relevant measurement period will be dealt on the same price inclusive of the dilution adjustment.

15.6 The Manager's decision on whether or not to make a dilution adjustment, and at what level a dilution adjustment might be made in a particular case or generally, will not prevent it from making a different decision on future similar transactions.

15.7 On the occasions when a dilution adjustment is not applied, if a Fund is experiencing net acquisitions of units or net redemptions, there may be an adverse impact on the assets of that Fund attributable to each underlying unit, although the Manager does not consider this to be likely to be material in relation to the potential future growth in value of a unit. As dilution is directly related to the inflows and outflows of monies from a Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the Manager will need to make a dilution adjustment.

15.8 As at the date of this Prospectus, no historic dilution information can be provided. Estimates of the dilution adjustment calculated on securities held in each Fund, dealing expenses incurred and market conditions at the time of this Prospectus for each Fund are set out in Appendix A.

15.9 These rates are indicative and are only intended to provide a guide to Unitholders and potential Unitholders on the possible rate at which the dilution adjustment may be charged.

15.10 The dilution adjustment for any one Fund may vary over time because the dilution adjustment for each Fund will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, and these can vary with market conditions.

16. Charges and expenses

16.1 Allocation of fees and expenses

All fees and expenses payable out of the property of the Funds or by Unitholders are set out in this section. All charges and expenses, with the exception of the Manager's initial charge (if any), are charged to the Funds.

Charges will be allocated to income or capital in accordance with Appendix A.

The Trust Deeds permit the Manager to include in the sale price of units an initial charge. These charges (if any) are as set out in Appendix A. The Manager's initial charge (if any) is included in the offer price of each unit, and accordingly is deducted at the point of investment from the amount subscribed by Unitholders.

Any fees or expenses shall, where applicable, be increased to include VAT thereon at the prevailing rate. The Manager's initial and management charges are not currently subject to VAT, but in the event of such tax being imposed the Trust Deed provides that this may be levied against the property of the Fund.

16.2 The ongoing charges figure (OCF) measure

Each unit class in a Fund has an ongoing charges figure (or OCF) and this is shown in the relevant Key Investor Information Document. The ongoing charges figure is an industry standard measure of the operating costs and is intended to

allow Unitholders to compare the level of those charges with the level of charges in other funds.

The OCF excludes the costs the Fund pays when buying and selling investments such as: dealing spread, broker commissions, transfer taxes and stamp duty incurred by the Funds on transactions. The annual reports of each Fund provide further information on these portfolio transaction costs incurred in the relevant reporting period.

16.3 **Dealing fees**

16.3.1 **Exit fee (also known as a redemption fee)**

The Manager does not charge an exit fee.

16.3.2 **Switching and Conversion fee**

The Manager does not currently make any charge on either a conversion of units or on a switch of units between different Funds.

16.4 **The Manager's Annual Management Charge**

The Manager is remunerated by way of an annual management charge calculated daily by reference to the mid-market value of the property of each Fund and which is payable monthly. The current annual management charges for each of the Funds are as set out in Appendix A.

In the case of Artemis High Income Fund, Artemis Income Fund, Artemis Monthly Distribution Fund and Artemis Global Income Fund, which have been structured so as to concentrate on the generation of income as an equal or higher priority than capital growth, some or all of the annual management charge will be charged to capital. The distribution unit classes issued by the Artemis UK Select Fund and Artemis UK Smaller Companies Fund have been structured so that some or all of the annual management charge relating to them will be charged to capital. Whilst this will increase the amount of income available for distribution in those Funds, or in respect of those unit classes, it may constrain or erode capital growth.

The Manager cannot levy these charges or increase the rates except in accordance with the Regulations.

The Manager is required to have a remuneration policy relating to the way in which it remunerates its staff. This takes a risk-focussed approach and is designed to be consistent with and promote effective risk management so that the Funds are not exposed to excessive risk.

Full details of the remuneration policy are available on the website of the Manager: www.artemisfunds.com. This sets out a description of how remuneration and benefits are calculated and the identities of persons responsible for awarding the remuneration and benefits. A paper copy of that website information will be made available free of charge on request from the Manager.

16.5 **Administration Fee**

16.5.1 The Manager will also be entitled to receive out of the assets of each Fund an annual fee (the **Administration Fee**) from which it will discharge certain fees and expenses.

16.5.2 The Administration Fee will be calculated and accrued daily and is deducted monthly in arrears from the relevant Fund.

16.5.3 The Administration Fee for each Fund is detailed in Appendix A. The applicable rate will be discounted dependent on the level of the Fund's Net Asset Value at the first business day of each calendar month, and the relevant discounted rate will be applied to the calculation of the Administration Fee until the first business day of the following calendar month.

16.5.4 The thresholds applicable to the Administration Fee in respect of each Fund are set out below.

Unit class	**Net Asset Value (NAV) of Fund**	**Discount to be applied to the base Administration Fee**
All classes	£0 - £250m	Nil
	£250m - £750m	0.01%
	£750m - £1.5bn	0.03%
	£1.5bn - £3bn	0.05%
	Above £3bn	Once a Fund's NAV reaches this threshold, a minimum Administration Fee will apply rather than a discount. This is detailed in Appendix A.

For example, if a Fund's Net Asset Value on 1 February in any year is £2.5bn, then the Administration Fee applicable to that Fund will be discounted by 0.05% until 1 March of that year. If at 1 March the Fund's Net Asset Value has increased to £3.1bn, the minimum Administration Fee applicable to that Fund will apply until 1 April of that year. If at 1 April the Fund's Net Asset Value has reduced to £2.8bn, the Administration Fee applicable to that Fund will be discounted by 0.05% until 1 May

16.5.5 In the event the actual costs incurred by a Fund exceed the level of the Administration Fee payable by that Fund, the Manager will bear that excess.

16.5.6 In the event that the actual operating costs incurred by a Fund fall below the Administration Fee, the Manager will be entitled to retain any amount by which the Administration Fee exceeds those actual costs**.**

16.6 **What is included in the Administration Fee?**

The following costs and expenses (plus VAT where applicable) will be met out of the Administration Fee:

16.6.1 the fees of the Trustee and Depositary;

Although it is anticipated that all fees of the Depositary will be included in the Administration Fee, the Depositary retains the right to deduct any amounts owing to it from the Scheme Property.

16.6.2 the fees of the Registrar;

16.6.3 the fees of the Administrator;

16.6.4 other costs incurred in the administration of a Fund, including costs incurred in respect of fund accounting and obtaining fund prices, any costs incurred in producing and dispatching payments made by the Funds and any costs incurred in developing, purchasing or maintaining fund administration and fund accounting systems including software;

16.6.5 safe keeping and custody transaction fees;

16.6.6 the fees and expenses incurred in respect of: the preparation of financial statements; calculation of the prices of Units; preparation of tax returns; and any expenses incurred by the Funds in connection with the maintenance of its accounts and other books and records;

16.6.7 any costs incurred in amending any Trust Deed or this Prospectus, including costs incurred in respect of meetings of Unitholders convened for the purpose of approving such modifications;

16.6.8 any costs incurred in respect of any other meeting of Unitholders including meetings convened on a requisition by Unitholders not including the Manager or an associate of the Manager;

16.6.9 any fees in relation to a unitisation, amalgamation or reconstruction where the property of a body corporate (such as an investment company) or of another collective investment scheme is transferred to the Funds in consideration of the issue of Units to shareholders in that body corporate or to participants in that other scheme, and any liability arising after the transfer which, had it arisen before the transfer, could properly have been paid out of that other property provided that the Manager is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;

16.6.10 any audit fee and any proper expenses of the Auditor and of tax, legal and other professional advisers for the Funds;

16.6.11 the fees of the FCA in accordance with the FCA's Fee Manual and the corresponding fees of any regulatory authority in any country or territory outside the United Kingdom in which units in each Fund are or may be marketed;

16.6.12 payments or costs in relation to the preparation of key investor information documents, PRIIPs key information documents (either in

respect of the Funds or a Fund) or any successor or equivalent document;

16.6.13 any costs of printing, translating and distributing any Trust Deed, Prospectus, annual, half yearly and any other reports and accounts or information provided for Unitholders;

16.6.14 any costs of listing the prices of the Funds in publication and information services selected by the Manager;

16.6.15 insurance which the Funds may purchase and/or maintain for the benefit of and against any liability incurred by the Manager in the performance of its duties;

16.6.16 the fees in connection with listing the Units on any stock exchange; and

16.6.17 electronic dealing administration costs.

The levels of the Administration Fee and Fund size discount levels and thresholds will be reviewed by the Manager on an annual basis, and, if required, more frequently in response to any exceptional circumstances to ensure that they remain fair to Unitholders.

16.7 **Other payments out of the Funds**

The fees and charges set out in this section will be payable out of the Scheme Property of the relevant Fund and do not fall within the Administration Fee.

16.7.1 **Establishment and authorisation of a Fund**

Any costs incurred in establishing and authorising a new Fund will be met out of the Scheme Property of that Fund.

16.7.2 **Other ongoing operational costs**

16.7.2.1 Taxes, rates, charges, duties, levies, assessments, impositions or other outgoings whatsoever whether of a capital or revenue nature including stamp taxes and any other transfer or transaction tax, withholding tax, transfer pricing and irrecoverable VAT in respect of the Scheme Property or the issue of Units in the Funds;

16.7.2.2 fees, costs and charges incurred in connection with any foreign exchange (including but not limited to currency hedging) transactions;

16.7.2.3 broker's commissions, fiscal charges and other disbursements which are necessarily incurred in effecting transactions for the Funds, including expenses incurred in acquiring or disposing of investments (including legal fees and expenses), whether or not the acquisition or disposal is carried out;

16.7.2.4 fees, costs and charges levied by any financial institution or organisation in relation to derivative instruments;

16.7.2.5 interest on and other charges relating to permitted borrowings including costs incurred in effecting, terminating, negotiating or varying the terms of such borrowings.

16.7.3 **Exceptional expenses**

Any exceptional out of pocket expenses incurred by the Manager, where the Trustee agrees that the nature of the expense is outside the normal day-to-day operation of a Fund.

17. The sale and redemption of units

17.1 The Manager will be available to receive requests for the sale and redemption of units during normal business hours, 8.00am to 6.00pm, excluding weekends, public and bank holidays.

17.2 Units will be sold by the Manager upon receipt of orders by telephone (for existing Unitholders), letter, facsimile, application form or other form of communication which the Manager deems acceptable, at a price as determined under 17.7 below. Units may be purchased directly from the Manager or through a financial adviser or other intermediary. Certificates are not issued to Unitholders. Instead, Unitholders will be sent six-monthly statements as at April and October each year detailing holdings and transactions executed during the period.

17.3 The Manager makes use of the "delivery versus payment" (DvP) exemption as permitted by the FCA Handbook, which provides for a one day window during which money given to the Manager to buy units is not treated as client money. If the Manager has not passed subscription money to the Trustee at the end of the one day window, it will place the subscription money in a client money bank account until it can make the transfer.

17.4 The minimum holding, investment and redemption amounts applicable to each class of Unit are set out in Appendix A.

The Manager may, at its sole discretion, decide to waive any of the applicable investment minimums.

17.5 Units will be redeemed by the Manager upon receipt of an order either by telephone, letter, facsimile or other form of communication which the Manager deems acceptable, at a price determined pursuant to paragraph 17.7 below. Where orders have been placed either by telephone or facsimile, the redemption proceeds may not be released until the Manager, at its discretion, is in receipt of a written redemption instruction duly signed by the Unitholder(s) in question. Units may be sold back to the Manager directly or through a financial adviser or other intermediary. Payment will be made within four working days following receipt of all necessary documentation. Unitholders should note that should their holding fall below the minimum holding values detailed in Appendix A, the Manager has the discretion to automatically redeem their entire holding.

17.6 The Manager also makes use of the delivery versus payment (DvP) exemption as referred to in paragraph 17.3 above when it redeems units. Money due to be paid to Unitholders following a redemption need not be treated as client money provided the redemption proceeds are paid to the Unitholder within a one day window of receipt of the redemption proceeds from the Trustee. If the Manager is not able for any reason to pay a Unitholder in that timeframe it will place the

redemption money in a client money bank account until it can make the payment.

17.7 Units are dealt on a forward pricing basis by reference to the next valuation point immediately following receipt of valid instructions by the Manager. The Manager has elected to sell and redeem units on a forward pricing basis only.

17.8 Where a Unitholder requests a redemption of units representing not less than 5% of the value of a Fund, the Manager may, at its discretion, give written notice to the Unitholder before the proceeds of the redemption or cancellation would otherwise become payable that, in lieu of paying such proceeds in cash, the Manager will transfer to that Unitholder property attributable to a Fund having the appropriate value. The Manager will select the property to be transferred in consultation with the Trustee. The Manager and the Trustee must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Unitholder requesting the redemption than to the continuing Unitholders. The Manager may arrange for a Fund to issue units in exchange for assets other than cash, but will only do so where the Manager and Trustee are satisfied that a Fund's acquisition of those assets in exchange for the units concerned is not likely to result in any material prejudice to the interests of Unitholders. The Manager will not issue units in exchange for assets the holding of which would be inconsistent with the investment objective of a Fund.

17.9 The Manager may, with the prior agreement of the Trustee, and must without delay if the Trustee so requires temporarily suspend the issue, cancellation, sale and redemption of units in the Fund where due to exceptional circumstances it is in the interests of all the Unitholders. The Manager will immediately inform the FCA of the suspension and the reason for it, and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA state where the Fund is offered for sale. The Manager and the Trustee must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Unitholders. The Manager will notify Unitholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Unitholders details of how to find further information about the suspension. Where such suspension takes place, the Manager will publish on its website or other general means, sufficient details to keep Unitholders appropriately informed about the suspension, including, if known, its possible duration. During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the Manager will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension. Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the Manager and the Trustee will formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Unitholders. The Manager will inform the FCA of the proposed restart of dealings and immediately after the restart the Manager will confirm this by giving notice to the FCA and the regulator in each EEA State where the Fund is offered for sale. The Manager may agree during the suspension to deal in units in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first valuation point after the restart of dealings in units.

17.10 Recalculation of unit prices will take place on each occasion that each Fund is valued.

17.11 The most recent unit prices are published on the Manager's website www.artemisfunds.com, which is the primary method of price publication. In addition, the Manager will publish prices in such newspapers or other media as the Manager may from time to time decide to use. For further details where to find such prices please contact the Manager. .

17.12 Units are not quoted on any recognised investment exchange.

17.13 The Manager's annual management charge, Trustee's remuneration, Auditor's fees, Registrar's fees, administration fees and fund accounting fees accrue daily and are reflected in the unit prices.

17.14 The Manager will accept electronic renunciation instructions from regulated institutions who hold units in a nominee name provided that the Manager has a coverall or an electronic renunciation agreement in place with the regulated institution. The Manager may also accept electronic instructions from private investors but may at its discretion also still require hard copy, wet signatures to effect renunciation. The Manager does not generally accept electronic instructions to transfer units to a third party, whether from private investors or regulated institutions, but may elect to do so in certain circumstances.

18. Compulsory transfer and redemption of units

18.1 The Manager may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no units are acquired or held by any person in breach of the law or governmental regulations (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in a Fund incurring any liability to taxation which a Fund is not able to recoup itself or suffering any other adverse consequence. For example, the Manager may, *inter alia*, reject at its discretion any application for the purchase, redemption, transfer or switching of units.

18.2 If it comes to the notice of the Manager that any units ("Affected Units"):

18.2.1 are owned directly or beneficially in breach of any law or governmental regulations (or any interpretation of a law or regulation by a competent authority) of any country or territory; or

18.2.2 would result in a Fund incurring any liability to taxation which the Fund would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or

18.2.3 are held in any manner by virtue of which the Unitholder or units in question is/are not qualified to hold such units or if it reasonably believes this to be the case;

the Manager may give notice to the Unitholder(s) of the Affected Units requiring the transfer of such units to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such units in accordance with the Regulations. If any Unitholder upon whom such a notice is served does not within thirty days after the date of such notice transfer his Affected Units to a person qualified to own them or submit a written request for their redemption to the Manager or establish to the satisfaction of the Manager (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to

own the Affected Units, he shall be deemed upon the expiry of that thirty (30) day period to have given a request in writing for the redemption or cancellation (at the discretion of the Manager) of all the Affected Units.

18.3 A Unitholder who becomes aware that he is holding or owns Affected Units shall immediately, unless he has already received a notice as set out above, either transfer all his Affected Units to a person qualified to own them or submit a request in writing to the Manager for the redemption of all his Affected Units.

18.4 Where a request in writing is given or deemed to be given for the redemption of Affected Units, such redemption will (if effected) be effected in the same manner as provided for in the Regulations.

19. Cancellation rights

Where investments in units are made following advice given by a financial adviser, the investor has the right to cancel the contract within 14 days of receipt of a 'Notice of Cancellation' which is sent to the investor at the same time as the contract note. This gives the investor the right to change their mind about investing without incurring any dealing costs (bid to offer spread) but the investor will have a legal obligation to cover any investment shortfall arising from any downward movement in the offered price between the date upon which the transaction was effected and the price applicable on receipt by the Manager of the signed 'Notice of Cancellation'. Where investors place a deal either by written application or telephone or electronically directly with the Manager, they automatically waive their right to cancel.

20. Taxation

20.1 This section summarises the tax position of the Funds and UK resident Unitholders in them. The tax position of the Funds and UK resident Unitholders may change in the future. Unitholders and prospective unitholders who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the UK, are recommended to take professional advice.

20.2 As each Fund is an authorised unit trust it is exempt from capital gains tax (CGT) or corporation tax in respect of gains accrued on the disposal of its investments (including on interest-bearing securities).

20.3 However, on disposal of Units, individual Unitholders who are resident in the UK for tax purposes may be liable to CGT on total realised gains (from all sources) after adjustment for the annual CGT allowance. UK resident corporate Unitholders may be liable to corporation tax on chargeable gains.

20.4 In the case of a disposal of Accumulation Units the amounts of dividend and interest distributions accumulated (not including any equalisation payments) may be deducted in calculating the capital gain. Details of how to treat equalisation payments are set out in paragraph 22.2.

20.5 The net income of each Fund (generally other than dividends from UK and non-UK companies) is subject to corporation tax. Each Fund will be treated, for tax purposes, as distributing to its Unitholders (by way of a dividend or interest distribution (as appropriate to the relevant Fund)) the whole of the income shown in its accounts for each of its distribution periods as being available for allocation to Unitholders. In the case of Accumulation Units, amounts allocated are treated as distributed for tax purposes and are taxable in the same way as amounts actually paid.

20.6 Derivatives held in a Fund will be accounted for in accordance with the Statement of Recommended Practice for authorised funds. Any profits accounted for as capital gains are exempt from tax. Any profits accounted for as income will constitute part of a Fund's taxable income.

20.7 Dividend Distributions – Individual Unitholders: Any dividend distribution payable by a Fund to its UK resident Unitholders will be paid (or accumulated) without the deduction of any tax. Individual UK resident Unitholders benefit from a dividend allowance exempting the first £2,000 of dividends and dividend distributions received in each tax year. Where dividends and dividend distributions from all sources exceed the dividend allowance, the excess will be liable to income tax at dividend tax rates which depend upon the Shareholder's highest rate of tax. Dividends received within the allowance will still count towards total taxable dividend income and so may affect the rate of tax due on dividends received in excess of the allowance. Dividend tax rates in tax year 2018-19 are 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers.

20.8 Interest Distributions – Individual Unitholders: Individual UK taxpayers may be entitled to a personal savings allowance in each tax year. For basic rate taxpayers, the first £1,000 of total interest and interest distributions are free of tax and for higher rate taxpayers, the allowance is £500. Additional rate taxpayers do not receive a personal savings allowance. Where individuals' total interest and interest distributions exceed their personal savings allowances then they will be liable to pay income tax at their highest rates (normally 20% for basic rate taxpayers, 40% for higher rate and 45% for additional rate taxpayers) on the amount over the allowance.

20.9 Individual Unitholders will find further information in the HM Revenue & Customs tax return guidance. Unitholders may wish to seek professional advice in relation to their tax status.

20.10 Dividend Distributions – Corporate Unitholders: UK resident corporate Unitholders which receive dividend distributions may have to divide them into two (as per the voucher). The part generally representing income taxable in the Fund must be treated as an annual payment after deduction of income tax at the basic rate. The remainder will be treated as a dividend and is not subject to corporation tax for most companies.

20.11 Unitholders within the charge to UK corporation tax should note that where they hold units in a dividend distribution paying Fund and that Fund has at any time during the distribution period more than 60% of its assets by market value invested in qualifying investments (government and corporate debt securities, cash on deposit, certain derivative contracts, holdings in other collective investment schemes with more than 60% of their assets similarly invested, or other interest-bearing securities), the holding will be treated for corporation tax purposes as falling within the loan relationships regime, with the result that returns on the holding in respect of that Unitholder's accounting period (including gains, profits and losses, calculated in accordance with fair value accounting) will be brought into account. On the basis of the investment policies of the Funds, the Artemis Monthly Distribution Fund may, from time to time, invest more than 60% of its assets in qualifying investments. Accordingly, a corporate Unitholder in the Artemis Monthly Distribution Fund may, depending on its own circumstances, incur a charge to corporation tax on dividend distributions whether distributed or accumulated.

20.12 Interest Distributions – Corporate Unitholders: A corporate Unitholder with Units in a Fund that pays interest distributions must account for its holding in that Fund in accordance with the loan relationships tax regime (Chapter 3 of Part 6 of the Corporation Tax Act 2009). This requires the Unitholder's interest in the Fund (including any the amount of any distributions) to be taken into account for corporation tax on a fair value basis.

20.13 Automatic Exchange of Information for International Tax Compliance: The Manager (or its agent) may collect and report information about Unitholders and their investments, including information to verify their identity and tax residence. When requested to do so by the Manager or its agent, Unitholders must provide information that may be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities.

This is required by legislation that implements the United Kingdom's obligations under various intergovernmental agreements and a European Union directive relating to the automatic exchange of information to improve international tax compliance (including the United States provisions commonly known as FATCA).

At least 51% of the value of Artemis European Opportunities Fund shall be continuously invested in equities in accordance with the German Investment Tax Act.

21. Stamp Duty Reserve Tax (SDRT)

21.1 No Stamp Taxes are payable on the issue or the surrender of Units.

21.2 Stamp taxes may arise if Units are transferred from one person to another without any change being made in the register of Unitholders or if Units are redeemed in specie and the shares and securities received by the redeeming Unitholder do not represent a pro-rata share of the underlying assets of the Fund.

22. General information

22.1 Availability of documentation

Copies of the Prospectus, Trust Deeds and any amending Deeds, and of the most recent periodic reports (see paragraph 24 below) may be inspected at the offices of the Trustee and Manager or copies may be obtained from the Manager (the Manager may at its discretion make a charge for copies of the Trust Deeds and any amending Deeds). The Prospectus and most recent periodic reports are also made available on the Manager's website (www.artemisfunds.com). Copies of the most recent periodic reports and the Prospectus are available to any person free of charge.

Any notices required to be served on Unitholders or any documents required to be sent out to Unitholders will be sent by post to the address noted on the register, or in the case of joint Unitholders to the address of the first named Unitholder.

22.2 **Income equalisation**

On the first distribution following the purchase of units in each Fund, the Unitholder will receive as part of the distribution a capital sum representing the part of the purchase price of the units which represents the value of the accrued income at the time of purchase. This is known as income equalisation.

The amount of income equalisation is calculated by dividing the aggregate of the amounts of income included in the issue price of units issued or re-issued in an accounting period or other grouping period by the number of those units and applying the resulting average to each of the units in question.

The actual amount of the distribution is the same for an existing Unitholder but the equalisation amount is not subject to income tax. The equalisation payment is a deduction from the base cost of the units for capital gains tax purposes. However, this does not apply when Accumulation Units are held as the equalisation is reinvested along with the element of taxed income. Since the equalisation has not been repaid, the investor should not deduct it from the original cost.

Grouping for equalisation is permitted by each Trust Deed. Equalisation is averaged over the distribution period resulting in the same rate of distributions on all units within a Fund. An equalisation amount may be included as part of any income allocation to Unitholders and represents a return of capital rather than income, which should be reflected in any tax return a Unitholder may complete.

23. **Manager acting as principal**

The Manager may make a profit when dealing in units as principal but it does not actively seek to do so. The Manager is under no obligation to account to the Trustee or Unitholders for any profit it makes on the issue of units or on the re-issue or cancellation of units which it has redeemed.

24. **Reports and Accounts**

Subject to the Regulations, an annual report and accounts will be made available to Unitholders of each Fund every year. It is the Manager's intention that a long Annual Report will be available on the Manager's website, www.artemisfunds.com, within two months of each annual accounting date and an Interim Report will be available on the same website within two months of each interim accounting date. Copies of a Fund's most recent Annual and Interim long reports are available to anyone who requests them.

25. **Risk warnings**

The attention of Unitholders and prospective Unitholders is drawn to the following risk warnings and should be read in conjunction with the Fund specific data contained in Appendix A:

25.1 Unitholders should appreciate that there are risks in securities investment. For example, stock market prices, currencies and interest rates can move irrationally and can be affected unpredictably by diverse factors, including political and economic events.

25.2 Investment in each Fund should be regarded as a long-term investment. There can be no guarantee that the objective of each of the Funds will be achieved.

25.3 As explained in paragraphs 17.3 and 17.6 above, there may be periods of up to one day during which money given to the Manager is not treated as client money. Money which is not held as client money will not be protected on the insolvency of the Manager.

25.4 The capital value of, and the income attributable to, units in the Funds can fluctuate and the price of units and the income attributable to units can go down as well as up and is not guaranteed. In particular, there can be no assurance that capital appreciation will occur in the early stages as initial charges are levied on investments in the Funds and charges are not made uniformly throughout the life of the investment. On redemption/sale, particularly in the short term, Unitholders may receive less than the original amount invested.

25.5 Past performance is not necessarily a guide to future growth or rates of return.

25.6 Investment in the securities of smaller and unquoted companies can involve greater risk than is customarily associated with investment in larger, more established companies. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for securities in smaller companies is often less liquid than that for securities in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such securities. Proper information for determining their value, or the risks to which they are exposed, may also not be readily available.

25.7 The real value of a Unitholder's investment will be reduced by inflation.

25.8 Personal tax rules may change and are dependent on a Unitholder's individual circumstances.

25.9 Where any of the Funds hold securities denominated in a currency other than sterling, changes in exchange rates may affect the value of an investment in that Fund.

25.10 Where charges are taken wholly or partly out of a Fund's capital, distributable income will be increased at the expense of capital which may constrain or erode capital growth.

25.11 Some Funds often carry greater risks in return for higher potential rewards. Specialist funds, which invest in specialist markets or small sectors of industry, are likely to carry higher risks than most general funds. Investment in technology-related stocks can be more volatile than investment in more established companies. Above average price movements can be expected.

25.12 Certain Funds invest in emerging markets which may carry a greater degree of risk than investments in more developed markets because of factors such as social and political instability, expropriation, significant currency fluctuations and lack of liquidity. Some emerging markets have less well established settlement and custody practices compared to established markets, and may not recognise a Fund's title to securities when held on its behalf by a third party (such as the Trustee) in the same way are more developed markets. Many emerging markets do not have well developed legal and/or regulatory systems, and such systems may also be subject to change at short, or no, notice or be susceptible to fraud. In some cases, a Fund may be subject to special restrictions when buying or selling as a foreign investor in emerging markets which may result in delayed settlement or access to the Fund's assets. Auditing, financial reporting and disclosure standards may be less stringent than those of developed markets

making it potentially more difficult to assess investment opportunities compared to developed markets.

25.13 If you invest in Artemis Strategic Bond Fund, you need to be aware that the level of your income and the value of your original investment can fluctuate. Whilst investing in the monthly distributing unit classes (Class MR and Class MI units) will produce a regular income it may constrain the potential for capital growth by comparison to the quarterly distributing unit classes (Class QR and Class QI units). Because Class QR and Class QI distribute quarterly they effectively invest more in the Fund than Class MR and Class MI which means that they will experience proportionally larger gains in a rising market, and proportionally larger losses in a falling market, than Class MR and Class MI units. The different unit classes may suit the needs of different investors. If you are unsure which unit class is most appropriate to your needs we recommend that you seek advice from a professional adviser.

25.14 If you invest in Artemis High Income Fund, you need to be aware that the level of your income and the value of your original investment can fluctuate. Whilst investing in the monthly distributing unit classes (Class MI units) will produce a regular income it may constrain the potential for capital growth by comparison to the quarterly distributing unit classes (Class R and Class I units). Because Class R and Class I distribute quarterly they effectively invest more in the Fund than Class MI which means that they will experience proportionally larger gains in a rising market, and proportionally larger losses in a falling market, than Class MI units. The different unit classes may suit the needs of different investors. If you are unsure which unit class is most appropriate to your needs we recommend that you seek advice from a professional adviser.

25.15 A significant portion of the Artemis European Opportunities Fund's, Artemis Monthly Distribution Fund's, Artemis Global Income Fund's, Artemis Global Growth Fund's, Artemis European Growth Fund's and Artemis Global Select Fund's assets may be invested in a currency other than the Funds' base currency of sterling. There is a risk that the value of such assets and/or the value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which these Funds are valued and priced. These Funds are not required to hedge their foreign currency risk, although may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that these Funds do not hedge their foreign currency risk, or such hedging is incomplete or unsuccessful, the value of these Funds' assets and income could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of one of these Funds in circumstances where no such hedging transactions are undertaken.

25.16 The Funds may invest in equity or equity-related securities of entities which are listed, quoted and/or traded, or carry out a significant proportion of their business in Europe. Economic conditions have increased the risk that the governments of certain European countries may default on their sovereign debt obligations, and as a result there is an increased level of risk associated with investment in Europe. The Funds could suffer potentially significant losses should the likelihood of such a default occurring increase, a default actually occur, or in the event one or more member states of the European Monetary Union withdrawing from the Euro.

25.17 Funds investing in fixed interest securities, such as gilts and bonds, are sensitive to changes in interest rates, which are in turn determined by a number of

economic factors, in particular market expectations of future inflation. Where a proportion of a Fund is invested in higher yielding bonds this may increase the risk to your capital due to a higher likelihood of default by the bond issuer. Changes to market conditions and interest rate levels can have a larger effect on the values of higher yielding bonds than other bonds.

25.18 **The Funds may employ derivatives for investment purposes in addition to efficient portfolio management. The use of derivatives and forward transactions, in both exchange traded and over the counter ("OTC") markets, in the pursuit of the Funds' objectives will mean that the net asset value of the Fund may at times be highly volatile (in the absence of compensating investment techniques). The instruments which may be used include: futures; contracts for differences; options; swaps; forward foreign exchange contracts; and repurchase and reverse repurchase agreements. There are some derivatives whose value falls even though the market is rising.**

The use of derivatives will include creating synthetic short positions. The use of these strategies will be subject to a risk management process which will involve reducing counterparty exposure, in respect of OTC derivative transactions, by holding collateral; and/or by netting positions with the same counterparty which are on equivalent terms.

It is not the Manager's intention that the use of derivatives and forward transactions in the pursuit of the Funds' objective will increase its risk profile. However, the use of derivatives and forward transactions for investment purposes will involve particular risks which may:

25.18.1 **increase the volatility of the Funds when taking additional market or securities exposures;**

25.18.2 **be reliant on the ability of the Manager to assess movements in the values of securities, currencies or interest rates;**

25.18.3 **place reliance on the imperfect correlation between derivative instruments and the underlying securities; and**

25.18.4 **involve trading in non-standardised instruments off exchange, which may in turn involve negotiations on transactions on an individual basis.**

25.19 When using derivative instruments the Funds will predominantly use the following types of derivative instruments:

25.19.1 Contracts for Differences

The Funds will make wide use of contracts for differences ("CFDs"). A CFD is a contract whereby the seller of the contract undertakes to pay to the buyer the difference between the current value of an asset and its future value if that value has increased. If the value falls then the buyer of the contract will pay the seller the difference between the current value and the future value. CFDs allow investors to take long or short positions synthetically and may have no fixed expiry date or contract size.

CFDs do not have a maturity date and can be traded at any time on the OTC market. The underlying instrument covers shares or indices. If

dividends are paid on the underlying shares, buyers of long contracts receive a compensatory payment. These amounts are paid by the seller of the long contract. If dividends are paid on the underlying shares, buyers of short contracts pay a compensatory payment. The benefit of CFDs is that the Funds can obtain exposure to price movements in underlying instruments without the need to make large movements of capital as the Funds only need to deposit assets in order to create the required initial margin. The purpose of this margin is to hedge the position against potential losses which may result from the transaction. Margin requirements may need to be increased during the life of the CFD to meet changes in the value of the contract. The contract may be closed automatically if the losses exceed the guaranteed amounts.

CFDs carry significant leverage effects. The force of the leverage effect can move against the holder of the CFD as easily and as quickly as it can in their favour.

25.19.2 Options

The Funds may purchase and sell options on securities. The seller of a put option which is covered (i.e. the seller has a short position in the underlying security or currency) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is 'fully hedged' if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

The seller of a call option which is covered (e.g. the writer holds the underlying security) assumes the risk of decline in the market price of the underlying security below the value of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of the call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset, in whole or in part, by any gain on the short sale of the underlying security, currency or commodity. In entering into a closing purchase transaction, the Fund may be subject to the risk of loss to the extent that the premium paid for entering into a closing purchase transaction exceeds the premium received when the option was written.

25.19.3 Exchange Traded Futures Contracts

The Funds may make use of futures contracts which will present the same types of volatility and leverage risks associated with transactions in derivative instruments generally. In addition, such transactions present a number of risks which might not be associated with the purchase and sale of other types of investment products. Prior to expiration, a futures contract can be terminated only by entering into an offsetting transaction. This requires a liquid secondary market on the exchange on which the original position was established. While the Fund will enter into futures and option positions only if, in the judgment of the Manager, there appears to be a liquid secondary market for such instruments, there can be no assurance that such a market will exist for any particular contract at any point in time. In that event, it might not be possible to establish or liquidate a position.

The Funds' ability to utilise futures to hedge their exposure to certain positions or as a surrogate for investments in instruments or markets will depend on the degree of correlation between the value of the instrument or market being hedged, or to which exposure is sought and the value of the futures contract. Because the instrument underlying a futures contract traded by the Funds will often be different from the instrument or market being hedged or to which exposure is sought, the correlation risk could be significant and could result in losses to the Funds. The use of futures involves the risk that changes in the value of the underlying instrument will not be fully reflected in the value of the futures contract or option.

The liquidity of a secondary market in futures contracts is also subject to the risk of trading halts, suspensions, exchange or clearing house equipment failures, government intervention, insolvency of a brokerage firm, clearing house or exchange or other disruptions of normal trading activity.

25.19.4 Forward Trading

Forward contracts, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and 'cash' trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Disruptions can occur in any market traded by the Funds due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which the Manager would otherwise recommend, to the possible detriment of the Funds. In respect of such trading, the Funds are subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to the Funds.

25.19.5 Hedging Transactions

The Funds may utilise financial instruments such as forward contracts for investment purposes and to seek to hedge against fluctuations in the value of the Fund's portfolio positions. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions nor prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio position should increase. Moreover, it may not be possible for the Funds to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated if it is not able to enter into a hedging transaction at a price sufficient to protect the Funds from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

While the Funds may enter into such transactions to seek to reduce exchange rate and interest rate risks, unanticipated changes in currency, interest rates and equity markets may result in a poorer overall performance of the Funds. For a variety of reasons, the Manager may not seek to establish (or may not otherwise obtain) a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Funds from achieving the intended hedge or expose the Funds to risk of loss.

25.19.6 OTC Derivatives

The Funds may invest a portion of their assets in investments which are not traded on organised exchanges and as such are not standardised. Such transactions are known as OTC transactions and may include forward contracts or options. Whilst some OTC markets are highly liquid, transactions in OTC derivatives may involve greater risk than investing in exchange traded derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price. In respect of such trading, the Funds are subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to the Funds.

25.19.7 The instruments, indices and rates of underlying derivative transactions that may be entered into by the Funds may be extremely volatile in the sense that they are subject to sudden fluctuations of varying magnitude, and may be influenced by, among other things, government trade, fiscal, monetary and exchange control programmes and policies national and international political and economic events and changes in interest rates. The volatility of such instruments, indices or rates, which may render it difficult or impossible to predict or anticipate fluctuations in the value of instruments traded by the Funds, could result in losses.

25.20 The use of derivatives and forward transactions may give rise to the following generic risk types impacting the Funds.

25.20.1 Position Risk

There is a risk that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the Manager, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the Manager's policy to net exposures against its counterparties.

25.20.2 Liquidity Risk

Derivatives traded OTC may not be standardised and thus may involve negotiations on each contract on an individual basis. This may result in OTC contracts being less liquid than exchange traded derivatives. The swap market, which is largely OTC, has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap.

25.20.3 Correlation Risk

Derivatives do not always perfectly or even closely correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin that might, if there is insufficient cash available in the portfolio, in turn require the sale of the Fund's investments under disadvantageous conditions.

25.20.4 Legal Risk

There are legal risks involved in using derivatives and forward transactions which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

25.20.5 Leverage

As many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivatives have the potential for unlimited loss regardless of the size of the initial investment. If there is a default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the Fund being less than if the transaction had not been entered.

25.20.6 Calculation of Global Exposure

The Funds in respect of which global exposure is calculated using the value at risk (VaR) approach are set out in the table below.

Where the Manager has determined an appropriate reference portfolio for a Fund (as indicated in the table below), the relevant Fund will apply a "relative VaR" risk management approach, measuring the risk profile of the Fund against a reference portfolio ("Reference Portfolio"). If the Manager does not regard it as possible or appropriate to determine a Reference Portfolio for any Fund, then the Manager will adopt an "absolute VaR" risk management approach for that Fund. The table below lists the Reference Portfolios assigned to each Fund. The Manager may elect to change the Reference Portfolio for any Fund from time to time, and the details shall be updated in this Prospectus at the next available opportunity. Further information on the Reference Portfolio applicable to a Fund is available from the Manager on request.

Fund	Risk Management Approach	Max (%)	Reference Portfolio	Expected Level of VaR (%)	Expected Level of Leverage (%)
Artemis UK Select Fund	Relative VaR	100	FTSE All Share	14.61%	104.01%

The column entitled "Max" refers to the regulatory risk limits applied to Funds in accordance with their risk management approach. Under the relative VaR approach, the global exposure of a Fund is determined calculating the VaR of the Fund's current portfolio versus the VaR of the Reference portfolio; the VaR of the Fund must be lower than twice the VaR of the Reference portfolio (i.e. 200%). Where an absolute VaR approach is adopted, the maximum absolute VaR that a Fund can have is 20% of its net asset value. The column entitled "Expected Level of VaR" refers to the expected average level of VaR of each Fund, based on the average level of leverage of that Fund over the 12 months prior to 30 June 2019. The column entitled "Expected Level of Leverage" refers to the expected average level of leverage of each Fund, based on the average level of leverage of that Fund over the 12 months prior to 30 June 2019. Unitholders should note that actual VaR and leverage at any given time may vary. A Fund's use of financial derivative instruments for investment purposes will be conducted within the limits set out in the UCITS Directive and each Fund's investment objective. An expected level of leverage does not necessarily represent an increase of risk in the Fund as some of the derivative instruments used may have the effect of reducing risk overall.

The Funds in respect of which global exposure is calculated using the commitment approach are set out in the table below.

Fund	Risk Management Approach	Max (%)	Expected Level of Leverage (%)
Artemis Capital Fund	Commitment	200	101.37%
Artemis European Growth Fund	Commitment	200	101.88%
Artemis European Opportunities Fund	Commitment	200	101.49%
Artemis Global Growth Fund	Commitment	200	102.69%
Artemis Global Income Fund	Commitment	200	114.63%
Artemis Global Select Fund	Commitment	200	104.33%
Artemis High Income Fund	Commitment	200	107.84%
Artemis Income Fund	Commitment	200	99.55%

Fund	Risk Management Approach	Max (%)	Expected Level of Leverage (%)
Artemis Monthly Distribution Fund	Commitment	200	110.12%
Artemis Strategic Bond Fund	Commitment	200	97.81%
Artemis UK Smaller Companies Fund	Commitment	200	99.18%
Artemis UK Special Situations Fund	Commitment	200	100.83%

The column entitled "Max" refers to the regulatory risk limits applied to Funds. Under the commitment approach, the global exposure of a Fund must be lower than twice its net asset value (i.e. 200%). The column entitled "Expected Level of Leverage" refers to the expected average level of leverage of each Fund, based on the average level of leverage of that Fund over the 12 months prior to 30 June 2019. Unitholders should note that actual leverage at any given time may vary. A Fund's use of financial derivative instruments for investment purposes will be conducted within the limits set out in the UCITS Directive and each Fund's investment objective. An expected level of leverage does not necessarily represent an increase of risk in the Fund as some of the derivative instruments used may have the effect of reducing risk overall.

25.21 The Manager is free to use one or more separate counterparties for derivative transactions. As a result, the Funds may enter into transactions in OTC markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where a Fund enters into derivative contracts, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and may incur significant losses. The Manager may use one or more counterparties to undertake derivative transactions on behalf of a Fund and may be required to pledge a proportion of the Fund's assets as collateral against these transactions. There may be a risk that a counterparty will be unable to meet its obligations with regards to the return of the collateral and may not meet other payments due to the Fund. To minimise such risk the Manager will assess the creditworthiness of any counterparty that it engages.

25.22 Short selling involves the sale of a security that a Fund does not own in the expectation of purchasing the same security at a later date at a lower price. To make delivery to the buyer, the Fund must borrow the security and later purchase the security to return to the lender. A short sale involves a risk of a theoretically unlimited increase in the market price of the security with a corresponding loss to the Fund. The Funds are prohibited under the COLL Sourcebook from taking direct short positions in securities, however, they may employ certain derivative techniques such as using CFDs which may establish both "long" and "short" positions in securities. These positions may seek to take advantage of both rising and falling market values.

25.23 The Manager will provide on the request of a Unitholder further information relating to the quantitative limits applying to the risk management of a Fund, the methods used in relation to the risk management of a Fund and any recent developments in the risk and yields of the main categories of investment.

25.24 A Fund may be exposed to the creditworthiness of the parties with whom it trades and may also be subject to the risk of settlement default. Where it is deemed appropriate, the Manager may instruct the custodian to settle transactions on a delivery versus payment basis, which may result in a loss to a

Fund if a transaction fails to settle. Neither the Manager nor the custodian will be liable to a Fund or its Unitholders should such a loss occur.

26. Winding up

26.1 A Fund will be wound up in the following circumstances:

26.1.1 if it ceases to be authorised by the FCA; or

26.1.2 if the FCA approves a request for winding up from the Manager or the Trustee; or

26.1.3 on the effective date of a duly approved scheme of arrangement which is to result in the Fund being left with no property.

26.2 If any of the events in paragraph 26.1.1, 26.1.2 and 26.1.3 set out above occurs, the rules in the COLL Sourcebook concerning Dealing (COLL 6.2), Valuation and Pricing (COLL 6.3) and Investment and Borrowing Powers (COLL 5) will cease to apply to that Fund. In such circumstances, the Trustee shall cease to issue and cancel units and the Manager will stop selling and redeeming units.

26.3 The Manager will notify Unitholders of the proposal to wind up the Fund, or where this is not possible, notify the Unitholders in writing as soon as practicable after commencement of the winding up.

26.4 In the case of a scheme of arrangement, the Trustee shall wind up the Fund in accordance with the approved scheme of arrangement.

26.5 In any other case, the Trustee shall, as soon as practicable after a Fund falls to be wound-up, realise the assets of the relevant Fund and, after paying, or retaining adequate provision for, all liabilities properly payable and retaining provision for the costs of the winding-up, distribute the proceeds to the Unitholders and the Manager proportionately to the size of their holdings (upon production by them of such evidence, if any, as the Trustee may reasonably require as to their entitlement).

26.6 Any unclaimed net proceeds or other cash (including unclaimed distribution payments) still held by the Trustee after twelve months from the date the proceeds became payable, shall be paid by the Trustee into Court, although the Trustee will have the right to retain any expenses incurred in making that payment. On completion of the winding-up, the Trustee shall notify the FCA in writing of that fact and the Trustee or the Manager shall request the FCA to revoke the order of authorisation.

27. Material information

27.1 This Prospectus contains all material information which:

27.1.1 potential Unitholders and their financial advisers might reasonably require and reasonably expect to find in the Prospectus for the purpose of making an informed judgement about the merits of participating in any Fund and the extent of the risks accepted by so participating; and

27.1.2 is within the knowledge of the Manager or which the Manager could have obtained having made reasonable enquiries.

27.2 The information contained in this document is accurate as at the date stated on the front cover. Existing and potential Unitholders should note that nothing contained herein can be relied upon as giving a binding indication of future policies to be adopted either in respect of any Fund or the management or administration thereof. Complaints about the operation of any Fund may be made to the Manager's Client Services Department at Cassini House, 57 St James's Street, London SW1A 1LD or direct to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR.

28. Funds

28.1 Information relating to all of the Funds is set out in Appendix A.

28.2 All of the Funds are eligible investments for the stocks and shares component under the Individual Savings Account Regulations 1998 (as amended) as well as for a Junior Individual Savings Account.

29. Identity Verification and Fraud Prevention

As a result of legislation in force in the United Kingdom to prevent financial crime, the Manager, as a company conducting investment business, is responsible for compliance with anti-money laundering regulations. This includes, but is not limited to, verifying the identity and address of Unitholders and of any third party making payments on behalf of Unitholders. Such verification may include electronic searches of the electoral roll and the use of credit reference agencies. In accordance with the Data Protection Act 1998, an instruction to purchase units, whether by completion of the Application Form, by telephone or other medium, represents permission for the Manager to access this information. The Manager reserves the right to delay processing an investment and/or withhold any payment due until satisfactory evidence is received. In such circumstances, any cash will be held in a non-interest bearing client money account. The right is reserved to refuse any application to purchase units without giving a reason for doing so.

30. Market timing

The Manager may refuse to accept a new subscription, or a switch from another fund if it has reasonable grounds, relating to the circumstances of the Unitholder or the transaction concerned, for refusing to accept such subscription or switch. In particular, the Manager may exercise this discretion if it believes the Unitholder has been engaging, or intends to engage, in market timing activities.

31. Interest

The Manager does not pay interest on any client money it may hold

32. Unclaimed cash or assets

Any cash (except unclaimed distributions which will be returned to the relevant Fund) or assets due to Unitholders which are unclaimed for a period of six years (for cash) or twelve years (for assets) will cease to be client money or client assets and may be paid to a registered charity of the Manager's choice. The Manager will take reasonable steps to contact Unitholders regarding unclaimed cash or assets in accordance with the requirements set out in the FCA Handbook before it makes any such payment to charity. Payment of any unclaimed balance to charity will not prevent Unitholders from claiming the money or assets in the future

If the client money or client assets (save for unclaimed distributions) are equal to or below a de minimis amount set by the FCA (£25 or less for retail Unitholders and £100 or less for professional Unitholders) the Manager must take fewer steps to trace the relevant Unitholders before paying the money or assets to charity but the Manager will still make efforts to contact such Unitholders.

33. Data protection

The Manager may provide names and addresses of Unitholders to companies within the Manager's group to enable information about other investment services to be sent by letter, telephone, email or other reasonable means of communication.

This will not apply if the Manager has received written confirmation from a Unitholder that they do not wish to receive such communication.

The Manager and other companies within the Manager's group will use Unitholders' personal data for the purposes of the administration of products and services which the Manager provides to Unitholders, preventing fraud and money laundering, marketing and for market and product analysis.

The Manager and other companies within the Manager's group may require to disclose Unitholders' personal data to intermediaries, independent financial advisors or other introducers who represent Unitholders.

The Manager and other companies within the Manager's group may require to disclose Unitholders' personal data to service providers, agents and contractors involved in providing services to the Manager and/or the Manager's group.

It may be necessary for the Manager and members of the Manager's group to transfer Unitholders' personal data abroad to other companies within the Manager's group, service providers, agents and subcontractors in countries where they may not have data protection laws providing the same level of protection as those in the European Economic Area. In such circumstances, the Manager will ensure that Unitholders' personal data is processed only in accordance with applicable legislation and under suitable obligations of confidentiality.

The UK has enacted legislation enabling it to comply with its obligations in relation to international tax compliance including the United States provisions commonly known as FATCA. As a result, the Manager may need to disclose information including the name, address, taxpayer identification number and information about the investment and payments relating to certain investors in the Funds to HM Revenue & Customs, who will in turn exchange this information with their overseas counterparts in relevant jurisdictions.

By signing the application form to subscribe for units, each prospective Unitholder is agreeing to provide information upon request to the Manager or its agent. If a Unitholder does not provide the necessary information, the Manager will be required to report it to HM Revenue & Customs.

34. Strategy for the exercise of voting rights

The Manager has a strategy for determining when and how voting rights attached to ownership of scheme property are to be exercised for the benefit of the Fund. A summary of this strategy is available upon request from the

Manager as are the details of the actions taken on the basis of this strategy in relation to the Fund.

35. **Execution**

The Manager's execution policy sets out the basis upon which the Manager will effect transactions and place orders in relation to the Fund whilst complying with its obligations under the FCA Handbook to obtain the best possible result for its Unitholders.

Details of the execution policy are available upon request from the Manager.

36. **Telephone calls**

Telephone calls may be monitored and recorded.

37. **Information**

The Manager also manages:

Artemis Institutional UK Special Situations Fund
Artemis Institutional Equity Income Fund
Artemis Institutional Global Capital Fund
Artemis Strategic Assets Fund
Artemis Investment Funds ICVC

31 July 2019

APPENDIX A

FUND DETAILS

ARTEMIS CAPITAL FUND

Objective and investment policy

The objective of the Fund is to achieve long-term capital growth. The emphasis of the Fund will be investment in UK companies in the FTSE 100 Index, however, the Manager has the flexibility to invest in UK companies outside the FTSE 100 Index and overseas companies.

The Fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash, derivatives and forward transactions and other investments to the extent that each is permitted by the Regulations.

Constituted by a Trust Deed date	20 November 1986
Order of Authorisation	21 November 1986
Type of Scheme	UCITS Scheme
Product Reference Number	108761
Annual Accounting Date	7 April
Interim Accounting Date	7 October
Annual Income Allocation Date	7 June
Interim Income Allocation Date	N/A
Valuation Point and Frequency	12 noon each business day
Typical dilution adjustment (estimated)_	+0.44% / -0.08%

	Class R Units	**Class I Units**
Distribution Units issued	No	No
Accumulation Units issued	Yes	Yes
Initial Charge	None	None
Annual Management Charge	1.50%	0.75%
Administration Fee	0.12%	0.12%
Minimum Administration Fee	0.05%	0.05%
Minimum Initial Lump Sum	£1,000	£250,000

Investment		
Minimum Monthly Savings Amount	£50	N/A
Minimum Subsequent Lump Sum Investment	£500	£500
Minimum Redemption Amount	£500	£500

Benchmark

- FTSE All-Share Index TR

  A widely-used indicator of the performance of the UK stock market, 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 asset managers' funds that invest in similar asset types to 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.

Eligible securities markets

EEA	Any market established in an EEA State on which transferable securities admitted to official listing in an EEA State are dealt or traded.
Canada	Toronto Stock Exchange TSX Venture Exchange
Japan	Nagoya Stock Exchange Osaka Securities Exchange Tokyo Stock Exchange
United States	Chicago Stock Exchange NASDAQ OMX PHLX NASDAQ (Over the Counter Market) New York Stock Exchange NYSE Alternext US NYSE Arca
UK	The Alternative Investment Market (AIM)

Eligible derivatives markets

Chicago Board Options Exchange
Chicago Mercantile Exchange
Eurex
Euronext Amsterdam
Euronext Liffe
Irish Stock Exchange

NASDAQ OMX
NASDAQ OMX Copenhagen
NASDAQ OMX Helsinki
NYSE Alternext US

ARTEMIS EUROPEAN GROWTH FUND

Objective and investment policy

The objective of the Fund is to achieve long-term capital growth through investment principally in companies in Europe (excl. the United Kingdom). The Manager actively manages the portfolio in order to achieve the objective and will not be restricted in the choice of investments either by company size or industry, or in terms of the geographical split of the portfolio.

The Fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash, derivatives and forward transactions and other investments to the extent that each is permitted by the Regulations.

Constituted by a Trust Deed date	28 April and 4 May 2000
Order of Authorisation	17 May 2000
Type of Scheme	UCITS Scheme
Product Reference Number	191453
Annual Accounting Date	31 March
Interim Accounting Date	30 September
Annual Income Allocation Date	31 May
Interim Income Allocation Date	N/A
Valuation Point and Frequency	12 noon each business day
Typical dilution adjustment (estimated)_	+0.18% / -0.09%

	Class R Units	**Class I Units**
Distribution Units issued	No	No
Accumulation Units issued	Yes	Yes
Initial Charge	None	None
Annual Management Charge	1.50%	0.75%
Administration Fee	0.12%	0.12%
Minimum Administration Fee	0.065%	0.065%
Minimum Initial Lump Sum Investment	£1,000	£250,000
Minimum Monthly Savings Amount	£50	N/A

Minimum Subsequent Lump Sum Investment	£500	£500
Minimum Redemption Amount	£500	£500

Benchmark

- FTSE World Europe ex UK TR

  A widely-used indicator of the performance of European stock markets, 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 Europe Excluding UK NR

  A group of asset managers' funds that invest in similar asset types to 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.

Eligible securities markets

EEA	Any market established in an EEA State on which transferable securities admitted to official listing in an EEA State are dealt or traded.
Switzerland	SIX Swiss Exchange
Turkey	Istanbul Stock Exchange
United States	Chicago Stock Exchange NASDAQ OMX PHLX NASDAQ (Over the Counter Market) New York Stock Exchange NYSE Alternext US NYSE Arca
UK	The Alternative Investment Market (AIM)

Eligible derivatives markets

Euronext Liffe
NASDAQ OMX

ARTEMIS EUROPEAN OPPORTUNITIES FUND

Objective and Investment Policy

The objective of the Fund is to achieve long term growth from investments principally in European equities, excluding the UK.

The Manager actively manages the portfolio in order to achieve the objective with exposures to company shares, fixed interest securities and derivative instruments as appropriate. The Manager will not be restricted in respect of choice of investments by company size, or in terms of the geographical split of the portfolio.

The Fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, cash and near cash, derivatives and forward transactions for investment purposes.

Constituted by a Trust Deed date	16 September 2011
Order of Authorisation	20 September 2011
Type of Scheme	UCITS Scheme
Product Reference Number	565735
Annual Accounting Date	30 April
Interim Accounting Date	31 October
Annual Income Allocation Date	30 June
Interim Income Allocation Date	N/A
Valuation Point and Frequency	12 noon each business day
Typical dilution adjustment (estimated)_	+0.21% / -0.12%

	Class R Units	**Class I Units**	**Class IH Units**
Distribution Units issued	Yes	Yes	Yes
Accumulation Units issued	Yes	Yes	Yes
Current Initial Charge	None	None	None
Current Annual Management Charge	1.50%	0.75%	0.75%
Administration Fee	0.12%	0.12%	0.12%
Minimum Administration Fee	0.065%	0.065%	0.065%
Minimum Initial Lump Sum Investment	£1,000	£250,000	£250,000

Minimum Monthly Savings Amount	£50	N/A	N/A
Minimum Subsequent Lump Sum Investment	£500	£500	£500
Minimum Redemption Amount	£500	£500	£500

Benchmark

- FTSE World Europe ex UK TR

  A widely-used indicator of the performance of European stock markets, 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 Europe Excluding UK NR

  A group of asset managers' funds that invest in similar asset types to 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.

Eligible securities markets

Any market established in an EEA State on which transferable securities admitted to official listing in an EEA State are dealt or traded.

Australia	Australian Securities Exchange Sydney Futures Exchange
Brazil	BM&F Bovespa
Canada	Toronto Stock Exchange TSX Venture Exchange
Czech Republic	Prague Stock Exchange
Egypt	Egyptian Exchange (EGX)
Hong Kong	Hong Kong Exchanges
Hungary	Budapest Stock Exchange
India	National Stock Exchange of India Limited Bombay Stock Exchange Limited
Indonesia	Indonesia Stock Exchange
Israel	Tel-Aviv Stock Exchange
Japan	Nagoya Stock Exchange Osaka Securities Exchange Tokyo Stock Exchange

Korea	Korea Exchange
Malaysia	Bursa Malaysia Bhd
Mexico	Mexico Stock Exchange
Morocco	Casablanca Stock Exchange
New Zealand	New Zealand Stock Exchange
Norway	Oslo Stock Exchange
Poland	Warsaw Stock Exchange
Russia	MOEX Stock Exchange
Singapore	Singapore Exchanges
South Africa	JSE
Switzerland	SIX Swiss Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
United States	Chicago Stock Exchange NASDAQ OMX PHLX NASDAQ (Over-the Counter Market) New York Stock Exchange NYSE Alternext US NYSE Arca
UK	The Alternative Investment Market (AIM)

Eligible derivatives markets

Australian Securities Exchange
Chicago Board of Trade
Chicago Board Options Exchange
Chicago Mercantile Exchange
Eurex
Euronext Amsterdam
Euronext Liffe
Euronext Paris
Hong Kong Exchanges
Irish Stock Exchange
JSE
Kansas City Board of Trade
Montreal Exchange
NASDAQ OMX
NASDAQ OMX Copenhagen
NASDAQ OMX Futures Exchange
NASDAQ OMX Helsinki

NASDAQ OMX PHLX
NASDAQ OMX Stockholm
New York Mercantile Exchange
New York Stock Exchange
NYSE Alternext US
NYSE Arca
Osaka Securities Exchange
SAFEX
Singapore Exchange
Sydney Futures Exchange
Tokyo Stock Exchange
Tokyo Financial Exchange
Toronto Stock Exchange

ARTEMIS GLOBAL GROWTH FUND

Objective and investment policy

The objective of the Fund is to achieve long-term capital growth from a diversified portfolio investing in any economic sector in any part of the world. The Manager actively manages the portfolio in order to achieve the objective and will not be restricted in respect of choice of investments either by company size or industry, or in terms of the geographical split of the portfolio.

The Fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash, derivatives and forward transactions and other investments to the extent that each is permitted by the Regulations.

Income within the Fund is accumulated and reinvested.

Constituted by a Trust Deed date	1 May 1990
Order of Authorisation	9 May 1990
Type of Scheme	UCITS Scheme
Product Reference Number	145869
Annual Accounting Date	7 April
Interim Accounting Date	7 October
Annual Income Allocation Date	7 June
Interim Income Allocation Date	N/A
Valuation Point and Frequency	12 noon each business day
Typical dilution adjustment (estimated)_	+0.12% / -0.11%

	Class R Units	**Class I Units**
Distribution Units issued	No	No
Accumulation Units issued	Yes	Yes
Initial Charge	None	None
Annual Management Charge	1.50%	0.75%
Administration Fee	0.15%	0.15%
Minimum Administration Fee	0.075%	0.075%
Minimum Initial Lump Sum Investment	£1,000	£250,000
Minimum Monthly Savings	£50	N/A

Amount		
Minimum Subsequent Lump Sum Investment	£500	£500
Minimum Redemption Amount	£500	£500

Benchmark

- MSCI All Country World NR

  A widely-used indicator of the performance of global stock markets, 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 Global NR

  A group of asset managers' funds that invest in similar asset types to 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.

Eligible securities markets

EEA	Any market established in an EEA State on which transferable securities admitted to official listing in an EEA State are dealt or traded.
Australia	Australian Securities Exchange Sydney Futures Exchange
Brazil	BM&F Bovespa
Canada	Toronto Stock Exchange TSX Venture Exchange
China	Shanghai Stock Exchange Shenzhen Stock Exchange
Columbia	Columbian Stock Exchange BUC
Czech Republic	Prague Stock Exchange
Hong Kong	Hong Kong Exchanges
Hungary	Budapest Stock Exchange
Indonesia	Indonesia Stock Exchange
Japan	Nagoya Stock Exchange Osaka Securities Exchange Tokyo Stock Exchange

Korea	Korea Exchange
Mexico	Mexico Stock Exchange
New Zealand	New Zealand Stock Exchange
Oman	Muscat Securities Market (MSM)
Philippines	Philippine Stock Exchange
Peru	Lima Stock Exchange
Poland	Warsaw Stock Exchange
Singapore	Singapore Exchanges
South Africa	JSE
Sri Lanka	Colombo Stock Market
Switzerland	SIX Swiss Exchange
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
United Arab Emirates	Abu Dhabi Securities Exchange (ADX) Dubai Financial Market (DFM) NASDAQ Dubai
United States	Chicago Stock Exchange NASDAQ OMX PHLX NASDAQ (Over-the Counter Market) New York Stock Exchange NYSE Alternext US NYSE Arca
UK	The Alternative Investment Market (AIM)

Eligible derivatives markets

Australian Securities Exchange
Chicago Board of Trade
Chicago Board Options Exchange
Chicago Mercantile Exchange
Eurex
Euronext Amsterdam
Euronext Liffe
Euronext Paris
Hong Kong Exchanges
Irish Stock Exchange
JSE
Kansas City Board of Trade
Montreal Exchange
NASDAQ OMX
NASDAQ OMX Copenhagen
NASDAQ OMX Futures Exchange

NASDAQ OMX Helsinki
NASDAQ OMX PHLX
NASDAQ OMX Stockholm
New York Mercantile Exchange
New York Stock Exchange
NYSE Alternext US
NYSE Arca
Osaka Securities Exchange
SAFEX
Singapore Exchange
Sydney Futures Exchange
Tokyo Stock Exchange
Tokyo Financial Exchange
Toronto Stock Exchange

ARTEMIS GLOBAL INCOME FUND

Objective and Investment Policy

The objective of the Fund is to achieve a rising income combined with capital growth primarily from a portfolio of equities selected on a global basis.

The Manager actively manages the portfolio in order to achieve the objective with exposures to company shares, fixed interest securities and derivative instruments as appropriate. The Manager will not be restricted in respect of choice of investments either by company size or industry, or in terms of the geographical split of the portfolio.

The Fund may also invest in other asset classes eligible for a UCITS scheme to invest in including other transferable securities, units of collective investment schemes, money market instruments, cash and near cash, derivatives and forward transactions for investment purposes.

Constituted by a Trust Deed date	1 June 2010
Order of Authorisation	2 June 2010
Type of Scheme	UCITS Scheme
Product Reference Number	521880
Annual Accounting Date	31 July
Interim Accounting Date	31 January
Annual Income Allocation Date	30 September
Interim Income Allocation Date	31 March
Valuation Point and Frequency	12 noon each business day
Typical dilution adjustment (estimated)_	+0.14% / -0.12%

	Class R Units	**Class I Units**
Distribution Units issued	Yes	Yes
Accumulation Units issued	Yes	Yes
Current Initial Charge	None	None
Current Annual Management Charge	1.50%	0.75%
Administration Fee	0.15%	0.15%
Minimum Administration Fee	0.075%	0.075%
Minimum Initial Lump Sum	£1,000	£250,000

Investment		
Minimum Monthly Savings Amount	£50	N/A
Minimum Subsequent Lump Sum Investment	£500	£500
Minimum Redemption Amount	£500	£500

As the Fund aims to provide income combined with capital growth, the Manager and the Trustee have agreed that to protect the income distribution, some or all of the annual management charge will be taken from the capital of the Fund. Charges deducted from capital will increase distributable income by the amount charged and the capital of the Fund will be deducted by the same amount. Accordingly capital growth may be constrained.

Benchmark

- MSCI All Country World NR

  A widely-used indicator of the performance of global stock markets, 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 Global Equity Income NR

  A group of asset managers' funds that invest in similar asset types to 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.

Eligible securities markets

Any market established in an EEA State on which transferable securities admitted to official listing in an EEA State are dealt or traded.

Australia	Australian Securities Exchange Sydney Futures Exchange
Brazil	BM&F Bovespa
Canada	Toronto Stock Exchange TSX Venture Exchange
Chile	Santiago Stock Exchange
China	Shanghai Stock Exchange Shenzhen Stock Exchange
Columbia	Columbian Stock Exchange BUC
Czech Republic	Prague Stock Exchange
Egypt	Egyptian Exchange (EGX)

Hong Kong	Hong Kong Exchanges
Hungary	Budapest Stock Exchange
India	National Stock Exchange of India Limited Bombay Stock Exchange Limited
Indonesia	Indonesia Stock Exchange
Israel	Tel-Aviv Stock Exchange
Japan	Nagoya Stock Exchange Osaka Securities Exchange Tokyo Stock Exchange
Korea	Korea Exchange
Malaysia	Bursa Malaysia Bhd
Mexico	Mexico Stock Exchange
Morocco	Casablanca Stock Exchange
New Zealand	New Zealand Stock Exchange
Norway	Oslo Stock Exchange
Oman	Muscat Securities Market (MSM)
Peru	Lima Stock Exchange
Philippines	Philippine Stock Exchange
Poland	Warsaw Stock Exchange
Russia	MOEX Stock Exchange
Singapore	Singapore Exchanges
South Africa	JSE
Sri Lanka	Colombo Stock Market
Switzerland	SIX Swiss Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
United Arab Emirates	Abu Dhabi Securities Exchange (ADX) Dubai Financial Market (DFM) NASDAQ Dubai
United States	Chicago Stock Exchange NASDAQ OMX PHLX

	NASDAQ (Over-the Counter Market) New York Stock Exchange NYSE Alternext US NYSE Arca
UK	The Alternative Investment Market (AIM)

Eligible derivatives markets

Australian Securities Exchange
Chicago Board of Trade
Chicago Board Options Exchange
Chicago Mercantile Exchange
Eurex
Euronext Amsterdam
Euronext Liffe
Euronext Paris
Hong Kong Exchanges
Irish Stock Exchange
JSE
Kansas City Board of Trade
Montreal Exchange
NASDAQ OMX
NASDAQ OMX Copenhagen
NASDAQ OMX Futures Exchange
NASDAQ OMX Helsinki
NASDAQ OMX PHLX
NASDAQ OMX Stockholm
New York Mercantile Exchange
New York Stock Exchange
NYSE Alternext US
NYSE Arca
Osaka Securities Exchange
SAFEX
Singapore Exchange
Sydney Futures Exchange
Tokyo Stock Exchange
Tokyo Financial Exchange
Toronto Stock Exchange

ARTEMIS GLOBAL SELECT FUND

Objective and Investment Policy

The objective of the Fund is to achieve long term capital growth primarily from a portfolio of global equities that the Manager considers to demonstrate leading positions in their sector.

The Manager actively manages the portfolio in order to achieve the objective. The Manager will seek to identify long term trends that provide growth opportunities for particular geographic regions, industry sectors or individual companies. The Manager will select individual companies based on their financial characteristics and growth potential. Emphasis will be placed on selecting companies with leading positions in their industry sector or geographic region, whether this is achieved by brand strength, market share, product innovation, technological advance, operating in sectors with high barriers to entry, or other relevant factors. The Fund may have exposures to company shares, fixed interest securities and derivative instruments on a global scale, as appropriate. The Manager will not be restricted in respect of choice of investments either by company size or industry, or in terms of the geographical split of the portfolio.

The Fund may also invest in, other transferable securities, units of collective investment schemes, money market instruments, cash and near cash, derivatives and forward transactions for investment purposes. The Fund may hold up to 20% of its net assets in cash.

Constituted by a Trust Deed date	9 June 2011
Order of Authorisation	9 June 2011
Type of Scheme	UCITS Scheme
Product Reference Number	554204
Annual Accounting Date	30 April
Interim Accounting Date	31 October
Annual Income Allocation Date	30 June
Interim Income Allocation Date	N/A
Valuation Point and Frequency	12 noon each business day
Typical dilution adjustment (estimated)_	+0.14% / -0.10%

	Class R Units	**Class I Units**
Distribution Units issued	No	Yes*
Accumulation Units issued	Yes	Yes
Current Initial Charge	None	None
Current Annual Management Charge	1.50%	0.75%

Administration Fee	0.15%	0.15%
Minimum Administration Fee	0.075%	0.075%
Minimum Initial Lump Sum Investment	£1,000	£250,000
Minimum Monthly Savings Amount	£50	N/A
Minimum Subsequent Lump Sum Investment	£500	£500
Minimum Redemption Amount	£500	£500

*For distribution units, the annual management charge is made to capital.

Benchmark

- MSCI All Country World NR

  A widely-used indicator of the performance of global stock markets, 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 Global NR

  A group of asset managers' funds that invest in similar asset types to 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.

Eligible securities markets

Any market established in an EEA State on which transferable securities admitted to official listing in an EEA State are dealt or traded.

Australia	Australian Securities Exchange Sydney Futures Exchange
Brazil	BM&F Bovespa
Canada	Toronto Stock Exchange TSX Venture Exchange
Chile	Santiago Stock Exchange
China	Shanghai Stock Exchange Shenzhen Stock Exchange
Columbia	Columbian Stock Exchange BUC
Czech Republic	Prague Stock Exchange
Egypt	Egyptian Exchange (EGX)

Hong Kong	Hong Kong Exchanges
Hungary	Budapest Stock Exchange
India	National Stock Exchange of India Limited Bombay Stock Exchange Limited
Indonesia	Indonesia Stock Exchange
Israel	Tel-Aviv Stock Exchange
Japan	Nagoya Stock Exchange Osaka Securities Exchange Tokyo Stock Exchange
Korea	Korea Exchange
Malaysia	Bursa Malaysia Bhd
Mexico	Mexico Stock Exchange
Morocco	Casablanca Stock Exchange
New Zealand	New Zealand Stock Exchange
Norway	Oslo Stock Exchange
Oman	Muscat Securities Market (MSM)
Peru	Lima Stock Exchange
Philippines	Philippine Stock Exchange
Poland	Warsaw Stock Exchange
Russia	MOEX Stock Exchange
Singapore	Singapore Exchanges
South Africa	JSE
Sri Lanka	Colombo Stock Market
Switzerland	SIX Swiss Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
United States	Chicago Stock Exchange NASDAQ OMX PHLX NASDAQ (Over-the Counter Market) New York Stock Exchange NYSE Alternext US

	NYSE Arca
UK	The Alternative Investment Market (AIM)

Eligible derivatives markets

Australian Securities Exchange
Chicago Board of Trade
Chicago Board Options Exchange
Chicago Mercantile Exchange
Eurex
Euronext Amsterdam
Euronext Liffe
Euronext Paris
Hong Kong Exchanges
Irish Stock Exchange
JSE
Kansas City Board of Trade
Montreal Exchange
NASDAQ OMX
NASDAQ OMX Copenhagen
NASDAQ OMX Futures Exchange
NASDAQ OMX Helsinki
NASDAQ OMX PHLX
NASDAQ OMX Stockholm
New York Mercantile Exchange
New York Stock Exchange
NYSE Alternext US
NYSE Arca
Osaka Securities Exchange
SAFEX
Singapore Exchange
Sydney Futures Exchange
Tokyo Stock Exchange
Tokyo Financial Exchange
Toronto Stock Exchange

ARTEMIS HIGH INCOME FUND

Objective and investment policy

The objective of the Fund is to achieve a higher than average initial yield, combined with the prospect of rising income and some capital growth over the long-term.

The emphasis of the Fund will be investment in UK fixed-interest investments and preference shares, however, the Manager has the flexibility to invest in all economic sectors worldwide and in equities.

The Fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash, derivatives and forward transactions and other investments to the extent that each is permitted by the Regulations.

Constituted by a Trust Deed date	26 May 1995
Order of Authorisation	23 May 1995
Type of Scheme	UCITS Scheme
Product Reference Number	171639
Annual Accounting Date	7 August
Interim Accounting Date	7 February
Valuation Point and Frequency	12 noon each business day
Typical dilution adjustment (estimated)_	+0.53% / -0.47%

	Class R Units	**Class I Units**	**Class MI Units**
Distribution Units issued	Yes	Yes	Yes
Accumulation Units issued	No	Yes	No
Income Allocation Dates	7 January, 7 April, 7 July, 7 October	7 January, 7 April, 7 July, 7 October	Monthly (on the seventh calendar day of each month). Income is distributed two months after each such date.
Initial Charge	None	None	None
Annual Management Charge	1.25%*	0.625%*	0.625%*
Administration Fee	0.12%	0.12%	0.12%
Minimum Administration Fee	0.065%	0.065%	0.065%
Minimum Initial Lump Sum	£1,000	£250,000	£250,000

Investment			
Minimum Monthly Savings Amount	£50	N/A	N/A
Minimum Subsequent Lump Sum Investment	£500	£500	£500
Minimum Redemption Amount	£500	£500	£500

Benchmarks

- IA £ Strategic Bond NR

  A group of asset managers' funds that invest in similar asset types to 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.

Eligible securities markets

EEA	Any market established in an EEA State on which transferable securities admitted to official listing in an EEA State are dealt or traded.
Canada	Toronto Stock Exchange TSX Venture Exchange
Japan	Nagoya Stock Exchange Osaka Securities Exchange Tokyo Stock Exchange
United States	Chicago Stock Exchange NASDAQ OMX PHLX NASDAQ (Over the Counter Market) New York Stock Exchange NYSE Alternext US NYSE Arca
UK	The Alternative Investment Market (AIM)

Eligible derivatives markets

Chicago Board Options Exchange
Chicago Mercantile Exchange
Eurex
Euronext Amsterdam
Euronext Liffe
Irish Stock Exchange
NASDAQ OMX
NASDAQ OMX Copenhagen
NASDAQ OMX Helsinki
NYSE Alternext US

* As the Fund aims to provide income combined with capital growth, the Manager and the Trustee have agreed that to protect the income distribution, some or all of the annual management charge will be taken from the capital of the Fund. Charges deducted from capital will increase distributable income by the amount charged and the capital of the Fund will be deducted by the same amount. Accordingly capital growth may be constrained.

ARTEMIS INCOME FUND

Objective and investment policy

The objective of the Fund is to achieve a rising income combined with capital growth from a portfolio primarily made up of investments in the United Kingdom. The Manager actively manages the portfolio in order to achieve the objective with exposure to ordinary shares, preference shares, convertibles and fixed interest securities. The Manager will not be restricted in respect of choice of investments either by company size or industry, or in terms of the geographical split of the portfolio.

The Fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash, derivatives and forward transactions and other investments to the extent that each is permitted by the Regulations.

Constituted by a Trust Deed date	28 April and 4 May 2000
Order of Authorisation	17 May 2000
Type of Scheme	UCITS Scheme
Product Reference Number	191452
Annual Accounting Date	30 April
Interim Accounting Date	31 October
Annual Income Allocation Date	30 June
Interim Income Allocation Date	31 December
Valuation Point and Frequency	12 noon each business day
Typical dilution adjustment (estimated)_	+0.59% / -0.14%

	Class R Units	**Class I Units**
Distribution Units issued	Yes	Yes
Accumulation Units issued	Yes	Yes
Initial Charge	None	None
Annual Management Charge	1.50%*	0.75%*
Administration Fee	0.12%	0.12%
Minimum Administration Fee	0.05%	0.05%
Minimum Initial Lump Sum Investment	£1,000	£250,000
Minimum Monthly Savings Amount	£50	N/A

Minimum Subsequent Lump Sum Investment	£500	£500
Minimum Redemption Amount	£500	£500

Benchmark

- FTSE All-Share Index TR

  A widely-used indicator of the performance of the UK stock market, 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 Equity Income NR

  A group of asset managers' funds that invest in similar asset types to 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.

Eligible securities markets

EEA	Any market established in an EEA State on which transferable securities admitted to official listing in an EEA State are dealt or traded.
Australia	Australian Securities Exchange Sydney Futures Exchange
Brazil	BM&F Bovespa
Canada	Toronto Stock Exchange TSX Venture Exchange
Chile	Santiago Stock Exchange
China	Shanghai Stock Exchange Shenzhen Stock Exchange
Czech Republic	Prague Stock Exchange
Egypt	Egyptian Exchange (EGX)
Hong Kong	Hong Kong Exchanges
Hungary	Budapest Stock Exchange
India	National Stock Exchange of India Limited Bombay Stock Exchange Limited
Indonesia	Indonesia Stock Exchange
Israel	Tel-Aviv Stock Exchange

Japan	Nagoya Stock Exchange Osaka Securities Exchange Tokyo Stock Exchange
Korea	Korea Exchange
Malaysia	Bursa Malaysia Bhd
Mexico	Mexico Stock Exchange
Morocco	Casablanca Stock Exchange
New Zealand	New Zealand Stock Exchange
Norway	Oslo Stock Exchange
Peru	Lima Stock Exchange
Philippines	Philippine Stock Exchange
Poland	Warsaw Stock Exchange
Russia	MOEX Stock Exchange
Singapore	Singapore Exchanges
South Africa	JSE
Sri Lanka	Colombo Stock Market
Switzerland	SIX Swiss Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
United States	Chicago Stock Exchange NASDAQ OMX PHLX NASDAQ (Over-the Counter Market) New York Stock Exchange NYSE Alternext US NYSE Arca
UK	The Alternative Investment Market (AIM)

Eligible derivatives markets

Euronext Liffe
Australian Securities Exchange
Chicago Board of Trade
Chicago Board Options Exchange
Chicago Mercantile Exchange
Eurex
Euronext Amsterdam
Euronext Liffe

Euronext Paris
Hong Kong Exchanges
Irish Stock Exchange
JSE
Kansas City Board of Trade
Montreal Exchange
NASDAQ OMX
NASDAQ OMX Copenhagen
NASDAQ OMX Futures Exchange
NASDAQ OMX Helsinki
NASDAQ OMX PHLX
NASDAQ OMX Stockholm
New York Mercantile Exchange
New York Stock Exchange
NYSE Alternext US
NYSE Arca
Osaka Securities Exchange
SAFEX
Singapore Exchange
Sydney Futures Exchange
Tokyo Stock Exchange
Tokyo Financial Exchange
Toronto Stock Exchange

* As the Fund aims to maximise the generation of income, the Manager and the Trustee have agreed that to protect the income distribution, some or all of the annual management charge will be taken from the capital of the Fund. Charges deducted from capital will increase distributable income by the amount charged and the capital of the Fund will be reduced by the same amount. Accordingly, capital growth may be constrained.

ARTEMIS MONTHLY DISTRIBUTION FUND

Objective and Investment Policy

Investment objective	The Fund aims to achieve an income in addition to capital growth.
Investment policy	The Fund aims to achieve its objective by investing in a globally diversified portfolio of assets. Exposure will normally be to global equities, bonds and cash. The proportion of the Fund allocated to each asset class as well as the underlying stock selection will be actively managed. The Fund will actively allocate between gilts, corporate bonds and high yield bonds, and within equities between sector and geographies. The Fund may, in addition to its other investment powers, use cash and near cash (which includes money market instruments and deposits) and exchange traded and over the counter derivatives and forward currency contracts for hedging and investment purposes.
Constituted by a Trust Deed date	10 February 2012
Order of Authorisation	10 February 2012
Type of Scheme	UCITS Scheme
Product Reference Number	574567
Annual Accounting Date	31 December (the first annual accounting date will be 31 December 2012)
Interim Accounting Date	30 June
Annual Income Allocation Date	Last day of February
Interim Income Allocation Date	Monthly (on the last calendar day of each month). Income is distributed two months after each such date
Valuation Point and Frequency	12 noon each business day
Typical dilution adjustment (estimated)_	+0.34% / -0.31%

	Class R Units	**Class I Units**
Distribution Units issued	Yes	Yes
Accumulation Units issued	Yes	Yes
Current Initial Charge	None	None
Current Annual Management	1.50%	0.75%

Charge*		
Administration Fee	0.12%	0.12%
Minimum Administration Fee	0.065%	0.065%
Minimum Initial Lump Sum Investment	£10,000	£250,000
Minimum Monthly Savings Amount	£50	N/A
Minimum Subsequent Lump Sum Investment	£500	£500
Minimum Redemption Amount	£500	£500
Minimum Holding	£10,000**	£500

* The annual management charge is made to capital.
** For any investor holding Class R units on 28 February 2016, the minimum holding is £1,000.

Benchmark

- IA Mixed Investment 20-60% Shares NR

  A group of asset managers' funds that invest in similar asset types to 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.

Eligible securities markets

Any market established in an EEA State on which transferable securities admitted to official listing in an EEA State are dealt or traded.

Australia	Australian Securities Exchange
Brazil	BM&F Bovespa
Canada	Toronto Stock Exchange TSX Venture Exchange
Channel Islands	The International Stock Exchange (TISE)
Chile	Santiago Stock Exchange
China	Shanghai Stock Exchange Shenzhen Stock Exchange
Egypt	Egyptian Exchange (EGX)
Hong Kong	Hong Kong Exchanges

India	National Stock Exchange of India Bombay Stock Exchange Limited
Indonesia	Indonesia Stock Exchange
Israel	Tel-Aviv Stock Exchange
Japan	Nagoya Stock Exchange Osaka Securities Exchange Tokyo Stock Exchange
Korea	Korea Exchange
Malaysia	Bursa Malaysia Bhd
Mexico	Mexico Stock Exchange
Morocco	Casablanca Stock Exchange
New Zealand	New Zealand Stock Exchange
Peru	Lima Stock Exchange
Philippines	Philippines Stock Exchange
Russia	MOEXStock Exchange
Singapore	Singapore Exchange
South Africa	JSE
Switzerland	SIX Swiss Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
United Arab Emirates	Abu Dhabi Securities Exchange (ADX) Dubai Financial Market (DFM) NASDAQ Dubai
United States	Chicago Stock Exchange NASDAQ OMX PHLX NASDAQ (Over-the Counter Market) New York Stock Exchange NYSE Amex NYSE Arca
UK	The Alternative Investment Market (AIM)

Eligible derivatives markets

Derivatives markets assessed as meeting the COLL eligible markets criteria by Artemis and approved by the Trustee.

Australia	Australian Securities Exchange Sydney Futures Exchange
Austria	Wiener Boerse
Belgium	Euronext Brussels
Brazil	BM&F Bovespa
Canada	Montreal Exchange Toronto Stock Exchange
Chile	Santiago Stock Exchange
China	China Financial Futures Exchange Shanghai Futures Exchange
Denmark	NASDAQ OMX Copenhagen
Dubai	Dubai Mercantile Exchange (NYMEX)
Egypt	Egyptian Exchange (EGX)
Finland	NASDAQ OMX Helsinki
France	Euronext Paris
Germany	Eurex
Greece	Athens Derivatives Exchange
Hong Kong	Hong Kong Exchanges
India	National Stock Exchange of India Bombay Stock Exchange
Italy	Italian Derivatives Market
Israel	Tel-Aviv Stock Exchange
Japan	Osaka Securities Exchange Tokyo Financial Exchange Tokyo Stock Exchange
Korea	Korea Exchange
Malaysia	Bursa Malaysia Derivatives Bhd
Mexico	Mexican Derivatives Exchange
New Zealand	New Zealand Futures Exchange
The Netherlands	Euronext Amsterdam
Norway	Oslo Stock Exchange
Peru	Lima Stock Exchange

Philippines	Philippines Stock Exchange
Poland	Warsaw Stock Exchange
Portugal	Euronext Portugal
Russia	MOEX Stock Exchange
Singapore	ICE Futures Singapore Singapore Exchange Derivatives Singapore Mercantile Exchange
South Africa	JSE SAFEX
Spain	MEFF Renta Variable
Sweden	NASDAQ OMX Stockholm
Taiwan	Taiwan Futures Exchange
Thailand	Thai Futures Exchange
Turkey	Turkish Derivatives Exchange
United States	Boston Options Exchange Chicago Board of Trade Chicago Board Options Exchange Chicago Futures Exchange Chicago Mercantile Exchange Kansas City Board of Trade NASDAQ OMX PHLX NASDAQ OMX Futures Exchange New York Mercantile Exchange New York Stock Exchange NYSE Amex
UK	Euronext Liffe

ARTEMIS STRATEGIC BOND FUND

Objective and investment policy

The Fund seeks to achieve a combination of income and capital growth by investing predominantly in fixed income markets. The Fund aims to achieve its objective by investment predominantly in fixed income markets but may selectively invest in other markets. Equal emphasis is given to the security of capital and income although from time to time one may take prominence over the other in accordance with the strategy being pursued.

The Fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash, derivatives and forward transactions and other investments to the extent that each is permitted by the Regulations.

Constituted by a Trust Deed date	26 May 2005
Order of Authorisation	23 May 2005
Type of Scheme	UCITS Scheme
Product Reference Number	430480
Annual Accounting Date	31 March
Interim Accounting Date	30 September
Valuation Point and Frequency	12 noon each business day
Typical dilution adjustment (estimated)_	+0.34% / -0.34%

CLASS R:

	Class MR Units	**Class QR Units**
Distribution Units issued	Yes	Yes
Accumulation Units issued	Yes	Yes
Income Allocation Dates	Monthly (on the last calendar day of each month)	31 January, 30 April, 31 July, 31 October
Initial Charge	None	None
Annual Management Charge	1.00%	1.00%
Administration Fee	0.12%	0.12%
Minimum Administration Fee	0.05%	0.05%
Minimum Initial Lump Sum	£10,000	£1,000

Investment		
Minimum Monthly Savings Amount	N/A	£50
Minimum Subsequent Lump Sum Investment	£500	£500
Minimum Redemption Amount	£500	£500

CLASS I:

	Class MI Units	**Class QI Units**
Distribution Units issued	Yes	Yes
Accumulation Units issued	Yes	Yes
Income Allocation Dates	Monthly (on the last calendar day of each month)	31 January, 30 April, 31 July, 31 October
Initial Charge	None	None
Annual Management Charge	0.50%	0.50%
Administration Fee	0.12%	0.12%
Minimum Administration Fee	0.05%	0.05%
Minimum Initial Lump Sum Investment	£250,000	£250,000
Minimum Subsequent Lump Sum Investment	£500	£500
Minimum Redemption Amount	£500	£500

Benchmark

- IA £ Strategic Bond NR

  A group of asset managers' funds that invest in similar asset types to 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.

Eligible securities markets

EEA	Any market established in an EEA State on which transferable securities admitted to the official listing in an EEA State are dealt or traded.
Canada	Toronto Stock Exchange TSX Venture Exchange

Channel Islands	The International Stock Exchange (TISE)
United States	Chicago Stock Exchange NASDAQ OMX PHLX NASDAQ (Over the Counter Market) New York Stock Exchange NYSE Alternext US NYSE Arca
UK	The Alternative Investment Market (AIM)

Eligible derivatives market

Chicago Board of Trade
Chicago Board Options Exchange
Chicago Mercantile Exchange
EUREX
Euronext Amsterdam
Euronext Brussels
Euronext Liffe
Euronext Paris
Irish Stock Exchange
ISMA
NASDAQ OMX
NASDAQ OMX Copenhagen
NASDAQ OMX Helsinki
NASDAQ OMX PHLX
NASDAQ OMX Stockholm
NYSE Alternext US
NYSE Arca
Toronto Stock Exchange
Vienna Stock Exchange

ARTEMIS UK SELECT FUND*

Objective and investment policy

The objective of the Fund is to achieve long-term capital growth. The emphasis of the Fund will be investment in companies listed, quoted and/or traded in the UK and in companies which are headquartered or have a significant part of their activities in the UK which are quoted on a regulated market outside the UK.

The Manager actively manages the portfolio in order to achieve the objective and will not be restricted in respect of choice of investments either by company size or industry. The securities of companies listed, quoted and/or traded in the UK but domiciled elsewhere and the securities of companies traded on PLUS may be included in the portfolio.

The Fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash, derivatives and forward transactions and other investments to the extent that each is permitted by the Regulations.

Constituted by a Trust Deed date	17 March 1998
Order of Authorisation	20 March 1998
Type of Scheme	UCITS Scheme
Product Reference Number	185898
Annual Accounting Date	31 December
Interim Accounting Date	30 June
Annual Income Allocation Date	28 February
Interim Income Allocation Date	N/A
Valuation Point and Frequency	12 noon each business day
Typical dilution adjustment (estimated)_	+0.58% / -0.14%

	Class R Units	**Class I Units**	**Class G Units**
Distribution Units issued	No	Yes	Yes
Accumulation Units issued	Yes	Yes	Yes
Initial Charge	None	None	None
Annual Management Charge	1.50%	0.75%**	0.48%**
Administration Fee	0.12%	0.12%	0.12%
Minimum Administration Fee	0.05%	0.05%	0.05%
Minimum Initial Lump Sum	£1,000	£250,000	£250,000,000

Investment			
Minimum Monthly Savings Amount	£50	N/A	N/A
Minimum Subsequent Lump Sum Investment	£500	£500	£10,000,000
Minimum Redemption Amount	£500	£500	£500

* The Fund's name was changed from Artemis UK Growth Fund with effect from 29 February 2016.
** For distribution units, the annual management charge is made to capital.

Benchmark

- FTSE All-Share Index TR

  A widely-used indicator of the performance of the UK stock market, 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 asset managers' funds that invest in similar asset types to 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.

Eligible securities markets

EEA	Any market established in an EEA State on which transferable securities admitted to official listing in that an EEA State are dealt or traded.
UK	The Alternative Investment Market (AIM)

Eligible derivatives markets

Euronext Liffe
NASDAQ OMX

ARTEMIS UK SMALLER COMPANIES FUND

Objective and investment policy

The objective of the Fund is to achieve long-term capital growth. The emphasis of the Fund will be investment in smaller companies listed, quoted and/or traded in the UK and in smaller companies which are headquartered or have a significant part of their activities in the UK which are quoted on a regulated market outside the UK.

The Manager actively manages the portfolio in order to achieve the objective and will not be restricted in respect of investments by industrial sectors. The securities of companies listed, quoted and/or traded in the UK but domiciled elsewhere and the securities of companies traded on PLUS may be included in the portfolio.

The Fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash, derivatives and forward transactions and other investments to the extent that each is permitted by the Regulations.

Constituted by a Trust Deed date	17 March 1998
Order of Authorisation	20 March 1998
Type of Scheme	UCITS Scheme
Product Reference Number	185899
Annual Accounting Date	31 December
Interim Accounting Date	30 June
Annual Income Allocation Date	28 February
Interim Income Allocation Date	N/A
Valuation Point and Frequency	12 noon each business day
Typical dilution adjustment (estimated)_	+1.23% / -0.93%

	Class R Units	**Class I Units**
Distribution Units issued	No	Yes
Accumulation Units issued	Yes	Yes
Initial Charge	None	None
Annual Management Charge	1.50%	0.75%*
Administration Fee	0.12%	0.12%
Minimum Administration Fee	0.05%	0.05%
Minimum Initial Lump Sum Investment	£1,000	£250,000

Minimum Monthly Savings Amount	£50	N/A
Minimum Subsequent Lump Sum Investment	£500	£500
Minimum Redemption Amount	£500	£500

* For distribution units, the annual management charge is made to capital

Benchmark

- Numis Smaller Companies (-InvTrust) TR

  A widely-used indicator of the performance of the UK smaller companies stock market, 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 Smaller Companies NR

  A group of asset managers' funds that invest in similar asset types to 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.

Eligible securities markets

EEA	Any market established in an EEA State on which transferable securities admitted to official listing in an EEA State are dealt or traded.
UK	The Alternative Investment Market (AIM)
Canada	Toronto Stock Exchange TSX Venture Exchange
United States	NASDAQ (Over the Counter Market)

Eligible derivatives markets

Euronext Liffe
NASDAQ OMX
Toronto Stock Exchange

ARTEMIS UK SPECIAL SITUATIONS FUND

Objective and investment policy

The objective of the Fund is to achieve long-term capital growth by exploiting special situations. The Fund invests principally in UK equities and in companies which are headquartered or have a significant part of their activities in the UK which are quoted on a regulated market outside the UK. The Manager actively manages the portfolio in order to achieve the objective and will not be restricted in respect of investment either by company size or industry. The securities of companies listed, quoted and/or traded in the UK but domiciled elsewhere and the securities of companies traded on PLUS may be included in the portfolio.

The Fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash, derivatives and forward transactions and other investments to the extent that each is permitted by the Regulations.

Constituted by a Trust Deed date	25 and 28 February 2000
Order of Authorisation	1 March 2000
Type of Scheme	UCITS Scheme
Product Reference Number	191042
Annual Accounting Date	31 December
Interim Accounting Date	30 June
Annual Income Allocation Date	28 February
Interim Income Allocation Date	N/A
Valuation Point and Frequency	12 noon each business day
Typical dilution adjustment (estimated)_	+0.57% / -0.15%

	Class R Units	**Class I Units**
Distribution Units issued	No	Yes
Accumulation Units issued	Yes	Yes
Initial Charge	None	None
Annual Management Charge	1.50%	0.75%
Administration Fee	0.12%	0.12%
Minimum Administration Fee	0.05%	0.05%
Minimum Initial Lump Sum Investment	£1,000	£250,000

Minimum Monthly Savings Amount	£50	N/A
Minimum Subsequent Lump Sum Investment	£500	£500
Minimum Redemption Amount	£500	£500

Benchmark

- FTSE All-Share Index TR

  A widely-used indicator of the performance of the UK stock market, 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 asset managers' funds that invest in similar asset types to 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.

Eligible securities markets

EEA	Any market established in an EEA State on which transferable securities admitted to official listing in an EEA State are dealt or traded.
UK	The Alternative Investment Market (AIM)

Eligible derivatives markets

Euronext Liffe
NASDAQ OMX

APPENDIX B

INVESTMENT AND BORROWING POWERS

1. General rules of investment

The scheme property of a Fund will be invested with the aim of achieving the investment objective of each of the Funds but subject to the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") and this Prospectus. These limits apply to each of the Funds individually as summarised below.

1.1 Prudent spread of risk

The Manager must ensure that, taking account of the investment objective and policy of each of the Funds, the scheme property aims to provide a prudent spread of risk.

1.2 Cover

1.2.1 Where the COLL Sourcebook allows a transaction to be entered into (for example, investment in nil and partly paid securities and the general power to accept or underwrite) or an investment to be retained only if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of the Funds under any other of those rules has also to be provided for.

1.2.2 Where a rule in the COLL Sourcebook permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:

1.2.2.1 it must be assumed that in applying any of those rules, the Funds must also simultaneously satisfy any other obligation relating to cover; and

1.2.2.2 no element of cover may be used more than once.

2. UCITS Schemes - general

2.1 Subject to the investment objective and policy of a Fund, the scheme property of a Fund must, except where otherwise provided in COLL 5 or as otherwise set out in this Prospectus, only consist of any or all of:

2.1.1 transferable securities;

2.1.2 approved money market instruments;

2.1.3 permitted derivatives and forward transactions;

2.1.4 permitted deposits; and

2.1.5 permitted units in collective investment schemes.

3. **Transferable securities**

3.1 A transferable security is an investment falling within article 76 (shares etc), article 77 (instruments creating or acknowledging indebtedness), article 77A (alternative debenture), article 78 (government and public securities), article 79 (instruments giving entitlement to investments) and article 80 (certificates representing certain securities) of the "Regulated Activities Order".

3.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.

3.3 In applying paragraph 3.2 of this Appendix to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (shares, etc) or 77 (instruments creating or acknowledging indebtedness) or 77A (an alternative debenture) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

3.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

3.5 The Funds may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

3.5.1 the potential loss which a Fund may incur with respect to holding the transferable security is limited to the amount paid for it;

3.5.2 its liquidity does not compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying Unitholder under the FCA Handbook;

3.5.3 reliable valuation is available for it as follows:

3.5.3.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers; or

3.5.3.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

3.5.4 appropriate information is available for it as follows:

3.5.4.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security; or

3.5.4.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the Manager on the

transferable security or, where relevant, on the portfolio of the transferable security;

3.5.5 it is negotiable; and

3.5.6 its risks are adequately captured by the risk management process of the Manager.

3.6 Unless there is information available to the Manager that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

3.6.1 not to compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying Unitholder; and

3.6.2 to be negotiable.

3.7 No more than 10% of the scheme property of a Fund may be invested in warrants.

4. **Closed end funds constituting transferable securities**

4.1 A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Fund, provided it fulfils the criteria for transferable securities set out in paragraph 3.5 and either:

4.1.1 where the closed end fund is constituted as an investment company or a unit trust:

4.1.1.1 it is subject to corporate governance mechanisms applied to companies; and

4.1.1.2 where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

4.1.2 where the closed end fund is constituted under the law of contract:

4.1.2.1 it is subject to corporate governance mechanisms equivalent to those applied to companies; and

4.1.2.2 it is managed by a person who is subject to national regulation for the purpose of investor protection.

5. **Transferable securities linked to other assets**

5.1 A Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a Fund provided the investment:

5.1.1 fulfils the criteria for transferable securities set out in 3.5 above; and

5.1.2 is backed by or linked to the performance of other assets, which may differ from those in which a Fund can invest.

5.2 Where a designated investment in 5.1 contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

6. Approved money market instruments

6.1 An approved money market instrument is a money market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

6.2 A money market instrument shall be regarded as normally dealt in on the money market if it:

6.2.1 has a maturity at issuance of up to and including 397 days;

6.2.2 has a residual maturity of up to and including 397 days;

6.2.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days; or

6.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 6.2.1 or 6.2.2 or is subject to yield adjustments as set out in 6.2.3.

6.3 A money market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the Manager to redeem units at the request of any qualifying Unitholder.

6.4 A money market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:

6.4.1 enabling the Manager to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and

6.4.2 based either on market data or on valuation models including systems based on amortised costs.

6.5 A money market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the Manager that would lead to a different determination.

7. Transferable securities and money market instruments generally to be admitted or dealt in on an eligible market

7.1 Transferable securities and approved money market instruments held within a Fund must be:

7.1.1 admitted to or dealt in on an eligible market (as described in paragraphs 8.3.1 or 8.3.2); or

7.1.2 admitted to or dealt in on an eligible market (as described in paragraph 8.4); or

7.1.3 for an approved money market instrument not admitted to or dealt in on an eligible market, within paragraph 9.1; or

7.1.4 recently issued transferable securities provided that:

7.1.4.1 the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and

7.1.4.2 such admission is secured within a year of issue.

7.1.5 However, a Fund may invest no more than 10% of the scheme property in transferable securities and approved money market instruments other than those referred to in paragraph 7.1.

8. **Eligible markets regime: purpose**

8.1 To protect investors, the markets on which investments of the Funds are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold.

8.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction in paragraph 7.1.5 above on investing in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

8.3 A market is eligible for the purposes of the rules if it is:

8.3.1 a regulated market as defined in the FCA Handbook; or

8.3.2 a market in an EEA State which is regulated, operates regularly and is open to the public.

8.4 A market not falling within paragraph 8.3 of this Appendix is eligible for the purposes of COLL 5 if:

8.4.1 the Manager, after consultation with and notification to the Trustee, decides that market is appropriate for investment of, or dealing in, the scheme property;

8.4.2 the market is included in a list in the Prospectus; and

8.4.3 the Trustee has taken reasonable care to determine that:

8.4.3.1 adequate custody arrangements can be provided for the investments dealt in on that market; and

8.4.3.2 all reasonable steps have been taken by the Manager in deciding whether that market is eligible.

8.5 In paragraph 8.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

9. **Money market instruments with a regulated issuer**

9.1 In addition to instruments admitted to or dealt in on an eligible market, a Fund may invest in an approved money market instrument provided it fulfils the following requirements:

9.1.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and

9.1.2 the instrument is issued or guaranteed in accordance with paragraph 10 below.

9.2 The issue or the issuer of a money market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:

9.2.1 the instrument is an approved money market instrument;

9.2.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 11 below; and

9.2.3 the instrument is freely transferable.

10. **Issuers and guarantors of money market instruments**

10.1 A Fund may invest in an approved money market instrument if it is:

10.1.1 issued or guaranteed by any one of the following:

10.1.1.1 a central authority of an EEA State or, if the EEA State is a federal state, one of the members making up the federation;

10.1.1.2 a regional or local authority of an EEA State;

10.1.1.3 the European Central Bank or a central bank of an EEA State;

10.1.1.4 the European Union or the European Investment Bank;

10.1.1.5 a non-EEA State or, in the case of a federal state, one of the members making up the federation;

10.1.1.6 a public international body to which one or more EEA States belong; or

10.1.2 issued by a body, any securities of which are dealt in on an eligible market; or

10.1.3 issued or guaranteed by an establishment which is:

10.1.3.1 subject to prudential supervision in accordance with criteria defined by European Community law; or

10.1.3.2 subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by European Community law.

10.2 An establishment shall be considered to satisfy the requirement in paragraph 10.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

10.2.1 it is located in the European Economic Area;

10.2.2 it is located in an OECD country belonging to the Group of Ten;

10.2.3 it has at least investment grade rating; and/or

10.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by European Community law.

11. Appropriate information for money market instruments

11.1 In the case of an approved money market instrument within paragraph 10.1.2 or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within paragraph 10.1.1.2 or a public international body within paragraph 10.1.1.6 but is not guaranteed by a central authority within paragraph 10.1.1.1, the following information must be available:

11.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;

11.1.2 updates of that information on a regular basis and whenever a significant event occurs; and

11.1.3 available and reliable statistics on the issue or the issuance programme.

11.2 In the case of an approved money market instrument issued or guaranteed by an establishment within paragraph 10.1.3, the following information must be available:

11.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;

11.2.2 updates of that information on a regular basis and whenever a significant event occurs; and

11.2.3 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

11.3 In the case of an approved money market instrument:

11.3.1 within paragraphs 10.1.1.1, 10.1.1.4 or 10.1.1.5; or

11.3.2 which is issued by an authority within paragraph 10.1.1.2 or a public international body within paragraph 10.1.1.6 and is guaranteed by a central authority within paragraph 10.1.1.1;

information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

12. **Spread: general**

12.1 This rule on spread does not apply to government and public securities.

12.2 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC or in the same group in accordance with international accounting standards are regarded as a single body.

12.3 Not more than 20% in the value of the scheme property of each of the Funds is to consist of deposits with a single body.

12.4 Not more than 5% in value of the scheme property of each of the Funds is to consist of transferable securities or approved money market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the scheme property (covered bonds need not be taken into account for the purposes of applying the limit of 40%). For these purposes certificates representing certain securities are treated as equivalent to the underlying security.

12.5 The limit of 5% is raised to 25% in value of the scheme property in respect of covered bonds provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the scheme property.

12.6 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the scheme property of each of the Funds. This limit is raised to 10% where the counterparty is an Approved Bank.

12.7 Not more than 20% in value of the scheme property of a Fund is to consist of transferable securities and approved money market instruments issued by the same group.

12.8 In applying the limits in paragraphs 12.3, 12.4 and 12.6, and subject to paragraph 12.5, not more than 20% in value of the scheme property of each of the Funds is to consist of any combination of two or more of the following:

- transferable securities (including covered bonds) or approved money market instruments issued by; or
- deposits made with; or
- exposures from OTC derivatives transactions made with,

a single body.

12.9 The Manager must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraph 12.6 and 12.8 above.

12.10 When calculating the exposure of a Fund to a counterparty in accordance with the limits in paragraph 12.6, the Manager must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

12.11 A Manager may net the OTC derivative positions of a Fund with the same counterparty, provided they are able legally to enforce netting agreements with the counterparty on behalf of the Fund.

12.12 The netting agreements in paragraph 12.11 above are permissible only with respect to OTC derivatives with the same counterparty and not in relation to any other exposures the Fund may have with that same counterparty.

12.13 The Manager may reduce the exposure of Scheme Property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

12.14 The Manager must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 12.6 when it passes collateral to an OTC counterparty on behalf of a Fund.

12.15 Collateral passed in accordance with paragraph 12.14 may be taken into account on a net basis only if the Manager is able legally to enforce netting arrangements with this counterparty on behalf of that Fund.

12.16 In relation to the exposure arising from OTC derivatives as referred to in paragraph 12.6, the Manager must include any exposure to OTC derivative counterparty risk in the calculation.

12.17 The Manager must calculate the issuer concentration limits referred to in paragraph 12.8 on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.

13. **Spread: government and public securities**

13.1 The following section applies to government and public securities ("such securities").

13.2 Where no more than 35% in value of the scheme property of each Fund is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.

13.3 Each Fund may invest more than 35% in value of the scheme property in such securities issued by any one body provided that:

13.3.1 the Manager has before any such investment is made consulted with the Trustee and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objective of the relevant Fund;

13.3.2 no more than 30% in value of the scheme property consists of such securities of any one issue;

13.3.3 the scheme property includes such securities issued by that or another issuer, of at least six different issues; and

13.3.4 the disclosures required by the FCA have been made.

13.4 In giving effect to the foregoing, over 35% of the scheme property of each of the Funds may be invested in government and public securities issued by or on behalf of or guaranteed by the Government of the United Kingdom, the Scottish Administration, the National Assembly of Wales, the Executive Committee of the Northern Ireland Assembly or the Governments of Australia, Austria, Belgium, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland and the United States of America. In relation to such securities:

13.4.1 "issue", "issued" and "issuer" include "guarantee", "guaranteed" and "guarantor"; and

13.4.2 an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

13.5 Notwithstanding paragraph 12.1 and subject to paragraphs 13.2 and 13.3 above, in applying the 20% limit in paragraph 12.8 with respect to a single body, government and public securities issued by that body shall be taken into account.

14. **Investment in collective investment schemes**

14.1 Up to 10% in value of the scheme property of each Fund may be invested, in units or shares in other collective investment schemes ("Second Scheme") provided the Second Scheme satisfies all of the following conditions:

14.1.1 the Second Scheme must:

14.1.1.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

14.1.1.2 be recognised under the provisions of section 270 of the Financial Services and Markets Act 2000; or

14.1.1.3 be authorised as a non-UCITS retail scheme (provided the requirements of Article 50(1)(e) of the UCITS Directive are met); or

14.1.1.4 be authorised in another EEA State (provided the requirements of Article 50(1)(e) of the UCITS Directive are met); or

14.1.1.5 be authorised by the competent authority of an OECD member country (other than an EEA State) which has:

(i) signed the IOSCO Multilateral Memorandum of Understanding; and

(ii) approved the Second Scheme's management company, rules and depositary/custody arrangements;

(provided the requirements of article 50(1)(e) of the UCITS Directive are met); or

14.1.2 the Second Scheme has terms which prohibit more than 10% in value of its scheme property consisting of units in collective investment schemes. Where the Second Scheme is an umbrella, the provisions in this paragraph 14.1.2 and paragraph 14.2 apply to each sub-fund as if it were a separate scheme.

14.2 Investment may only be made in other collective investment schemes managed by the Manager or an associate of the Manager where the Fund's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.

Accordingly, the Funds may invest in collective investment schemes managed or operated by, or whose manager is Artemis Fund Managers Limited or one of its associates.

15. Investment in nil and partly-paid securities

15.1 A transferable security or an approved money market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by a Fund, at the time when payment is required, without contravening the rules in COLL 5.

16. Efficient Portfolio Management

The Funds may make use of efficient portfolio management techniques ("EPM") to reduce risk and/or costs in the Funds and to produce additional capital or income in the Funds. Techniques used by the Funds may include using derivatives for hedging, borrowing, holding cash and stock lending.

It is not intended that using derivatives for EPM will increase the volatility of the Funds and indeed EPM is intended to reduce volatility. In adverse situations, however, a Fund's use of derivatives may become ineffective in hedging or EPM and a Fund may suffer significant loss as a result.

A Fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations.

Any income or capital generated by EPM will be paid to the relevant Fund.

Use of one or more separate counterparties will be made to undertake derivative transactions on behalf of the relevant Funds and those Funds may be required to pledge or transfer collateral paid from within the assets of the relevant Fund to secure such contracts. There may be a risk that a counterparty will wholly or partially fail to honour their contractual arrangements under the arrangement with regards to the return of collateral and any other payments due to the relevant Fund. If counterparty defaults, a Fund may suffer loss as a result. The Manager or the Investment Manager measures the creditworthiness of counterparties as part of the risk management process.

There is no guarantee that the Fund will achieve the objective for which it entered into a transaction in relation to EPM. Securities lending transactions may, in the event of a default by the counterparty, result in the securities lent being recovered late or only in part. This may result in losses for investors.

The counterparty will forfeit its collateral if it defaults on the transaction. However, if the collateral is in the form of securities, there is a risk that when it

is sold it will realise insufficient cash to settle the counterparty's liability to the Fund or enable the Fund to purchase replacements for the securities that were lent to the counterparty. This may result in losses for investors.

Transactions may be effected in which the Manager has, either directly or indirectly, an interest that may potentially involve a conflict with its obligations to a Fund. Where a conflict cannot be avoided, the Manager will have regard to its fiduciary responsibility to act in the best interests of that Fund and its investors. The Manager will ensure that investors are treated fairly and that such transactions are effect on terms which are not less favourable to a Fund than if the potential conflict had not existed.

17. **Derivatives: general**

17.1 **The Fund may employ derivatives for investment purposes in addition to efficient portfolio management. The use of derivatives and forward transactions, in both exchange traded and over the counter ("OTC") markets, in the pursuit of the Fund's objective will mean that the net asset value of the Fund may at times be highly volatile (in the absence of compensating investment techniques). The instruments which may be used include: futures; contracts for differences; options; swaps; forward foreign exchange contracts; and repurchase and reverse repurchase agreements. There are some derivatives whose value falls even though the market is rising.**

The use of derivatives will include creating synthetic short positions. The use of these strategies will be subject to a risk management process which will involve reducing counterparty exposure, in respect of OTC derivative transactions, by holding collateral; and/or by netting positions with the same counterparty which are on equivalent terms.

It is not the Manager's intention that the use of derivatives and forward transactions in the pursuit of the Funds' objectives will cause their risk profiles to change over time. However, the use of derivatives and forward transactions for investment purposes will involve particular risks which may:

17.1.1 **increase the volatility of the Fund when taking additional market or securities exposures;**

17.1.2 **be reliant on the ability of the Manager to assess movements in the values of securities, currencies or interest rates;**

17.1.3 **place reliance on the imperfect correlation between derivative instruments and the underlying securities; and**

17.1.4 **involve trading in non-standardised instruments off exchange, which may in turn involve negotiations on transactions on an individual basis.**

17.2 A transaction in derivatives or a forward transaction must not be effected for a Fund unless the transaction is of a kind specified in paragraph 18 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 30 (Cover for investment in derivatives) of this Appendix.

17.3 Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to spread (COLL 5.2.11R Spread: general, COLL 5.2.12R Spread: government and public securities) except for index based derivatives where the rules below apply.

17.4 Where a transferable security or approved money market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.

17.5 A transferable security or an approved money market instrument will embed a derivative if it contains a component which fulfils the following criteria:

17.5.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;

17.5.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

17.5.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.

17.6 A transferable security or an approved money market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money market instrument. That component shall be deemed to be a separate instrument.

17.7 Where a Fund invests in an index based derivative, provided the relevant index falls within paragraph 19 (Financial Indices underlying derivatives), the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R.

18. **Permitted transactions (derivatives and forwards)**

18.1 A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 22 (OTC transactions in derivatives).

18.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which a Fund is dedicated: transferable securities, approved money market instruments permitted under paragraphs 7.1.1-7.1.3, deposits, permitted derivatives under this paragraph, collective investment scheme units permitted under paragraph 14 (Investment in collective investment schemes), financial indices which satisfy the criteria set out in paragraph 19, interest rates, foreign exchange rates and currencies.

18.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

18.4 A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in the Trust Deed constituting the Fund and the most recently published version of this Prospectus.

18.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money market instruments, units in collective investment schemes, or derivatives, provided that a sale is not to be considered as uncovered if the conditions in paragraph 30 are satisfied.

18.6 Any forward transaction must be with an Eligible Institution or an Approved Bank.

19. **Financial indices underlying derivatives**

19.1 The financial indices referred to in 18.2 are those which satisfy the following criteria:

19.1.1 the index is sufficiently diversified;

19.1.2 the index represents an adequate benchmark for the market to which it refers; and

19.1.3 the index is published in an appropriate manner.

19.2 A financial index is sufficiently diversified if:

19.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

19.2.2 where it is composed of assets in which a Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and

19.2.3 where it is composed of assets in which a Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.

19.3 A financial index represents an adequate benchmark for the market to which it refers if:

19.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;

19.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and

19.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

19.4 A financial index is published in an appropriate manner if:

19.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and

19.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

19.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall, where they satisfy the requirements with respect to other underlyings pursuant to 18.2, be regarded as a combination of those underlyings.

20. Transactions for the purchase of property

20.1 A derivative or forward transaction which will or could lead to the delivery of property for the account of a Fund may be entered into only if that property can be held for the account of that Fund, and the Manager having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in the COLL Sourcebook.

21. Requirement to cover sales

21.1 No agreement by or on behalf of a Fund to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by that Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by a Fund at the time of the agreement. This requirement does not apply to a deposit.

22. OTC transactions in derivatives

22.1 Any transaction in an OTC derivative under paragraph 18.1 must be:

22.1.1 in a future or an option or a contract for differences;

22.1.2 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank or a person whose permission (including any requirements or limitations), as published in the FCA Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;

22.1.3 on approved terms; the terms of the transaction in derivatives are approved only if the Manager carries out, at least daily. a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value arrived at under the reliable market value basis;

22.1.4 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the Manager having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

22.1.4.1 on the basis of an up-to-date market value which has been agreed is reliable; or

22.1.4.2 if the value referred to in 21.1.4.1 is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and

22.1.5 subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:

22.1.5.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the Manager is able to check it; or

22.1.5.2 a department within the Manager which is independent from the department in charge of managing a Fund and which is adequately equipped for such a purpose.

22.2 For the purposes of paragraph 22.1.3 above, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing counterparties in an arm's length transaction.

23. Valuation of OTC derivatives

23.1 For the purposes of paragraph 22.1.3, the Manager must:

23.1.1 establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Fund to OTC derivatives; and

23.1.2 ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

23.2 Where the arrangements and procedures referred to in paragraph 23.1.1 above involve the performance of certain activities by third parties, the Manager must comply with the requirements in SYSC 8.1.13 R (Additional requirements for a management company) and COLL 6.6A.4 R (4) to (6) (Due diligence requirements of AFMs of UCITS schemes).

23.3 The arrangements and procedures referred to in paragraph 23.1.1 must be:

23.3.1 adequate and proportionate to the nature and complexity of the OTC derivative concerned; and

23.3.2 adequately documented.

24. Risk management

24.1 The Manager uses a risk management process (including a risk management policy), enabling it to monitor and measure at any time the risk of a Fund's positions and their contribution to the overall risk profile of that Fund. Before using the process, the Manager will notify the FCA of the details of the risk management process at least on an annual basis.

25. **Investment in deposits**

25.1 A Fund may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

26. **Significant influence**

26.1 The Manager must not acquire, or cause to be acquired for an authorised unit trust of which it is the manager, transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

26.1.1 immediately before the acquisition, the aggregate of any such securities held for that authorised unit trust, taken together with any such securities already held for other authorised unit trusts of which it is also the manager, gives the Manager power significantly to influence the conduct if business of that body corporate; or

26.1.2 the acquisition gives the Manager that power.

26.2 For the purposes of paragraph 26.1, the Manager is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held for all the authorised unit trusts of which it is the manager, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

27. **Concentration**

27.1 A Fund:

27.1.1 must not acquire transferable securities other than debt securities which:

27.1.1.1 do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and

27.1.1.2 represent more than 10% of these securities issued by that body corporate;

27.1.2 must not acquire more than 10% of the debt securities issued by any single issuing body;

27.1.3 must not acquire more than 25% of the units in a collective investment scheme;

27.1.4 must not acquire more than 10% of the approved money market instruments issued by any single body; and

27.1.5 need not comply with the limits in paragraphs 27.1.2, 27.1.3 and 27.1.4 of this Appendix if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

28. **Derivative exposure**

28.1 The Funds may invest in derivatives and forward transactions as long as the exposure to which a Fund is committed by that transaction itself is suitably covered from within its scheme property. Exposure will include any initial outlay in respect of that transaction.

28.2 Cover ensures that a Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the scheme property. Therefore, a Fund must hold scheme property sufficient in value or amount to match the exposure arising from a derivative obligation to which that Fund is committed. Paragraph 30 (Cover for investment in derivatives) below sets out detailed requirements for cover of that Fund.

28.3 A future is to be regarded as an obligation to which a Fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for); a written option as an obligation to which a Fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).

28.4 Cover used in respect of one transaction in derivatives or a forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

29. **Schemes replicating an index**

29.1 Notwithstanding COLL 5.2.11R (Spread: general), a Fund may invest up to 20% in value of the scheme property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.

29.2 Replication of the composition of a relevant index shall be understood to be a reference to a replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of efficient portfolio management.

29.3 The 20% limit can be raised for a particular Fund up to 35% in value of the scheme property, but only in respect of one body and where justified by exceptional market conditions.

29.4 In the case of a fund replicating an index the scheme property need not consist of the exact composition and weighting of the underlying in the relevant index in cases where a fund's investment objective is to achieve a result consistent with the replication of an index rather than an exact replication.

29.5 The indices referred to above are those which satisfy the following criteria:

29.5.1 the composition is sufficiently diversified;

29.5.2 the index represents an adequate benchmark for the market to which it refers; and

29.5.3 the index is published in an appropriate manner.

29.6 The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.

29.7 An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.

29.8 An index is published in an appropriate manner if:

29.8.1 it is accessible to the public; and

29.8.2 the index provider is independent from the index-replicating UCITS scheme (this does not preclude index providers and the UCITS scheme from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place).

30. Cover for investment in derivatives

30.1 The Fund may invest in derivatives and forward transactions as part of its investment policy provided:

30.1.1 its global exposure relating to derivatives and forward transactions held in the Fund does not exceed the net value of the scheme property; and

30.1.2 its global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Paragraph 12 above (Spread: general).

31. Daily calculation of global exposure

31.1 The Manager must calculate the global exposure of the Fund on at least a daily basis.

31.2 For the purposes of this section exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

32. Calculation of global exposure

32.1 The Manager must calculate the global exposure of the Fund it manages either as:

32.1.1 the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in Paragraph 17 (Derivatives: general)), which may not exceed 100% of the net value of the scheme property; or

32.1.2 the market risk of the scheme property.

32.2 The Manager must calculate the global exposure of the Fund by using:

32.2.1 the commitment approach; or

32.2.2 the value at risk approach.

32.3 The Manager must ensure that the method selected in 32.2 is appropriate, taking into account:

32.3.1 the investment strategy pursued by the Fund;

32.3.2 the types and complexities of the derivatives and forward transactions used; and

32.3.3 the proportion of the scheme property comprising derivatives and forward transactions.

32.4 Where the Fund employs techniques and instruments including repo contracts or stock lending transactions in accordance with paragraph 34 (Stock lending) in order to generate additional leverage or exposure to market risk, the Manager must take those transactions into consideration when calculating global exposure.

32.5 For the purposes of paragraph 32.2, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.

32.6 Where the Manager uses the commitment approach for the calculation of global exposure, it must:

32.6.1 ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives as referred to in paragraph 17 (Derivatives: general)), whether used as part of the Fund's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management in accordance with paragraph 34 (Stock lending); and

32.6.2 convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).

32.7 The Manager may apply other calculation methods which are equivalent to the standard commitment approach.

32.8 The Manager may take account of netting and hedging arrangements when calculating the global exposure of the Fund, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.

32.9 Where the use of derivatives or forward transactions does not generate incremental exposure for the Fund, the underlying exposure need not be included in the commitment calculation.

Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Fund in accordance with Paragraph 38 (Borrowing powers) need not form part of the global exposure calculation.

33. Cover and borrowing

33.1 Cash obtained from borrowing, and borrowing which the Manager reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under paragraph 30 except where paragraph 33.2 below applies.

33.2 Where, for the purposes of this paragraph a Fund borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being in paragraph 33.1 on deposit with the lender (or his agent or nominee), then this paragraph 33.2 applies as if the borrowed currency, and not the deposited currency, were part of the scheme property.

34. Stock lending

34.1 The entry into stock lending transactions or repo contracts for the account of a Fund is permitted for the generation of additional income for the benefit of that Fund, and hence for its Unitholders.

34.2 The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the "lender" to cover it against the risk that the future transfer back of the securities may not be satisfactorily completed.

34.3 The stock lending permitted by this section may be exercised by a Fund when it reasonably appears to the Manager to be appropriate to do so with a view to generating additional income with an acceptable degree of risk.

34.4 The Trustee, at the request of the Manager, may enter into a stock lending arrangement or repo contract of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be reacquired by the Trustee for the account of a Fund, are in a form which is acceptable to the Trustee and are in accordance with good market practice, the counterparty meets the criteria set out in COLL 5.4.4, and collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Trustee, adequate and sufficiently immediate.

34.5 The Trustee must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Trustee. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Trustee takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.

34.6 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under the COLL Sourcebook, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of a Fund.

34.7 There is no limit on the value of the scheme property of a Fund which may be the subject of stock lending transactions or repo contract.

35. **Cash and near cash**

35.1 Cash and near cash must not be retained in the scheme property of the Funds except to the extent that, where this may reasonably be regarded as necessary in order to enable:

35.1.1 the pursuit of the relevant Fund's investment objective; or

35.1.2 redemption of units; or

35.1.3 efficient management of the relevant Fund in accordance with its investment objective; or

35.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of the relevant Fund.

35.2 During the period of the initial offer, the scheme property of a Fund may consist of cash and near cash without limitation.

36. **General**

36.1 It is not intended that any Fund will have an interest in any immovable property or tangible movable property.

36.2 It is envisaged that the Funds will normally be fully invested but there may be times that it is appropriate not to be fully invested when the Manager reasonably regards this as necessary in pursuit of the investment objective and policy, redemption of units, efficient management of the relevant Fund or any other purpose which may reasonably be regarded as ancillary to the investment objective of the relevant Fund.

36.3 Where a Fund invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the Manager or an associate of the Manager, the Manager must pay to that Fund by the close of business on the fourth business day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

36.4 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by a Fund but, in the event of a consequent breach, the Manager must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Unitholders.

36.5 The COLL Sourcebook permits the Manager to use certain techniques when investing in derivatives in order to manage a Fund's exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure with respect to OTC derivatives; for example a Fund may take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. The COLL Sourcebook also permits a Fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in the Fund) under certain conditions.

37. **Underwriting**

37.1 Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in the COLL Sourcebook, be entered into for the account of a Fund.

38. **Borrowing powers**

38.1 The Trustee may, on the instructions of the Manager and subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of a Fund on terms that the borrowing is to be repayable out of the scheme property.

38.2 Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed three months without the prior consent of the Trustee, which may be given only on such conditions as appear appropriate to the Trustee to ensure that the borrowing does not cease to be on a temporary basis.

38.3 The Manager must ensure that borrowing does not, on any business day, exceed 10% of the value of the relevant Fund.

38.4 These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

APPENDIX C

VALUATION AND PRICING

The value of the property of each Fund shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

1. All the property of a Fund (including receivables) is to be included, subject to the following provisions.

1.1 Property which is not cash (or other assets dealt with in paragraphs 1 and 2 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

1.1.1 in the case of units or shares in a collective investment scheme:

1.1.1.1 if a single price for buying and selling units or shares is quoted, at that price; or

1.1.1.2 if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any entry fee included in it and the selling price has been increased by any exit or exit fee attributable to it; or

1.1.1.3 if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer's price which, in the opinion of the Manager, is fair and reasonable;

1.1.2 in the case of property which is a derivative transaction:

1.1.2.1 if a written option, (and the premium for writing the option has become part of the scheme property) deduct, for the calculation of the issue basis, the amount of the net valuation of premium (estimated on the basis of writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded, but add, in the case of the calculation of the cancellation basis, dealing costs); but if it is an OTC derivative, the valuation methods in COLL 5.2.23R shall be used; or

1.1.2.2 if an off-exchange future, include at the net value of closing out (in the case of the calculation of the issue basis, estimated on the basis of the amount of profit or loss receivable or incurable by a Fund on closing out the contract and deducting minimum dealing costs in the case of profit and adding them in the case of loss; but if it is an OTC derivative, the valuation methods in COLL 5.2.23R shall be used); or

1.1.2.3 if any other form of derivative transaction, include at the net value of margin on closing out (estimated on the basis of the amount of margin (whether receivable or payable by a Fund on closing out the contract) on the best terms

then available on the most appropriate market on which such contracts are traded and including minimum dealing costs so that the value is the figure as a negative sum); but if it is an OTC derivative, the valuation methods in COLL 5.2.23R shall be used.

1.1.3 in the case of any other investment:

1.1.3.1 the best available market dealing offer price on the most appropriate market in a standard size (plus any dealing costs, which means any fiscal charges, commission or other charges payable in the event of a Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by a Fund are the least that could reasonably be expected to be paid in order to carry out the transaction); or

1.1.3.2 if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer's price which, in the opinion of the Manager, is fair and reasonable.

1.1.4 for any other property not described within, or if no price exists under, paragraph 1.1.1 or paragraph 1.1.3, at a value which, in the opinion of the Manager, represents a fair and reasonable mid-market price.

2. Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.

3. Property which is a contingent liability transaction will be treated as follows:

3.1 if a written option or an off-exchange derivative the method of valuation will be agreed between the Manager and the Trustee;

3.2 if an off-exchange future, it will be valued at the net value of closing out in accordance with a valuation method agreed between the Manager and the Trustee; and

3.3 if any other form of contingent liability transaction or if the scheme property is an off exchange derivative, the method of valuation will be agreed between the Manager and the Trustee.

4. In determining the value of the scheme property, all instructions given to the Trustee to issue or cancel units shall be assumed (unless the contrary is shown) to have been carried out and any cash paid or received and all required consequential action required by the Regulations or the Trust Deed shall be assumed (unless the contrary is shown) to have been taken whether or not this is the case.

5. Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.

6. Futures or contracts for differences which are not yet due to be performed and unexpired written or purchased options which have not been exercised shall not be included under paragraph 5.

7. All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all agents, delegates or employees of the Manager take all reasonable steps to inform it immediately of the making of any agreement.

8. Deduct an estimated amount for anticipated tax liabilities (whether of the United Kingdom or elsewhere)(on unrealised capital gains where the liabilities have accrued and are payable out of the property of a Fund; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp taxes, any other transfer or transaction tax, withholding tax, transfer pricing and irrecoverable VAT.

9. Deduct an estimated amount for any liabilities payable out of the property of a Fund and any tax thereon (treating periodic items as accruing from day to day).

10. Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.

11. In the case of a margined contract, deduct any amount reasonably anticipated to be paid by way of variation margin.

12. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.

13. Add any other credits or amounts due to be paid into the property of a Fund.

14. In the case of a margined contract, add any amount reasonably anticipated to be received by way of variation margin.

15. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

16. The valuation is in a Fund's base currency. Currencies or values in currencies other than the base currency will be translated at the relevant valuation point at a rate of exchange determined by the Manager that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders. If it is impractical or obviously incorrect to carry out a valuation of any property or investment in accordance with the rules above, the Manager may choose to use other generally recognised valuation principles in order to reach a proper valuation of the Net Asset Value if it considers that valuation in accordance with those principles better reflects the value of a security, interest or position.

APPENDIX D

PAST PERFORMANCE

Artemis Fund and Unit Class	12 months to 30 June 2019	12 months to 30 June 2018	12 months to 30 June 2017	12 months to 30 June 2016	12 months to 30 June 2015
Capital I Acc	-4.3	13.6	27.7	-9.7	10.2
European Growth I Acc	-2.9	3.7	34.7	1.1	1.0
European Opportunities I Acc	1.5	5.0	29.8	8.5	7.7
Global Growth I Acc	4.1	9.0	26.7	4.8	20.9
Global Income I Inc	-3.6	8.7	24.8	3.5	11.0
Global Select I Acc	11.9	11.8	21.4	14.9	15.2
High Income I Inc	2.6	2.3	13.3	-0.6	2.5
Income I Inc	-1.4	9.0	20.2	0.0	6.6
Monthly Distribution I Inc	1.6	3.2	17.8	7.9	6.6
Strategic Bond QI Acc	4.3	1.5	10.4	2.5	2.2
UK Select* I Acc	-6.8	9.5	34.0	-13.7	11.5
UK Smaller Companies I Acc	-9.2	19.2	39.8	-1.1	6.7
UK Special Situations I Acc	-8.7	7.8	16.1	-3.5	6.3

Source Lipper, Nav to Nav in Sterling. All figures show total returns with dividends reinvested. From 4 February 2019, the funds changed from a dual-priced to single-priced basis; historic performance is unaffected.
* The Fund's name was changed from Artemis UK Growth Fund with effect from 29 February 2016.

These performance figures are presented as a matter of record and should be regarded as such. Performance is determined by many factors including the general direction and volatility of markets and may not be repeatable.

Past performance is not necessarily a guide to future growth or rates of return.

Latest performance figures may be obtained from the Manager directly or online at www.artemisfunds.com.