

Artemis funds
Assessment of value
for the year ended 31 December 2021

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Setting the scene...

Moving past the pandemic ...

A year ago, we were preparing this report just as the first vaccines against Covid-19 were being administered. The remainder of 2021 saw new variants emerging and the virus blighting more lives. More encouragingly, however, those vaccines were showing their efficacy. This allowed economies to reopen and societies to get back – albeit with periodic scares and setbacks – to something approaching ‘normality’.

This progress – and the extraordinary levels of support offered by both governments and central banks – was reflected in the gains enjoyed by the world’s equity markets.

Financial markets are, of course, eternally restless and forward-looking. So as 2021 progressed, worries about inflation and the attendant prospect of higher interest rates began to erode some of the optimism that the re-opening of the global economy had brought. Admittedly, the task facing central bankers is an unenviable one. Tighten monetary policy more aggressively than the bond market expects, and they risk damaging the confidence that has been rebuilt at such cost since the dark days of March 2020. But move too late or do too little, and expectations that inflation will remain above target may become engrained, obliging them to take more assertive action later. Getting the end of monetary stimulus right will be a fine balancing act, one that will determine what lies ahead for bond markets, equity markets and for confidence more broadly.

The early weeks of 2022 offered a painful reminder that – at least in the short term – financial markets are at the mercy of geopolitical actors whose decisions are significantly less predictable than those of central bankers. In addition to the terrible humanitarian cost it imposed, Russia’s invasion of Ukraine roiled commodity markets and unleashed fresh turmoil in financial markets worldwide. As ever, the managers of our funds believe that taking an active approach remains the best way to steward the wealth of our clients through this ever-changing economic and geopolitical landscape.

We also understand that active investing must be coupled with a similarly active approach to reviewing our range of funds: we want to make sure that, as times change, our funds still meet our clients’ needs. During 2021, we have made a number of changes which are intended to maintain and improve the value we are able to offer our clients. This includes the launch of the Artemis Positive Future Fund, which seeks transformative positive impact while also aiming to deliver leading performance in global equities. Building on the important work of previous years in evolving our managers’ investment processes, we have now made formal ESG-related changes to certain funds. This has included work to clarify the investment approach of the Artemis Global Select Fund, and to change both the name and investment policy of the Artemis European Opportunities Fund, which is now the Artemis European Sustainable Growth Fund.

What is an ‘assessment of value’ and why are we publishing this report?

The Financial Conduct Authority (FCA) has asked all managers of UK-domiciled funds to carry out an annual review of the funds they manage to assess the overall value delivered to clients.

In terms of seeking to deliver value, this review is aligned with Artemis’ core cultural principles of putting clients first, collaboration and integrity & accountability.

The assessment of value is the responsibility of the Board of Directors of Artemis Fund Managers Limited (the ‘Board/Directors’). We have conducted a detailed analysis and review of Artemis’ funds and the outcomes are summarised in this report, based on data and information to the end of December 2021.

How did we assess value?

An essential part of our role as Directors is to determine whether value is being provided to our clients. We define value in the broadest sense of delivering positive outcomes in terms of investment performance and service.

In addition to producing this report, at Artemis we separately and regularly review the funds across our

range to ensure we are offering appropriate products to our clients.

We have completed an extensive review of each fund under the seven ‘value criteria’ introduced by the FCA. We have grouped these into three categories:

- Fund performance;
- Costs and charges; and
- Services provided.

Detailed analysis of each of the seven criteria was provided to the Board for review and consideration, and the conclusions are set out in this report.

We believe that Artemis' assessment of value should consider the various elements within a broad

and robust framework. To allow overall value to be assessed, in our view this assessment should not be equated to lowest cost or to investment performance in isolation. So we have taken a more holistic approach.

Following our review, we have identified some potential improvements, which are detailed in the report for each fund, where relevant.

What our clients said...

In addition to some of the potential changes noted, the review also highlighted some areas in which we have continued to do well. For example, it remains gratifying that, according to Artemis' annual client survey, 95% of respondents said they think they are receiving good value from their investments with us. Moreover, when thinking about Artemis as a business, 99% of respondents rate positively the

overall value delivered in terms of fund performance, costs & charges and services provided. Finally, as they did last year, some 80% of respondents rate highly all aspects of their engagement and experience of customer service with us, with a third of these stating that our service is superior to that of other fund managers they deal with.

Things we have already improved...

Since we last reported on our assessment of value, we are very pleased that four funds (Artemis High Income Fund; Artemis SmartGARP Global Emerging Markets Fund; Artemis SmartGARP UK Equity Fund; and Artemis UK Special Situations Fund) which we had identified as performing less well than our expectations have shown considerable improvement. It is encouraging that the remedial actions for these funds which we described in our last report have, so far, had a positive effect.

In addition to fund-specific actions, during 2021 we have also reviewed our wider framework for product governance and oversight. We identified and have already implemented a number of improvements which we expect will, cumulatively, help us to

deliver good value to our clients over the coming years.

As part of Artemis' ongoing commitment to improvement, another criterion for assessing value is ensuring that our clients are invested in the lowest cost unit classes available to them. As part of this, we continued with our previous work to convert Class R unitholders to units with a lower annual management charge. As part of this, in the year 2021 we had written to more than 6,000 of our Class R unitholders to notify them of our decision to convert their investments to units with a lower annual management charge. This saves our clients between £5 and £30 per year for every £10,000 invested.

In conclusion...

Just as markets refuse to stand still, the goals of our clients are constantly evolving too. In this changing landscape, we continue to believe that a firm focus on our core cultural principles – putting clients first; collaboration; integrity & accountability – will help us continue to deliver, and improve, value for our clients.

Whatever happens in the year to come, we will continue to review our range of funds and, wherever necessary, act to ensure that they still meet our

clients' needs: long-term performance supported by outstanding client service.



John Dodd, Chair of the Board of Directors,
Artemis Fund Managers Limited

Introducing Artemis' Board of Directors

The Board of Artemis Fund Managers Limited plays a critical role in the governance and oversight of the company's activities. Both by challenging and by encouraging, our directors help to ensure that the focus of the whole business is on 'clients first'. As you will see from the biographies below, the company is directed by individuals who bring a wealth of experience to that singular aim.

John Dodd

EXECUTIVE CHAIRMAN AND EXECUTIVE DIRECTOR



Before co-founding Artemis in 1997, John was senior investment manager of UK smaller companies at Ivory & Sime. He launched and managed for a decade the successful Artemis

UK Smaller Companies Fund. John still co-manages one of Artemis' UK-listed investment trusts; and is now Artemis' Executive Chairman. John is a partner in Artemis Investment Management LLP, a member of the Management Committee, a member of the firm's Executive Committee and Executive Chairman of Artemis Fund Managers Limited.

Mark Murray

SENIOR PARTNER AND EXECUTIVE DIRECTOR



After graduating with an LLB from Edinburgh University, Mark joined Shepherd & Wedderburn in Edinburgh as a corporate lawyer and was later seconded to Martin Currie Investment

Management. He joined Artemis in 1997 as company secretary and became COO in March 2001. Mark took on the role of Artemis' Senior Partner in January 2016. He is a partner in Artemis Investment Management LLP, chairs its Executive Committee, is a member of the Management Committee and a director of Artemis Fund Managers Limited.

Claire Finn

INDEPENDENT NON-EXECUTIVE DIRECTOR



Claire holds a BA Hons in Modern Languages and an MSc in Finance, as well as a number of post-graduate qualifications, including the Investment Management Certificate. After four years as a Product Manager

at Henderson Global Investors, Claire joined BlackRock in 2005. By the time she left in 2018, she had fulfilled a number of senior roles in distribution, concluding with her promotion to Managing Director, Head of DC, Unit-Linked and Platforms. She joined the board of Artemis Fund Managers Limited on 30 August 2019.

Andrew Laing

INDEPENDENT NON-EXECUTIVE DIRECTOR



After six years as a commercial lawyer, Andrew spent eight years in private equity. He joined Aberdeen Asset Managers in 1986, retiring in 2019. In that time, his roles included that of COO and Deputy CEO before, in

August 2017, he became Head of Integration and a member of the Group Executive Committee at Aberdeen Standard. Andrew has also been active in the wider industry and was a Director of the Investment Association from 2012 until 2019. He joined the board of Artemis Fund Managers Limited on 30 August 2019.

Paras Anand

CHIEF INVESTMENT OFFICER AND EXECUTIVE DIRECTOR



Paras held a number of fund management roles in London and New York before becoming Head of European Equities at F&C Investments. He then joined Fidelity in 2012 as CIO for

European equities; before moving to Singapore in 2018 to become CIO for all asset classes and functions across the Asia-Pacific region. He was also a member of Fidelity International's Global Operating Committee. He led the group's strategy on sustainability and was global sponsor for cultural diversity. Paras joined Artemis as CIO in 2022. He is a partner in Artemis Investment Management LLP, a member of Artemis' Executive Committee and a director of Artemis Fund Managers Limited (*appointment pending*).

Lesley Cairney

CHIEF OPERATING OFFICER AND EXECUTIVE DIRECTOR



Lesley holds an MBA from Heriot-Watt University. After 14 years at Henderson Global Investors, the last five as COO, Lesley joined Artemis in April 2016. Alongside her strategic role, Lesley's

responsibilities centre on ensuring the smooth delivery of Artemis' operations and client service. She is a partner of Artemis Investment Management LLP, a member of the firm's Executive Committee and a director of Artemis Fund Managers Limited.

Greg Jones

HEAD OF DISTRIBUTION AND EXECUTIVE DIRECTOR



Greg started his career in 1985 as a portfolio manager for part of Sedgwick Group, before moving into sales and management with Schroders, Morgan Grenfell and Aviva. Greg joined Artemis in 2020 after a decade at Janus

Henderson, where latterly he was Head of Distribution for EMEA, APAC and Latin America. He had joined Henderson in 2009 through its acquisition of New Star, where he was a founder of the company's UK investment funds business and managing director of New Star International Investment Funds. Greg is a partner in Artemis Investment Management LLP, a member of Artemis' Executive Committee and a director of Artemis Fund Managers Limited.

Jonathan Loukes

CHIEF FINANCIAL OFFICER AND EXECUTIVE DIRECTOR



Jonathan graduated from Glasgow University with an LLB. He went on to take an LLM before completing an MBA at Manchester Business School. He then qualified as an accountant with Arthur

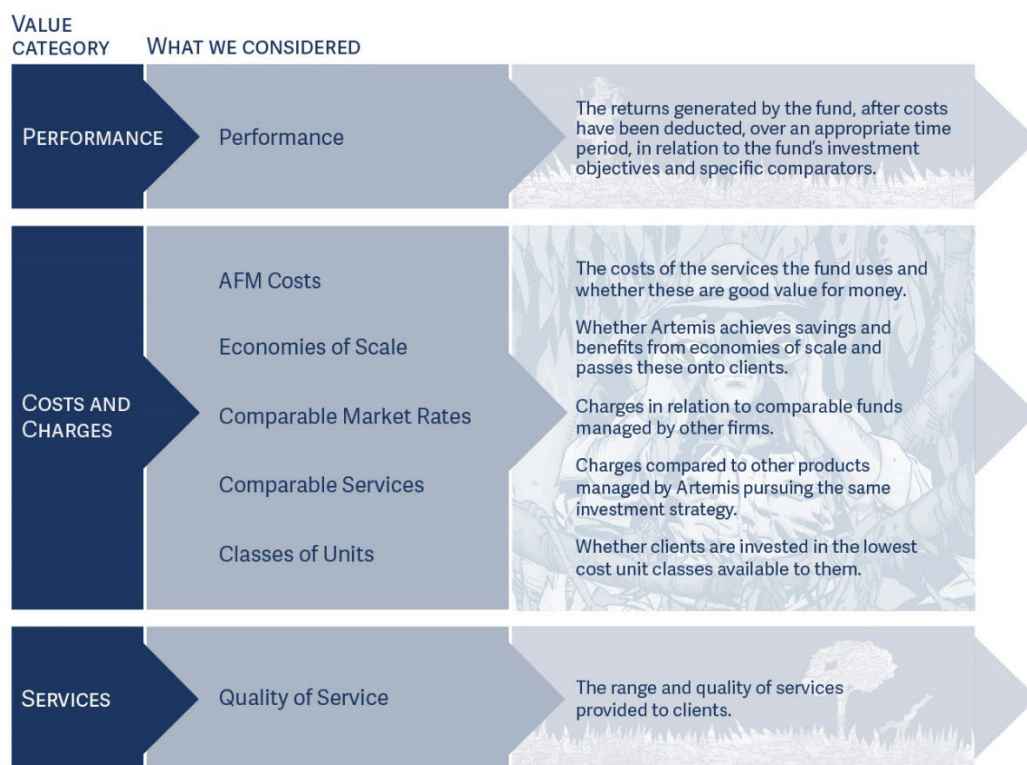
Andersen before joining Deloitte, where he spent seven years. He moved to Aberdeen Asset Management in January 2010 as Deputy Group Finance Director and then joined Artemis in September 2017. A member of the Institute of Chartered Accountants of Scotland, Jonathan is a partner in Artemis Investment Management LLP, a member of the firm's Executive Committee and a director of Artemis Fund Managers Limited.

Criteria for assessing value

The FCA has introduced seven criteria for all UK fund managers to consider in determining whether value has been delivered to clients. These must be included as part of the annual assessment for each fund.

These criteria are: Performance, Authorised Fund Manager (AFM) Costs, Economies of Scale, Comparable Market Rates, Comparable Services, Classes of Units and Quality of Service.

We have grouped the criteria into three categories: Performance, Costs and Charges, and Services.



The following report describes Artemis' approach to each of the individual criteria and covers each of them in turn, resulting in an overall outcome for each fund. This follows a thorough review of quantitative and qualitative data, metrics and information for each fund.

While an evaluation was completed for every share class, the fund-level analysis in this report is based on the representative share class for the fund. This is the highest charging 'clean' share class freely available through third-party distributors in the retail market. This is typically an accumulating class where available, except for funds where there is an income objective. In these cases, preference is given to the distributing share class, when available. This corresponds to the Investment Association's definition of a representative share class.

In July 2021, the FCA published a review into the processes used by fund managers when they carry out their assessments of value. We have reviewed the findings and compared our process for assessment of value to the examples of good and bad practice identified. We were pleased that our process and reports already feature a number of the proposed suggestions for good practice. In future reports we intend to explain in more detail how we assess, and report on, the link between fund charges and the cost of providing the service to which the charge relates. We believe that doing so will help us to show you more clearly how we determine whether a fund's delivery against its value proposition to clients provides value - in the context of the fees which it charges and the services provided.

We are also conscious of the increasing importance to investors of understanding how environmental, social and governance (ESG) factors impact on their investments. During 2021 we formalised our approach to ESG in investment decision-making by categorising each of our funds' approaches to responsible investing. It has always been our intention to build further on this initial work. As part of this, we are considering whether adding information focused on ESG factors to future AoV reports will help us demonstrate how our approach to ESG in funds' investment processes provides additional value. This work will continue in parallel with our (and the wider fund management industry's) response to the FCA's recent discussion paper on Sustainability Disclosure Requirements.

Performance

HOW DID WE MEASURE PERFORMANCE FOR EACH FUND?

We considered each fund's performance, after the deduction of costs, against its investment objective and specific comparators. We used independent industry benchmarks (whether acting as a target, or as a reference against which fund performance can be compared) and/or the relevant Investment Association 'sector' peer groups of similar funds.

All of the funds' objectives in this report have been measured over a period of either three or five years, based on the investment horizon of the fund. As Artemis is a dedicated, active and specialised investment manager, it is possible for performance to be volatile over shorter periods of time, or over a specific period of time within its recommended minimum holding period.

We have considered the wider context of each fund's performance in deciding whether value has

been delivered to clients. Our funds are actively managed. Each fund manager or fund management team has their own investment style, philosophy and process which they follow when choosing what to invest in. Over time, there might be specific market or economic conditions which either favour or do not favour these styles, philosophies or processes. In practice, this can mean that a fund might underperform its objective or industry benchmark (or its peer group of similar funds), even when the manager is investing in accordance with the fund's investment policy.

Therefore, following detailed analysis which considers a combination of the factors above, we might still conclude that a fund has delivered good value overall, even if it has been through a period of underperformance. This could be the case where, for example, a fund meets its investment objectives; but is not currently aligned with the market cycle but where the Directors believe there are still opportunities for outperformance in the future.

Costs and charges

WHAT COSTS AND CHARGES DID WE ANALYSE FOR EACH FUND?

AFM COSTS – GENERAL

The costs of the services the fund uses; and whether these are good value for money

We focused on AFM service providers. Here we looked at the cost of investing in each fund, including the components of the fixed administration fee which forms part of the Ongoing Charges Figure. We conducted a review of the components of Artemis' fixed administration fee, which covers the operational costs incurred for running the fund. These costs were benchmarked. Artemis has a robust system of review in place to demonstrate effective cost management, including using economies of scale to obtain better rates from suppliers of services.

ECONOMIES OF SCALE

Whether Artemis achieves savings and benefits from economies of scale and passes these on to clients

Following a review of fund charges across the range, Artemis changed the way in which its funds pay expenses, which became effective from 1 February 2019. The administration fee for each fund is based on the investment strategy of the fund and is discounted as the fund grows in size. Artemis reviews the model at least annually, to make sure that the fee remains appropriate.

We also assess whether benefits which can be obtained from economies of scale are passed on to our clients as cost savings.

There are two main ways that clients benefit from economies of scale. First, Artemis aims to leverage the aggregate size of all of the assets that it manages in order to obtain better rates from suppliers. We confirmed that services which are obtained on the funds' behalf are reviewed regularly to ensure that costs remain competitive.

Second, the discount mechanism for the funds' administration fee means that our clients benefit directly from growth in the size of each fund. As a fund grows, a discount is applied to reduce the applicable administration fee.

COMPARABLE MARKET RATES

Charges in relation to comparable funds managed by other firms

We assessed whether the charges our clients pay compare favourably with those payable for similar funds from other providers. We measured these costs against those charged by the funds' Investment Association 'sector' peer groups of similar funds.

We took into account two aspects of fund charges when making this comparison:

- Annual Management Charge (AMC)
- Ongoing Charges Figure (OCF)

The AMC is the fee paid to a fund management business for managing a fund.

The OCF is the fund's AMC plus the administration fee which covers the annual operating costs of running the fund.

COMPARABLE SERVICES

Charges compared to other Artemis products pursuing the same investment strategy

In addition to the investment-management services provided to the funds, Artemis provides similar services to other parties. Where applicable, we assessed whether the charges which the funds pay for investment services are comparable with the amount paid by those other parties for investment-management services.

For each fund, we first identified whether any comparable investment services were provided. If so, we compared the costs charged for these services to the costs charged to the funds. Where applicable, we took into account differences in how the services are provided, the relative sizes of the underlying portfolios of assets and different fee structures.

CLASSES OF UNITS

Whether clients are invested in the lowest cost unit classes available to them

Artemis launched Class C units for a number of funds in March 2020. Class C units offer the same rights as Class R units, but with a lower annual management charge. At launch, we converted more than 9,000 client holdings into these new units, saving these clients money.

Clients can invest directly in several of our funds with a minimum lump sum investment of £1,000 in Class C units or £250,000 in Class I units/shares. Class I units/shares have a lower annual management charge. Some of our funds only offer Class I units/shares. Clients who do not meet the £250,000 minimum investment requirement can still invest in Class I units/shares and benefit from the lower annual management charge if they use a third-party investment platform instead of investing with us directly. These platforms are able to aggregate large numbers of clients and therefore meet the minimum investment requirement.

Following the launch of Class C units in March 2020, all remaining Class R holdings were investments held via an adviser. We wrote to all advisers during 2020 requesting confirmation that they continued to provide investment advice to their clients. A process to convert further clients invested in Class R through financial advisers, resulted in approximately 3,000 further conversions by the year end. At the request of some advisers, a number of clients remain in Class R.

As at the end of April 2022, clients directly invested with Artemis are in the lowest cost unit class available to them. We regularly review holders in Class R to ensure that, where we identify that a client's investment qualifies for a lower cost class of unit, Artemis converts their investment, which saves them money.

Whether clients hold Class C or Class R units, we encourage them to contact their financial advisers (or other agents) directly to confirm if there is a more economical way to invest in their chosen fund.

Services

We assessed the range and quality of services provided to clients and the funds. This included: an evaluation of the direct services provided to our clients; our communication and engagement with clients; and the day-to-day maintenance and investment services provided to the funds. In addition, we assessed the quality of the proposition which Artemis' brand represents, including our charitable activities and corporate and social responsibilities.

Most importantly though, this included the results of Artemis' annual client survey, whereby you, our clients, have provided us with valuable feedback on the quality of service provided by Artemis.

It was heartening to learn that:

- When thinking about Artemis as a business, 99% of respondents rate positively the overall value delivered in terms of fund performance, costs & charges and services provided; with 86% rating this highly.
- When asked about their investments with us, 95% of respondents believe they are receiving good value from their investments in Artemis funds.
- Similarly to last year, 80% of respondents rate highly all aspects of their engagement with us and their experience of customer service when communicating with us via telephone, with one third of these stating that the service is superior to that of other asset managers they deal with.

Artemis Corporate Bond Fund, Artemis Target Return Bond Fund and Artemis Positive Future Fund

Artemis Corporate Bond Fund, Artemis Target Return Bond Fund and Artemis Positive Future Fund were launched in October 2019, December 2019 and April 2021 respectively. These funds therefore have less than three years' record; and thus fall outside the period reviewed in this year's assessment. Whilst these funds were included in our assessment of value analysis, individual fund reports for these three funds will not be

produced until the minimum investment horizon of three years has been reached. We believe that this approach will result in more meaningful information about these funds being provided to our clients. We are encouraged by the outcome of the analysis to year end 2021, and remain confident that these funds are well positioned to provide value over the longer term.

Glossary of key terms

Annual Management Charge (AMC)

The fee paid to a fund manager for managing a fund. The fee is calculated daily, based on the value of the fund's net assets and is reflected in the daily value of the fund's assets. Different charges are applied for 'Class R' 'Class C' and 'Class I' units/shares in Artemis funds.

Asset class

Asset class refers to the type of asset in which a fund invests - for example, shares, bonds, cash, property, currencies and/or commodities.

Benchmark

A benchmark is a standard (for example, a stockmarket index, or other market measurement), which a fund manager may use as a target to outperform, or as a comparison against the performance, risk and holdings of a fund portfolio.

Bottom-up analysis

A bottom-up fund manager will build a portfolio by focusing on selecting securities (stocks and/or bonds) believed to be the best opportunities within their industry or sector. Attention is focused on specific companies and their fundamentals, with less consideration given to the macroeconomic environment and market cycles.

Consumer Price Index (CPI)

The Consumer Price Index (CPI) is a measure that examines the purchasing power of money. It is a weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. Changes in the CPI are used to assess price changes associated with the cost of living; the CPI is one of the most frequently used statistics for identifying periods of inflation or deflation.

Growth stock / growth investing

A growth stock refers to a company whose earnings are expected to grow more rapidly than those of the average company over time. Fund managers who adopt a growth philosophy focus on identifying – and investing in – these growth stocks.

Investment Association (IA) sector

As there are numerous funds in the market available from different fund managers, the Investment Association (the UK trade body for the investment management industry) divides these funds into broad groups. The aim is to help investors and their advisers compare funds with those with similar goals and holdings and thereby assist them in making investment decisions. Further information can be found on the Investment Association's website www.theinvestmentassociation.org under the section 'Fund sectors'.

Long position

A 'long position' is the purchase of a security, commodity or financial instrument (for example, shares or bonds) in the belief that its price will rise, with the aim of making a gain from the increase.

Ongoing Charges Figure (OCF)

Ongoing charges are the annual operating expenses of running a fund. For the funds covered by this report, this is the AMC (the 'annual management charge' above) plus the administration fee. The administration fee covers the fees paid for custody, administration and the costs of independent oversight functions. These fees are paid from the net assets of the fund.

Short position

A short position is when an investor borrows a share or other financial instrument (for a fee) and then sells it. The investor does this in the expectation that the price will fall and the share or position can be bought back at a lower price later, thus making a profit. The investor then returns the borrowed shares or other financial instrument.

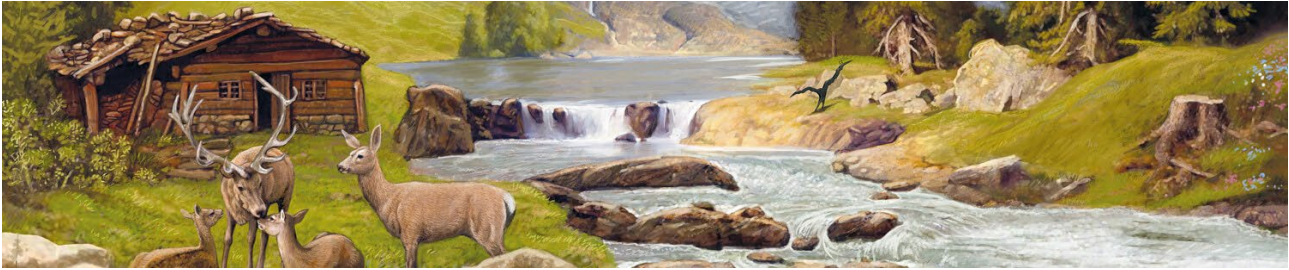
Value stock / value investing

Value stocks are those trading at a lower share price relative to their fundamentals, such as earnings, dividends and sales. Fund managers who adopt a value philosophy therefore search for companies that they believe have been undervalued by the market and which may be due for a re-rating.

Volatility

Volatility is a measure of how quickly the value of an investment rises and falls over time; and is a term applied to single shares, bonds, markets and investment funds.

Please visit www.artemisfunds.com/glossary for other terms



Artemis European Sustainable Growth Fund*

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow capital over a five-year period by investing at least 80% of its assets in European (excluding the UK) company shares.

The following independent industry comparator benchmarks were used to evaluate fund performance:

- FTSE World Europe ex UK Index TR (total return)

This is a widely used indicator of the performance of European stockmarkets, 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.

- Investment Association Europe Excluding UK NR (net return)

This is a group of other asset managers' funds that invest in asset types similar to this fund.

HOW DID THE FUND PERFORM?

- With a 53.2% return, the fund has delivered capital appreciation in absolute terms during the last five years and has met its investment objective. It has also performed better than investing in cash, which we have used as a proxy for a standard UK bank account.
- However, the fund has lagged both the return of the index of 63.5% and the return of its average peer of 65%.

WHY DID THE FUND PERFORM IN THIS WAY?

That the fund has not outperformed in the most recent period and over the last five years was mainly a result of its bottom-up stock-picking.

While there has been a change in both the manager of the fund and in the fund's investment process, the fund was previously, and continues to be, exposed to companies that are selected for their growth characteristics with a belief that they are undervalued at point of purchase. Stock selection in

the financials and industrials sectors has been positive; but this has been offset by negative selection effects in the consumer staples, consumer discretionary and information technology sectors.

HOW DO WE MONITOR ONGOING FUND PERFORMANCE?

Artemis' Investment Committee monitors the performance of all funds on an ongoing basis, with an additional focus on underperforming funds via a more detailed and in-depth periodic review process.

No significant changes have been made to the fund as a result of the change in management in late 2020. However, some enhancements have been made to the fund's investment processes and to improve Environmental, Social and Governance ('ESG') integration. Additional analysis is now carried out on the sustainability of individual companies prior to purchase, with the expectation that this will lead to improved performance. In March 2022, the fund's name was changed to "Artemis European Sustainable Growth Fund" and its investment policy was amended to formally reflect the manager's structured approach to ESG investing. This change coincided with the recent appointment of a new co-manager of the fund.

PERFORMANCE SUMMARY

The fund's performance over the last five years has lagged its peers and its benchmark. The investment process employed by the current manager has been significantly enhanced with a sharper focus on identifying companies with strong prospects of delivering sustainable growth for their shareholders. Given the long-term nature of the fund's investment approach, the benefits of this change have not been evident in the most recent five-year period under review. We expect that this approach will result in improved performance outcomes in subsequent periods.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

Core economies of scale were achieved through our negotiation of cost savings on our clients' behalf. Additionally, the administration fee model allows economies of scale to be directly passed on to clients via Artemis' tiered fee structure, based on fund size. However, in the year under review, the fund was under £250m in size and so not large enough to benefit from a reduction in these fees.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC in line with the median charges of its peer group.

The OCF for each share class of this fund is in line with the median for its peer group; of these the representative share class of the fund has an OCF of 0.87%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

There are no comparable services provided.

CLASSES OF UNITS

All clients are invested in Class I units which are equally priced.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We have concluded following our review that the Artemis European Sustainable Growth Fund delivers value overall to clients. However, given the continued lag in performance of the fund, we have taken a number of actions aimed at improving the fund's returns and the value delivered in future periods.

We will continue to monitor the fund's performance actively through the firm's governance processes.

*Please note that on 8 March 2022 the name of the fund changed from Artemis European Opportunities Fund to Artemis European Sustainable Growth Fund. The new fund name is felt to better represent the fund's investments.



Artemis Global Income Fund

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow both income and capital over a five-year period by investing at least 80% of its assets in company shares globally. The fund managers actively manage the portfolio to achieve the objective and are not restricted in the choice of investments either by a company's size or industry, or in terms of the geographical split of the portfolio.

The following independent industry comparator benchmarks were used to evaluate the fund's performance:

- MSCI AC World Index NR (net return)
This is a widely used indicator of the performance of the global stockmarkets – 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.
- Investment Association Global Equity Income NR (net return)
This is a group of other asset managers' funds that invest in similar asset types as this fund.

HOW DID THE FUND PERFORM?

- With a 44% return, the fund has delivered capital appreciation in absolute terms during the last five years. It has also grown its annual income distribution to unitholders during this period and so met its investment objective.
- However, the fund has lagged both its index return of 78.7% and the return of its average peer of 53.2%.

WHY DID THE FUND PERFORM IN THIS WAY?

Over the five-year period, the fund has in aggregate not outperformed because of its 'bottom-up' stock picking. The most recent calendar year has however seen a turnaround in performance, with stock-picking positively impacting returns.

While the managers of this fund seek to select stocks that they believe to be undervalued relative

to their fundamental characteristics, their primary focus is on each company's ability to pay a sustainable dividend to its shareholders. Typically, this will lead the managers to concentrate more on certain sectors, where companies are usually more mature and able to commit to paying a regular dividend. Conversely, this trend results in the fund being less heavily weighted to faster growing, less mature businesses, where capital reinvestment is prioritised over returning cash to shareholders.

As a result of these factors, over the last five years the fund has had less exposure to the information technology sector, where there is a predominance of faster growing companies which do not pay dividends, relative to the fund's benchmark. Conversely the allocation to more mature businesses, notably in the energy and consumer discretionary sectors, was a negative contributor to performance when measured over the five-year period under review. In the most recent calendar year, the fund's investments in a range of sectors have contributed positively to its relative returns.

HOW DO WE MONITOR ONGOING FUND PERFORMANCE?

Artemis' Investment Committee monitors the performance of all funds on an ongoing basis, with an additional focus on underperforming funds via a more detailed and in-depth periodic review process.

The fund has been managed by the present lead manager since its inception in 2010. The investment approach of this fund is well established and is consistently applied. In addition to enhancements to that process implemented last year, there is now additional emphasis within the stock selection process on investing predominantly in large cap shares. Taken in conjunction with a focus on improving the fund's integration of Environmental, Social and Governance ('ESG') analysis, we believe that this will increase opportunities for further improved performance.

PERFORMANCE SUMMARY

The fund's performance since inception remains strong, but over the last five years has lagged peers and its benchmark. The average distributions which the fund makes to clients have also continued to increase. The fund's return should also be viewed in

the context of the benchmark population, which includes a wider range of stocks than the fund would typically invest in. Many companies in this universe will not be paying dividends and as such would not be judged suitable for the fund.

As such, we conclude that, when considered against the prevailing economic and market

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

We also concluded that any cost savings which have been obtained from economies of scale have been passed on to clients.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC in line with or less than the median charges of its peer group.

conditions, the fund's investment approach has led to an outcome consistent with both expectations but also as articulated to clients. The Investment Committee will continue to monitor the fund.

The OCF for each share class of this fund is less than the median for its peer group; of these the representative share class of the fund has an OCF of 0.87%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

There are no comparable services provided.

CLASSES OF UNITS

Different classes of units are available for this fund at different prices. Artemis periodically reviews whether it is in clients' interests to move to a lower cost class of the same fund, and Artemis may carry out conversions when it is.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

Following our review, and when taking all factors of our assessment into account, we have concluded that the Artemis Global Income Fund delivers value overall to clients. The fund's longer-term performance relative to its benchmark and peers is disappointing, but we believe there are reasons for optimism; and that the fund is well placed to deliver outperformance in the future.

When assessed against the prevailing economic and market backdrop, we are satisfied that the fund has performed as expected. Nonetheless, we will continue to monitor the fund's performance carefully through the firm's governance processes.



Artemis Global Select Fund

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow capital over a five-year period by investing at least 80% of its assets in company shares globally.

The following independent industry comparator benchmarks were used to evaluate fund performance:

- MSCI AC World Index NR (net return)
This is a widely-used indicator of the performance of global stockmarkets, 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.
- Investment Association Global NR (net return)
A group of other asset managers' funds that invest in similar asset types as this fund.

HOW DID THE FUND PERFORM?

- The fund has met its objective of achieving long-term capital growth for clients, delivering successfully against its stated objective with a 93.5% return over the last five years.
- The fund has outperformed the index over a cumulative five-year period.
- The fund has generated net returns that exceed the average returns of its Investment Association sector peer group over a five-year period.

PERFORMANCE SUMMARY

The assessment concludes that the fund has therefore delivered very good performance to clients during the reporting period.

Costs and charges

AFM COSTS – GENERAL

We concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

We also concluded that any cost savings which have been obtained from economies of scale have been passed on to clients.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC in line with or less than the median charges of its peer group.

The OCF for each share class of this fund is less than the median for its peer group; of these the

representative share class of the fund has an OCF of 0.89%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

We compared the costs of the comparable services with the cost of services provided to the fund. We concluded that the costs paid by the fund for investment management services are justified.

CLASSES OF UNITS

Different classes of units are available for this fund at different prices. Artemis periodically reviews whether it is in clients' interests to move to a lower cost class of the same fund, and may carry out conversions when it is.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We have concluded following our review that the Artemis Global Select Fund delivers good value overall to clients.



Artemis High Income Fund

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to provide a combination of a high level of income and capital growth over a rolling five-year period by investing at least 80% of its assets in bonds and up to 20% of its assets in company shares both globally and in the UK. The manager defines a high level of income as equal to, or in excess of, the average yield of funds in the Investment Association Strategic Bond sector.

The following independent industry target benchmark was used to evaluate fund performance:

- Investment Association £ Strategic Bond NR (net return)

A group of other asset managers' funds that invest in similar asset types as this fund, collated

by the Investment Association. It acts as a 'target benchmark' that the fund aims to outperform. Management of the fund is not restricted by this benchmark.

HOW DID THE FUND PERFORM?

- With a 23.6% return, the fund has delivered income and achieved capital appreciation in absolute terms during the last five years and met its investment objective.
- The fund has outperformed the benchmark over a cumulative five-year period.

PERFORMANCE SUMMARY

The assessment concludes that the fund has therefore delivered very good performance to clients during the reporting period.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

We also concluded that any cost savings which have been obtained from economies of scale have been passed on to clients.

COMPARABLE MARKET RATES

Each I share class of this fund has an AMC higher than the median charges of its peer group. However it should be noted that a distinctive feature of the fund is that the typical level of investment in global equities (company shares) is significantly higher than those of its peers.

The OCF for all share classes of this fund is within or less than the median range for its peer group; of these the representative share class of the fund has an OCF of 0.72%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

There are no comparable services provided.

CLASSES OF UNITS

Different classes of units are available for this fund at different prices. Artemis periodically reviews whether it is in clients' interests to move to a lower cost class of the same fund, and may carry out conversions when it is.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We have concluded following our review that the Artemis High Income Fund delivers good value overall to clients.



Artemis Income Fund

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow both income and capital over a five-year period by investing at least 80% of its assets in UK company shares.

The following independent industry comparator benchmarks were used to evaluate fund performance:

- FTSE All-Share Index TR (total return)
This is a widely used indicator of the performance of the UK stockmarkets, in which this 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.
- Investment Association UK Equity Income NR (net return)
A group of other asset managers' funds that invest in similar asset types as this fund.

HOW DID THE FUND PERFORM?

- The fund has met its objective of achieving long-term capital growth and income for clients, delivering successfully against its stated objective with a 35.4% return over the last five years.
- The fund has outperformed the index over a cumulative five-year period.
- The fund has generated net returns that exceed the average returns of its Investment Association sector peer group over a five-year period.

PERFORMANCE SUMMARY

The assessment concludes that the fund has therefore delivered very good performance to clients during the reporting period.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

We also concluded that any cost savings which have been obtained from economies of scale have been passed on to clients.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC in line with or less than the median charges of its peer group.

The OCF for each share class of this fund is less than the median for its peer group; of these the

representative share class of the fund has an OCF of 0.80%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

We compared the costs of the comparable services with the cost of services provided to the fund. We concluded that the costs paid by the fund for investment management services are justified.

CLASSES OF UNITS

Different classes of units are available for this fund at different prices. Artemis periodically reviews whether it is in clients' interests to move to a lower cost class of the same fund, and may carry out conversions when it is.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We have concluded following our review that the Artemis Income Fund delivers good value overall to clients.



Artemis Monthly Distribution Fund

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to generate monthly income, combined with some capital growth over a five-year period by investing 40% to 80% of its assets in bonds and 20% to 60% of its assets in company shares globally.

The following independent industry comparator benchmark was used to evaluate fund performance:

- Investment Association Mixed Investment 20-60% Shares NR (net return)

A group of other asset managers' funds that invest in similar asset types as this fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark.

HOW DID THE FUND PERFORM?

- The fund has met its objective of generating monthly income with long-term capital growth for clients, delivering successfully against its stated objective with a 30.2% return over the last five years.
- The fund has generated net returns that exceed the average returns of its Investment Association sector peer group over a five-year period.

PERFORMANCE SUMMARY

The assessment concludes that the fund has therefore delivered very good performance to clients during the reporting period.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

We also concluded that any cost savings which have been obtained from economies of scale have been passed on to clients.

COMPARABLE MARKET RATES

The majority of share classes of this fund have an AMC in line with or less than the median charges of its peer group. The I share classes have an AMC of 0.75%, which is higher than the median charge for

its peer group; however the OCF for each share class of this fund is less than the median for its peer group; of these the representative share class of the fund has an OCF of 0.86%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

There are no comparable services provided.

CLASSES OF UNITS

Different classes of units are available for this fund at different prices. Artemis periodically reviews whether it is in clients' interests to move to a lower cost class of the same fund, and may carry out conversions when it is.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We have concluded following our review that the Artemis Monthly Distribution Fund delivers good value overall to clients.



Artemis SmartGARP European Equity Fund*

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow capital over a five-year period by investing at least 80% of its assets in European (excluding the UK) company shares.

The following independent industry comparator benchmarks were used to evaluate the fund's performance:

- FTSE World Europe ex UK Index TR (total return)
This is a widely used indicator of the performance of European stockmarkets, 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.
- Investment Association Europe Excluding UK NR (net return)
This is a group of other asset managers' funds that invest in similar asset types as this fund.

HOW DID THE FUND PERFORM?

- With a 30.8% return, the fund has delivered capital appreciation in absolute terms during the last five years and met its investment objective; it has also performed better than investing in cash, which we have used as a proxy for a standard UK bank account.
- The fund has however significantly lagged both its index return of 63.5% and the return of its average peer of 65% over five years.

WHY DID THE FUND PERFORM IN THIS WAY?

While fund performance has been positive during the most recent period, in aggregate when measured over the total period under review, a number of style-related factors have negatively impacted relative returns.

Specifically, the fund has allocated towards a range of stocks across a variety of sectors such as energy,

materials and industrials, where the manager has identified valuations that are cheaper than the market average and seen this as an opportunity to add value. For a significant part of the period under review, these stocks have underperformed compared to those of other, faster-growing companies. But in the most recent period, this trend has been less apparent. We are encouraged by recent performance and expect that the perceived mis-valuation will continue to be an opportunity for the manager to exploit.

HOW DO WE MONITOR ONGOING FUND PERFORMANCE?

Artemis' Investment Committee monitors the performance of all funds on an ongoing basis, with an additional focus on underperforming funds via a more detailed and in-depth periodic review process.

The investment process of this fund is well established and is consistently applied. Process enhancements are constantly being considered by the fund manager. Additionally, in the most recent period, a review of the fund's 'sell discipline' took place with the intention of refining the approach towards portfolio construction. This is expected to enhance returns in future periods.

PERFORMANCE SUMMARY

This fund is managed using a disciplined, quantitative-led actively-managed investment approach that was designed, and has been used, by the present fund manager since the fund's inception in 2001. While performance of the fund has been positive in the most recent period, when measured over the total period under review, it has lagged both its benchmark and its peers. Returns when measured since inception remain strong, however. When assessed against the prevailing economic and market backdrop, we conclude that the fund has performed as expected given its investment philosophy and process. Nevertheless, the fund will continue to be closely monitored.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

Core economies of scale were achieved through our negotiation of cost savings on our clients' behalf. Additionally, the administration fee model allows economies of scale to be directly passed on to clients via Artemis' tiered fee structure, based on fund size. However, in the year under review, the fund was under £250m in size and so not large enough to benefit from a reduction in these fees.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC in line with or less than the median charges of its peer group.

The OCF for each share class of this fund is less than or in line with the median for its peer group; of these the representative share class of the fund has an OCF of 0.87%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

There are no comparable services provided.

CLASSES OF UNITS

Different classes of units are available for this fund at different prices. Artemis periodically reviews whether it is in clients' interests to move to a lower cost class of the same fund, and may carry out conversions when it is.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We have concluded following our review that the Artemis SmartGARP European Equity Fund delivers value overall to clients.

When assessed against the prevailing economic and market backdrop, we are satisfied that the fund has performed as expected given market conditions.

We will continue actively to monitor the fund's performance through the firm's governance processes with particular and continuing scrutiny.

*Please note that on 8 February 2021 the name of the fund changed from Artemis European Growth Fund to Artemis SmartGARP European Equity Fund.



Artemis SmartGARP Global Emerging Markets Equity Fund*

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow capital over a five-year period by investing at least 80% of its assets in the shares of emerging market companies.

The following independent industry comparator benchmarks were used to evaluate fund performance:

- MSCI Emerging Markets Index NR (net return)

This is a widely-used indicator of the performance of emerging markets stockmarkets, 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.

- Investment Association Global Emerging Markets NR (net return)

A group of other asset managers' funds that invest in similar asset types as this fund

HOW DID THE FUND PERFORM?

- With a 52.9% return, the fund has delivered capital appreciation in absolute terms during the last five years and met its investment objective.
- The fund has outperformed the index over a cumulative five-year period.
- The fund has generated net returns that exceed the average returns of its Investment Association sector peer group over a five-year period.

PERFORMANCE SUMMARY

The assessment concludes that the fund has therefore delivered very good performance to clients during the reporting period.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

We also concluded that any cost savings which have been obtained from economies of scale have been passed on to clients.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC in line with the the median charges of its peer group.

The OCF for each share class of this fund is less than the median for its peer group; of these the representative share class of the fund has an OCF of 0.94%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

There are no comparable services provided.

CLASSES OF UNITS

All clients are invested in Class I shares which are equally priced.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We have concluded following our review that the Artemis SmartGARP Global Emerging Markets Equity Fund delivers good value overall to clients.

*Please note that on 8 February 2021 the name of the fund changed from Artemis Global Emerging Markets Fund to Artemis SmartGARP Global Emerging Markets Equity Fund



Artemis SmartGARP Global Equity Fund*

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow capital over a five-year period by investing at least 80% of its assets in company shares globally.

The following independent industry comparator benchmarks were used to evaluate fund performance:

- MSCI All Country World Index NR (net return)
This is a widely used indicator of the performance of global stockmarkets, 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.
- Investment Association Global NR (net return)
This is a group of other asset managers' funds that invest in similar asset types as this fund.

HOW DID THE FUND PERFORM?

- With a 61.2% return, the fund has delivered capital appreciation in absolute terms during the last five years and met its investment objective. It has also performed better than investing in cash, which we have used as a proxy for a standard UK bank account.
- However, the fund has lagged both the return of the index of 78.7% and the return of its average peer of 81.5%.

WHY DID THE FUND PERFORM IN THIS WAY?

While fund performance has been positive during the most recent period, in aggregate when measured over the total period under review, a number of investment factors have negatively impacted relative returns.

Specifically, the fund has allocated towards a range of stocks across a variety of sectors such as energy, materials and industrials, where the manager has

alighted upon valuations which are cheaper than the market's average and seen this as an opportunity to add value. For a significant part of the period under review, these stocks have not outperformed when compared to those of other, faster-growing companies. In the most recent period, however, this trend has been less apparent. We are encouraged by this change and expect that the reappraisal of modestly valued stocks will continue to be an opportunity for the manager to exploit.

HOW DO WE MONITOR ONGOING FUND PERFORMANCE?

Artemis' Investment Committee monitors the performance of all funds on an ongoing basis, with an additional focus on underperforming funds via a more detailed and in depth periodic review process.

The investment process of this fund is well-established and consistently applied. Process enhancements are constantly being considered by the fund manager. Additionally, in the most recent period, a review of the fund's 'sell discipline' occurred with the intention of refining the approach towards portfolio construction, which is expected to enhance returns in future periods.

PERFORMANCE SUMMARY

This fund is managed using a disciplined, quantitative-led actively-managed investment approach that has been used by the present fund manager since he assumed management of the fund in 2004. While performance of the fund has been positive in the most recent period, when measured over the total period under review, it has lagged both its benchmark and its peers. When measured since the manager assumed the management of the fund, however, returns have been strong. When assessed against the prevailing economic and market backdrop, we conclude that the fund has performed as expected given its investment philosophy and process. The fund will continue to be closely monitored.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

We also concluded that any cost savings which have been obtained from economies of scale have been passed on to clients.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC in line with or less than the median charges of its peer group.

The OCF for each share class of this fund is less than the median for its peer group; of these the representative share class of the fund has an OCF of 0.89%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

There are no comparable services provided.

CLASSES OF UNITS

Different classes of units are available for this fund at different prices. Artemis periodically reviews whether it is in clients' interests to move to a lower cost class of the same fund, and may carry out conversions when it is.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We have concluded following our review that the Artemis SmartGARP Global Equity Fund delivers value overall to clients.

When assessed against the prevailing economic and market backdrop, we are satisfied that the fund has performed as expected given market conditions. We will continue actively to monitor the fund's

performance through the firm's governance processes with particular and continuing scrutiny.

*Please note that on 8 February 2021 the name of the fund changed from Artemis Global Growth Fund to Artemis SmartGARP Global Equity Fund



Artemis SmartGARP UK Equity Fund*

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow capital over a five-year period by investing at least 80% of its assets in UK company shares.

The following independent industry comparator benchmarks were used to evaluate fund performance:

- FTSE All-Share Index TR (total return)

This is a widely used indicator of the performance of the UK stockmarkets, 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.

- Investment Association UK All Companies NR (net return)

A group of other asset managers' funds that invest in similar asset types as this fund.

HOW DID THE FUND PERFORM?

- With a 52.4% return, the fund has delivered capital appreciation in absolute terms during the last five years and met its investment objective.
- The fund has outperformed the index over a cumulative five-year period.
- The fund has generated net returns that exceed the average returns of its Investment Association sector peer group over a five-year period.

PERFORMANCE SUMMARY

The assessment concludes that the fund has therefore delivered very good performance to clients during the reporting period.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

We also concluded that any cost savings which have been obtained from economies of scale have been passed on to clients.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC in line with or less than the median charges of its peer group.

The OCF for all share classes of this fund is within or less than the median range for its peer group; of

these, the representative share class of the fund has an OCF of 0.86%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

There are no comparable services provided.

CLASSES OF UNITS

Different classes of units are available for this fund at different prices. Artemis periodically reviews whether it is in clients' interests to move to a lower cost class of the same fund, and may carry out conversions when it is.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We have concluded following our review that the Artemis SmartGARP UK Equity Fund has delivered value overall to clients.

*Please note that on 8 February 2021 the name of the fund changed from Artemis Capital Fund to Artemis SmartGARP UK Equity Fund.



Artemis Strategic Assets Fund

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow the value of clients' investments by greater than 3% above the Consumer Price Index (CPI) per annum after fees over a minimum five-year period, by strategically allocating the fund's assets within a diversified range of asset classes.

The manager actively manages the portfolio in response to an evolving view of market conditions and analysis of macro-economic factors. The fund allocates to, and selects investments in, different asset classes, geographies, industries and individual companies and issuers with the aim of performing well when markets are favourable and preserving capital when markets are poor. For example, if the fund manager believes that conditions are less favourable for bonds, then the fund's net bond exposure can be reduced by short selling bonds or by investing a higher proportion of the fund's assets in asset classes other than bonds.

The following independent indicator of UK inflation was used to measure fund performance:

- UK Consumer Price Index (CPI) + 3%

UK CPI is a widely used indicator of UK inflation. It acts as a 'target benchmark' that the fund aims to outperform by at least 3% per annum over at least five years.

HOW DID THE FUND PERFORM?

- With a -6.45% return, the fund has not delivered capital appreciation in absolute terms during the last five years. It did not perform better than investing in cash, which we have used as a proxy for a standard UK bank account.
- The fund has lagged its CPI +3% p.a. benchmark return of 30.43% over five years.

WHY DID THE FUND PERFORM IN THIS WAY?

In aggregate over the period under review, the fund's overall allocation to equities has contributed positively to returns, although this has been partially offset by the fund's short equity positions.

In the most recent period, but also over the last five years, the fund has maintained a material short position in developed market government bonds. While this contributed positively to overall fund returns in the most recent period, it has been a significant negative factor during the overall period under review.

The manager is still of the belief that, with yields low, government bonds in some regions are underpricing the risk of inflation returning – the signs of which are now evident. While the manager has realigned the short bond positions to better hedge against the fund's equity positions, this remains a significant driver of risk within the fund.

During the period under review, the fund's allocation to commodities has been a positive contributor - though this has largely been offset by the fund's exposure to currencies. A change was made to the management of the fund at the start of 2021, when the previous co-manager assumed sole management. As part of the series of changes instigated by the new fund manager at the start of the period under review, exposures to these asset classes have been significantly reduced.

HOW DO WE MONITOR ONGOING FUND PERFORMANCE?

Artemis' Investment Committee monitors the performance of all funds on an ongoing basis, with an additional focus on underperforming funds via a more detailed and in-depth periodic review process.

Given its underperformance over the longer term, a detailed and holistic strategic review of this fund was undertaken. As a result, the Investment Committee has recommended certain actions intended to improve the fund's ability to generate risk-adjusted returns. Additionally, briefings have been held at which the fund manager has provided updates directly to the members of the Board.

Notably, the approach towards portfolio construction and risk management has evolved. It is now expected that long equities, which are selected by a rigorous research-driven, 'bottom-up' approach, will be the primary driver of returns. Short equity positions are used selectively as a hedging tool to reduce market correlations. Bond exposures will act as a diversifying element in the fund.

Changes have been made to the fund's short bond positions to ensure that they align more appropriately with the geographical exposures of the equity portion of the fund and, overall, act as a more effective hedge in future periods.

PERFORMANCE SUMMARY

In the most recent period and also over the last five years, the fund is significantly behind its benchmark. Since assuming sole management of the fund, the new manager has made a number of

changes to the investment process and risk management framework. There has not been an immediate short-term improvement in the fund's performance as a result of these changes. But given that the fund is intended to be held over the longer term, the way in which the changes have been reflected in performance so far is consistent with our expectations. In the medium term, we expect the fund to exhibit a lower volatility profile with improved returns, predominantly driven by the manager's bottom-up stock-picking.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

Core economies of scale were achieved through our negotiation of cost savings on our clients' behalf. Additionally, the administration fee model allows economies of scale to be directly passed on to clients via Artemis' tiered fee structure, based on fund size. At points throughout the year under review, the fund size was above the discount threshold and so received some benefits of scale. However, as at 31 December in the year under review, the fund was under £250m in size and so not large enough to benefit from a reduction in these fees.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC in line with or less than the median charges of its peer group.

The OCF for each share class of this fund is less than the median for its peer group; of these the representative share class of the fund has an OCF of 0.87%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

There are no comparable services provided.

CLASSES OF UNITS

Different classes of units are available for this fund at different prices. Artemis periodically reviews whether it is in clients' interests to move to a lower cost class of the same fund, and may carry out conversions when it is.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

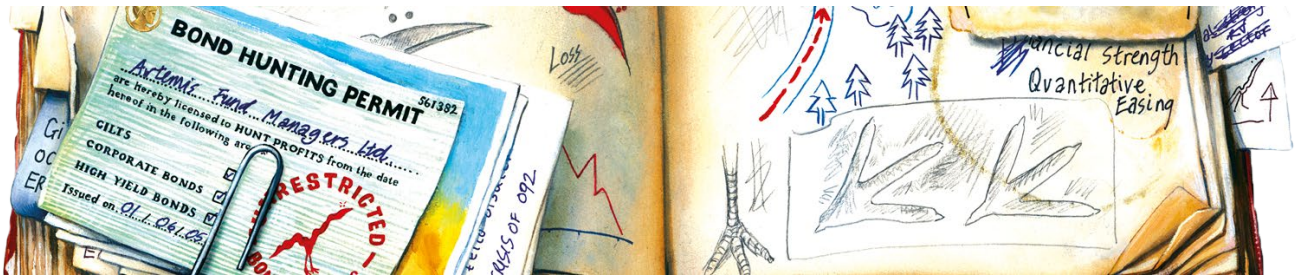
Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

In light of its significant underperformance, we are disappointed to conclude that the Artemis Strategic Assets Fund has not delivered value for clients. The manager of the fund has changed and we have taken action to improve its investment processes.

We will continue to actively and closely monitor the fund's performance and, if required, take further action should the trend of initial improvements not continue.



Artemis Strategic Bond Fund

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to provide a combination of income and capital growth over a five-year period by investing at least 80% of its assets in bonds (of any credit quality) globally.

The following independent industry comparator benchmark was used to evaluate fund performance:

- Investment Association £ Strategic Bond NR (net return)

This is a group of other asset managers' funds that invest in similar asset types as this fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the fund's performance can be compared.

Management of the fund is not restricted by this benchmark.

HOW DID THE FUND PERFORM?

- The fund has met its objective of achieving income and long-term capital growth for clients,

delivering successfully against its stated objective with a 20.8% return over the last five years.

- The fund has generated net returns that have not exceeded the average returns of its Investment Association sector comparator over a five-year period by a very small margin (20.8% vs 20.9%).

PERFORMANCE SUMMARY

The assessment concludes that the fund has delivered satisfactory performance to clients during the reporting period. During the recent period of uncertainty in bond markets, the fund has demonstrated that it is able to navigate challenging conditions.

The fund's previous lead manager retired from Artemis, and from fund management, at the end of 2021; the fund's co-managers left at the same time. As a result, a restructure of the fixed income teams took place, and a new team took over management of the fund in September 2021.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

We also concluded that any cost savings which have been obtained from economies of scale have been passed on to clients.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC less than the median charges of its peer group.

The OCF for each share class of this fund is less than the median for its peer group; of these the representative share class of the fund has an OCF of 0.57%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

There are no comparable services provided.

CLASSES OF UNITS

Different classes of units are available for this fund at different prices. Artemis periodically reviews whether it is in clients' interests to move to a lower cost class of the same fund, and may carry out conversions when it is.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We have concluded following our review that the Artemis Strategic Bond Fund delivers value overall to clients. We will continue to monitor its

performance, and are encouraged by positive signs since the current team took over the management of the fund in September 2021.



Artemis UK Select Fund

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow capital over a five-year period by investing at least 80% of its assets in UK company shares.

The following independent industry comparator benchmarks were used to evaluate fund performance:

- FTSE All-Share Index TR (total return)

This is 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.

- Investment Association UK All Companies NR (net return)

A group of other asset managers' funds that invest in similar asset types as this fund.

HOW DID THE FUND PERFORM?

- The fund has met its objective of achieving long-term capital growth for clients, delivering successfully against its stated objective with a 62.5% return over the last five years.
- The fund has outperformed the index over a cumulative five-year period.
- The fund has generated net returns that exceed the average returns of its Investment Association sector peer group over a five-year period.

PERFORMANCE SUMMARY

The assessment concludes that the fund has therefore delivered very good performance to clients during the reporting period.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

We also concluded that any cost savings which have been obtained from economies of scale have been passed on to clients.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC in line with or less than the median charges of its peer group.

The OCF for all share classes of this fund is within or less than the median range for its peer group; of these the representative share class of the fund has an OCF of 0.84%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

There are no comparable services provided.

CLASSES OF UNITS

Different classes of units are available for this fund at different prices. Artemis periodically reviews whether it is in clients' interests to move to a lower cost class of the same fund, and may carry out conversions when it is.

Quality of service

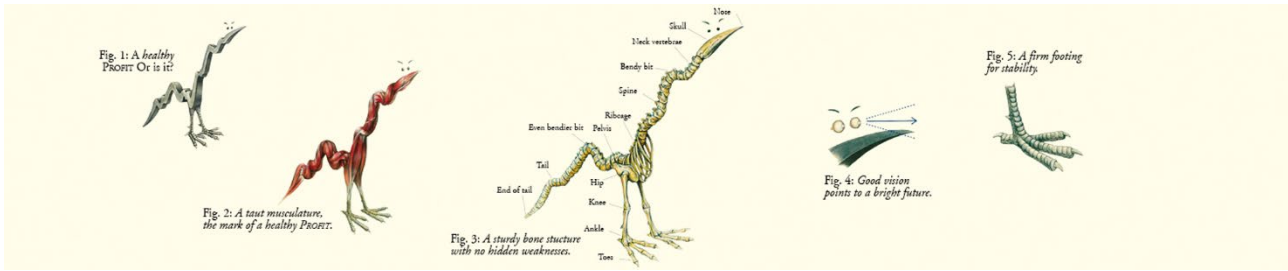
Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We have concluded following our review that the Artemis UK Select Fund delivers good value overall to clients.



Artemis UK Smaller Companies Fund

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow capital over a five-year period by investing at least 80% of its assets in the shares of UK smaller companies.

The following independent industry comparator benchmarks were used to evaluate fund performance:

- Numis Smaller Companies (ex Inv Trust) TR (total return)

This is a widely-used indicator of the performance of UK smaller companies, 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.

- Investment Association UK Smaller Companies NR (net return)

A group of other asset managers' funds that invest in similar asset types as this fund.

HOW DID THE FUND PERFORM?

- The fund has met its objective of achieving long-term capital growth for clients, delivering successfully against its stated objective with a 59.0% return over the last five years.
- The fund has outperformed the index over a cumulative five-year period.
- However the fund has lagged the average returns of its Investment Association sector peer group over a five-year period.

PERFORMANCE SUMMARY

The assessment concludes that the fund has therefore delivered good performance to clients during the reporting period.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

We also concluded that any cost savings which have been obtained from economies of scale have been passed on to clients.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC in line with or less than the median charges of its peer group.

The OCF for all share classes of this fund is less than or within the median range for its peer group; of these the representative share class of the fund has an OCF of 0.86%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

There are no comparable services provided.

CLASSES OF UNITS

Different classes of units are available for this fund at different prices. Artemis periodically reviews whether it is in clients' interests to move to a lower cost class of the same fund, and may carry out conversions when it is.

Quality of service

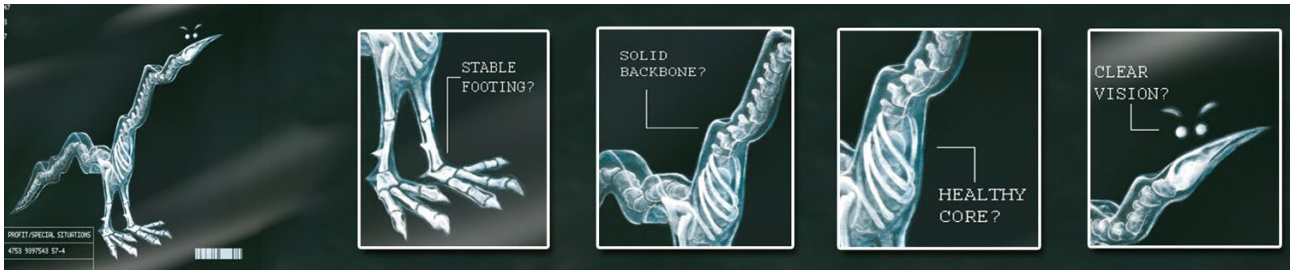
Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We have concluded following our review that the Artemis UK Smaller Companies Fund delivers good value overall to clients.



Artemis UK Special Situations Fund

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow capital over a five-year period by investing at least 80% of its assets in UK company shares.

The following independent industry benchmark comparators were used to evaluate the fund's performance:

- FTSE All-Share Index TR (total return)
This is a widely used indicator of the performance of the UK stockmarkets, 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.
- Investment Association UK All Companies NR (net return)

A group of other asset managers' funds that invest in similar asset types as this fund.

HOW DID THE FUND PERFORM?

- With a 33.6% return, the fund has delivered capital appreciation in absolute terms during the last five years and met its investment objective.
- The fund has outperformed the index over a cumulative five-year period.
- However the fund has lagged the average returns of its Investment Association sector peer group over a five-year period.

PERFORMANCE SUMMARY

The assessment concludes that the fund has therefore delivered good performance to clients during the reporting period.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

We also concluded that any cost savings which have been obtained from economies of scale have been passed on to clients.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC in line with or less than the median charges of its peer group.

The OCF for all share classes of this fund is within or less than the median range for its peer group; of

these the representative share class of the fund has an OCF of 0.86%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

We compared the costs of the comparable services with the cost of services provided to the fund. We concluded that the costs paid by the fund for investment management services are justified.

CLASSES OF UNITS

Different classes of units are available for this fund at different prices. Artemis periodically reviews whether it is in clients' interests to move to a lower cost class of the same fund, and may carry out conversions when it is.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

Following our review, we have concluded that the Artemis UK Special Situations Fund delivers value overall to clients.



Artemis US Absolute Return Fund

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to achieve a positive return over a rolling three-year period after fees, notwithstanding changing market conditions. The fund also targets returns in excess of 3 Month LIBOR*, after fees, in calculating the performance fee payable to the manager. At least 60% of the fund's assets (calculated on a gross basis) will be invested directly or indirectly in companies in the United States of America, including companies in other countries that are headquartered or have a significant part of their activities in the USA, but the fund may also invest in other countries.

The following independent industry comparator benchmark was used to evaluate fund performance:

- LIBOR (London Interbank Offered Rate) 3 Month*
This is a widely used measure of the average interest rate at which banks lend to each other, and is used to estimate the amount of interest which could be earned on cash. It acts as a 'target benchmark' that the fund aims to outperform. Artemis is paid a performance fee if the fund's performance exceeds the benchmark.

HOW DID THE FUND PERFORM?

- With a -2.2% return in the three years to December 2021, the fund has not achieved its objective.
- The fund has also not outperformed its benchmark, which returned 1.38% over a cumulative three-year period.

WHY DID THE FUND PERFORM IN THIS WAY?

The principal reason that the fund did not deliver positive absolute returns was its short positioning in stocks which are more cheaply valued than the market's average. Many of these stocks have delivered strong performance since Q3 2020. As a

result, the fund's short positions in them did not perform as well as expected. The fund also maintained a relatively low average net exposure during the period, meaning that it was not positioned to benefit significantly from the trend of rising markets.

More generally, the fund also underperformed due to stock selection within the information technology sector. A number of stocks in this sector have negatively impacted performance.

HOW DO WE MONITOR ONGOING FUND PERFORMANCE?

Artemis' Investment Committee monitors the performance of all funds on an ongoing basis, with an additional focus on underperforming funds via a more detailed and in depth periodic review process.

Following its review of the fund's investment process, some changes have been made to the way in which the manager identifies structurally flawed businesses which might be candidates for short selling. This has helped the manager to recognise shares which, while otherwise representing good opportunities for short selling, are at greater risk of a "short squeeze". It is encouraging that the fund's returns from short-sold stocks immediately improved following these changes, even in a rising market.

PERFORMANCE SUMMARY

The assessment concludes that, as the fund did not meet its investment objective over a three-year period, the fund has not consistently delivered good performance to clients.

The changes made to the fund's investment process have already led to improved performance from the fund's short positions. The manager also believes that the very strong market rally which occurred in the latter half of 2020 and which impacted the fund's performance is unlikely to be repeated.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

Core economies of scale were achieved through our negotiation of cost savings on our clients' behalf. Additionally, the administration fee model allows economies of scale to be directly passed on to clients via Artemis' tiered fee structure, based on fund size. At points throughout the year under review, the fund size was above the discount threshold and so received some benefits of scale. However, as at 31 December in the year under review, the fund was under £250m in size and so not large enough to benefit from a reduction in these fees.

COMPARABLE MARKET RATES

The share class of this fund has an AMC less than the median charge of its peer group.

The OCF for the share class of this fund is 0.89%, which is less than the median for its peer group.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

There are no comparable services provided.

CLASSES OF UNITS

All clients are invested in Class I shares. This fund only offers one Class I share class.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We conclude that, when assessed against the prevailing economic and market backdrop, the manager's investment philosophy and process have performed as expected given market conditions. However, as the fund has not met its objective, we acknowledge that it has not consistently delivered value to clients.

The factors most significantly impacting the fund's overall performance have been evident for a relatively small proportion of the period under review.

We are encouraged that the action already taken to improve the returns of the fund's short investments has had an immediate positive impact. We expect the fund to be better positioned to deliver its objective over future periods as a result, but we will continue to monitor its performance.

*The target benchmark of the fund was changed to SONIA +0.1% on 1 January 2022.



Artemis US Extended Alpha Fund

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow capital over a five-year period by investing at least 80% of its assets in the shares of US companies either directly or indirectly through derivatives.

The following independent industry comparator benchmarks were used to evaluate fund performance:

- S&P 500 Index TR (total return)

This is a widely used indicator of the performance of 500 large publicly traded US companies, some of which the fund invests in. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark.

- Investment Association North America NR (net return)

A group of other asset managers' funds that invest in similar asset types as this fund.

HOW DID THE FUND PERFORM?

- The fund has met its objective of achieving long-term capital growth for clients, delivering successfully against its stated objective with a 108.5% return over the last five years.
- The fund has lagged the index over a cumulative five-year period.
- The fund has generated net returns that exceed the average returns of its Investment Association sector peer group over a five-year period.

PERFORMANCE SUMMARY

The assessment concludes that the fund has therefore delivered good performance to clients during the reporting period.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

We also concluded that any cost savings which have been obtained from economies of scale have been passed on to clients.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC in line with the median charges of its peer group.

The OCF for all share classes of this fund is within the median range for its peer group; of these the representative share class of the fund has an OCF of 0.89%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

There are no comparable services provided.

CLASSES OF UNITS

All clients are invested in Class I shares. This fund only offers one Class I share class.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We have concluded following our review that the Artemis US Extended Alpha Fund delivers good value overall to clients.



Artemis US Select Fund

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow capital over a five-year period by investing at least 80% of its assets in US company shares.

The following independent industry comparator benchmarks were used to evaluate fund performance:

- S&P 500 Index TR (total return)
This is a widely-used indicator of the performance of 500 large publicly-traded US companies, some of which the fund invests in. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark.
- Investment Association North America NR (net return)

A group of other asset managers' funds that invest in similar asset types as this fund.

HOW DID THE FUND PERFORM?

- The fund has met its objective of achieving long-term capital growth for clients, delivering successfully against its stated objective with a 117.2% return over the last five years.
- The fund has outperformed the index over a cumulative five-year period.
- The fund has generated net returns that exceed the average returns of its Investment Association sector peer group over a five-year period.

PERFORMANCE SUMMARY

The assessment concludes that the fund has therefore delivered very good performance to clients during the reporting period.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

We also concluded that any cost savings which have been obtained from economies of scale have been passed on to clients.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC in line with the median charges of its peer group.

The OCF for all share classes of this fund is in line with the median range for its peer group; of these the representative share class of the fund has an OCF of 0.85%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

There are no comparable services provided.

CLASSES OF UNITS

All clients are invested in Class I shares which are equally priced.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We have concluded following our review that the Artemis US Select Fund delivers good value overall to clients.



Artemis US Smaller Companies Fund

Performance

WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow capital over a five-year period by investing at least 80% of its assets in the shares of US smaller companies.

The following independent industry comparator benchmarks were used to evaluate fund performance:

- Russell 2000 Index TR (total return)
This is a widely-used indicator of the performance of US smaller companies, 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.
- Investment Association North American Smaller Companies NR (net return)
A group of other asset managers' funds that invest in similar asset types as this fund.

HOW DID THE FUND PERFORM?

- The fund has met its objective of achieving long-term capital growth for clients, delivering successfully against its stated objective with a 117.2% return over the last five years.
- The fund has outperformed the index over a cumulative five-year period.
- The fund has generated net returns that exceed the average returns of its Investment Association sector peer group over a five-year period.

PERFORMANCE SUMMARY

The assessment concludes that the fund has therefore delivered very good performance to clients during the reporting period.

Costs and charges

AFM COSTS – GENERAL

We have concluded that the costs incurred for running the fund are reasonable and are being appropriately managed.

ECONOMIES OF SCALE

We also concluded that any cost savings which have been obtained from economies of scale have been passed on to clients.

COMPARABLE MARKET RATES

Each share class of this fund has an AMC in line with the median charge of its peer group.

The OCF for the share classes of this fund are in line with the median for its peer group; of these the representative share class of the fund has an OCF of 0.89%.

We have therefore concluded that the fund costs are reasonable and competitive.

COMPARABLE SERVICES

We compared the costs of the comparable services with the cost of services provided to the fund. We concluded that the costs paid by the fund for investment management services are justified.

CLASSES OF UNITS

All clients are invested in Class I shares which are equally priced.

Quality of service

Our ongoing reviews of the services we provide to clients have found that our clients consistently rate them positively. We look forward to hearing our clients' views, both from future surveys and from the feedback we collect regularly.

Artemis' commitment to putting clients first means we will always prioritise improving our services. As part of this, we conduct periodic benchmarking of

our service providers to ensure the same high standards continue to be met with regards to the day-to-day services provided to the funds. As a result of a wider review of our service providers, we have decided to appoint a new provider of certain outsourced services. We expect that this will result in an improvement to the quality of these services in due course.

Overall conclusion

We have concluded following our review that the Artemis US Smaller Companies Fund delivers good value overall to clients.

Full details of the funds can be found on our website: artemisfunds.com

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Source for performance data: Lipper and Morningstar. Source for charges data: Morningstar and Artemis. All data is correct as at 31 December 2021 with since inception information as at 31 March 2022, unless otherwise stated. All performance figures show total returns with dividends and/or income reinvested, net of all charges and (where relevant) performance fees. Performance does not take account of any costs incurred when investors buy or sell the fund.