

Artemis  
institutional funds  
**Assessment of value**  
for the year ended 31 December 2022

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# Setting the scene...

## *A year of change ...*

As we entered 2023 and began to gather the information for this report, financial markets – which are relentlessly forward-looking – were exhibiting their typical New Year optimism.

The re-opening of China, as the Chinese government finally abandoned its 'zero-Covid' approach, seemed to be the basis for much of this optimism.

The good mood was (temporarily) broken in March, when two US regional financial institutions (Silicon Valley Bank and Signature) ran into liquidity issues. Credit Suisse soon followed. While this could have been seen as a reminder of earlier financial crises, the problems appeared to be specific to these businesses and orderly solutions were soon found.

After a year marked by war, inflation and falling asset prices – not to mention a cost-of-living crisis – that most financial markets notched up positive returns in the first quarter of 2023 came as an extremely welcome result.

## *To recap, briefly...*

When 2022 began, the US Federal Reserve was still buying bonds through quantitative easing (QE) and holding interest rates at zero. A year later, it has responded to rampant inflation by shrinking its balance sheet (selling its holdings in assets such as US Treasuries) by over half a trillion dollars and by pushing up US interest rates to 5%. Similar processes have unfolded in Europe and the UK. This came against the backdrop of war in Ukraine and ongoing geopolitical tension between the US, China and Russia.

Many investment professionals, including many of the fund managers at Artemis, described this as a 'regime change' – a process whereby central banks withdraw the vast amount of monetary stimulus they once provided to financial markets.

This support – including QE – started almost 15 years ago, with the bail out of banks in the aftermath of the collapse of Lehman Brothers. It has continued in one form or another ever since. In 2022, however, that suddenly changed.

In response, every major asset class fell, with cash being the most notable exception. The losses suffered were particularly painful because fixed-income and equity markets fell in tandem; there was no place to hide.

From the perspective of UK-focused investors there was, however, one welcome development: after years in which it lagged its international peers, the FTSE 100 was – at least in relative terms – a safe haven. Might this come to be viewed as a turning point for this long-neglected market?

## *And now?*

As governments and central banks step back, we may be heading towards what could be described as a more 'normal' investing environment – one in which traditional investment fundamentals drive the value of assets, whether they be bonds or equities.

Only time will tell how the remainder of the year plays out, but it seems likely that interest rates will not return to the historic low to which many had become accustomed; base rates of 3-4% in the UK may well be the 'new norm.'

Against this shifting economic and market backdrop, we have been endeavouring to ensure that all of the funds we manage provide value for our clients and meet their needs. So, where relevant, we have continued to make improvements, instituting changes that we believe will help to deliver better outcomes for clients.

Stewardship and sustainability remain an ongoing focus for Artemis. A number of senior global equity investment professionals were recruited in early 2023, with the aim of combining leading performance in global equities with sustainability.

We believe that the stability and continuity brought by a core team of experienced, long-standing fund managers creates the right environment to deliver favourable client outcomes. Over the last year, new managers have been added to that core, bringing different skill sets and perspectives.

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## *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 2022.

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## *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, costs, and service.

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

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## *What our clients said...*

In addition to some of the potential changes noted, the review also highlighted some areas in which Artemis have continued to do well. For example, it remains gratifying that, according to Artemis' annual client survey, 88% of respondents said they think they are receiving good value from their investments with us. Moreover, when thinking about Artemis as a business, 90% 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.

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## *Things we have already improved...*

Since we last reported on our assessment of value, we have continued to make significant progress in a number of areas and enhanced the quality of our stewardship activities. We strengthened our sustainability oversight and expertise by creating a Sustainability Committee, chaired by the Chief Investment Officer, to develop strategy, set targets and monitor progress.

In line with our commitment to the Net Zero Asset Managers initiative, a detailed assessment of firm-wide investments was undertaken and have initially committed 80% of assets under management to be in scope to reach net zero emissions by 2050. To further support our aims as a business, we continue to build out our stewardship team as our sustainability goals are developed.

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## *In conclusion...*

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

So far in 2023, we have made good progress in migrating a range of services that support the operation of the funds to Northern Trust. We believe this will further enhance the quality of service provided to the funds.

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.

On a personal note, thank you for continuing to put your trust in Artemis to help you navigate these times of economic and financial change. Along with my colleagues, I will continue to do my utmost to ensure that your trust is well placed.



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. Through challenge and encouragement, 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.

## *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.

## *Mark Murray*

### SENIOR PARTNER AND EXECUTIVE DIRECTOR



After graduating with an LLB from Edinburgh University, Mark worked as a corporate lawyer with Shepherd & Wedderburn in Edinburgh for five years. 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.

## *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.

## *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

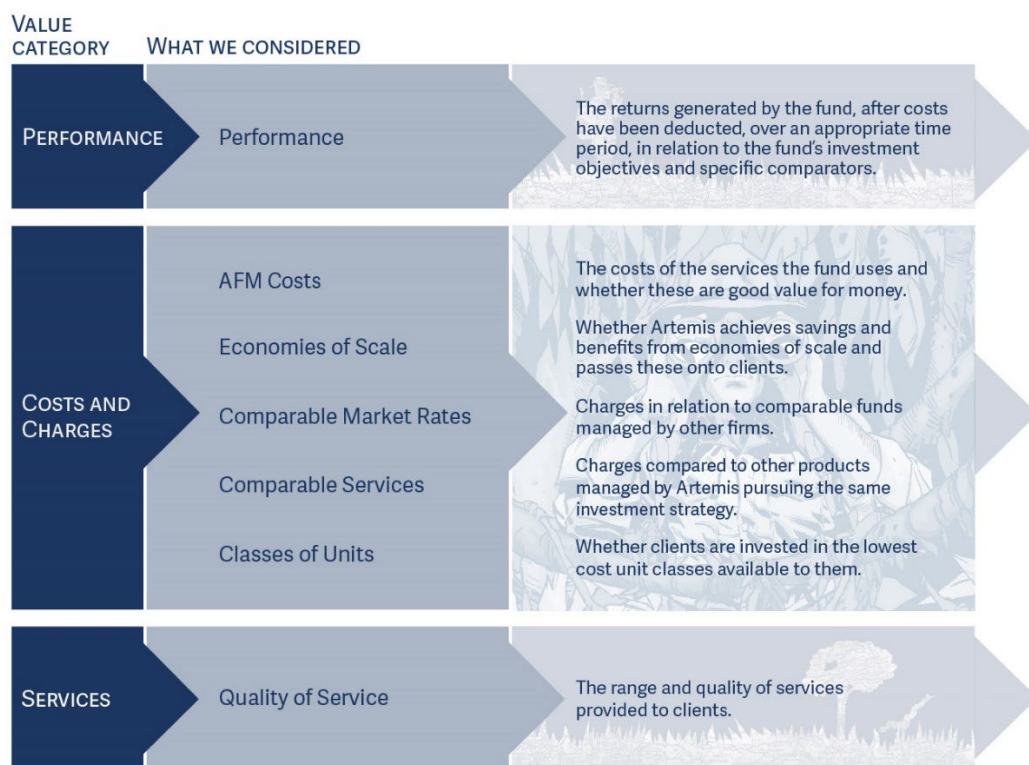
Andersen before joining Deloitte, where he spent seven years. He moved to Aberdeen Asset Management plc in January 2010 as Deputy Group Finance Director and then joined Artemis in September 2017. A member of the Institute of Chartered Accountants of Scotland, Jonathan is a partner in Artemis Investment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

# Criteria for assessing value

The FCA 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. For the non-representative share classes of a few funds, the extent of value delivered slightly varies.

As we discussed in our last report, we have implemented a process whereby we continually review the annual management charges applied to the funds against the costs of providing Artemis' services to them. As we establish a consistent trend analysis, this will further help the Board in our

determination as to whether all of the costs of providing services to the fund represent value to clients.

We are also conscious of the increasing importance to investors of understanding how environmental, social and governance (ESG) factors impact on their investments. During 2022, Artemis further developed its approach to Stewardship and ESG integration, more information on which can be found in the firm's 2022 Stewardship Report.

We are considering whether adding information focused on ESG factors to future Assessment of Value ('AoV') reports will help us to 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 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. As mentioned above, we have established a new, holistic review process to consider the extent to which all of the costs of providing services to the fund represent value to clients. We will provide updates on this in future.

#### ECONOMIES OF SCALE

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

We assessed whether Artemis achieves cost savings on our clients' behalf and also assessed whether benefits that are obtained from economies of scale are passed on to our clients as cost savings.

Artemis institutional funds follow a pricing model that deliver benefits of scale and is suitable for the typical clients in these funds. A number of administrative fees, described in the funds' Prospectus, are directly charged to the funds under a 'cost recovery model', so that only actual expenses incurred by the funds will be paid.

Artemis aims to leverage the aggregate size of all of the assets that we manage to obtain better rates from suppliers of services. We confirmed that services which are obtained on the funds' behalf are reviewed regularly to ensure that costs remain competitive.

If a contraction in fund size occurs (which may be due to a large redemption), Artemis considers capping the funds ongoing charges figure in order to protect clients from increased cost.

#### 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 the



management fees and operating costs against those charged by the funds' Investment Association 'sector' peer groups of similar funds.

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

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

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

The OCF is the fund's AMC plus the costs of administration or 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. As appropriate, 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*

This criterion is applicable to funds offering different types of classes of units. Both Artemis Institutional funds only offer Class I units. Because of this, Artemis concluded that no specific action was necessary on this criterion.

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## 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 encouraging to learn that:

- When thinking about Artemis as a business, 90% of respondents rate positively the overall value delivered in terms of fund performance, costs & charges and services provided; with over half rating this highly.
- When asked about their investments with us, 88% 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.

# 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. Economic issues and asset allocation guidelines are considered, but are not of primary importance in the construction of the investment portfolio. In contrast, a 'top-down' fund manager will make investment decisions based on the macroeconomic environment and related data rather than on stock-specific criteria.

## *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 or share 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.theia.org](http://www.theia.org).

## *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](http://www.artemisfunds.com/glossary) for other terms.



# Artemis Income (Exclusions) Fund <sup>1</sup>

## *Performance*

### WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to grow both income and capital over at least a five year period. The fund also aims to provide investors with a total return in excess of the FTSE All-Share Index, after fees, on an annualised basis over rolling five-year periods.

This is a widely used indicator of the performance of the UK stock market, in which the fund invests. 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?

The fund has met its objective of achieving income and capital growth for clients, delivering successfully against its stated objective with a 17.5% return over a 5-year period.

The fund has outperformed its benchmark over a 5-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 each share class of this fund is 0.77%, which is less than the median for its peer group.

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 units which are equally priced.

<sup>1</sup> On 8 March 2022, the fund's name was changed from Artemis Institutional Equity Income Fund. The fund's investment policy and strategy were changed to include details of negative screening (exclusions) that define certain investments that cannot be included in the fund.

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## *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 noted in last year's report, during 2022 we were preparing to move certain outsourced services to Northern Trust. We have made good progress in migrating these so far in 2023. We expect that this will further enhance the quality of services and this will be reflected in future reports.

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## *Overall conclusion*

We have concluded that the Artemis Income (Exclusions) Fund delivers very good value overall to clients.



# Artemis SmartGARP Paris-Aligned Global Equity Fund <sup>1</sup>

## *Performance*

### WHAT DID THE FUND AIM TO ACHIEVE, AND HOW?

The investment objective of the fund is to generate capital growth in excess of that of the MSCI ACWI Climate Paris-Aligned Index, after fees, on an annualised basis over rolling five-year periods, from a diversified portfolio of shares in companies that meet the Manager's criteria for transitioning to a low-carbon economy. The portfolio will have a weighted average implied temperature rise that is lower than 2 degrees Celsius.

The benchmark is a broad global equity market index designed to help investors who seek to mitigate climate transition and physical risks, capture novel investment opportunities and allocate capital in a way that supports the decarbonisation of the economy while being compatible with the Paris Agreement. Management of the fund is not restricted by this benchmark.

### HOW DID THE FUND PERFORM?

The fund has achieved a positive return for clients by generating a return of 32.9% over the last five years.

However, it has not generated capital growth in excess of the MSCI ACWI Index (until 28 February 2022) and MSCI ACWI Climate Paris-Aligned Index (since 1 March 2022), after fees, which returned 42.7%.

### PERFORMANCE SUMMARY

The fund did not meet its investment objective over the five year period under review. However, it achieved a positive return for clients over that period. Since the fund's investment objective was changed in February 2022, the portfolio has outperformed its new benchmark and also maintained a weighted average implied temperature rise of lower than 2 degrees Celsius.

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

The OCF for the share class of this fund is 0.80%, 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 units which are equally priced. This fund only offers one Class I share class.

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## *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 noted in last year's report, during 2022 we were preparing to move certain outsourced services to Northern Trust. We have made good progress in migrating these so far in 2023. We expect that this will further enhance the quality of services and this will be reflected in future reports.

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## *Overall conclusion*

We have concluded, after taking all factors into account, that the Artemis SmartGARP Paris-Aligned Global Equity Fund delivers value overall to clients.

Although we are conscious that the fund has not met its stated performance target over the period under review, we have taken into account the positive capital return generated. Since the fund's investment objective was changed in February 2022,

the fund has outperformed its new benchmark and also maintained a weighted average implied temperature rise of lower than 2 degrees Celsius.

We will continue to monitor the fund's performance carefully through the firm's governance processes and are optimistic that it is well placed for the future.



Full details of the funds can be found on our website: [www.artemisfunds.com](http://www.artemisfunds.com)

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Source for performance data: Morningstar. Source for charges data: Morningstar and Artemis. All data is correct as at 31 December 2022 with since inception information as at 31 March 2023, 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.