



Client Services & Dealing Tel: 0800 092 2051  
Client Services Fax: 020 7399 6497  
Dealing Fax: 0845 076 2290  
e-mail: investorsupport@artemisfunds.com  
Sales & Broker Support Tel: 0800 092 2090  
Fax: 020 7399 6498  
e-mail: salesupport@artemisfunds.com  
artemisfunds.com

24 January 2019

Dear shareholder,

### **Important: Proposed changes to certain sub-funds of Artemis Investment Funds ICVC**

I am writing to inform you about a proposed change to the following Artemis funds:

- Artemis US Absolute Return Fund
- Artemis US Extended Alpha Fund
- Artemis US Select Fund
- Artemis US Smaller Companies Fund

Throughout this letter, and in the enclosed documents, we refer to these funds as the “Existing Funds”. This letter and the enclosed Circular are important and we encourage you to read them so that you understand the changes and can take appropriate action.

#### **What is changing?**

We propose to transfer the assets of 14 share classes from the Existing Funds into corresponding share classes within sub-funds of Artemis Funds (Lux), our Luxembourg-domiciled SICAV (the “New Share Classes”). Details of these share classes can be found in Part B of the Circular.

If they are approved by shareholders, the transfers will be made by merging the Existing Share Classes into the New Share Classes, and issuing new shares in the New Share Classes (the “New Shares”). This will be done by a process called a Scheme of Arrangement (the “Mergers”). Following this, the Existing Share Classes will be closed.

#### **Why is Artemis making these changes?**

In April 2018, to support our strategy of diversifying our product range in a way which best meets investors’ needs, we launched Artemis Funds (Lux). Artemis Funds (Lux) now has seven active sub-funds, all of which mirror existing strategies available in the Artemis Investment Funds ICVC. All these funds qualify as UCITS, and currently can be distributed across borders within the EU.

As you will know, general uncertainty continues about the future relationship between the UK and the EU. In particular, the extent to which, and the manner in which, financial services firms in the UK will be able to provide products and services to investors in Europe is far from clear. There is no agreement on whether UK-domiciled funds which currently qualify as UCITS will retain that status regardless of the outcome of Brexit.

The proposed mergers will allow shareholders in the Existing Funds to remain invested in their chosen Artemis strategy; but in a fund which, regardless of Brexit, will continue to qualify as a UCITS.

Having considered a number of options, we have concluded that the Mergers are the best way of achieving this. Only non-Sterling share classes in the Existing Funds will be the subject of these Mergers, because these are the share classes held predominantly by non-UK shareholders.

#### **Artemis Fund Managers Limited**

42 Melville Street,  
Edinburgh EH3 7HA  
Switchboard: 0131 225 7300  
Fax: 0131 225 7311

Cassini House, 57 St James's Street,  
London SW1A 1LD  
Switchboard: 020 7399 6000  
Fax: 020 7399 6497

### **When will the changes take place?**

In order for the Mergers to proceed, at least 75% of votes cast at an Extraordinary General Meeting (EGM) for each Existing Share Class must be in favour of the transfers. Shareholders can vote for or against this proposal for the Existing Share Classes they are invested in, either in person at the EGM or by sending us a completed copy of the relevant Voting Form, to be received by us by 5.00 pm on Tuesday 26 February 2019. Notices convening each EGM and a copy of the Voting Form can be found in Part B and Part F of the enclosed Circular respectively.

If they are approved, the Mergers will take place on 22 March 2019.

The results of the EGMs will be published on our website [www.artemisfunds.com](http://www.artemisfunds.com) on 4 March 2019.

### **How will you be impacted by these changes?**

If the Merger for the relevant Existing Share Class is approved, you will be moved to the corresponding New Share Class on 22 March 2019. If the Merger for an Existing Share Class is not approved, the Existing Share Class will continue in its current form and you will remain invested in it.

Both the Existing Share Classes and New Share Classes are share classes within sub funds which have been established under the UCITS Directive and are part of sub funds which are managed to the same investment objectives, by the same investment manager, following the same investment philosophy, strategy, and process and adhering to the same guidelines and investment restrictions.

A detailed comparison of the features of the Existing Funds and Artemis Funds (Lux) is set out in Part C of the enclosed Circular.

### **What options are available to you?**

Our priority is to minimise any disruption to all of our shareholders and provide ongoing certainty and continuity. We believe that the proposed Mergers are in your best interests and would urge you to vote in favour.

Your options are described further on page 9 of the Circular under the heading "Action to be taken".

If the Mergers are approved and you wish to redeem your Existing Shares or switch your holding before the Mergers take place, we must receive your instructions before 12pm on 22 March 2019. Instructions received after this time will not be deemed to apply to your New Shares and will be rejected; we will require new instructions from you in respect of your New Shares. If you wish to redeem or switch your Existing Shares prior to the Merger, please contact us on +44 1268 445 401.

***Please note that a redemption or switch will be treated as a disposal of your Existing Shares for tax purposes and you may be liable to capital gains tax on any gains arising from the redemption or switch of your Existing Shares.***

### **What are the tax implications of the proposed changes?**

The tax implications of the proposed Mergers are described in Part B of the Circular.

***If you are in any doubt about your potential liability to tax, you should consult a professional adviser. Please note that Artemis will not be responsible for or pay any shareholder's personal tax liability arising from the Mergers.***

### **Further information**

If you are uncertain about the contents of the Circular, we recommend that you consult a professional adviser. If you have any questions about the proposed Mergers or would like further information, please contact our Client Services team on +44 1268 445 401 between 8.00am and 6.00pm (Monday to Friday).

Yours faithfully,



**Jasper Berens**  
**Director**  
**Artemis Fund Managers Limited**