

ARTEMIS FUNDS (LUX)

Société d'Investissement à Capital Variable

Registered office: 6H, route de Trèves

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NOTICE TO THE SHAREHOLDERS OF ARTEMIS FUNDS (LUX) – US ABSOLUTE RETURN (THE "FUND")

Luxembourg, 30 April 2021

Subject: Clarification of investment policy of the Fund

Dear Shareholder,

We are writing to advise you that the Board of Directors of Artemis Funds (Lux) has decided to clarify the investment policy of the Fund.

Artemis Investment Management LLP ("Artemis") recently undertook a review of the investment objectives and policies of its UK-domiciled investment fund range. This review considered whether the investment objectives and policies of investment funds could be made clearer – for example, by improving their layout, removing any jargon and clarifying important points.

Certain changes were made to "Artemis US Absolute Return Fund", a sub-fund of the UK-domiciled investment fund Artemis Investment Funds ICVC, which follows the same investment strategy as the Fund; consequently clarifications will be brought to the investment policy of the Fund to align the fund range of Artemis. The changes are also intended to provide further clarity on the Fund's investment policy, so that shareholders can understand more easily how the Fund is managed. This includes improving the description of how the Fund uses derivatives, on both individual companies and equity indices, and clarifying the maximum gross exposure to companies that the Fund may have.

While there will be some changes to wording as a result, we will not be making any changes to the way in which the Fund is managed. You can see the new format of the investment objective and policy of the Fund in the Appendix.

The wording changes referred to in this letter will be included in the next update of the Prospectus dated 30 April 2021 and the KIIDs in relation to the Fund. Copies of these may be obtained from www.artemisfunds.com.

When will the clarifications take place?

The clarifications will come into effect on 5 May 2021. You do not have to take any action as a result.

How will investors be impacted by this letter?

As explained above, there should be no impact on you as a result of these clarifications and there will be no change to the way in which the Fund is managed, to the asset allocation of its portfolio nor to its risk profile.

Should you require further advice on this notice, please contact your financial adviser.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Henry Kelly', followed by a period.

Henry Kelly

Director and Chairman

On behalf of the Board

Appendix – Changes to the investment policy of the Fund*

Investment policy

The Fund invests principally in equities and equity-related derivatives of companies that are listed, headquartered or that exercise the predominant part of their economic activities in the USA.

The Fund makes use of derivatives for investment purposes so the Fund can ~~to~~ take both long and short positions in individual companies, or equity indices, to benefit from falling, as well as rising, share prices. ~~At times~~ The Fund may also use equity index futures and/or options (long or short) in order to vary the level of volatility and/or market exposure in the Fund.

~~Total~~ Derivatives (longs and shorts) ~~are likely to~~ can represent a significant proportion of the Fund's gross exposure to companies, which ~~will typically lie in a range of 100-150% of the Net Asset Value but which~~ may potentially be as high as 200%, either directly or indirectly through derivatives. ~~The Investment Manager uses derivatives to reduce volatility and also to select stocks that may benefit from falling, as well as rising, share prices. However,~~ The Fund's ability to have a gross exposure to companies of more than 100% of its Net Asset Value means that the Fund has the potential both to generate greater returns and to experience greater losses than if the Fund was restricted to a gross exposure of 100% of its Net Asset Value.

The Fund's net exposure (longs minus shorts) to companies, either directly or indirectly through derivatives, will typically lie in the range of minus 30% to plus 40% ~~(longs minus shorts)~~. The Fund's actual net exposure will be guided by the Investment Manager's expectation of the future direction of equity markets. Where the Investment Manager expects that equity markets are likely to fall, the Fund's net exposure will typically lie at the lower end of the range. Conversely, where the Investment Manager expects that equity markets are likely to rise, the Funds' net exposure will typically lie at the higher end of the range.

At times the Fund may invest in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. Investments in China A-shares shall not exceed 10% of the Fund's Net Asset Value.

The Fund may also use derivatives and other techniques for hedging and for efficient portfolio management.

The Fund's may gain exposure via derivatives which may include, but are not limited to, contracts for difference, futures, options, swaps and forward currency contracts.

A significant proportion of the Net Asset Value of the Fund will be held in cash, near cash and money market instruments due to the level of derivative use and for when the Manager wishes to take a defensive stance. The Fund will hold money market instruments, cash and near cash, subject to the limits set out in the Investment Restrictions. In order to allow the Fund to be able to manage counterparty risk, the Fund may also invest its cash in government securities. These securities will generally be less than 1 year maturity.

The Fund may also invest up to 10% of its Net Asset Value in other collective investment schemes.

* per the prospectus of Artemis Funds (Lux)