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7 January 2022

Dear Investor,

Important notice for investors in Artemis Institutional Equity Income Fund (the “Fund”)

We are writing to advise you that the investment policy and strategy statement in the Fund’s prospectus (the “Prospectus”) will be updated to include details of negative screening (exclusions) that will determine certain investments that cannot be included in the Fund. The Fund’s name will also change, as detailed below.

You do not need to take any action, and the way in which the Fund is managed will not be changing as a result, other than the introduction of the exclusions as part of the investment process. However, we recommend that you read this letter as it provides further information about why we are making these changes.

What is changing?

The Fund’s name will be changing as follows:

<i>Existing name</i>	<i>New name</i>
Artemis Institutional Equity Income Fund	Artemis Income (Exclusions) Fund

The Fund’s investment policy statement will be updated to reference negative screening, excluding companies determined by the manager to be significantly involved in certain business activities (tobacco, gambling, defence or fossil fuels). As a result of the exclusions, we anticipate that certain investments would have to be removed from the portfolio. We will use the proceeds from selling these investments to buy more of the Fund’s other investments (in the same proportions that it currently holds them).

We currently expect that applying the exclusions will cause a slight reduction of 20bps (0.2%) in the Fund’s estimated yield. This represents a yield on a 12-month prospective view of approximately 3.3% versus a current yield of 3.5%. However, investors should note that estimates may change and are not guaranteed.

The layout of the investment objective and policy of the Fund has changed and we have also made it clear over which time period the Fund aims to meet its objective. While there have been some changes to wording as a result, there will not be any change in the Fund’s investment process and the operation and/or manner in which the Fund is being managed following these changes, other than the introduction of the exclusions.

The Appendix to this letter shows the updated investment policy section of the Fund.

Wording will be added to the Prospectus to highlight that the manager receives data on companies' exposures to the specific business activities from third party data and research providers. Third party data and research providers may refer to the most recently available data issued by the investee company or make an estimation based on their proprietary research and analysis. Data issued by the investee company may be lagged, if it has been taken from the latest period statement published by the investee company. Where business involvement data is not available from a primary third party data source the manager will make an assessment, on a best efforts basis, on a company's involvement using alternative data sources or available research.

Why is Artemis making these changes?

There has been an increasing focus on environmental, social and governance issues from investors over recent years and Artemis has received growing indications of investor demand for an exclusions approach in the Fund. As a result, the changes to the Fund will reflect these preferences whilst retaining the same investment objective and an anticipated yield which is only slightly lower than it is currently. Investors will have certainty over which business activities are excluded and not considered for investment, whilst having the assurance that, other than the exclusions, there will be no change to the Fund's investment process that has been in place since its launch in March 2005.

The new name of the Fund, Artemis Income (Exclusions) Fund, represents that the Fund will exclude certain sectors from its investable universe. The name change is also intended to make clear to investors that the Fund's portfolio will be different to that of the Artemis Income Fund, which is managed by the same investment team to the same investment process, but which has no such exclusions. The term "Institutional" is being removed from the name of the Fund to reflect that the typical investor profile will be amended to state that the Fund will also be marketable to certain distributors, intermediaries and/or other professional investors approved by the Manager and who have a prior written agreement with the Manager, alongside institutional investors.

When will the changes take place?

The changes will come into effect on 8 March 2022. You do not have to take any action as a result.

How will you be impacted by this letter?

As explained above, there should be no impact on you as a result of these changes and there will be no change to the way in which the Fund is managed, other than the introduction of exclusions as part of the investment process.

Artemis Investment Management LLP, the Fund's Investment Advisor, will bear the cost of the expenses incurred in making these updates, with the exception of any trading-related transaction costs associated with the disposal and purchase of the Fund's investments which will be borne by the Fund itself. It is expected that three investments will be sold, representing 7.3% of the Fund's portfolio (as of 16 December 2021). The cash proceeds from the sale of these investments will be used to purchase additional holdings of the Fund's remaining investments (in the same proportions that it currently holds them). The estimated one-off trading costs of this activity, including trading commission, taxes and market impact, will be approximately 0.054%, based on the total Fund assets. Investors should note that estimates may change and are not guaranteed.

Further information

If you are uncertain about the contents of this letter, we recommend that you consult a professional adviser. If you have any questions about the information in this letter or would like further information, please contact our Retail Operations Client Services team by telephone on 0800 092 2051 (outside the UK +44 1268 445 401) between 8.00am and 6.00pm (Monday to Friday), or by e-mail at investorsupport@artemisfunds.com.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'G. Jones', with a stylized flourish at the end.

Greg Jones
Director
For and on behalf of Artemis Fund Managers Limited

Appendix – Proposed changes to the Fund’s Investment Objective and Policy

Current Investment Objective and Policy

The investment objective of the Fund is to produce a rising income combined with capital growth from a portfolio primarily made up of investments in the United Kingdom, including ordinary shares, and fixed interest securities. Income within the portfolio is accumulated and reinvested.

The Manager actively manages the portfolio in order to achieve the objective and will not be restricted in the choice of investment by either company size or industry. The securities of companies listed, quoted and/or traded in the UK but domiciled elsewhere and the securities of companies traded on PLUS and NASDAQ Europe may be included in the portfolio at the discretion of the Manager. The Fund aims to provide investors with a total return in excess of the FTSE All-Share Index. The Fund may also invest the property in transferable securities, money market instruments, derivatives and forward transactions (for the purposes of efficient portfolio management), deposits and units in collective investment schemes.

New Investment Objective and Policy

Fund objective		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.
Investment policy	What the fund invests in	<ul style="list-style-type: none"> • 80% to 100% in company shares. • Up to 20% in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives.
	Use of derivatives	<p>The fund may use derivatives for efficient portfolio management purposes to:</p> <ul style="list-style-type: none"> • reduce risk • manage the fund efficiently.
	Where the fund invests	<ul style="list-style-type: none"> • At least 80% in United Kingdom • Up to 20% in other countries.
	Industries the fund invests in	<ul style="list-style-type: none"> • Any, except for those excluded at the sub-industry level below.
	Other limitations specific to this fund	<p>Shares in the following types of companies (held either directly or indirectly via derivatives) are automatically excluded:</p> <ul style="list-style-type: none"> • Tobacco: companies which derive more than 20% revenue from tobacco; • Gambling: companies which derive more than 20% revenue from gambling; • Weapons: companies: <ul style="list-style-type: none"> ○ involved in the production of controversial weapons (including cluster munitions, landmines, biological and chemical weapons); or ○ which derive more than 20% revenue from conventional or nuclear weapons, related components and systems; or ○ which derive more than 20% revenue from manufacture or sale of civilian firearms or ammunition; • Fossil fuels: companies which derive more than 20% revenue from: <ul style="list-style-type: none"> ○ mining or sale of thermal coal; or ○ thermal coal based power generation; or ○ extraction, production or refining of either oil or gas.

Investment strategy

- The fund is actively managed.
- A number of companies are removed from the investment universe at the outset of the investment process using the criteria set out in the investment policy above.
- The manager believes that a company's free cashflow yield drives its valuation.
- Accordingly, the fund focuses on companies' free cashflow yield by taking into account current and prospective dividends and the likelihood of the dividend being maintained in the future.