ARTEMIS FUNDS (LUX)
Société d’investissement à capital variable
Registered office: 6H, route de Trèves
L - 2633 Senningerberg
Grand Duchy of Luxembourg
RCS Luxembourg B 223.116
(the "**Fund**")

NOTICE TO SHAREHOLDERS OF ARTEMIS FUNDS (LUX) – SHORT-DATED GLOBAL HIGH YIELD BOND AND ARTEMIS FUNDS (LUX) – GLOBAL HIGH YIELD BOND (THE "SUB-FUNDS")

Luxembourg, 14 January 2022

Dear Shareholder,

We are writing to advise you that the factsheet of the Sub-Funds in the prospectus of the Fund (the "**Prospectus**") will be updated to include (i) details of negative screening (exclusions) that will take place at the outset of the Sub-Funds’ investment process and (ii) additional disclosures to comply with the requirements imposed by the Sustainable Finance Disclosure Regulation 2019/2088 ("**SFDR**") for Article 8 financial products.

Further to this update, the Sub-Funds will promote environmental or social characteristics within the meaning of Article 8 of SFDR. Details of how the Sub-Funds attain those characteristics will be disclosed in the Sub-Funds’ factsheets of the Prospectus, under the section "Investment Policy". This is achieved through (i) operating exclusions lists, based on industries where the Investment Manager assesses there to be fundamental Environmental, Social and Governance (“**ESG**”)-related concerns, (ii) taking into consideration ESG risks and opportunities, which may additionally influence the bonds selected depending on the outcome of the ESG evaluation, and (iii) favouring investment in issuers with low or reducing carbon intensity, with the Investment Manager aiming for the Fund’s carbon intensity (as measured by scope 1 & 2 emissions) to be below that of the ICE BoAML Global High Yield Constrained Index.

The exclusions represent certain sectors and business activities which will be removed from the Sub-Funds’ investable universe: tobacco, nuclear power, weapons, fossil fuels and companies determined to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption.

The changes are intended to clarifiy the way in which the Sub-Funds are currently managed. All other key features of the Sub-Funds will remain the same. It is not expected that any of the Sub-Funds’ portfolio holdings will need to be sold as a result, nor will there be any change in the Sub-Funds’ investment strategies and the operation and/or manner in which the Sub-Funds are being managed following these changes.

The Appendix to this letter shows the updated investment policy section of the Sub-Funds.

Further information will be added to the Prospectus to highlight that the Investment 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 Investment Manager will make an assessment, on a best efforts basis, on a company’s involvement using alternative data sources or available research.

Shareholders should also note that the following ESG Investment Risk disclosure included in the Appendix II "Risk of Investment" of the Prospectus will apply to the Sub-Funds, although, as mentioned above, there will not be any change in the Sub-Funds' investment strategies.

> *"ESG investments are selected or excluded on both financial and non-financial criteria. A Fund may underperform the broader equity market or other funds that do not utilise ESG criteria when selecting investments. A Fund may sell a stock for reasons related to ESG, rather than solely on financial considerations. ESG investing is to a degree subjective and there is no assurance that all investments made by a Fund will reflect the beliefs or values of any particular investor. Investments in securities deemed to be 'sustainable' may or may not carry additional or lesser risks."*

When will the changes take place?

The changes to the Prospectus will become effective on 15 February 2022.

How will investors be impacted by this notice?

If you deem that, as a result of the changes mentioned above, the Sub-Funds no longer meet your investment requirements, you may apply for redemption of your shares until 14 February 2022 at 1:00 p.m. (Luxembourg time). The changes mentioned above will take effect on 15 February 2022. The redemptions will be carried out in accordance with the terms of the Prospectus.

The changes exposed in this notice will be included in the next update of the Prospectus dated January 2022 and the KIIDs in relation to the Sub-Funds. Copies of these may be obtained from www.artemisfunds.com.If you are uncertain about the contents of this notice, we recommend that you consult a professional adviser. If you have any questions about the changes or would like further information, please contact the Fund's administration agent by email at talux.funds.queries@jpmchase.com

German and Austrian investors: The Prospectus, together with the Supplements, the Key Investor Information Documents, the Constitution of the Company and the annual and semi-annual reports of the Company, each in paper form, as well as the issue, repurchase and any exchange prices are available and may be obtained free of charge at the office of the Austrian Paying Agent: Erste Bank der oesterreichischen Sparkassen AG, Am Belvedere 1, 1100 Vienna, Austria and at the office of the German Information Agent: GerFIS – German Fund Information Service GmbH, Zum Eichhagen 4, 21382 Brietlingen, Germany.

Swiss investors: In Switzerland, the Prospectus, the Key Investor Information Documents, the statutes, the annual and semi-annual reports of the Company may be obtained free of charge from the Swiss Representative and Paying Agent, RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH-8027 Zurich. This document may only be distributed in Switzerland to qualified investors within the meaning of Art. 10 para. 3 to 3ter CISA.

Terms not defined in this notice have the same meaning in the Prospectus.

Yours faithfully,

Henry Kelly,
Director
On behalf of the board of directors of Artemis Funds (Lux)

Appendix

ARTEMIS FUNDS (LUX) – SHORT-DATED GLOBAL HIGH YIELD BOND

PREVIOUS INVESTMENT POLICY	UPDATED INVESTMENT POLICY

The Fund may invest in the bonds of any type of issuer (for example government or corporates) with no restriction on economic or geographic areas (including emerging markets).
 	
The Fund will invest at least 80% in short-dated high yield bonds, which:
– have a residual maturity of less than five and a half years; and
– either (a) have been given a credit rating of either: (i) Ba1 or lower by Moody's; (ii) BB+ or lower by Standard & Poor's; or (iii) BB+ or lower by Fitch; or (b) have not been rated but which the Investment Manager believes would, if they were rated, be given a comparable credit rating.
 	
The Investment Manager shall target an average duration, across all of the bonds held by the Fund, between zero and two years in normal market circumstances; however there may be times (for example in periods of high volatility or market disruption) when average duration will be above two years. In these circumstances, the Investment Manager shall endeavour to return the portfolio to an average duration between zero and two years as soon as practicable taking into account the best interests of Shareholders.
 	
The Fund may use derivatives and other techniques for investment, hedging and for efficient portfolio management. The Fund's derivatives may include, but are not limited to, futures, forward currency contracts, credit default swaps (single name and indices) and interest rate swaps.
 	
In particular, the Investment Manager intends to hedge the Fund's Base Currency against the currencies in which the underlying assets of the Fund are denominated. There may be certain currency exposures where it is impractical or not cost effective to apply the portfolio hedge, but the intention is that the Fund will operate a target hedge ratio of 100%.
 	
In the event that any bonds held by the Fund are subject to a restructuring process, the Fund will be permitted to invest in new bonds or equity securities issued as part of the reorganisation process.
 	
The Fund may invest up to 10% of its assets in each of the following:
– asset-backed securities and mortgage-backed securities;
– distressed/defaulted bonds;
– more speculative high yield bonds, where they carry a credit rating from Moody's, Standard & Poor's or Fitch, that have been given ratings whereby none are at or above B- (for Standard & Poor's and Fitch) or B3 (for Moody's) not qualifying
	The Fund may invest in the bonds of any type of issuer (for example government or corporates) with no restriction on economic or geographic areas (including emerging markets).
	
	The Fund will invest at least 80% in short-dated high yield bonds, which:
	- have a residual maturity of less than five and a half years; and
	- either (a) have been given a credit rating of either: (i) Ba1 or lower by Moody's; (ii) BB+ or lower by Standard & Poor's; or (iii) BB+ or lower by Fitch; or (b) have not been rated but which the Investment Manager believes would, if they were rated, be given a comparable credit rating.
	
	Corporate bonds (held either directly or indirectly via derivatives) issued by companies involved in the following are automatically excluded:
	o Tobacco: companies which derive more than 5% revenue from tobacco production;
	o Nuclear power: companies which derive more than 5% revenue from:
	  ▪ nuclear power plant ownership or operation;
	  ▪ manufacturing of nuclear-specific essential components;
	  ▪ uranium mining; or
	  ▪ nuclear energy based power generation;
	o Weapons: companies:
	  ▪ involved in the production of controversial weapons (including cluster munitions, landmines, biological and chemical weapons) or nuclear weapons; or
	  ▪ which derive more than 5% revenue from conventional weapons, related components and systems;
	o Fossil fuels: companies which:
	  ▪ derive more than 10% revenue from thermal coal-based power generation; or
	  ▪ derive more than 5% revenue from thermal coal mining or sale, oil sands, fracking or arctic drilling;
	o Companies that the Investment Manager determines to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption.
	
	The Fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR. This is achieved through (i) operating exclusions lists, as detailed above, based on industries where the Investment Manager assesses there to be fundamental ESG-related concerns, (ii) taking into consideration ESG risks and opportunities, which may additionally influence the bonds selected depending on the outcome of the ESG evaluation,

as distressed/defaulted bonds at the time of purchase; and – other collective investment schemes. The Fund may also hold money market instruments, cash and near cash subject to the limits set out in the Investment Restrictions.	and (iii) favouring investment in issuers with low or reducing carbon intensity, with the Investment Manager aiming for the Fund's carbon intensity (as measured by scope 1 & 2 emissions) to be below that of the ICE BoAML Global High Yield Constrained Index. Further information is contained in a methodology statement available on the Artemis website at www.artemisfunds.com/methodology-statement. The environmental social and governance (ESG) evaluation of individual securities is determined by the Investment Manager using information provided by the companies (for example company sustainability reports) and third-party data focusing on individual factors and metrics that the Investment Manager considers to be relevant. The Investment Manager shall target an average duration, across all of the bonds held by the Fund, between zero and two years in normal market circumstances; however there may be times (for example in periods of high volatility or market disruption) when average duration will be above two years. In these circumstances, the Investment Manager shall endeavour to return the portfolio to an average duration between zero and two years as soon as practicable taking into account the best interests of Shareholders. The Fund may use derivatives and other techniques for investment, hedging and for efficient portfolio management. The Fund's derivatives may include, but are not limited to, futures, forward currency contracts, credit default swaps (single name and indices) and interest rate swaps. In particular, the Investment Manager intends to hedge the Fund's Base Currency against the currencies in which the underlying assets of the Fund are denominated. There may be certain currency exposures where it is impractical or not cost effective to apply the portfolio hedge, but the intention is that the Fund will operate a target hedge ratio of 100%. In the event that any bonds held by the Fund are subject to a restructuring process, the Fund will be permitted to invest in new bonds or equity securities issued as part of the reorganisation process. The Fund may invest up to 10% of its assets in each of the following: - asset-backed securities and mortgage-backed securities; - distressed/defaulted bonds; - more speculative high yield bonds, where they carry a credit rating from Moody's, Standard & Poor's or Fitch, that have been given ratings whereby none are at or above B- (for Standard & Poor's and Fitch) or B3 (for Moody's) not qualifying as distressed/defaulted bonds at the time of purchase; and - other collective investment schemes.

	The Fund may also hold money market instruments, cash and near cash subject to the limits set out in the Investment Restrictions.

ARTEMIS FUNDS (LUX) – GLOBAL HIGH YIELD BOND

PREVIOUS INVESTMENT POLICY	UPDATED INVESTMENT POLICY
The Fund may invest in the bonds of any type of issuer (for example government or corporates) with no restriction on economic or geographic areas (including emerging markets). The Fund will invest at least 80% in high yield bonds, which either (a) have been given a credit rating of either: (i) Ba1 or lower by Moody's; (ii) BB+ or lower by Standard & Poor's; or (iii) BB+ or lower by Fitch; or (b) have not been rated but which the Investment Manager believes would, if they were rated, be given a comparable credit rating. In addition to purchasing high yield bonds, the Fund may use derivatives and other techniques for investment, hedging and for efficient portfolio management. The Fund's derivatives may include, but are not limited to, futures, forward currency contracts, credit default swaps (single name and indices) and interest rate swaps. In particular, the Investment Manager intends to hedge the Fund's Base Currency against the currencies in which the underlying assets of the Fund are denominated. There may be certain currency exposures where it is impractical or not cost effective to apply the portfolio hedge, but the intention is that the Fund will operate a target hedge ratio of 100%. In the event that any bonds held by the Fund are subject to a restructuring process, the Fund will be permitted to invest in new bonds or equity securities issued as part of the reorganisation process. The Fund may invest up to 10% of its assets in each of the following: – asset-backed securities and mortgage-backed securities; – distressed/defaulted bonds; and – other collective investment schemes. The Fund may invest up to 20% of its assets in each of the following: – contingent convertible bonds; and – more speculative high yield bonds, where they carry a credit rating from Moody's, Standard & Poor's or Fitch, that have been given ratings whereby none are at or above B- (for Standard & Poor's and Fitch) or B3 (for Moody's) not qualifying as distressed/defaulted bonds at the time of purchase. The Fund may also hold money market instruments, cash and near cash subject to the limits set out in the Investment Restrictions.	The Fund may invest in the bonds of any type of issuer (for example government or corporates) with no restriction on economic or geographic areas (including emerging markets). The Fund will invest at least 80% in high yield bonds, which either (a) have been given a credit rating of either: (i) Ba1 or lower by Moody's; (ii) BB+ or lower by Standard & Poor's; or (iii) BB+ or lower by Fitch; or (b) have not been rated but which the Investment Manager believes would, if they were rated, be given a comparable credit rating. Corporate bonds (held either directly or indirectly via derivatives) issued by companies involved in the following are automatically excluded: o Tobacco: companies which derive more than 5% revenue from tobacco production; o Nuclear power: companies which derive more than 5% revenue from: ▪ nuclear power plant ownership or operation; ▪ manufacturing of nuclear-specific essential components; ▪ uranium mining; or ▪ nuclear energy based power generation; o Weapons: companies: ▪ involved in the production of controversial weapons (including cluster munitions, landmines, biological and chemical weapons) or nuclear weapons; or ▪ which derive more than 5% revenue from conventional weapons, related components and systems; o Fossil fuels: companies which: ▪ derive more than 10% revenue from thermal coal-based power generation; or ▪ derive more than 5% revenue from thermal coal mining or sale, oil sands, fracking or arctic drilling; o Companies that the Investment Manager determines to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption. The Fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR. This is achieved through (i) operating exclusions lists, as detailed above, based on industries where the Investment Manager assesses there to be fundamental ESG-related concerns, (ii) taking into consideration ESG risks and opportunities, which may additionally influence the bonds selected depending on the outcome of the ESG evaluation, and (iii) favouring investment in issuers with low or reducing carbon intensity, with the Investment Manager aiming for the Fund's carbon intensity (as measured by scope 1 & 2 emissions) to be below that of the ICE BoAML Global High Yield Constrained Index. Further information is contained in a methodology statement available on the

	Artemis website at www.artemisfunds.com/methodology-statement. The environmental social and governance (ESG) evaluation of individual securities is determined by the Investment Manager using information provided by the companies (for example company sustainability reports) and third-party data focusing on individual factors and metrics that the Investment Manager considers to be relevant. In addition to purchasing high yield bonds, the Fund may use derivatives and other techniques for investment, hedging and for efficient portfolio management. The Fund's derivatives may include, but are not limited to, futures, forward currency contracts, credit default swaps (single name and indices) and interest rate swaps. In particular, the Investment Manager intends to hedge the Fund's Base Currency against the currencies in which the underlying assets of the Fund are denominated. There may be certain currency exposures where it is impractical or not cost effective to apply the portfolio hedge, but the intention is that the Fund will operate a target hedge ratio of 100%. In the event that any bonds held by the Fund are subject to a restructuring process, the Fund will be permitted to invest in new bonds or equity securities issued as part of the reorganisation process. The Fund may invest up to 10% of its assets in each of the following: – asset-backed securities and mortgage-backed securities; – distressed/defaulted bonds; and – other collective investment schemes. The Fund may invest up to 20% of its assets in each of the following: – contingent convertible bonds; and – more speculative high yield bonds, where they carry a credit rating from Moody's, Standard & Poor's or Fitch, that have been given ratings whereby none are at or above B- (for Standard & Poor's and Fitch) or B3 (for Moody's) not qualifying as distressed/defaulted bonds at the time of purchase. The Fund may also hold money market instruments, cash and near cash subject to the limits set out in the Investment Restrictions.