

Artemis Leading Consumer Brands Strategy

Strategy Managers



Swetha
Ramachandran
Lead manager



Alex Stanić
Co-manager



Natasha Ebtehadj
Co-manager

The strategy will aim to tap into the earnings potential of the emerging middle class and changing consumer demand through investing in leading consumer brands. The managers look for underlying brand strength not only creating strong barriers to entry but also giving the companies that own them pricing power. This results in high profit margins, which should allow investors to benefit from the effect of compound earnings growth over the long term.

Why invest in leading consumer brands?

- **Brand power** – strong brands consistently outperform the market over time.¹
- **Expansion of the middle class** – globally, this is expected to be responsible for 85% of new consumer spend over the next decade, driven by growth in emerging markets, specifically Asia²
- Benefiting from the **generational shift** in consumption habits, with, for example, Generation Z (anyone born 1995-2010) on average buying their first luxury item at the age of 15, compared with 18 to 20 for Generation Y (anyone born 1982-1994)³
- **Sector valuation** has sharply de-rated in the short term, creating a potentially attractive entry point for long-term investors
- **Tapping into** younger generational trends for sustainable consumption – a “buy less, buy better” mentality

Why Artemis for leading consumer brands?

- Benefits from the **breadth of research** undertaken across Artemis teams including in the US, Europe and emerging markets
- Concentrated, conviction-led portfolio with **lower tech and US weightings** which means the strategy could act as a diversifier when held alongside general global strategies and index trackers
- A **diverse investable universe** – accessing the resilient, growing ‘luxury’ consumer but by investing in areas more than classic ‘luxury’ brands
- Exposure to the trend of **“experiential consumption”** as consumer spending moves from pure goods towards services such as travel and health spending

Strategy Characteristics

- Lux domiciled
- Founder FMF: 50 bps
- Typical holdings: 25 - 50
- Expected turnover: 15 - 20% p.a.
- Style: Quality growth
- Market Cap: All Cap
- Share Classes: GBP, EUR, USD
- SFDR rating: Article 8

¹ Source: S&P Capital IQ and Kantar BrandZ.

² Source: World Data Lab's MarketPro, 2021 update, Brookings Institution as at Feb 2019.

³ Source: Bain Luxury Goods Worldwide Market Study, 2023.



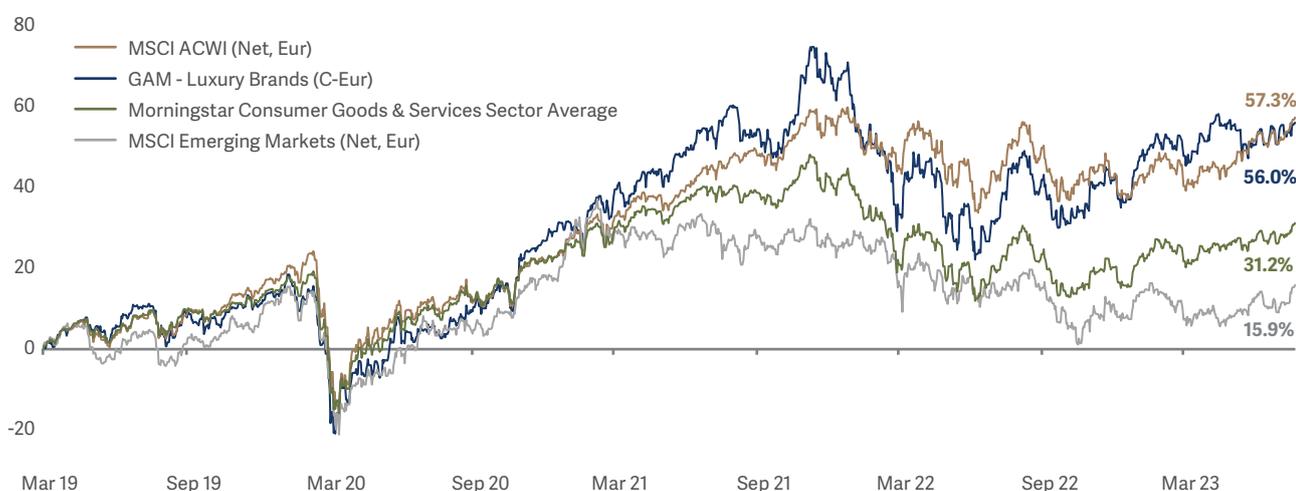
Meet the manager

Swetha joined Artemis from GAM in September 2023 where she managed the GAM Luxury Brands Fund from 2019. She has more than 24 years' investment experience, having started her career at Goldman Sachs in Singapore in 1999. Swetha also manages the Artemis Global Select strategy alongside Alex Stanić and Natasha Ebtehadj.



"Consumers are changing geographically as well as generationally with millennials, Gen Z and now Gen Alpha all having distinct preferences. Geographically, the centre of consumer gravity is shifting eastwards with the expansion of the Asian middle class."

Swetha Ramachandran's track record



Past performance is not a guide to the future. All financial investments involve taking risk which means investors may not get back the amount initially invested. Source: Lipper Limited, class C accumulation shares in EUR from 10 March 2019 to 31 July 2023. All figures show total returns with dividends and/or income reinvested, net of all charges. Swetha Ramachandran managed the GAM Luxury Brands Fund from 8 March 2019 to 4 August 2023.

Investment process

The investment approach will be fully aligned with that of the Artemis Funds (Lux) - Global Select Fund. It will have the benefit of the wider team's fundamental research – analysing growth, quality and valuation, with a consistent risk-management overlay, to set it apart from more top-down approaches which may not prove sufficiently resilient in downturns. A focus on sustainability will be integrated into the process.

For more information, please contact Cristina Rubio, Capital Strategies Partners, in partnership with Artemis (+34 91 353 1636 / crubio@capitalstrategies.com) or internationalsales@artemisfunds.com.

MARKETING COMMUNICATION: FOR PROFESSIONAL INVESTORS AND/OR QUALIFIED INVESTORS AND/OR FINANCIAL INTERMEDIARIES ONLY. NOT FOR USE WITH OR BY PRIVATE INVESTORS. CAPITAL AT RISK.

For information on sustainability-related aspects of a strategy visit www.artemisfunds.com.

Third parties (including FTSE and Morningstar) whose data may be included in this document do not accept any liability for errors or omissions. For information, visit www.artemisfunds.com/third-party-data.

Any research and analysis in this communication has been obtained by Artemis for its own use. Although this communication is based on sources of information that Artemis believes to be reliable, no guarantee is given as to its accuracy or completeness.

Any forward-looking statements are based on Artemis' current expectations and projections and are subject to change without notice.

Issued by: Artemis Investment Management LLP and Artemis Fund Managers Ltd which are authorised and regulated in the UK by Financial Conduct Authority; in Germany, AI Management (Europe) GmbH; in Switzerland, Artemis Investment Services (Switzerland) GmbH.

