

Template: Firm Target Market Population Approach

Firm Name:	Artemis
Investment ranges governed by this checklist:	Artemis Retail Unit Trusts Artemis ICVC Artemis Institutional Unit Trusts Artemis Investment Trusts
Date of issue:	18 th December 2017 Updated 9 th May 2018
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Firm's Approach to the population of Target Market attributes

This sheet is intended to accompany the FIDWG Target Market Population Guide and sets out the approach taken to the population of the target market section of the European MiFID Template (EMT) for the firm above, for the benefit of distributors of their products.

This sheet focuses on those areas where there is more than one approach and is organised in the same order as the fields in the EMT.

Investor Type:

The two key approaches to populating these fields used by firms:

- a. **Strategy-led** – categorisation based whether the product strategy is suited to the client type in question solely from an investor protection perspective; typically, for funds this would mean that all share classes would be classified in the same way; and
- b. **Blended approach** – which starts with strategy and then applies an overlay, typically taking account of the intended audience for the share class. In the latter case, different share classes may have different Client Type profiles, most notably, some Institutional share classes may be Neutral for Retail Investors.

Firm Approach	a. or b.
Client Type	A

Commentary:

Knowledge & Experience:

The Knowledge & Experience category of the framework is designed to be key to the product governance decision-making. There are two approaches being used by firms:

- a. **MiFID II Complexity Driven** - All non-complex products (as defined by MiFID such as non-structured UCITS) are considered Basic by default
- b. **Customer Understanding Driven** - Knowledge & Experience assessed on fund characteristics on a case-by-case basis irrespective of MiFID classification of complexity

Firm Approach	a. or b.
Knowledge & Experience	B
<u>Commentary:</u>	

Ability to Bear Losses

There are two approaches to the population of Ability to Bear Losses – the Hierarchical Approach and the Alignment approach:

- a. **Hierarchical Approach** - assumes that products compatible with clients who have low capacity to bear losses will also be compatible with clients who have a higher capacity to bear loss, including those that are prepared to lose beyond the capital that has been invested. This means, for example, that Loss Beyond Capital is Yes for all products.
- b. **Alignment Approach** – assesses whether the product is designed for or is compatible with a customer who aligns to each category. In this approach only products which have been designed such that an investor could lose more than their original investment would be Yes for Loss Beyond Capital. This means that products which cannot lose more than the original amount invested, such as funds, will be Neutral for Loss Beyond Capital.

Firm Approach	a. or b.
Ability to Bear losses	B
<u>Commentary:</u>	

Return Profile

There has been considerable debate over the population of the return profile section, particularly in relation to Income. In certain jurisdictions the only consideration of whether a product is in the positive target market for Income is whether or not it has the facility to distribute income. For others, it is the investment strategy which determines whether the product is in the positive target market for income i.e. does the product have an explicit income or total return objective. Firms have three potential population options:

- Share class attributes basis** – i.e. based on whether the share class is Inc or Acc. In this instance all Inc share classes are “Y” and all Acc share classes will be Neutral for Return Profile: Income - irrespective of investment strategy
- Investment Strategy Basis** – tied to the investment objective of the fund, for example, products where income is explicit in the objective would be “Y” for Return Profile: Income and would apply to all share classes, regardless of their attributes, e.g. Inc or Acc
- Investment Strategy & Share Class Attributes** – uses both criteria, e.g. Income mandates are “Y” for Inc share classes and “Neutral” for Acc share classes; products without an income mandate are Neutral for Income

Firm Approach	a. or b. or c.
Return Profile	B
<u>Commentary:</u>	