

Artemis Product Governance Framework – Overview

'Clients come first' is one of the three cultural principals at Artemis and is embedded into the product governance approach. In line with MiFID II product governance requirements, we have established robust product governance processes to ensure that all products manufactured will:

- i. Meet the needs of clients, and the target market that they are within;
- ii. Be sold to clients via appropriate distribution channels; and
- iii. Deliver fair client outcomes.

Proposals for new products, or changes to existing products, are subject to our product governance processes and must obtain the appropriate approval before they are marketed or distributed to clients. The five phases of the product approval and review process are as follows:

1. IDEA GENERATION

- New product ideas (either new fund ideas or material changes to existing funds) are sourced from multiple areas of the business, considering the overall Artemis product strategy.
- Ideas are typically generated and shaped with the Sales Team based on client interactions or from the Investment Team.
- Ideas are collated in a 'Product Ideas Pool' and initial feasibility analysis, and challenge, is performed.

2. RESEARCH & CONCEPT TESTING

- Detailed analysis and research is undertaken on those ideas that have received sufficient support to progress.
- Assessment on competitors, internal capacity, potential harm to customers, conflicts of interest and risks is carried out.
- Assessment of the product's target market, or the likely changes to it, is completed.
- Client testing and, in some cases, third-party end consumer research is completed to obtain feedback on the concept.
- Ideas are prioritised. The Artemis Executive Committee decide if a proposal should move to the full design phase.

3. PRODUCT DESIGN & DEVELOPMENT

- Detailed design work commences and proposal documents are completed.
- Input from a wide range of stakeholders is requested throughout the product design phase.
- The product's target market and distribution strategy is documented, alongside all other features and risks.
- A 'model portfolio' is created and undergoes liquidity, stress and scenario testing.
- Formal support of the proposal from the Artemis Product & Distribution Committee is requested.
- Final approval is obtained from either the UK or Luxembourg fund board, prior to submitting a formal request to the respective regulator: the FCA (UK) or the CSSF (Luxembourg).

4. IMPLEMENTATION & LAUNCH

- A project team is established to coordinate the implementation, including key stakeholders from across the business.
- The timetable for the launch or change is agreed
- Regulatory approvals are received and legal/marketing documents are prepared.
- Operational set up is completed.
- New products are seeded and the performance track record commences.

5. POST IMPLEMENTATION REVIEW

- Ongoing monitoring and review takes place, including monitoring performance, fees, flows, fund size, risks, competitors, etc.
- Annual review of all existing products and assessment of target market to ensure that funds: (i) continue to meet client needs; (ii) are performing as expected; (iii) are still appropriate for the identified end-clients, and that, overall, the distribution strategy remains compatible with the target market.
- Potential changes/enhancements are identified, prioritised and implemented.
- Any products identified as 'at risk', either due to small fund size or high concentration risk, will undergo further assessment to ascertain if there is an opportunity to rehabilitate the fund via a product change or repositioning.
- A viability assessment may ultimately be conducted, where options to merge, close or transfer the fund are assessed.

