

Artemis Stewardship policy

1 Introduction

The Financial Reporting Council's definition of stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. The UK Stewardship Code 2020, Financial Reporting Council (FRC). Artemis is a signatory to the UK Stewardship Code.

1.1 Purpose

As a firm, Artemis believes stewardship activities contribute to better performing companies and therefore returns for our clients. This policy sets out a high-level approach to stewardship. We have individual policies which cover engagement and voting.

1.2 Scope

This policy applies to Artemis Investment Management LLP ("AIM LLP") and any holding company or subsidiary thereof as defined in Section 1159 of the Companies Act 2006 (collectively "Artemis" or the "firm" for the purposes of this policy). This policy applies to all our investment strategies.

1.3 Policy compliance

Fund managers are responsible for stewardship activities in accordance with the investment aims and objectives of the portfolio and funds they manage. Fund managers work with the stewardship team.

1.4 Policy governance

This policy is reviewed on at least an annual basis or more frequently if required. As part of the review process, the Stewardship team will recommend amendments or enhancements to the Investment Committee for review and approval before any changes are implemented.

2 Our approach

2.1 Integration

2.1.1 Materiality

Our approach to investment includes an assessment of a broad range of factors, which do or could have an impact on value. This includes environmental, social and governance (ESG) drivers. We often refer to these factors as risks and/or opportunities. The factors affecting corporate performance are increasingly diverse. We believe companies with good and/or improving performance on material ESG issues are shareholder value enhancing.

2.1.2 Strategy-specific approach

At Artemis, we encourage freedom of thought among our fund managers, allowing each investment team to have an individual style and approach to investment. This means each team selects, manages and incorporates relevant factors in a way best-suited to their specific investment strategy. While all teams have the fundamental aim of producing long-term returns for clients, processes therefore vary.

2.2 Engagement

Engagement is one of the means by which we develop our understanding of companies, raise issues with management and monitor subsequent developments. This can include face-to-face meetings, calls, emails and letters. Engagement allows for a constructive two-way exchange of views. Discussions cover a wide range of topics including strategy, operational performance, governance issues, industry specific considerations and environmental and social factors. Meeting companies does not apply to our systematic based strategies which use our proprietary quantitative framework SmartGARP® or our multi-asset strategies.

2.3 Collaborative engagement

Operating within regulatory frameworks, we recognise that to instigate change a collaborative approach can often make success more likely. We are a signatory to the UN-backed Principles for Responsible Investment (PRI) and are members of a number of industry bodies and investor initiatives, including the Investor Forum.

2.4 Voting

We vote on all of our holdings, unless restricted from doing so by local market practices, laws or regulations.

Voting decisions are made by our fund managers, informed by their knowledge of the company concerned, any engagement activity, Artemis' voting policy and input from external research providers, notably Institutional Shareholder Services (ISS).

We adopt a considered approach to voting and, because of the active positions we take in the companies we hold, we generally support management. For us, voting forms an important part of our stewardship responsibilities and we will vote against management when we believe this will lead to a better outcome and is in the interests of our clients.

We publicly disclose our voting record monthly on our website.

2.5 Exclusion screens

We support the aims of the international conventions on cluster munitions and anti-personnel mines and therefore will not knowingly invest in companies which produce these weapons. We also offer screened portfolios where exclusions can be tailored to clients' specific mandate requirements.

2.6 Conflicts of interest

Conflicts of interest can arise. We have a firm-wide policy that sets out how we will deal with actual or potential conflicts of interest. Our approach is always to act in the best interest of our clients. Further information about potential conflicts of interest is available in our Stewardship Report.

3 Further information

Our annual Stewardship Report and website provide more information across our range of stewardship activities.

Website: <https://www.artemisfunds.com/en/gbr/investor/stewardship-and-esg/stewardship>

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