

# Artemis Income (Exclusions) Fund

## SDR Sustainability Summary

Manager Name: Artemis Fund Managers Limited  
Product Identifier: 549300NCE24NKDXOQK64 (Legal Entity Identifier)  
Date of disclosure: 2 December 2024



### Sustainability Approach

The investment objective of the fund is to grow both income and capital over at least a five year period, and to provide a total return in excess of the FTSE All-Share Index, after fees, on an annualised basis over rolling five-year periods. The manager implements an investment process that excludes stocks in the tobacco, gambling, weapons and fossil fuels sectors, which is the key sustainability characteristic of the fund.

Sustainable investment labels help investors find products that have a specific sustainability goal. This product applies sustainability-related exclusions but does not otherwise meet the regulatory requirements for a UK sustainable investment label, therefore the Fund does not have a UK sustainable investment label.

### The fund's Investments

The fund invests mainly in companies listed in the UK, but has the flexibility to invest overseas when attractive opportunities arise. Its holdings tend to be stable, well-established businesses. We look for companies that can sustain and grow attractive cashflows, constructing a portfolio of diversified cashflows, not overly exposed to any one industry. Whilst the dividends are an important component of return, we seek total return.

### Our approach to ESG integration

We believe that the integration of material ESG factors into our investment process will enhance returns for clients over the long term. We believe that ESG considerations are increasingly important in sustaining long-term cash flows, and our approach is founded on the belief that good or improving ESG characteristics can lead to a better financial outcome, a lower cost of capital and long-term value creation.

Companies that are aware of their wider stakeholder responsibilities – to their employees, the environment and society as a whole – are more likely to be able to generate attractive cashflows over the longer term.

We assess material ESG risks from both a sector and company-specific perspective. We use this risk assessment to inform investment decision-making and prioritise engagement with our investee companies.

### Our approach to engagement

We are long-term stewards of client capital and regular meetings with companies are an important part of our investment process. We engage with companies when there are material issues to discuss, including issues relating to sustainability matters.

We use company meetings as an opportunity to discuss the most material risks with companies' executive board members as well as periodic stand-alone meetings with dedicated sustainability managers and non-executive directors when appropriate.

### The fund's exclusions

The key sustainability characteristic of the fund is the implementation of negative screening as part of the investment process. A range of exclusions are applied to the fund which prevent investment in certain sectors generally deemed to be environmentally or socially harmful.

The fund's relative performance to the benchmark and the level of income generated may be impacted due to the narrower investment universe compared to other funds which do not implement sustainability-related exclusions.

The specific exclusions of the fund are:

Fossil fuels	Tobacco	Weapons	Gambling
Any company which derives more than 20% of its revenue from: <ul style="list-style-type: none"><li>the extraction and production of oil and gas</li><li>refining oil and gas</li><li>the mining of thermal coal and its sale to external parties</li><li>thermal coal based power generation.</li></ul>	Any company which derives more than 20% of its revenue from business activities related to tobacco	Any company which derives more than 20% of its revenue from: <ul style="list-style-type: none"><li>the manufacture and retail of civilian firearms and ammunition</li><li>weapons systems, components and support systems and services. This includes conventional, nuclear, biological and chemical weapons.</li></ul>	Any company which derives more than 20% of its revenue from business activities related to gambling

For further details of the scope of these exclusions, as well as Artemis' firmwide exclusions, please refer to the fund's prospectus available on the [Artemis website](#).



Implementation of the exclusions

The investment exclusions are coded into the compliance module of Artemis’ order management system to ensure that no investment in companies that undertake these activities can be made. In the event that there is an inadvertent breach of these exclusions, for example if an investee company’s business activities change after investment so that such company now undertakes a restricted activity, we will divest the relevant investment as soon as reasonably practicable, taking into account market conditions and the best interests of investors.

We rely on data provided by a third-party ESG data provider (MSCI) in order to assess which companies will be excluded in accordance with the screening criteria set out above. This data is primarily based on business involvement data which assesses a company’s revenue from certain activities. This data may refer to the most recently available revenue data issued by the investee company or, where such data is not available, refer to an estimation by the third-party data provider based on their proprietary research and analysis. The data provided by the third party ESG data provider may be lagged. Where business involvement data is not available from our primary third-party data source we will make an assessment, on a best efforts basis, of a company’s involvement in the excluded activities using alternative data sources or available research.

Sustainability Metrics

Sustainability metrics, or key performance indicators, measure how the sustainability characteristics of the fund are attained.

As the fund implements a number of negative screens, the relevant sustainability metric for the fund is the proportion of the fund’s investment universe that is excluded as a result of these investment exclusions.

**Scope of exclusions**

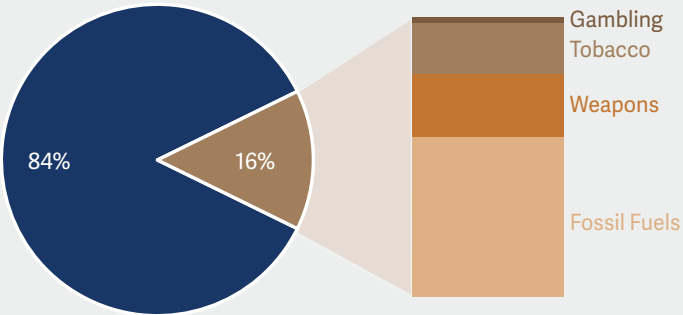
Proportion of investment universe excluded

**16.2%**

*Note: FTSE All-Share Index is used as a proxy for the investment universe*

Holdings with exposure to...	Fund	Investment Universe
Fossil Fuels	0.0%	9.2%
Tobacco	0.0%	3.0%
Weapons	0.0%	3.7%
Gambling	0.0%	0.3%
Total excluded		16.2%

FTSE All-Share Index is used as a proxy for the investment universe.



**Important note** The latest available data as of 30 September 2024 is used.

Further Details

Further documentation in relation to the sustainability characteristics of this fund, including the annual product-level and entity sustainability reports, can be found on the [Artemis website](#). The pre-contractual disclosures and non-sustainability related information on the product, such as costs and charges, can be found in the fund’s prospectus, published on the [Artemis website](#).

Disclaimer

Before making any final investment decisions, and to understand the investment risks involved, refer to the fund prospectus, available in English, and KID, from [www.artemisfunds.com](#). Artemis does not provide investment advice on the advantages or suitability of its products and no information provided should be viewed in this way. Artemis only provides information about its own products and services and does not advise investors. Should you be unsure about the suitability of an investment, you should consult a suitably qualified professional adviser. This fund is a UK NURS, available to pension funds and other institutional investors and distributors, intermediaries and/or other professional investors. For further information, visit [www.artemisfunds.com/nurs](#). Third parties (including FTSE and MSCI) whose data may be included in this document do not accept any liability for errors or omissions. For information, visit [www.artemisfunds.com/thirdparty-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. Issued by Artemis Fund Managers Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Registered in England No 01988106. Registered Office: Cassini House, 57 St James’s Street, London SW1A 1LD