

**SHINING A LIGHT ON THE.....
Artemis European Opportunities Fund**

AT A GLANCE

Investment Objective	
The aim of the fund is to achieve long term growth from investments principally in European equities, excluding the UK.	

Inception Date	28/10/2011
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000N7ZV

Management	
Manager Name	Start Date
Mark Page	28 October 2011
Laurent Millet	28 October 2011

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	21.59%
Large	35.05%
Medium	39.45%
Small	1.89%
Micro	2.02%

Top 10 Holdings		
Total number of holdings	51	
Assets in Top 10 Holdings	27.97%	
Name	Sector	% of Assets
Bayer AG	Healthcare	3.69%
SAP SE	Technology	3.21%
Amundi SA	Financial Services	3.09%
Novo Nordisk	Healthcare	2.91%
Sampo Oyj	Financial Services	2.72%
Nordea Bank	Financial Services	2.60%
Air Liquide SA	Basic Materials	2.54%
FinecoBank	Financial Services	2.40%
Kone	Industrials	2.40%
Worldline	Industrials	2.39%

Volatility Measurements	
3-Yr Std Dev (volatility)	10.56%
3-Yr Mean Return (average)	17.40%

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FUND PERFORMANCE

Performance from 1 January 2012 to 31 October 2017:

	2012	2013	2014	2015	2016	2017
Artemis European Opportunities Fund	24.40%	27.13%	0.85%	11.83%	14.27%	23.97%
iShares MSCI Europe Ex UK	14.00%	21.74%	-2.02%	1.99%	16.48%	15.32%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
Artemis European Opportunities Fund	23.29%	63.17%	111.28%	137.59%
iShares MSCI Europe Ex UK	16.41%	38.62%	73.27%	68.50%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

We have followed this fund for some time; during 2016 the performance started to slip, and it ended the year behind the benchmark as one of the poorest performing European Funds for the year. Coming into 2017 the performance has improved, and it is ahead of the benchmark. Over the long-term the performance remains strong.

The fund was set up by Mark Page and Laurent Millet, who had run a similar strategy successfully at LV for several years. The premise of the fund is simple; they want to buy good quality businesses at the right price. The P/E ratio is important because they try to forecast future returns and if the P/E ratio is high then the margin for returns will not be there. The fund ignores macro issues and therefore will underperform in periods where macro is the driver of returns; which is what happened in 2016.

There are aspects of the macro picture which you can't ignore. A rise in interest rates will impact companies; those with large amounts of debt will see profitability squeezed. Equally with banks, fewer people are borrowing, and that will impact margins. So, being 'macro aware' is important, but it is all part of having a strong discipline towards what they are willing to buy and at what price.

Equally when it comes to selling, they will sell when the share price comes close to their target price. They admit they do sometimes sell early, but it is about sticking to their discipline and it is this that will drive the long-term returns. The normal holding period is 3 to 4 years.

Some of the companies they like include Brenntag, IMCD and doBank.

Brenntag is a chemical distribution business, IMCD is a global leader in sales, marketing and distribution of speciality chemicals and food ingredients, (and was added at IPO) and doBank is an Italian Bank and is a credit management business.

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Businesses they have sold include Roche which had become too expensive, and Hugo Boss which they just didn't get right.

In summary, this is certainly a European fund to consider. There is a strong buy and sell discipline, and like all fund managers they won't always get it right. They have had a tough period because macro factors have driven prices. This is a long-term buy and hold fund. Although the focus is on quality businesses at the right price, one of the overarching themes is to preserve capital when the market turns but also capture the upside in good periods.

The source of information in this note has been provided by Artemis and is correct as at October 2017. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.