SHINING A LIGHT ON THE……
Artemis US Smaller Companies Fund

AT A GLANCE

Investment Objective
The Fund will aim to achieve capital and income growth over the long term (5 years). The Fund will invest primarily (70%) in equities and other investments in America (and may also invest in Canada). The Fund will invest in, predominantly (80%), listed securities, typically common stock and American Depositary Receipts listed on US exchanges, including exchange traded funds.

Inception Date	27th October 2014
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000U58R

Management	
Manager Name	**Start Date**
Cormac Weldon	27th October 2014

FUND PERFORMANCE

Performance from 1st January 2016 to 30th June 2022:

	2016	2017	2018	2019	2020	2021	2022
Artemis US Smaller Companies Fund	39.06%	11.60%	5.92%	25.27%	24.58%	17.75%	-23.70%
Russell 2000 TR GBP	44.70%	4.72%	-5.48%	20.68%	16.26%	15.88%	-14.60%

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

	1 year	3 years	Since launch
Artemis US Smaller Companies Fund	-19.79%	18.04%	182.74%
Russell 2000 TR GBP	-14.91%	18.60%	123.96%

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.

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
11.14	97.93	91.53	90.50	50.00	0.88	0.41	Blend/ Mid

Volatility Measurements	
3-Yr Std Dev (volatility)	20.39%
3-Yr Mean Return (average)	5.68%

Investment Style Details	
Giant	0.00%
Large	0.00%
Medium	59.40%
Small	34.60%
Micro	2.79%

Top 5 Holdings – 55 Holdings		
Ovintiv Inc	Energy	4.86%
LPL Financial Holdings Inc	Financial Services	4.54%
Clean Harbors Inc	Industrials	4.31%
Darling Ingredients Inc	Consumer Defensive	4.15%
Valmont Industries Inc	Industrials	3.77%

Top 5 Sectors	
Industrials	24.84%
Healthcare	17.54%
Financial Services	13.96%
Consumer Cyclical	10.14%
Technology	9.28%

UPDATE….

This is a strategy we have held for several years. Cormac moved to Artemis several years ago with his team. This was a chance for us to get an update on the team and a refresh on what the strategy is looking to achieve.

In terms of the team all final decisions on holdings are made by Cormac, although he works with his analysts who provide ideas. The main changes is that Olivia Micklem, who has worked with Cormac for ten years, is becoming a co-manager of the strategy. This reduces key man risk and emphasis the strong team ethos.

Cormac has the same desire as he did when he moved from Threadneedle. At Artemis he can focus on running the money and the team rather than a more corporate role which he had at Threadneedle. Most of his own money is invested in this fund and so he is aligned with client outcomes.

We discussed the types of companies they invest in and it is important to reflect that this is truly style agnostic. They are looking at stocks on a 1-to-2-year time frame and what the potential upside / downside is from those holdings. They may have holdings for longer than 2-years or less than 1-year but the time frame they look at is between these two points.

The fund is therefore positioned to where they see the opportunities and therefore the sector exposure can change year to year. This year the holdings have moved more as they were optimistic coming into this year, but things have changed quickly. So they have looked for companies where there is stability of earnings, meaning they have increased exposure to utilities and healthcare.

They do feel that a recession will come and hence the current position, but they do feel it will be short. We discussed when the market might change and they think the next three months will be choppy, especially with the earnings season in full swing, and they expect some companies to disappoint and that will make the markets more volatile.

Investing in the US they are always optimistic. They feel it is a better place to be than Europe and that there will always be new companies to look at. We discussed how important it is to meet the companies, especially if they have a short window of investing. They explained that meeting companies they invest in is important, whether that is in the UK or the US. Although they may only hold for two-years they still need to understand and be comfortable with where they are investing.

In summary, in terms of how we would place this then it would be best to see this as a “go anywhere” strategy. It is about searching for those best opportunities at any given point in time. This means that the sector exposure will change. This is not about themes but are driven by upside / downside reward. They don’t like unprofitable companies; they want to see profit and growth. This does make it different and perhaps harder for investors to “pigeonhole”. It will have “value” it will have “growth”. The way to think about it is having the best opportunities at any point in time.

The source of information in this note has been provided by Artemis and is correct as of July 2022. 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.