

**SHINING A LIGHT ON THE.....
Artemis US Smaller Companies Fund**

AT A GLANCE

| Investment Objective |
|--|
| The objective of the Fund is to grow capital over a five-year period. The Fund invests 80% to 100% in shares of smaller companies which, when first acquired, have a market value of less than USD 10 billion and up to 20% in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, and money market instruments. |

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

| Management | |
|---------------------|-------------------------------|
| Manager Name | Start Date |
| Cormac Weldon | 27 th October 2014 |

FUND PERFORMANCE

Performance from 1st January 2016 to 30th November 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% | -15.31% |
| Russell 2000 TR GBP | 44.70% | 4.72% | -5.48% | 20.68% | 16.26% | 15.88% | -3.23% |

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

| | 1 year | 3 years | 5 years | Since launch |
|--|---------------|----------------|----------------|---------------------|
| Artemis US Smaller Companies Fund | -15.69% | 22.92% | 66.09% | 211.28% |
| Russell 2000 TR GBP | -3.36% | 30.96% | 48.20% | 153.78% |

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 |
|-----------------------|---------------------|-----------------------------|-------------------------------|------------------------|-------------|--------------|---------------------|
| 11.36 | 99.01 | 86.08 | 90.41 | 47.22 | 0.85 | (1.30) | Growth / Mid |

LWM Consultants Ltd

| Volatility Measurements | |
|----------------------------|--------|
| 3-Yr Std Dev (volatility) | 20.30% |
| 3-Yr Mean Return (average) | 7.12% |

| Investment Style Details | |
|--------------------------|--------|
| Giant | 0.00% |
| Large | 0.00% |
| Medium | 71.78% |
| Small | 26.22% |
| Micro | 2.45% |

| Top 5 Holdings – 46 Holdings | | |
|---------------------------------|--------------------|-------|
| Valmont Industries Inc | Industrials | 5.09% |
| LPL Financial Holdings Inc | Financial Services | 5.09% |
| Clean Harbors Inc | Industrials | 4.99% |
| Ovintiv Inc | Energy | 4.75% |
| Pinnacle Financial Partners Inc | Financial Services | 4.46% |

| Top 5 Sectors | |
|--------------------|--------|
| Industrials | 30.65% |
| Financial Services | 15.14% |
| Technology | 10.23% |
| Consumer Defensive | 9.63% |
| Healthcare | 9.10% |

| | |
|---------------------------------------|---------------------|
| Fund Benchmark | Russell 2000 TR GBP |
| Fund size (Mil) | GBP 1066.40 |
| Ongoing Charge (share class A) | 0.87% |

| Bull points (pros) | Bear points (cons) |
|--|---|
| <ul style="list-style-type: none"> One of the most established and respected US teams Careful focus on risk management Adopts a flexible, style agnostic approach | <ul style="list-style-type: none"> Focus on small and mid-cap can produce periods of underperformance Blended approach can mean that it invests in areas of the market that are less favourable |

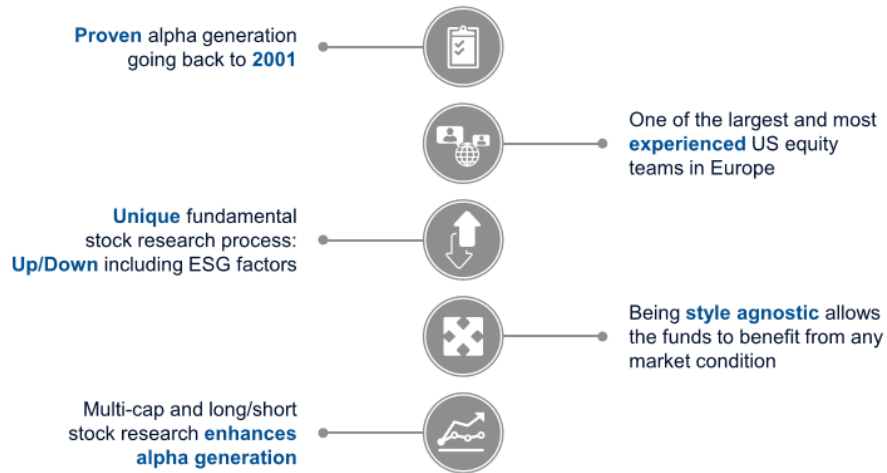
UPDATE....

This is a strategy we have followed for many years. The team previously worked at Threadneedle and then left and set up at Artemis. This strategy focuses on small and mid-cap and adopts a flexible style agnostic approach.

Although the fund was set up in 2014, the team go back to 2001 and therefore have a long-term track record of investing in this area. The team operate four strategies. To demonstrate the flexibility of the approach we have seen the small-cap holdings reduce since June and an increased focus on mid-cap. The team have also moved more away from value to growth and therefore away from blended to growth. The top-5 holdings haven't really changed with Pinnacle being the only new addition to the top-5.

As a summary:

Artemis US equity funds: overview



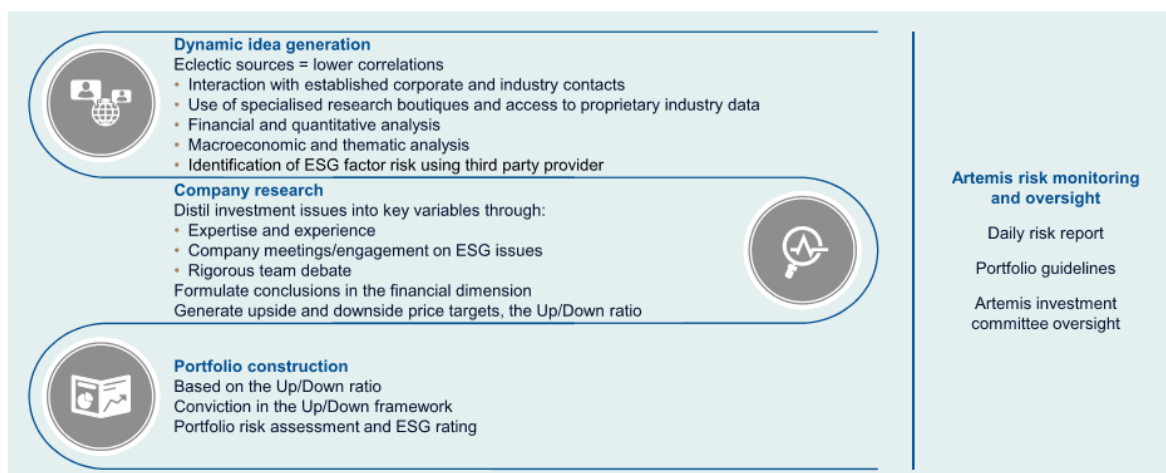
USG58

artemisfunds.com | 7

This does adopt a best ideas approach but with care. It can hold up to 70 companies and currently this is just under 50. The flexible approach they take means that with so much fear in the market they can seek out greater opportunities.

Looking at the process, they follow a four-step approach: analyse identify, plan, and execute. The approach is outlined below.

Investment approach



USG17

artemisfunds.com | 14

In terms of opportunities, some of the areas they are looking at are beneficiaries of Inflation Reduction Act. There are two areas they see:

LWM Consultants Ltd

Boom for utilities (clean energy tax credits, nuclear electricity price floor and grid hardening investment) – example holdings include NextEra Energy and Constellation Energy

Environmental focus (cleaner fuels and pollution control) – example holdings include Clean Harbors and Darling Ingredients

The other area is beneficiaries of onshoring / infrastructure spend. Onshoring covers bringing strategic industries back home, mega projects and non-residential backlog. Example holding is WillScot Mobile Mini Holdings.

In terms of infrastructure, this covers infrastructure investment and Jobs Act, Department of defence budget and state and local government support. They don't have a specific holding in the top-10.

Below is a summary of some of the holdings in the top-ten:

Valmont Industries Inc – they look to deliver products, services and solutions that improve life. They have four business segments across engineered support structures, coatings, irrigation and utility support structures.

LPL Financial Holdings Inc – are considered the largest independent broker-dealer in the US.

Clean Harbors Inc – is an American provider of environmental and industrial services, including hazardous waste disposal for companies, small waste generators and federal, state, provincial and local governments.

Hostess Brands Inc - is an American-based bakery company formed in 2013. It owns several bakeries in the United States that produce snack cakes under the Hostess and Dolly Madison brand names and its Canadian subsidiary, Voortman Cookies Limited, produces wafers and cookies under the Voortman brand name.

The team actively engage with companies which should over time add value to the investments. Better companies attract better valuations:

Artemis US Smaller Companies Fund: voting activity

Meeting overview

| Category | Number | Percentage |
|--|--------|------------|
| Votable meetings | 67 | |
| Meetings voted | 64 | 95.5% |
| Meetings with at least one vote against management | 38 | 59.4% |

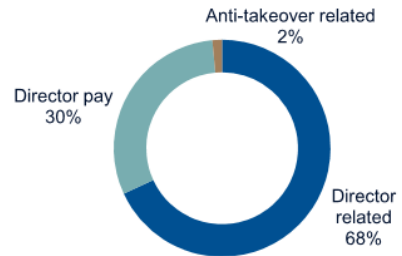
Proposal overview

| Category | Number | Percentage |
|--------------------------|--------|------------|
| Votable items | 564 | |
| Items voted | 553 | 94.5% |
| Votes against management | 69 | 13.0% |

Examples of votes

- Compensation:** we voted against management on executive compensation at holdings including Signature Bank and Saia because payments in the event of change of control were deemed excessive, and WEX because performance conditions were amended retrospectively
- Director elections:** we voted against the election of directors at holdings including NextEra Energy Partners LP, Elastic NV and Skillz for reasons including joint CEO and Chairman positions, overboarding, and a lack of diversity on the Board
- Antitakeover:** at Stelco we voted against management's proposal to approve an advance notice requirement. We believed this would, or could, result in shareholder rights being reduced

Breakdown of votes against management

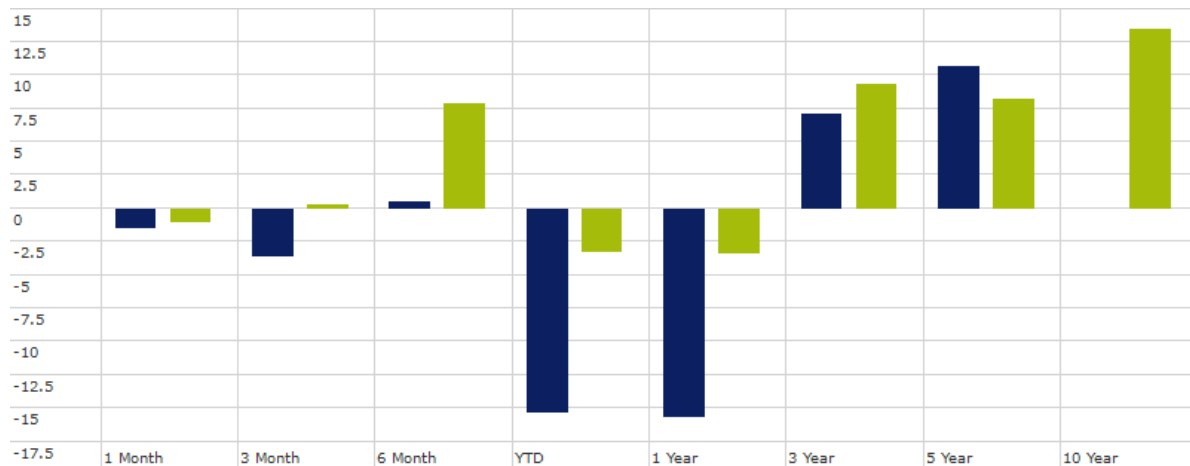


Source: Artemis and ISS as at 31 December 2021.

US5C13

artemisfunds.com | 44

Performance has been mixed this year but long term it has out-performed the index.



| Investment Name |
|--|
| ■ Artemis US Smaller Companies I Acc GBP ■ Russell 2000 TR, GBP |
| |
| |
| |
| |

LWM Consultants Ltd



In summary, this is a well-established team and long-term performance has been strong. This has pulled back this year. The team have acted and tilted the strategy more towards mid-cap where they see opportunities. Risk management is a key element of the strategy and considering the downside risk is important in delivering long term returns. Over time the style means that it can shift between value and growth but tends to adopt a more blended approach which means it can cope with different market environments.

Active engagement with companies is an important element of the strategy and this should enhance returns over the longer term.

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