

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

AT A GLANCE

| Investment Objective | |
|---|--|
| The fund aims to achieve long term capital growth by investing principally in smaller companies listed, quoted and/or traded in the United States of America, and in companies which are headquartered or have a significant part of their activities in the USA, which are quoted on a regulated market outside the USA. | |

| | |
|----------------------------|---|
| Inception Date | 27/10/2014 |
| Fund Factsheet Link | http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000UMY3 |

| Management | |
|---------------------|-------------------|
| Manager Name | Start Date |
| Cormac Weldon | 27/10/2014 |

| Investment Style Details | |
|---------------------------------|--------------------|
| Equity Style | |
| Market Capitalisation | % of Equity |
| Giant | 0.00% |
| Large | 0.00% |
| Medium | 49.15% |
| Small | 46.09% |
| Micro | 4.76% |

| Top 10 Holdings | | |
|----------------------------------|-------------------|--------------------|
| Total number of holdings | 54 | |
| Assets in Top 10 Holdings | 32.60% | |
| Name | Sector | % of Assets |
| NextEra Energy Partners LP | Utilities | 5.45% |
| Nutanix Inc A | Technology | 3.35% |
| K2M Group Holdings Inc | Healthcare | 3.24% |
| Trinseo SA | Consumer Cyclical | 3.21% |
| Booz Allen Hamilton Holding Corp | Industrials | 3.18% |
| Swift Transportation Co | Industrials | 3.18% |
| Liberty Formula One Group C | Consumer Cyclical | 2.96% |
| Versum Materials Inc | Basic Materials | 2.75% |
| Nuance Communications Inc | Technology | 2.71% |
| Cintas Corp | Industrials | 2.70% |

| Volatility Measurements | |
|-----------------------------------|--------|
| 3-Yr Std Dev (volatility) | 13.07% |
| 3-Yr Mean Return (average) | 22.91% |

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FUND PERFORMANCE

Performance from 27 October 2014 to 31 October 2017:

| | 2014 | 2015 | 2016 | 2017 |
|--|-------|--------|--------|--------|
| Artemis US Smaller Companies Fund | 9.87% | 10.75% | 39.06% | 11.31% |
| iShares MSCI North America ETF | 9.07% | 2.17% | 32.23% | 5.79% |

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

| | 1 year | 3 years | Since launch |
|--|--------|---------|--------------|
| Artemis US Smaller Companies Fund | 19.73% | 81.18% | 88.35% |
| iShares MSCI North America ETF | 10.77% | 51.00% | 55.89% |

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....

Cormac Weldon set up this fund just over three years ago. Previously he had worked at Threadneedle and the whole US team moved to Artemis, where it has continued with its excellent track record.

Much of the discussion with Cormac centred around the macro picture for the US and then we touched briefly on holdings.

The tenure of Trump shows that he is business friendly. The two key areas are firstly, regulation which will have a slow and steady impact on the economy, and secondly, taxes which should follow. Many of the holdings in the Smaller Companies Fund are domestic focused so these policies will benefit the fund and its holdings.

Economic data is better than many expected, with good consumer and employment figures. This data might be impacted by the hurricane season, so it will be a question of reading through this when it is released.

The S&P 500 is seeing earnings improve with expanding margins and revenue growth. There is not much wage inflation and not a great deal of spending, but this is good for profitability! The tax amnesty is unlikely to see much capital spending and more likely to be used for share buy backs. ,

The current market favours disrupters and indirect beneficiaries of disrupters. The smaller companies fund is overweight technology which includes cloud computing. It is also focused on those businesses which will directly benefit from Trump's policies.

In summary, the fund has focused on continuing to deliver strong performance after the team left Threadneedle. This is a stock pickers fund and being aware of the macro picture helps Cormac to select what he believes to be the strongest companies to deliver positive long-term returns.

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