



Artemis Funds (Lux) - US Smaller Companies

Class I accumulation shares, EUR

MARKETING MATERIAL

€1.2607
price at 31 Jul 2020

0.910%
ongoing charge

August 2020 (data as of 31 July 2020)

OBJECTIVE AND INVESTMENT POLICY

Objective	The fund aims to increase the value of its investments primarily through capital growth.
Investment policy	<ul style="list-style-type: none"> The fund is actively managed. The fund invests principally in equities of smaller companies that are listed on a recognised stock exchange in the USA. Typically these are companies with a market capitalisation of less than \$10bn at the time of purchase. Hedged shares allow the use of currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency or currencies in which the assets of the portfolio are invested and the US dollar. <p>The fund may also invest in:</p> <ul style="list-style-type: none"> Equities of companies of equivalent size that are headquartered or exercise the predominant part of their economic activity in the USA, but which are listed on a regulated stock exchange outside the USA. Derivatives (financial instruments whose value is linked to the expected price movements of an underlying asset) to meet its investment objective, to protect the value of the fund, reduce costs and/or generate additional income.
Benchmark information	<ul style="list-style-type: none"> Russell 2000 TR <p>The benchmark is a point of reference against which the performance of the fund may be measured. Management of the fund is not restricted by this benchmark. The deviation from the benchmark may be significant and the portfolio of the fund may at times bear little or no resemblance to its benchmark.</p>

INVESTMENT COMMENTARY

Rewards – and risks

Good stock selection allowed our fund to outperform the Russell 200 index in July, adding to its significant outperformance over the year to date.

While those gains were welcome, the turbulence seen in the spring offered a reminder that investing in shares – particularly those of smaller companies – always carries risk.

Explaining our cautious approach

Growing optimism over the post-lockdown economic recovery has resulted in share prices in the US rising in recent months. We have not entirely shared in that optimism. We have been conscious that government support, particularly in the form of unemployment benefit increases, would likely prove to be temporary. For instance, the additional unemployment payments of \$600 per week that were introduced at the height of the pandemic, expired at the end of July and have not been renewed.

Meanwhile, as a number of states saw renewed surges of infection, a greater sense of realism about the recovery was to the benefit of our fund's performance, with some of our more predictable earners doing better than the wider market...

Pool Corporation

Our predictable earners include Pool Corporation, which provides consumables (filters, chemicals) for the maintenance of domestic swimming pools. We had expected it to do well during lockdown as people were confined to their homes, making more use of their pools and so being more likely to invest in their upkeep. What has also emerged is that lockdown has seen homeowners installing new swimming pools, increasing future demand for Pool Corp's products.

Pinterest

Many of the most successful internet companies are extremely large (and so lie beyond our hunting ground). But we do have one holding in this area: Pinterest, a social media app with some similarities to Instagram. Users highlight their interests and pastimes and are then connected with products. This gives manufacturers and retailers access to new customers – and they then pay Pinterest for the leads.

Although we first bought Pinterest some time ago, we have added to our position over recent months. It has begun to prosper in the way we hoped it would. Not only has it benefited from increased usage during lockdown, that growth surge seems to have persisted even as lockdowns have eased.

BioXcel Therapeutics

Our biggest negative this month was BioXcel Therapeutics, which we have owned since its IPO. It has a unique approach to developing drugs. It identifies new potential uses for existing drugs by using artificial intelligence to comb through the corpus of published data on medical trials. Its initial drug, referred to as 501, is being trialled for the treatment of agitation. Those trials have produced excellent results. Initially, this boosted its share price. But to fund its future growth, the company issued new shares, dragging its share price lower. We added to our position in the offering.

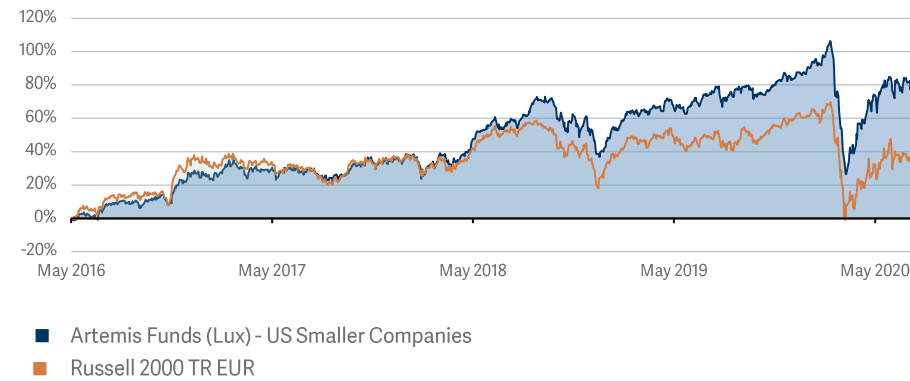
PERFORMANCE

Past performance is not a guide to the future

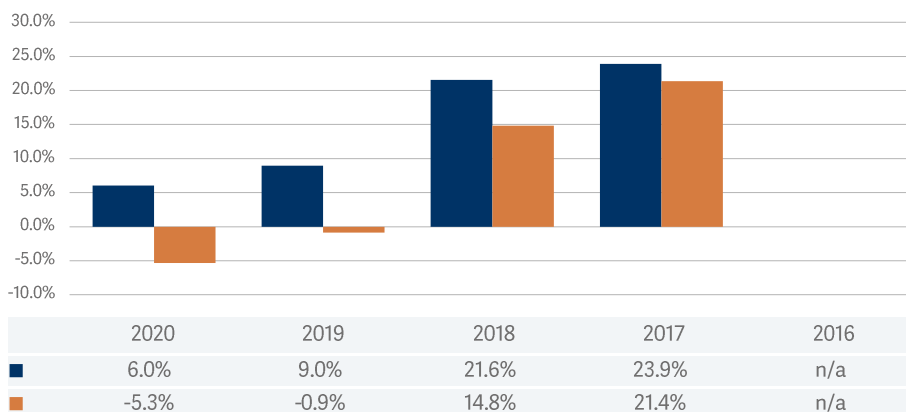
CUMULATIVE PERFORMANCE

	Since launch	3 yrs	1 yr	6 mo	3 mo	1 mo
Artemis Funds (Lux) - US Smaller Companies	86.1%	46.9%	4.2%	-3.3%	9.6%	4.0%
Russell 2000 TR EUR	36.2%	8.0%	-10.2%	-13.4%	5.0%	-2.4%

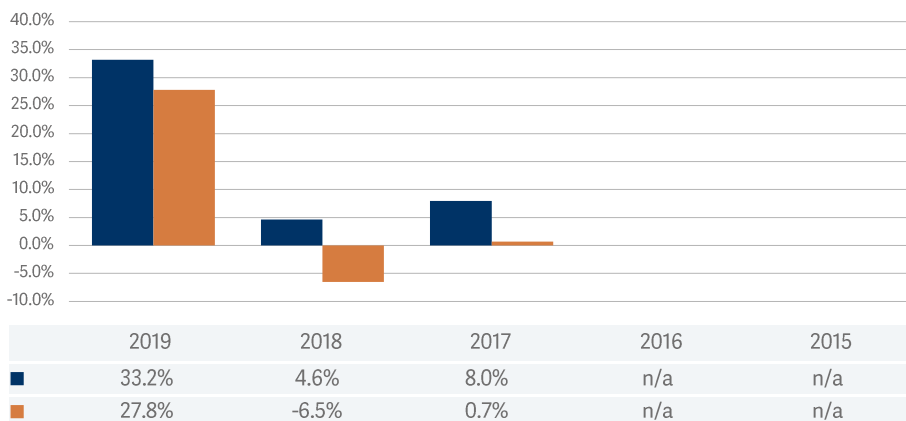
PERCENTAGE GROWTH



12 MONTHS TO 30 JUNE



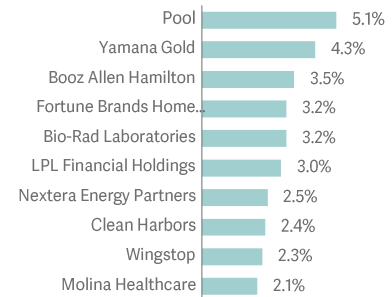
12 MONTHS TO 31 DECEMBER



Source: Lipper Limited from 27 October 2014 to 31 July 2020. Data prior to 11 May 2018 constitutes simulated past performance as it reflects performance of another Artemis fund following the same investment strategy as this fund. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class.

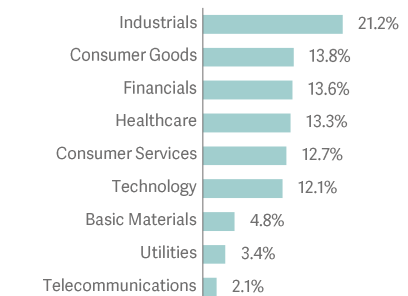
COMPOSITION

TOP 10 HOLDINGS



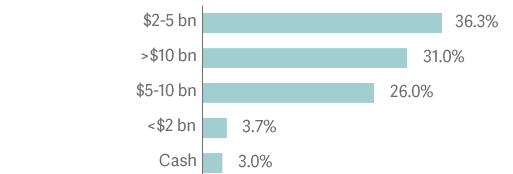
Source: Artemis as at 31 July 2020.

MARKET SECTOR SPLIT



Source: Artemis as at 31 July 2020. Figures may not add up to 100% due to rounding and cash holdings.

ASSET ALLOCATION BY MARKET CAP



Source: Artemis as at 31 July 2020. Figures may not add up to 100% due to rounding.

RISK CONSIDERATIONS

To ensure you understand whether this fund is suitable for you, please read the Key Investor Information which is available, along with the fund's Prospectus, from www.artemisfunds.com or www.fundinfo.com.

The fund is exposed to the following risks:

Market volatility risk	The value of the fund and any income from it can fall or rise because of movements in stockmarkets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
Currency risk	The fund's assets may be priced in currencies other than the fund base currency. Changes in currency exchange rates can therefore affect the fund's value.
Concentration risk	The fund may have investments concentrated in a limited number of holdings. This can be more risky than holding a wider range of investments.
Smaller companies risk	Investing in small and medium-sized companies can involve more risk than investing in larger, more established companies. Shares in smaller companies may not be as easy to sell, which can cause difficulty in valuing those shares.

OTHER INFORMATION

To ensure you understand whether this fund is suitable for you, please read the Key Investor Information which is available, along with the fund's Prospectus from www.artemisfunds.com or www.fundinfo.com.

The fund is a sub-fund of Artemis Funds (Lux) (a "SICAV"). For further information, visit www.artemisfunds.com/sicav.

The aforementioned documents can also be obtained free of charge from Artemis' registered office at Cassini House, 57 St James's Street, London, SW1A 1LD and/or:

- in Austria: Erste Bank der Oesterreichischen Sparkassen AG, Am Belvedere 1, 1100 Vienna, Austria
- in France: CACEIS Bank France SA, 1-3 Place Valhubert, 75013 Paris
- in Germany: German Fund Information Service UG (Haftungsbeschränkt), Zum Eichhagen 4, 21382 Brietlingen, Germany
- in Luxembourg: J.P. Morgan Bank Luxembourg SA, 6C route de Treves, L-2633 Senningerberg, Luxembourg
- in Spain: Allfunds Bank SA, Estafeta, 6, La Moraleja, Complejo Plaza de la Fuente, Alcobendas 28109, Madrid
- in Switzerland: RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH-8027 Zurich which acts as the Swiss representative and paying agent.

Visit www.artemisfunds.com/glossary for an explanation of investment terms.

Third parties (including FTSE and Morningstar) whose data may be included in this document do not accept any liability for errors or omissions. For information, visit www.artemisfunds.com/third-party-data.

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Any forward-looking statements are based on Artemis' current expectations and projections and are subject to change without notice.

Issued by Artemis Investment Management LLP which is authorised and regulated by the Financial Conduct Authority.

FUND DATA

INVESTMENT TEAM



Cormac Weldon
Fund manager,
since launch

KEY FACTS

Fund type	SICAV
Asset class	Equity
Focus	Capital growth
Regional focus	USA
SEDOL	BZ1MHH5
ISIN	LU1805264980
Fund launch date	11 May 2018
Class launch date	11 May 2018
Class launch price	€1.0000
Class currency	EUR
Valuation point	16:00 CET
Year end	31 October
Accumulation date	31 December
Fund size	€340.1m

Source: Artemis as at 31 July 2020.

PRICE

Price	€1.2607
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Source: Artemis as at 31 July 2020.

CHARGES

Initial charge	0%
Ongoing charge	0.910%

The ongoing charge covers the annual operating expenses of running the fund and is shown as at the date of the Key Investor Information Document, where further information about the fund's charges can be found.

RISK AND REWARD PROFILE



The fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the fund may have risen and fallen in the past due to movements in markets, currencies and interest rates). It may not be a reliable indication of the future risk profile of the fund.

