

# Artemis Global Emerging Markets Fund



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Fund manager, since  
launch



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Fund manager, since  
launch

Class I accumulation shares, GBP

**September 2019**  
Data as of 31 August 2019

## The fund's aims

The fund aims to achieve long-term returns through a combination of capital growth and income principally from companies listed, quoted and/or traded in emerging markets or which are headquartered or have a significant part of their activities in emerging markets.

## Fund update

In US dollar terms, emerging market equities fell 5% in August, underperforming developed markets. Frictions over trade are creating concerns about growth. The dispute between the US and China further intensified during the month as both parties announced higher tariffs on imports.

In general, emerging market equities remain significantly out of favour among investors. At the sector level, defensives continued to fare better than cyclical. Healthcare and consumer staples outperformed, whereas materials and energy were – alongside financials – the laggards.

Following another month in which they underperformed growth stocks, value stocks are now trading at unusually depressed levels compared to the wider market. Predicting when this discount will start to narrow is impossible.

But history suggests this will unwind at some point. We are positioned to benefit when this materialises. Our fund trades on a price-to-earnings ratio of 7.5x, a 36% discount to the market.

Activity levels were low in August. We initiated a new position in Indofood, a food producer that owns Indonesia's biggest flour mill. It reported good second-quarter results from its consumer-branded product range, with revenues up 14% on the year. Demand for instant noodles, dairy and snack foods is strong, but on a price-to-earnings multiple of 14x, Indofood remains one of the cheapest consumer stocks in the region. We also added a position in Chinese e-commerce giant Alibaba following positive results. These purchases were funded by sales in Tech Mahindra and Cosco Shipping, both of which saw deteriorating corporate news.

Our largest overweight positions remain in China and Russia, while our largest underweights are in India and technology-heavy Korea and Taiwan. By sector, our preference is for utilities, construction and financials. We continue to have less exposure to the more widely owned segments of the market, such as technology and consumer goods.



Third party endorsements are not a recommendation to buy. For information, visit [artemisfunds.com/endorsements](https://www.artemisfunds.com/endorsements).

## Composition

### Top ten holdings

Country Garden	2.6%
ENN Energy	2.4%
Accton Technology Corporation	2.4%
China Resources Land	2.2%
Thanachart Bank Public	2.2%
Chailease Holding	2.1%
Shinhan Financial	2.1%
Ping An Insurance Group	2.1%
Anhui Conch Cement	2.0%
Banco Do Brasil	1.9%

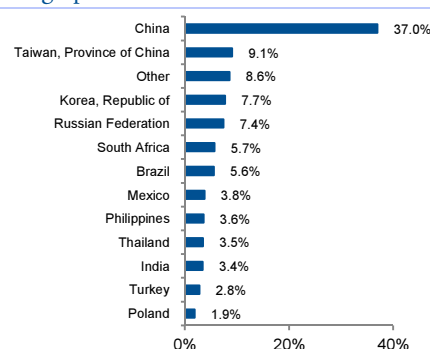
Source: Artemis as at 31 August 2019.

### Market sector split

Financials	25.0%
Industrials	10.9%
Consumer Discretionary	10.2%
Information Technology	9.5%
Communication Services	9.1%
Materials	8.7%
Utilities	8.0%
Energy	6.8%
Real Estate	6.0%
Health Care	2.1%
Consumer Staples	1.0%

Source: Artemis as at 31 August 2019. Please note that figures may not add up to 100% due to rounding and the cash holding.

### Geographic breakdown



Source: Artemis as at 31 August 2019. Please note figures may not add up to 100% due to rounding.

## Performance

### Cumulative performance

	Since launch	3 years	1 year	6 months	3 months
Artemis Global Emerging Markets Fund	41.0%	35.1%	3.4%	4.0%	2.5%
MSCI EM (Emerging Markets) NR GBP	31.8%	27.2%	2.1%	4.1%	3.3%
IA Global Emerging Markets NR	35.4%	26.9%	5.4%	6.0%	3.7%
Position in sector	17/53	12/56	41/62	41/62	48/64
Quartile	2	1	3	3	3

'Since launch' data from 8 April 2015. Source: Lipper Limited, mid to mid in sterling to 31 August 2019. All figures show total returns with dividends reinvested. Sector is IA Global Emerging Markets NR. Benchmarks shown are for comparison: further information can be found in the fund's Key Investor Information Document. This class may be in a currency or have charges or a hedging approach different from those in the IA sector benchmark.

### Discrete performance to year end

	2018	2017	2016	2015	2014
12 months to 31 December	-7.7%	26.0%	37.7%	n/a	n/a

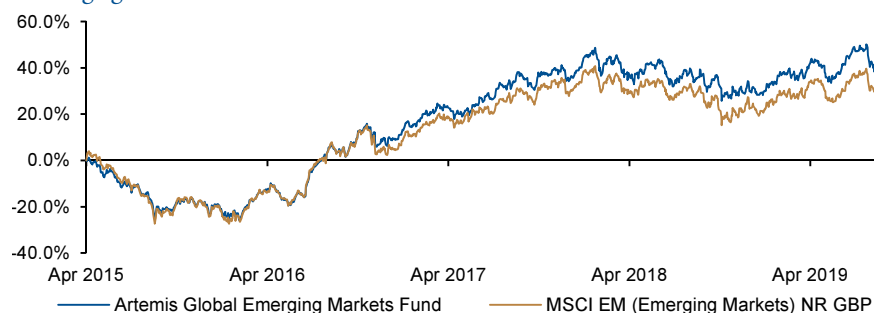
Please remember that past performance is not a guide to the future. Source: Lipper Limited, mid to mid in sterling. All figures show total returns with dividends reinvested. As the fund was launched on 8 April 2015, complete five year performance data is not yet available. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the share class.

### Discrete performance to quarter end

	2019	2018	2017	2016	2015
12 months to 30 June	7.6%	6.9%	36.7%	3.5%	n/a

Please remember that past performance is not a guide to the future. Source: Lipper Limited, mid to mid in sterling. All figures show total returns with dividends reinvested. As the fund was launched on 8 April 2015, complete five year performance data is not yet available. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the share class.

### Percentage growth



Data from 8 April 2015. Source: Lipper Limited, mid to mid in sterling to 31 August 2019. All figures show total returns with dividends reinvested.

### Key facts

Fund type	OEIC
Focus	Capital growth
Asset class	Equity
Regional focus	Emerging Markets
IA sector	IA Global Emerging Markets NR
SEDOL	BW9HL13
ISIN	GB00BW9HL132
Type	Accumulation
Class currency	GBP
Accumulation date	30 April
Valuation point (UK business days)	12:00
Year end	28 February
Fund launch date	8 April 2015
Class launch date	8 April 2015
Class launch price	100p
SRRI	5
Fund size (mid basis)	£274.6m

Source: Artemis as at 31 August 2019.

### Prices and yield

Mid price	141.02p
Historic yield	2.69%

The historic yield reflects distributions declared over the past twelve months as a percentage of the mid-market price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions.

### Charges

Initial charge	0%
Ongoing charge	0.950%

The ongoing charge includes the annual management charge of 0.75% and is shown as at the date of the Key Investor Information Document (KIID), where a full explanation of the fund's charges can be found.

## Risks and important information

To ensure you understand whether this fund is suitable for you, please read the Key Investor Information Document and Costs and Charges Information document, which are available, along with the fund's Prospectus, from [artemisfunds.com](http://artemisfunds.com)

The value of any investment, and any income from it, can rise and fall with movements in stockmarkets, currencies and interest rates. These can move irrationally and can be affected unpredictably by diverse factors, including political and economic events. This could mean that you won't get back the amount you originally invested.

The fund's past performance should not be considered a guide to future returns.

The fund will invest in emerging markets, which can involve greater risk than investing in developed markets. In particular, more volatility (sharper rises and falls in unit/share prices) can be expected.

The fund may use derivatives (financial instruments whose value is linked to the expected price movements of an underlying asset) for investment purposes, including taking long and short positions, and may use borrowing from time to time. It may also invest in derivatives to protect the value of the fund, reduce costs and/or generate additional income.

Investing in derivatives also carries risks, however. In the case of a 'short' position, for example, where the fund aims to profit from falling prices, if the price of the

underlying asset rises in value, the fund will lose money.

Because one of the key objectives of the fund's distribution shares is to provide income, the annual management charge for distribution shares is taken from capital rather than income. This can reduce the potential for capital growth.

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

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