

17 February 2020

Dear Madam, Sir

Artemis' fund range – Update to investment objectives and policies

As part of its market study into the asset management industry, the Financial Conduct Authority (FCA) found that the investment objectives and policies of investment funds could be difficult for investors to understand. The FCA suggested they could be made clearer, for example by improving their layout, removing any jargon and clarifying important points.

So we have decided to update the investment objectives and policies of: (i) the Artemis retail unit trusts; and (ii) the sub-funds of Artemis Investment Funds ICVC (together the "Funds"). The full list of the funds in question is set out in Annex 1.

You do not need to take any action as a result of this letter. We do, however, encourage you to read this letter as it gives you more information about how we will describe the Funds in the future and why this is changing. Please speak to your adviser or contact us if you need more information or have any questions.

What is changing?

The layout of the investment objectives and policies of the Funds will be changing. While there will be some changes to wording as a result, we will not be making any changes to the way in which any of the Funds are managed. You can see the new format for all investment objectives and policies at www.artemisfunds.com/fund-changes.

For all of the Funds, we are making it clear over which time period the Fund aims to meet its objective; providing additional information about the fund manager's strategy; and detailing the percentage of a Fund's assets which can be held in different asset types or geographic regions.

We will be making more significant changes to the way in which we describe the investment objectives and policies of the following three funds:

- Artemis High Income Fund. The existing objective refers to "obtaining a higher than average initial yield". This is open to different interpretation and is difficult to measure. The newly worded objective will be "to provide a combination of a high level of income and capital growth, before fees, over a rolling five-year period." The manager defines a high level of income as equal to, or in excess of, the average yield of those funds making up the Investment Association Strategic Bond sector, in which the Fund sits.
- Artemis Global Emerging Markets Fund. The existing objective refers to the fund seeking a combination of income and capital growth. Although this fund does generate some income, we believe that it is more appropriate to emphasise the potential for capital growth. The newly-worded objective will be "to grow capital over a five-year period."

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- Artemis Capital Fund. The existing investment policy refers specifically to the fund having an emphasis on investing in companies which are listed in the FTSE 100. While the fund has historically held a substantial portion of its assets in the shares of companies which are listed in the FTSE 100, the fund manager believes that the relative importance of this has declined over time. As a result, although the fund will still maintain an emphasis on investing in the United Kingdom, we will be changing the investment policy so that in the future there will be no specific proportion of the fund's assets which has to be invested in companies which are listed in the FTSE 100. The fund's new policy will be to invest at least 80% of its assets in the United Kingdom.

We will also be making some changes to the Artemis Investment Funds ICVC prospectus to clarify that the sub-funds may invest over 35% of the scheme property in certain government and public security issuers. The change is detailed in section 7 of Appendix III in the prospectus.

Why is Artemis making these changes?

We always aim to communicate clearly with you. An important part of that is describing how we manage your investment in the Funds as transparently as we can. The changes are intended to help you understand more easily how each of the Funds is managed.

When will the changes take place?

The changes will come into effect on 30 April 2020. You do not have to take any action as a result.

How will you be impacted by these changes?

As explained above, there should be no impact on you as a result of these changes. However, if you are not happy with the changes you can redeem your investment in the Funds at any time before or after the changes take place. If you do wish to redeem your investment before the changes take place, we must receive your instructions before 12 noon on 29 April 2020.

Further information

If you are uncertain about the contents of this letter, we recommend that you consult a professional adviser. If you have any questions about the information in this letter or would like further information, please contact our Client Services team on 0800 092 2051 between 8:00am and 6:00pm (Monday to Friday).

Yours faithfully,



Jasper Berens
Director

For and on behalf of **Artemis Fund Managers Limited**

Annex 1 – Fund list

Artemis Global Growth Fund (Unit Trust)
Artemis Global Income Fund (Unit Trust)
Artemis Global Select Fund (Unit Trust)
Artemis Income Fund (Unit Trust)
Artemis Strategic Bond Fund (Unit Trust)
Artemis Capital Fund (Unit Trust)
Artemis European Growth Fund (Unit Trust)
Artemis European Opportunities Fund (Unit Trust)
Artemis High Income Fund (Unit Trust)
Artemis Monthly Distribution Fund (Unit Trust)
Artemis UK Select Fund (Unit Trust)
Artemis UK Smaller Companies Fund (Unit Trust)
Artemis UK Special Situations Fund (Unit Trust)
Artemis Global Equity Income Fund (ICVC)
Artemis Global Emerging Markets Fund (ICVC)
Artemis Global Capital Fund (ICVC)
Artemis US Select Fund (ICVC)
Artemis US Smaller Companies Fund (ICVC)
Artemis US Extended Alpha Fund (ICVC)
Artemis US Absolute Return Fund (ICVC)
Artemis Pan-European Absolute Return Fund (ICVC)
Artemis Target Return Bond Fund (ICVC)
Artemis Corporate Bond Fund (ICVC)

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