



Client Services & Dealing Tel: 0800 0922051
Client Services Fax: 020 7399 6497
Dealing Fax: 0845 076 2290
e-mail: investorsupport@artemisfunds.com
www.artemisfunds.com

18 August 2020

Dear Shareholder,

Important notice for investors in Artemis Target Return Bond Fund (the “Fund”)

You are a shareholder in the Artemis Target Return Bond Fund (the **Fund**). I am writing to inform you of a proposed amendment to the investment policy (the “**Investment Policy**”) of the Fund.

What is changing?

We are amending the “Other limitations specific to this Sub-Fund” section of the Investment Policy. The Fund is currently limited to: (i) a maximum of 3% exposure to any non-government issuer of investment grade securities, and (ii) a maximum of 2% exposure to an individual issuer of below investment grade securities or an issuer listed, headquartered or having significant business in emerging markets.

We will be increasing these limits to: (i) 5% for any non-government issuer of investment grade securities; and (ii) to 3% for an individual issuer of below investment grade securities or an issuer listed, headquartered or having significant business in emerging markets.

All of the other limits in the Investment Policy will remain the same as they are currently. The change is detailed in the draft prospectus of the Fund available at www.artemisfunds.com/fund-changes.

Why is Artemis making these changes?

The changes are intended to provide the managers with wider scope to reflect more effectively their individual and collective views on the underlying opportunities in their chosen markets. The proposed changes will allow the managers to put greater emphasis on directional exposure (i.e. unhedged exposure to market movements); and allow them greater scope to invest in individual investment grade and high yield issuers. While we anticipate that these changes will increase the level of risk within the portfolio, our overall conclusion is that the level of risk in the Fund is commensurate with the stated return target and an increased market directional exposure. It is not expected that the Synthetic Risk and Return Indicator of any share class of the Fund would change from the current position (3 out of 7).

We believe that, particularly in the current environment, these changes will enhance the managers’ ability to manage the Fund optimally and deliver on its stated return target (to achieve a positive return of at least 2.5% above the Bank of England base rate, after fees, on an annualised basis over rolling three-year periods). Even with the changes we are proposing there is, of course, no guarantee

that the Fund will achieve a positive return over a rolling three-year period or any time period; and your capital is at risk.

When will the changes take place?

The changes will be effective on 19 October 2020 when the updated prospectus and Key Investor Information Document (KIID) of the Fund will be published.

How will you be impacted by this letter?

There will be no change to the way in which the Fund is managed in the meantime, and you do not need to take any action as a result of our decision to make these changes.

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,

A handwritten signature in black ink, appearing to read 'John Dodd', with a long horizontal flourish extending to the right.

John Dodd
Director
For and on behalf of Artemis Fund Managers Limited