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Dear shareholder,

Important information: Changes to the investment objective and benchmark of Artemis US Absolute Return Fund

We are writing to you because you are a shareholder in the Artemis US Absolute Return Fund (the "Fund").

Effective from 1 January 2022, the Fund's target return will change from "in excess of 3 Month LIBOR, in calculating the performance fee payable to the manager" to "in excess of SONIA + 0.1%, in calculating the performance fee payable to the manager".

Currently, LIBOR¹ is a 'target benchmark' that the Fund aims to outperform. Artemis is paid a performance fee if the Fund's performance exceeds the benchmark. In changing the Fund's target return, from 1 January 2022, Artemis will be paid a performance fee if the Fund's performance exceeds SONIA² + 0.1%.

This letter provides details on the reasons for the changes, and a comparison of the current and updated investment objective is shown in the table overleaf.

Please note that there will be no change to the way in which the Fund is managed, nor to the types of investments it holds. The Fund's aim to achieve a positive return over a rolling three-year period, after fees, notwithstanding changing market conditions will remain unchanged and the overall risk profile of the Fund will not be affected by the changes.

If you are uncertain about the contents of this letter, we recommend that you consult with a professional adviser.

When will the changes be happening?

The changes to the investment objective and benchmark will be happening on 1 January 2022.

Why is LIBOR being replaced by SONIA

The production of LIBOR, along with that of similar Interbank Offered Rates (IBORs) used in other markets, will cease by the end of 2021. In the UK, for the sterling market, SONIA has been widely identified as an appropriate replacement for LIBOR, and it will therefore form the basis of the Fund's new target benchmark from 1 January 2022. SONIA is the risk-free rate for sterling markets, administered by the Bank of England. It is an index which is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors. It is already in widespread use in many areas of the financial markets.

In considering the implications of transitioning from 3 Month LIBOR to a new benchmark, Artemis aims to ensure that, to the extent reasonably possible, clients are not disadvantaged and are no worse off.

¹ London Interbank Offer Rate

² Sterling Overnight Index Average

Past returns of SONIA have shown to be lower than the 3 Month LIBOR rates it will replace. Therefore, a direct replacement of 3 Month LIBOR with SONIA would have the effect of producing a slightly lower performance hurdle resulting in commensurately greater Fund outperformance when compared to the hurdle, and therefore potentially greater performance fees.

Artemis modelling of the Fund's past performance against a benchmark of SONIA + 0.1% shows that, since the Fund's inception, performance fees paid would have been lower compared to the Fund's actual performance fees paid against its current benchmark of 3 Month LIBOR.

Artemis US Absolute Return Fund	
Current investment objective	New investment objective (effective 1 January 2022)
To achieve a positive return over a rolling three-year period, after fees, notwithstanding changing market conditions. The sub-fund also targets returns in excess of 3 Month LIBOR, after fees, in calculating the performance fee payable to the manager. There is no guarantee that the sub-fund will achieve a positive return over a rolling three-year period or any other time period and your capital is at risk.	To achieve a positive return over a rolling three-year period, after fees, notwithstanding changing market conditions. The sub-fund also targets returns in excess of SONIA + 0.1%, after fees, in calculating the performance fee payable to the manager. There is no guarantee that the sub-fund will achieve a positive return over a rolling three-year period or any other time period and your capital is at risk.
Current benchmark	New benchmark (effective 1 January 2022)
LIBOR (London Interbank Offered Rate) 3 Month A widely-used measure of the average interest rate at which banks lend to each other, used to estimate the amount of interest which could be earned on cash. It acts as a 'target benchmark' that the sub-fund aims to outperform. Artemis is paid a performance fee if the sub-fund's performance exceeds the benchmark.	SONIA (Sterling Overnight Index Average) + 0.1% SONIA is widely-used measure of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors. It acts as a 'target benchmark' that the sub-fund aims to outperform by at least 0.1%. Artemis is paid a performance fee if the sub-fund's performance exceeds the benchmark.

How might the change of benchmark affect performance fees?

In considering the implications of transitioning from 3 Month LIBOR to a new benchmark, Artemis aims to ensure that, to the extent reasonably possible, clients are not disadvantaged and are no worse off.

The table below aims to illustrate past performance fees payable over the life of the Fund against 3 Month LIBOR compared to SONIA and SONIA + 0.1%.

Cumulative figures for period from Oct 2014 to Aug 2021	LIBOR	SONIA	SONIA
			+ 10bps
Total investor performance fees paid per £100 invested in the Fund over the period	£2.36	£2.45	£2.34
Annualised performance fees paid per £100 invested in the Fund over the period	£0.34	£0.35	£0.34

Please note, the figures shown are indicative only, and are based on theoretical calculations based on the annual returns of the Fund and the benchmarks for the period indicated.

When will the changes take place?

The changes described in this letter will be effective on 1 January 2022. However, you can choose to redeem your investment or switch to another Artemis fund if you wish, at any time before the changes take effect.

Costs of the changes

We will pay all costs associated with the changes.

How can I find out more?

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 by telephone on 0800 092 2051 (outside the UK +44 1268 445 401) between 8.00am and 6.00pm (Monday to Friday).

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'G. Jones', with a stylized flourish at the end.

Greg Jones
Director
For and on behalf of **Artemis Fund Managers Limited**