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

7 January 2022

Dear Investor,

Important notice for investors in Artemis European Opportunities Fund (the "Fund")

We are writing to advise you that the investment policy and strategy statement in the Fund's prospectus (the "Prospectus") will be updated to include details of negative screening (exclusions) that will determine certain investments that cannot be included in the Fund and to include details on how environmental, social and governance ("ESG") considerations form part of the Fund's investment process. The Fund's name will also change, as detailed below.

Other than the name change and introduction of exclusions as part of the investment process, the investment strategy and key features of the Fund will not be changing as a result.

You do not need to take any action, however, we recommend that you read this letter as it provides further information about why we are making these changes.

What is changing?

The Fund's name will be changing as follows:

Existing name	***New name***
Artemis European Opportunities Fund	Artemis European Sustainable Growth Fund

The Fund's investment policy statement will be updated to reference negative screening, excluding companies determined by the manager to be significantly involved in certain business activities (alcohol, tobacco, gambling, nuclear power, weapons and fossil fuels) or which are assessed to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption.

Additional detail will be added the Fund's investment strategy statement to describe that the manager assesses the quality of companies' ESG processes and that the Fund seeks to invest in companies that use their resources efficiently, invest in their business, and build contingent assets that will eventually contribute to cash flows over time. Detail on the manager's assessment of a company's sustainability practices is also included. Wording will be added to state that the end result of the investment process is a portfolio of companies that the manager believes to be best in class and with the ability to grow earnings and cash flows through sustainable business practices. Wording will also be added to the Fund's investment strategy to make clear that the Fund is concentrated, typically investing in 30 to 40 companies at any time, and to provide detail on how the manager engages with company management on ESG factors.

The Appendix to this letter shows the updated investment policy section of the Fund.

Wording will be added to the Prospectus to highlight that the manager receives data on companies' exposures to the specific business activities from third party data and research providers. Third party data and research providers may refer to the most recently available data issued by the investee company or make an estimation based on their proprietary research and analysis. Data issued by the investee company may be lagged, if it has been taken from the latest period statement published by the investee company. Where business involvement data is not available from a primary third party data source the manager will make an assessment, on a best efforts basis, on a company's involvement using alternative data sources or available research.

An ESG Investment Risk disclosure will be added to the Prospectus and will apply to the Fund:

> *"ESG investments are selected or excluded on both financial and non-financial criteria. A Fund may underperform the broader equity market or other funds that do not utilise ESG criteria when selecting investments. A Fund may sell a stock for reasons related to ESG, rather than solely on financial considerations. ESG investing is to a degree subjective and there is no assurance that all investments made by a Fund will reflect the beliefs or values of any particular investor. Investments in securities deemed to be 'sustainable' may or may not carry additional or lesser risks. Investors can find further detail about the Manager's Stewardship and ESG approach at www.artemisfunds.com."*

None of the Fund's portfolio holdings will need to be sold as a result, nor will there be any change in the Fund's investment process and the operation and/or manner in which the Fund is being managed following these changes, other than the formal introduction of the exclusions as part of the investment process.

Why is Artemis making these changes?

The updates to the investment policy and strategy are intended to formalise the exclusions into the Fund's investment policy and to provide investors with additional information on how the Fund Manager considers ESG factors within the investment process and engages with companies on their sustainability practices. The Fund Manager believes that the relative importance of assessing sustainability factors within the Fund's investment process has increased over time and the updates are intended to formalise these considerations in the Prospectus.

The new name of the Fund, Artemis European Sustainable Growth Fund, is felt to better represent the Fund's investments, namely shares of European (ex UK) companies that the manager believes can grow earnings and cash flows through sustainable business practices.

When will the changes take place?

The changes will come into effect on 8 March 2022. You do not have to take any action as a result.

How will you be impacted by this letter?

As explained above, there should be no impact on you as a result of these changes and there will be no change to the way in which the Fund is managed, other than the introduction of exclusions as part of the investment process.

Artemis Investment Management LLP, the Fund's Investment Advisor, will bear the cost of the expenses incurred in making these updates.

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 Retail Operations 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), or by e-mail at investorsupport@artemisfunds.com.

Yours faithfully,

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

Appendix

Fund objective		To grow capital over a five year period.
Investment policy	**What the fund invests in**	• 80% to 100% in company shares. • Up to 20% in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives.
	Use of derivatives	The fund may use derivatives for efficient portfolio management purposes to: • reduce risk • manage the fund efficiently.
	Where the fund invests	• At least 80% in Europe (excluding the United Kingdom) • Up to 20% in other countries.
	Industries the fund invests in	• Any, except for those excluded at the sub-industry level below.
	Other limitations specific to this fund	• ~~None~~ Shares in the following types of company (held either directly or indirectly via derivatives) are automatically excluded: ○ Alcohol: companies which derive more than 10% revenue from alcoholic beverages; ○ Tobacco: companies which derive more than 10% revenue from tobacco; ○ Gambling: companies which derive more than 10% of revenue from gambling; ○ Nuclear power: companies which derive revenue from nuclear energy based power generation; ○ Weapons: companies: ▪ involved in the production of controversial weapons (including cluster munitions, landmines, biological and chemical weapons); or ▪ which produce or sell civilian firearms; or ▪ which manufacture armaments, nuclear weapons or associated strategic products; ○ Fossil fuels: companies which have reserves or engage in power generation or production related to thermal coal, oil or gas; ○ Companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption
Investment strategy		• The fund is actively managed. • A number of companies are removed from the investment universe at the outset of the investment process using the criteria set out in the investment policy above. • The manager seeks to invest in profitable and resilient companies with a robust business model offering an attractive risk-reward profile. • The manager assesses the quality of environmental, social and governance (ESG) processes and seeks to invest in companies that use their resources efficiently, invest in their business, and build contingent assets that will eventually contribute to cash flows over time. The manager believes that growth of cash flows and capital are a consequence of a company's sustainable practices across the organisation. Consequently, the manager does not typically invest in companies with a track record of cash flow and/or capital growth if the company exhibits material sustainability weaknesses. • The manager takes a holistic view of a company's sustainability processes. Whenever relevant and material, this view includes: an analysis of a company's purpose; the impact of the products or

	services it sells; its sustainability governance; carbon intensity and plans to reduce Greenhouse Gas Emission targets; relationship with suppliers; waste management and recycling efforts; product quality and safety; customer satisfaction; employee health, safety and well-being; ethical behaviour; company culture; employee diversity; fair tax policies; data privacy; cyber-security; quality of the governance body; and management incentivisation. The material sustainability elements vary from company to company. For example, resource intensity and carbon emissions are much more important for industrial companies than service or software companies. Company purpose and corporate culture, employee well-being and diversity tend to be more important for service companies than industrial ones. The manager systematically looks into all of these areas but focuses on material sustainability, key performance indicators and corporate practices. The manager selects companies believed to be best-in-class in material sustainability areas; a company stock is not purchased where there are serious concerns on material sustainability processes / indicators. Detailed assessment of the sustainability practices of companies is undertaken using proprietary and third-party research. • The manager takes a three-to-five year view on investments and believes in the power of compounding returns. • The end result is a portfolio of companies that the manager believes to be 'best in class' with the ability to grow earnings and cash flows through sustainable business practices. The fund is concentrated, typically investing in 30 to 40 companies at any time. • Engagement with company management of existing and potential companies in the portfolio is a fundamental element of the fund's investment process. Having a concentrated portfolio enables regular, meaningful interactions with the companies. The manager monitors the ESG factors of the portfolio companies on an ongoing basis and votes accordingly, unless restricted to do so. If it is the manager's opinion that there has been a persistent deterioration of sustainability practices within an investee company, even if the financial key performance indicators remain strong, the manager will review whether the company should remain in the portfolio and, if decided to no longer hold the investment, the fund will seek to realise its investment as soon as practicable taking into account the best interests of investors.