

# Artemis Funds (Lux) – Global Equity Income



Jacob de Tusch-Lec  
Fund manager, since  
launch



Sam Morley  
Analyst, since launch



James Davidson  
Analyst, since  
December 2018

Class I distribution shares, GBP

**February 2020**

Data as of 31 January 2020

## The fund's aims

The fund aims to increase the capital value of shareholders' investments while producing a higher dividend income than its benchmark. The fund invests principally in equities of companies selected on a global basis that exhibit strong levels of free cashflow generation, dividend distribution and dividend progression, and may also invest in other asset types including derivatives and fixed interest securities.

## Fund update

Global markets began the new decade in the same way they had ended the previous one, with share prices worldwide rising in anticipation of the signing of a long-awaited trade deal between the US and China.

This near-euphoria, however, proved short-lived... The outbreak of a novel coronavirus in the Chinese province of Hubei saw parallels being drawn with the Sars outbreak back in 2003. As the number of reported cases continued to rise, and with health officials seemingly having little ability to forecast how far it might spread or when it might be contained, financial markets wobbled.

Markets always dislike uncertainty. But the timing of this outbreak was particularly unfortunate given that investors had been positioning themselves in anticipation of a reacceleration in the global economy. Just as

leading indicators on the economy were turning positive, the virus prompted investors to reconsider their optimism about the year to come.

Although expectations for economic growth were lowered, central banks continued to support demand – and push asset prices higher. In response, stocks with a 'growth' profile (whose earnings grow relatively independently of fluctuations in the economic cycle) outperformed those whose fortunes are more responsive to (or dependent on) broader economic conditions. On a monthly basis, growth stocks outperformed cyclical by the largest margin in over 10 years. Our fund has a bias to cyclical stocks. So this abrupt about-turn in sentiment was unhelpful for its relative performance.

In addition to the unhelpful run higher in the

shares of growth stocks relative to cyclical, the struggles of the energy sector weighed on the fund's relative returns. The industry finds itself facing two longer-term challenges: concerns that demand for oil may have peaked and from the growing weight being accorded to 'ESG' (environmental, social, and governance) factors by investors. More immediately, however, the share prices of energy companies were dragged down by worries that the coronavirus could hit the global economy, which would have an immediate impact on demand for crude. While we have reduced our exposure to the energy sector, we believe oil majors have been under-investing in their productive capacities for years. That will need to change merely to maintain supplies at their current levels. So we hold stocks such as Borr Drilling, Hess, and Targa Resources, all of which hampered performance in the month.

## Composition

### Top ten long holdings

Rai Way	5.1%
General Motors	3.5%
Citigroup Inc	3.4%
Sanofi	3.3%
Blackstone Group	3.0%
Broadcom	2.9%
AXA	2.6%
INWIT	2.3%
Microsoft	2.2%
Iberdrola	2.1%

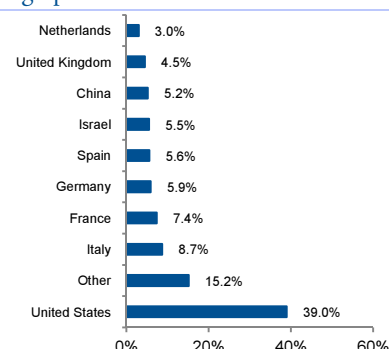
Source: Artemis as at 31 January 2020.

### Market sector split

Financials	24.7%
Information Technology	13.2%
Communication Services	12.3%
Industrials	12.2%
Materials	9.4%
Health Care	8.3%
Energy	6.8%
Consumer Discretionary	6.0%
Utilities	3.3%
Real Estate	1.9%
Consumer Staples	0.4%

Source: Artemis as at 31 January 2020. Please note that figures may not add up to 100% due to rounding and the cash holding.

### Geographic breakdown



Source: Artemis as at 31 January 2020. 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 Funds (Lux) – Global Equity Income	24.5%	5.7%	5.5%	-4.3%	0.9%
MSCI AC World NR GBP	63.0%	30.6%	15.8%	-0.2%	3.0%

Data prior to 31 May 2018 constitutes simulated past performance as it reflects performance of another Artemis fund following the same investment strategy as this fund. Source: Artemis/Lipper Limited. All figures show total returns with dividends reinvested.

### Discrete performance to year end

	2019	2018	2017	2016	2015
12 months to 31 December	16.0%	-13.4%	11.7%	21.8%	n/a

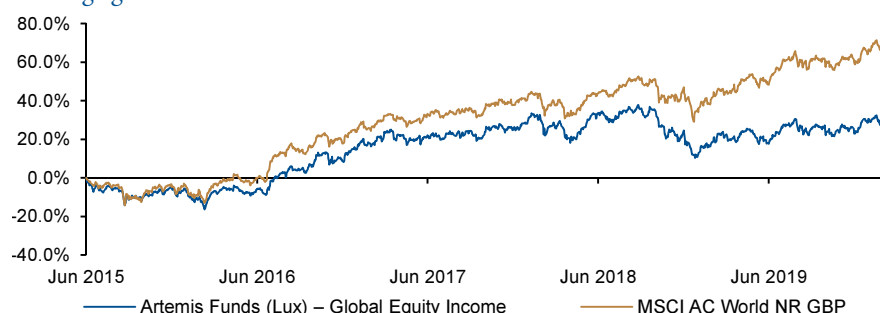
Please remember that past performance is not a guide to the future. Source as per cumulative performance table above. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the share class.

### Discrete performance to quarter end

	2019	2018	2017	2016	2015
12 months to 31 December	16.0%	-13.4%	11.7%	21.8%	n/a

Please remember that past performance is not a guide to the future. Source as per cumulative performance table above. 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 prior to 31 May 2018 constitutes simulated past performance as it reflects performance of another Artemis fund following the same investment strategy as this fund. Source: Artemis/Lipper Limited. All figures show total returns with dividends reinvested.

### Key facts

Fund type	SICAV
Focus	Income
Asset class	Equity
Regional focus	Global
Sector	Morningstar Global Equity Income
SEDOL	BZ1MHT7
ISIN	LU1805265953
Type	Distribution
Class currency	GBP
Distribution date	30 June, 31 December
Valuation point	16:00 CET
Year end	31 October
Fund launch date	31 May 2018
Class launch date	31 May 2018
Class launch price	£1.0000
SRRI	5
Fund size (mid basis)	£34.2m

Source: Artemis as at 31 January 2020.

### Price

Mid price	£0.9012
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Source: Artemis as at 31 January 2020.

### Charges

Initial charge	0%
Fund management fee	0.910%

The fund management fee is the same as the ongoing charge 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

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The fund is a sub-fund of Artemis Funds (Lux) a Luxembourg domiciled open-ended investment company (SICAV) which is a UCITS fund. The Management Company of the SICAV is FundRock Management Company S.A. The Global Distributor and Investment Manager is Artemis Investment Management LLP. The fund issues, redeems and exchanges shares of different classes. The fund is registered in Austria, France, Germany, Italy, Luxembourg, Norway, Spain, Switzerland and the UK. Such registrations are subject to applicable local laws and regulations and some sub-funds and/or share classes may not be available in all jurisdictions. Shares in the fund may not be offered to the public in any other jurisdiction and this document must not be issued or distributed other than in circumstances which do not constitute an offer to the public and are in accordance with local laws and regulations.

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Nothing contained in this document constitutes

investment, legal, tax or other advice and it is not to be relied on in making an investment or other decision. Subscriptions to a sub-fund may only be made on the basis of the current prospectus and the relevant Key Investor Information Document ("KIID") and Costs and Charges Information document, as well as the latest annual or interim reports.

Before subscribing you should read the Prospectus which includes important information about the risks associated with the fund.

The aforementioned documents can be obtained free of charge from the Global Distributor's website at [artemisfunds.com](http://artemisfunds.com), and/or its registered office at Cassini House, 57 St James's Street, London, SW1A 1LD and/or:

- in Austria: Erste Bank der Oesterreichischen Sparkassen AG, Am Belvedere 1, 1100 Vienna, Austria
- in France: CACEIS Bank France SA, 1-3 Place Valhubert, 75013 Paris.
- in Germany: German Fund Information Service UG (Haftungsbeschränkt), Zum Eichhagen 4, 21382 Brietlingen, Germany
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- in Spain: Allfunds Bank SA, Estafeta, 6, La Moraleja, Complejo Plaza de la Fuente, Alcobendas 28109, Madrid
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The fund may invest in emerging markets. The fund may invest in the shares of small and medium

sized companies.

The fund may invest in China A-Shares.

The fund may use derivatives with the aim of profiting from falling prices.

The fund may invest in fixed interest securities.

The fund may invest in higher yielding bonds.

The fund holds bonds which could prove difficult to sell.

As a result, the fund may have to lower the selling price, sell other investments or forego more appealing investment opportunities.

The fund may invest a portion of its assets in a currency other than the fund's accounting currency (US dollar).

For distribution shares, the fund's fund management fee is taken from capital.

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