

Artemis Funds (Lux) – Global High Yield Bond



Stephen Baines
Fund manager, since
launch



David Ennett
Fund manager, since
launch



Jack Holmes
Fund manager, since
launch

Class I accumulation shares, EUR hedged

April 2020

Data as of 31 March 2020

The fund's aims

The fund aims to increase the value of shareholders' investments through a combination of income and capital growth.

Fund update

Review of the market – High-yield bond markets fell significantly as the coronavirus disease (Covid-19) began to spread rapidly across Europe and North America. Western governments, reacting to the outbreak less effectively than we had anticipated, found themselves with no option other than to implement draconian restrictions on freedom of movement. These will have significant implications for businesses across a wide range of industries.

In addition to the impact of Covid-19, the oil market (which makes up a large proportion of the high-yield market) experienced a significant change following an announcement from Saudi Arabia that it intends to compete aggressively for market share by cutting prices. Coupled with a sharp fall in demand due to the economic downturn, this led to a collapse in the oil price. We believe this represents a fundamental shift

in the economics of the energy industry, and will lead to diminished cashflows for many energy companies.

Performance this month – In US dollar terms, the fund fell by 18.0%, underperforming the ICE BofA Global High Yield Constrained Index, which fell 12.7% (and with similar numbers for holders of sterling and euro share classes). This underperformance was clearly disappointing. It came from a number of areas of the portfolio. As we entered 2020, we had a broadly positive view of the global economy and this meant we were exposed to sectors that would benefit from economic growth. These sectors – such as automotive, energy, and travel & leisure – suffered the most when the spread of Covid-19 caused economies to shut down. Although we are disappointed by the performance of some of the holdings within the portfolio, we expect the vast majority of the companies we hold will be

able to weather the current crisis.

A warning about risk – This fund invests in high-yield bonds. These are bonds issued by companies which credit rating agencies regard as less safe and so pose a greater risk to capital. As a result, they pay a higher coupon (the regular payment made to holders of the bond). By analysing the prospects of companies who issue these bonds, the fund manager aims to find the right balance between risk and reward.

Fund moves – At the beginning of the month, we took the opportunity to sell a number of positions which we felt had not yet reacted to the shutdown in order to build up cash to invest in lower-priced bonds over the course of the month.

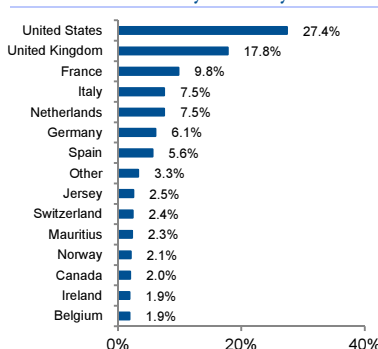
Composition

Top 10 holdings

Quatrim 5.875% 01/15/2024	2.7%
Drax Finco	2.6%
UniCredit 7.5%	2.5%
Teva Pharmaceuticals 6% 04/15/2024	2.5%
F-Brasile 7.375% 08/15/2026	2.5%
Intesa Sanpaolo 5.71% 01/15/2026	2.4%
Prime Services Borrower	2.4%
UBS Group 7%	2.4%
Credricole 7.875%	2.4%
Banco Bilbao Vizcaya Argentaria 6%	2.3%

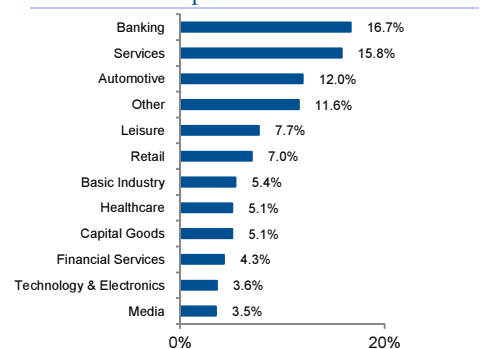
Source: Artemis as at 31 March 2020.

Asset allocation by country



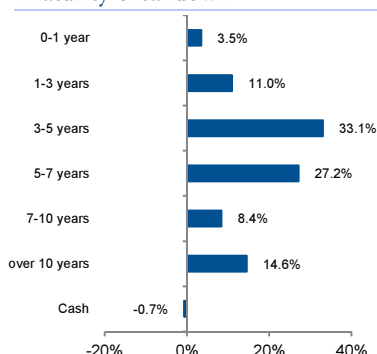
Source: Artemis as at 31 March 2020. Please note figures may not add up to 100% due to rounding.

Market sector split



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

Maturity breakdown



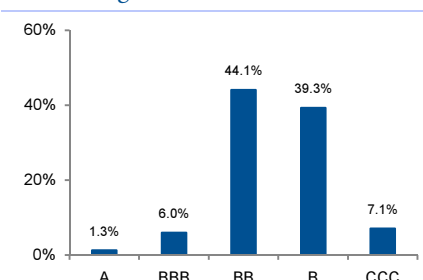
Source: Artemis as at 31 March 2020. Please note that figures may not add up to 100% due to rounding.

Currency exposure

US Dollar	48.9%
Euro	40.2%
British Pound	8.9%
Total	97.9%

Source: Artemis as at 31 March 2020. The aim is that once hedged the currency exposure will be close to 100% USD. Please note figures may not add up to 100% due to rounding and the cash holding.

Bond rating allocation



Source: As at 31 March 2020. Please note that figures may not add up to 100% due to rounding and cash holding.

Performance

Under financial services regulations, we are not permitted to provide information about the performance of this class until 12 months after its launch date. You may be able to obtain performance information from third parties.

Key facts

Fund type	SICAV
Focus	Income
Asset class	Bond
Regional focus	Global
SEDOL	BK6S8V4
ISIN	LU2031174936
Type	Accumulation
Class currency	EUR
Accumulation date	31 December, 31 March, 30 June, 30 September
Valuation point	16:00 CET
Year end	31 October
Fund launch date	13 November 2019
Class launch date	13 November 2019
Class launch price	€1.0000
SRRI	3
Effective duration	1.8
Fund size (mid basis)	€7.4m

Source: Artemis as at 31 March 2020.

Price

Mid price	€0.8213
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Source: Artemis as at 31 March 2020.

Charges

Initial charge	0%
Ongoing charge	0.510%

The ongoing charge is shown as at the date of the Key Investor Information Document, where further information about the fund's charges can be found.

Risks and important information

THIS INFORMATION IS FOR INVESTMENT PROFESSIONALS ONLY. IT IS NOT FOR USE WITH OR BY PRIVATE INVESTORS.

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