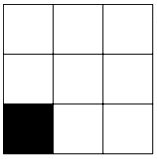
Artemis Strategic Bond Fund I Quarterly Acc

GB00B2PLJR10

Morningstar Analyst Rating
Silver
30 Jun 2017 17:00, UTC-0500

Morningstar Category	Category Index	Total Assets	Current Yield %	Inception Date	Domicile/ Currency	Morningstar Rating
Global Flexible Bond - GBP Hedged	BBgBarc Global Aggregate TR Hdg GBP	1,169.96 Mil GBP	5.38	07/03/08	GBR/GBP	★★★★★

Fixed Income Style

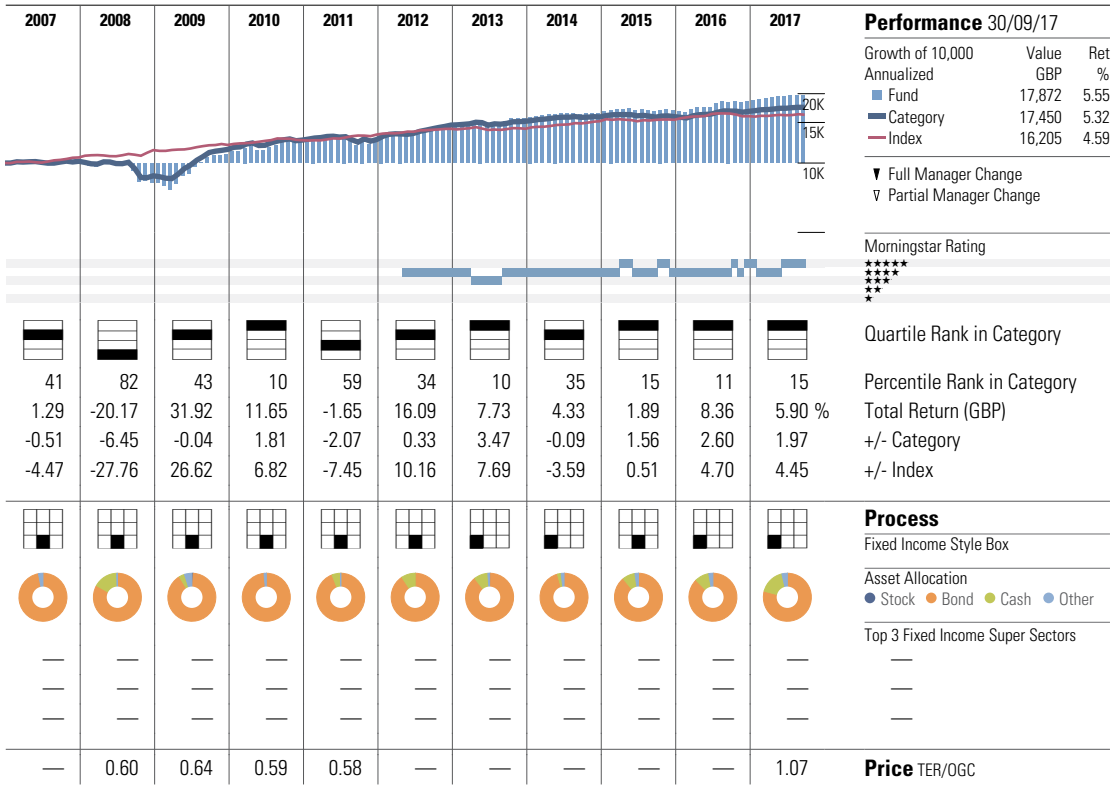


People

Alex Ralph	06/05
James Foster	06/05
Total Named Managers	2

Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive



Performance 30/09/17

Growth of 10,000 Annualized	Value GBP	Ret %
Fund	17,872	5.55
Category	17,450	5.32
Index	16,205	4.59

▼ Full Manager Change
▽ Partial Manager Change

Morningstar Rating

Quartile Rank in Category											
Percentile Rank in Category	41	82	43	10	59	34	10	35	15	11	15
Total Return (GBP)	1.29	-20.17	31.92	11.65	-1.65	16.09	7.73	4.33	1.89	8.36	5.90 %
+/- Category	-0.51	-6.45	-0.04	1.81	-2.07	0.33	3.47	-0.09	1.56	2.60	1.97
+/- Index	-4.47	-27.76	26.62	6.82	-7.45	10.16	7.69	-3.59	0.51	4.70	4.45

Process

Fixed Income Style Box

Asset Allocation
Stock Bond Cash Other

Top 3 Fixed Income Super Sectors

—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—

Price TER/OGC

—	0.60	0.64	0.59	0.58	—	—	—	—	—	1.07	

Analyst View

Ashis Dash, CFA, Associate Director

The managers have effectively executed this high-conviction, credit-biased strategy for more than a decade.

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Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum

Gold Silver Bronze Neutral Negative

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30 Jun, 2017 | The fund is a worthy choice for the risk-tolerant.

James Foster and Alex Ralph have comanaged this fund since its inception in June 2005, having joined Artemis in April that year. They have a long history of working together, back to their days at ISIS in 2002. Foster drew upon Ralph's developing expertise in high-yield while at ISIS, and later at F&C where he built a strong record managing F&C Strategic Bond, which had a similar mandate to this fund. The team has remained compact through the years, with the addition of an analyst in late 2014 taking the head count to three. That said, we view the managers' skill sets as complementary, with Foster focusing on investment-grade, especially financials, and Ralph on high-yield, particularly industrials. We appreciate that they have stuck to their core competencies and their collaboration has driven the fund's strong long-term results. Furthermore, both managers are invested in the fund, which aligns their interests with investors'.

The managers employ a relatively unconstrained, high-conviction strategy. It combines top-down views, driven by their assessment of the economic and credit cycles, with bottom-up elements. Despite the flexibility to invest across the credit spectrum globally, they have historically focused on issuers in the UK and Europe and moreso in high-yield space within those. Within high-yield, the emphasis is on credit selection, while on the investment-grade front, analysing sector fundamentals plays a greater role.

Unsurprisingly, this fund's credit bias has been the largest driver of its returns over time. From inception to May 2017, its returns are ahead of the global flexible bond -- GBP hedged Morningstar category and IA GBP Strategic Bond sector, but not without rough patches that correlate with weak credit markets such as 2008 and 2011. This highlights that the high-conviction approach with considerable exposure to high-yield and financials can be volatile and thus requires patience to play out. That said, given the managers' experience and their solid track record in executing this flexible strategy through the years, as well as the advantage of low fees, we maintain the fund's Morningstar Analyst Rating of Silver.

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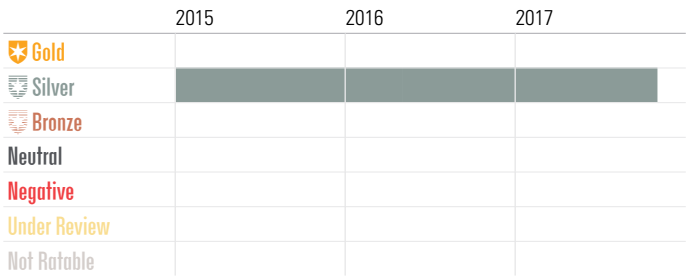
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The Five (5) Pillars

Morningstar has identified five key areas that we believe are crucial to predicting the future success of funds: People, Parent, Process, Performance, and Price. Each pillar is evaluated when assessing a fund as well as the interaction between the pillars, which we believe is crucial to understanding a fund's overall merit.

People

The overall quality of a fund's investment team is a significant key to its ability to deliver superior performance relative to its benchmark and/or peers. Evaluating a fund's investment team requires that analysts assess several relevant items including how key decisions are made.

Parent

We believe the parent organization is of utmost importance in evaluating funds. The fund's management set the tone for key elements of our evaluation, including capacity management, risk management, recruitment and retention of talent, and incentive pay. Beyond these operational areas, we prefer firms that have a culture of stewardship and put investors first to those that are too heavily weighted to salesmanship.

Process

We look for funds with a performance objective and investment process (for both security selection and portfolio construction) that is sensible, clearly defined, and repeatable. In addition, the portfolio should be constructed in a manner that is consistent with the investment process and performance objective.

Performance

We do not believe past performance is necessarily predictive of future results, and this factor accordingly receives a relatively small weighting in our evaluation process. In particular, we strive not to anchor on short-term performance. However, we do believe that the evaluation of long-term return and risk patterns is vital to determining if a fund is delivering to our expectations.

Price

To reflect actual investor experience, price is evaluated within the context of the relevant market or cross-border region—for example, the United States, Australia, Canada, or Europe. In recognition of differences in scale and distribution costs in various markets, the level at which a fund is penalised for high fees or rewarded for low fees can vary with region. In Europe, for example, funds are penalised if they land in the most expensive quintile of their Morningstar category and are rewarded if they land in the cheapest quintile. The assessment is made using annual expense ratios, but in the case of funds with performance fees, expenses are evaluated excluding any performance fees and then the structure of the performance fee is evaluated separately.

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Gold
Represents funds that our analyst has the highest-conviction in for that given investment mandate. By giving a fund a Gold rating, we are expressing an expectation that it will outperform its relevant performance benchmark and/or peer group within the context of the level of risk taken over the long term (defined as a full market cycle or at least five years). To earn a Gold rating, a fund must distinguish itself across the five pillars that are the basis for our analysis.

Silver
Represents funds our analyst has high-conviction in, but not in all of the five pillars. With those fundamental strengths, we expect these funds will outperform their relevant performance benchmark and/or peer group within the context of the level of risk taken over the long term (defined as a full market cycle or at least five years).

Bronze
Represents funds that have advantages that clearly outweigh any disadvantages across the pillars, giving analyst the conviction to award them a positive rating. We expect these funds to beat their relevant performance benchmark and/ or peer group within the context of the level of risk taken over a full market cycle (or at least five years).

Neutral
Represents funds in which our analysts don't have a strong positive or negative conviction. In our judgment, these funds are not likely to deliver standout returns, but they aren't likely to seriously underperform their relevant performance benchmark and/or peer group either.

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