

Artemis European Growth Fund Retail Class

GB0006600844

Morningstar Analyst Rating

Bronze

10 Sep 2015
19:30, UTC-0500

Morningstar Category

Europe ex-UK Small/Mid-Cap Equity

Category Index

MSCI Europe ex UK Small Cap NR
EUR

Total Assets

184.99
Mil GBP

Current Yield %

—

Inception Date

07/03/01

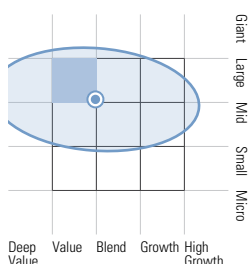
Domicile/Currency

GBR/GBP

Morningstar Rating

★★

Equity Style Map

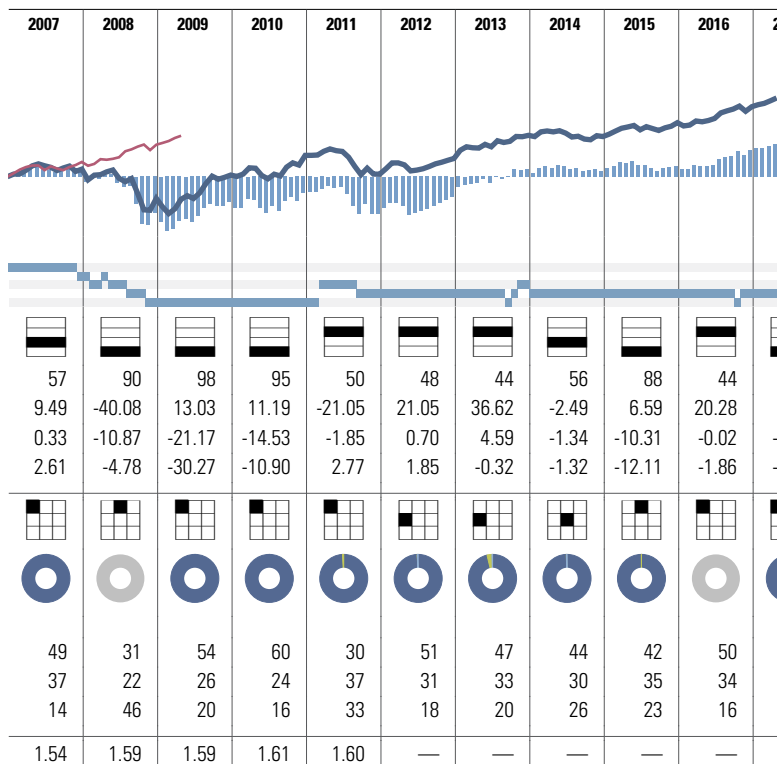


People

Philip Wolstencroft	03/01
Peter Saacke	12/02
Total Named Managers	2

Morningstar Pillars

Process	Positive
Performance	Neutral
People	Positive
Parent	Positive
Price	Neutral



Performance 30/04/17

Growth of 10,000	Value	Ret
Annualized	GBP	%
Fund	14,372	3.57
Category	26,529	9.91
Index	23,921	8.81

▼ Full Manager Change
▽ Partial Manager Change

Morningstar Rating

★★★★★

Quartile Rank in Category

Percentile Rank in Category

Total Return GBP

+/- Category

+/- Index

Process

Equity Style Box

Asset Allocation

● Stock ● Bond ● Cash ● Other

Equity Supersectors

📈 Cyclical

📉 Sensitive

📊 Defensive

Price TER/OGC

Analyst View

Muna Abu-Habsa, Fund Analyst

We believe this quant-led fund is capable of adding value over the long term.

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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

The Morningstar Analyst Rating for Funds is a forward-looking analysis of a fund. Morningstar has identified five key areas crucial to predicting the future success of a fund: People, Parent, Process, Performance, and Price. The pillars are used in determining the Morningstar Analyst Rating for a fund. Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken over the long term (defined as 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 over the long term (defined as a full market cycle or at least five years) and Negative represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance over the long term (defined as a full market cycle or at least five years). Past performance of a security may or may not be sustained in future and is no indication of future performance. For detailed information about the Morningstar Analyst Rating for Funds, please visit <http://global.morningstar.com/managerdisclosures>

10 Sep, 2015 | This fund remains a solid choice for investors who can stomach some bumpiness.

Investors in this fund would have undoubtedly been disappointed by its significant underperformance during the tough markets of the financial crisis and in 2011. However, despite these losses, we continue to believe the process and personnel behind this fund are capable of adding significant value over time. Indeed, the fund has outperformed its benchmark by a decent margin since its launch in 2001, and it has delivered strong results in the periods we have expected it to, including its solid benchmark-relative outperformance in 2012, 2013, and so far into 2015 (to 31 August).

Philip Wolstencroft and Peter Saacke have been at the helm since 2001 and 2002, respectively, and had previously worked together at Merrill Lynch. In the early 1990s, Wolstencroft developed the SmartGARP quant strategy used here, so he is well aware of its strengths and weaknesses through several cycles. We think highly of the managers and the experience they bring to the fund.

The quant model does not differ wildly from others of its kind, but it is well thought out. It ranks companies based on factors including

macro trends, fund manager sentiment, and bottom-up metrics, including value and growth factors, with earnings revisions having the highest weighting. As with many quant-led strategies, the fund can struggle during market inflection points when the model fails to recognise a secular shift in the market. Indeed, this held true for other funds using the model, too, although the losses were less severe in the global-equity fund due to the wider opportunity set.

We continue to believe this is a solid long-term holding, but its propensity to substantially underperform at market inflections makes it more suitable for investors who can tolerate sizable short-term losses and whose time horizons are long enough to ride out substantial drawdowns. The fund retains its Bronze Morningstar Analyst Rating.

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Morningstar Analyst Rating

	2015	2016	2017
 Gold			
 Silver			
 Bronze			
 Neutral			
 Negative			
 Under Review			
 Not Ratable			

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The date shown next to the Morningstar Analyst Rating is the date on which Morningstar Manager Research Analyst assigned or reaffirmed the current rating for the fund based on the analyst's latest review and research report for the fund.

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.

Morningstar Analyst Ratings

Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken.

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.

Negative

Represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance, such as high fees or an unstable management team. Because of these faults, we believe these funds are inferior to most competitors and will likely underperform their relevant performance benchmark and/or peer group, within the context of the level of risk taken, over a full market cycle.

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Not Ratable

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