

# Artemis Global Income Fund I Acc

## GB00B5ZX1M70

Morningstar Analyst Rating

Bronze

17 Aug 2017  
15:00, UTC-0500
**Morningstar Category**  
Global Equity Income

**Category Index**  
MSCI World High Dividend Yield NR USD

**Total Assets**  
4,104.74  
Mil GBP

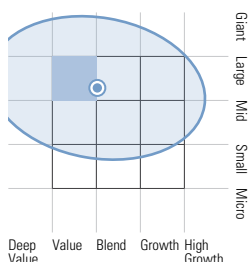
**Current Yield %**  
—

**Inception Date**  
19/07/10

**Domicile/Currency**  
GBR/GBP

**Morningstar Rating**  
★★★★★

### Equity Style Map



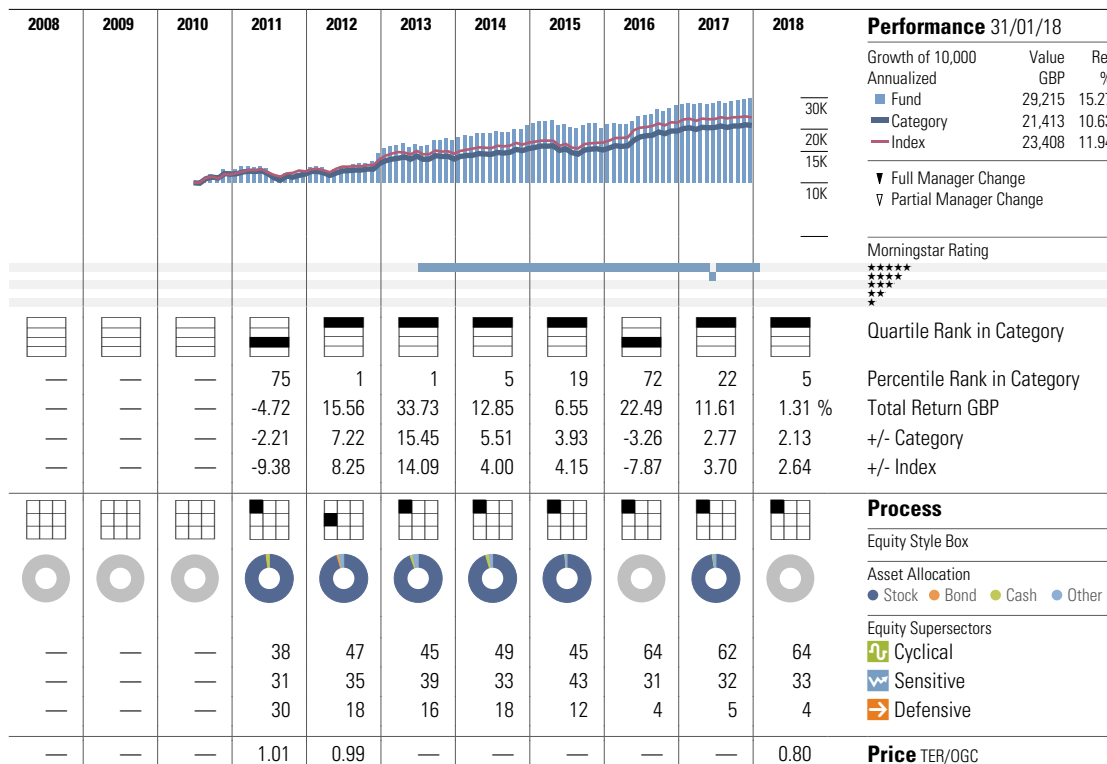
### People

Jacob de Tusch-Lec 07/10

Total Named Managers 1

### Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive



### Performance 31/01/18

Growth of 10,000 Annualized	Value GBP	Ret %
Fund	29,215	15.27
Category	21,413	10.63
Index	23,408	11.94

 ▼ 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

Jeffrey Schumacher, Associate Director

## A distinctive global equity income fund.

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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>

17 Aug, 2017 | Artemis Global Income remains a distinct offering when compared with its global equity-income peers.

The fund was launched in July 2010 and has been managed since by Jacob de Tusch-Lec, who joined Artemis in 2005. He is a manager with clear views, which he is not afraid to express in his portfolio. He is supported by two analysts and can also leverage on the work of Adrian Frost and Nick Shenton, who manage Artemis Income, the UK equity-income fund. In managing the fund, De Tusch-Lec combines his macroeconomic experience gained when working as a strategist at Merrill Lynch with bottom-up stock analysis. This combination brings a distinctive element to the fund, which differentiates itself further from the competition by the way the portfolio is constructed and managed.

The fund avoids the typical and potentially crowded dividend stocks that normally feature in global income portfolios. The fund is placed in the value column of the Morningstar Style Box, but De Tusch-Lec is flexible to invest across three buckets, namely core, growth and risk/special sits to the prevailing macro environment. The fund has a significant bias to mid-and small caps and a strong underweight in US equity

while preferring European stocks and from time to time also emerging markets. The portfolio is managed with conviction from a top-down perspective, but it is more diversified on the stock level. It consists of a core of around 50 names and a tail of smaller positions.

Over the past three years, deflationary, defensive stocks outperformed; growth outperformed value; and low beta outperformed high beta. De Tusch-Lec takes these observations into account when constructing his portfolio, which tilts towards cyclical sectors that can benefit from the reflation trade (financials, industrials, materials), while quality in terms of ROE, ROA and economic moats is clearly below the category average.

Despite the attractive distinctiveness of the fund, we have some reservations due to the rise in assets given the preference for small- and mid-caps. Liquidity seems to be somewhat limited for some smaller stocks, while we also noticed an increase in the number of holdings from 60 at inception to 90 currently. Our experience tells us to carefully monitor this. We have a high regard for the manager and the support he receives from his colleagues. The fund retains our Morningstar Analyst Rating of Bronze.



# Morningstar Global Fund Report

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**Morningstar Analyst Rating**

	2016	2017	2018
 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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This designation means that a change that occurred with the fund or at the fund company requires further review to determine the impact on the rating.

**Not Ratable**

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