



Artemis Corporate Bond Fund

Class I accumulation shares, GBP

MARKETING MATERIAL

109.31p
price at 30 Sep 2020

0.400%
ongoing charge

October 2020 (data as of 30 September 2020)

OBJECTIVE AND INVESTMENT POLICY

Objective	To generate a return greater than the iBoxx £ Collateralized & Corporates Index, after fees, over rolling three-year periods, through a combination of income and capital growth.	
Investment policy	What the fund invests in	<ul style="list-style-type: none"> At least 80% in investment grade corporate bonds. The fund may also invest in other bonds, cash and near cash, preference shares, convertibles, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives. At least 80% of the fund will be denominated in or hedged back to sterling.
	Use of derivatives	The fund may use derivatives: <ul style="list-style-type: none"> to achieve the fund objective to produce additional income or growth for efficient portfolio management purposes to reduce risk and manage the fund efficiently.
	Where the fund invests	<ul style="list-style-type: none"> Sterling corporate bonds To a lesser extent, global corporate bonds (including emerging markets). In this context, emerging market countries means countries included in the MSCI Emerging Markets Index and those included in the World Bank definition of developing economies or those countries which are, in the manager's opinion, developing countries.
	Industries the fund invests in	<ul style="list-style-type: none"> Any
	Credit quality of bonds the fund invests in	<ul style="list-style-type: none"> At least 80% in investment grade corporate bonds, being <ul style="list-style-type: none"> BBB- or above by Standard & Poor's; or BBB- or above by Fitch; or Baa3 or above by Moody's
	Other limitations specific to this fund	<ul style="list-style-type: none"> None
Investment strategy	<ul style="list-style-type: none"> The fund is actively managed. Investment opportunities across the corporate bond and broader fixed income markets are assessed. Returns of the fund are driven by four pillars: <ul style="list-style-type: none"> active asset allocation across the credit market stock selection sector allocation duration decisions The fund seeks bonds with the potential for positive changes to their investment outlook, either through improving corporate health or the market having taken an overly negative view on the issuer's prospects. The fund also seeks bonds with the potential for upside surprise through corporate restructurings or tax and/or legislative change that may lead to early redemption at a higher price. 	
Benchmarks	<ul style="list-style-type: none"> iBoxx £ Collateralized & Corporates Index A widely-used indicator of the performance of sterling-denominated corporate investment grade bonds, in which the fund invests. It acts as a 'target benchmark' that the fund aims to outperform. Management of the fund is not restricted by this benchmark. IA £ Corporate Bond NR A group of asset managers' funds that invest in similar asset types to the fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark. 	

INVESTMENT COMMENTARY

A word on risk

This fund invests in corporate bonds, a type of debt that is issued by a company and sold to investors. The company gets the capital it needs while the investor receives a pre-determined number of coupons - interest payments - at either a fixed or variable interest rate for the life of the bond.

Unless a company runs into financial difficulties, these coupon payments tend to be predictable and reliable. But the capital value of bonds can be volatile and your capital is usually considered to be at greater risk in corporate bonds than in government bonds.

September in review

The difference in yields between government and corporate bonds - 'spreads' - widened in September. The increase in risk aversion was due to a growing number of Covid-19 cases, delays on developing an effective vaccine and renewed concerns about a potential no-deal Brexit.

Activity

The new issue market was busy following a quiet summer. We bought a new issue from Virgin Money that subsequently performed very strongly. We have since taken profits on the bond. We also took profits on a number of positions where we felt the risk/reward was no longer compelling. These included Motability, DS Smith, DWR Cymru Welsh Water and National Grid. We reduced some financial bonds following robust gains and reinvested the proceeds into legacy bonds from Rabobank and Lloyds. We bought Sodexo and Logisor. We also bought some bonds issued by airports following severe underperformance.

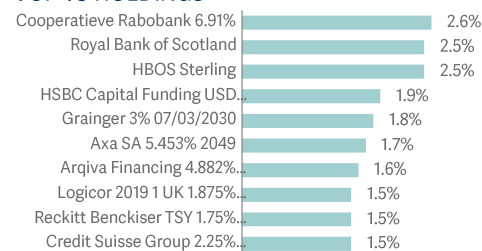
Looking ahead, we think the outlook for corporate bonds is attractive. We favour financials, diversified real estate (apart from retail real estate) and healthcare. We continue to avoid sectors which we believe are structurally challenged, such as retail.

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.

COMPOSITION

TOP 10 HOLDINGS



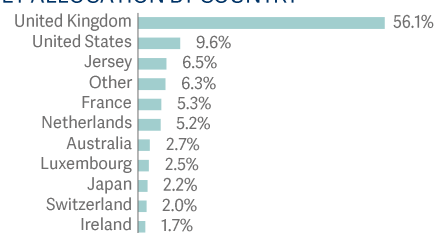
Source: Artemis as at 30 September 2020.

MARKET SECTOR SPLIT

Banks	21.2%
Utilities	10.4%
Insurance	10.1%
Housing Associations	7.5%
Real Estate	7.0%
Whole Business Securitized	4.6%
Industrial Goods & Services	4.5%
Financial Services	4.0%
Health Care	4.0%
MBS	3.3%
Media	3.1%
Others	19.2%

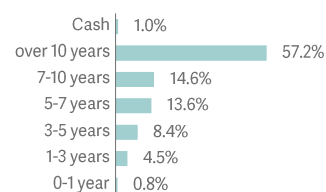
Source: Artemis as at 30 September 2020. Figures may not add up to 100% due to rounding and cash holdings.

ASSET ALLOCATION BY COUNTRY



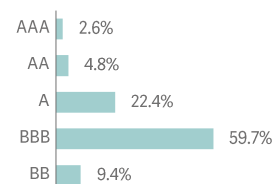
Source: Artemis as at 30 September 2020. Figures may not add up to 100% due to rounding and cash holdings.

BOND MATURITY BREAKDOWN



Source: Artemis as at 30 September 2020. Figures may not add up to 100% due to rounding.

BOND RATING ALLOCATION



Source: Artemis as at 30 September 2020. Figures may not add up to 100% due to rounding and cash holdings.

CURRENCY EXPOSURE

British Pound	83.4%
Euro	9.0%
US Dollar	6.6%
Total	99.0%

Source: Artemis as at 30 September 2020. Figures may not add up to 100% due to rounding and cash holdings. The aim is that, once hedged, currency exposure will be close to 100% GBP.

RISK CONSIDERATIONS

To ensure you understand whether this fund is suitable for you, please read the Key Investor Information which is available, along with the fund's Prospectus, from www.artemisfunds.com or www.fundinfo.com.

The fund is exposed to the following risks:

Market volatility risk	The value of the fund and any income from it can fall or rise because of movements in stockmarkets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
Currency risk	The fund's assets may be priced in currencies other than the fund base currency. Changes in currency exchange rates can therefore affect the fund's value.
Derivatives risk	The fund may invest in derivatives with the aim of profiting from falling ('shorting') as well as rising prices. Should the asset's value vary in an unexpected way, the fund value will reduce.
Credit risk	Investments in bonds are affected by interest rates, inflation and credit ratings. It is possible that bond issuers will not pay interest or return the capital. All of these events can reduce the value of bonds held by the fund.
Bond liquidity risk	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.

OTHER INFORMATION

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The fund is a sub-fund of Artemis Investment Funds ICVC (an "OEIC"). For further information, visit www.artemisfunds.com/oeic.

Visit www.artemisfunds.com/glossary for an explanation of investment terms.

Third parties (including FTSE and Morningstar) whose data may be included in this document do not accept any liability for errors or omissions. For information, visit www.artemisfunds.com/third-party-data.


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Any forward-looking statements are based on Artemis' current expectations and projections and are subject to change without notice.


Issued by Artemis Fund Managers Ltd which is authorised and regulated by the Financial Conduct Authority.

FUND DATA

INVESTMENT TEAM



Stephen Snowden
Fund manager,
since launch



Grace Le
Co-manager,
since 31 March
2020

KEY FACTS

Fund type	OEIC
Asset class	Bond
Focus	Income
Regional focus	Global
SEDOL	BFZ91W5
ISIN	GB00BFZ91W59
Fund launch date	30 October 2019
Class launch date	30 October 2019
Class currency	GBP
Class launch price	100.00p
Valuation point (UK business days)	12:00
Year end	28 February
Accumulation date	31 October, 31 January, 30 April, 31 July
Fund size	£391.0m

Source: Artemis as at 30 September 2020.

PRICE AND YIELDS

Price	109.31p
Distribution yield	2.32%
Underlying yield	2.07%

Source: Artemis as at 30 September 2020. The distribution yield is an estimate of the income that may be expected to be received over the forthcoming year as a percentage of the fund's price. Investors may be subject to tax on their distributions. The underlying yield is calculated in the same way as the distribution yield but is net of charges and therefore lower than the distribution yield.

CHARGES

Initial charge	0%
Ongoing charge	0.400%

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

RISK AND REWARD PROFILE



The fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the fund may have risen and fallen in the past due to movements in markets, currencies and interest rates). It may not be a reliable indication of the future risk profile of the fund.

DISTRIBUTION HISTORY

Record date	Ex-dividend date	Payment date	Distribution
31 Aug 2020	01 Sep 2020	30 Oct 2020	0.5913p
29 Feb 2020	29 Feb 2020	30 Apr 2020	0.5429p
29 Nov 2019	02 Dec 2019	31 Jan 2020	0.1598p

Source: Artemis. Distribution is per unit/share. For accumulation classes, distributions are reinvested and reflected in the price. Maximum last 10 distributions shown.

