Artemis Income Fund

Class I accumulation units, GBP

Adrian Frost
Fund manager, since January 2002

Nick Shenton
Fund manager, since October 2012

Andy Marsh
Fund manager, since February 2018

July 2019
Data as of 30 June 2019

The fund's aims

The fund aims to produce a rising income with capital growth from a portfolio primarily made up of investments in the UK including ordinary shares, convertibles and fixed interest securities.

Fund update

Equity markets added to their strong year-to-date performance in June. None of the negatives – whether regarding trade, Brexit or various world leaders extending hostility (or even hospitality) to one another – were particularly new. In the UK, it could be said that a looming change of prime minister is worthy of note but the market seems wary of expecting much relief in the Brexit impasse as a result.

Perhaps the most talked-about topic was bond yields – or the lack of them. We have been here before. While vanishing (or even negative) bond yields have the effect of putting equities in a relatively attractive light, that underlying economic growth is so lacklustre in an environment where money costs nothing is unsettling.

Another perspective: at a time when the prudence of governments is on the wane, do you want to be paid next to nothing to own their bonds? Or would you rather invest in companies whose cashflows are relatively attractive and which are being generated by managements and boards that will seek to protect and grow them with appropriate prudence and governance. Ask not what our country can do for you… Think what our companies might do for your portfolio. Viewed from this perspective, the strong performance of equities so far this year is more readily explicable.

Our activity during June was minimal, although we did redirect some capital towards those holdings that have been left behind by this year's rally in the market.

Third party endorsements are not a recommendation to buy. For information, visit artemisfunds.com/endorsements.

Composition

Top ten holdings

3i	5.5%
BP	5.3%
RELX Group	4.7%
Royal Dutch Shell	4.3%
GSK	3.8%
Tesco	3.3%
Informa	3.3%
Segro	3.3%
Legal & General	3.0%
Rio Tinto	2.8%

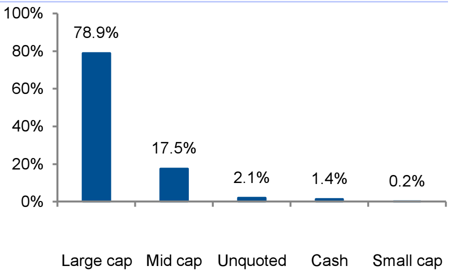
Source: Artemis as at 30 June 2019.

Market sector split

Financials	37.9%
Consumer Services	20.3%
Oil & Gas	9.5%
Industrials	7.1%
Consumer Goods	6.7%
Healthcare	6.0%
Basic Materials	4.6%
Telecommunications	3.1%
Collective Investments	2.1%
Technology	0.9%
Utilities	0.4%

Source: Artemis as at 30 June 2019. Please note that figures may not add up to 100% due to rounding and the cash holding.

Asset allocation



Source: Artemis as at 30 June 2019. Please note figures may not add up to 100% due to rounding.

Performance

Cumulative performance

	Since launch	5 years	3 years	1 year	6 months
Artemis Income Fund	412.1%	37.6%	29.1%	-1.4%	14.0%
FTSE All-Share TR	311.5%	35.8%	29.5%	0.6%	13.0%

'Since launch' data from 3 February 2003 to 7 March 2008 reflects class R accumulation units, and from 7 March 2008 to 30 June 2019 reflects class I accumulation units, mid to mid in sterling. All figures show total returns with dividends reinvested. From 4 February 2019, this fund changed from a dual-priced to single-priced basis; historic performance is unaffected.

Discrete performance to year end

	2018	2017	2016	2015	2014
12 months to 31 December	-9.8%	12.6%	10.5%	5.2%	4.3%

Please remember that past performance is not a guide to the future. Source: Lipper Limited, mid to mid in sterling. All figures show total returns with dividends reinvested.

Discrete performance to quarter end

	2019	2018	2017	2016	2015
12 months to 30 June	-1.4%	9.0%	20.2%	0.0%	6.6%

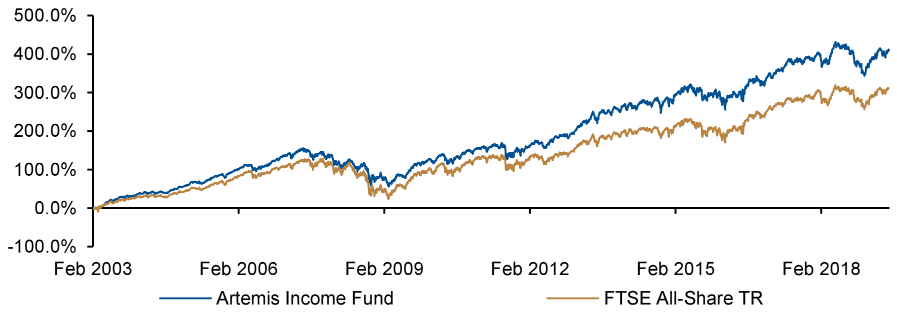
Please remember that past performance is not a guide to the future. Source: Lipper Limited, mid to mid in sterling. All figures show total returns with dividends reinvested.

Key facts

Fund type	Unit trust
Focus	Income
Asset class	Equity
Regional focus	United Kingdom
IA sector	IA UK Equity Income NR
SEDOL	B2PLJH1
ISIN	GB00B2PLJH12
Type	Accumulation
Class currency	GBP
Accumulation/distribution date	31 December, 30 June
Valuation point (UK business days)	12:00
Year end	30 April
Fund launch date	6 June 2000
Class launch date	7 March 2008
Class launch price	204.84p
SRRI	5
Fund size (mid basis)	£5,747.8m

Source: Artemis as at 30 June 2019.

Percentage growth



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Prices and yield

Mid price	471.83p
Historic yield	4.22%

The historic yield reflects distributions declared over the past twelve months as a percentage of the mid-market price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions.

Charges

Initial charge	0%
Ongoing charge	0.800%

The ongoing charge includes the annual management charge of 0.75% and is shown as at the date of the Key Investor Information Document (KIID), where a full explanation of the fund's charges can be found.

Risks and important information

To ensure you understand whether this fund is suitable for you, please read the Key Investor Information Document and Costs and Charges Information document, which are available, along with the fund's Prospectus, from artemisfunds.com

The value of any investment, and any income from it, can rise and fall with movements in stockmarkets, currencies and interest rates. These can move irrationally and can be affected unpredictably by diverse factors, including political and economic events. This could mean that you won't get back the amount you originally invested.

The fund's past performance should not be considered a guide to future returns.

Because one of the key objectives of the fund is to provide income, some or all of the annual management charge is taken from capital rather than income. This can reduce the potential for capital growth.

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