Artemis Global Income Fund

Class I accumulation units, GBP

Jacob de Tusch-Lec
Fund manager, since launch

Sam Morley
Analyst, since April 2016

James Davidson
Analyst, since December 2018

March 2020
Data as of 29 February 2020

The fund's aims

The fund aims to achieve a rising income combined with capital growth from a wide range of investments. The fund will mainly invest in global equities but may have exposures to fixed interest securities. We will not be restricted in our choice of investments, regardless of size of the company, the industry it trades in or the geographical split of the portfolio.

Fund update

Despite the spread of the coronavirus beyond China, global markets continued to move higher for much of February, sending US market indices to new record highs. That complacency, however, was dispelled by warnings as companies such as Apple, Microsoft and Mastercard began to anticipate the negative impact the coronavirus would have on profits.

Amid much volatility, equity markets fell sharply in the final days of the month.

Markets are now expecting the coronavirus to trigger a global recession (whether the world is 'talking itself into recession' or not is largely irrelevant). Investors responded by sheltering in 'safe haven' assets, pushing prices up and yields down: the benchmark for risk-free borrowing, the 10-year US Treasury bond, is now yielding less than 1%.

As investors slashed their forecasts for economic growth, the energy sector (along with resources stocks more broadly) suffered. Amid continued travel restrictions, disruptions to supply chains and factory closures, oil dropped by almost 20%. Borr Drilling – a stock that performed strongly for us in December – fared particularly poorly, falling by 60.6%. Similarly, our holding in Novatek, a Russian liquefied natural gas (LNG) stock, struggled as the already-depressed price of natural gas (a consequence of the abnormally mild winter in the northern hemisphere) tumbled even further.

Counterintuitively perhaps, markets in China, where the virus emerged, were among the month's best performers. Share prices there already reflected the negative impact of the disease – and the rate at which the disease was spreading began to slow, even as the rate of transmission in the rest of the world was accelerating. In keeping with this, we saw strong contributions from our Chinese cement stocks: Anhui Conch Cement (up 17.5%) and China Resources Cement (up 14.6%).

Our thesis for holding them stems, in part, from the Chinese government's 'Blue Sky' initiative. This is a campaign to reduce pollution across 82 cities which together represent just over 40% of China's GDP. As part of this, Beijing wants to see smaller, more polluting cement producers closing and is encouraging the consolidation of cement production in the hands of more efficient operators. Our stocks belong to the latter camp. In addition to the environmental benefits, one result has been a curtailment in the supply of cement which has, in turn, supported its price. Elsewhere, Shikun & Binui, the fund's highest-returning stock in 2019, rose by 13.7% in sterling terms.

The Adviser Centre Recommended ELITE FUND rated by FundCalibre.com

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Composition

Top ten holdings

Rai Way	5.2%
Sanofi	3.9%
General Motors	3.0%
Citigroup Inc	3.0%
Blackstone Group	3.0%
Iberdrola	2.8%
AXA	2.6%
Broadcom	2.6%
INWIT	2.5%
China Conch Venture	2.5%

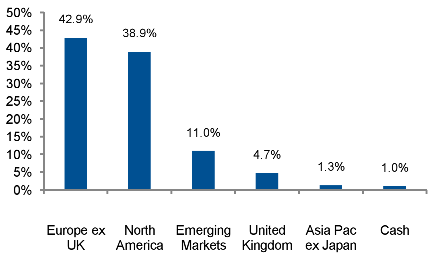
Source: Artemis as at 29 February 2020.

Market sector split

Financials	24.2%
Information Technology	13.0%
Communication Services	12.4%
Health Care	10.8%
Industrials	10.4%
Materials	10.0%
Energy	5.9%
Consumer Discretionary	5.6%
Utilities	4.2%
Real Estate	2.0%
Consumer Staples	0.2%

Source: Artemis as at 29 February 2020. Please note that figures may not add up to 100% due to rounding and the cash holding.

Geographic breakdown



Source: Artemis as at 29 February 2020. 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 Global Income	162.9%	24.0%	-3.1%	-3.6%	-6.8%
MSCI AC World NR GBP	165.5%	58.5%	19.2%	8.2%	-3.6%
IA Global Equity Income NR	128.0%	41.3%	11.7%	4.7%	-4.8%

'Since launch' data from 19 July 2010. Source: Lipper Limited, mid to mid in sterling to 29 February 2020. 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. Benchmarks shown are for comparison: further information can be found in the fund's Key Investor Information Document. This class may be in a currency or have charges or a hedging approach different from those in the IA sector benchmark.

Discrete performance to year end

	2019	2018	2017	2016	2015
12 months to 31 December	16.2%	-12.5%	11.6%	22.5%	6.6%

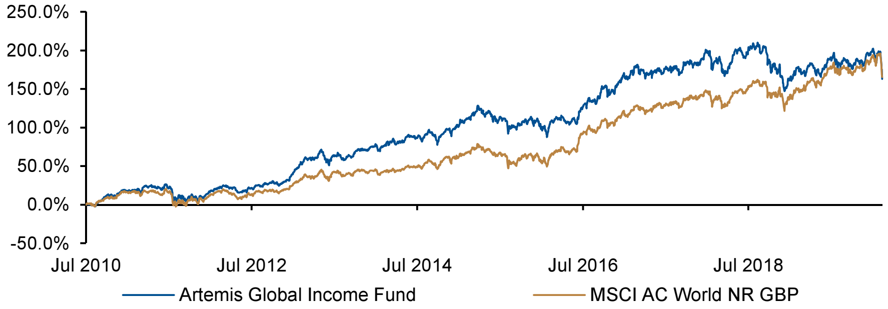
Please remember that past performance is not a guide to the future. Source: Lipper Limited, mid to mid in sterling. All figures show total returns with dividends reinvested.

Discrete performance to quarter end

	2019	2018	2017	2016	2015
12 months to 31 December	16.2%	-12.5%	11.6%	22.5%	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.

Percentage growth



Data from 19 July 2010. Source: Lipper Limited, mid to mid in sterling to 29 February 2020. 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.

Key facts

Fund type	Unit trust
Focus	Income
Asset class	Equity
Regional focus	Global
IA sector	IA Global Equity Income NR
SEDOL	B5ZX1M7
ISIN	GB00B5ZX1M70
Type	Accumulation
Class currency	GBP
Accumulation date	31 March, 30 September
Valuation point (UK business days)	12:00
Year end	31 July
Fund launch date	19 July 2010
Class launch date	19 July 2010
Class launch price	50p
SRRI	5
Fund size (mid basis)	£2,068.1m

Source: Artemis as at 29 February 2020.

Prices and yield

Mid price	125.01p
Historic yield	3.53%

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	0.850%

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.

The fund may invest in emerging markets, which can involve greater risk than investing in developed markets. In particular, more volatility (sharper rises and falls in unit/share prices) can be expected.

The fund may invest in the shares of small and medium-sized companies. Shares in smaller companies carry more risk than larger, more established companies because they are often more volatile and, under some circumstances, harder to sell. In addition, information for reliably determining the value of smaller companies – and the risks that owning them entails – can be harder to come by.

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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