

Artemis Global Income Fund



Jacob de Tusch-Lec
Fund manager, since launch



Sam Morley
Analyst, since April 2016



Jacob Brahms
Analyst, since May 2016



James Davidson
Analyst, since December 2018

Class I accumulation units, GBP

August 2019

Data as of 31 July 2019

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

We are continuing to bring a greater degree of balance to our portfolio. On the one hand, we recognise the beneficial effect that continued growth – albeit modest – in the wider economy will have on the earnings of some of our cyclical value stocks. Their valuations are low (value has rarely – if ever – looked cheaper relative to growth) and their dividend yields are well underpinned.

Equally, however, we recognise the potential fragility of that economic growth. Bond yields are falling because investors are worried about the global economy, particularly given some of the rhetoric around trade and tariffs (and Brexit). There is too much debt – and there's no inflation. Despite having supplied free money for a decade, central banks are consistently undershooting their inflation targets. If the worries about the current deterioration of the business cycle are well founded, then our

cyclical value stocks seem unlikely to rally – or to narrow the gap with growth – in the short term. Through July, we therefore continued to broaden the portfolio, nudging it slightly more towards quality and defensiveness by adding to holdings such as Iberdrola, Vinci, Microsoft and Sanofi.

That rates are now more likely to move down than up has implications for our US bank stocks, an area we have been overweight in over the past couple of years. We still like their well-supported dividends and their modest valuations. But we accept that they won't be able depend on a steepening of the yield curve – a widening of the gap between their (short-term) borrowing costs and what they can charge to lend to their customers over the longer term – to pad their margins. So we have cut the size of our positions in Comerica and Zions Bank.

Elsewhere in the portfolio, a number of our larger positions performed well in July. The advent of 5G is hastening the drive towards the consolidation of TV and telecoms companies' towers networks. By sharing base stations, they can improve coverage while also reducing costs. Our Italian infrastructure stocks Inwit and Rai Way have been among the beneficiaries – both in July and over the year to date. We also saw signs of recovery in some of those stocks that had been most badly beaten up in recent months, particularly memory companies such as Micron and Nanya, where we seeing indications of a bottoming out in the pricing of computer memory.



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

Composition

Top ten holdings

INWIT	3.9%
General Motors	3.6%
Rai Way	3.6%
Citigroup Inc	3.1%
Bank Leumi Le-Israel	2.5%
Broadcom	2.3%
Verizon Communications	2.2%
Housing & Construction Holding	2.2%
Blackstone Group	2.1%
Microsoft	2.0%

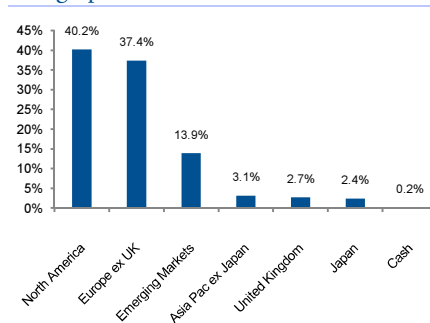
Source: Artemis as at 31 July 2019.

Market sector split

Financials	23.6%
Communication Services	14.2%
Industrials	13.4%
Energy	10.8%
Materials	10.7%
Information Technology	9.7%
Consumer Discretionary	7.7%
Utilities	3.4%
Health Care	2.8%
Real Estate	2.5%
Consumer Staples	0.8%

Source: Artemis as at 31 July 2019. Please note that figures may not add up to 100% due to rounding and the cash holding.

Geographic breakdown



Source: Artemis as at 31 July 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 Global Income	196.9%	57.7%	28.9%	-2.0%	11.3%
MSCI AC World NR GBP	180.5%	88.8%	45.0%	10.3%	16.1%

'Since launch' data from 19 July 2010. Source: Lipper Limited, mid to mid in sterling to 31 July 2019. 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	-12.5%	11.6%	22.5%	6.6%	12.9%

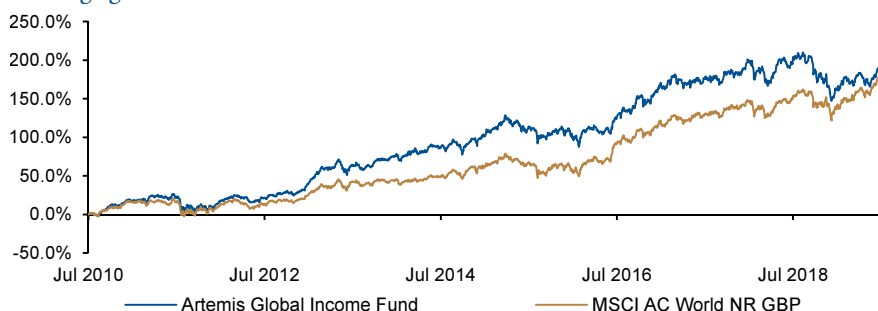
Please remember that past performance is not a guide to the future. Source: Lipper Limited, mid to mid in sterling. All figures show total returns with dividends reinvested.

Discrete performance to quarter end

	2019	2018	2017	2016	2015
12 months to 30 June	-3.6%	8.7%	24.8%	3.5%	11.0%

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 31 July 2019. 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)	£3,260.8m

Source: Artemis as at 31 July 2019.

Prices and yield

Mid price	141.20p
Historic yield	3.03%

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	0.825%

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 have investments concentrated in a limited number of companies, industries or sectors. This can be more risky than holding a wider range of investments.

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

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