

Artemis Monthly Distribution Fund



James Foster
Fund manager, since
launch



Jacob de Tusch-Lec
Fund manager, since
launch

Class I accumulation units, GBP

November 2019
Data as of 31 October 2019

The fund's aims

The fund aims to achieve an income in addition to capital growth through an actively managed combination of global equities and bonds.

Fund update

Although indicators charting the health of the global economy continued to point towards weakness, encouraging political developments meant investors rediscovered their appetite for riskier assets in October. The markets were cheered by the progress being made in the US-China trade dispute ('phase one' of their deal edged closer). At home, Boris Johnson agreed possible terms for the UK's withdrawal from the EU, so easing fears of a 'no deal' Brexit.

As optimism increased, government bond yields in Europe and the UK rose (so their prices fell). US Treasury yields clawed back some of their earlier losses in the last days of the month, as the Fed's unsurprising decision to cut interest rates was accompanied by some less-expected signals around the unlikelihood of future rate hikes.

As the risks of a no-deal Brexit were reduced,

spreads (the premium corporate borrowers must pay relative to the government) on sterling-denominated bonds tightened. But this wasn't enough to offset the negative effects that the underlying rise in government bond yields had on returns.

October was a relatively uneventful month in the high-yield bond market. Here, the tightening in spreads on better performing issues was enough to offset the drag from moves in the government bond market. Within that, however, the market continued to punish any issuers showing signs of distress, although this did not apply to any of our holdings.

Similar forces were at work in the equity market. Share prices worldwide rose as geopolitical tensions eased a little. Interestingly, there were signs of a shift towards unfashionable stocks trading on low price-to-earnings multiples –

'value stocks'.

We took advantage of the strong performance of financial bonds to reduce our exposure to riskier names such as Just Group (UK life insurance) and Provident Financial (UK consumer credit). We then added to new high-yield bond issues from companies including Wind Hellas (Greek telecoms), Kraton (chemicals) and Evoca (coffee machines).

In the fund's equity component, we added to our position in GM. The United Auto Workers union went on strike in September, picketing GM's plants and bringing some of its operations grinding to a halt. That strike, however, is now vanishing into the rear-view mirror.



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

Composition

Market sector split

Financials	26.7%
Communication Services	11.8%
Utilities	11.7%
Industrials	9.8%
Energy	8.2%
Consumer Discretionary	7.9%
Government Bonds	5.6%
Health Care	5.1%
Real Estate	3.9%
Materials	3.4%
Information Technology	3.0%
Consumer Staples	2.2%

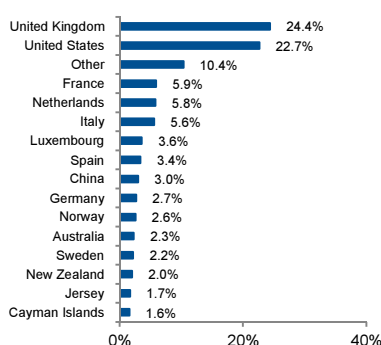
Source: Artemis as at 31 October 2019. Please note that figures may not add up to 100% due to rounding and the cash holding.

Top five bond positions

US Treasury 3.125% 11/2028	2.2%
US Treasury 1.25% 08/31/2024	1.5%
Tullow Oil 7% 2025	0.9%
US Treasury 2.375% 05/15/2029	0.9%
DKT Finance Aps 7% 06/17/2023	0.7%

Source: Artemis as at 31 October 2019.

Asset allocation by country



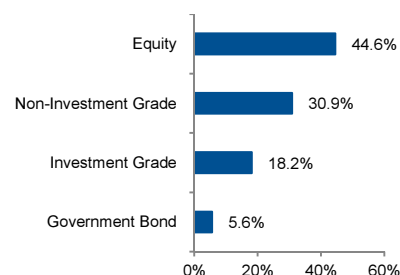
Source: Artemis as at 31 October 2019. Please note figures may not add up to 100% due to rounding.

Top five equity positions

Blackstone Group	2.0%
Guangdong Investment	1.7%
Verizon Communications	1.6%
Iberdrola	1.6%
Sanofi	1.6%

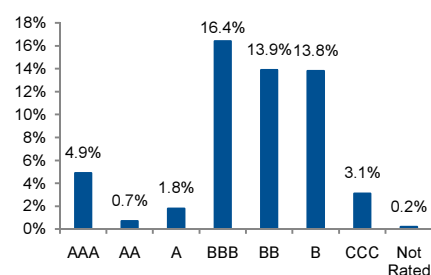
Source: Artemis as at 31 October 2019.

Asset allocation



Source: Artemis as at 31 October 2019. Please note figures may not add up to 100% due to rounding.

Bond rating allocation



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

Performance

Cumulative performance

	Since launch	5 years	3 years	1 year	6 months
Artemis Monthly Distribution	103.5%	43.3%	11.6%	5.3%	2.7%
IA Mixed Investment 20-60% Shares NR	54.3%	27.3%	12.0%	6.7%	2.3%

'Since launch' data from 21 May 2012. Source: Lipper Limited, mid to mid in sterling to 31 October 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. Benchmark shown is 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

	2018	2017	2016	2015	2014
12 months to 31 December	-7.8%	9.0%	17.9%	7.8%	9.0%

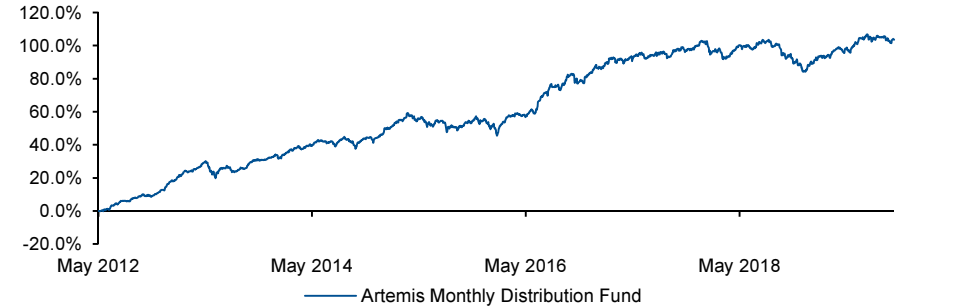
Please remember that past performance is not a guide to the future. Source: Lipper Limited, mid to mid in sterling. All figures show total returns with dividends reinvested.

Discrete performance to quarter end

	2019	2018	2017	2016	2015
12 months to 30 September	2.5%	3.3%	9.9%	18.6%	5.0%

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 21 May 2012. Source: Lipper Limited, mid to mid in sterling to 31 October 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	Multi-Asset
Regional focus	Global
IA sector	IA Mixed Investment 20-60% Shares NR
SEDOL	B75F9Z6
ISIN	GB00B75F9Z67
Type	Accumulation
Class currency	GBP
Accumulation date	Monthly
Valuation point (UK business days)	12:00
Year end	31 December
Fund launch date	21 May 2012
Class launch date	21 May 2012
Class launch price	47.98p
SRRI	4
Fund size (mid basis)	£942.1m

Source: Artemis as at 31 October 2019.

Prices and yield

Mid price	96.90p
Historic yield	4.02%

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	0.840%

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 payment of income is not guaranteed. 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 use derivatives (financial instruments whose value is linked to the expected price movements of an underlying asset) for investment purposes, including taking long and short positions, and may use borrowing from time to time. It may also invest in derivatives to protect the value of the fund, reduce costs and/or generate additional income. Investing in derivatives also carries risks, however. In the case of a 'short' position, for example, where the

fund aims to profit from falling prices, if the price of the underlying asset rises in value, the fund will lose money. The fund may invest in fixed-interest securities. These are issued by governments, companies and other entities and pay a fixed level of income or interest. These payments (including repayment of capital) are subject to credit risks. Meanwhile, the market value of these assets will be particularly influenced by movements in interest rates and by changes in interest-rate expectations. The fund may invest in higher yielding bonds, which may increase the risk to your capital. Investing in these types of assets (which are also known as sub-investment grade bonds) can produce a higher yield but also brings an increased risk of default, which would affect the capital value of your investment. 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. Because one of the key objectives of the fund is to provide income, the annual management charge is taken from capital rather than income. This can reduce the potential for capital growth. 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 artemisfunds.com/third-party-data.

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