

Artemis Global Income Fund



Jacob de Tusch-Lec
Since launch



Sam Morley
Analyst, since April 2016

Class I accumulation units, GBP

August 2017
Data as of 31 July 2017

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

Helped by a weaker dollar and by remarkably strong corporate earnings reports for the second quarter, stockmarket indices hit new all-time highs in July. Emerging markets continued to rally and the VIX, a measure of how much investors will pay to insure against volatility, touched new lows. Yet while economic data pointed to continued growth, share prices of companies whose earnings can grow independently of the wider economy ('secular growth' stocks) continued to outperform cheaper stocks whose fortunes are more attuned to the economic cycle ('value' stocks). Despite the strong economic growth in the global economy, there are no inflationary pressures (on the surface, at least) and yields on 10-year US Treasury bonds fell. We have previously described the uncertainty that prefigures the transition between economic regimes (from a deflationary to a reflationary environment) as a 'twilight zone'. That recent

signals from markets are so mixed suggests we may be in that zone again.

Amid this uncertainty, the fund outperformed. In part, that was due to good stock selection. Trends on a regional level were also helpful. Although our (modest) underweighting to emerging markets was a slight hindrance, it was more than offset by our large overweight in Europe and the underweight in the US. The fund's strongest performers in July included Italian infrastructure companies (telecoms and TV tower owners): INWIT, Rai Way and EI Towers. Other highlights included German telecoms company Drillisch and Storebrand, a Norwegian insurer.

Another positive (in relative terms) was that the fund has less exposure to tobacco than many of its peers. Our only holding in tobacco is a small

position in Imperial Brands. Towards the end of July, the US Food and Drug Administration announced it would examine the case for lowering nicotine levels in cigarettes and so reduce addiction. Share prices across the sector moved sharply lower.

Not all of July's developments were quite so positive. For instance, some of our US cyclical stocks – Western Digital (hard drives), Johnson Controls (lead batteries for autos and ventilation systems for non-residential buildings) and Corning (high-end industrial glass and fibre optics) – fell despite delivering better-than-expected earnings for the second quarter. The market is not content for companies to beat expectations – it wants them to raise their forward guidance too.



Third party endorsements are not a recommendation to buy.

Composition

Top ten holdings

Storebrand	3.9%
Western Digital	3.6%
INWIT	3.1%
Amundi	2.9%
EI Towers	2.7%
CNH Industrial	2.6%
A.P. Møller - Maersk	2.5%
Citigroup Inc	2.4%
General Motors	2.3%
Ping An Insurance Group	2.2%

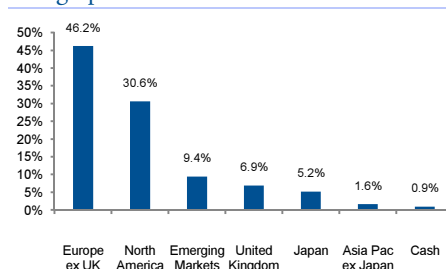
Source: Artemis as at 31 July 2017.

Market sector split

Financials	40.3%
Telecommunication Services	12.9%
Industrials	12.5%
Information Technology	9.1%
Consumer Discretionary	8.0%
Materials	7.3%
Energy	2.9%
Consumer Staples	1.8%
Utilities	1.7%
Real Estate	1.7%
Health Care	1.7%

Source: Artemis as at 31 July 2017. 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 2017. 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	173.9%	123.0%	45.4%	18.9%	3.2%
MSCI AC World NR GBP	128.1%	98.9%	53.5%	17.9%	6.4%

'Since launch' data from 19 July 2010. Source: Lipper Limited, bid to bid in sterling to 31 July 2017. All figures show total returns with dividends reinvested.

Discrete performance to year end

	2016	2015	2014	2013	2012
12 months to 31 December	22.5%	6.6%	12.9%	33.7%	15.6%

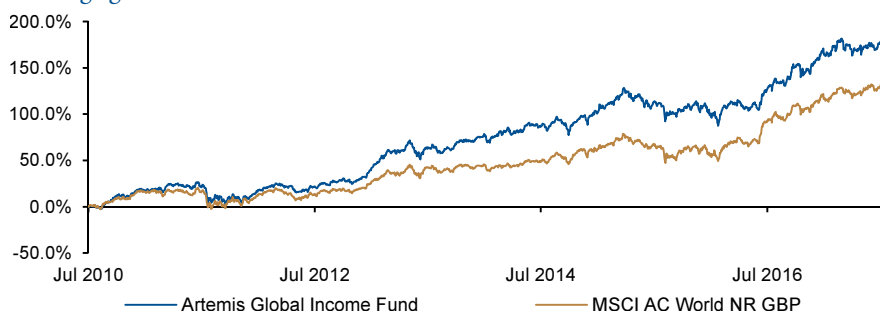
Please remember that past performance is not a guide to the future. Source: Lipper Limited, bid to bid in sterling. All figures show total returns with dividends reinvested.

Discrete performance to quarter end

	2017	2016	2015	2014	2013
12 months to 30 June	24.8%	3.5%	11.0%	18.8%	33.0%

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

Percentage growth



Data from 19 July 2010. Source Lipper Limited, bid to bid in sterling to 31 July 2017. All figures show total returns with dividends reinvested.

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)	£3,674.8m

Source: Artemis as at 31 July 2017.

Prices and yield

Bid price	130.08p
Offer price	131.74p
Historic yield	2.84%

The historic yield reflects distributions declared over the past twelve months as a percentage of the mid-market unit 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	1.00%
Ongoing charge	0.81%

The initial charge is currently waived. 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, which is 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, the annual management charge is taken from capital rather than income. This can reduce

the potential for capital growth.

Any research and analysis in this communication has been obtained by Artemis for its own use. Although this communication is based on sources of information that Artemis believes to be reliable, no guarantee is given as to its accuracy or completeness.

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

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