Pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Artemis Funds (Lux)

Artemis Funds (Lux) - Global Select

(Legal Entity Identifier: 549300SP149UJVFU5798)

ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☐ Yes	✖ No
☐ It will make a minimum of sustainable investments with an environmental objective: ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	✖ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ✖ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of sustainable investments with a social objective:	☐ It promotes E/S characteristics, but will not make any sustainable investments

What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

The Fund promotes environmental characteristics related to energy through principally investing in companies with a low carbon intensity (scope 1 & 2) to sales and/or discernible and viable carbon transition plans. This is evidenced by the setting of meaningful targets and management commitments. For all holdings, the cost of GHG emissions (scope 1 & 2), which the Investment Manager views as an externality, is incorporated into valuations. Additionally, the Fund promotes social and governance characteristics by taking into account factors such as a company's remuneration policy, social supply policy, board diversity and any unequal voting rights in the Fund's investment process.

The Fund's benchmark, MSCI AC World Index, has not been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Fund.

What Sustainability Indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

Where data is available, a number of quantitative and qualitative indicators are used to assess environmental performance including:

- carbon intensity and absolute emissions;

- targets set (short/medium/long term);

- long term ambition, for example a net zero long term target;

- governance including oversight and executive remuneration.

Industry and company specific sustainability factors will also impact which indicators are looked at in addition to the above .

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The objectives of the sustainable investments are to reduce sustainability risk (i.e. an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment) in the portfolio and promote the transition to a low carbon and sustainable economy.

The Investment Manager will do this through favouring investment in companies which are actively managing their carbon exposure, setting meaningful targets and managing their externalities appropriately thereby reducing overall risk.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Significant harm is avoided via:

(1) Exclusions (permanent) - the Fund applies a range of permanent exclusions which prevent investment in activities generally deemed to be environmentally or socially harmful;

(2) Company specific sustainability analysis: the Investment Manager focuses on the sustainability metrics considered material to the investment case of individual holdings. This includes the assessment and monitoring of controversies related to environmental and social issues, by both the Investment Manager and Investment Risk on a quarterly basis.

(3) With support from the Artemis stewardship team, stewardship activities such as voting and engagement may be undertaken with investee companies assessed to be involved in controversies related to environmental and social issues, in line with Artemis' voting and engagement policies.

The "do no significant harm" principle under Taxonomy Regulation applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The underlying investments of this Fund which are not in taxonomy-aligned environmentally sustainable activities do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

However, in order to assess whether a company is deemed to be a sustainable investment, an assessment of factors is undertaken to establish whether a company does not cause significant harm to any environmental or social objectives, such as violations of the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights.

- ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The indicators for adverse impacts on sustainability factors are considered in a number of ways:

(1) Exclusions: The Fund applies a variety of exclusions, including those related to the exclusion of investment in fossil fuels and controversial weapons.

(2) Material adverse sustainability impacts are considered by the investment team pre investment, and key ESG metrics monitored through the Artemis ESG dashboard (a dashboard for use by the Investment Manager and investment risk monitoring, with inputs from a number of different data sources), and reviewed and challenged at quarterly investment risk fund manager meetings.

All PAIs listed in Table 1 of Annex I of SFDR RTS are taken into account as appropriate as part of the sustainability analysis.

- ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The Investment Manager assesses ESG metrics and data points such as sustainable supply chain policies which would include human rights issues. Investment decisions are made after conducting due diligence on these issues. Although the Fund does not explicitly exclude companies which are deemed to be in violation of the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights from the investable universe, such companies would not be considered sustainable investments of the Fund. The Investment Manager undertakes ongoing monitoring of any companies in the Fund which are subject to controversies.

Does the financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes. The PAIs listed in Table 1 of Annex I of SFDR RTS are taken into account as appropriate and subject to data availability. The Investment Manager deems the following PAIs on sustainability factors to be most relevant to the Fund:

- Greenhouse gas (GHG) emissions divided into Scope 1, Scope 2 and Scope 3 GHG emissions (PAI 1);

- Carbon footprint (PAI 2);

- GHG intensity of investee companies (PAI 3);

- Exposure to companies active in the fossil fuel sector (PAI 4);

- Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 10);

- Exposure to controversial weapons (cluster munitions, chemical weapons, biological weapons) (PAI 14).

Relevant information on principal adverse impacts on sustainability factors will also be disclosed in due course in the Fund's annual report.

Scope 1 emissions are direct GHG emissions from sources that are controlled or owned by the company.

Scope 2 emissions are its indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling.

Scope 3 emissions are indirect GHG emissions along a company's value chain.

☐ No

What investment strategy does this financial product follow?

The Fund invests principally (at least 80% of its assets) in equities of companies selected on a global basis.

The Fund is actively managed. The Investment Manager aims to identify long-term growth trends that are not seasonal or cyclical or dependent on current economic events. Companies are sought which may benefit from these trends and which exhibit characteristics such as high and persistent barriers to entry, competent management teams whose remuneration is aligned to the success of the company, exposure to external factors, and high governance standards. The Investment Manager assesses the sustainability of each investment, including environmental, social and governance (ESG) factors such as a company's remuneration policy, energy and social supply policy, board diversity and any unequal voting rights alongside traditional financial metrics. However, investments are chosen on the basis of many quantitative (financial or ESG) or qualitative (e.g. quality and/or growth characteristics) attributes and need not rate highly on any or all of these sustainability factors to be included in the portfolio. In addition to ESG criteria considered during company selection, other sustainability criteria are taken into account in the thematic analysis at sector and company level. For example, several themes involve sustainability analysis such as 'sustainable consumer' and 'low carbon world' in which long term themes of decarbonisation are explored as well as consumer interest in sustainable products. At a company level the Investment Manager also examines any controversies around a stock, researching the company's involvement in any potentially negative environmental or social events. Stock selection is determined by the Investment Manager using information provided by the companies (for example company sustainability reports) and third-party data focusing on scores and metrics which the Investment Manager considers to be relevant.

The Investment Manager assesses the sustainability of each investment, including a number of quantitative and qualitative ESG factors including:

- Scope 1 and 2 emissions and emissions intensity
- Net zero targets and interim emission reduction targets
- A company's remuneration policy
- Board and management diversity
- Any unequal voting rights

The ESG metrics are assessed alongside traditional financial metrics. Approximately 50 ESG datapoints are used to assess all companies. This data comes from a range of different sources including MSCI ESG Research, Sustainalytics and Bloomberg.

Further research is also conducted on stocks where there are potentially material issues to consider. Examples of these include mining stocks, which can have large environmental and social impacts, or consumer staples, which face increasing scrutiny from consumers. As well as the previous ESG metrics mentioned the Investment Manager will research annual reports, sustainability reports, news items relating to any ESG issues and form a more detailed picture of any ESG related risks or opportunities. These stocks are also actively monitored and engaged with where necessary.

The Investment Manager applies a process of negative screening as part of the Fund's investment strategy to automatically exclude potential investments in companies operating in certain industries, involved in certain business activities or which do not meet certain standards. Formal investment exclusions are set up into the compliance module of the Investment Manager's order management system to ensure that no investment in companies that undertake these activities can be made.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The commitment to have a minimum proportion of 15% of sustainable investments and the sector exclusions incorporated by the Fund to help avoid exposure to sectors with significant ESG risks are both binding elements to the Investment Manager. It is a binding element that ESG metrics are assessed alongside traditional financial metrics. The Investment Manager assesses the sustainability of each investment across approximately 50 ESG datapoints, including a number of quantitative and qualitative ESG factors including:

- Scope 1 and 2 emissions and emissions intensity
- Net zero targets and interim emission reduction targets
- A company's remuneration policy
- Board and management diversity
- Any unequal voting rights

Further research is also conducted on stocks where there are potentially material issues to consider. As well as the previous ESG metrics mentioned the Investment Manager will research annual reports, sustainability reports, news items relating to any ESG issues and form a more detailed picture of any ESG related risks or opportunities. These stocks are also actively monitored and engaged with where necessary.

Formal exclusions are coded into the order management system. The formal exclusions are as follows: Tobacco (companies which derive more than 10% revenue from tobacco), Gambling (companies which derive more than 10% of revenue from gambling), Weapons (companies involved in the production of controversial weapons (including cluster munitions, landmines, biological and chemical weapons) or which derive more than 10% revenue from conventional or nuclear weapons, related components and systems), Fossil fuels (companies which derive more than 10% revenue from mining or sale of thermal coal; or extraction, production or refining of either oil or gas).

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Whilst the exclusions stated above will reduce the scope of investments considered before the application of the investment strategy, the Fund does not commit to a minimum rate.

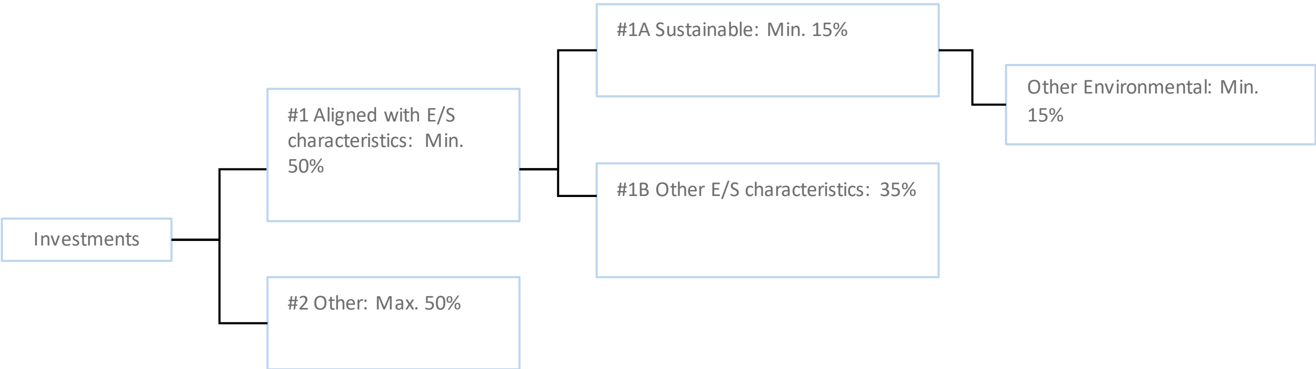
Good governance practices include sound management structures, employee relations, remuneration of staff ad tax compliance.

- ***What is the policy to assess good governance practices of the investee companies?***

When looking at governance issues, the Investment Manager generally looks at culture, leadership and controls. Political risk is also monitored in the governance approach. Political change, affecting property rights for shareholders or currency markets can cause permanent or significant loss of value. The Investment Manager's approach is to minimise such risks.

What asset allocation is planned for the financial product?

Asset allocation describes the share of investments in specific assets.



Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments. Includes derivatives, cash and equivalent liquid positions, and any securities that do not align with the Fund's environmental or social characteristics.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

For Box #1, whilst ESG analysis is conducted on all holdings, the figure represents the percentage of the securities aligned to the environmental characteristic of investing in companies with a low carbon intensity (scope 1 & 2) to sales and/or discernible and viable carbon transition plans.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund. Derivatives may be used for hedging and for efficient portfolio management purposes.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not have any intention to invest in Taxonomy-aligned investments (including transitional and enabling activities) but it is not excluded that this may be the case. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as result been deemed to constitute zero percent of the Fund's portfolio. Information on EU Taxonomy alignment is not yet readily available from investee companies' public disclosures and third-party providers. As soon as data becomes more accurate and available, it is expected that the proportion of EU Taxonomy aligned investments will increase.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2023. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.
Transitional activities are activities for which low-carbon alternatives are not yet available ad among others have greenhouse gas emission levels corresponding to the best performance.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy[5]?***

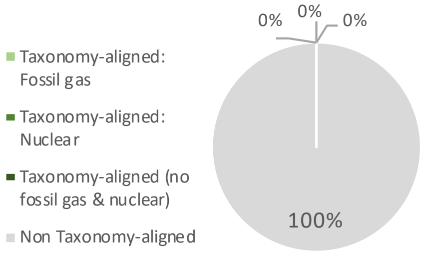
☐ Yes

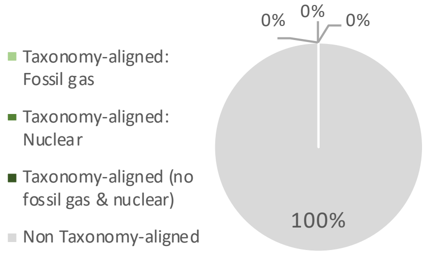
☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds

1. Taxonomy alignment of investments including sovereign bonds* 2. Taxonomy alignment of investments excluding sovereign bonds*





This graph represents 100% of the total investments.

*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- ***What is the minimum share of investments in transitional and enabling activities?***
  - There is no commitment to a minimum proportion of investments in transitional and enabling activities and therefore the minimum share of such investments is 0%.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum commitment to sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 15%. The Fund's investment in sustainable investments with an environmental objective may or may not be aligned with the EU Taxonomy. Information on EU Taxonomy alignment is not yet readily available from investee companies' public disclosures and third-party data providers. As soon as data becomes more accurate and available, it is expected that the proportion of EU Taxonomy aligned investments will increase.

What is the minimum share of socially sustainable investments?

There is no commitment to a minimum proportion of socially sustainable investments and therefore the minimum share of such investments is 0%.

[5] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ('climate change mitigation') and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Box #2 Other includes portfolio holdings which were not deemed to be specifically aligned with the stated environmental characteristics of the Fund. While not all investments in the portfolio are deemed to be aligned with the stated environmental characteristics of the Fund, ESG factors are integrated into the investment process for all investment decisions made. In addition, the Fund exclusions are applied across the whole portfolio.

The category may include financial derivative instruments for hedging and for efficient portfolio management purposes as well as ancillary liquid assets, bank deposits, money market instruments and money market funds on an ancillary basis in order to ach ieveits investment goals, for treasury purposes and in case of unfavourable market condi tions. No minimum environmental or social safeguards will be in place in relation to such holdings

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

There is no reference benchmark to determine if the Fund is aligned with the promoted environmental and social characteristics.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable

- ***How does the designated index differ from a relevant broad market index?***

Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable

Where can I find more product specific information online?

More product-specific information can be found on the website: https://www.artemisfunds.com/en/lux/professional/stewardship-and-esg