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
The PROFIT Hunter

Artemis Funds (Lux) - SmartGARP Global Emerging Markets Equity

(Legal Entity Identifier: 5493003UWC387B8GNF45)

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 5% 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 aims to have a falling carbon emission intensity over the long term, at least five years. This is done by paying particular attention to companies' current and expected carbon footprint. The Fund therefore promotes reduction of carbon emission intensity

The Fund's benchmark, MSCI Emerging Markets 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?

The Investment Manager uses a proprietary stock screening tool called SmartGARP, which includes an ESG sub-component which attempts to capture companies' environmental and social impact and the quality of their corporate governance. This sub-component includes carbon intensity and carbon footprint, as well as industry and company specific sustainability factors. Before making an investment, the Investment Manager conducts additional due diligence to ensure that there is a real-life investment case behind the attractive financial and ESG characteristics which SmartGARP has highlighted and to assess any intangible, non-operational issues and red flags. This due diligence includes research from multiple third party ESG data providers such as MSCI and independent research providers.

The Fund's carbon emission intensity is measured as the weighted portfolio average Scope 1 and 2 emission of tons of Co2 per million dollars of sales. The Fund's carbon footprint will also be measured.

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 objective of the sustainable investments is to promote the transition to a low carbon economy.

The Investment Manager will do this by paying particular attention to companies' current and expected carbon emissions and carbon footprint. SmartGARP's ESG subcomponent uses data on companies' current and expected future greenhouse gas emissions, share of green revenues and investments in low carbon technologies.

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) Assessment and monitoring of key indicators that are deemed to indicate the presence of a principal adverse impact, with the use of third party data sources;

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

(3) Voting may be undertaken with investee companies assessed to be involved in controversies related to environmental and social issues, in line with Artemis' voting policy.

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 coal and investment in 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 monitors positive and negative ESG-related newsflow including controversies, which would normally include serious violations of OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Companies which are deemed to be in violation of these principles would not be deemed sustainable investments. However, due to the Fund's geographical focus on emerging markets, such investments would not be automatically excluded from the investable universe. 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 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);

- 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 in equities of companies that are listed, headquartered or that exercise the predominant part of their economic activities in emerging market countries.

The Fund is actively managed. A proprietary tool called 'SmartGARP' is used as the foundation of the investment process. It s creens the financial characteristics of companies by identifying those that are growing faster than the market but are trading on l ower valuations than the market. The Investment Manager selects companies that in aggregate have good 'SmartGARP' characteristics. This tends to mean that the portfolio contains stocks that have lower valuations than the market average, upgrades to profit forecasts, and are under-owned by the investment community, while at the same time benefiting from helpful trends in the wider economy. 'SmartGARP' also screens companies globally for Environmental, Social and Governance (ESG) characteristics.

Within SmartGARP subcomponents, each company is given a score between 0 (poor) and 100 (perfect). The overall assessment of a company is then arrived at by aggregating companies' subcomponent scores and ranking them. Only the top 10% of companies by aggregated SmartGARP score are typically considered as potential additions to the Fund.

In practice this means that if a company has poor ESG characteristics, it is unlikely to have an aggregated SmartGARP score i n the top 10% and thus unlikely to enter the Fund's portfolio. Equally, if an existing investment's ESG characteristics deteriorate, its overall SmartGARP score will fall, meaning that it is less likely to remain in the Fund.

Using SmartGARP, the Investment Manager constantly monitors whether holdings continue to satisfy the financial and environmental, social and governance characteristics that led to the initial investment and decides against this backdrop if and at what wei ghting a holding should remain in the Fund.

Beyond taking into consideration how companies score on the 'SmartGARP' ESG factor generally, the Investment Manager pays particular attention to companies' current and expected carbon footprint, with the Fund aiming to have a falling carbon emiss ion intensity over the long term, at least five years.

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 m eet 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 5% 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. The Investment Manager's consideration of how a company scores on the 'SmartGARP' ESG factor and their current and expected carbon footprint, and the Fund's aim to have a falling carbon emission intensity over the long term, at least five years, are binding elements. Formal exclusions are coded into the order management system. The formal exclusions are as follows: Tobacco (companies which derive more than 5% revenue from production, distribution or sale of tobacco), Weapons (companies involved in the production of controversial weapons (including cluster munitions, landmines, biological and chemical weapons) or nuclear weapons; or which derive more than 5% revenue from manufacture or sale of civilian firearms or ammunition), Coal (companies which derive more than 5% revenue from mining or sale of thermal coal).

- ***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 st rategy, the Fund does not commit to a minimum rate.

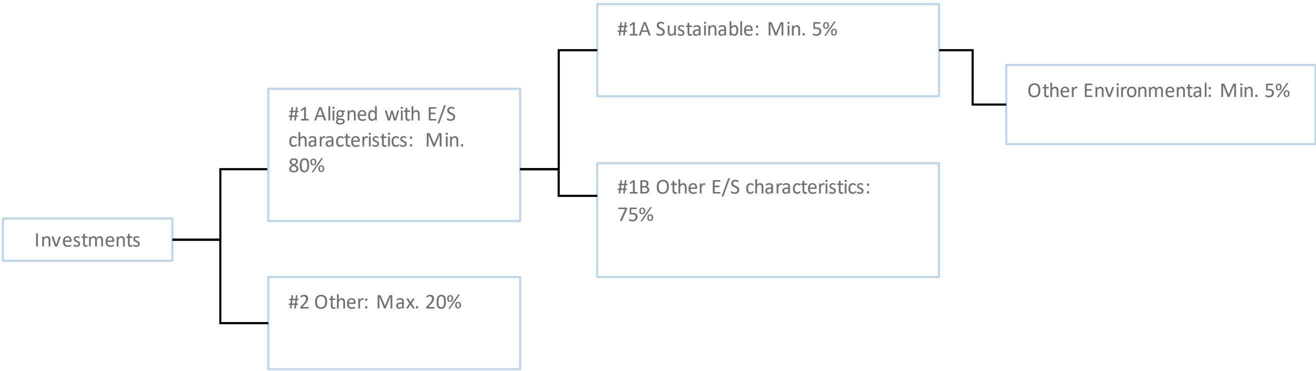
Good governance practices include sound management structures, employee relations, remuneration of staff ad tax compliance.

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

The quality of a company's corporate governance is assessed via screening within the 'SmartGARP' ESG factor. This is complemented by using an approach that scans the internet for positive or negative research reports or news stories relating to companies, including reference to corporate governance matters.

Asset allocation describes the share of investments in specific assets.

What asset allocation is planned for the financial product?



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 the Fund as a whole, namely the Fund-level aim to have a falling carbon emission intensity over the long term, at least five years. As this is a Fund-level objective rather than a specific holdings objective, all holdings (other than cash, cash equivalents or derivatives) are deemed to be aligned with the environmental characteristic of the Fund.

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 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.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy[2]?***

☐ 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.

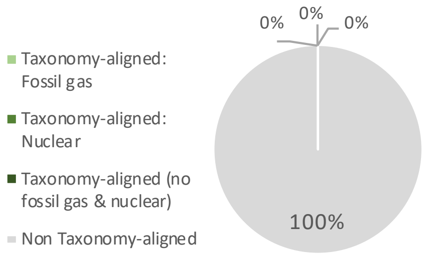
[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ('climate change mitigation') and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas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

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.

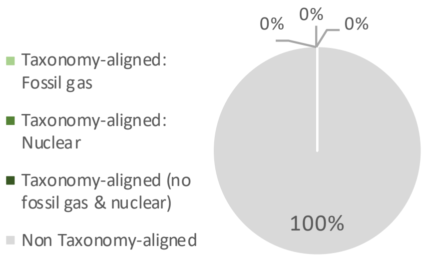
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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%.

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

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

The minimum commitment to sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 5%. 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%.

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

While not all investments in the portfolio can be labelled as sustainable using the methodology set out above, ESG factors are integrated into the investment process for all decisions made through the SmartGARP analysis. The exclusions set out above are applied across the portfolio.

The "#2 Other" category includes financial derivative instruments as well as ancillary liquid assets, bank deposits, money market instruments and money market funds on an ancillary basis in order to achieve its investment goals, for treasury purposes and in case of unfavourable market conditions. No minimum environmental or social safeguards will be in place in relation to such holdings. All holdings of the Fund (other than cash, cash equivalents or derivatives) are deemed to be aligned with the environmental characteristic which is a Fund-level objective to aim to have a falling carbon emission intensity over the long term, at least five years.

Is a specific index designated as a reference benchmark to determine whether this financial productis 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