

APPENDIX 4 – SUSTAINABLE FINANCE DISCLOSURE (UNAUDITED)

Artemis Funds (Lux) – US Smaller Companies (Legal Entity Identifier: 5493005ZAZWM54373247)



ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Did this financial product have a sustainable investment objective?

☐ Yes

☒ No

- ☐ It made 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 made sustainable investments with a social objective:

☒ It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 31.5% 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 promoted E/S characteristics, but did not make any sustainable investments

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Investment Manager seeks to decrease the Fund's exposure to climate risk and benefit from the opportunities associated with the transition to a net-zero emissions economy through investing in companies which are actively managing their carbon exposure and setting meaningful targets.

- How did the sustainability indicators perform?

The Investment Manager assesses a number of quantitative and qualitative indicators including: carbon intensity and absolute emissions; targets set (short/medium/long term); long term ambition, for example a net zero long term target; a decarbonisation strategy including exposure and capital expenditure assigned to green revenues, and governance including oversight and executive remuneration. Industry and company specific sustainability factors will also affect what indicators are looked at in addition to the above.

As at 31 Oct 2022, 67.8% of the portfolio was deemed to be aligned with the stated environmental characteristics for the Fund, and 31.5% of the portfolio holdings were classified as sustainable investments in accordance with the Artemis firm-wide framework for assessing "sustainable investments" under Article 2(17) of the SFDR.

- ...and compared to previous periods?

Not applicable

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.

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

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- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investments contribute to such objectives?***

As stated above, the Investment Manager seeks to decrease the exposure to climate risk and benefit from the opportunities associated with the transition to a net-zero emissions economy through investing in companies which are actively managing their carbon exposure and setting meaningful targets.

One example of a sustainable investment in the portfolio is NextEra Energy Partners, which is a leading clean energy company and the world's largest producer of wind and solar energy. Nextera acquires, manages and owns contracted clean energy projects with stable, long-term cash flows. It is leading the decarbonisation of the US economy and has adopted a Zero Carbon Blueprint which seeks to eliminate carbon emissions by no later than 2045.

As of October 31st 2022, 67.8% of the portfolio was aligned with the stated environmental characteristics for the Fund and 31.5% of the portfolio holdings were classified as sustainable investments in accordance with the Artemis firm-wide framework for assessing "sustainable investments" under Article 2(17) of the SFDR.

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Significant harm is avoided via:

- Detailed company specific sustainability analysis: including ongoing monitoring for controversies, specifically related to significant negative environmental or social harm; and
- Exclusions: The Fund applies a range of exclusions which prevent investment in activities generally deemed to be environmentally or socially harmful or in breach of the UN Global Compact and OECD Guidelines for Multinational Enterprises.
- 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.

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

The indicators for adverse impacts on sustainability factors were considered in a number of ways using third-party data sources:

- Exclusions: The Fund applied a variety of exclusions, including the exclusion of controversial weapons and companies deemed in breach of the United Nations Global Compact principles and OECD Guidelines for Multinational Enterprises.
- Material adverse sustainability impacts were considered by the investment team pre investment, and any controversies reviewed and challenged at quarterly investment risk Fund manager meetings.
- The PAIs listed in Table 1 of Annex I of SFDR RTS are taken into account as appropriate and subject to data availability.

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

The Fund is excluded from buying securities issued by companies which the Investment Manager has determined to be in breach of the UN Global Compact principles. The assessment criteria for determining whether a company is in breach of the UN Global Compact principles is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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.

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How did this financial product consider principal adverse impacts on sustainability factors?

The PAIs listed in Table 1 of Annex I of SFDR RTS are taken into account as appropriate and subject to data availability.

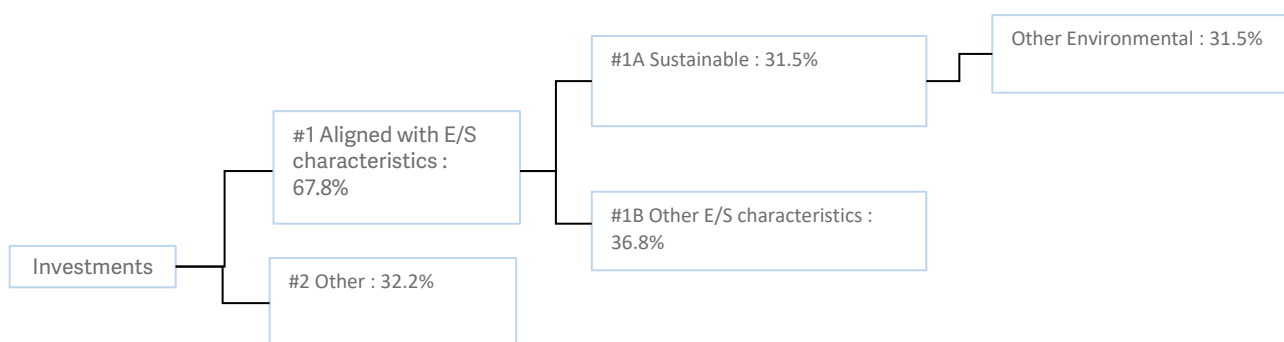
What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Valmont Industries, Inc.	Industrials	5.0%	United States of America
Clean Harbors, Inc.	Utilities	4.9%	United States of America
LPL Financial Holdings, Inc.	Financials	4.9%	United States of America
Ovintiv, Inc.	Energy	4.6%	United States of America
Pinnacle Financial Partners, Inc.	Financials	4.4%	United States of America
WillScot Mobile Mini Holdings Corp.	Industrials	4.2%	United States of America
Constellation Energy Corp.	Utilities	4.1%	United States of America
NextEra Energy Partners LP	Utilities	3.7%	United States of America
Hostess Brands, Inc.	Consumer Staples	3.5%	United States of America
Jacobs Solutions, Inc.	Industrials	3.5%	United States of America
Darling Ingredients, Inc.	Consumer Staples	3.4%	United States of America
Envista Holdings Corp.	Health Care	3.3%	United States of America
Axon Enterprise, Inc.	Industrials	2.7%	United States of America
Pool Corp.	Consumer Discretionary	2.6%	United States of America
Bunge Ltd.	Consumer Staples	2.5%	Bermuda

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is as at 31 October 2022.

What was the proportion of sustainability-related investments?

- What was the asset allocation?



#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.

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

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

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As of October 31st 2022, 67.8% of the portfolio was aligned with the stated environmental characteristics for the Fund and 31.5% of the portfolio holdings were classified as sustainable investments in accordance with the Artemis firm-wide framework for assessing “sustainable investments” under Article 2(17) of the SFDR.

- In which economic sectors were the investments made?

Sector	% Assets
Industrials	25.8%
Financials	15.3%
Utilities	13.1%
Consumer Staples	9.6%
Consumer Discretionary	9.6%
Health Care	9.0%
Technology	5.8%
Energy	5.7%
Real Estate	3.5%
Telecommunications	1.7%
Basic Materials	0.9%
Total	100.0%
Energy	5.7%
Oil & Gas Equipment & Services	1.0%
Oil & Gas Exploration & Production	4.7%

Taxonomy-aligned activities are expressed as a share of:

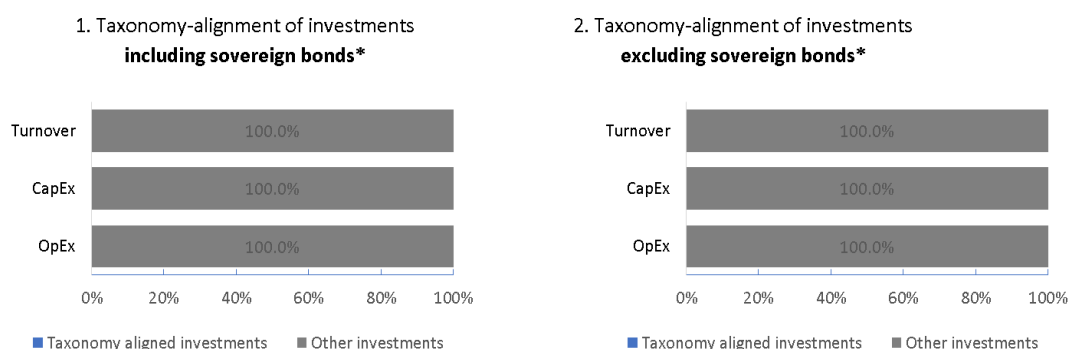
turnover reflecting the share of revenue from green activities of investee companies
capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
operational expenditure (OpEx) reflecting green operational activities of investee companies.



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

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.

The two graphs below show in blue the 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.



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

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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.

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

- **What was the share of investment made in transitional and enabling activities?**
Not applicable
- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods? (only include where at least one previous periodic report has been provided)?**
Not applicable



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

As of October 31st 2022, 31.5% of the Fund holdings were classified as sustainable investments in accordance with the Artemis firm-wide framework for assessing “sustainable investments” under Article 2(17) of the SFDR. All of the sustainable investments had an environmental objective.

The Fund does not invest in Taxonomy-aligned investments (including transitional and enabling activities). Taxonomy alignment of the Fund’s investments has therefore not been calculated and has as a 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.



What was the share of socially sustainable investments?

Not applicable



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Box #2 Other includes portfolio holdings which were not deemed to meet the stated environmental objectives of the Fund.

Box#1B Other E/S characteristics refers to all holdings of the Fund which are aligned with the stated environmental objectives of the Fund but are not deemed to be sustainable investments in accordance with the Artemis firm-wide framework for assessing “sustainable investments” under Article 2(17) of the SFDR.

While not all investments in the portfolio qualify as sustainable investments, ESG factors are integrated into the investment process for all investment decisions made. In addition, the exclusions set out above are applied across the whole portfolio.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Investment Manager assesses a number of quantitative and qualitative indicators including: carbon intensity and absolute emissions; targets set (short/medium/long term); long term ambition, for example a net zero long term target; a decarbonisation strategy including exposure and capital expenditure assigned to green revenues, and governance including oversight and executive remuneration. Industry and company specific sustainability factors will also affect what indicators are looked at in addition to the above.

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How did this financial product compare to the reference benchmark index?

Not applicable

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

- **How did the reference benchmark differ from a broad market index?**
Not applicable
- **How did the financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
Not applicable
- **How did this financial product perform compared with the reference benchmark?**
Not applicable
- **How did this financial product perform compared with the broad market index?**
Not applicable

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The investments underlying Artemis Funds (Lux) – Global Equity Income and Artemis Funds (Lux) – US Extended Alpha sub-funds do not take into account the EU criteria for environmentally sustainable economic activities and these sub-funds are categorised as SFDR Article 6 financial products.

APPENDIX 5 – SECURITIES FINANCING TRANSACTION REGULATION (UNAUDITED)

The Company has not entered into securities financing transactions or total return swaps as defined by the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the "SFT Regulation"). If a fund was to use such securities financing transactions and total return swaps in the future, the Prospectus will be updated prior to the use of any such techniques and instruments.