

**ARTEMIS  
Capital (UT)**

**OBSR Fund Rating  
SUSPENDED A**



**Key Information**

<b>Launch Date</b>	23 December 1986	
<b>Fund Size</b>	£343.0m	
<b>Type of Units Available</b>	Accumulation	
<b>Distribution Date</b>	7 June	
<b>Historic Yield</b>	1.40%	
<b>ISA</b>	Yes	
<b>ISA Transfer</b>	Yes	
<b>Standard Fund Management Charges</b>	<b>Initial</b>	5.00%
	<b>Annual</b>	1.50%

**Classification**

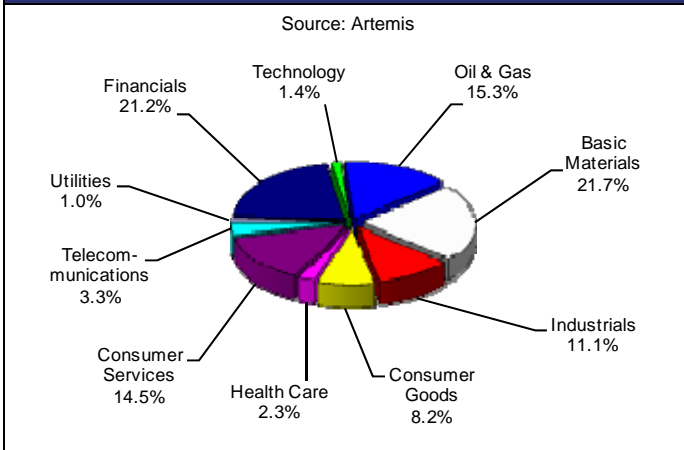
<b>Sector</b>	UK All Companies
<b>Market Cap / Style</b>	Large Cap Bias / Blend
<b>Benchmark/Index</b>	FTSE All-Share

**Management/Investment Style**

<b>Fund Manager</b>	Jacob de Tusch-Lec (January 2006)
---------------------	-----------------------------------

The fund offers investors exposure to an actively managed portfolio of UK equities drawn from across the market-cap spectrum using its internal research capability (SmartGARP) to underpin the stock selection process. However, the manager will moderate the portfolio's stance to suit economic or stockmarket conditions when appropriate.

**Asset Distribution - Sector**



**Investment Objective & Methodology**

The fund aims to provide investors with a balanced spread of investments for long-term capital appreciation by seeking well-managed companies primarily in the UK, where the manager believes there are superior potential for earnings growth.

The fund is managed by Jacob de Tusch-Lec, who joined Artemis in 2006. The manager primarily uses the Artemis SmartGARP stock ranking system to assist in his decision making process but is additionally able to draw on the wider experience of the other fund managers within Artemis too.

Central to the management approach is the search for investments that can grow the capital of the fund. The emphasis is on companies where the shares offer scope for a re-rating; in turn this entails focusing on potential catalysts for change. Companies judged to offer stable prospects with potential for improvement are also considered. Artemis' SmartGARP quantitative screening lies at the heart of the process for this fund, although the internal research is supplemented by selective external contacts. SmartGARP is the amalgamation of seven factors, including top-down and bottom-up considerations. The top-down perspective comprises two factors: macroeconomic trends and fund manager sentiment. Bottom-up factors include growth, value, estimates revisions and momentum. The final factor combines director deals and accruals analysis. All factors are equally weighted, with the exception of estimates revisions, which is double-weighted.

SmartGARP covers the FTSE All-Share ex IT universe. It is used to highlight stocks not currently owned for further research as well as existing holdings. The process starts off at sector level by providing dispassionate statistical stock analysis for each market sector. This helps the manager identify which stocks within each sector to over and underweight based on the above factors. Having examined a series of valuation ratios, the next stage of the process involves validating and justifying the reasons for holding a particular stock. The manager will then scrutinise carefully the accounting details of a company, in particular, cash flow return on investment. The manager aims to adjust the relative caution or aggression of the portfolio to suit changing economic and stockmarket conditions. Therefore, at certain points in the market cycle, the top-down overlay may take precedence and override the SmartGARP process. The manager will phase into and out of positions according to the change in ranking of each stock within SmartGARP. This iteration was implemented from the second quarter of 2008. This has resulted in an increased number of stocks held and a longer tail of stocks which the manager is trading into or out of.

The fund typically holds between 60 and 100 stocks. 50% - 80% of the fund is expected to be invested in large cap stocks, 20% - 40% in mid cap stocks and 0% - 10% in small cap stocks. Up to 20% may also be held in overseas holdings. There are no constraints at the sector level, although the managers informally restrict the bets to +/- 10% of the index weighting and stock limits are set to a maximum 5% active position.

**Top Ten Holdings**

	<b>%</b>
BP	5.8
Rio Tinto	5.1
GKN	4.2
Barclays	4.0
IG Group	3.9
Standard Chartered	3.9
Tomkins	3.5
BT	3.3
Anglo American	3.2
Cookson Group	3.2
Concentration (Top 10)	40.1
Total Number of Holdings	52

Source: Artemis

[www.obsrfundratings.co.uk](http://www.obsrfundratings.co.uk)

Data as at 30 June 2010  
Last Updated July 2010