

ARTEMIS European Growth (UT)

OBSR Fund Rating
AA / Silver

obsr FUND
RATINGS

Key Information

| | | |
|---|----------------|-------|
| Launch Date | 7 March 2001 | |
| Fund Size | £200.8m | |
| Type of Units Available | Accumulation | |
| Distribution Date | 31 May | |
| Historic Yield | 0.20% | |
| ISA | Yes | |
| ISA Transfer | Yes | |
| Standard Fund Management Charges | Initial | 5.25% |
| | Annual | 1.50% |

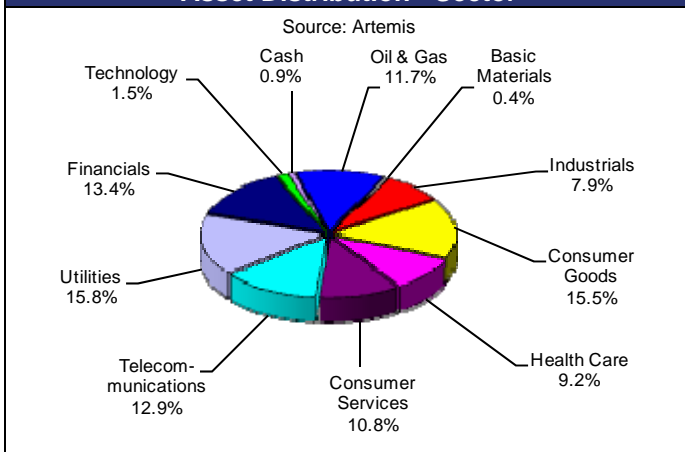
Classification

| | |
|---------------------------|---------------------------|
| Sector | Europe Ex UK |
| Market Cap / Style | Large Cap Bias / Blend |
| Benchmark/Index | FTSE World - Europe Ex UK |

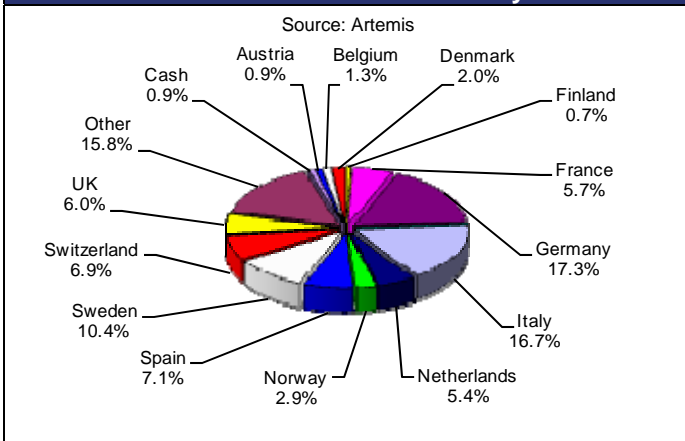
Management/Investment Style

| | |
|--|--|
| Fund Managers | Philip Wolstencroft (March 2001) Peter Saacke (December 2002) |
| Managed with objectivity by Philip Wolstencroft and Peter Saacke using SmartGARP, a proprietary sector/stock analysis model which combines both qualitative and quantitative elements. The portfolio will have a large/mid-cap bias and is run with a blended style. | |

Asset Distribution - Sector



Asset Distribution - Country



Top Ten Holdings

| Company | % |
|---------------------------------|-------------|
| Gazprom | 4.6 |
| Enel | 4.4 |
| Novartis | 3.7 |
| Tele2 | 3.6 |
| BMW | 3.4 |
| Freenet | 3.1 |
| ENI | 2.9 |
| Pirelli | 2.8 |
| Volkswagen | 2.5 |
| BT | 2.4 |
| Concentration (Top 10) | 33.2 |
| Total Number of Holdings | 85 |

Source: Artemis

Investment Objective & Methodology

The fund aims to provide long-term capital growth through investment principally in companies in Europe. The performance objective is to provide investors with a total return in excess of that of the FTSE Europe (ex UK) Index.

The fund is managed by Philip Wolstencroft, who is assisted by Peter Saacke. The investment process seeks to identify companies whose share prices offer re-rating opportunities and the catalysts for these in areas with stable or improving prospects. In order to achieve this the manager uses the Artemis SmartGARP stock ranking system to assist in his decision making process.

SmartGARP is the amalgamation of seven factors, including top-down and bottom-up considerations that Artemis believes should be taken into account when evaluating the future prospects for a company's share price. The top-down perspective comprises two factors: macroeconomic trends and fund manager sentiment. Macroeconomic inputs include GDP growth, inflation, bond yields and interest rates. Fund manager sentiment analyses investor sentiment and ownership within the market. The bottom-up perspective is divided into four factors for each stock: growth, value, estimates revisions and momentum. The growth aspect includes historic EPS growth, prospective EPS growth and sales and asset growth analysis; the value aspect incorporates a number of valuation measures including P/E ratios and P/E relatives adjusted for earnings volatility, price to cashflow, price to book, EV to EBITDA ratios and dividend yield, all using consensus prospective data; the estimates revisions consider changes in EPS estimates over three months, whilst the momentum factor takes long-term price momentum, short-term reversal and changes in broker recommendations into account. The final factor combines director deals and accruals analysis. The former shows insider buying i.e. the buy/sell ratio from company management. On accruals, they look to find out whether profits are over- or understated relative to cash flows. All factors are equally weighted, with the exception of estimates revisions, which is a double-weighted factor. The output can be broken down in a number of ways and the manager uses this in conjunction with broker, company and his own analysis to arrive at the stocks to be bought and sold within the portfolio.

The portfolio will typically comprise around 100 stocks. 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. It also means that there will be a greater weighting to selected individual holdings (maximum 5%) and to the top holdings (80% of the fund in the top 50 stocks) as the manager lets the winners run. There are no specific country or sector restrictions, although the manager is aware of the positions within the fund, and thus the risks, at all times.

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Data as at 31 December 2011
Last Updated January 2012