

January 2009

Artemis International SICAV



ARTEMIS
The PROFIT Hunter

“Artemis has established an outstanding position in the UK market. Through our proven and focused approach we’ve become a major force in the UK investment management industry and have a reputation for achieving returns in up as well as down-markets.

Since 2006 we’ve been able to offer European investors the best of Artemis through our international SICAV. Initially comprising two sub-funds, the SICAV is run by the same dedicated, award winning team as our UK funds.

If you have any questions, please don’t hesitate to call our dedicated International Support Desk on +44 (0) 207 399 6472.”

Richard Turpin
Artemis Investment Management

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About Artemis

Artemis Investment Management Limited was established by Mark Tyndall, John Dodd, Derek Stuart and Lindsay Whitelaw in 1997 as a dedicated active investment management house specialising in investments for UK retail investors. They wanted to create a company that offered investors superior returns and service, as well as being a progressive and vibrant place to work for its employees.

The company has grown to the extent that it now manages an asset base of some £10.9bn* in retail and institutional funds. Despite such rapid growth, the founding partners continue to manage clients' money and have been joined by 13 other dedicated fund managers who share the same flair and enthusiasm for fund management.

* Source: Internal as at 31/12/2008.

Since the first funds were launched in 1998, Artemis has established an excellent track record in the UK retail marketplace. Since 2006, this expertise has been available in SICAV form. Our SICAV funds are rated by Crosby Forsyth, a leading international rating business.

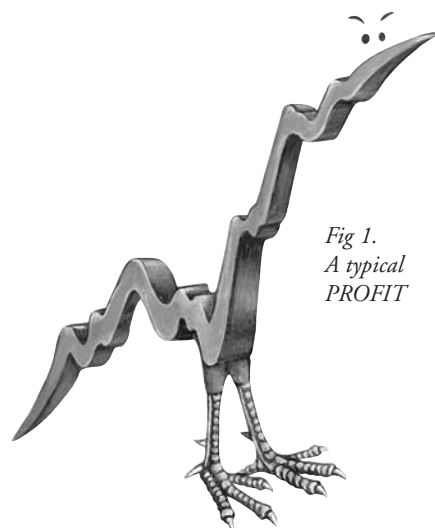


Fig 1.
A typical
PROFIT

Reasons to invest with Artemis

Proven stability of our fund management team

Since inception our highly rated team of fund managers has grown organically with funds under management. No fund manager has been lost to a competitor.

Focus on areas of known expertise

Pan European and global equity investment are Artemis' principal area of expertise and therefore represent our core business.

Fund management flair and commitment

Artemis encourages fund managers' individual style and freedom of thought. Their record validates their approach. Our commitment to delivering absolute returns is strengthened by the requirement that our fund managers must invest in the funds they manage, thereby aligning their interests directly with those of investors.

SmartGARP™

This is our proven proprietary stock-screening process. It measures the financial characteristics of companies and industries, so helping our fund managers identify those likely to outperform.

Artemis SICAV funds

Artemis Pan European Equity Fund



Launched in December 2006, the Artemis Pan European Equity Fund offers investors access to numerous exciting investment opportunities from a broad range of European countries. The Fund follows a very similar mandate to the highly-successful Artemis European Growth Unit Trust, the difference being the inclusion of the UK as an investment region. The Fund aims to provide investors with a total return in excess of that of the MSCI Europe Index, investing principally in equities of companies domiciled in Europe, including the UK.

Why choose the Artemis Pan European Equity Fund?

- The fund is run by Philip Wolstencroft who invented our proven, proprietary investment process, SmartGARP.
- SmartGARP provides a true competitive advantage, allowing us to search out the best investment candidates for our funds.
- SmartGARP's screening process identifies long-term winners in stock markets that are worth further in-depth investigation and that will, we believe, generate long-term growth.

Fund Facts

Fund launch:	December 2006
Fund managers:	Philip Wolstencroft and Peter Saacke
Benchmark:	MSCI Europe Index
No. of holdings:	75-100
Sector limits:	+/-10%
Market cap:	Large cap bias

Artemis Global Equity Fund



The Artemis Global Equity Fund is managed by an experienced manager, using a proven process designed to generate strong returns for our clients. Launched in December 2006, the Fund's mandate is comparable to the successful Artemis Global Growth Unit Trust; investing in companies active in any economic sector, in any region of the world.

Why choose the Artemis Global Equity Fund?

- The Fund is managed by the experienced Peter Saacke, who seeks out the best investment ideas for the Fund.
- The rigorous and disciplined approach used by Peter Saacke to manage global equities.
- The Fund uses our proprietary SmartGARP screening system, which narrows down the universe of available stocks and identifies potential investments across the globe that merit further fundamental research. This frees our fund manager's time to allow him to focus his attention on seeking out the best investment ideas for the Fund.

Fund Facts

Fund launch:	December 2006
Fund manager:	Peter Saacke
Benchmark:	MSCI World Net Index
No. of holdings:	150-200
Sector limits:	+/-10%
Market cap:	Large cap bias

Our fund managers

Peter Saacke



Peter has over 9 years' investment experience. He joined Artemis in December 2002 from Merrill Lynch, where he worked as Pan European equity strategist and quantitative economist from 1999. Peter holds a BA in Mathematics and Philosophy from the University of Oxford, an MA in Economics from Freiburg University and a PhD in Economics from Hamburg University. In 1998 he became a visiting researcher at the European University Institute in Florence. Peter is a CFA charterholder. He has managed the Artemis European Growth Fund since December 2002 and took over the management of the Artemis Global Growth Fund in January 2004.

Philip Wolstencroft



Philip has over 20 years' experience selecting European stock. He joined Artemis in February 2001 from Merrill Lynch where he was Head of the Pan-European Equity Strategy and consistently ranked at the top of investor surveys for European Equity Strategy. Prior to this Philip worked for two years as a fund manager and global strategist at NatWest Investment Management, and for three years as a fund manager with WorldInvest. He holds a BA and MA in Economics. Philip created SmartGARP, the investment process which Artemis uses to help choose stocks. He has managed the Artemis European Growth Fund since its launch.



Fig 2. Taking the long view

SmartGARP explained

SmartGARP™ is Artemis' proprietary tool for identifying winners and losers in the stock market. Our SICAV funds can be considered as SmartGARP funds along with three of our retail funds; the Artemis Capital Fund, the Artemis European Growth Fund and the Artemis Global Growth Fund. All our Artemis funds have SmartGARP at their disposal as a commonly available resource to complement their individual approaches to hunting for profits.

SmartGARP may come across as a very complex system, but it is in fact trying to do something quite simple. It objectively measures the financial characteristics of companies and industries. Those with good characteristics tend to outperform the market those with poor ones tend to lag.

'Growth At a Reasonable Price'

The theory behind our SmartGARP system was developed over 15 years ago. It is based on the premise that stocks which will outperform the overall market are cheap when compared with their growth rates. This theory is commonly known as 'Growth At a Reasonable Price'. But SmartGARP also takes into account wider factors; elements that we believe affect a stock's performance and which, therefore, make SmartGARP a more reliable tool.

The process

SmartGARP works by collecting and processing thousands of pieces of data daily on around 6,000 companies worldwide. The output is an objective measuring of the financial characteristics of those companies against seven criteria: value, growth, revisions (double-weighted), accruals, momentum, investor sentiment and macro-economic trends. The system then awards an aggregate rating to each stock, ranging from 100 (excellent) to 0 (terrible), resulting in a dispassionate list of stocks which exhibit the greatest potential for outperformance.

The fund manager

The fund manager takes the list generated by SmartGARP and carries out in-depth, fundamental qualitative research to identify stocks that are suitable for his or her portfolios. So SmartGARP is the first stage of our stock selection process, generating ideas that are then investigated further by our experienced fund managers. As a rule of thumb, stock decisions are generally 80-90% SmartGARP and 20-10% fund manager.

SmartGARP frees our fund managers from the time-consuming task of simply crunching numbers. It helps us to avoid the problem of 'information overload' suffered by many fund managers, and allows ours to focus their time and energy on qualitative assessment. It also means that our fund managers can discuss the attractiveness (or otherwise) of stocks in an objective and rational manner. This is all the more important to long-term investors when, as now, exaggerated aversion to risk is driving stocks' and markets' moves.



Fig 3. SmartGARP sniffs out profits

When SmartGARP works – and doesn't

While SmartGARP is proven to work in both bull and bear and cyclical markets, it relies on investors to behave rationally. SmartGARP works because it mimics actual human behaviour. Investors usually want to buy cheap growth stocks with positive surprises. SmartGARP measures the characteristics of companies and steers us towards the right kind of stocks – and so performance over the years has been good.

But it does not work well when investors change their behaviour. This happens when investors abandon normality and try to hunt down the new trend – e.g. the dot.com bubble. On average over the last decade or so, most trends have tended to last between one and two years. That is, up/down legs in oil prices, bond yields, equity markets and economies have lasted over a year. In the past year, however, there has tended to be a turning point every six months. Combined with investors' current aversion to risk and an environment where companies are going bankrupt and lending has collapsed, investors have become nervous. They are attempting to minimise the risk of catastrophe, rather than maximise likely long-term returns. In this volatile environment, SmartGARP has tended to struggle.

But even in these testing times, investment opportunities abound.

- SmartGARP, Artemis' proprietary stock-screening tool identifies the winners (and losers) in stockmarkets around the world. We use it to help us hunt down stocks on low valuations with good prospects for growth.
- SmartGARP helps us to determine the companies that are going to survive these turbulent times; looking for companies with good balance sheets that have growth potential and are low risk.
- SmartGARP has proven to work in both bull and bear markets. It has outperformed over the long term beating the market 12 out of the last 17 years and 3 out of 5 years when markets have fallen.*
- It has been used successfully over the longer term in three of Artemis' UK unit trusts with the methodology now being applied to our SICAV sub-funds.

* Source: Merrill Lynch / Internal / Lipper

Fig 4. On the right trail



Investment details

To invest in the Artemis SICAV funds, you need to complete an application form. You can download an application form from our website, www.artemisonline.co.uk, or alternatively please contact us using the details on the following page and we will send you a hard copy application form.

Fund	Artemis Pan European Equity Fund	Artemis Global Equity Fund
Share class: Retail (A)	Institutional (I) Retail (A)	Institutional (I)
Share type: Distribution	Accumulation	Accumulation
Currency:	€	€
Minimum investment:	I - €1m A - €1,000	I - €1m A - €1,000
SEDOL:		
€ A (acc) (dist)	B1J99R4 B1J99T6	B1J99P2
£ A (acc) (dist)	B1JD2L1 B1KHKW9	
€ I (acc) (dist)	B1JD2P5 B1KHKY1	B1J99L8
£ I (acc) (dist)	B1JD2R7 B1KHL04	
ISIN:		
€ A (acc) (dist)	LU0268337366 LU0268337523	LU0268338505
€ I (acc) (dist)	LU0268336475 LU0268336806	LU0268338091

NB: Investments may also be made in US\$ and Swiss Francs but must be equivalent to the minimum investment requirements.

The Funds are valued daily at midday (UK time) and the Net Asset Value per Share is calculated on each Valuation Date. The Net Asset Value per Share for all Funds will be determined on the basis of the last available prices at the Valuation Date from the markets on which the investments of the various Funds are principally traded.

Countries registered for sale:

France
Luxembourg
Sweden
Switzerland
The Netherlands
United Kingdom

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Artemis International SICAV is organised under the laws of the Grand Duchy of Luxembourg as a société d'investissement à capital variable (a "SICAV"). The Fund is an investment company which offers investors a choice between several classes of shares (each a "Class") in a number of sub-funds (each a "Sub-Fund"). Each Sub-Fund qualifies as a UCITS. This document is not an invitation to subscribe for shares in the Fund and is provided for information purposes only. Subscriptions for shares in the Fund can only be made on the basis of the current prospectus and simplified prospectus, copies of which can be obtained free of charge from Artemis Investment Management Ltd. Shares in the Fund are not available for sale, nor should this document be considered available for distribution, in any jurisdiction in which the sale would be unlawful. The Fund is currently registered for sale in France, Luxembourg, Sweden, Switzerland, the Netherlands and United Kingdom.

Past performance is not a guide to the future. The value of an investment, and any income from it, can fall as well as rise as result of market and currency fluctuations and you may not get back the amount originally invested. A significant proportion of the Artemis Global Equity Fund may be invested in emerging markets. Investments in emerging markets can involve greater risk than is customarily associated with more mature markets meaning above average price movements both positive and negative can be expected.

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