

January 2006

*The* ARTEMIS  
*Global Growth Fund*

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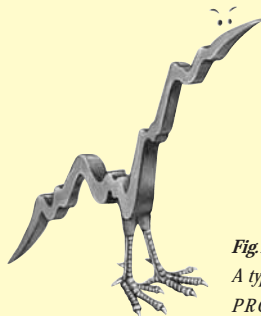


**ARTEMIS**  
The PROFIT Hunter

# ARTEMIS & *The Profit* HUNTER

**S**HY by nature and remarkably fast, the Profit is a notoriously elusive creature. Indeed to flush and bag one of these magnificent beasts takes a hunter of particularly rare ability. Like the Artemis Profit Hunter.

**B**LESSED with instinct and agility, these experienced hunters like to go after large Profits wherever they may be, unlike their bigger peers who are consigned to tracking mangy Profits along well-worn paths. This independent style of hunting has certainly paid dividends with the Artemis Hunter able to return some of the best Profits around.

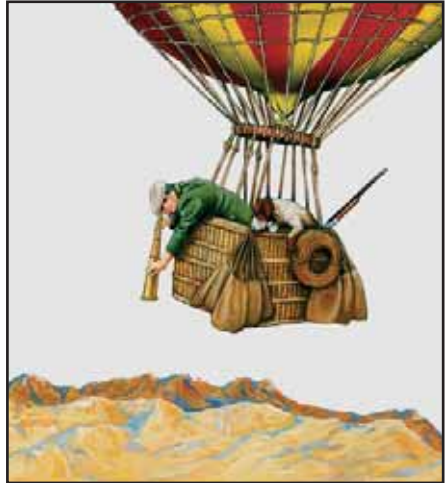


*Fig.1*  
*A typical*  
*PROFIT*

## *Circling the WORLD for the Best Opportunities*

Being able to invest anywhere in the world, in any sector and in any company, appears to be common sense – why not seek out the best businesses, no-matter where they are based? But global investing is often overlooked in favour of opportunities closer to home.

At Artemis a global remit is perfectly suited to our philosophy of hunting out the biggest profits wherever they may be. The manager of our Global Growth Fund, Peter Saacke, has no border, size or sector constraints, and so can concentrate on seeking out the most promising shares. From banks in Brazil to Dutch house-builders, the possibilities are endless.



## *Who can BENEFIT from this Fund?*

The Fund is a good option for any investor looking to spread their holdings further afield and benefit from our unique stock picking approach. It is also a worthwhile alternative to investing in a global fund of funds or building your own

portfolio by selecting suitable individual country funds. Our focus on the best opportunities from anywhere in the world can lead to similar diversification benefits, but without the extra layer of fees.

## *Our* APPROACH

Peter finds shares for the Fund by using a proprietary system, that has been developed to help spot undervalued shares. This system – SmartGARP™ - is the cornerstone of the Fund's approach, and was invented over a decade ago.

It has since proved its worth in both rising and falling markets, and is used as a screening process to unearth the best stocks globally.

## *How* SmartGARP™ *works*

The system works by objectively measuring the financial characteristics of companies and industries – those with good characteristics tend to outperform the market, those with poor ones tend to lag. In effect it gives us the kind of information Artemis would only otherwise have access to if we had a vast army of analysts, economists, strategists and fund managers working for us. For each stock, more than 100 bits of data are brought into the

system every night. In addition to this information on companies, we also take into account 36 different economic factors as well as a whole raft of sentiment measures in order to provide a complete picture of what drives share prices in particular sectors and regions. Potential candidates are assessed, and then narrowed down to the 75 or so shares which will eventually be included in the Fund.

## *Our* EXPERTISE *and* Judgement

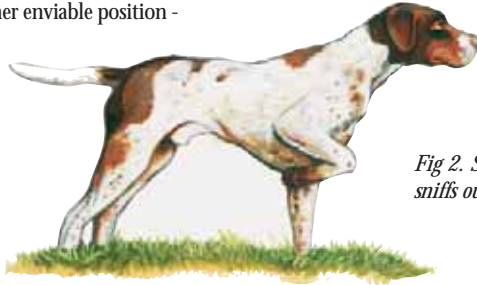
But using SmartGARP doesn't mean that Peter simply includes every share it recommends in the Fund. Rather, Peter pays close attention to newsflow emerging from businesses in order to assess whether there is a real life investment story behind the great financial characteristics

highlighted by SmartGARP. In addition, Peter ensures that the Fund is well diversified, i.e. that it does not have excessive exposure to any particular sector or region or even to stocks with particular style characteristics such as growth and value.

## *How Does Our APPROACH Set Us Apart From Other INVESTMENT COMPANIES?*

Firstly, SmartGARP is peculiar to us. Secondly, unlike many other fund managers, we have no large teams operating in offices around the world. Although this may not sound like an advantage, it actually puts us in a rather enviable position - it allows us to be closer to our decisions.

Moreover, rather than spend time managing large teams and sitting through endless meetings trying to reach a (consensus) conclusion, we can move fast and take bold decisions.



*Fig 2. SmartGARP sniffs out Profits*

## *OUR Track Record*

The Fund's performance bears out this approach, especially since Peter took over its management in January 2004 and began to use SmartGARP to help select stocks. For the year to 30th December 2005 the Artemis Global Growth Fund achieved growth of 42% compared to the sector average of 24.6%. The Fund is also in the first quartile, and ranked forth out of 171 in its sector over the same period\*.

\*Source Lipper Limited, bid to bid, net income reinvested to 30th December 2005. Quartile ranking refers to IMA Sector, Global Growth.

Please remember that past performance is not a guide to future performance. The value of an investment and any income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested. In particular, there can be no assurance that capital appreciation will occur in the early years as initial charges are levied on your investment and charges are not made uniformly throughout the life of your investment.

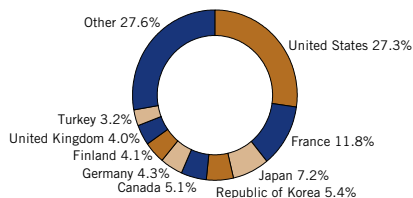
### **Percentage Growth Artemis Global Growth Fund 12 Months to 30th December 2005**

<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
-29.5	-41.1	10.0	16.6	42.0

Source: Lipper Limited, bid to bid in sterling with net income reinvested. All figures show total returns.

## *How is the Fund invested?*

### **Geographic Breakdown as at 30th December 2005**



A key feature of our approach is the way our holdings are allocated over the different regions - this is not driven by the manager's visions about what might happen in the global economy or in global politics over the next year or so, but rather by the relative abundance of attractive investments around the world.

For example, whereas last year the accepted wisdom was to invest in China on the back of growth of just over 10%, those who did so may well have been disappointed; over the last 2 years China underperformed the world equity index by 5%\*.

If we had taken the rigid view that we had to hold a certain percentage of Chinese companies, our performance may have suffered. The regions where the Fund did make money have not been nearly as high profile as China, but nonetheless have been extremely exciting from a stock picking perspective.

These include Brazil, South Africa and parts of Europe such as Hungary, Poland and the Czech Republic.

\* Source: Datastream, China vs. MSCI Index 2004/2005.

## *What Contributes to the Fund's SUCCESS?*

We think the Fund is successful because of our very simple approach - all we do is look for 75 or so shares from around the world which we believe will give excellent performance. Risk is managed by spreading the number of holdings and by

avoiding concentrating on particular industries and regions. Our focus on companies ensures that the Fund has the potential to deliver good results regardless of what may be going on in any individual region.

### Regulatory Disclosure

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