



Fund Manager  
Philip Wolstencroft  
Manager of this  
Fund since launch.

Fund Manager  
Peter Saacke  
Manager of this  
Fund since  
1 Dec 2002.

## Artemis European Growth Fund

### The Fund's Aims

The objective of the Fund is to achieve long-term capital growth through investment principally in companies in Europe (excl. the United Kingdom). The Manager actively manages the portfolio in order to achieve the objective and will not be restricted in the choice of investments either by company size or industry, or in terms of the geographical split of the portfolio.

### Fund Manager's Comment

Rising bond yields have spooked the equity markets of late. This seems like a bit of an over-reaction since equity markets are not obviously overvalued. The stocks we own seem to have good profit and dividend growth and this has been borne out by the recent results announcements. As an example, a weighted average of European government bonds gives a yield of 3% (up from 2.8% a month ago). The 2010 dividend yield on the stocks we own should be nearer 3.5%. However, whereas bonds see no growth in income, our own are forecast to see double digit dividend growth in each of the next few years. Of course these could be wildly optimistic dividend forecasts, but our companies keep churning out decent growth. As a result we suspect that things are not as gloomy as some of the commentators would have us believe. Examples of hated stocks which seem very attractive to us include ING Groep, BMW and BP. Recently we have built a position in Gazprom. Concerns over property rights have meant that historically we have tended to avoid venturing as far east as Russia. However, the valuation on this stock compared to other energy stocks is unusually low, profit progression has been solid and the recent results have exceeded expectations. As a result we think the stock has the potential to outperform substantially.

Data as at 30 November 2010

### Key Facts

IMA Sector	Europe Excluding UK
Sedol Number	0660084
Fund Size (offer basis)	£320.2m
Historic yield	1.40%
Unit offer price	175.97p
Unit bid price	166.68p
Valuation (UK business days)	12:00
Minimum lump sum investment	£1,000
Minimum monthly investment	£50
Launch	7 March 2001
Launch price	100p
Preliminary charge	5.25%
Annual Management Fee	1.5%
Unit type	Accumulation
Accumulation date	31 May
Total Expense Ratio	1.62%

### Market Sector Split\*

Market Sector	% Fund
Banks	16.5
Automobiles & Parts	14.7
Chemicals	12.6
Utilities	7.2
Insurance	6.8
Telecommunications	6.4
Industrial Goods & Services	5.6
Food & Beverage	4.9
Oil & Gas	4.8
Other	20.5

Source: Artemis. \*Without cash.  
Sector Classification: ICB L2.

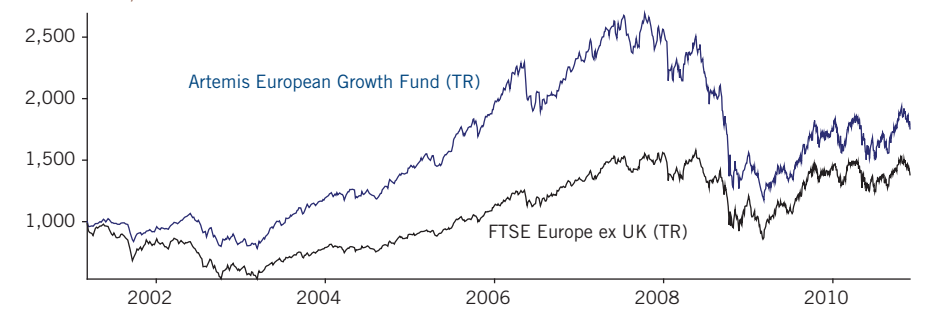
Performance	Since Launch*	5 Years	3 Years	1 Year	6 Months
European Growth Fund (TR)†	75.4	-5.0	-30.6	5.0	8.5
FTSE Europe ex UK (TR)†	38.1	29.3	-9.4	-0.1	6.1
Sector Average	32.9	25.2	-8.1	2.7	7.0
Position in Sector	5	79	93	33	30
Funds in Sector	63	80	93	107	110
Quartile	1	4	4	2	2

Please remember that past performance is not a guide to the future. \*Data from 7 March 2001. Source: Lipper Limited, bid to bid in sterling with net income reinvested to 30 November 2010. All figures show total returns. †Percentage Growth. Sector is IMA Europe (ex UK).

Percentage Growth Artemis European Growth Fund 12 Months to 30 September 2010				
2010	2009	2008	2007	2006
2.9	0.0	-33.6	24.3	13.1

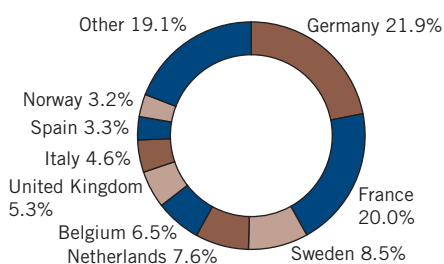
Source: Lipper Limited, bid to bid in sterling with net income reinvested. All figures show total returns.

### Value of £1,000 Invested at Launch to 30 November 2010



Data from 7 March 2001. Source: Lipper Limited, bid to bid in sterling with net income reinvested to 30 November 2010. All figures show total returns.

### Asset Allocation\*



Source: Artemis.

\*Without cash.

### Top Ten Holdings\*

Top Ten Holdings*	% Fund
BNP Paribas	4.6
Société Générale	4.4
Daimler	3.8
Bayerische Motoren Werk	3.6
ING	3.6
ENEL	2.9
Rhodia	2.8
Clariant	2.7
Lanxess	2.4
Gazprom	2.4

Source: Artemis.

\*Without cash.

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*Fig. 2*  
*A typical PROFIT*