



Fund Managers

James Foster &amp; Alex Ralph

Managers of this Fund since launch.

## Artemis Strategic Bond Fund

### The Fund's Aims & Objective

The Fund aims to achieve a total return by investment predominantly in fixed income markets but may selectively invest in other markets and asset classes as determined by the manager's strategy from time to time. The Fund will invest in all types of bonds from government to corporate bonds from investment grade AAA rated bonds to C rated bonds.

### Fund Manager's Comment

**Government bonds** – The turmoil in the peripheral European economies hit the headlines again and demonstrates the febrile nature of the bond markets. The bailout of Ireland, and potential fears of other peripheral European markets going the same way, destroyed liquidity across these government markets.

Having started the month down, gilts rallied later somewhat as a safe haven.

**Investment grade** – The markets followed the government markets with bonds from peripheral Europe suffering the most. Otherwise bank bonds suffered as the EU procrastinated in their approach to the bailout of the Irish banks.

**High yield** – This area remained remarkably resilient to the turmoil elsewhere, except peripheral European credits. Investors appear to be happier to support good companies, rather than uncertain governments.

Data as at 30 November 2010

### Key Facts

IMA Sector	£ Strategic Bond
Sedol - Quarterly Dist	B09DMK3
Sedol - Quarterly Acc	B09DMJ2
Fund Size (offer basis)	£492.8m
Distribution yield	5.00%
Unit offer price (Class Q acc. units)	68.82p
Unit offer price (Class Q dist. units)	53.30p
Unit bid price (Class Q acc. units)	64.61p
Unit bid price (Class Q dist. units)	50.04p
Valuation (UK business days)	12:00
Minimum lump sum investment	£1,000
Minimum monthly investment	£50
Launch	1 June 2005
Launch price	50p
Preliminary charge	5.25%
Annual Management Fee	1.0%
Unit type	Distribution & Accumulation
Distribution pay dates (Class Q units)	30 Apr, 31 Jul, 31 Oct, 31 Jan
Year end	28 May
Total Expense Ratio	1.10%

### Market Sector Split\*

Market Sector Split*	% Fund
Banks	25.4
Financial Services	18.0
Telecommunications	10.7
Insurance	10.0
Travel & Leisure	9.7
Industrial Goods & Services	8.7
Utilities	6.1
Personal & Household Goods	5.9
Media	4.7
Other	0.8

Source: Artemis.

\*Without cash.

Sector Classification: ICB L2.

Performance	Since Launch*	5 Year	3 Year	1 Year	6 Months
Strategic Bond Fund (TR)†	29.2	25.7	16.3	11.3	7.0
iBoxx Sterling non gilts (TR)†	22.2	19.7	16.6	6.9	3.3
Sector Average	14.4	12.4	10.3	7.0	3.0
Position in Sector	3	4	16	10	3
Funds in Sector	38	38	49	60	62
Quartile	1	1	2	1	1

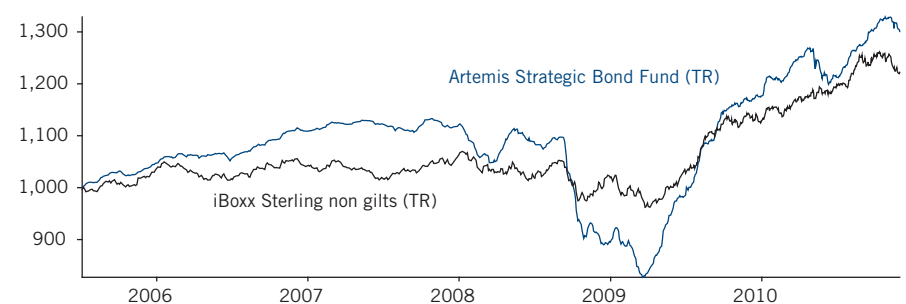
Please remember that past performance is not a guide to the future. \*Data from 30 June 2005, due to the fixed price period of the fund. Source: Lipper Limited, bid to bid in sterling with net income reinvested to 30 November 2010. All figures show total returns. †Percentage Growth. Sector is IMA £ Strategic Bond.

### Percentage Growth Artemis Strategic Bond Fund 12 Months to 30 September 2010

2010	2009	2008	2007	2006
14.4	12.8	-9.6	2.6	5.9

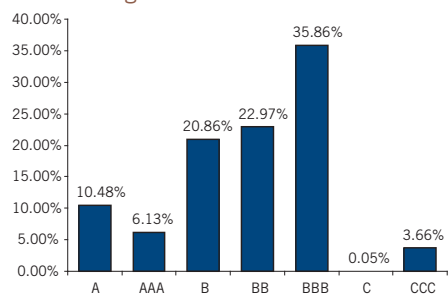
Source: Lipper Limited, bid to bid in sterling with net income reinvested. All figures show total returns.

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



Data from 30 June 2005, due to the fixed price period of the fund. Source Lipper Limited, bid to bid in sterling with net income reinvested to 30 November 2010.

### Bond Rating Allocation\*



Source: Artemis.

\*Without cash.

### Top Ten Holdings\*

Top Ten Holdings*	% Fund
GE Capital Trust V	1.9
Henderson Group 6.5% 2012	1.8
National Express 6.25% 2017	1.8
Australia & New Zealand Banking Group 6.54% VAR PERP REGS GBP	1.7
Go-Ahead 5.375% 2017	1.7
Royal Bank of Scotland	1.7
HSBC 6.375% 18/10/22	1.7
Reed Elsevier 7% 2017	1.7
Lloyds TSB 7.625% 2025	1.6
Cable & Wireless 8.625% 2019	1.6

Source: Artemis.

\*Without cash.

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Broker Support 0800 092 2090  
Facsimile 020 7399 6498  
Email [brokersupport@artemisfunds.com](mailto:brokersupport@artemisfunds.com)

#### Unit Trusts

Telephone Dealing 0800 092 2051  
Facsimile 0845 076 2290

Client Services 0800 092 2051  
Facsimile 0845 076 2290  
Email [investorsupport@artemisfunds.com](mailto:investorsupport@artemisfunds.com)

Web [artemisonline.co.uk](http://artemisonline.co.uk)



*Fig. 2*  
*A typical PROFIT*