

Artemis High Income Fund

July 2010



About the fund

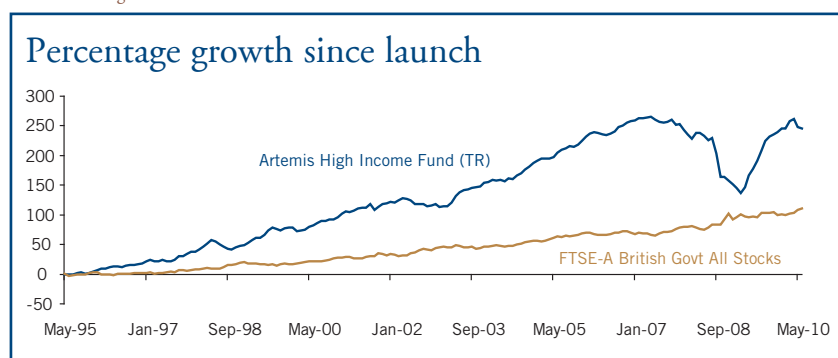
- The Artemis High Income Fund invests predominantly in fixed income (specifically convertible and corporate bonds). But it has the flexibility to add up to 20% in higher yielding equities and preference shares. This 20% equity exposure boosts the potential for capital growth, whilst helping to maintain and grow income.
- Investment is approached from an equity – as opposed to a traditional fixed income – standpoint. The fund managers believe understanding a company's fundamentals is more useful than relying on credit ratings alone. So the whole spectrum of UK assets is examined in order to find the best investment opportunities.
- Co-managers Adrian Frost and Adrian Gosden have been running the fund together for the past six years.

The fund may suit investors looking for:

- The potential for a higher level of income and capital growth than a traditional gilt or corporate bond fund.
- Diversification from equity investing.
- An established fund with a proven investment process and track record.

Performance	Since launch*	5 years	3 years	1 year	6 months
High Income Fund (TR)†	245.9	13.4	-3.9	24.8	1.9
FTSE-A British Govt All Stocks (TR)**†	110.9	28.9	28.0	6.7	5.7
Position in sector	1/8	15/42	51/53	17/64	57/65
Quartile	1	2	4	2	4

Please remember that past performance is not a guide to the future. *Data from 26 May 1995. Source: Lipper Limited, bid to bid in sterling with net income reinvested to 30 June 2010. All figures show total returns. ** As FTSE A Brit Govt All Stocks TR data is not available prior to Nov 1998 we have used CR figures up until 30 Nov 1998 and then applied the percentage growth of the TR index to CR prices to make up the remainder of the data. † Percentage Growth. Sector is IMA £ Strategic Bond.



Source: Lipper Limited, bid to bid in sterling with net income reinvested to 30 June 2010. Data from 26 May 1995. * As FTSE A Brit Govt All Stocks TR data is not available prior to Nov 1998 we have used CR figures up until 30 Nov 1998 and then applied the percentage growth of the TR index to CR prices to make up the remainder of the data.

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Fund facts:

Launch date	26 May 1995
Fund manager	Adrian Frost Adrian Gosden
Benchmark	FTSE-A British Govt All Stocks
IMA sector	£ Strategic Bond
Fund size	£578.0m
Number of holdings	115
Annual management charge	1.25%
Distribution yield**	8.60%
Underlying yield	7.40%

Meet the managers



The fund is managed by Adrian Frost and Adrian Gosden. With over 20 years of investment experience, Adrian Frost joined Artemis in December 2001 from Deutsche Asset Management, where he was Head of UK Equities. Adrian Gosden joined Artemis in 2003 from Société Générale Asset Management, where he managed their UK Income Fund and several higher income institutional, and charity mandates. He has over 13 years investment experience.

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