

May 2009

Artemis Strategic Assets Fund



ARTEMIS
The PROFIT Hunter

This is our first new fund for four years. As an investment-led fund management company Artemis seeks to respond to the long term opportunities presented by the markets and deploy appropriate investment strategies. Additionally, the implementation of the UCITS III directive has enabled the creation of a highly versatile investment mandate, within the traditional unit trust structure. We welcome the addition of this fund to our range, a fund that must warrant serious consideration by a wide variety of investors.

Richard Turpin
Managing Director

An investor's compass – come rain or shine ...

How do you make money, no matter what is happening in the economy and markets?

There are obviously no guarantees. But you can maximise your chances of good returns by investing not just in a range of different equities, but in a variety of assets as well.

The trick, of course, is choosing the right class or classes of investments – in the right proportions. There will be times when bonds outperform equities, when commodities beat currencies, and so on. So funds that have the freedom to change and diversify their asset allocation make sense – especially in these volatile times.

Which assets, though, and when?

These are difficult decisions for investors sometimes, easier to get wrong than right.

Would a compass help you?

That's where this fund comes in.

Allocating assets – strategically ...

In keeping with our other 'high conviction' funds, the new Artemis Strategic Assets Fund will be distinctive. Yes, to attempt to preserve capital it will take a broadly 'multi-asset' approach when that's the right thing to do. But equities will remain the fund's mainstay.

Drawing on the resources and talent of our investment team, experienced fund manager William Littlewood will be the investor's compass and take the crucial asset allocation decisions. He will move between a high equity exposure and a low one, depending on circumstances. He is free to allocate as he sees fit between:

- Equities (UK and overseas)
- Fixed interest (UK and overseas)
- Commodities
- Currencies

William will do so with one, clear objective in mind: perform well when markets are favourable, and preserve capital when markets are poor.

So, the objective is therefore to provide longer term positive returns under most market conditions. Outperforming both cash and equities over rolling three-year periods.

That's the aim. That's this fund.

Let it be your compass – for whatever classes of asset the prevailing market conditions demand.

We only launch funds when we believe we have the demonstrable experience and talent necessary – and when we think the markets are right for it. For the Artemis Strategic Assets Fund, that time is now.

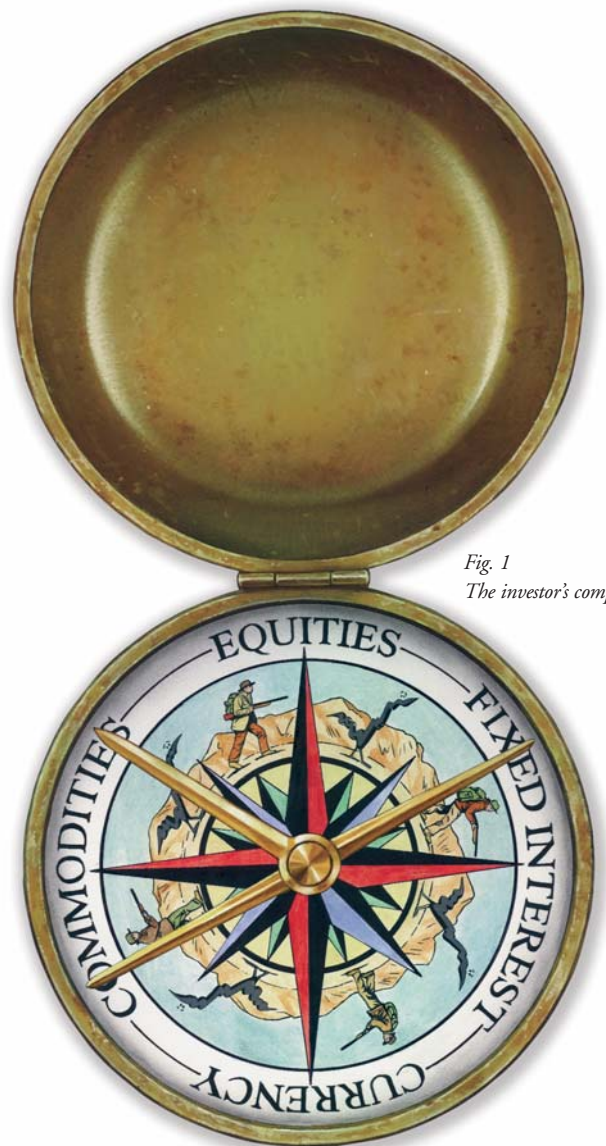


Fig. 1
The investor's compass



William Littlewood

The manager

William Littlewood graduated from Bristol University with a degree in Economics. He worked at Jupiter Asset Management from 1989 to 1999, where he managed £1.6 billion in top-performing* assets. He then joined Artemis in December 2005 to launch the Absolute Return Hedge Fund. In managing this new fund, William will add the resources and expertise of Artemis' 16 other fund managers to his own extensive experience of multi-asset investing.

* Source: Lipper Limited, 3,288 days from 30/11/90 – 1/12/99.

“In these volatile times, investors have to be nimble and move quickly between different asset classes. That is precisely what this fund will do: seek out profits, wherever they're to be found.”

William Littlewood
Fund Manager

The method ...

Making the most of the legislation enshrined within the UCITS III directive on collective investment funds, this fund will have the best characteristics of both unit trusts and hedge funds. As and when they are appropriate, William will use Exchange Traded Funds, derivatives, short-selling and other financial instruments in search of superior returns.

The fund's management style will be primarily macro-driven, supported by the stock-picking skills of the fund manager. Working from our London office, William will draw on the support, resources, research and experience of his 16 investment colleagues, all highly practised in their different fields. When hunting bonds, he will get input from the bond team. When smaller companies seem right, he will have the expertise of our smaller companies team, and so on.

Because the collegiate, co-operative culture of Artemis' fund managers is one way we stop the investment compass spinning. William will then follow the profits – and hunt them down.

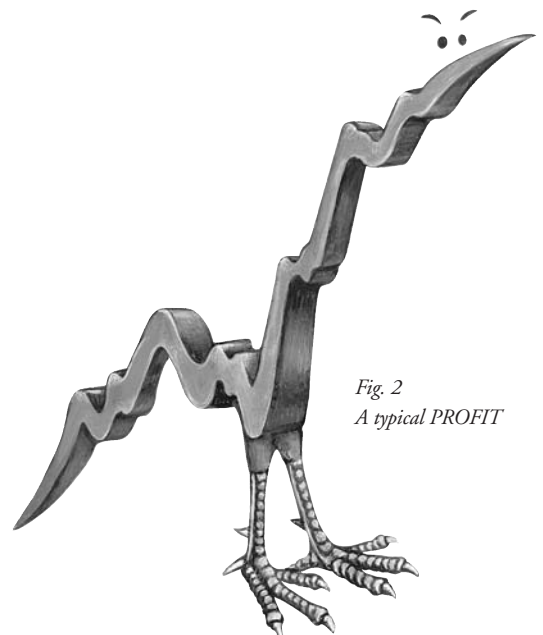


Fig. 2
A typical PROFIT

Artemis Strategic Assets Fund

Fees ...

The annual management fee will be in accord with our retail fund charges: 1.5%. The Total Expense Ratio for the fund is also expected to be in line with our current unit trust range. See the Key Features Incorporating the Simplified Prospectus for more details.

Benchmark ...

Given the multi-asset nature of the fund, a formal benchmark is inappropriate. The fund aims to outperform the FTSE All-Share or cash, whichever is the higher, over any three-year period. But for informal measurement, we recommend the APCIMS Private Client Growth Index.

The FTSE APCIMS Private Investor Index Series is designed to compare the performance of income, growth and balanced funds; as a basis for reviewing the asset allocation and structure of a portfolio; and as a benchmark for assessing and comparing the performance of discretionary fund managers.

Key Facts

Launch date	5 May 2009
Launch price	50p
IMA Sector	Active Managed
Preliminary charge	5.25%
Annual management charge	1.50%
Other annual charges	0.20%*
Total Expense Ratio	1.70%*
Accounting date	Last day February, 31 Aug
Distribution date	31 October
Unit Type	Accumulation
Valuation point	12 noon
Minimum lump sum investment	£1,000
Minimum monthly investment	£50

* Normally these figures are quoted on a historic basis using information for the preceding 12 months prior to publication of the Key Features document. Historic information is not available for this newly launched fund. Instead, the information provided is based on our expectations of the composition of the fund's portfolio and our experience with other unit trusts managed by Artemis Fund Managers Limited. The information is provided solely for illustrative purposes and may be subject to change.

And in summary ...

The fund offers:

- Diversification of investment via multi-asset classes
- The security and liquidity of a traditional unit trust
- Respected fund manager supported by Artemis' resources and teams
- A natural extension of Artemis' 'Profit-Hunter' range of unit trusts
- A compass for investors in these volatile times.

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 retail investors. The company now manages assets of some £9.9bn*. Clients' investments are spread across a range of unit trusts, an investment trust, hedge funds, a venture capital trust, an international SICAV and segregated institutional portfolios.

The four founding partners have been joined by 13 other dedicated fund managers who share the same flair and enthusiasm for fund management. Our investment mandates encourage individual style and freedom of thought - demonstrated by a track record which validates our approach.

The Artemis philosophy requires our fund managers to invest in Artemis funds. This means that our fund managers' interests are directly aligned with our investors.

** Source: Internal as at 31/3/2009.*

For further information, visit www.artemisonline.co.uk

How to invest ...

The Artemis Strategic Assets Fund is available as a unit trust, and is also suitable to include in an ISA. You can invest through various third parties, including fund supermarkets and life companies; or alternatively you can invest directly with us by:

- investing online at www.artemisonline.co.uk
- downloading an application form from the Artemis website above (located under 'Literature') and sending this along with your cheque to PO Box 9688, Chelmsford, CM99 2AE
- calling our Client Service team on 0800 092 2051.

We recommend that you seek independent financial advice before making any investment decisions. 'Find an IFA' is an independent online search service that helps you to locate a local IFA. Visit www.unbiased.co.uk to find out more.

Risk Factors

This document is issued by Artemis Fund Managers Limited, which is authorised and regulated by the Financial Services Authority (www.fsa.gov.uk), 25 The North Colonnade, Canary Wharf, London E14 5HS and is a member of the IMA. Artemis Fund Managers Limited is a member of the Artemis Marketing Group. We only market our own unit trusts. Artemis Fund Managers Limited does not offer investment advice. For your protection, telephone calls are usually recorded.

The value of an investment, and any income from it, can fall as well as rise as a result of market and currency valuations and you may not get back the amount originally invested. Investments in fixed interest securities are subject to credit and market risk, and fluctuations in interest rates. The fund may invest in higher yielding bonds, which may increase the risk to your capital due to a higher likelihood of default by the bond issuer. Changes to market conditions and interest rates can have a larger effect on the values of higher yielding bonds than other bonds.

A proportion of the fund may be invested in geographic or market sectors (e.g. emerging markets or smaller companies) which can involve a higher degree of risk than usually associated with more mature markets and larger companies meaning above average price movements, both positive and negative, can be expected.

The fund may use exchange traded funds (ETFs), exchange traded commodities (ETCs) and exchange traded notes (ETNs) to gain exposure to commodities. Prices of the ETFs, ETCs and ETNs may be higher or lower than the value of the underlying investments. Other factors which may influence the prices of ETFs, ETCs and ETNs include: global supply and demand of the commodity involved; investors' expectations with respect to inflation rates; currency exchange rates; interest rates; investment and trading activities of hedge funds and commodity funds; and global or regional political, economic or financial events and situations. In addition, a downgrade in the credit rating of an ETN issuer may cause the value of the ETN to fall despite there being no change in the underlying index.

If the fund has a high cash exposure at a time when markets are rising, the investment return could be less than if it was fully invested.

As well as holding assets that may rise or fall with market values, the fund may also hold derivatives (primarily contracts for difference) with the aim of creating positions which increase in value as the price of the related investment falls. However, the fund may lose money from those positions if the related assets rise in value.

Full information on the fund is available in the Key Features incorporating the Simplified Prospectus, which you should read carefully before making any investment decision.

Contact Us

Artemis Fund Managers Limited
Cassini House, 57 St James's Street
London SW1A 1LD

42 Melville Street
Edinburgh EH3 7HA
www.artemisonline.co.uk

Broker Support
Telephone: 0800 092 2090
Facsimile: 020 7399 6498

Client Services
Telephone: 0800 092 2051
Facsimile: 020 7399 6497

