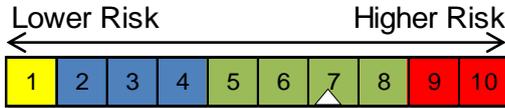


ARTEMIS US SELECT



Fund Launch Date: 19/09/2014
Sector: IA North America
Fund Size: £2,727.2 Million
Manager: Cormac Weldon
Manager Start Date: 19/09/2014
Current Yield: 0.01%
MAM Risk Score: 6.90



The Fund Objective

The fund aims to generate long-term capital growth from a portfolio of companies listed in the United States of America.

The Organisation

Founded in March 1997 Artemis was formed by the former UK equity team at Ivory & Sime; all of whom are still involved with Artemis. In 2002, ABN Amro acquired a 58% stake in the company, but in 2008 Fortis Bank bought all of the share capital and took complete control of the group. Shortly after taking control of the firm, Fortis was forced to put Artemis up for sale, with Affiliate Managers Group (AMG) and the managers of Artemis taking control back off Fortis in early 2010.

AMG retains a significant stake in Artemis, but it operates as if it were a manager-owned asset management company, with a number of staff owning shares in the firm and all staff members invest in their own fund range.

The Investment Team

Cormac Weldon graduated from Dublin City University in 1987 with a degree in Accounting & Finance, joining KPMG after his graduation. He then moved to Provident Mutual in 1991 and became a US equity analyst before joining the British Gas Pension fund as a fund manager. He left them in September 1997, joining Threadneedle's North America Equity team, taking responsibility for his first retail fund in November 2001; the Threadneedle American Select fund.

Weldon was then promoted by Threadneedle to their Head of US Equities and at the same time he took over the group's American Smaller Companies fund in September 2005. Following the departure of Andrew Holliman in June 2011, Weldon took over the American fund, managing all three funds until his departure from the firm in April 2014 to join Artemis. Weldon is the Head of US Equities at Artemis and has launched their US equity fund range, managing the US Equity, US Select and US Smaller Companies funds.

Weldon is supported by five analysts, all of whom followed Weldon to Artemis from Threadneedle.

The Investment Approach

The investment philosophy governing the fund is that markets are generally inefficient, with investors slow to price in the implications of change. As such, it is possible for style agnostic managers like Weldon to out-perform

the wider market, regardless of the conditions that prevail, as he is not focusing on just one type of business or one characteristic. Once a stock has been identified, the team carries out in-depth research and analysis to develop an investment thesis.

The aim of this analysis is to identify the downside risk and the upside reward, which the team calls "up/down", which covers factors such as the business model, barriers to entry, customer demand, strength of the brand, financial metrics, cash generation and valuations. Company management is a big part of the process, with Weldon believing focused and motivated managers perform better than average, with their experience and credibility also assessed.

For every unit of downside risk, Weldon wants two units of upside reward; although this threshold is not a hard rule. Weldon then establishes a target price, which is based on the company's prospects and whether the market would pay to have these fundamentals. Weldon also models the impact that expected scenarios might have on the share price and how willing the market is to pay for these characteristics.

Performance Review

The table below shows the medium-term performance of the Artemis US Select fund and the Threadneedle American Select fund which Weldon took over in November 2001.

Artemis	2021*	2020	2019	2018	2017
Artemis US Select	17.66	15.23	29.06	3.28	15.21
Sector Average	19.66	15.55	24.92	-1.50	10.12
Out-Performance	-2.00	-0.32	4.14	4.78	5.09
Quartile Ranking	4	2	1	1	1

Source: Financial Express Analytics, Total Return, Bid to Bid, GBP£

* 01.01.2021 to 31.08.2021

Threadneedle	2013	2012	2011	2010	2009
Thread Amer Select	29.78	7.62	2.35	14.34	23.13
Sector Average	30.54	6.86	-1.03	17.92	18.61
Out-Performance	-0.76	0.76	3.38	-3.58	4.52
Quartile Ranking	3	2	1	4	1

Source: Financial Express Analytics, Total Return, Bid to Bid, GBP£

Murdoch Asset Management's View

Cormac Weldon was one of our preferred managers when he was in charge of the Threadneedle American fund and we decided to follow him to Artemis; which we could not do immediately as there were a few months when he was out of the market. At Threadneedle we were impressed with this ability to generate above average returns over the long-term and we are confident he can continue his track record whilst at Artemis. The US Select fund is a more concentrated version than the Threadneedle fund we were invested in, with fewer positions and larger allocations to each stock, allowing Weldon to invest in only his favourite companies.