

US Small (Artemis) - LU1955026684

OFFENLEGUNG GEMÄSS ARTIKEL 6 und 7

DER VERORDNUNG (EU) 2019/2088 ÜBER NACHHALTIGKEITSBEZOGENE OFFENLEGUNGSPFLICHTEN IM FINANZDIENSTLEISTUNGSSEKTOR

A. Klassifizierung

Wir dürfen darauf hinweisen, dass die Einbeziehung von Nachhaltigkeitsrisiken, die Bewertung der zu erwartenden Auswirkungen von Nachhaltigkeitsrisiken sowie die Berücksichtigung von nachteiligen Nachhaltigkeitsauswirkungen des gewählten Investmentfonds, **Artemis Funds (Lux) – US Smaller Companies**, durch die Kapitalanlagegesellschaft erfolgt.

Um die entsprechenden Informationen in Ihren Entscheidungsprozess miteinbeziehen zu können, verweist die APK Versicherung auf die produktspezifischen Offenlegungen auf der Website der Kapitalanlagegesellschaft.

Der gegenständlich zugrundeliegende Investmentfonds Artemis Funds (Lux) – US Smaller Companies entspricht laut Klassifizierung der Kapitalanlagegesellschaft Artemis Investment Management LLP einem Finanzprodukt im Sinne von **Artikel 8** der Offenlegungs-VO.

Der Grundsatz „Vermeidung erheblicher Beeinträchtigungen“ findet nur bei denjenigen dem Finanzprodukt zugrunde liegenden Investitionen Anwendung, die die EU-Kriterien für ökologisch nachhaltige Wirtschaftsaktivitäten berücksichtigen. Die dem verbleibenden Teil dieses Finanzprodukts zugrunde liegenden Investitionen berücksichtigen nicht die EU-Kriterien für ökologisch nachhaltige Wirtschaftsaktivitäten.

Unter folgenden Links sind die produktspezifischen Offenlegungen abrufbar:

[Artemis Funds \(Lux\) US Smaller Companies | Artemis Fund Managers](#) (Stand 20.12.2022).

B. Allgemeines

Die Verordnung (EU) 2019/2088 des Europäischen Parlaments und des Rates vom 27. November 2019 über nachhaltigkeitsbezogene Offenlegungspflichten im Finanzdienstleistungssektor (**Offenlegungs-VO**) ist seit 10. März 2021 anwendbar. Die Offenlegungs-VO sieht einen harmonisierten Ansatz in Bezug auf nachhaltigkeitsbezogene Offenlegungen für Anleger im Finanzdienstleistungssektor des EWR vor und soll mehr Transparenz darüber schaffen, wie die einzelnen Finanzmarktteilnehmer Nachhaltigkeitsrisiken in ihre Anlageentscheidungen integrieren und negative Nachhaltigkeitsauswirkungen im Anlageprozess berücksichtigen.

Die Taxonomie-VO (Verordnung (EU) 2020/852) enthält die Kriterien zur Bestimmung, ob eine Wirtschaftstätigkeit als ökologisch nachhaltig einzustufen ist, um damit den Grad der ökologischen Nachhaltigkeit einer Investition ermitteln zu können. Die Taxonomie-VO ist ab 1.1.2022 anwendbar und richtet sich an Finanzmarktteilnehmer und schafft mehr Transparenz in vorvertraglichen Informationen und regelmäßigen Berichten (Art 5 bis 7 der Taxonomie-VO).

Für die Zwecke der Offenlegungs-VO erfüllen wir als Versicherungsunternehmen die Kriterien eines "Finanzmarktteilnehmers", während jeder von uns angebotene Fonds als ein "Finanzprodukt" eingestuft wird.

C. Begriffsdefinitionen

1. **Offenlegungsverordnung:** Die Offenlegungsverordnung oder SFDR bezeichnet die Verordnung (EU) 2019/2088 des Europäischen Parlaments und des Rates vom 27. November 2019 über nachhaltigkeitsbezogene Offenlegungspflichten im Finanzdienstleistungssektor in der jeweils gültigen Fassung.
2. **Finanzprodukt im Sinne von Artikel 6 der Offenlegungs-VO:** sonstige bzw. „konventionelle“ Finanzprodukte, mit denen keine nachhaltige Investition angestrebt und keine ökologischen oder sozialen Merkmale beworben werden. Für diese Produkte gibt es, anders als bei hell- und dunkelgrünen Produkten, keine zusätzlichen Offenlegungspflichten in vorvertraglichen Dokumenten, regelmäßigen Reportings und auf der Website.
3. **Finanzprodukt im Sinne von Artikel 8 der Offenlegungs-VO:** ein Finanzprodukt, mit dem unter anderem ökologische oder soziale Merkmale oder eine Kombination aus diesen Merkmalen beworben werden, sofern die Unternehmen, in die investiert wird, Verfahrensweisen einer guten Unternehmensführung anwenden.¹ Diese Finanzprodukte berücksichtigen ESG-Merkmale, jedoch nicht in der Intensität von Finanzprodukten iSv Artikel 9 der Offenlegungs-VO. Diese Produkte werden häufig auch als „hellgrüne“ Produkte bezeichnet.
4. **Finanzprodukt im Sinne von Artikel 9 der Offenlegungs-VO:** ein Finanzprodukt, mit dem eine nachhaltige Investition angestrebt wird.² Diese Produkte besitzen also ein angestrebtes Nachhaltigkeitsziel (zB die Reduktion von CO2 Emissionen) und leisten somit einen aktiven Beitrag zu mehr Nachhaltigkeit. Sie werden auch als „dunkelgrüne“ Produkte bezeichnet.
5. **Nachhaltigkeitsrisiko:** Nachhaltigkeitsrisiken sind Ereignisse oder Bedingungen in den Bereichen Umwelt, Soziales oder Unternehmensführung, deren Eintreten tatsächlich oder potenziell wesentliche negative Auswirkungen auf den Wert der Investition haben könnte.³
6. **Nachhaltigkeitsfaktoren:** Umwelt-, Sozial- und Arbeitnehmerbelange, die Achtung der Menschenrechte und die Bekämpfung von Korruption und Bestechung.⁴
7. **ESG:** Umwelt-, Sozial- und Arbeitnehmerbelange.
8. **"nachhaltige Investition":** eine Investition in eine wirtschaftliche Tätigkeit, die zur Erreichung eines Umweltziels beiträgt, gemessen beispielsweise an Schlüsselindikatoren für Ressourceneffizienz bei der Nutzung von Energie, erneuerbarer Energie, Rohstoffen, Wasser und Boden, für die Abfallerzeugung, und Treibhausgasemissionen oder für die Auswirkungen auf die biologische Vielfalt und die Kreislaufwirtschaft, oder eine Investition in eine wirtschaftliche Tätigkeit, die zur Erreichung eines sozialen Ziels beiträgt, insbesondere eine Investition, die zur Bekämpfung von Ungleichheiten beiträgt oder den sozialen Zusammenhalt, die soziale Integration und die Arbeitsbeziehungen fördert oder eine Investition in Humankapital oder zugunsten wirtschaftlich oder sozial benachteiligter Bevölkerungsgruppen, vorausgesetzt, dass diese Investitionen keines dieser Ziele erheblich beeinträchtigen und die Unternehmen, in die investiert wird, Verfahrensweisen einer guten Unternehmensführung anwenden, insbesondere bei soliden Managementstrukturen, den Beziehungen zu den Arbeitnehmern, der Vergütung von Mitarbeitern sowie der Einhaltung der Steuervorschriften.⁵

¹ Art 8 Offenlegungs-VO

² Art 9 Offenlegungs-VO

³ Art 2 Z 22 Offenlegungs-VO

⁴ Art 2 Z 24 Offenlegungs-VO

⁵ Art 2 Z 17 Offenlegungs-VO.



Artemis Funds (Lux) – US Smaller Companies

Kennung des Rechtsträgers: 5493005ZAZWM54373247

Diese Unterlage informiert Sie über die ökologischen bzw. sozialen Merkmale dieses Fonds. Es handelt sich nicht um Marketingmaterial. Die Informationen sind gesetzlich vorgeschrieben. Wir empfehlen Ihnen, sie zu lesen, damit Sie eine fundierte Entscheidung über Ihre Investition treffen können.

Zusammenfassung

Der Fonds fördert ökologische oder soziale Merkmale, verfolgt jedoch nicht das Ziel einer nachhaltigen Anlage.

Der Fonds investiert hauptsächlich in Aktien von kleineren Unternehmen, die an einer anerkannten Börse in den USA notiert sind. Der Mindestanteil der nachhaltigen Anlagen des Fonds beträgt 5 %, und der Fonds schließt Sektoren aus, um ein Engagement in Sektoren mit erheblichen ESG-Risiken zu vermeiden.

Der Anlageverwalter ist bestrebt, das Klimarisiko des Fonds zu verringern und von den Chancen zu profitieren, die mit dem Übergang zu einer Wirtschaft mit Netto-Null-Emissionen verbunden sind, indem er in Unternehmen investiert, die ihre Kohlenstoffbelastung aktiv steuern und sich sinnvolle Ziele setzen.

Soweit Daten verfügbar sind, wird eine Reihe von quantitativen und qualitativen Indikatoren verwendet, um die Erreichung dieser Merkmale zu messen, darunter:

- Kohlenstoffintensität und absolute Emissionen,
- gesetzte Ziele (kurz-/mittel-/langfristig),
- langfristige Ziele, z. B. ein langfristiges Netto-Null-Ziel bei Treibhausgasen,
- eine Dekarbonisierungsstrategie, die ein Engagement und Investitionsausgaben für „grüne“ Umsätze vorsieht,
- Unternehmensführung einschließlich Aufsicht und Vergütung der Führungskräfte.

Branchen- und unternehmensspezifische Nachhaltigkeitsfaktoren wirken sich ebenfalls auf die Indikatoren aus, die zusätzlich zu den oben genannten betrachtet werden.

Die Benchmark des Fonds, der Russell 2000 Index, wurde nicht als Referenzbenchmark für die Erreichung der vom Fonds geförderten ökologischen oder sozialen Merkmale bestimmt.

Die Indikatoren für nachteilige Auswirkungen auf Nachhaltigkeitsfaktoren werden auf verschiedene Weise berücksichtigt:

- Ausschlüsse: Der Fonds wendet eine Reihe von Ausschlüssen in Bezug auf die wichtigsten negativen Indikatoren (PAI) an, darunter solche, die sich auf den Ausschluss von Kohle, umstrittenen Waffen und Unternehmen beziehen, die gegen die Prinzipien des Global Compact der Vereinten Nationen in den Bereichen Menschenrechte, Arbeitsrechte, Umwelt und Korruptionsbekämpfung verstößen.
- Wesentliche negative Auswirkungen auf die Nachhaltigkeit werden vom Investmentteam vor der Anlage berücksichtigt, wobei wichtige Kennzahlen mithilfe des Artemis ESGDashboards (ein Dashboard für die Anlageverwalter und die Überwachung des Anlagerisikos, das aus einer Reihe verschiedener Datenquellen gespeist wird) überwacht und in den vierteljährlichen Anlagerisiko-Sitzungen der Fondsverwalter überprüft und hinterfragt werden.

Artemis erhält ESG-Daten von Daten- und Research-Anbietern. Diese Drittanbieter können sich auf die neuesten verfügbaren Daten des Unternehmens, in das investiert wird, beziehen oder eine Schätzung auf der Grundlage ihrer eigenen Recherchen und Analysen vornehmen. Vom Beteiligungsunternehmen veröffentlichte Daten können verzögert sein, wenn sie dem letzten vom Beteiligungsunternehmen



veröffentlichten Periodenabschluss entnommen wurden. Wenn Daten geschäftlicher Einbindung nicht aus einer primären dritten Datenquelle verfügbar sind, nimmt Artemis bestmöglich eine Bewertung der Beteiligung eines Unternehmens anhand alternativer Datenquellen oder verfügbarer Recherchen vor.

Die Beschäftigung des Investmentteams mit aktuellen und potenziellen Beteiligungen ist ein wichtiger Mechanismus zur Bewertung der Unternehmen. Alle Teammitglieder engagieren sich.

Weitere Informationen

Weitere Informationen über das Fondsconcept für nachhaltige Investitionen sind (auf Englisch) unter www.artemisfunds.com verfügbar.

Wichtige Informationen

Bevor Sie eine endgültige Anlageentscheidung treffen und um sicherzustellen, dass Sie verstehen, ob dieser Fonds für Sie geeignet ist, lesen Sie bitte „Wesentliche Anlegerinformationen“, die zusammen mit dem Fondsprospekt unter www.artemisfunds.com oder www.fundinfo.com verfügbar sind.

Der Fonds ist ein Teilfonds von Artemis Funds (Lux), einer Investmentgesellschaft mit variablem Grundkapital („SICAV“). Weitere Informationen finden Sie unter www.artemisfunds.com/sicav.

Die vorgenannten Unterlagen sind auch kostenlos am Geschäftssitz von Artemis in Cassini House, 57 St James's Street, London, SW1A 1LD erhältlich, oder:

- in Österreich: Erste Bank der Österreichischen Sparkassen AG, Am Belvedere 1, 1100 Wien, Österreich,
- in Frankreich: CACEIS Bank France SA, 1-3 Place Valhubert, 75013 Paris,
- in Deutschland: German Fund Information Service UG (haftungsbeschränkt), Zum Eichhagen 4, 21382 Brielingen, Deutschland,
- in Luxemburg: J.P. Morgan SE, Niederlassung Luxemburg, 6C route de Treves, L-2633 Senningerberg, Luxemburg,
- in Spanien: Allfunds Bank SA, Estafeta, 6, La Moraleja, Complejo Plaza de la Fuente, Alcobendas 28109, Madrid,
- in der Schweiz: RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH-8027 Zürich, die als schweizerische Vertreterin und Zahlstelle fungiert.

Besuchen Sie www.artemisfunds.com/glossary für eine Erläuterung der Anlagekonditionen.

Artemis hat die in dieser Mitteilung enthaltenen Recherchen und Analysen für den eigenen Gebrauch erworben. Obwohl sich diese Mitteilung auf Informationsquellen stützt, die Artemis als zuverlässig erachtet, wird keine Gewähr für deren Richtigkeit oder Vollständigkeit übernommen.

Alle zukunftsgerichteten Aussagen beruhen auf den derzeitigen Erwartungen und Prognosen von Artemis und können ohne vorherige Ankündigung geändert werden.

Herausgegeben in Großbritannien von Artemis Investment Management LLP, die von der Financial Conduct Authority zugelassen ist und geregelt wird; in Deutschland von AI Management (Europe) GmbH; in der Schweiz von Artemis Investment Services (Switzerland) GmbH.

Dieses Dokument hat den Stand vom 15. Dezember 2022.

Artemis Funds (Lux) - US Smaller Companies

Investment Objective

To increase the value of Shareholders' investments primarily through capital growth.

Investment Policy

The Fund invests principally in equities of smaller companies that are listed on a recognised stock exchange in the USA. Typically these are companies with a market capitalisation of less than \$10bn at the time of purchase.

At times the Fund may invest in equities of companies of equivalent size that are headquartered or exercise the predominant part of their economic activity in the USA, but which are listed on a regulated stock exchange outside the USA.

Shares in the following types of companies (held either directly or indirectly via derivatives) are automatically excluded:

- Tobacco: companies which derive more than 5% revenue from tobacco production;
- Weapons: companies:
 - involved in the production of controversial weapons (including cluster munitions, landmines, biological and chemical weapons); or
 - which derive more than 10% revenue from conventional or nuclear weapons, related components and systems; or
 - which derive more than 10% revenue from manufacture or sale of civilian firearms or ammunition;
- Coal: companies which derive more than 5% revenue from mining or sale of thermal coal;
- Companies that the Investment Manager determines to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption.

The Fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR. The Investment Manager seeks to decrease the Fund's exposure to climate risk and benefit from the opportunities associated with the transition to a net-zero emissions economy through investing in companies which are actively managing their carbon exposure and setting meaningful targets. Further information is contained in a methodology statement available on the Artemis website at www.artemisfunds.com/methodology-statement.

The evaluation of environmental, social and governance factors is determined by the Investment Manager using information provided by the companies (for example company sustainability reports) and third-party data, focusing on scores and metrics which the Investment Manager considers to be relevant.

More information about the environmental or social characteristics for this Fund is available in the pre-contractual disclosure for financial products referred to in Article 8 under SFDR which follow the Fund's details and which form an integral part of this Prospectus.

The Fund may use derivatives and other techniques for hedging and for efficient portfolio management. The Fund's derivatives may include, but are not limited to, futures and forward currency contracts.

Subject to the limits set out in the Investment Restrictions, the Fund may also hold ancillary liquid assets for treasury purposes.

Subject to the limits set out in the Investment Restrictions, the Fund may also invest in bank deposits, money market instruments and money market

funds in order to achieve its investment goals, for treasury purposes and in case of unfavourable market conditions.

The Fund may invest up to 10% of its Net Asset Value in other collective investment schemes.

Investor Profile

The Fund is designed for all investors including retail investors.

Investors should be prepared to accept risk to their capital and volatility of the value of their investments. This Fund is not designed for investors who cannot afford capital loss of their investment. The capital loss cannot exceed the amount invested.

The Fund will allow investors ready access to their investment although they should intend to invest their money for at least five years.

Fund Characteristics

Benchmark	Russell 2000 Index	
Base Currency	US Dollar	
Dealing Frequency	Daily on Dealing Day	
Dealing Cut-off Time	13:00 CET	
Valuation Point	16:00 CET	
Accounting Dates	Final	Interim
	31 October	30 April
Risk Management Method	Commitment approach	

General Share Class Features

Share Class	A	B	I
Base Fund Management Fee 1	1.65%	0.90%	0.90%
Performance Fee	None		
Dividend Dates	Declaration	Ex-Dividend	Payment
	31 October	1 November	31 December
Hedged Share Classes: Mechanism	NAV hedging: Employs hedging transactions to convert the Net Asset Value from the Base Currency to the currency of the hedged Share Class.		

F Share Classes

Other features (dividend dates and Hedged Share Classes mechanism) are the same as General Share Classes.

Share Class	FB	FI
Base Fund Management Fee ¹	0.50%	0.50%

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Fund may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

¹ Base Fund Management Fee percentage is stated as the annual charge with reference to the Net Asset Value of the Share Class. See Section 3.1

under the heading "Fund Management Fee" for further details.

Pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Artemis Funds (Lux)

Artemis Funds (Lux) - US Smaller Companies

(Legal Entity Identifier: 5493005ZAZWM54373247)



ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

Yes

No

- It will make a minimum of sustainable investments with an environmental objective:
- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
 - in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- It will make a minimum of sustainable investments with a social objective:

- It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 5% of sustainable investments
- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
 - with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
 - with a social objective
- It promotes E/S characteristics, but will not make any sustainable investments

What environmental and/or social characteristics are promoted by this financial product?

The Investment Manager seeks to decrease the Fund's exposure to climate risk and benefit from the opportunities associated with the transition to a net-zero emissions economy through investing in companies which are actively managing their carbon exposure and setting meaningful targets.

The Fund's benchmark, Russell 2000 Index, has not been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Fund.

What Sustainability Indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

Where data is available, a number of quantitative and qualitative indicators are used including:

- carbon intensity and absolute emissions;
- targets set (short/medium/long term);
- long term ambition, for example a net zero long term target;
- a decarbonisation strategy including exposure and capital expenditure assigned to green revenues;
- governance including oversight and executive remuneration.

Industry and company specific sustainability factors will also affect what indicators are looked at in addition to the above.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Investment Manager seeks to decrease the Fund's exposure to climate risk and benefit from the opportunities associated with the transition to a net-zero emissions economy.

The Investment Manager will do this through investing in companies which are actively managing their carbon exposure and setting meaningful targets.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Significant harm is avoided via:

- (1) Detailed company specific sustainability analysis: including ongoing monitoring for controversies, specifically related to significant negative environmental or social harm; and
- (2) Exclusions: The Fund applies a range of exclusions which prevent investment in activities generally deemed to be environmentally or socially harmful or in breach of the UN Global Compact principles on human rights, labour rights, the environment and anti-corruption.
- (3) With support from the Artemis stewardship team, stewardship activities such as voting and engagement may be undertaken with investee companies assessed to be involved in controversies related to environmental and social issues, in line with Artemis' voting and engagement policies.

The "do no significant harm" principle under Taxonomy Regulation applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The underlying investments of this Fund which are not in taxonomy-aligned environmentally sustainable activities do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

However, in order to assess whether a company is deemed to be a sustainable investment, an assessment of factors is undertaken to establish whether a company does not cause significant harm to any environmental or social objectives, such as violations of the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights.

- How have the indicators for adverse impacts on sustainability factors been taken into account?

The indicators for adverse impacts on sustainability factors are considered in a number of ways:

- (1) Exclusions: The Fund applies a variety of exclusions relating to Principal Adverse Indicators (PAIs), including those related to the exclusion of coal, controversial weapons and companies deemed in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption.
- (2) Material adverse sustainability impacts are considered by the investment team pre investment, with key metrics monitored through the Artemis ESG dashboard (a dashboard for use by the Investment Manager and investment risk monitoring, with inputs from a number of different data sources), and reviewed and challenged at quarterly investment risk fund manager meetings.

All PAIs listed in Table 1 of Annex I of SFDR RTS are taken into account as appropriate when considering whether an investment is sustainable.

- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Fund is excluded from buying securities issued by companies that have breached the UN Global Compact principles on human rights, labour rights, the environment and anti-corruption.

In addition there is ongoing monitoring of controversies, for example, through the Artemis ESG dashboard.

Does the financial product consider principal adverse impacts on sustainability factors?

☒ Yes. The following PAIs on sustainability factors are considered:

- Greenhouse gas (GHG) emissions divided into Scope 1, Scope 2 and Scope 3 GHG emissions (PAI 1);
- Carbon footprint (PAI 2);
- GHG intensity of investee companies (PAI 3);
- Exposure to companies active in the fossil fuel sector (PAI 4);
- Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 10);
- Board gender diversity (PAI 13);
- Exposure to controversial weapons (cluster munitions, chemical weapons, biological weapons) (PAI 14).

Relevant information on principal adverse impacts on sustainability factors will also be disclosed in due course in the Fund's annual report.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Scope 1 emissions are direct GHG emissions from sources that are controlled or owned by the company.

Scope 2 emissions are its indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling.

Scope 3 emissions are indirect GHG emissions along a company's value chain.

No

What investment strategy does this financial product follow?

The Fund invests principally in equities of smaller companies that are listed on a recognised stock exchange in the USA.

The Fund is actively managed. The Investment Manager uses multiple sources of information, both to generate ideas and to assist in validating and testing candidate companies for investment. External research is also used in order to tap into knowledge already available and to look for different views. The Investment Manager carries out a significant amount of analysis of wider economic trends to understand cyclical and long-term trends and the outlook.

ESG factors are analysed alongside other factors in the upside/downside assessment of each stock. This means the Investment Manager assesses high-level ESG risks and opportunities which may influence the general market or industry, and also stock specific considerations. ESG factors are initially considered from an industry perspective and then on a company specific basis. Through the Artemis ESG dashboard the Investment Manager monitors a range of key ESG raw metrics, as well as analysis and assessments from a range of external providers.

The Investment Manager considers a number of factors to assess the environmental impact of current or potential holdings. These are assessed as part of the fundamental upside/downside analysis and include:

- carbon intensity and absolute emissions;
- targets set (short/medium/long term);
- long term ambition, for example a net zero long term target;
- company disclosure on material issues and metrics;
- a decarbonisation strategy including exposure and capital expenditure assigned to green revenues;
- governance including oversight and executive remuneration.

Inputs to undertake this assessment come from a number of different sources including company disclosures, company engagement, and data from sources such as MSCI Carbon Analytics, Climate Action 100+ and the Transition Pathway Initiative.

More detailed environmental analysis is however performed on those companies which are considered high impact as set out in the Paris Aligned Investment Initiative Net Zero Investment Framework Implementation Guide (March 2021). These are:

- companies on the Climate Action 100+ focus list
- companies in high impact sectors consistent with Transition Pathway Initiative sectors
- banks
- real estate

This includes active engagement and monitoring, both of the company but also in relation to peers. The assessment of environmental factors, as with other ESG risks and opportunities, feeds into the fundamental assessment of holdings which includes analysis of the business model, financial model, a company's management, and its valuation. The Investment Manager's time horizon on holdings does vary considerably and this is also reflected in the time spent assessing all factors related to a company.

The Investment Manager applies a process of negative screening as part of the Fund's investment strategy to automatically exclude potential investments in companies operating in certain industries, involved in certain business activities or which do not meet certain standards. Formal investment exclusions are set up into the compliance module of the Investment Manager's order management system to ensure that no investment in companies that undertake these activities can be made.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The commitment to have a minimum proportion of 5% of sustainable investments and the sector exclusions incorporated by the Fund to help avoid exposure to sectors with significant ESG risks are both binding elements to the Investment Manager. Formal exclusions are coded into the order management system. The formal exclusions are as follows: Tobacco (companies which derive more than 5% revenue from tobacco production), Weapons (companies involved in the production of controversial weapons - including cluster munitions, landmines, biological and chemical weapons - or companies which derive more than 10% revenue from conventional or nuclear weapons, related components and systems; and companies which derive more than 10% revenue from manufacture or sale of civilian firearms or ammunition), Coal (companies which derive more than 5% revenue from mining or sale of thermal coal), Companies that the Investment Manager determines to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption are also excluded.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Whilst the exclusions stated above will reduce the scope of investments considered before the application of the investment strategy, the Fund does not commit to a minimum rate.

Good governance
practices include
sound management
structures, employee
relations,
remuneration of staff
and tax compliance.

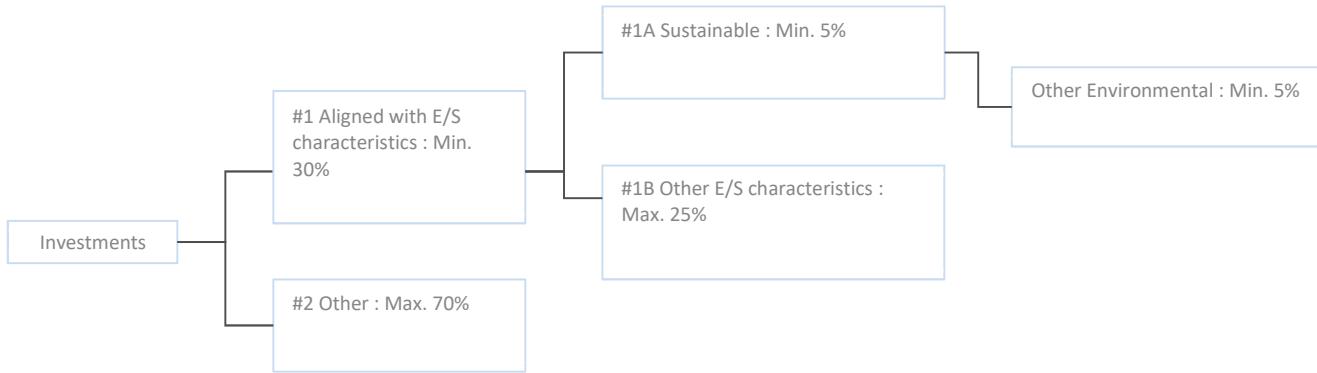
- *What is the policy to assess good governance practices of the investee companies?*

Corporate governance is considered for each company as part of the fundamental investment analysis. Corporate governance analysis considers shareholder rights, the authenticity and experience of the management team, independence and board diversity, executive compensation practices and ownership.



What asset allocation is planned for the financial product?

Asset allocation
describes the share of
investments in specific
assets.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments. Includes derivatives, cash and equivalent liquid positions, and any securities that do not align with the Fund's environmental or social characteristics.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

For Box #1, whilst ESG analysis is conducted on all holdings, the figure represents the percentage of the securities aligned to the environmental characteristic of investing in companies which are actively managing their carbon exposure and setting meaningful targets.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund. Derivatives may be used for hedging and for efficient portfolio management purposes.

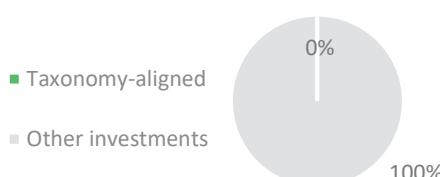


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not have any intention to invest in Taxonomy-aligned investments (including transitional and enabling activities) but it is not excluded that this may be the case. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as result been deemed to constitute zero percent of the Fund's portfolio. Information on EU Taxonomy alignment is not yet readily available from investee companies' public disclosures and third-party providers. As soon as data becomes more accurate and available, it is expected that the proportion of EU Taxonomy aligned investments will increase.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy alignment of investments including sovereign bonds*



2. Taxonomy alignment of investments excluding sovereign bonds



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- ***What is the minimum share of investments in transitional and enabling activities?***

There is no commitment to a minimum proportion of investments in transitional and enabling activities and therefore the minimum share of such investments is 0%.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum commitment to sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 5%. The Fund's investment in sustainable investments with an environmental objective may or may not be aligned with the EU Taxonomy. Information on EU Taxonomy alignment is not yet readily available from investee companies' public disclosures and third-party data providers. As soon as data becomes more accurate and available, it is expected that the proportion of EU Taxonomy aligned investments will increase.



What is the minimum share of socially sustainable investments?

There is no commitment to a minimum proportion of socially sustainable investments and therefore the minimum share of such investments is 0%.



What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

While not all investments in the portfolio can be labelled as sustainable using the methodology set out above, ESG factors are integrated into the investment process for all decisions made. The exclusions set out above are applied across the portfolio.



The "#2 Other" category is comprised of investments that do not meet the ESG factors for promoting their environmental or social characteristics or do not qualify as sustainable investments. The category may include financial derivative instruments for hedging and for efficient portfolio management purposes as well as ancillary liquid assets, bank deposits, money market instruments and money market funds on an ancillary basis in order to achieve its investment goals, for treasury purposes and in case of unfavourable market conditions. No minimum environmental or social safeguards will be in place in relation to such holdings.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

There is no reference benchmark to determine if the Fund is aligned with the promoted environmental and social characteristics.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable

- ***How does the designated index differ from a relevant broad market index?***

Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable



Where can I find more product specific information online?

More product-specific information can be found on the website: <https://www.artemisfunds.com/en/lux/professional/stewardship-and-esg>

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.