



Artemis US Smaller Companies Fund

An Afternoon with Artemis 2025

Cormac Weldon | Olivia Micklem



MARKETING COMMUNICATION: Refer to the fund prospectus and KIID/KID before making any final investment decisions. FOR PROFESSIONAL INVESTORS AND/OR QUALIFIED INVESTORS AND/OR FINANCIAL INTERMEDIARIES ONLY. NOT FOR USE WITH OR BY PRIVATE INVESTORS. CAPITAL AT RISK.



Artemis US equities team

One of the largest and most experienced US teams in Europe

LEAD MANAGERS

US Team Head



Cormac Weldon
US Select and
Smaller Companies



Adrian Brass
US Extended Alpha

US RESEARCH TEAM

Industrials



Chris Kent
Co-Manager
US Select

Consumer Staples and Healthcare



Olivia Micklem
Co-Manager
US Smaller
Companies

Discretionary



James Dudgeon
Co-Manager
US Extended Alpha

Technology



Will Warren
Co-Manager
US Extended Alpha

Financials



Zuoyi Zhou
Fund Analyst

The team benefits from leveraging the research, experience
and thinking of the wider Artemis investment teams

Artemis investment teams

US
equities

European
equities

UK
equities

Emerging
market equities

Global
equities

Impact
equities

Fixed
income

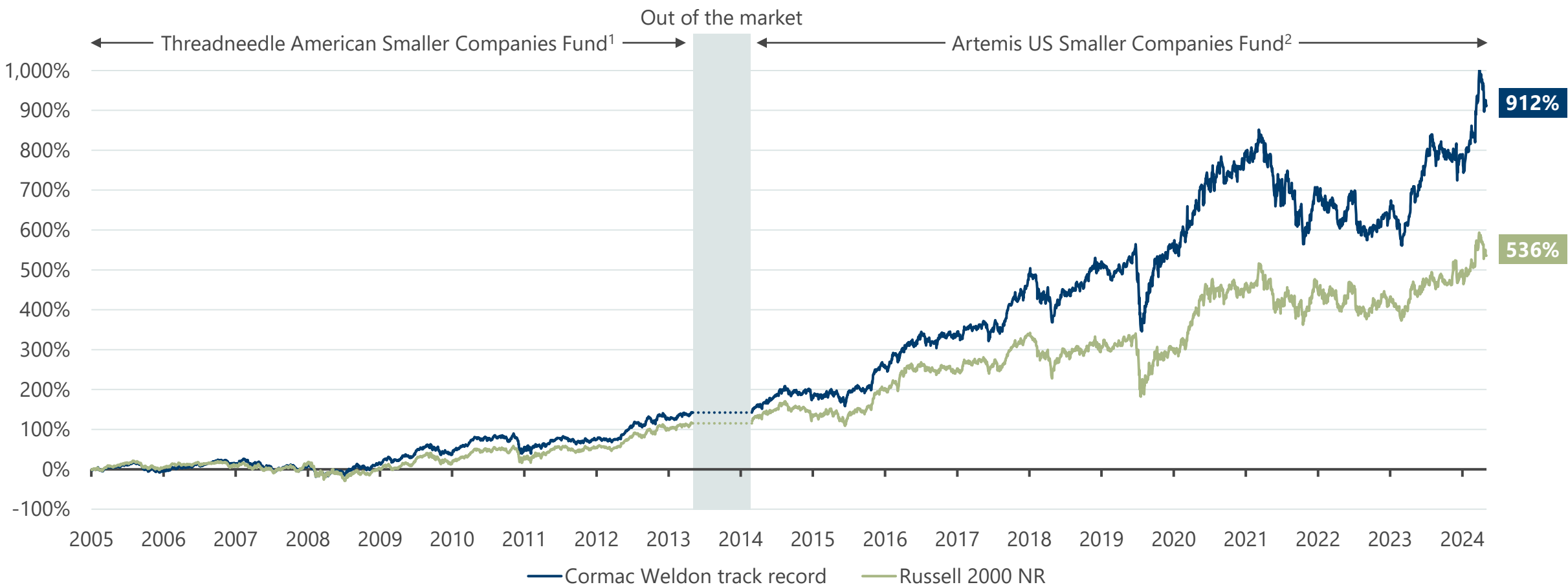
Multi-asset

Artemis US Long Only funds

	Artemis US Select Fund	Artemis US Smaller Companies Fund
Benchmark	S&P 500 NR ¹	Russell 2000 NR ²
Focus	Concentrated best ideas	Smaller companies
Indicative no. of stocks	40-60	40-60
Expected tracking error	4-8%	3-8%
Typical guidelines	+/-10% sector vs index +/-5% stock positions vs index	+/-10% sector vs index Maximum stock position of 5%
Objective	To grow capital over a five year period	To grow capital over a five year period
OEIC AUM	£1,563m	£1,199m
OEIC launch date	19 Sep 2014	27 Oct 2014
Strategy AUM³	£1,656m	£1,575m

Source: Artemis as at 31 December 2024. ¹Prior to 31 October 2024, the benchmark was S&P 500 TR GBP. From 31 October 2024, the benchmark is S&P 500 NR GBP. ²Prior to 31 October 2024, the benchmark was Russell 2000 TR GBP. From 31 October 2024, the benchmark is Russell 2000 NR GBP. ³Strategy assets under management is for the shown Artemis (Lux) Funds sub-funds and their equivalent strategies, registered as UK OEICs. Note: the above information reflects the current view of the fund managers and may change over time. For information about formal investment restrictions relevant to this fund please refer to the prospectus.

Cormac Weldon: Historic track record – US Smaller Companies



Past performance is not a guide to the future. Source: ¹Lipper Limited, Class I accumulation shares, in GBP from 31 August 2005 to 31 December 2013. The benchmark was Russell 2000 until 31 March 2010 and S&P MidCap 400 thereafter. We have used the Russell 2000 index for the duration, which we think is the more appropriate index. ²Lipper Limited, class I accumulation shares in GBP from 27 October 2014 to 31 December 2024. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Prior to 31 October 2024, the benchmark was Russell 2000 TR GBP. From 31 October 2024, the benchmark is Russell 2000 NR GBP. Dotted lines represent the period in which Cormac Weldon was not managing funds.

Artemis US Smaller Companies Fund: Performance since launch



Cumulative performance	1 year %	3 years %	5 years %	Since launch %
Artemis US Smaller Companies Fund	25.0	13.6	66.7	317.6
Russell 2000 NR GBP	13.5	12.2	51.1	195.5

Past performance is not a guide to the future. Source: Lipper Limited, class I accumulation shares in GBP from 27 October 2014 to 31 December 2024. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Launch date: 27 October 2014. Prior to 31 October 2024, the benchmark was Russell 2000 TR GBP. From 31 October 2024, the benchmark is Russell 2000 NR GBP.

What sets us apart?

Team

- Highly experienced lead portfolio manager
- Efficient and focused sector specialists
- Flat structure, little hierarchy, active debate

So what?

- Deep understanding of industry cycles
- Intuitive & expert allocation of capital to best ideas
- Ideas tested and retested by the team

Process

- Up/Down approach refined over 20 years
- All analysts brought up on process
- Agnostic about where ideas come from

So what?

- Objective approach across sector and market cap
- Downside modelling allows quick identification of losers
- Style exposure output of where best opportunities are found

17 days in, 1,444 to go...



It has been an eventful few months in markets

Geopolitics and markets have kicked off the year with a bang

Politics



Trump says EU tariffs will 'definitely happen' as Mexico, Canada and China retaliate

Trump takes softer line on UK, while Mexico and Canada vow levies and to strengthen ties with each other



Tension and defiance in Panama after Trump threatens to 'take back' canal

Diplomatic frenzy and rattled nerves in republic as officials and former president reject US president's comments



Donald Trump ridicules Denmark and insists US will take Greenland

'They put two extra dog sleds there ... they thought that was protection,' says US president



Markets



AI EFFECT

Nvidia sheds almost \$600 billion in market cap, biggest one-day loss in U.S. history

PUBLISHED MON, JAN 27 2025 4:08 PM EST | UPDATED MON, JAN 27 2025 5:26 PM EST



Samantha Subin
@SAMANTHA_SUBIN

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Tech majors drag on S&P 500, Nasdaq as Fed's rate verdict looms

By Shashwat Chauhan and Sukriti Gupta

January 29, 2025 4:57 PM GMT · Updated an hour ago



Source: The Observer, The Guardian, FT and CNBC. Image source: brandsoftheworld.com.
Note: reference to specific stocks should not be taken as advice or a recommendation to invest in them.

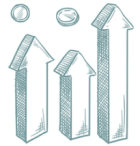
A view of President Trump

Will change

MORE



Tax cuts



Economic growth



Tariffs

LESS

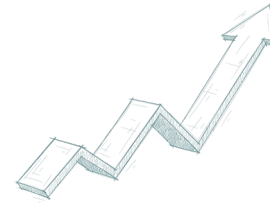


Regulation



Immigration

Risks



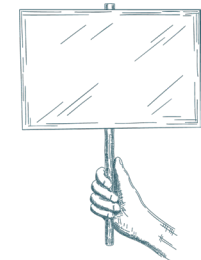
Higher inflation



Trade and supply chain disruption



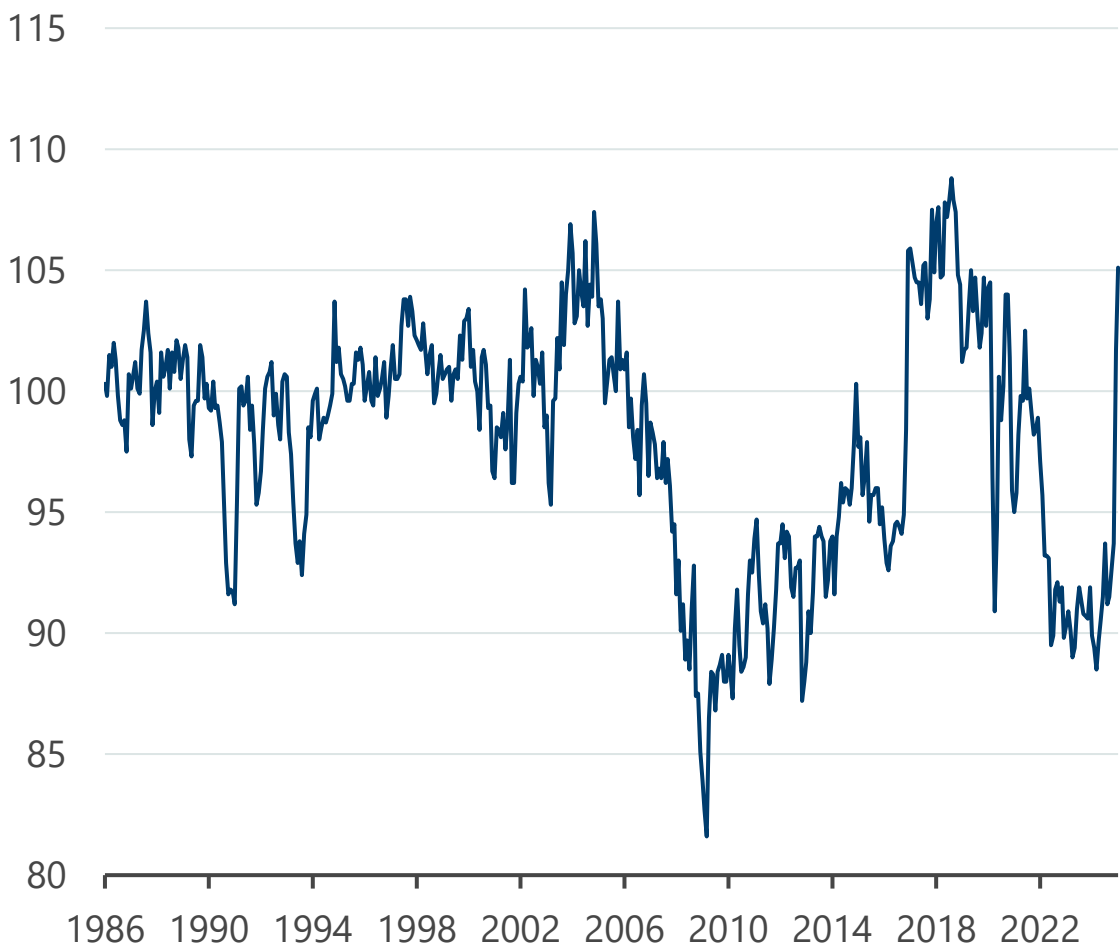
Regulatory disruption



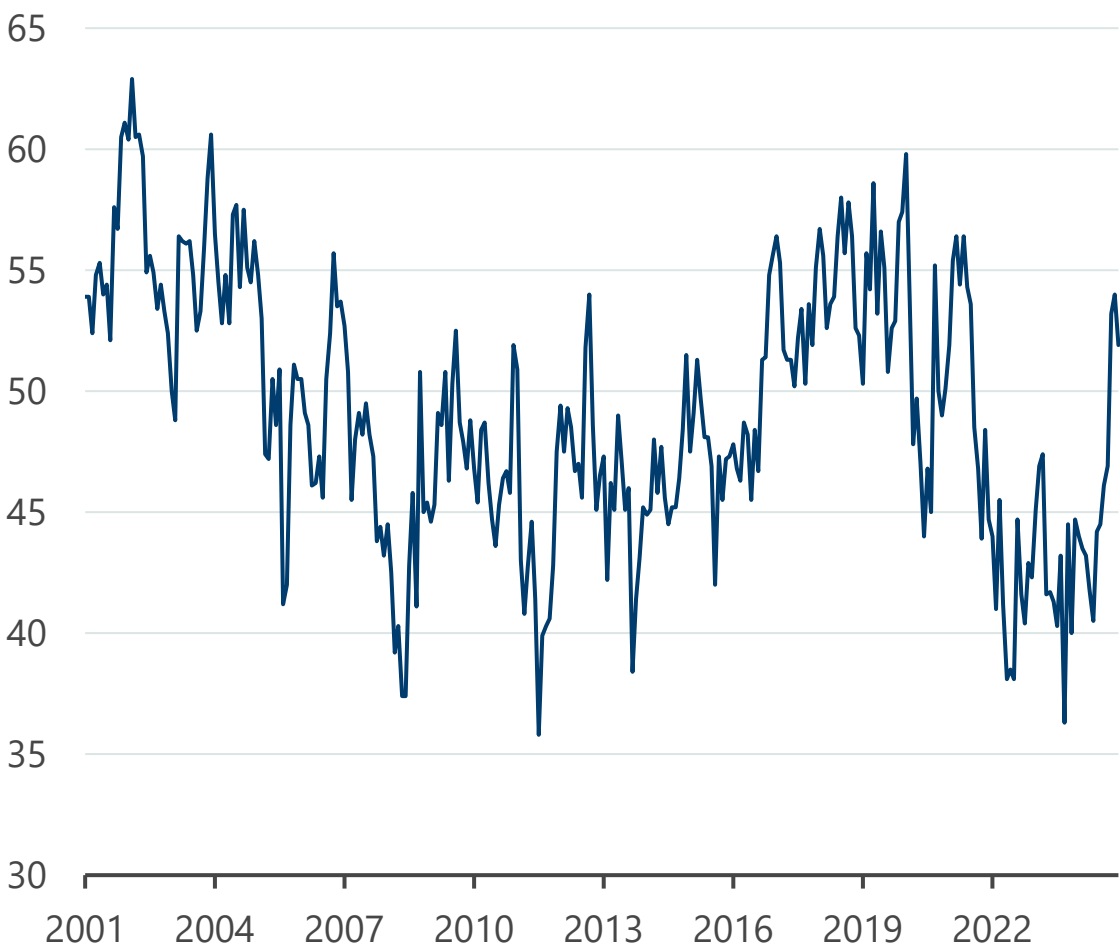
Labour disruption

Something to pay attention to

NFIB Small Business Optimism Index¹



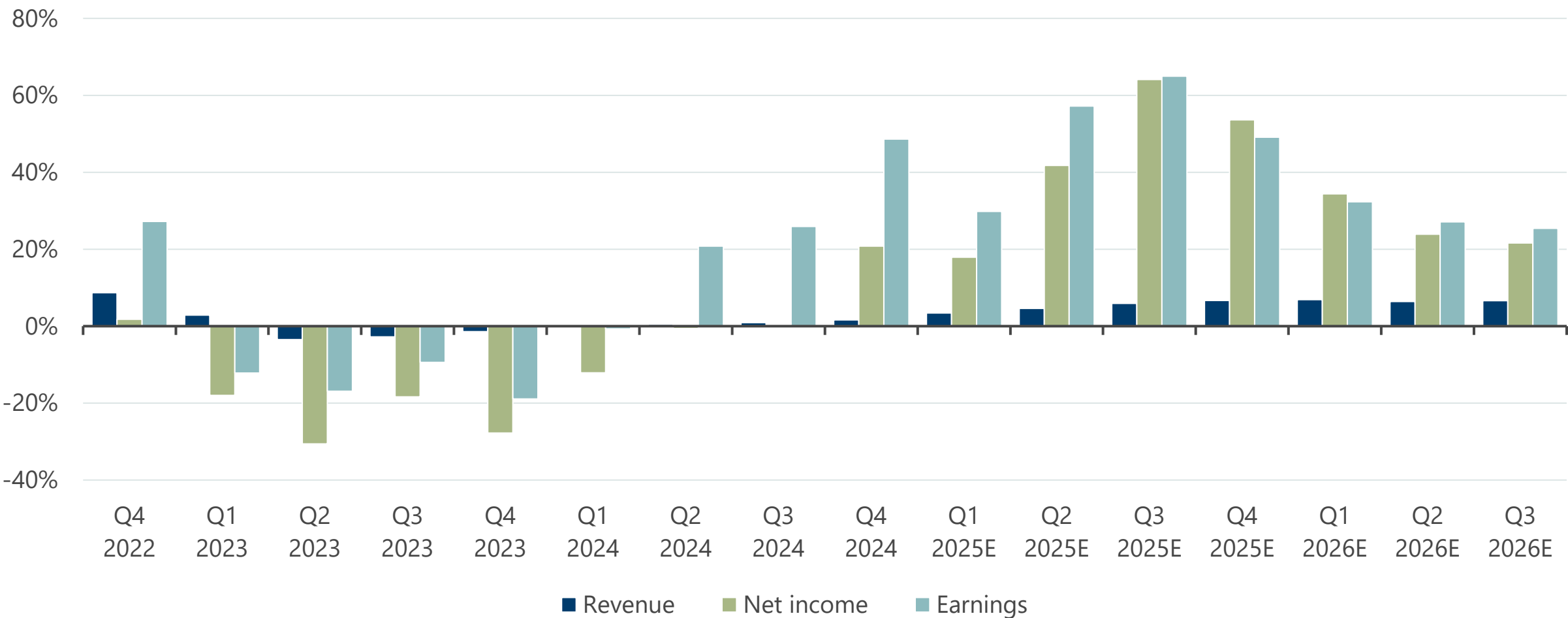
RCM/TIPP Economic Optimism Index²



Source: ¹Datastream as at 14 January 2025. ²Datastream as at 1 January 2025.

Russell earnings outlook positive

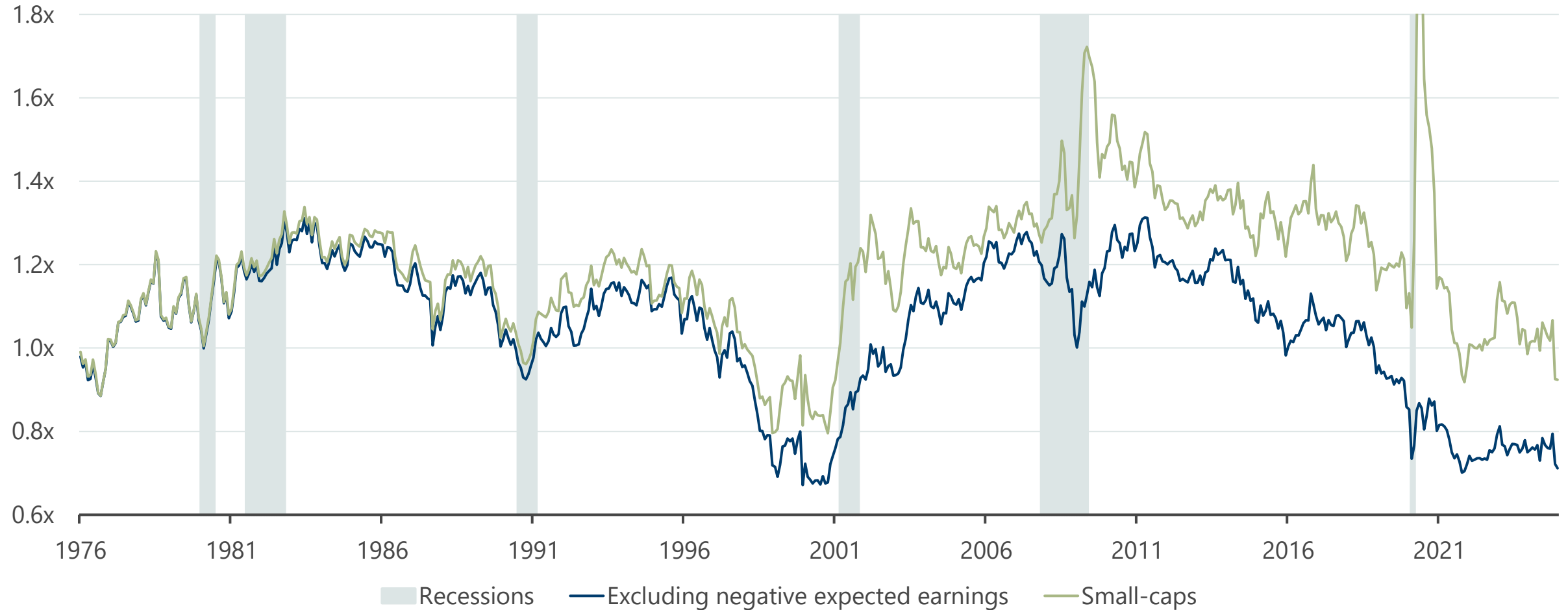
Russell 2000 YoY growth rates



Source: LSEG, IBES as at 31 December 2024.

Valuation is a reason for optimism

Valuations look attractive, especially for profitable small cap...

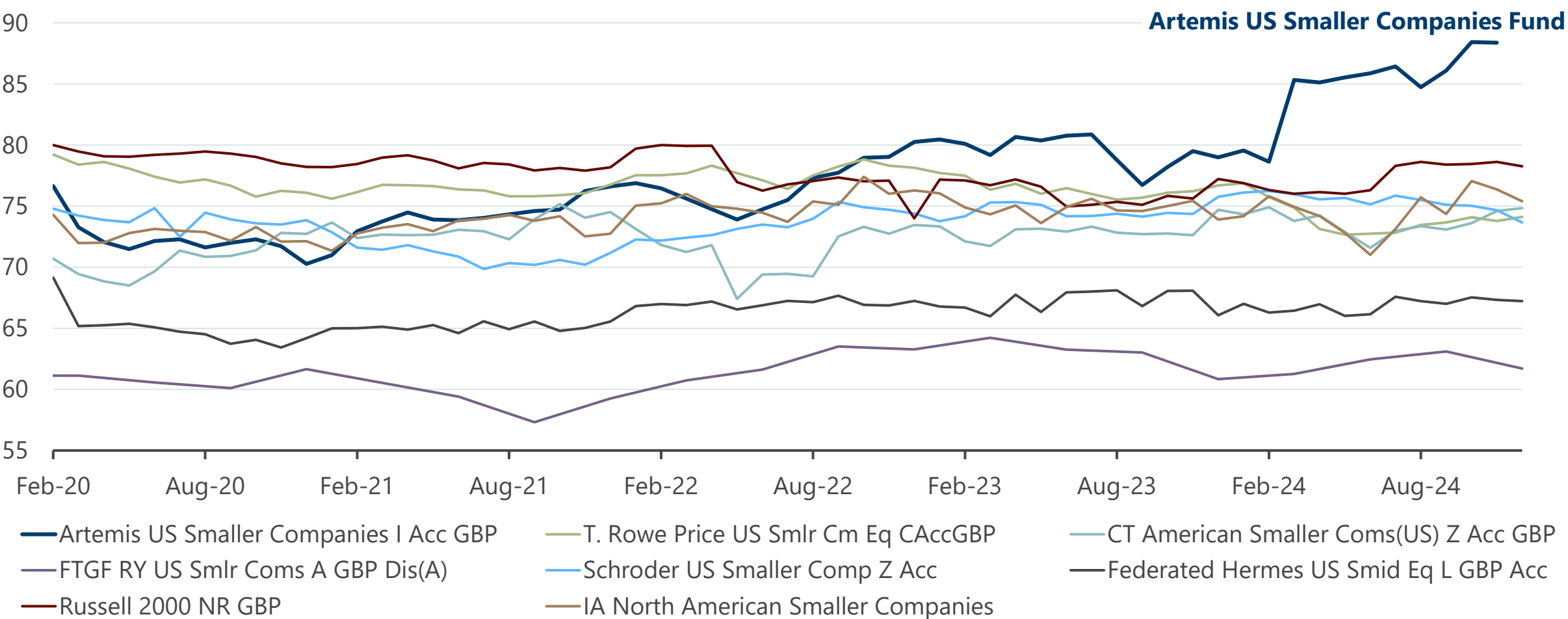


Source: Empirical Research Partners as at 31 January 2025.

USG251

Domestic exposure that stands out from the rest

Domestic revenue exposure vs peers and benchmark

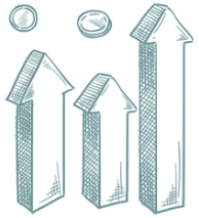


Source: Morningstar as at 31 December 2024. Peers chosen represent the largest funds within the IA North American Smaller Companies Sector.

US Smaller Companies – why we like them

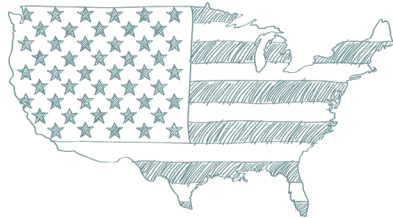
And what sets them apart from their larger peers...

HIGHER GROWTH



- Most developed venture capital market drives innovation and growth
- Largest economy in the world.

DOMESTICALLY WIRED



- Majority of revenue generated from within the US
- Greater sensitivity to domestic macroeconomic environment

GREATER CYCLICALITY



- Industry cycles more evident
- Opportunity and risk requires careful selection

FOCUSED



- You can allocate to companies that are more focused on a particular industry, service, or geographical area

We see multiple tailwinds for US small-cap



Source: Artemis as at 31 December 2024. Image source: brandsoftheworld.com.
Note: reference to specific stocks should not be taken as advice or a recommendation to invest in them.

Artemis US Smaller Companies Fund: A balanced approach

Growth plus high FCF margin ¹	12.0%			
Growth	32.6%			
Value	6.0%			
Recovery	31.6%			
Cyclical	15.8%			

Source: Artemis/Empirical Research as at 31 December 2024. Image source: brandsoftheworld.com.

Note: reference to specific stocks should not be taken as advice or a recommendation to invest in them. ¹Top two quintiles of Empirical Research Quant Model.

Annual performance – sector & selection

We focus on stock selection

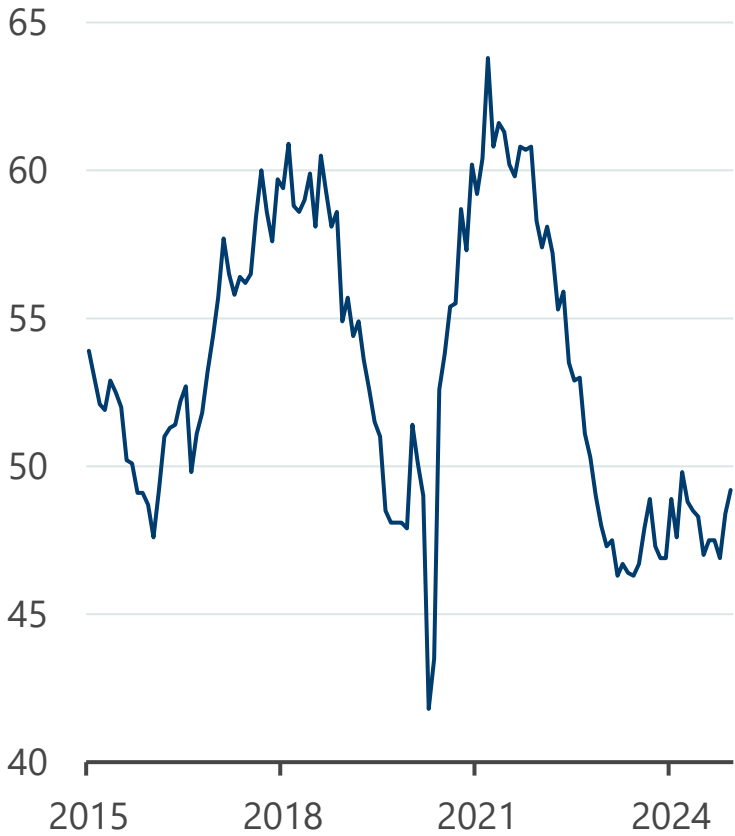
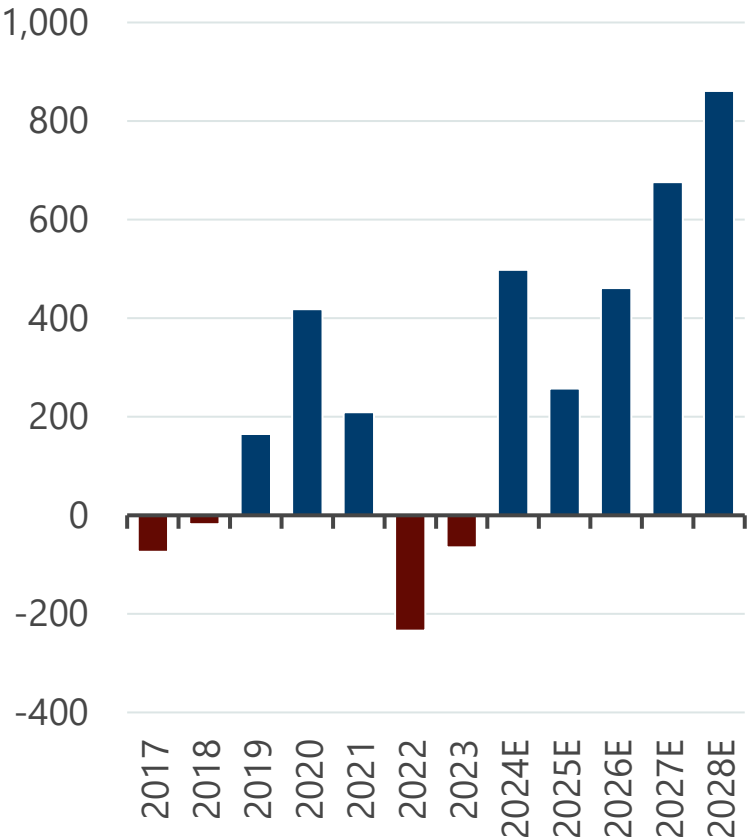
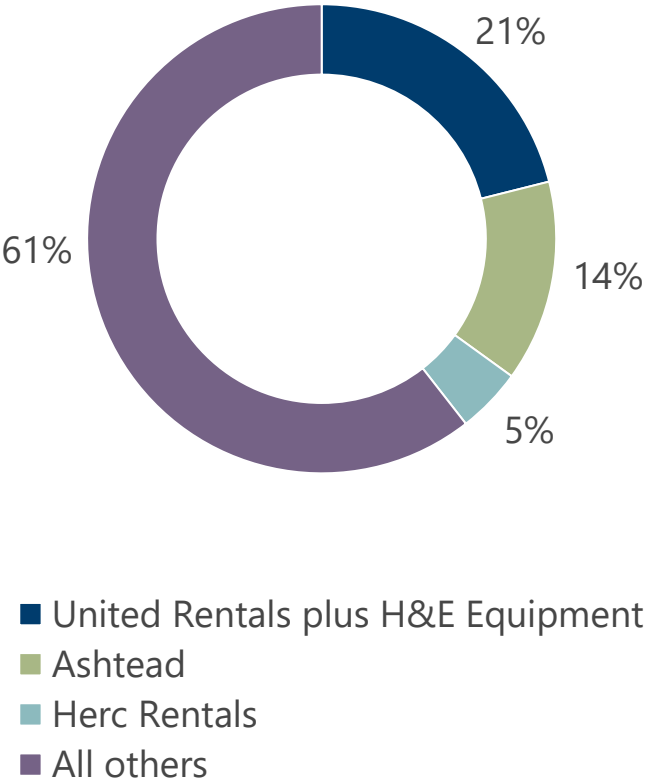
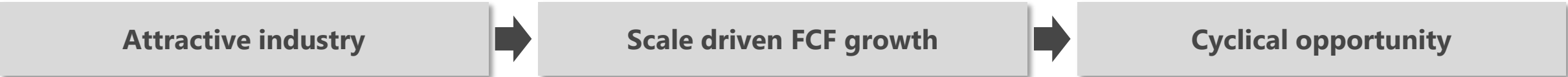
Selection

Sector	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Sum	Average	% Positive	% Negative
Basic Materials	0.6	-1.0	0.5	-0.7	-0.2	0.8	-0.7	0.2	0.1	0.0	-0.3	0.0	56%	44%
Industrials	3.3	-2.5	0.5	0.3	-0.3	-1.7	0.7	-3.3	3.6	2.1	2.6	0.3	67%	33%
Health Care	0.0	1.0	0.4	5.6	0.5	2.0	3.1	-6.1	-0.6	0.5	6.3	0.6	89%	11%
Telecommunications	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.2	0.0	-0.2	0.6	0.1	44%	56%
Utilities	-0.1	-0.5	0.7	0.0	0.3	0.3	0.6	1.7	2.6	4.8	10.4	1.0	89%	11%
Financials	1.2	-3.2	4.0	-0.2	1.8	0.7	0.1	-2.4	-1.0	1.4	2.4	0.2	67%	33%
Technology	0.8	0.8	0.7	0.5	0.4	3.3	-2.6	-0.3	-0.6	-0.7	2.2	0.2	67%	33%
Real Estate	0.2	-0.7	0.3	0.1	0.5	1.0	-1.0	0.8	-0.2	0.7	1.5	0.2	78%	22%
Consumer Discretionary	4.7	0.3	-0.7	3.5	0.8	1.3	-2.5	-0.7	-1.3	1.8	7.3	0.7	67%	33%
Consumer Staples	1.5	0.0	2.3	4.0	1.1	0.2	-0.4	-0.3	0.9	-0.6	8.8	0.9	67%	33%
Energy	0.7	-0.4	0.7	0.1	0.4	0.3	0.3	-0.1	-0.5	-0.3	1.3	0.1	67%	33%

Allocation

Sector	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Sum	Average	% Positive	% Negative
Basic Materials	0.3	-0.1	-0.1	0.3	0.3	0.0	-0.4	-0.2	0.0	0.2	0.3	0.0	56%	44%
Industrials	-0.6	0.1	0.0	-0.1	0.1	0.0	1.5	0.6	1.1	1.0	3.8	0.4	89%	11%
Health Care	-0.7	1.6	-1.0	-0.4	-0.3	-1.5	2.7	1.0	0.8	0.6	2.9	0.3	56%	44%
Telecommunications	-0.1	0.0	0.1	0.0	0.3	0.0	0.0	0.1	0.2	-0.4	0.1	0.0	67%	33%
Utilities	-0.1	0.1	0.1	0.4	-0.2	0.3	0.1	0.7	-2.0	-0.3	-0.7	-0.1	67%	33%
Financials	0.1	-0.2	0.1	-0.4	0.0	2.1	1.0	0.3	-0.1	0.3	3.2	0.3	78%	22%
Technology	-0.6	-0.2	0.0	0.1	-0.2	0.0	0.0	1.3	-0.4	-0.5	-0.2	0.0	56%	44%
Real Estate	0.3	0.0	-0.1	-0.2	-0.1	1.1	-0.1	-0.8	0.1	0.3	0.5	0.0	56%	44%
Consumer Discretionary	-0.2	0.0	0.2	0.5	-0.3	-0.5	0.3	-0.1	0.1	-0.1	-0.2	0.0	56%	44%
Consumer Staples	-0.2	0.1	-0.1	0.2	-0.3	0.4	0.0	0.2	-0.4	-0.1	-0.1	0.0	44%	56%
Energy	0.5	1.0	-1.2	-0.3	0.5	0.8	-0.4	-2.4	-0.1	0.8	-0.8	-0.1	56%	44%

Past performance is not a guide to the future. Source: Lipper Limited, class I accumulation shares in GBP from 1 January 2015 to 31 December 2024. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. This class may be in a currency or have charges or a hedging approach different from those in the IA sector benchmark. Prior to 31 October 2024, the benchmark was Russell 2000 TR GBP. From 31 October 2024, the benchmark is Russell 2000 NR GBP.



Source: Artemis/Bloomberg/ISM Manufacturing Survey as at 31 December 2024. Image source: brandsoftheworld.com.
Note: reference to specific stocks should not be taken as advice or a recommendation to invest in them.

Boot Barn

Attractive growth outlook underpinned by 'Western' revival

Beyoncé



Landman



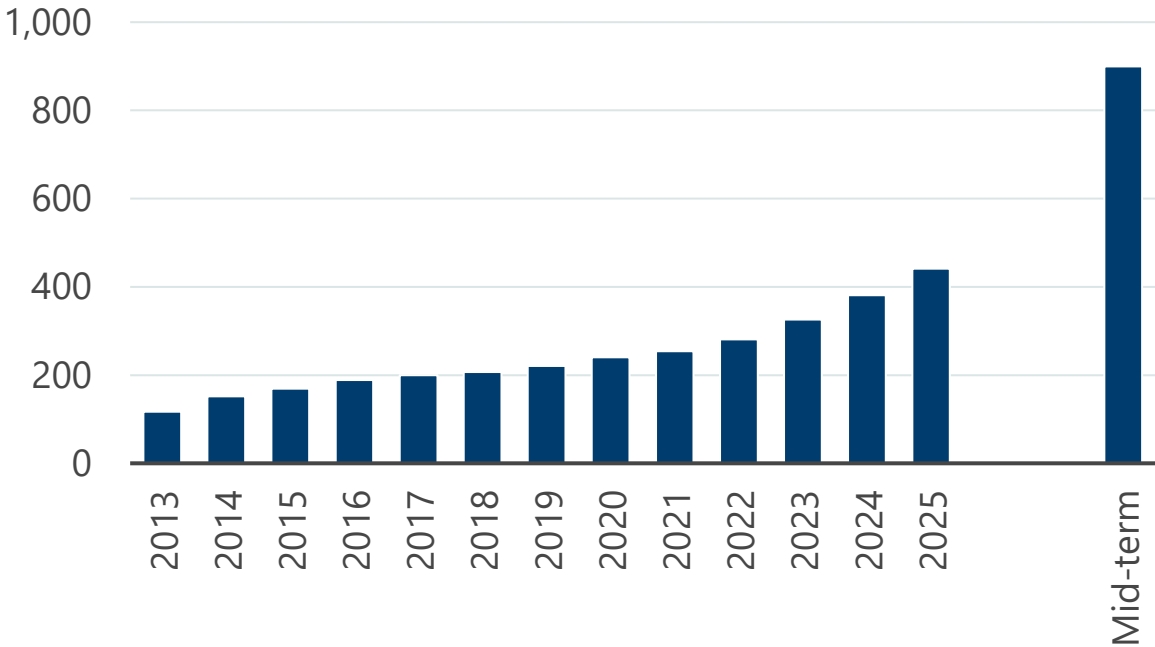
Morgan Wallen



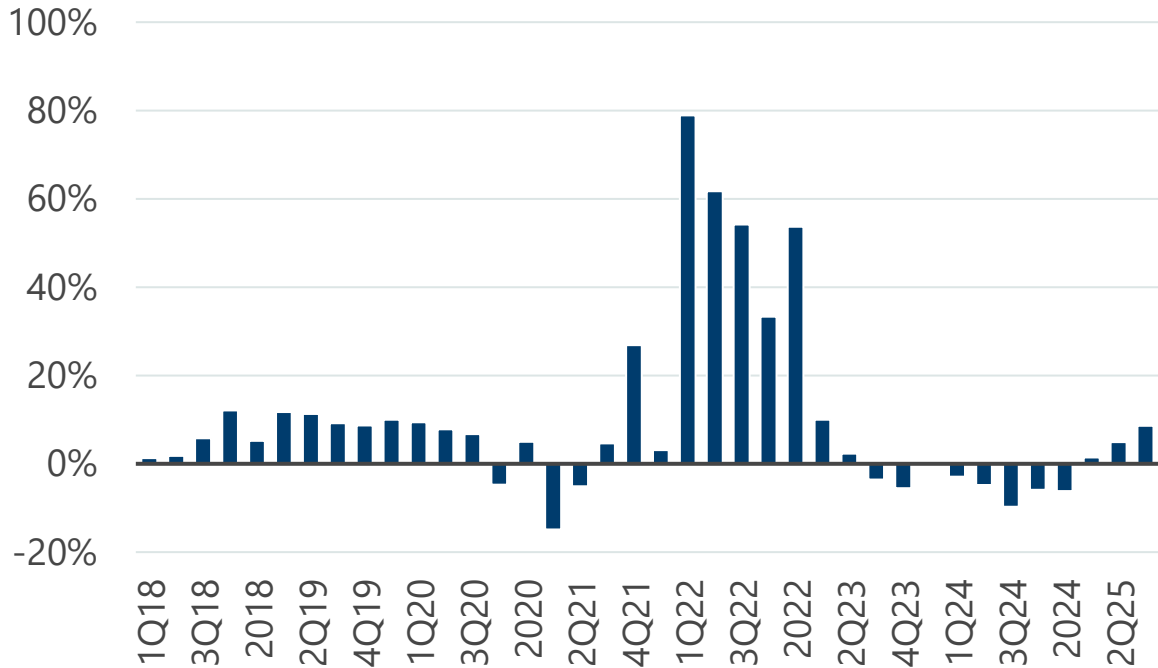
Yellowstone



Store count



Same store sales



Source: Artemis/Bloomberg as at 31 December 2024. Image source: shutterstock.com, brandsoftheworld.com.
Note: reference to specific stocks should not be taken as advice or a recommendation to invest in them.

Summary



An established team, with longevity of sector coverage, offering insights and opportunities through cycles



Whole of market view across large cap and small cap



Up/Down approach refined over 20 years

CORMAC WELDON: LONG TERM TRACK RECORD

	Return		Return
Threadneedle / Artemis US Select ¹	875%	Threadneedle / Artemis US Smaller Companies ²	912%
S&P 500 NR	783%	Russell 2000 NR	536%

Past performance is not a guide to the future. Source: ¹Threadneedle American Select Fund: Lipper Limited, Class I accumulation shares, in GBP from 31 October 2001 to 31 December 2013. Artemis US Select Fund: Lipper Limited, class I accumulation shares in GBP from 19 September 2014 to 31 December 2024. Prior to 31 October 2024, the benchmark was S&P 500 TR GBP. From 31 October 2024, the benchmark is S&P 500 NR GBP. ²Threadneedle American Smaller Companies Fund: Lipper Limited, Class I accumulation shares, in GBP from 31 August 2005 to 31 December 2013. The benchmark was Russell 2000 until 31 March 2010 and S&P MidCap 400 thereafter. We have used the Russell 2000 index for the duration, which we think is the more appropriate index. Artemis US Smaller Companies Fund: Lipper Limited, class I accumulation shares in GBP from 27 October 2014 to 30 November 2024. Prior to 31 October 2024, the benchmark was Russell 2000 TR GBP. From 31 October 2024, the benchmark is Russell 2000 NR GBP. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund.



Current positioning

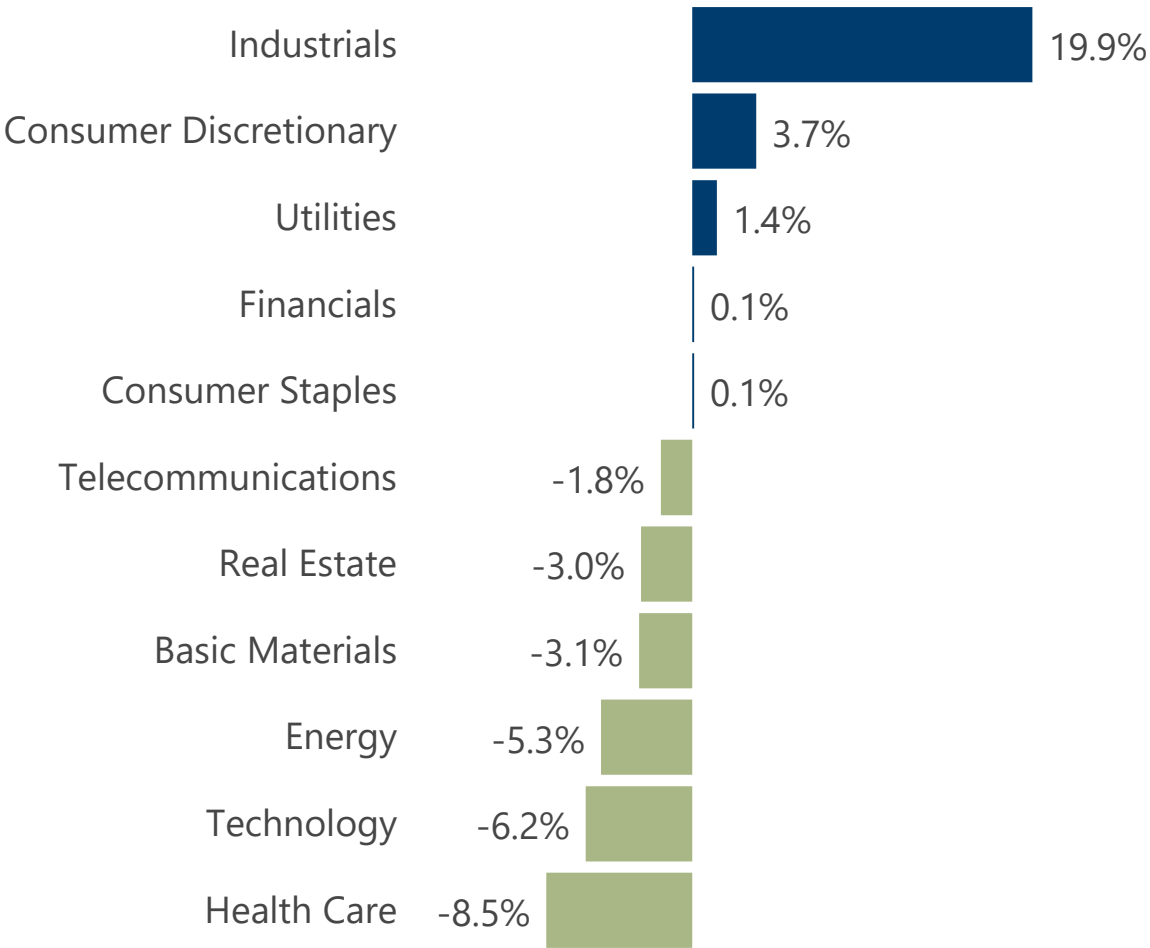


Artemis US Smaller Companies Fund: Positioning

Top 10 holdings

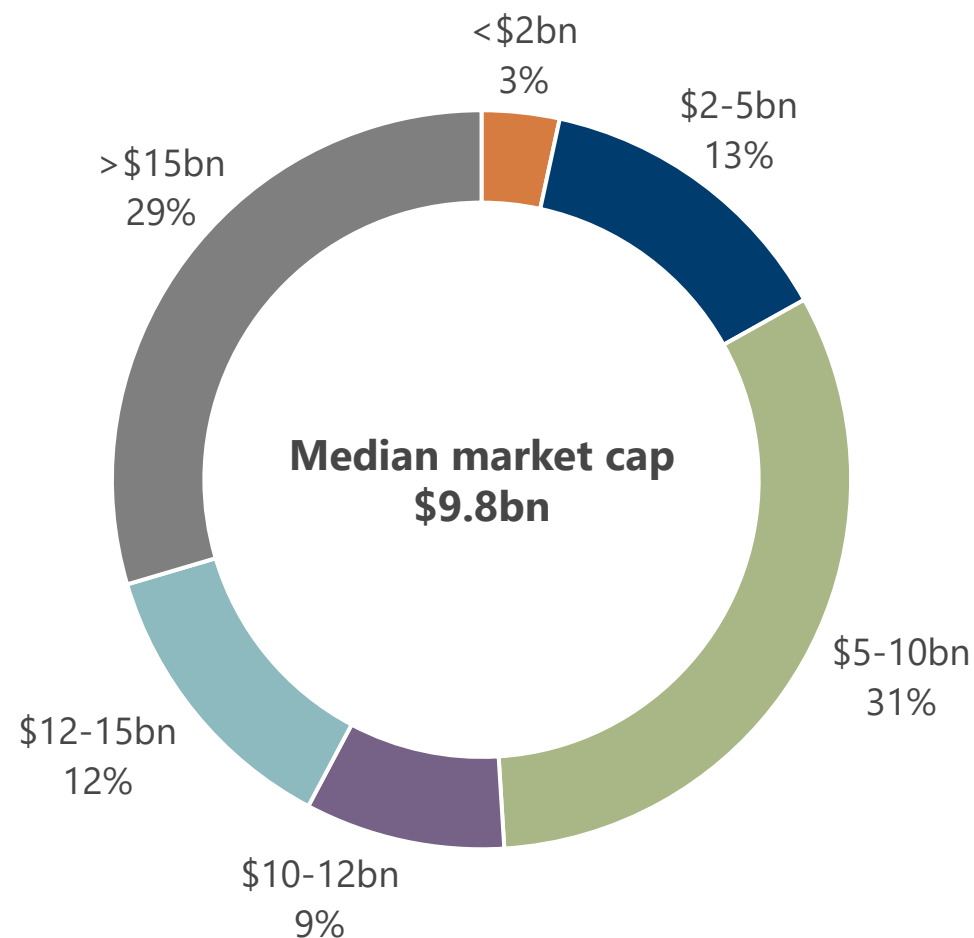
Jefferies	4.4%
Jones Lang LaSalle	3.3%
Burlington Stores	3.1%
SAIA	3.0%
Axon	3.0%
Pinnacle Financial Partners	2.8%
BellRing Brands	2.8%
Herc	2.6%
Churchill Downs	2.6%
Palomar	2.4%

Sector breakdown relative to the Russell 2000



Source: Artemis as at 31 December 2024.

Artemis US Smaller Companies Fund: Market cap



Source: Artemis as at 31 December 2024.

Note: figures may not add up due to rounding and cash.

Calendar year performance

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Artemis US Smaller Companies Fund	10.8	39.1	11.6	5.9	25.3	24.6	17.8	-19.4	12.7	25.0
Russell 2000 NR GBP	1.1	44.7	4.7	-5.8	20.7	16.3	15.9	-10.4	10.3	13.5
Excess vs Russell 2000	9.7	-5.6	6.9	11.4	4.6	8.3	1.9	-9.0	2.4	11.5
IA North American Smaller Companies	5.0	38.5	9.3	-2.9	26.2	26.3	16.6	-14.3	11.3	13.3
Excess vs Peer Group	5.8	0.5	2.4	8.8	-1.0	-1.7	1.1	-5.1	1.5	11.7

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Artemis US Smaller Companies Fund: 1 year attribution

Sector level attribution



Sector allocation Stock selection Total relative contribution

Source: Artemis as at 31 December 2024. Note: underweight positions are highlighted in red.

USSC7

Stock level attribution

Top 10 contributors	%
Vistra	2.91
Jefferies	1.90
Axon	1.76
Natera	1.31
Comfort Systems USA	1.17
Constellation Energy	1.15
CAVA	0.97
Coherent	0.83
Burlington Stores	0.82
Jones Lang LaSalle	0.71
Top 10 detractors	%
Lamb Weston	-1.03
Super Micro Computer	-0.92
Builders FirstSource	-0.89
APi	-0.75
Repligen	-0.62
Coty	-0.61
Enovis	-0.59
Regal Rexnord	-0.51
Weatherford International	-0.51
Churchill Downs	-0.45

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Investment in a fund concerns the acquisition of units/shares in the fund and not in the underlying assets of the fund.

Reference to specific shares or companies should not be taken as advice or a recommendation to invest in them.

For information on sustainability-related aspects of a fund, visit www.artemisfunds.com.

The fund is a sub-fund of Artemis Investment Funds ICVC. For further information, visit www.artemisfunds.com/oeic.

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Visit www.artemisfunds.com/glossary for an explanation of investment terms.

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Prior to 31 October 2024, the benchmark for the Artemis US Select Fund was S&P 500 TR GBP. From 31 October 2024, the benchmark is S&P 500 NR GBP.

Prior to 31 October 2024, the benchmark for the Artemis US Smaller Companies Fund was Russell 2000 TR GBP. From 31 October 2024, the benchmark is Russell 2000 NR GBP.

