

Artemis Funds (Lux) - Short-Dated Global High Yield Bond

LU1988889744

Issuer	FundRock Management Company S.A
Fund provider	Artemis Investment Management LLP
Fund type/Asset class	Bond fund
Legal form	SICAV
Fund issue date	20/06/2019
Last Update	11.05.2023
Benchmark	Secured Overnight Financing Rate
Tranche	Private Investors Institutional Investors foundations



Risk Indicator (PRIIP)
4 of 7

Licensed in
D, A, CH, LU

Classification by SFDR
Article 8

EU Taxonomy
-

% of Sustainable Investments according to SFDR
-

Principal Adverse Impacts



Sustainable Development Goals

No explicit details regarding the Sustainable Development Goals

NORMAL ALLOCATION

Equities	0 %
Bonds	80 % to 100 %
Money market/Bank deposits	0 % to 20 %
Commodities	Excluded
Direct investments	0 % to 100 %
Derivatives	0 % to 100 %
Other	Asset-backed securities and mortgage-backed securities, distressed/defaulted bonds, other collective investment schemes 0 % to 10 %

Sustainability approach

Principal Adverse Impacts	<ul style="list-style-type: none"> ✓ Greenhouse Gas Emissions ✓ Energy Efficiency and Fossil Fuels ✓ Social and Employee Matters
Further remarks on the consideration of SDGs	-
Rationale behind classification according to SFDR	<p>Article 8</p> <p>The Investment Manager seeks to decrease the Fund's exposure to climate risk through aiming to maintain a carbon intensity lower than the ICE BofA Global High Yield Constrained index. In addition, there are a number of exclusions which aim to remove outsized potential ESG risks.</p>
Engagement	No
Voting	No
Best-in/of-Class	No
ESG-Integration	<p>Yes</p> <p>The fund applies a number of product and standards-based exclusions followed by detailed qualitative analysis of the ESG factors as part of our broader investment analysis. Within our detailed qualitative analysis, our key focus is on the impact ESG factors may have on the cash flows produced by a business and their ultimate sustainability. All companies within the portfolio go through this analysis. The specific focuses of this varies considerably across different industries and companies. For instance, within the basic materials, energy, and metals & mining sectors, environmental concerns will be paramount. In this case, our analysis will focus around the risk of stranded assets, the emissions profile (both scope 1&2 and scope 3) of the issuer, the company's ability to contribute to a transition to a lower carbon economy (including "cleantech"), and the company's end-of-life decommissioning plans and associated funding. These areas of focus are quite different to those that we would centre around for an issuer in the financials or consumer services sector, where societal factors would be far more important. Within any form of leveraged finance, high yield included, assessing the governance track-record sponsors and owners of companies subject to a leveraged buyout is of critical importance. Overall we believe the ESG criteria evaluated by the management team to be significant and meaningful for creating differentiated funds with positive characteristics. The funds have historically had considerably lower carbon emissions than the wider universe and – we believe – more positive ESG exposure than the wider market. To be clear, this overall characteristic of our funds is not 'managed to' as part of our portfolio construction process; rather it is an accumulated outcome of our integrated ESG approach on a stock-specific basis.</p>
Norm-based screening	✓ UN Global Compact
Themes	-
Impact Investing	-
Further information on the sustainability approach	-

Research and Transparency

In-house sustainability analysis	Yes, 5 (2 high yield analysts integrating ESG, and 3 Stewardship team members)
Research partners	<p>Yes</p> <p>MSCI, Sustainalytics, ISS, TruValue Labs, Bloomberg, Sell-side</p>
Percentage of portfolio with sustainability analysis	100 %
Strategically important suppliers included	Yes
Sustainability advisory committee	No
Analysis of portfolio CO2	<p>Yes, backward-looking indicator</p> <p>The Fund targets a carbon intensity (scope 1 & 2) below that of its reference index.</p>
Sustainability reporting	<p>Yes</p> <p>Portfolio-level sustainability characteristics are reported on an annual basis, in the financial report and accounts.</p>
At least monthly portfolio publication	No
Certification/Label awarded by independent auditors	✓ FNG Label ★

Environmental

EXCLUSION OF SECTORS / AREAS OF BUSINESS – COMPANIES

Fossil fuels (Coal, Oil and Gas)	N/A
Nuclear power (operation and components)	<p>Yes</p> <p>5 % Turnover threshold</p>
Green genetic engineering	No
Chlorine and agrochemicals (biocides)	No
Other	<p>Coal mining or sale, oil sands, hydraulic fracturing or arctic drilling.</p> <p>5 % Turnover threshold</p>

EXCLUSION OF BUSINESS PRACTICES – COMPANIES

Environmentally damaging behaviour	No
Damage to biodiversity	No
Other	-

EXCLUSION CRITERIA – COUNTRIES

Non-ratification of the Paris Climate Agreement	No
Non-ratification of the Protocol on Biosafety	No
Non-ratification of the UN Biodiversity Convention	No
Nuclear power by proportion of gross energy production	No
Other	We do have exclusion criteria for government bonds (when not used for liquidity purposes), but not for other securities in a country as a whole.

Social

EXCLUSION OF SECTORS / AREAS OF BUSINESS – COMPANIES

Weapons/Armaments	Yes 5 % Turnover threshold
Cluster bombs and anti-personnel mines	Yes
Weapons of mass destruction (ABC/CBRN)	Yes
Tobacco products	Yes 5 % Turnover threshold
Pornography	No
Spirits/Alcohol	No
Gambling	No
Other	-

EXCLUSION OF BUSINESS PRACTICES – COMPANIES

Labour rights (ILO core labour standards)	Yes
Exploitative child labour	Yes
Violation of human rights	Yes
Animal testing	No
Other	UN Global Compact Compliance (the Ten Principles of which consider human rights, labour, environment and anti-corruption)

EXCLUSION CRITERIA – COUNTRIES

Labour rights	No
Violation of human rights	No
Military spending as a percentage of GDP	No
Death penalty, torture	No
Countries classified by Freedom House as not free	No
Violations of the Nuclear Non-Proliferation Treaty	No
Violations of other non-proliferation treaties	No
Other	We do have exclusion criteria for government bonds (when not used for liquidity purposes), but not for other securities in a country as a whole.

Governance

EXCLUSION OF BUSINESS PRACTICES – COMPANIES

Corruption and bribery	Yes
Tax: planned avoidance & detected violations	No
Other	UN Global Compact (including anti-corruption)

EXCLUSION CRITERIA – COUNTRIES

Corruption	No
Other	We do have exclusion criteria for government bonds, but not for other securities in a countries as a whole.

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