PROFIT *hunters*

ARTEMIS UK Special Situations *Fund*

Manager's Report
and Financial Statements
for the year ended 31 December 2016

ARTEMIS
The PROFIT Hunter

Keep up to date ...

... with the performance of this and other Artemis funds throughout the year on Artemis' website

- Monthly fund commentaries and factsheets
- Artemis *Filmclub* videos by our fund managers
- Market and fund insights
- Fund briefings and research articles
- *The Hunters' Tails*, our weekly market newsletter
- Daily fund prices
- Fund literature

artemis.co.uk

General information

Company profile

Independent and owner-managed, Artemis opened for business in 1997. Its aim was, and still is, exemplary investment performance and client service. All Artemis' staff share these two precepts – and the same flair and enthusiasm for fund management.

The firm now manages some £24.5 billion* across a range of funds, two investment trusts, a venture capital trust and both pooled and segregated institutional portfolios.

Artemis' fund managers invest in the funds that they and their colleagues manage. This has been a key tenet of Artemis' approach to investment since the firm started. It means that we 'eat our own cooking' and means that our fund managers' interests are directly aligned with those of our investors.

* Source: Artemis as at 31 January 2017.

Fund status

Artemis UK Special Situations Fund was constituted by a Trust Deed dated 25 & 28 February 2000 and is an authorised unit trust scheme under the Financial Services and Markets Act 2000. The fund belongs to the category of UCITS schemes as defined in the Collective Investment Schemes Sourcebook ('COLL') of the Financial Conduct Authority ('FCA').

Investment objective

The objective of the fund is to achieve long-term capital growth by exploiting special situations. The fund invests principally in UK equities and in companies which are headquartered or have a significant part of their activities in the UK which are quoted on a regulated market outside the UK.

Investment policy

The manager actively manages the portfolio in order to achieve the objective and will not be restricted in respect of investment either by company size or industry.

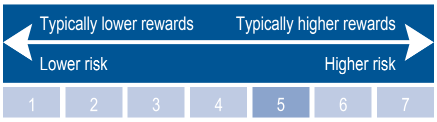
The securities of companies listed, quoted and/or traded in the UK but domiciled elsewhere and the securities of companies traded on ISDX may be included in the portfolio.

The fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash, derivatives and forward transactions and other investments to the extent that each is permitted by the regulations.

Buying and selling

Units may be bought and sold by contacting the manager by telephone, at the address on page 2 or via the website artemis.co.uk. Valuation of the fund takes place each business day at 12 noon on a forward pricing basis. Investors are reminded that past performance is not a guarantee of performance in the future and that the price of units and the revenue from them can fall as well as rise.

Risk and reward profile



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the fund.
- The risk category shown is not guaranteed and may change over time.
- A risk indicator of "1" does not mean that the investment is "risk free".
- The indicator is not a measure of the possibility of losing your investment.

The risk indicator for the fund is as above because:

- The price of units, and the income from them, can fall and rise because of stock market and currency movements.
- Stock market prices, currencies and interest rates can move irrationally and can be affected unpredictably by diverse factors, including political and economic events.
- A portion of the fund's assets may be invested in a currency other than the fund's accounting currency (sterling). The value of these assets, and the income from them, may decrease if the currency falls in relation to sterling, in which the fund is valued and priced.
- Investing in small and medium-sized companies can involve more risk than investing in larger, more established companies. Shares in smaller companies are often not as easy to sell as shares in larger companies are. This can cause difficulty in buying, valuing and selling those shares. Also, reliable information for deciding their value or the risks may not be available.

Prospectus

Copies of the most recent Prospectus are available free of charge from the manager at the address on page 2.

Remuneration

Following an amendment to the UCITS Directive in the UK on 18 March 2016, all UCITS schemes are required to comply with the UCITS Remuneration Code. This includes a requirement to disclose in the annual report of each scheme, details of the total amount of remuneration paid by the manager to its staff for its financial year.

The first full financial year for Artemis Fund Managers Limited under the amended regulations will end on 31 December 2017, therefore as this information is not yet available the required disclosures have been omitted from the Manager's Report and Financial Statements as permitted by COLL.

Details of Artemis Fund Managers Limited's UCITS remuneration policy is disclosed on Artemis' website artemis.co.uk.

General information (continued)

Tax information reporting

UK tax legislation requires fund managers to provide information to HM Revenue & Customs ('HMRC') on certain investors who purchase units in unit trusts. Accordingly, the fund may have to provide information annually to HMRC on the tax residencies of those unitholders that are tax resident outwith the UK, in those countries that have signed up to the OECD's ('Organisation for Economic Co-operation and Development') Common Reporting Standard for Automatic Exchange of Financial Account Information (the 'Common Reporting Standard'), or the United States (under the Foreign Account Tax Compliance Act, 'FATCA').

All new unitholders that invest in the fund must complete a certification form as part of the application form. Existing unitholders may also be contacted by the Registrar should any extra information be needed to correctly determine their tax residence. Failure to provide this information may result in the account being reported to HMRC.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders: gov.uk/government/publications/exchange-of-information-account-holders.

Manager

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

Dealing information:
Artemis Fund Managers Limited
PO Box 9688
Chelmsford CM99 2AE
Telephone: 0800 092 2051
Website: artemis.co.uk

Investment adviser

Artemis Investment Management LLP *
Cassini House
57 St James's Street
London SW1A 1LD

Trustee and Depositary

National Westminster Bank Plc †
Trustee & Depositary Services
Younger Building
1st Floor, 3 Redheughs Avenue
Edinburgh EH12 9RH

Registrar

International Financial Data Services (UK) Limited *
IFDS House
St Nicholas Lane
Basildon
Essex SS15 5FS

Auditor

Ernst & Young LLP
Ten George Street
Edinburgh EH2 2DZ

* Authorised and regulated by the FCA, 25 The North Colonnade, Canary Wharf, London E14 5HS.

† Authorised by the Prudential Regulation Authority ('PRA'), 20 Moorgate, London EC2R 6DA and regulated by the PRA and the FCA.

Statement of the trustee's responsibilities to the unitholders of the Artemis UK Special Situations Fund (the 'scheme') for the year ended 31 December 2016

The trustee must ensure that the Scheme is managed in accordance with COLL, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Trust Deed and Prospectus (together 'the scheme documents') as detailed below.

The trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the scheme and its investors.

The trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the scheme in accordance with the Regulations.

The trustee must ensure that:

- the scheme's cash flows are properly monitored (this requirement on the depositary applied from 18 March 2016) and that cash of the scheme is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the scheme are calculated in accordance with the Regulations;
- any consideration relating to transactions in the scheme's assets is remitted to the scheme within the usual time limits;
- the scheme's income is applied in accordance with the Regulations; and
- the instructions of the manager are carried out (unless they conflict with the Regulations).

The trustee also has a duty to take reasonable care to ensure that the scheme is managed in accordance with the Regulations and the scheme documents in relation to the investment and borrowing powers applicable to the scheme.

Report of the trustee

Having carried out such procedures as we consider necessary to discharge our responsibilities as trustee of the scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the scheme, acting through the manager:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the scheme's units and the application of the scheme's income in accordance with the Regulations and the scheme documents, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the scheme.

National Westminster Bank Plc
Trustee & Depositary Services

Edinburgh
22 February 2017

Statement of the manager's responsibilities

COLL requires the manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial affairs of the fund and of its revenue and expenditure for the year. In preparing the financial statements the manager is required to:

(i) select suitable accounting policies and then apply them consistently;

(ii) comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014 ('SORP');

(iii) follow applicable accounting standards;

(iv) keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;

(v) make judgements and estimates that are reasonable and prudent; and

(vi) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the fund will continue in operation.

The manager is responsible for the management of the fund in accordance with its Trust Deed, Prospectus and COLL.

The manager is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the manager

We hereby approve the Manager's Report and Financial Statements of the Artemis UK Special Situations Fund for the year ended 31 December 2016 on behalf of Artemis Fund Managers Limited in accordance with the requirements of COLL as issued and amended by the FCA.

M J Murray	R J Turpin
Director	Director

Artemis Fund Managers Limited

London
22 February 2017

The maintenance and integrity of the Artemis Fund Managers Limited web site is the responsibility of the directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

General information (continued)

Independent auditor's report to the unitholders of the Artemis UK Special Situations Fund

We have audited the financial statements of Artemis UK Special Situations Fund (the 'fund') for the year ended 31 December 2016 which comprise the statement of total return, the statement of change in net assets attributable to unitholders, the balance sheet, the related notes 1 to 19 and the distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard ('FRS') 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the unitholders of the fund, as a body, pursuant to paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the unitholders those matters we are required to state to them in an independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the fund and the unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the manager and auditor

As explained more fully in the manager's responsibilities statement set out on page 3, the manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the manager; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the manager's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the fund as at 31 December 2016 and of the net revenue and the net gains on the scheme property of the fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Opinion on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Trust Deed;
- the information given in the manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records; and
- we have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Ernst & Young LLP
Statutory Auditor

Edinburgh
22 February 2017

- The fund returned 8.1%* versus the benchmark's 16.8%.*
- Underweight in miners and banks held back performance.
- Our strategy is unchanged: focus on 'self help' stocks.

Performance – Negotiating an obstacle course …

This time last year we compared the market conditions of 2015 to a Tough Mudder endurance event: a struggle with many obstacles. We also ended last year's report fearing that the course of 2016 may be even tougher. Well, it's nice to get a prediction right! The two big electoral obstacles occurred and both impacted significantly the investment landscape. Whilst most years we poke fun at economists and strategists for their forecasting, they are starting to appear respectable in the shadow of political pollsters. We wonder what they will make of the elections due in Europe this year.

We also said last year that we believed the market's upside to be limited. This view was based on historically high equity valuations, poor momentum in corporate earnings and the risks of fallout from an overvalued bond market. Yet equity markets made very healthy returns. In the UK this was mainly the result of the depreciation of sterling, which provided a positive boost to the translated earnings of UK companies. And in the US, the expectation of President-elect Trump's desire to cut taxes and boost spending on infrastructure was quickly discounted in equity prices. And yes, the bond market did start to retreat. But the effect on equities was minimal. So the good news is investors made more money in 2016 than we thought they would at the beginning of the year.

But now the bad news. 2016 was not a vintage year for the fund. Whilst the fund produced a return of 8.1% (a figure we would not have predicted at the start of the year), this was significantly below the 16.8% produced by the market.

Review – Not owning certain sectors proved costly …

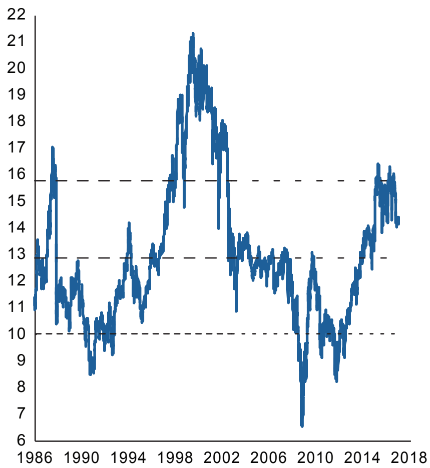
Why did the fund lag the overall market by so much? As always when comparing against a benchmark, performance was a combination of what we owned and what we didn't. What we didn't own is perhaps the quicker one to address. The largest negative contribution came from not holding anything in the mining sector. We have benefited over many years from this stance and have often remarked on our inability to forecast the price of commodities. However, in 2016 the sector bounced strongly following a rebound in prices. This move can partly be explained by the significant decline in prices in 2015 and partly by continued economic growth in China.

We sit here today feeling a bit foolish that we missed the bounce but also feeling none the wiser about what the underlying prices of commodities should be. There is momentum in the sector and that is what investors are chasing. When it will stop, nobody knows. Just like nobody knows what is really going on in China.

The fund's lack of exposure to banks was also painful for us, especially during the final quarter. Again this is a sector in which we have had only modest weightings in the past – much to the benefit of the fund's performance. However, banks performed strongly as bond yields rose, especially after Trump's victory. Our holding in Barclays did perform well, but having no holding in HSBC was a negative. Again we are not inclined to chase the sector, and if anything we are minded to take profits in Barclays should the shares rise further.

Our list of winning holdings is always eclectic and reflects the individual 'self-help' stories that we focus on. BP was one of them as the company aggressively cut its cost base, significantly reduced capital expenditure and disposed of assets in order to maintain the dividend. At one point the shares offered an 8% dividend yield. We were attracted by this yield as well as the company's focus on a low break-even target for oil production. With capital expenditure much reduced, and a higher oil price, the prospects for the company's dividend are much more attractive. Elsewhere, insurance company RSA Insurance Group continued on its path to redemption with much improved results. The company is finding more efficiencies and with a much improved balance sheet there is now even talk about a special dividend in a year to two. This is a classic 'self-help' situation where there is little growth in the market and yet improving returns drive profits and cashflow.

12-month forward price/earnings ratio (%) for the UK Stock Market



Source: FactSet, Lazarus.

Another of our expectations last year was a pickup in mergers and acquisitions. The year started well with a bid for Home Retail. However, we had to wait until December for further activity. We then received a bid for e2v technologies from US company Teledyne. e2v technologies is a small electronics company specialising in

* Source: Lipper Limited, class I accumulation units, bid to bid basis, in sterling with dividends reinvested. Benchmark is the FTSE All-Share Index.

Investment review (continued)

optics and semi-conductors and was in the midst of a turnaround under new management. While the company's long-term potential is significant, the bid reflects fairly the medium-term prospects of the company. We are supporting management in accepting the offer. The other bid we received was for Sky – a recent position in the fund. We had been attracted to the broadcaster by its market position, its content and history of innovation. The shares had also underperformed significantly and were trading at the lowest multiple we can ever remember for Sky. Investors were becoming increasingly concerned about the competitive challenge posed to conventional broadcasters by new entrants such as Netflix and Amazon. We were also concerned, but felt the company's position was strong enough to prevail for some time. In any case, a lot of the concerns were already reflected in the share price. Unsurprisingly the buyer is Rupert Murdoch's Twenty-First Century Fox which already owns 40% of the equity. We feel the price is fair rather than generous; but given the increased competitive threats, we are minded to accept the offer.

December was not all plain sailing, however. During the month the FCA announced a review of the spread betting industry. The essence of this review is to increase consumer protection by reducing the leverage customers can access. The industry has grown rapidly in recent years and a number of more aggressive companies have entered. We had always felt some review was probable but believed that it would likely have more of an impact on the aggressive new entrants and so improve IG Group's competitive position. While we still think this will happen in the longer term, the proposals will affect the whole industry in the short-to-medium term. In the expectation that the money invested in the spread betting sector will be dead money for some time, we have reduced our holding.

Finally, we cannot review the past year without commenting on the significant contribution from our holding in Micro Focus International. While the management of this software company continues to deliver on their plan to improve profits, they also announced the acquisition of HP's enterprise software business. The deal is a typical Micro Focus International transaction, if somewhat larger than previous ones. While the assets they are acquiring are mature, they offer high levels of recurring revenue. The returns are significantly below those of the existing business. The opportunity is therefore to bring the margins up to the level of the existing business. This will generate meaningful growth in profits and cashflow. The shares remain attractively valued, offering an 8% free cashflow yield and we expect further upside.

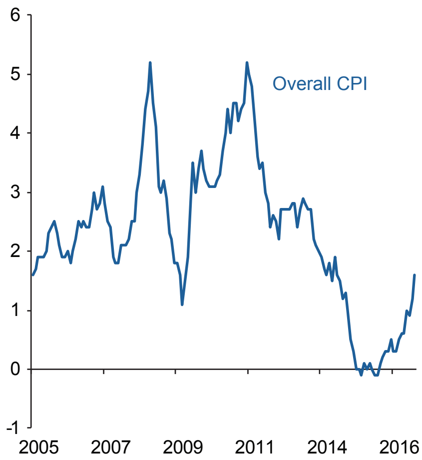
We end every year reviewing where we have done well or badly. We review what we could have done better. And we review whether the overall strategy is at fault. Every year there are things we could have done better. In 2016 we underestimated the macroeconomic momentum in certain sectors; and we also underestimated the political and regulatory risks in certain stocks. But our winners reflected the broad mix of self-help situations. And what is clear in our minds is that the strategy of focusing on companies which offer high degrees of self-help is more valid today than at any time in the history of the fund. The risks in the world economy are high, both from political and from economic errors of policy. We prefer to trust the capital of the fund to the management teams we know rather than to politicians whose understanding of economics is often limited. Much of our underperformance this year stemmed from not owning certain sectors. We are not happy with this underperformance but feel it is not a reason to change the strategy of the fund.

Outlook - Continue to focus on 'self help' stocks …

We do not underestimate the task ahead. Markets are at multi-year highs, and the macroeconomic and political environments are changing rapidly. We believe there is little upside in the market in general (unsurprising given our comments last year) but feel value remains on a selective basis.

We will not dwell on the political landscape but observe that, due to popular demand, it is changing. And it may change further following various elections in Europe this year. Changes in policy will impact growth, inflation and currencies and we are sure that conditions will be volatile as investors respond to changes in the economic landscape. We have already seen the impact in the bond market, though so far equity investors appear sanguine about the changes.

UK consumer price index
Twelve-month percentage changes



Source: Thomson Reuters Datastream/ Fathorm Consulting.

The significant change in the economic landscape is the apparent return of inflation. This is most evident in the UK where a depreciated currency is starting to feed through to rising input prices. As consumers we have had it good for some time, with low prices for food and clothing. This is changing. And combined with a year-on-year rise in oil and power prices we see a greater risk of inflation than for some time. We are not talking about 1970s-style inflation. But it is a change of environment. And the UK is not alone. In the US, where the unemployment rate is low and expansionary policies being mooted, there are also significant risks of rising wages and pricing. Without being alarmist, we need to recognise the risk.

On the subject of obstacles we will mention Brexit but won't dwell on it. This is not because we don't think it is an issue – quite the contrary. But we don't know the outcome or its timing and nor do the companies we talk to. So while speculation about the outcome will have an impact on markets, it is not interfering with our investment process.

The market's valuation is more of an issue. Equity markets have risen steadily since March 2009. Earnings multiples have risen faster than earnings and the market overall is now trading at multiples above the long-term average. That in itself is not such a problem as markets can trade at elevated levels for prolonged periods. But it does introduce a greater element of risk and will result in lower returns going forward. Clearly, interest rates at zero have been helpful for equity valuations and rising interest rates should have some impact. However, even as interest rates rise, they will still remain extremely low by historic standards. This is a function of the still high levels of personal, corporate and public debt in the system. So we believe this environment, while not offering much upside, does not necessarily undermine equity valuations. At the moment the fund is trading on p/e multiple of 13.7x for 8% earnings growth. With a dividend yield of 3.3%, this should offer some potential for upside.

For us the job remains the same: find those companies which can prosper in this complicated macroeconomic environment. As ever, investors have given up on certain stocks and this offers us our potential target list. 2016 was a tough year for many companies, including BT, Capita, Cobham, International Consolidated Airlines Group and Restaurant Group. These companies are on our watch list. All have been de-rated over the past year and may offer upside greater than the market.

Finally, it is our pleasure to welcome Neil Haddow to the team. Neil joined us in July of last year and is helping us to find more undiscovered gems.

2016 was a tough year for the fund. We remain focused on improving results and believe that by concentrating on self-help opportunities, we will return the fund to the levels of performance our investors have been accustomed to.

Derek Stuart & Andy Gray
Fund managers

Investment information

Five largest purchases and sales for the year ended 31 December 2016

Purchases	Cost £'000	Sales	Proceeds £'000
BP	37,947	Berendsen	41,468
Centrica	32,311	BP	35,404
Johnson Matthey	31,133	Tate & Lyle	34,973
Royal Mail	26,983	Melrose Industries	34,422
Tesco	24,015	AstraZeneca	32,184

Portfolio statement as at 31 December 2016

Investment	Holding	Valuation £'000	% of net assets
Equities 97.35% (97.50%)			
Basic Materials 4.88% (1.27%)			
Johnson Matthey	1,085,269	34,338	3.11
Synthomer	5,131,234	19,581	1.77
		53,919	**4.88**
Consumer Goods 0.00% (2.42%)			
Consumer Services 24.00% (22.89%)			
Conviviality #	1,162,648	2,523	0.23
Dalata Hotel Group	1,210,381	4,542	0.41
Informa	5,794,802	39,115	3.54
ITV	13,329,990	27,367	2.47
Johnston Press	3,880,061	504	0.05
Mitchells & Butlers	4,096,743	10,197	0.92
Pearson	3,883,270	31,377	2.84
Rank Group	13,609,191	26,524	2.40
Restaurant Group	2,082,635	6,767	0.61
Saga	15,782,198	30,807	2.78
Sky	1,415,678	13,930	1.26
Stagecoach Group	13,873,317	30,022	2.71
Tesco	20,278,283	41,844	3.78
		265,519	**24.00**
Financials 13.90% (13.24%)			
Aviva	2,961,506	14,301	1.29
Barclays	17,493,033	38,668	3.50
IG Group	2,512,771	12,385	1.12
London Stock Exchange Group	652,020	18,746	1.69
Phoenix Group Holdings	2,825,610	20,698	1.87
ROK Global ^	66,096	-	-
RSA Insurance Group	8,445,438	48,983	4.43
		153,781	**13.90**
Healthcare 6.74% (10.05%)			
AstraZeneca	328,603	14,475	1.31
GlaxoSmithKline	2,736,467	42,566	3.85
Smith & Nephew	1,444,373	17,549	1.58
		74,590	**6.74**
Industrials 14.82% (18.41%)			
Balfour Beatty	11,098,294	29,555	2.67
Bodycote	377,276	2,424	0.22
Cobham	3,743,937	6,140	0.56
De La Rue	3,728,217	22,891	2.07
e2v technologies	8,817,846	24,073	2.18

Investment	Holding	Valuation £'000	% of net assets
MBA Polymers Preference G shares ^	7,000,000	-	-
MBA Polymers Subord Convertible Promissory Note ^	2,105,625	1,712	0.15
Melrose Industries	8,359,154	16,530	1.49
Morgan Advanced Materials	6,147,564	17,582	1.59
Royal Mail	2,443,615	11,187	1.01
Security Research Group ^	1,770,432	752	0.07
Shanks Group	7,762,492	7,122	0.64
Smiths Group	754,361	10,569	0.96
Speedy Hire	26,664,238	13,332	1.21
		163,869	**14.82**
Oil & Gas 7.35% (6.47%)			
Amec Foster Wheeler	3,256,350	15,308	1.38
BP	11,430,128	57,814	5.23
Cape	5,249,867	7,757	0.70
Mycelx Technologies A shares #	1,408,683	387	0.04
		81,266	**7.35**
Technology 16.77% (15.29%)			
Arris International	933,155	22,832	2.06
Computacenter	5,055,998	40,347	3.65
FDM Group	2,406,175	13,234	1.20
GameAccount Network #	2,571,050	900	0.08
Intechnology ^	21,937,940	987	0.09
Micro Focus International	2,506,822	54,122	4.89
ROK Entertainment Group ^	410,914	-	-
SDL	5,716,940	24,640	2.23
Spirent Communications	28,978,877	28,472	2.57
		185,534	**16.77**
Telecommunications 4.45% (5.94%)			
BT Group	10,474,644	38,290	3.46
Vodafone Group	5,472,670	10,871	0.99
		49,161	**4.45**
Utilities 4.44% (1.52%)			
Centrica	21,007,204	49,157	4.44
		49,157	**4.44**
Equities total		**1,076,796**	**97.35**
Investment assets		1,076,796	97.35
Net other assets		29,356	2.65
Net assets attributable to unitholders		1,106,152	100.00

The comparative percentage figures in brackets are as at 31 December 2015.
Security listed on the Alternative Investment Market ('AIM').
^ Unlisted, suspended or delisted security.

Financial statements

Statement of total return for the year ended 31 December 2016

	Note	31 December 2016 £'000	31 December 2016 £'000	31 December 2015 £'000	31 December 2015 £'000
Income					
Net capital gains	3		51,552		45,587
Revenue	5	36,421		37,274	
Expenses	6	(12,866)		(14,809)	
Interest payable and similar charges	7	-		(4)	
Net revenue before taxation		23,555		22,461	
Taxation	8	(119)		(43)	
Net revenue after taxation			23,436		22,418
Total return before distributions			**74,988**		**68,005**
Distributions	9		(23,481)		(23,410)
Change in net assets attributable to unitholders from investment activities			51,507		44,595

Statement of change in net assets attributable to unitholders for the year ended 31 December 2016

	31 December 2016 £'000	31 December 2016 £'000	31 December 2015 £'000	31 December 2015 £'000
Opening net assets attributable to unitholders		1,246,900		1,211,462
Amounts receivable on issue of units	89,401		144,754	
Amounts payable on cancellation of units	(300,347)		(174,920)	
		(210,946)		(30,166)
Change in net assets attributable to unitholders from investment activities		51,507		44,595
Retained distributions on accumulation units		18,691		21,009
Closing net assets attributable to unitholders		1,106,152		1,246,900

Balance sheet as at 31 December 2016

	Note	31 December 2016 £'000	31 December 2015 £'000
Assets			
Fixed assets			
Investments	10	1,076,796	1,215,784
Current assets			
Debtors	11	2,838	3,598
Cash and bank balances	12	30,956	31,557
Total current assets		**33,794**	**35,155**
Total assets		**1,110,590**	**1,250,939**
Liabilities			
Creditors			
Distribution payable		2,376	2,616
Other creditors	13	2,062	1,423
Total creditors		**4,438**	**4,039**
Total liabilities		**4,438**	**4,039**
Net assets attributable to unitholders		1,106,152	1,246,900

1. Accounting policies

(a) Basis of accounting. The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with SORP.

In March 2016 an amendment was made to the SORP for the fair value hierarchy requirements of FRS 102, which became effective for accounting periods beginning on or after 1 January 2017. As a result, our prior year fair value disclosures have been restated to show our assets under three levels instead of the four which was required under the original SORP. The change has been adopted early, as permitted, for the financial statements for the year ended 31 December 2016.

(b) Valuation of investments. All investments have been valued at 12 noon on the last working day of the accounting period. Listed investments are valued at fair value which is deemed to be the bid or SETS price. Unquoted investments are valued at fair value which is determined by the investment manager, with reference to the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Guidelines Board.

(c) Foreign exchange rates. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12 noon on the last working day of the accounting period. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

(d) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward currency contracts are used for efficient portfolio management and investment purposes. Derivatives are valued at 12 noon on the last working day of the accounting period. Exchange traded derivatives are priced at fair value, which is deemed to be the bid price. Over-the-counter derivatives are priced at fair values using valuation models or data sourced from market data providers. Returns on derivative instruments are recognised as either revenue or capital depending on the nature and circumstances of each particular case. Any positions on such transactions open at the year end are reflected in the balance sheet at their marked to market value.

(e) Revenue. Dividends receivable from equity and non-equity shares, including Real Estate Investment Trusts, are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. Dividends on unquoted stocks are credited to revenue when the right to receive payment is established. Special dividends are reviewed on a case by case basis when determining if the dividend is to be treated as revenue or capital. It is likely that where a special dividend results in a significant reduction in the capital value of a holding, then the dividend will generally be treated as capital, otherwise this will be recognised as revenue. Bank interest is recognised on an accruals basis. Underwriting commission is recognised when the issue underwritten takes place.

(f) Expenses. All expenses (other than those relating to the purchase and sale of investments) are charged against revenue on an accruals basis.

(g) Taxation. Corporation tax is charged at a rate of 20% on the excess taxable revenue of the fund. In general, the tax accounting treatment follows that of the principal amount. Deferred tax is provided for all timing differences that have originated but not reversed at the balance sheet date other than those recorded as permanent differences. Deferred tax is provided for at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

2. Distribution policy

The fund shall distribute all available revenue, after deduction of expenses properly chargeable against revenue. Gains and losses on investments, derivatives and currencies, whether realised or unrealised, if taken to capital are not available for distribution. The fund is not more than 60% invested in qualifying investments (as defined in section 468L, Income and Corporation Taxes Act 1988) and where applicable will pay a dividend distribution. With the exception of the manager’s annual management charge, which is directly attributable to each unit class, all income and expenses are apportioned to each unit class pro-rata to the value of the net assets of the relevant unit class on the day that the income or expense is recognised.

Distributions which have remained unclaimed by unitholders for six years are credited to the capital property of the fund.

Notes to the financial statements (continued)

3. Net capital gains

	31 December 2016 £'000	31 December 2015 £'000
Non-derivative securities	51,534	45,600
Currency gains/(losses)	20	(1)
Capital transaction charges	(2)	(12)
Net capital gains	51,552	45,587

4. Direct transaction costs

For purchases and sales of equities, broker commissions, transfer taxes and stamp duty are paid by the fund on each transaction and are summarised below.

	Year ended 31 December 2016					
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	562,982	513	2,571	566,066	0.09	0.46
Sales						
Equities	757,182	593	1	756,588	0.08	-
Total		1,106	2,572			
Percentage of fund average net assets		0.10%	0.23%			

	Year ended 31 December 2015					
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	664,650	710	3,070	668,430	0.11	0.46
Sales						
Equities	681,902	824	1	681,077	0.12	-
Total		1,534	3,071			
Percentage of fund average net assets		0.13%	0.25%			

During the year the fund incurred £2,000 (2015: £12,000) in capital transaction charges.

Dealing spread

As at the balance sheet date the estimated portfolio dealing spread was 0.25% (2015: 0.40%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

5. Revenue

	31 December 2016 £'000	31 December 2015 £'000
UK dividends	33,203	31,745
Overseas dividends	3,065	5,418
Bank interest	129	96
Underwriting commission	24	15
Total revenue	36,421	37,274

6. Expenses

	31 December 2016 £'000	31 December 2015 £'000
Payable to the manager, associates of the manager and agents of either of them:		
Annual management charge	12,258	14,150
Registration fees	207	249
Administration fees	146	156
Trustee fees	134	146
Operational fees	81	69
Safe custody fees	28	30
Price publication fees	1	1
Printing and postage fees	3	-
Auditor's remuneration : audit fees *	8	8
	12,866	14,809

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
* The amounts disclosed above includes VAT at the rate of 20%. The audit fee (excluding VAT) accrued during the period was £7,000 (2015: £7,000).

7. Interest payable and similar charges

	31 December 2016 £'000	31 December 2015 £'000
Interest payable	-	4
Total interest payable and similar charges	-	4

8. Taxation

	31 December 2016 £'000	31 December 2015 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	119	43
Total taxation (note 8b)	119	43
b) Factors affecting the tax charge for the year		
Net revenue before taxation	23,555	22,461
Corporation tax at 20% (2015: 20%)	4,711	4,492
Effects of:		
Unutilised management expenses	2,543	2,941
Irrecoverable overseas tax	119	43
Non-taxable overseas dividends	(613)	(1,084)
Non-taxable UK dividends	(6,641)	(6,349)
Tax charge for the year (note 8a)	119	43

c) Provision for deferred tax
No provision for deferred tax has been made in the current or prior accounting year.

d) Factors that may affect future tax charges
The fund has not recognised a deferred tax asset of £34,379,000 (2015: £31,836,000) arising as a result of having unutilised management expenses of £171,893,000 (2015: £159,180,000). It is unlikely that the fund will obtain relief for these in the future so no deferred tax asset has been recognised.

Notes to the financial statements (continued)

9. Distributions

	31 December 2016 £'000	31 December 2015 £'000
Final dividend distribution	21,067	23,625
Add: amounts deducted on cancellation of units	3,158	1,869
Deduct: amounts added on issue of units	(744)	(2,084)
Distributions	23,481	23,410
Movement between net revenue and distributions		
Net revenue after taxation	23,436	22,418
Add: revenue received on conversion of units	45	992
	23,481	23,410

The distributions take account of amounts added on the issue of units and amounts deducted on the cancellation of units. Details of the distributions per unit are set out in the distribution table on page 18.

10. Fair value hierarchy

All investments are designated at fair value through profit or loss on initial recognition. The following table provides an analysis of these investments based on the fair value hierarchy in accordance with FRS 102 which reflects the reliability and significance of the information used to measure their fair value.

The disclosure is split into the following categories:

Level 1 – Investments with unadjusted quoted prices in an active market;
Level 2 – Investments whose fair value is based on inputs other than quoted prices that are either directly or indirectly observable;
Level 3 – Investments whose fair value is based on inputs that are unobservable (i.e. for which market data is unavailable).

	31 December 2016	31 December 2015
	Assets £'000	Assets £'000
Level 1	1,073,345	1,212,925
Level 3	3,451	2,859
Total	1,076,796	1,215,784

11. Debtors

	31 December 2016 £'000	31 December 2015 £'000
Accrued revenue	2,672	3,001
Overseas withholding tax recoverable	166	44
Amounts receivable for issue of units	-	551
Prepaid expenses	-	2
Total debtors	2,838	3,598

12. Cash and bank balances

	31 December 2016 £'000	31 December 2015 £'000
Amounts held in JPMorgan Liquidity Funds – Sterling Liquidity Fund (Institutional dist.)	30,946	31,547
Cash and bank balances	10	10
Total cash and bank balances	30,956	31,557

13. Other creditors

	31 December 2016 £'000	31 December 2015 £'000
Accrued annual management charge	965	1,102
Amounts payable for cancellation of units	957	136
Accrued other expenses	140	185
Total other creditors	2,062	1,423

14. Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the current or prior year end.

15. Reconciliation of unit movements

	Units in issue at 31 December 2015	Units issued	Units cancelled	Units converted	Units in issue at 31 December 2016
I distribution	22,056,353	1,685,655	(3,955,956)	(1,066,651)	18,719,401
I accumulation	106,113,445	27,875,723	(64,984,058)	7,164,295	76,169,405
R accumulation	102,190,834	11,862,715	(11,472,803)	(6,535,774)	96,044,972

16. Risk disclosures

The fund's financial instruments comprise equities, cash balances and liquid resources which include debtors and creditors. The fund holds such financial assets in accordance with its investment objective and policy which is provided on page 1. The fund is exposed to a number of risks that are associated with the financial instruments and markets in which it invests. The most significant risks which the fund is exposed to are market risk, credit and counterparty risk and liquidity risk.

(a) Market risk

Market risk, which includes interest rate risk, currency risk, other price risk and leverage risk arises mainly from uncertainty about future values of financial instruments in the fund's investment portfolio. The fund, in order to meet its investment objective and policy, invests predominantly in equities and maintains an appropriate spread of investments in accordance with COLL, the Trust Deed and the Prospectus to seek to reduce the risks arising from factors specific to a particular company or sector. The manager's investment strategy is to select investments for their fundamental value. Stock selection is therefore based on disciplined accounting, market and sector analysis, with the emphasis on long-term investments. There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the fund disclosed in the balance sheet.

(i) Interest rate risk

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. As the majority of the fund's financial assets are non-interest bearing, the fund is only subject to limited exposure to fair value interest rate risk due to fluctuations in levels of market interest rates.

Notes to the financial statements (continued)

(ii) Currency risk

A portion of the net assets of the fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the manager may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the fund's exposure to currency risk is reduced. There were no forward currency contracts held as at 31 December 2016 or 31 December 2015.

Revenue received in foreign currencies is converted into sterling on or near the date of receipt. No hedging is undertaken with regard to managing the currency movement risk on accrued revenue.

The exposure to each currency is shown in the table below:

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Total £'000
31 December 2016			
Sterling	1,047,710	29,190	1,076,900
US Dollar	24,544	-	24,544
Euro	4,542	166	4,708
31 December 2015			
Sterling	1,189,003	31,072	1,220,075
Euro	25,360	44	25,404
US Dollar	1,421	-	1,421

A five per cent increase in the value of the fund's foreign currency exposure would have the effect of increasing the return and net assets by £1,463,000 (2015: £1,341,000). A five per cent decrease would have an equal and opposite effect.

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The value of equities is dependent on a number of factors, arising from the performance of the company itself and matters arising in the wider market (for example the state of the underlying economy and current government policy). The portfolio is invested in securities domiciled in a number of countries as detailed in the portfolio statement and will be exposed to market movements in the relevant country arising from changes in the local economy and government decisions. As part of the continuing review of the portfolio, the manager monitors and reviews these factors. A five per cent increase in the value of the fund's portfolio would have the effect of increasing the return and net assets by £53,840,000 (2015: £60,789,000). A five per cent decrease would have an equal and opposite effect.

(iv) Leverage risk

Leverage is defined as any method by which the fund can increase its exposure by borrowing cash or securities or from leverage that is embedded in derivative positions. The manager is required to calculate and monitor the level of leverage of a fund, expressed as a percentage of the exposure of the fund and its net asset value under the commitment method.

The fund can use cash borrowing and financial derivatives (subject to the restrictions as set out in its Prospectus and COLL) as sources of leverage. The maximum level of leverage which the manager may employ on behalf of the fund is 200% under the commitment method. A result of 100% indicates that no leverage has been used.

As at 31 December 2016 the amount of leverage used by the fund was 100% (2015: 100%).

(b) Credit and counterparty risk

Credit and counterparty risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into with the fund, resulting in a financial loss. From time to time, the fund may be subject to short term credit risk with counterparties pending settlement of investment transactions. The manager has a pre-approved list of counterparties it uses for investment transactions, which is reviewed on a regular basis. The largest counterparty risk is with J.P. Morgan Chase N.A. ('JP Morgan'), the fund's custodian and banker, who holds the fund's investments and maintains the bank accounts. Bankruptcy or insolvency of JP Morgan may cause the fund's rights with respect to securities and cash held by the custodian to be delayed or limited. The trustee receives and reviews a semi-annual report on the internal controls in place at JP Morgan. The fund is also exposed to counterparty risk through holding specific financial instruments.

There were no significant concentrations of credit risk to counterparties other than to the custodian, or brokers where trades are pending settlement, at 31 December 2016 or 31 December 2015.

(c) Liquidity risk

Some of the fund's financial instruments can include securities that are not listed on a recognised stock exchange and which may not always be readily realisable. However, from time to time, liquidity in any market or in a specific security can be affected by economic events. As a result, the fund may not be able to realise these investments quickly at their fair value to respond to any further liquidity requirements, or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. In order to manage liquidity requirements, the fund seeks to maintain sufficient cash to pay creditors. Liquidity risk limits are set by reference to two key metrics: market liquidity and investor concentration. These measures will, in combination, identify instances where the fund may be unable to meet investor redemptions. Market liquidity considers a fund's liquidity compared against the daily average liquidity over the previous twelve months. Investor concentration considers the proportion of the fund that is realisable within a redemption cycle measured against the largest unitholder.

17. Related party transactions

The manager is deemed to be a related party. All transactions and balances associated with the manager are disclosed within the statement of total return, statement of change in net assets attributable to unitholders and the balance sheet on page 10 and notes 6, 9, 11 and 13 on pages 13 to 15 including all issues and cancellations where the manager acted as principal. The balance due to the manager as at 31 December 2016 in respect of these transactions was £1,922,000 (2015: £687,000).

18. Unit classes

The annual management charge is:

I distribution: 0.75%
I accumulation: 0.75%
R accumulation: 1.50%

The net asset value per unit and the number of units in each class are given in the comparative tables on page 19. The distributions per unit class are given in the distribution table on page 18. All classes have the same rights.

19. Post balance sheet event

Since 31 December 2016, the net asset values per unit, on a bid basis, have changed as follows:

	Net asset value per unit (p)		
	20 February 2017	31 December 2016	Movement
I distribution	555.90	554.14	0.3%
I accumulation	605.40	603.54	0.3%
R accumulation	566.20	565.05	0.2%

Distribution table

Final dividend distribution for the year ended 31 December 2016 (payable on 28 February 2017) in pence per unit.
Group 1 - Units purchased prior to 1 January 2016.
Group 2 - Units purchased from 1 January 2016 to 31 December 2016.

	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 28 February 2017	Distribution per unit (p) 26 February 2016
I distribution				
Group 1	12.6927	-	12.6927	11.8620
Group 2	6.4049	6.2878	12.6927	11.8620
I accumulation				
Group 1	13.5225	-	13.5225	12.2974
Group 2	7.7991	5.7234	13.5225	12.2974
R accumulation				
Group 1	8.7369	-	8.7369	7.7889
Group 2	5.0194	3.7175	8.7369	7.7889

Corporate unitholders should note that:
1. 100.00% of the revenue distribution together with the tax credit is received as franked investment income.
2. 0.00% of the revenue distribution is received as an annual payment received after deduction of income tax at the lower rate and may be liable to corporation tax. It is not franked investment income.

Equalisation applies only to units purchased during the distribution period (group 2 units). It is the average amount of revenue included in the purchase price of all group 2 units and is refunded to holders of these units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

Comparative tables

	I distribution			I accumulation		
	2016	2015	2014	2016	2015	2014
Change in net assets per unit (p)						
Opening net asset value per unit	**524.76**	**505.97**	**514.45**	**558.58**	**526.64**	**525.64**
Return before operating charges *	46.31	34.87	5.22	49.47	36.31	5.29
Operating charges	(4.24)	(4.22)	(4.20)	(4.51)	(4.37)	(4.29)
Return after operating charges	42.07	30.65	1.02	44.96	31.94	1.00
Distributions	(12.69)	(11.86)	(9.50)	(13.52)	(12.30)	(9.91)
Retained distributions on accumulation units	-	-	-	13.52	12.30	9.91
Closing net asset value per unit	**554.14**	**524.76**	**505.97**	**603.54**	**558.58**	**526.64**
* after direct transaction costs of	(1.37)	(1.52)	(1.19)	(1.45)	(1.58)	(1.22)
Performance						
Return after charges	8.02%	6.06%	0.20%	8.05%	6.06%	0.19%
Other information						
Closing net asset value (£'000)	103,731	115,743	83,541	459,716	592,732	381,743
Closing number of units	18,719,401	22,056,353	16,511,113	76,169,405	106,113,445	72,486,599
Operating charges	0.81%	0.81%	0.81%	0.81%	0.81%	0.81%
Direct transaction costs	0.26%	0.29%	0.23%	0.26%	0.29%	0.23%
Prices						
Highest offer unit price (p)	582.37	547.74	550.64	620.09	570.15	562.58
Lowest bid unit price (p)	465.86	488.12	476.46	496.04	510.10	486.79

	R accumulation		
	2016	2015	2014
Change in net assets per unit (p)			
Opening net asset value per unit	**526.88**	**500.51**	**503.33**
Return before operating charges *	46.41	34.43	5.07
Operating charges	(8.24)	(8.06)	(7.89)
Return after operating charges	38.17	26.37	(2.82)
Distributions	(8.74)	(7.79)	(5.66)
Retained distributions on accumulation units	8.74	7.79	5.66
Closing net asset value per unit	**565.05**	**526.88**	**500.51**
* after direct transaction costs of	(1.37)	(1.50)	(1.16)
Performance			
Return after charges	7.24%	5.27%	(0.56)%
Other information			
Closing net asset value (£'000)	542,705	538,425	746,178
Closing number of units	96,044,972	102,190,834	149,082,494
Operating charges	1.56%	1.56%	1.56%
Direct transaction costs	0.26%	0.29%	0.23%
Prices			
Highest offer unit price (p)	606.06	540.15	560.62
Lowest bid unit price (p)	467.48	484.64	463.37

* Direct transaction costs are stated after deducting the amounts collected in relation to direct transaction costs added to issues of units and subtracted from the cancellations of units.

Comparative tables (continued)

Ongoing charges

Class	31 December 2016
I distribution	0.81%
I accumulation	0.81%
R accumulation	1.56%

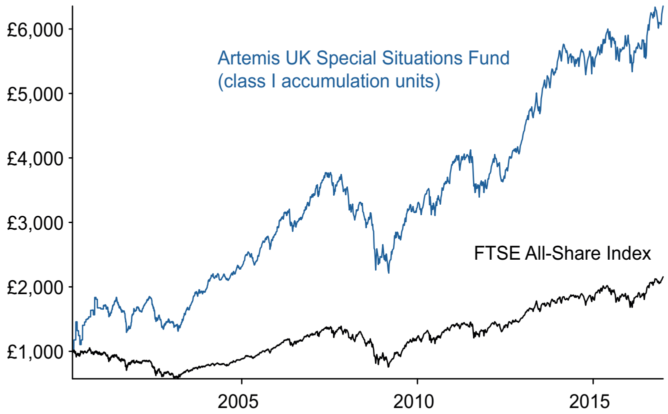
Ongoing charges shows the annual operating expenses of each unit class as a percentage of the average net assets of that class for the preceding 12 months.

Class I performance

Performance	Since launch *	5 years	3 years	1 year	6 months
Artemis UK Special Situations Fund	534.7	76.9	14.7	8.1	13.2
FTSE All-Share Index	116.7	61.8	19.3	16.8	12.0
FTSE 100 Index	95.8	54.5	18.4	19.1	11.7
Sector average	126.2	70.5	16.9	11.1	14.3
Position in sector	1/103	87/218	167/246	178/259	149/261
Quartile	1	2	3	3	3

* Data from 9 March 2000. Source: Lipper Limited, data from 9 March 2000 to 7 March 2008 reflects class R accumulation units and from 7 March 2008 reflects class I accumulation units, bid to bid in sterling to 31 December 2016. All performance figures show total returns with dividends reinvested. Sector is IA UK All Companies, universe of funds is those reporting net of UK taxes.

Value of £1,000 invested at launch to 31 December 2016

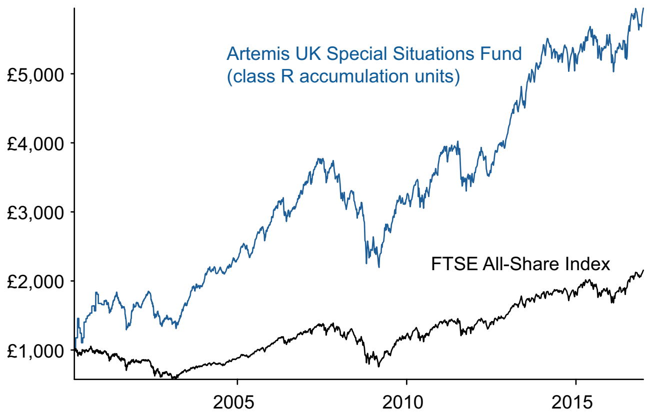


Class R performance

Performance	Since launch *	5 years	3 years	1 year	6 months
Artemis UK Special Situations Fund	494.3	70.4	12.2	7.3	12.8
FTSE All-Share Index	116.7	61.8	19.3	16.8	12.0
FTSE 100 Index	95.8	54.5	18.4	19.1	11.7

* Data from 9 March 2000. Source: Lipper Limited, class R accumulation units,bid to bid in sterling to 31 December 2016. All performance figures show total returns with dividends reinvested.

Value of £1,000 invested at launch to 31 December 2016



Changes to performance reporting

Following recent guidance from the Investment Association, changes have been made to fund performance disclosure. The majority of investors now buy 'clean class' fund units (typically those with the lowest charges), which for Artemis is the class I units. Sector performance information is therefore now shown for class I units, rather than for class R units.

Performance reporting periods for Artemis' fund class I unit classes are now shown from the launch of the fund, rather than from the launch of the unit class. Where class I units were launched at a later date than the fund, the earlier period reflects the performance of the class R units, and from the launch of the class I units, reflects the class I performance.

This page is intentionally blank

ARTEMIS
The PROFIT Hunter