Artemis Strategic Bond *Fund*

Manager's Report and Financial Statements for the year ended 31 March 2014





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artemis.co.uk

General information

About Artemis ...

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 £18.1 billion* across a range of funds, two investment trusts, a hedge fund, 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'. It means that our fund managers' interests are directly aligned with those of our investors.

*Source: Artemis as at 30 April 2014.

Fund status

Artemis Strategic Bond Fund was constituted by a Trust Deed dated 26 May 2005 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 of the Financial Conduct Authority.

Investment objective

The fund seeks to achieve a combination of income and capital growth by investing predominantly in fixed income markets.

Investment policy

The fund aims to achieve its objective by investment predominantly in fixed income markets but may selectively invest in other markets. Equal emphasis is given to the security of capital and income although from time to time one may take prominence over the other in accordance with the strategy being

pursued.

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.

Тур	bically low	er reward	s Ty	ypically h	igher rewa	ards
Lov	ver risk				Higher	risk
1	2	3	4	5	6	7

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 stockmarket and currency movements.

Stockmarket 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.

Investments in fixed interest securities are subject to market and credit risk and will be impacted by movements in interest rates. Interest rate movements are determined by a number of economic factors, in particular market expectations of future inflation.

• The fund can invest in higheryielding bonds, which may increase the risk to your capital due to a higher likelihood of the company issuing the bonds failing to pay returns on investments. Changes to market conditions and interest rates can have a larger effect on the values of higheryielding bonds than other bonds.

• The fund may hold derivatives with the aim of profiting from falling prices. If the related assets rise in value the fund will lose money.

• Whilst investing in the units that pay or reinvest income each month (class M units) will produce a regular income, it may restrict the potential for your units to increase in value in comparison to the units that pay or reinvest income every 3 months (class Q units).

Prospectus

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

New unit classes

With effect from 1 April 2014, two new classes (QI distribution and MI accumulation) were launched. Further information on these classes is contained in the prospectus which is available from the manager at the address or website on page 2.

General information (continued)

Manager

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

Dealing information: Unit Trust Department 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

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 Financial Conduct Authority (FCA), 25 The North Colonnade, Canary Wharf, London E14 5HS.

[†]Authorised by the Prudential Regulation Authority (PRA) and regulated by the PRA and the FCA.

Statement of the trustee's responsibilities

The trustee is responsible for the safekeeping of all the property of the fund (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the trustee to take reasonable care to ensure that the fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'), as amended, the fund's Trust Deed and Prospectus, in relation to the pricing of, and dealings in, units in the fund; the application of revenue of the fund; and the investment and borrowing powers of the fund.

Report of the trustee

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the fund's units and the application of the fund's revenue in accordance with COLL, the Trust Deed and Prospectus; and

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

National Westminster Bank Plc Trustee & Depositary Services

Edinburgh 16 May 2014

Statement of the manager's responsibilities

The Collective Investment Schemes Sourcebook ('COLL') of the Financial Conduct Authority 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 Management Association in October 2010;

(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 requirements.

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

Report of the manager

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

> M R J Tyndall Director

16 May 2014

R J Turpin

Director

Independent auditor's report to the unitholders of the Artemis Strategic Bond Fund

We have audited the financial statements of Artemis Strategic Bond Fund (the "fund") for the year ended 31 March 2014 which comprise the statement of total return, the statement of change in net assets attributable to unitholders, balance sheet, the related notes 1 to 17 and the distribution tables. 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).

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 2, 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 March 2014 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 16 May 2014

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. Manager's Report and Financial Statements

Investment review

Bonds come under pressure – but the fund returns 7.9%*

 Our active approach to the government bond market is rewarded

Holdings in high-yield and hybrid bonds also perform well

Performance – A robust return ...

It was a good year for the fund, which produced a total return of 7.9%. The average return from its peer group over the same period was 3.4%*. We are, moreover, pleased that our campaign to manage the fund's volatility has been successful.

The fund's long-term performance record also looks healthy. It has produced a total return of 94.8%* over the last five years. Its relative performance has been very robust too – the average return from the funds in its peer group was a less impressive 64.4%*.

Review – Running up the down escalator ...

It was an interesting period for the bond market. We rarely see government bond yields doubling, unless the government in question is a tin-pot state on the brink of default. This year, however, yields on US government bonds did just that, doubling from an extremely low base. After a long period of extraordinarily loose monetary policy, the Federal Reserve signalled the time had come to reduce its generosity by scaling back quantitative easing (QE). The bond market reacted with a mild degree of panic: US 10-year yields rose from approximately 1.5% to 3% in just six months.

For a bond manager, attempting to generate good returns when yields are rising is like running up a down escalator: it makes life tougher. It was, however, no surprise to us that sentiment changed. Given the stronger economic data it was only appropriate that the Fed responded. Unemployment in the US is falling sharply and economic growth, while not exceptional, is healthy enough to suggest that extraordinary monetary stimulus could be withdrawn. As the Fed announced its intentions to 'taper' QE, bond yields moved sharply higher. And, as yields rose, a number of the strategic positions that we had established in anticipation of such a move benefited.

First, a good proportion of the portfolio was invested in high-yield bonds. These tend to perform well when yields on government bonds are rising and to outperform when the economy is improving. Default rates are low and financing is relatively easy to find, so companies aren't failing due to a lack of access to capital. Furthermore, our security selection has been good. While some high-yield stocks have blown up spectacularly (New World Resources defaulted within a year of issue) we have avoided them.

Second, we targeted shorter duration bonds, which outperform longer duration bonds when yields are rising (duration is a way of measuring how sensitive a bond is to changes in interest rates). Yet while short duration bonds tend to fare better than longer duration issues when yields are going up, their prices do still fall. So, to counter this negative, we sold futures. As investors took fright at the Fed's apparent change in policy, this strategy met with substantial rewards. We reversed this policy once yields hit 3%. We even started to buy US Treasuries. Having been so negative about government bonds, this change of policy felt like standing on our heads. We were conscious, however, that markets often overreact to news. and it was no different here. After topping 3%, yields on US Treasuries began to fall again - so the fund benefited from our headstand.

The third major contribution came from our hybrid bonds. These have a number of features that make them look like equities. They are perpetual

but have a call date (normally around five years after their issue) at which point the company can choose to redeem them at par. Furthermore, if the company does not pay a dividend then it is not obliged to pay the coupon on its hybrid bonds. Crucially, however, these coupons are cumulative, which means that if a company skips a coupon payment it must pay at a later date. Understandably, the investment community initially took a sceptical view of these bonds. In terms of a company's capital structure, they are junior debt. At the same time, however, they tend to be issued by companies with exemplary long-term records of paying dividends. We have invested a healthy proportion of the portfolio in these hybrid issues and fund returns have benefited as their attractions have become better understood.

The fund's star performers over the period, however, were its bank bonds. We have viewed banks as being on the mend for some time. Tough regulation, the improving economy and low default rates have allowed banks to repair their balance sheets. In response, their bonds have performed tremendously well. Our holdings have predominantly been in the old-style junior bonds which no longer satisfy the requirements of regulators. These are being called (repaid at par) at the first opportunity permitted by the wording of the bond documentation. As more investors have started to understand how this process works, these bonds have been rerated and their prices have risen sharply. Banks are no longer the pariahs of the bond world and even secondary banks can now raise finance relatively easily. Not only is this good for bank bonds, it is also good for the wider economy. If a bank can borrow money, it will lend it. It may, of course, choose to lend that money unwisely - but we can wait until the next recession to find out.

The danger is that investors' enthusiasm for bank debt goes too far.

^{*} Source: Lipper Limited, QR accumulation, bid to bid basis in sterling with net income reinvested to 31 March 2014. Benchmark is the Markit iBoxx Sterling non-gilts Index.

Banks are starting to issue some very junior securities known as contingent capital securities ('cocos' for short). These have some pretty draconian clauses: if the issuing bank's capital (safety cushion) falls below a prescribed level, these bonds are automatically converted into equity or, in other cases, written off entirely. This breaks the normal seniority rules. So, if an issuing bank runs into trouble, it will be the holders of these 'cocos' that will be the first to suffer losses.

Our biggest bugbear over the year was the currency market. A strengthening US economy meant that monetary policy in the US began to be tightened. This would usually be accompanied by a stronger dollar. But that has not been the case; as the US economy grew and the Fed tapered QE, the dollar weakened, especially against sterling. A small proportion of our US dollar-denominated bonds (around 5% of our holdings) are not hedged, so this adversely affected returns. However, part of the aim of this policy is to reduce the fund's volatility. Our logic is that when something 'goes wrong' the dollar will rally. The unrest in Ukraine has been a good example, prompting the dollar to rally even as other assets have fallen in price. So, while the performance of our dollar exposure has been disappointing, it does play a useful role in reducing volatility.

Outlook – In a changing environment ...

Monetary policy is moving into a new phase. Policymakers are trying to signal that low interest rates will not last forever. In fact, it seems likely that US interest rates will rise at some point over the next 18 months. And although we would welcome higher interest rates as a sign that normality is returning, we don't believe the bond market's reaction will be quite so sanguine. After all, the mere suggestion that rates might increase caused US yields to double. Rate rises in the UK are also likely (probably at some point after the election in May 2015). In contrast,

Europe is flirting with deflation. Policy responses from the European Central Bank may include further monetary easing in the form of QE – or even negative interest rates. Divergent monetary policies around the world may well create volatility. This changing monetary policy environment will inevitably make managing a bond portfolio more challenging.

Furthermore, the recent Budget introduced some significant changes that will have consequences for UK government bonds. Investors in defined contribution pension schemes will no longer have to buy an annuity. Traditionally, annuity purchases have been one of the bedrocks of demand for longer dated bonds. And, while the annuity market won't die out completely, it is inevitable that sales will tail off, removing some of this demand. Defined benefit pension schemes, meanwhile, will continue to buy long dated bonds - but those types of scheme are increasingly rare, so demand from this area is also likely to diminish.

The highest risk assets in the bond universe should be high-yield bonds, which are issued by companies with higher debt levels. At the moment, however, with default rates and interest rates low they actually represent a relative safe haven. We believe this will remain the case until default rates increase meaningfully. At the moment, this looks unlikely; Moody's, the ratings agency, forecasts that default rates will remain low. We will look to reduce our weightings to this area when the cycle turns. For now, however, the trends in high yield are still positive and we believe this asset class has further to run.

We also remain positive about both hybrid bonds and financial bonds – and particularly about the 'old style' financial bonds that no longer count as regulatory capital. In view of the risks that are associated with them, contingent capital securities will only comprise a small percentage of the portfolio. Because the protection on these 'bonds' is so minimal, they could significantly underperform should sentiment turn (in response to, for example, a downturn in the housing market).

Our aim is to generate returns whatever the market environment. To do this, we shift between highyield, government and investmentgrade bonds over the market cycle. In the last 12 months, we have been focusing on high-yield and other types of bond that are perceived as being more risky, such as financials and hybrids. That strategy has paid off. We believe the trends supporting demand for those assets remain in place; this is not (yet) the time to cycle back into government bonds. Interest rates will need to increase before that strategy seems appropriate. We are therefore retaining the existing portfolio mix while remaining aware that sentiment can change quickly.

We believe the combination of an improving economy, higher interest rates and reduced demand from annuities should lead to yields rising somewhat over the next year or so. And although this will make our job as bond managers a more arduous one, we will continue to run up the down escalator on your behalf.

James Foster and Alex Ralph Fund managers

Investment information

Five largest purchases and sales for the year ended 31 March 2014

	Cost		Proceeds
Purchases	£'000	Sales	£'000
US Treasury 0.25% 2015	68,220	US Treasury 0.25% 2015	62,516
US Treasury 2.75% 2024	54,132	US Treasury 2.75% 2024	54,377
US Treasury 2.75% 2023	48,512	US Treasury 2.75% 2023	48,917
US Treasury 2.5% 2023	21,289	US Treasury 2.5% 2023	21,466
US Treasury 1.75% 2023	19,414	US Treasury 1.75% 2023	19,101

Portfolio statement as at 31 March 2014

Investment	Holding or	Valuation	% of net
AAA rated – 3.60% (2.53%)		2 000	
US Treasury 0.25% 2015	\$30,000,000	18,001	2.69
US Treasury 0.625% 2043	\$11,900,000	6,066	0.91
		24,067	3.60
AA rated – 1.33% (1.68%)			
IPIC GMTN 5.875% 2021	€8,750,000	8,864	1.33
		8,864	1.33
A rated – 4.35% (5.68%)			
Dubai Holding Commercial Operations Group 6% 2017	£4,850,000	5,098	0.76
GE Capital Trust V 5.5% 2066	£6,000,000	6,171	0.92
HSBC 6.375% 2022	£6,400,000	7,043	1.05
Nationwide Building Society FRN Perpetual	£28,500	3,515	0.53
Westfield UK & Europe 4.25% 2022	£6,710,000	7,256	1.09
		29,083	4.35
BBB rated – 34.96% (37.28%)			
Aberdeen Asset Management 7% Perpetual	\$13,700,000	8,617	1.29
America Movil 6.375% 2073	£8,100,000	8,417	1.26
Atradius Finance B 5.875% 2024	€4,100,000	3,336	0.50
AXA 6.6666% Perpetual	£6,220,000	6,598	0.99
BG Energy Capital 6.5% 2072	£9,290,000	10,077	1.51
BNP Paribas Fortis 4.625% Perpetual	€7,300,000	6,105	0.91
Clerical Medical Finance 4.25% Perpetual	€4,760,000	3,989	0.60
Dexia 5.3% 2025	€7,700,000	6,386	0.96
Direct Line Insurance 9.25% 2042	£6,390,000	8,075	1.21
EDF 5.25% Perpetual	\$13,800,000	8,298	1.24
Elan Limited 4.691% 2017	€7,400,000	5,828	0.87
ENBW 7.375% 2072	€9,190,000	8,536	1.28
Ferrovial Emisione 3.375% 2018	€6,000,000	5,283	0.79
Fidelity International 6.75% 2020	£3,890,000	4,418	0.66
Friends Life Group 6.292% Perpetual	£6,375,000	6,343	0.95
Go-Ahead Group 5.375% 2017	£6,760,000	7,359	1.10
Imperial Tobacco Finance 5.5% 2016	£6,750,000	7,355	1.10
ING Verzekeringen 6.375% 2027	€7,500,000	6,793	1.02
ITV 5.375% 2015	£6,810,000	7,162	1.07
Legal & General Group 10% 2041	£4,810,000	6,363	0.95
Liverpool Victoria 6.5% 2043	£4,700,000	4,488	0.67
Lloyds TSB Bank 7.625% 2025	£3,000,000	3,639	0.55

	Holding or	Valuation	% of net
Investment	nominal value	£'000	assets
Mellon Capital III 6.369% 2066	£6,000,000	6,170	0.92
National Express Group 6.25% 2017	£6,760,000	7,431	1.11
NIE Finance 6.375% 2026	£6,810,000	8,074	1.21
Orange 5.875% Perpetual	£8,100,000	8,237	1.23
Porterbrook Rail Finance 6.5% 2020	£4,330,000	5,053	0.76
RL Finance Bonds 6.125% Perpetual	£6,760,000	6,811	1.02
RSA Insurance Group 8.5% Perpetual	£8,750,000	9,100	1.36
RWE AG 7% Perpetual	£9,200,000	9,894	1.48
Scottish Widows 5.125% Perpetual	£5,830,000	5,843	0.88
Siemens Financieringsmat 6.125% 2066	£4,860,000	5,243	0.79
SSE FRN Perpetual	\$10,000,000	6,370	0.95
Standard Life 5.314% Perpetual	€8,070,000	6,791	1.02
Tullett Prebon Group 7.04% 2016	£4,807,000	5,042	0.75
		233,524	34.96
BB rated – 20.69% (25.81%)			
AA 9.5% 2019	£7,103,000	7,446	1.12
ABN Amro Bank FRN Perpetual	€12,070,000	10,128	1.52
Banco Santander 6.25% Perpetual	€6.200.000	5.061	0.76
Bank of Scotland Capital Funding 8.117% Perpetual	£7.655.000	7.888	1.18
ENEL 7.75% 2075	£4.120.000	4,501	0.67
ENEL 6 625% 2076	£3 047 000	3 139	0.47
GKN Holdings 5 375% 2022	£7,000,000	7 630	1 14
Grupo Antolin Dutch 4, 75% 2021	£3,000,000 €3,783,000	3 169	0.47
Heathrow Einance 7 125% 2017	£3 925 000	4 335	0.47
Heathrow Finance 5 375% 2010	£3,923,000	3 165	0.03
	25,042,000	5,105	0.47
Investee Bank 0.625% 2022	£5,510,000	7,650	1.05
	20,010,000	7,059	1.15
	£0,050,000	0,142	0.92
LBG Capital 9.125% 2020	£2,230,000	2,303	0.35
Lioyds Bariking Group 7.625% Perpetual	£2,300,000	2,375	0.30
	€9,000,000	0,885	1.03
NWEN Finance 5.875% 2021	£7,760,000	8,129	1.22
Old Mutual 5% Perpetual	€7,560,000	6,372	0.95
Pennon Group 6.75% Perpetual	£7,030,000	7,431	1.11
Telefonica Deutschland 6.75% Perpetual	£7,700,000	8,009	1.20
Unicredit 8% Perpetual	\$3,703,000	2,249	0.34
UnityMedia 5.625% 2023	€7,800,000	7,019	1.05
Virgin Media Secured Finance 6% 2021	£5,200,000	5,503	0.82
William Hill 4.25% 2020	£5,800,000	5,691	0.85
		138,204	20.69
B rated – 23.69% (19.80%)			
Albain Bidco 6.66% 2020	NOK 53,000,000	5,309	0.79
Arqiva Broadcast 9.5% 2020	£6,790,000	7,732	1.16
Bank of Ireland 10% 2022	€4,000,000	4,128	0.62
Barclays Bank 8.25% Perpetual	\$6,800,000	4,284	0.64
Bond Mission Critical Service 6.25% 2019	£5,950,000	5,990	0.90
Boparan Holdings Limited 9.875% 2018	£7,790,000	8,396	1.26

Investment information (continued)

	Notional exposure ^	Holding or	Valuation	% of net
	£′000	nominal value	£'000	assets
Cable & Wireless International Finance 8.625% 2019		£4,700,000	5,426	0.81
Cirsa Funding 8.75% 2018		€5,892,000	5,095	0.76
Co-Operative Group 5.625% 2020		£6,000,000	6,196	0.93
CPUK Finance Limited 11.625% 2042		£5,300,000	5,962	0.89
Crown Newco 3 7% 2018		£6,320,000	6,661	1.00
DFS Furniture Holdings 7.625% 2018		£5,060,000	5,425	0.81
Equiniti Newco 2 7.125% 2018		£4,940,000	5,217	0.78
Financiere Gaillon 7% 2019		€5,310,000	4,419	0.66
Gala Group Finance 8.875% 2018		£7,560,000	8,083	1.21
Galaxy Bidco FRN 2019		£5,800,000	5,859	0.88
Grupo Isolux Corsan 6.625% 2021		€5,764,000	4,780	0.71
IGas Energy 10% 2018		\$4,085,000	2,626	0.39
Nara Cable Funding 8.875% 2018		\$4,546,000	2,979	0.45
Odeon & UCI Financial 9% 2018		£6,670,000	6,990	1.05
Pipe Holding 9.5% 2015		£5,350,000	5,604	0.84
Polish Television Holding 11% 2021		€5,050,000	4,684	0.70
Safari Holding Verwaltungs 8.25% 2021		€6,700,000	5,952	0.89
Thomas Cook Finance 7.75% 2020		€6,765,000	6,181	0.93
Topaz Marine 8.625% 2018		\$5,950,000	3,736	0.56
Vivacom 6.625% 2018		€8,650,000	7,507	1.12
Vougeot Bidco 7.875% 2020		£3,300,000	3,603	0.54
Voyage Care Bondco 6.5% 2018		£6,140,000	6,399	0.96
WMG Acquisition 6.25% 2021		€3,456,000	3,000	0.45
			158,223	23.69
CCC rated – 1.90% (0.09%)				
Matterhorn Mobile 8.25% 2020		€7,210,000	6,567	0.98
UNIVEG 7.875% 2020		€7,136,000	6,128	0.92
			12,695	1.90
C rated – 0.02% (0.01%)				
Cattles 7.125% 2017		£3,700,000	111	0.02
			111	0.02
Equities – 0.40% (0.03%)				
Doric Nimrod Air Three (preferred)		2.400.000	2.556	0.38
NVP +		1.301	_	_
Oceanteam Shipping		363 245	149	0.02
		000,210	2.705	0.40
Futures – 0 00% (-0 11%)			_,	
LIK long gilt bond June 2014	(65 623)	(600)	10	_
	(00,020)	(000)	10	_
Forward foreign exchange contracts – 0.24% (0.14%)				
Sell Furo – 20 June 2014		(183 930 000)	(152 571)	(22.84)
Buy Sterling – 20 June 2014		154 155 412	154 155	23.07
Sell US Dollar - 20 June 2014		(44 110 000)	(26.521)	(3.07)
		26 597 024	(20,521)	(3.97)
Soll Nonvogian Krono 20 June 2014		(55,100,000)	20,007	0.93
Sell Norwegian Krone – 20 June 2014		(55,100,000)	(5,515)	(0.83)
Soll US Dollar 20 June 2014		5,544,944	5,545	0.83
Seli 05 Dollar – 20 June 2014		(3,200,000)	(1,924)	(0.29)

Investment	Holding or nominal value	Valuation £'000	% of net assets
Buy Sterling – 20 June 2014	1,926,052	1,926	0.29
		1,682	0.24
Portfolio of investments		609,168	91.18
Net other assets		58,902	8.82
Net assets attributable to unitholders		668,070	100.00

The figures in brackets represent percentages as at 31 March 2013. + Unquoted investments: 0.00% (31 March 2013: 0.00%). * Source of credit ratings: Artemis Investment Management LLP. ^ The notional exposure shows the nominal value for each contract. The valuation is the gain or loss on this nominal value.

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Statement of total return for the year ended 31 March 2014

		31 March 2014		31 M	March 2013
	Note	£'000	£'000	£'000	£'000
Income					
Net capital gains	4		23,082		33,852
Revenue	6	30,915		30,879	
Expenses	7	(5,623)		(5,519)	
Finance costs: interest	9	(4)		(1)	
Net revenue before taxation		25,288		25,359	
Taxation	8				
Net revenue after taxation			25,288		25,359
Total return before distributions			48,370		59,211
Finance costs: distributions	9		(25,473)		(25,359)
Change in net assets attributable to unitholders from investment activities			22,897		33,852

Statement of change in net assets attributable to unitholders for the year ended 31 March 2014

	31 March 2014		31 N	Aarch 2013
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		547,718		548,263
Amounts receivable on issue of units	134,011		42,326	
Amounts payable on cancellation of units	(32,309)		(87,364)	
Amounts payable on cancellation of units in respect of in-specie transfers	(15,300)			
		86,402		(45,038)
Change in net assets attributable to unitholders from investment activities		22,897		33,852
Retained distributions on accumulation units		11,053		10,641
Closing net assets attributable to unitholders		668,070		547,718

Balance sheet as at 31 March 2014

		31 March 2014		31 N	March 2013
	Note	£'000	£'000	£'000	£'000
Assets					
Investment assets			609,168		509,738
Debtors	10	19,533		10,673	
Cash and bank balances	11	57,616		41,341	
Total other assets			77,149		52,014
Total assets			686,317		561,752
Liabilities					
Derivative liabilities			-		704
Creditors	12	17,006		12,106	
Distribution payable on distribution units		1,241		1,224	
Total other liabilities			18,247		13,330
Total liabilities			18,247		14,034
Net assets attributable to unitholders			668,070		547,718

Notes to the financial statements

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 the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in October 2010.

(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 foreign currency transactions 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. Gains and losses 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. Interest from debt securities is recognised on an effective interest rate basis inclusive of any expected changes to future cash flows. Dividends receivable from equity and non-equity shares are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends on unquoted stocks are credited to revenue, net of attributable tax credits, when the dividend is declared. 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. Special dividends are reviewed on a case by case basis when determining if a 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 distribution policy of the fund is to distribute all available revenue, after deduction of expenses properly chargeable against revenue. The manager may from time to time, smooth the distribution payments during the accounting period with the balance of revenue (if any) being

paid in respect of the final distribution. Gains and losses on non-derivative investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution. The fund holds instruments in order to comply with the qualifying instruments test of Section 468L, Income and Corporation Taxes Act 1988. In satisfying these requirements, the fund pays interest distributions. 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 unit holders for six years are credited to the capital property of the fund.

3. Risk management policies

The fund's financial instruments comprise fixed interest investments, floating rate investments, cash balances, derivatives and liquid resources which include debtors and creditors. The fund holds such financial assets in accordance with its investment objective and policy as set out 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 to 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 and other price 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 bonds and maintains an appropriate spread of investments in accordance with the Collective Investment Schemes Sourcebook, the Trust Deed and the Prospectus. The manager's investment strategy is to select investments for their fundamental value. Stock selection is therefore

ARTEMIS Strategic Bond Fund

Manager's Report and Financial Statements

Notes to the financial statements (continued)

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. Bond yields (and as a consequence bond prices) are determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, governments' fiscal positions, shortterm interest rates and international market comparisons. As part of the ongoing review of the portfolio, the manager monitors and reviews these factors.

(ii) Currency risk. A portion of the net assets of the fund is denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements (see note 15). Therefore, the manager may decide that a proportion of the investments that are not priced in sterling, may be covered by forward foreign exchange contracts, so that the fund's exposure to currency risk is reduced. The gain of £1,682,000 (31 March 2013: £771,000) arising on open forward foreign exchange contracts as at 31 March 2014 is shown in the portfolio statement on pages 8 and 9.

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.

(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 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 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 ongoing review of the portfolio, the manager monitors and reviews these factors.

(b) Credit and counterparty risk.

Credit and counterparty risk is the risk that a party 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 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 an annual report on the internal controls in place at JP Morgan. The fund is also exposed to counterparty risk through holding specific financial instruments, such as derivatives. For the derivatives held as at 31 March 2014 which are disclosed in the portfolio statement on pages 8 and 9, JP Morgan is the counterparty for the futures contract and UBS is the counterparty for the forward foreign exchange contracts.

Aside from the custodian, the derivative counterparties and brokers where trades are pending settlement, there were no significant concentrations of credit risk as at 31 March 2014 or 31 March 2013.

(c) Liquidity risk. Some of the fund's financial instruments can include securities that are traded on AIM or are not listed on a recognised stock exchange and which may not always be readily realisable. As a result, the fund may not be able to realise these investments quickly at their fair value 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. The fund's overall liquidity risk is managed by the manager in accordance with the requirements stipulated in the **Collective Investment Schemes** Sourcebook and the Prospectus. These holdings are disclosed in the portfolio statement on pages 6 to 9.

(d) Derivatives. The manager is currently empowered to enter into derivative transactions on behalf of the fund. Transactions will normally only be entered into when conventional stock selection is not the best way to either limit investment risk or maximise investment opportunities. The gain of £1,682,000 (31 March 2013: £771,000) arising on open forward foreign exchange contracts as at 31 March 2014 is shown in the portfolio statement on pages 8 and 9. The gain of £10,000 (31 March 2013: loss of £576,000) arising on open futures contracts as at 31 March 2014 is shown in the portfolio statement on page 8.

4. Net capital gains

	31 March 2014 £'000	31 March 2013 £'000
Non-derivative securities	14,413	37,787
Forward foreign exchange contracts	7,759	(376)
Derivative contracts	2,448	(2,101)
Currency losses	(1,538)	(1,458)
Net capital gains	23,082	33,852

5. Portfolio transaction costs

There were no commissions or taxes paid in relation to transactions on the portfolio during the current year or previous year.

6. Revenue

	31 March 2014 £'000	31 March 2013 £'000
Interest on debt securities	30,768	31,320
Bank interest	102	196
Overseas dividends	45	-
Interest from credit default swaps	-	(637)
Total revenue	30,915	30,879

7. Expenses

	31 March 2014 £'000	31 March 2013 £'000
Payable to the manager, associates of the manager and agents of either of them:		
Annual management charge	5,066	5,070
Payable to the trustee, associates of the trustee and agents of either of them:		
Trustee fee	76	72
Other expenses:		
Registration fee	192	159
Operational fees	126	95
Administration fee	119	81
Safe custody fees	34	29
Auditor's remuneration: audit fee*	9	9
Printing and postage fee	1	4
Total expenses	5,623	5,519

All expenditure stated above is inclusive of irrecoverable VAT where applicable.

* The amount disclosed above includes VAT at the rate of 20%. The audit fee (excluding VAT) incurred during the period was £7,300 (2013: £7,200).

Notes to the financial statements (continued)

8. Taxation

	31 March 2014 £'000	31 March 2013 £'000
a) Analysis of the tax charge for the year		
Total taxation (note 8b)	-	-
b) Factors affecting the tax charge for the year		
Net revenue before taxation	25,288	25,359
Corporation tax at 20% (2013: 20%)	5,058	5,072
Effects of:		
Expenses not deductible for tax purposes	8	-
Non-taxable overseas dividends	(9)	-
Utilised management expenses	(12)	-
Tax deductible interest distributions	(5,045)	(5,072)
Tax charge for the year (note 8a)	-	-
a) Developer for deferred for		

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 (2013: £12,000) arising as a result of having unutilised management expenses (2013: £58,000).

9. Finance costs: distributions and interest

	31 March 2014 £'000	31 March 2013 £'000
Interim distribution - April 2013	1,316	928
Interim distribution - May 2013	1,224	948
Interim distribution - June 2013	3,498	3,988
Interim distribution - July 2013	1,385	983
Interim distribution - August 2013	1,128	986
Interim distribution - September 2013	3,657	4,317
Interim distribution - October 2013	1,332	1,072
Interim distribution - November 2013	1,171	954
Interim distribution - December 2013	4,079	4,614
Interim distribution - January 2014	1,322	1,143
Interim distribution - February 2014	1,277	989
Final distribution - March 2014	4,249	4,249
	25,638	25,171
Add: amounts deducted on cancellation of units	91	545
Deduct: amounts added on issue of units	(256)	(357)
Finance costs: distributions	25,473	25,359
Finance costs: interest	4	1
Total finance costs	25,477	25,360
Movement between net revenue and distributions		
Net revenue after taxation	25,288	25,359
Add: revenue received on conversion of units	144	-
Expenses paid from capital	41	-
	25,473	25,359

The distribution takes account of amounts added on the issue of units and amounts deducted on the cancellation of units. Details of the distribution per unit are set out in the distribution tables on pages 18 to 23.

10. Debtors

	31 March 2014 £'000	31 March 2013 £'000
Accrued revenue	11,358	9,630
Amounts receivable for issue of units	5,868	272
Sales awaiting settlement	2,303	771
Prepaid expenses	4	-
Total debtors	19,533	10,673

11. Cash and bank balances

	31 March 2014 £'000	31 March 2013 £'000
Amounts held in JP Morgan Liquidity Fund	50,000	40,869
Cash and bank balances	6,087	-
Amounts held at futures clearing houses and brokers	1,529	472
Total cash and bank balances	57,616	41,341

12. Creditors

	31 March 2014 £'000	31 March 2013 £'000
Purchases awaiting settlement	14,462	9,072
Income tax payable	1,964	1,971
Accrued annual management charge	451	370
Accrued other expenses	121	94
Accrued trustee fee	8	5
Amounts payable for cancellation of units	-	594
Total creditors	17,006	12,106

13. Contingent liabilities and commitments

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

14. Related party transactions

The manager and trustee are deemed to be related parties. All transactions and balances associated with the manager and trustee 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 7, 10 and 12 on pages 13 and 15 including all issues and cancellations where the manager acted as principal. The balance due from the manager as at 31 March 2014 in respect of these transactions was \pounds 5,417,000 (2013: \pounds 692,000 due to the manager). The balance due to the trustee as at 31 March 2014 in respect of these transactions was \pounds 8,000 (2013: \pounds 5,000).

ARTEMIS Strategic Bond Fund

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Notes to the financial statements (continued)

15. Risk disclosures

Currency risk

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward foreign exchange contracts £'000	Total £'000
31 March 2014			2000	
US Dollar	63,226	(4,072)	(28,445)	30,709
Euro	158,986	(981)	(152,571)	5,434
Norwegian Krone	5,458	57	(5,515)	-
31 March 2013				
US Dollar	56,036	1,318	(56,967)	387
Norwegian Krone	144	-	-	144
Swiss Franc	4,073	2	(4,104)	(29)
Euro	126,706	(4,159)	(126,283)	(3,736)

Interest rate risk *

Currency	Floating rate financial assets † £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
31 March 2014				
UK Sterling	66,810	367,876	9,028	443,714
Euro	10,140	148,858	(993)	158,005
US Dollar	6,538	56,856	(4,240)	59,154
Norwegian Krone	-	5,309	206	5,515
31 March 2013				
UK Sterling	40,489	321,304	1,032	362,825
Euro	11,922	114,752	(4,127)	122,547
US Dollar	19,082	38,414	(142)	57,354
Swiss Franc	-	4,073	2	4,075
Norwegian Krone	-	-	144	144

* The forward foreign exchange contracts for US Dollars, Euros and Norwegian Krone are not included within this table. These can be found in the portfolio statement on pages 8 and 9. † Includes cash and bank balances.

Fixed rate financial assets 31 March 2013 31 March 2014 31 March 2014 31 March 2013 Weighted average Weighted average Weighted average Weighted average interest rate period for which rate interest rate period for which rate Currency is fixed (years) (%) is fixed (years) UK bonds non-perpetual 15.20 5.25 5.20 UK bonds perpetual 6.64 6.16 _ US bonds non-perpetual 7.41 5.28 1.99 US bonds perpetual 5.32 7.00 Euro bonds non-perpetual 5.65 10.29 5.33 Euro bonds perpetual 4.58 5.00 Norwegian bonds non perpetual 6.64 9.97 Swiss bonds non-perpetual 6.68

12.59

_

7.73

10.25

10.00

The benchmark rate for determining interest payments for floating rate instruments is usually based on an accepted benchmark such as the London Interbank Offer Rate ('LIBOR'). Interest earned and paid on bank balances during the year was at a variable rate. The weighted average interest rates at the end of the year were 0.0% credit (2013: 0.0%) and 0.1% debit (2013: 0.3%). There is no interest rate risk associated with other short-term creditors or debtors at 31 March 2014 or 31 March 2013. The fund does not have any long-term financial liabilities.

Credit and counterparty risk

At the reporting date, the fund's financial assets exposed to counterparty risk amounted to the following.

	31 March 2014 £'000	31 March 2013 £'000
Investment in fixed rate instruments	578,899	478,543
Cash and bank balances	57,616	41,341
Investment in floating rate instruments	25,872	30,152
Accrued revenue	11,358	9,630
Investment in non-interest bearing instruments	9,234	1,178
Sales awaiting settlement	2,303	771

16. Unit classes

As at 31 March 2014, the fund had six unit classes: MR (distribution and accumulation units are available); and MI (distribution only) which allocate revenue on a monthly basis; QR (distribution and accumulation units are available); and QI (accumulation only) which allocate revenue on a quarterly basis. The annual management charge on each unit class is as follows:

MR distribution and accumulation: 1.00% MI distribution: 0.50% QR distribution and accumulation: 1.00% QI accumulation: 0.50%

The net asset value per unit and the number of units in each class are given in the comparative tables on page 24. The distribution per unit class is given in the distribution tables on page 18 to 23. All classes have the same rights.

With effect from 1 April 2014, two new classes (QI distribution and MI accumulation) were launched. The annual management charge on each unit class is 0.50%.

17. Post balance sheet event

Since 31 March 2014, the net asset values per unit, on a bid basis, have changed as follows:

	Net asset valu		
	15 May 2014	31 March 2014	Movement
MR distribution*	55.41	54.83	1.3%
MR accumulation*	81.84	80.78	1.3%
MI distribution*	55.52	54.93	1.4%
QR distribution	55.52	54.79	1.3%
QR accumulation	81.92	80.85	1.3%
QI accumulation	83.69	82.55	1.4%

* The monthly interim distributions declared on 30 April 2014 of 0.1492p (class MR distribution); 0.2195p (class MR accumulation); and 0.1692p (class MI distribution) have been included in the calculation of the movement in the net asset value per unit.

ARTEMIS Strategic Bond Fund

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Distribution tables

For the year ended 31 March 2014

Monthly interim interest distribution (paid on 31 May 2013) in pence per unit.

```
Group 1 – units purchased prior to 1 April 2013.
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Group 2 – units purchased from 1 April 2013 to 30 April 2013.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 31 May 2013	Distribution per unit (p) 31 May 2012
MR distribution						
Group 1	0.2079	0.0416	0.1663	-	0.1663	0.1527
Group 2	0.0991	0.0198	0.0793	0.0870	0.1663	0.1527
MR accumulation						
Group 1	0.2959	0.0592	0.2367	-	0.2367	0.2101
Group 2	0.1369	0.0274	0.1095	0.1272	0.2367	0.2101
MI distribution						
Group 1	0.2308	0.0462	0.1846	-	0.1846	0.1703
Group 2	0.0913	0.0183	0.0730	0.1116	0.1846	0.1703

Monthly interim interest distribution (paid on 28 June 2013) in pence per unit.

Group 1 – Units purchased prior to 1 May 2013.

Group 2 – Units purchased from 1 May 2013 to 31 May 2013.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 28 June 2013	Distribution per unit (p) 29 June 2012
MR distribution						
Group 1	0.1940	0.0388	0.1552	-	0.1552	0.1589
Group 2	0.1284	0.0257	0.1027	0.0525	0.1552	0.1589
MR accumulation						
Group 1	0.2774	0.0555	0.2219	-	0.2219	0.2190
Group 2	0.1295	0.0259	0.1036	0.1183	0.2219	0.2190
MI distribution						
Group 1	0.2155	0.0431	0.1724	-	0.1724	0.1760
Group 2	0.1041	0.0208	0.0833	0.0891	0.1724	0.1760

Monthly interim interest distribution (paid on 31 July 2013) in pence per unit.

```
Group 1 – Units purchased prior to 1 June 2013.
```

Group 2 – Units purchased from 1 June 2013 to 30 June 2013.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 31 July 2013	Distribution per unit (p) 31 July 2012
MR distribution						
Group 1	0.1815	0.0363	0.1452	-	0.1452	0.1102
Group 2	0.0873	0.0175	0.0698	0.0754	0.1452	0.1102
MR accumulation						
Group 1	0.2598	0.0520	0.2078	-	0.2078	0.1522
Group 2	0.1241	0.0248	0.0993	0.1085	0.2078	0.1522
MI distribution						
Group 1	0.1978	0.0396	0.1582	-	0.1582	0.1260
Group 2	0.0864	0.0173	0.0691	0.0891	0.1582	0.1260

Quarterly interim interest distribution (paid on 31 July 2013) in pence per unit.

Group 1 – Units purchased prior to 1 April 2013.

Group 2 – Units purchased from 1 April 2013 to 30 June 2013.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 31 July 2013	Distribution per unit (p) 31 July 2012
QR distribution						
Group 1	0.5849	0.1170	0.4679	-	0.4679	0.4251
Group 2	0.3070	0.0614	0.2456	0.2223	0.4679	0.4251
QR accumulation						
Group 1	0.8336	0.1667	0.6669	-	0.6669	0.5853
Group 2	0.3974	0.0795	0.3179	0.3490	0.6669	0.5853
QI accumulation						
Group 1	0.9346	0.1869	0.7477	-	0.7477	0.6609
Group 2	0.4536	0.0907	0.3629	0.3848	0.7477	0.6609

Monthly interim interest distribution (paid on 30 August 2013) in pence per unit.

Group 1 – Units purchased prior to 1 July 2013.

Group 2 – Units purchased from 1 July 2013 to 31 July 2013.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 30 August 2013	Distribution per unit (p) 31 August 2012
MR distribution						
Group 1	0.2258	0.0452	0.1806	-	0.1806	0.1627
Group 2	0.1206	0.0241	0.0965	0.0841	0.1806	0.1627
MR accumulation						
Group 1	0.3244	0.0649	0.2595	-	0.2595	0.2255
Group 2	0.1680	0.0336	0.1344	0.1251	0.2595	0.2255
MI distribution						
Group 1	0.2503	0.0501	0.2002	-	0.2002	0.1801
Group 2	0.1096	0.0219	0.0877	0.1125	0.2002	0.1801

Monthly interim interest distribution (paid on 30 September 2013) in pence per unit.

Group 1 – Units purchased prior to 1 August 2013.

Group 2 – Units purchased from 1 August 2013 to 31 August 2013.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 30 September 2013	Distribution per unit (p) 28 September 2012
MR distribution						
Group 1	0.1805	0.0361	0.1444	-	0.1444	0.1631
Group 2	0.0775	0.0155	0.0620	0.0824	0.1444	0.1631
MR accumulation						
Group 1	0.2601	0.0520	0.2081	-	0.2081	0.2266
Group 2	0.1184	0.0237	0.0947	0.1134	0.2081	0.2266
MI distribution						
Group 1	0.2044	0.0409	0.1635	-	0.1635	0.1804
Group 2	0.0954	0.0191	0.0763	0.0872	0.1635	0.1804

ARTEMIS Strategic Bond Fund

Manager's Report and Financial Statements

Distribution tables (continued)

Monthly interim interest distribution (paid on 31 October 2013) in pence per unit.

Group 1 – Units purchased prior to 1 September 2013.

Group 2 – Units purchased from 1 September 2013 to 30 September 2013.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 31 October 2013	Distribution per unit (p) 31 October 2012
MR distribution						
Group 1	0.1826	0.0365	0.1461	-	0.1461	0.1309
Group 2	0.0834	0.0167	0.0667	0.0794	0.1461	0.1309
MR accumulation						
Group 1	0.2636	0.0527	0.2109	-	0.2109	0.1824
Group 2	0.1374	0.0275	0.1099	0.1010	0.2109	0.1824
MI distribution						
Group 1	0.2074	0.0415	0.1659	-	0.1659	0.1466
Group 2	0.1009	0.0202	0.0807	0.0852	0.1659	0.1466

Quarterly interim interest distribution (paid on 31 October 2013) in pence per unit.

Group 1 – Units purchased prior to 1 July 2013.

Group 2 – Units purchased from 1 July 2013 to 30 September 2013.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 31 October 2013	Distribution per unit (p) 31 October 2012
QR distribution						
Group 1	0.5901	0.1180	0.4721	-	0.4721	0.4592
Group 2	0.3794	0.0759	0.3035	0.1686	0.4721	0.4592
QR accumulation						
Group 1	0.8493	0.1699	0.6794	-	0.6794	0.6374
Group 2	0.4188	0.0838	0.3350	0.3444	0.6794	0.6374
QI accumulation						
Group 1	0.9705	0.1941	0.7764	-	0.7764	0.7145
Group 2	0.4445	0.0889	0.3556	0.4208	0.7764	0.7145

Monthly interim interest distribution (paid on 29 November 2013) in pence per unit.

Group 1 – Units purchased prior to 1 October 2013.

Group 2 – Units purchased from 1 October 2013 to 31 October 2013.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 29 November 2013	Distribution per unit (p) 30 November 2012
MR distribution						
Group 1	0.2063	0.0413	0.1650	-	0.1650	0.1702
Group 2	0.0551	0.0110	0.0441	0.1209	0.1650	0.1702
MR accumulation						
Group 1	0.2988	0.0598	0.2390	-	0.2390	0.2379
Group 2	0.1276	0.0255	0.1021	0.1369	0.2390	0.2379
MI distribution						
Group 1	0.2310	0.0462	0.1848	-	0.1848	0.1891
Group 2	0.0964	0.0193	0.0771	0.1077	0.1848	0.1891

Monthly interim interest distribution (paid on 31 December 2013) in pence per unit.

Group 1 – Units purchased prior to 1 November 2013.

Group 2 – Units purchased from 1 November 2013 to 30 November 2013.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 31 December 2013	Distribution per unit (p) 31 December 2012
MR distribution						
Group 1	0.1744	0.0349	0.1395	-	0.1395	0.1565
Group 2	0.0815	0.0163	0.0652	0.0743	0.1395	0.1565
MR accumulation						
Group 1	0.2535	0.0507	0.2028	-	0.2028	0.2192
Group 2	0.1153	0.0231	0.0922	0.1106	0.2028	0.2192
MI distribution						
Group 1	0.1978	0.0396	0.1582	-	0.1582	0.1735
Group 2	0.0758	0.0152	0.0606	0.0976	0.1582	0.1735

Monthly interim interest distribution (paid on 31 January 2014) in pence per unit.

Group 1 – Units purchased prior to 1 December 2013.

Group 2 – Units purchased from 1 December 2013 to 31 December 2013.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 31 January 2014	Distribution per unit (p) 31 January 2013
MR distribution						
Group 1	0.1979	0.0396	0.1583	-	0.1583	0.1619
Group 2	0.0939	0.0188	0.0751	0.0832	0.1583	0.1619
MR accumulation						
Group 1	0.2881	0.0576	0.2305	-	0.2305	0.2277
Group 2	0.1545	0.0309	0.1236	0.1069	0.2305	0.2277
MI distribution						
Group 1	0.2244	0.0449	0.1795	-	0.1795	0.1798
Group 2	0.1389	0.0278	0.1111	0.0684	0.1795	0.1798

Quarterly interim interest distribution (paid on 31 January 2014) in pence per unit.

Group 1 – Units purchased prior to 1 October 2013.

Group 2 – Units purchased from 1 October 2013 to 31 December 2013.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 31 January 2014	Distribution per unit (p) 31 January 2013
QR distribution						
Group 1	0.5793	0.1159	0.4634	-	0.4634	0.4895
Group 2	0.2888	0.0578	0.2310	0.2324	0.4634	0.4895
QR accumulation						
Group 1	0.8410	0.1682	0.6728	-	0.6728	0.6856
Group 2	0.4491	0.0898	0.3593	0.3135	0.6728	0.6856
QI accumulation						
Group 1	0.9673	0.1935	0.7738	-	0.7738	0.7711
Group 2	0.4673	0.0935	0.3738	0.4000	0.7738	0.7711

ARTEMIS Strategic Bond Fund

Manager's Report and Financial Statements

Distribution tables (continued)

Monthly interim interest distribution (paid on 28 February 2014) in pence per unit.

Group 1 – Units purchased prior to 1 January 2014.

Group 2 – Units purchased from 1 January 2014 to 31 January 2014.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 28 February 2014	Distribution per unit (p) 28 February 2013
MR distribution						
Group 1	0.1856	0.0371	0.1485	-	0.1485	0.1790
Group 2	0.0713	0.0143	0.0570	0.0915	0.1485	0.1790
MR accumulation						
Group 1	0.2713	0.0543	0.2170	-	0.2170	0.2525
Group 2	0.1104	0.0221	0.0883	0.1287	0.2170	0.2525
MI distribution						
Group 1	0.2110	0.0422	0.1688	-	0.1688	0.1962
Group 2	0.0720	0.0144	0.0576	0.1112	0.1688	0.1962

Monthly interim interest distribution (paid on 31 March 2014) in pence per unit.

Group 1 – Units purchased prior to 1 February 2014.

Group 2 – Units purchased from 1 February 2014 to 28 February 2014.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 31 March 2014	Distribution per unit (p) 28 March 2013
MR distribution						
Group 1	0.1730	0.0346	0.1384	-	0.1384	0.1501
Group 2	0.0738	0.0148	0.0590	0.0794	0.1384	0.1501
MR accumulation						
Group 1	0.2534	0.0507	0.2027	-	0.2027	0.2124
Group 2	0.1143	0.0229	0.0914	0.1113	0.2027	0.2124
MI distribution						
Group 1	0.1958	0.0392	0.1566	-	0.1566	0.1663
Group 2	0.0823	0.0165	0.0658	0.0908	0.1566	0.1663

Monthly final interest distribution (paid on 30 April 2014) in pence per unit.

Group 1 – Units purchased prior to 1 March 2014.

Group 2 – Units purchased from 1 March 2014 to 31 March 2014.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 30 April 2014	Distribution per unit (p) 30 April 2013
MR distribution						
Group 1	0.1921	0.0384	0.1537	-	0.1537	0.1519
Group 2	0.0693	0.0139	0.0554	0.0983	0.1537	0.1519
MR accumulation						
Group 1	0.2821	0.0564	0.2257	-	0.2257	0.2156
Group 2	0.1246	0.0249	0.0997	0.1260	0.2257	0.2156
MI distribution						
Group 1	0.2179	0.0436	0.1743	-	0.1743	0.1685
Group 2	0.0849	0.0170	0.0679	0.1064	0.1743	0.1685

Quarterly final interest distribution (paid on 30 April 2014) in pence per unit.

Group 1 – Units purchased prior to 1 January 2014.

Group 2 – Units purchased from 1 January 2014 to 31 March 2014.

	Gross revenue per unit (p)	Income tax (20%) (p)	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 30 April 2014	Distribution per unit (p) 30 April 2013
QR distribution						
Group 1	0.5515	0.1103	0.4412	-	0.4412	0.4823
Group 2	0.2553	0.0511	0.2042	0.2370	0.4412	0.4823
QR accumulation						
Group 1	0.8075	0.1615	0.6460	-	0.6460	0.6811
Group 2	0.3731	0.0746	0.2985	0.3475	0.6460	0.6811
QI accumulation						
Group 1	0.9333	0.1867	0.7466	-	0.7466	0.7633
Group 2	0.3941	0.0788	0.3153	0.4313	0.7466	0.7633

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

Fund sizes & net asset values

Date	Net asset value of fund (£)	Net asset value per unit (p)	Units in issue
31 March 2012	548,263,341		
MR distribution		49.41	173,777,450
MR accumulation		67.86	131,344,680
MI distribution		49.48	117,525,288
QR distribution		49.37	199,025,504
QR accumulation		67.92	300,407,498
QI accumulation		68.76	18,650,855
31 March 2013	547,718,449		
MR distribution		52.59	160,876,388
MR accumulation		74.88	112,928,124
MI distribution		52.68	186,675,876
QR distribution		52.56	137,952,323
QR accumulation		74.95	259,399,663
QI accumulation		76.19	17,423,091
31 March 2014	668,069,869		
MR distribution		54.83	187,586,629
MR accumulation		80.78	105,299,419
MI distribution		54.93	262,450,025
QR distribution		54.79	112,167,692
QR accumulation		80.85	235,945,038
QI accumulation		82.55	101,463,300

Net revenue distribution & unit price range

MR distributionA diam20092.236050.3734.3720102.061154.4246.8020112.156155.1045.6120121.833255.5746.8220131.881657.5151.822014 *0.440658.3254.00MR accumulation	Year	Net revenue per unit (p)	Highest offer price (p)	Lowest bid price (p)
20092.236050.3734.3720102.061154.4246.8020112.156155.1045.6120121.83255.5746.8220131.881657.5151.822014*0.440658.3254.00MR accumulation20092.717262.7141.0420102.626070.1958.4520112.858572.7561.3320122.536178.1663.6920132.697783.7873.532014*0.645445.6778.91MI distribution20102.280752.3146.8720112.355352.9745.6720122.037353.4346.8920132.098355.3051.922014*0.499756.0854.10Q092.248150.7234.5320102.071954.4146.7920112.161055.2645.5720121.843855.8846.7820131.885757.7751.972014*0.441258.5753.96QR accumulation20142.548278.2463.7520132.548278.2463.7520142.548278.2463.7520132.749258.5778.992014*0.646085.7578.9920132.5482 <td< th=""><th>MR distribution</th><th></th><th></th><th></th></td<>	MR distribution			
20102.06115.4.424.6.8020112.15615.5.714.6.8220121.83205.5.714.6.822014 *0.44066.8.325.4.00MR accumulation20092.71726.2.114.1.0420102.626070.1958.4520112.858572.7561.3320122.536178.1663.6920132.697783.7873.532014 *0.645485.6778.1620092.408048.4234.4320102.855352.9745.6720112.355352.9745.6720122.037353.3446.8920132.098355.3051.922014 *0.499756.0854.10Q092.248150.7234.5320102.071954.4146.7920112.161055.6645.5720121.848555.8846.7820132.184557.7751.972014 *0.41258.5753.96QU14 *0.41258.5753.96QU14 *2.548278.2463.7520132.548278.2463.752014 *0.646085.7578.992014 *0.646085.7578.9920132.548278.2463.7520142.548278.2463.7520132.548278.2463.75<	2009	2.2360	50.37	34.37
20112.15615.5.04.6.8120121.8.3325.5.74.6.8220131.8.8165.7.515.1.822014*0.44066.8.325.4.00MR accumulation20092.7.1726.2.714.1.0420102.626070.195.8.4520112.856572.756.1.3320122.536178.166.3.6920132.697783.7878.162014*0.645484.84234.4320102.2.80752.3146.8720112.2.80752.3146.8720122.037353.3446.8920132.098355.3051.922014*0.499756.0854.10Q092.2.48150.7234.5320102.071954.4146.792014*0.41255.846.8720132.184365.8846.782014*0.41256.7751.972014*0.41256.7751.972014*0.41256.7751.972014*0.41256.7751.9720142.548277.8261.3120132.702462.7741.0920142.648572.8261.3120140.646085.7578.9920132.702462.7761.7320140.646085.7578.9120132.702463.6478.912	2010	2.0611	54.42	46.80
20121.833255.5746.8220131.881657.5151.822014*0.440668.3254.00MR accumulation20092.717262.7141.0420102.626070.1958.4520112.858572.7561.3320122.536178.1663.6920132.697783.7873.532014*0.645485.6778.91MI distribution20092.408048.4234.4320102.280752.3146.8720112.355352.9745.6720122.037353.4346.8920132.0992.408055.802014*0.499756.0854.10Q092.248150.7234.5320142.01955.2645.5720121.843855.8646.7820132.161055.2645.5720142.161055.2645.5720142.161055.2655.8120132.724262.7741.0920142.633270.2658.5120142.645372.8261.3120142.642473.8258.5120142.642462.7741.0920142.645372.8261.3120142.645472.8263.6520132.724262.7741.0920142.6454	2011	2.1561	55.10	45.61
20131.881657.5151.822014*0.440658.3254.00MR accumulation2.626070.1958.4520102.626070.1958.4520112.858572.7561.3320122.536178.1663.6920132.697783.7873.532014*0.645485.6778.91MI distribution20092.408048.4234.4320102.280752.3146.8720112.355352.9745.6720122.037353.4346.8920132.098355.3051.922014*0.499756.0854.10QR distribution20102.714950.7234.5320112.161055.2645.5720121.843855.8646.7820131.885757.7751.972014*0.441255.7651.9720142.633270.2658.5120142.548278.2463.7520132.548278.2463.7520142.548278.2463.7520132.548278.2463.7520142.548278.2463.7520132.548278.8463.7520140.646085.7578.9920132.548278.2463.7520140.646085.7578.992013<	2012	1.8332	55.57	46.82
2014*0.440658.3254.00MR accumulation20092.717262.7141.0420092.717262.7158.4520102.626070.1958.4520112.858572.7561.3320122.536178.1663.6920132.697783.7873.532014*0.645485.6778.91MI distribution	2013	1.8816	57.51	51.82
NR accumulationIdd20092.717262.7120102.626070.1920112.858572.7520112.858572.7520122.536178.1620132.697783.782014*0.645485.6720192.408048.4220092.408048.4220102.280752.3120112.255352.9720122.037353.4320132.098355.302014*0.499756.0820132.098355.302014*0.499756.082014*0.499756.0820102.248150.7220142.161055.2620121.843855.8820132.161055.2620140.41256.7720112.161055.2620121.843855.8820132.724262.772014*0.441258.5720122.548270.262014*0.441258.5720112.548272.8220132.724262.7720140.646085.7520132.724262.7720140.646085.7520132.548278.2420140.646085.7520132.548278.2420140.646085.7520132.548278.2420140.646085.75 <td>2014 *</td> <td>0.4406</td> <td>58.32</td> <td>54.00</td>	2014 *	0.4406	58.32	54.00
20092.717262.7141.0420102.626070.1958.4520112.858572.7561.3320122.536178.1663.6920132.697783.7873.532014*0.645485.6778.91MI distribution20092.408048.4234.4320102.280752.3146.8720112.355352.9745.6720122.037353.4346.8920132.098355.3051.922014*0.499756.0854.10QR distribution20102.0112.0113.45320112.161055.2645.5720121.843855.8846.7820131.885757.7751.972014*0.441258.5753.96QR accumulation20192.724262.7741.0920102.633270.2658.5120112.548278.2463.7520132.548278.2463.752014*0.640085.7578.9920140.640085.7578.992014*0.640085.7578.9920132.548278.2463.7520140.640085.7578.9920140.640085.7578.9920140.640085.7578.9220140.6400 <t< th=""><th>MR accumulation</th><th></th><th></th><th></th></t<>	MR accumulation			
20102.626070.1958.4520112.858572.7561.3320122.536178.1663.6920132.697783.7873.532014*0.645485.6778.91MI distribution20092.408048.4234.4320102.280752.3146.8720112.355352.9745.6720122.037353.4346.8920132.098355.3051.922014*0.499756.0854.10QR distribution20092.248150.7234.5320102.071954.4146.7920112.161055.2645.5720121.843855.8846.7820131.885757.7751.972014*0.441258.5753.96Q092.724262.7741.0920102.633270.2658.5120112.548278.2463.7520132.700283.8673.602014*0.64085.7578.2420132.700283.8673.602014 *0.64085.7578.2420132.700283.8673.6020140.64085.7578.2420132.700283.8673.602014 *0.64085.7578.2420132.700283.8673.6020140.640 <td>2009</td> <td>2.7172</td> <td>62.71</td> <td>41.04</td>	2009	2.7172	62.71	41.04
20112.858572.7561.3320122.536178.1663.6920132.697783.7873.532014*0.645485.6778.91MI distribution20092.408048.4234.4320102.280752.3146.8720112.355352.9745.6720122.037353.4346.8920132.098355.3051.922014*0.499756.0854.10QR distribution20092.248150.7234.5320102.071954.4146.7920112.161055.2645.5720121.843855.8846.7820131.885757.7751.972014*0.441258.5753.96Q092.724262.7741.0920102.633270.2658.5120112.854572.8261.3920122.548278.2463.7520132.700283.8673.602014*0.64085.7578.9920132.700283.8673.602014 *0.64085.7578.9920132.944860.4341.1220092.944860.4341.1220102.899867.8758.7220113.149770.5062.0320122.841576.2464.48	2010	2.6260	70.19	58.45
20122.536178.1663.6920132.697783.7873.532014 *0.645485.6778.91MI distribution20092.408048.4234.4320102.280752.3146.8720112.355352.9745.6720122.037353.4346.8920132.098355.3051.922014 *0.499756.0854.10QR distribution20092.248150.7234.5320102.071954.4146.7920112.161055.2645.5720121.843855.8846.7820131.885757.7751.972014 *0.441258.5753.96QR accumulation20112.548278.2463.7520122.548278.2463.7520132.700283.8673.602014 *0.646085.7578.9920132.700283.8673.602014 *0.646085.7578.9920132.700283.8673.602014 *0.646085.7578.9920132.700283.8673.602014 *0.646085.7578.9920132.700283.8673.602014 *0.646085.7578.9920132.702460.7358.722014 *0.6460 </td <td>2011</td> <td>2.8585</td> <td>72.75</td> <td>61.33</td>	2011	2.8585	72.75	61.33
20132.697783.7873.532014 *0.645485.6778.91MI distribution20092.408048.4234.4320102.280752.3146.8720112.355352.9745.6720122.037353.4346.8920132.098355.3051.922014 *0.499756.0854.10QR distribution20092.248150.7234.5320102.071954.4146.7920112.161055.2645.5720121.843855.8846.7820131.845757.7751.972014 *0.441258.5753.96QR accumulation20112.548278.2463.7520122.548278.2463.7520132.700233.8673.602014 *0.646085.7578.9920122.548278.2463.7520132.700233.8673.602014 *0.646085.7578.99QU accumulation20132.948860.4341.1220102.899867.8758.7220113.149770.5062.0320122.861576.2464.48	2012	2.5361	78.16	63.69
2014*0.645485.6778.91MI distribution20092.408048.4234.4320102.280752.3146.8720112.355352.9745.6720122.037353.4346.8920132.098355.3051.922014*0.499756.0854.10QR distribution20102.248150.7234.5320112.161055.2645.5720121.843855.8846.7820131.885757.7751.972014*0.441258.5753.96QR accumulation20102.548272.8261.3920112.548272.8261.3920122.548278.2463.7520132.700283.8673.602014*0.646085.7578.99QI accumulation2014*0.646085.7578.99QI accumulation20102.894860.4341.1220102.894860.4341.1220102.894860.4341.1220102.894860.4341.1220113.149770.5062.0320122.861576.2464.48	2013	2.6977	83.78	73.53
MI distributionImage: constraint of the symbol	2014 *	0.6454	85.67	78.91
20092.408048.4234.4320102.280752.3146.8720112.355352.9745.6720122.037353.4346.8920132.098355.3051.922014 *0.499756.0854.10 QR distributionVV 20092.248150.7234.5320102.071954.4146.7920112.161055.2645.5720121.843855.8846.7820131.885757.7751.972014 *0.441258.5753.96 QR accumulationVV 20102.633270.2658.5120112.854572.8261.3920122.548278.2463.7520132.700283.8673.602014 *0.646085.7578.99 QI accumulationVV 20092.944860.4320102.899867.8720113.149770.5020122.861576.24	MI distribution			
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20112.355352.9745.6720122.037353.4346.8920132.098355.3051.922014 *0.499756.0854.10 QR distribution 20092.248150.7234.5320102.071954.4146.7920112.161055.2645.5720121.843855.8846.7820131.885757.7751.972014 *0.441258.5753.96 QR accumulation 20102.633270.2658.5120112.548278.2463.7520122.548278.2463.7520132.700283.8673.602014 *0.646085.7578.99QI accumulation20132.700283.8673.602014 *0.646085.7578.99QI accumulation20102.899867.8758.7220113.149770.5062.0320122.861576.2464.48	2010	2.2807	52.31	46.87
20122.037353.4346.8920132.098355.3051.922014 *0.499756.0854.10QR distribution20092.248150.7234.5320102.071954.4146.7920112.161055.2645.5720121.843855.8846.7820131.885757.7751.972014 *0.441258.5753.96QR accumulation20102.633270.2658.5120112.854572.8261.3920122.548278.2463.7520132.700283.8673.602014 *0.646085.7578.99QI accumulation20092.944860.4341.1220092.944860.4341.1220102.899867.8758.7220113.149770.5062.0320122.861576.2464.48	2011	2.3553	52.97	45.67
20132.098355.3051.922014 *0.499756.0854.10QR distribution20092.248150.7234.5320102.071954.4146.7920112.161055.2645.5720121.843855.8846.7820131.885757.7751.972014 *0.441258.5753.96QR accumulation20102.724262.7741.0920112.854572.8261.3920122.548278.2463.7520132.700283.8673.602014 *0.646085.7578.99QI accumulation20092.944860.4341.1220092.944860.4341.1220102.899867.8758.7220113.149770.5062.0320122.861576.2464.48	2012	2.0373	53.43	46.89
2014*0.499756.0854.10QR distribution20092.248150.7234.5320102.071954.4146.7920112.161055.2645.5720121.843855.8846.7820131.885757.7751.972014*0.441258.5753.96QR accumulation20102.724262.7741.0920112.854572.8261.3920122.548270.2658.5120132.700283.8673.602014*0.646085.7578.99QI accumulation20092.944860.4341.1220092.944860.4341.1220102.899867.8758.7220113.149770.5062.0320122.861576.2464.48	2013	2.0983	55.30	51.92
QR distributionImage: constraint of the symbol	2014 *	0.4997	56.08	54.10
20092.248150.7234.5320102.071954.4146.7920112.161055.2645.5720121.843855.8846.7820131.885757.7751.972014 *0.441258.5753.96QR accumulation20092.724262.7741.0920102.633270.2658.5120112.854572.8261.3920122.548278.2463.7520132.702483.6673.602014 *0.646085.7578.99QI accumulation20092.944860.4341.1220102.899867.8758.7220113.149770.5062.0320122.861576.2464.48	QR distribution			
2010 2.0719 54.41 46.79 2011 2.1610 55.26 45.57 2012 1.8438 55.88 46.78 2013 1.8857 57.77 51.97 2014 * 0.4412 58.57 53.96 QR accumulation 2009 2.7242 62.77 41.09 2010 2.6332 70.26 58.51 2011 2.8545 72.82 61.39 2012 2.5482 78.24 63.75 2013 2.7002 83.86 73.60 2014 * 0.6460 85.75 78.99 QI accumulation 2009 2.9448 60.43 41.12 2009 2.9448 60.43 41.12 2010 2.8998 67.87 58.72 2011 3.1497 70.50 62.03 2012 2.8615 76.24 64.48	2009	2.2481	50.72	34.53
2011 2.1610 55.26 45.57 2012 1.8438 55.88 46.78 2013 1.8857 57.77 51.97 2014 * 0.4412 58.57 53.96 QR accumulation 62.77 41.09 2009 2.7242 62.77 41.09 2010 2.6332 70.26 58.51 2011 2.8545 72.82 61.39 2012 2.5482 78.24 63.75 2013 2.7002 83.86 73.60 2014 * 0.6460 85.75 78.99 QI accumulation 2009 2.9448 60.43 41.12 2010 2.8998 67.87 58.72 2011 3.1497 70.50 62.03 2012 2.8615 76.24 64.48	2010	2.0719	54.41	46.79
2012 1.8438 55.88 46.78 2013 1.8857 57.77 51.97 2014 * 0.4412 58.57 53.96 QR accumulation 2009 2.7242 62.77 41.09 2010 2.6332 70.26 58.51 2011 2.8545 72.82 61.39 2012 2.5482 78.24 63.75 2013 2.7002 83.86 73.60 2014 * 0.6460 85.75 78.99 QI accumulation 2009 2.9448 60.43 41.12 2009 2.9448 60.43 41.12 2010 2.8998 67.87 58.72 2011 3.1497 70.50 62.03 2012 2.8615 76.24 64.48	2011	2.1610	55.26	45.57
2013 1.8857 57.77 51.97 2014 * 0.4412 58.57 53.96 QR accumulation 2009 2.7242 62.77 41.09 2010 2.6332 70.26 58.51 2011 2.8545 72.82 61.39 2012 2.5482 78.24 63.75 2013 2.7002 83.86 73.60 2014 * 0.6460 85.75 78.99 QI accumulation 2009 2.9448 60.43 41.12 2010 2.8998 67.87 58.72 2011 3.1497 70.50 62.03 2012 2.8615 76.24 64.48	2012	1.8438	55.88	46.78
2014 * 0.4412 58.57 53.96 QR accumulation 2009 2.7242 62.77 41.09 2010 2.6332 70.26 58.51 2011 2.8545 72.82 61.39 2012 2.5482 78.24 63.75 2013 2.7002 83.86 73.60 2014 * 0.6460 85.75 78.99 QI accumulation 2009 2.9448 60.43 41.12 2010 2.8998 67.87 58.72 2011 3.1497 70.50 62.03 2012 2.8615 76.24 64.48	2013	1.8857	57.77	51.97
QR accumulation Image: Marcine Schwarz 2009 2.7242 62.77 41.09 2010 2.6332 70.26 58.51 2011 2.8545 72.82 61.39 2012 2.5482 78.24 63.75 2013 2.7002 83.86 73.60 2014 * 0.6460 85.75 78.99 QI accumulation Image: Marcine Schwarz Image: Marcine Schwarz 1mage: Marcine Schwarz 2010 2.8998 60.43 41.12 2011 3.1497 70.50 62.03 2012 2.8615 76.24 64.48	2014 *	0.4412	58.57	53.96
2009 2.7242 62.77 41.09 2010 2.6332 70.26 58.51 2011 2.8545 72.82 61.39 2012 2.5482 78.24 63.75 2013 2.7002 83.86 73.60 2014 * 0.6460 85.75 78.99 QI accumulation 2009 2.9448 60.43 41.12 2010 2.8998 67.87 58.72 2011 3.1497 70.50 62.03 2012 2.8615 76.24 64.48	QR accumulation			
2010 2.6332 70.26 58.51 2011 2.8545 72.82 61.39 2012 2.5482 78.24 63.75 2013 2.7002 83.86 73.60 2014 * 0.6460 85.75 78.99 QI accumulation C C 2010 2.8948 60.43 41.12 2010 2.8998 67.87 58.72 2011 3.1497 70.50 62.03 2012 2.8615 76.24 64.48	2009	2.7242	62.77	41.09
2011 2.8545 72.82 61.39 2012 2.5482 78.24 63.75 2013 2.7002 83.86 73.60 2014 * 0.6460 85.75 78.99 QI accumulation	2010	2.6332	70.26	58.51
2012 2.5482 78.24 63.75 2013 2.7002 83.86 73.60 2014 * 0.6460 85.75 78.99 QI accumulation C C 2009 2.9448 60.43 41.12 2010 2.8998 67.87 58.72 2011 3.1497 70.50 62.03 2012 2.8615 76.24 64.48	2011	2.8545	72.82	61.39
2013 2.7002 83.86 73.60 2014 * 0.6460 85.75 78.99 QI accumulation Composition Composition Composition 2009 2.9448 60.43 41.12 2010 2.8998 67.87 58.72 2011 3.1497 70.50 62.03 2012 2.8615 76.24 64.48	2012	2.5482	78.24	63.75
2014 * 0.6460 85.75 78.99 QI accumulation 2009 2.9448 60.43 41.12 2010 2.8998 67.87 58.72 2011 3.1497 70.50 62.03 2012 2.8615 76.24 64.48	2013	2.7002	83.86	73.60
QI accumulation Constraint 2009 2.9448 60.43 41.12 2010 2.8998 67.87 58.72 2011 3.1497 70.50 62.03 2012 2.8615 76.24 64.48	2014 *	0.6460	85.75	78.99
20092.944860.4341.1220102.899867.8758.7220113.149770.5062.0320122.861576.2464.48	QI accumulation			
2010 2.8998 67.87 58.72 2011 3.1497 70.50 62.03 2012 2.8615 76.24 64.48	2009	2.9448	60.43	41.12
2011 3.1497 70.50 62.03 2012 2.8615 76.24 64.48	2010	2.8998	67.87	58.72
2012 2.8615 76.24 64.48	2011	3.1497	70.50	62.03
	2012	2.8615	76.24	64.48
2013 3.0612 82.07 74.74	2013	3.0612	82.07	74.74

Net revenue includes all amounts paid and payable in each calendar year. * To 31 March 2014.

Comparative tables (continued)

Ongoing charges

Expense	31 March 2014
R units *	
Annual management charge	1.00%
Other expenses	0.09%
Ongoing Charges	1.09%
l units **	
Annual management charge	0.50%
Other expenses	0.09%
Ongoing Charges	0.59%

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.

* Includes MR distribution, MR accumulation, QR distribution and QR accumulation.

** Includes MI distribution and QI accumulation.

Fund performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis Strategic Bond Fund	61.8	94.8	20.4	7.9	5.2
Markit iBoxx Sterling non-gilts Index	52.8	57.4	23.7	1.5	2.4
Sector average	38.7	64.4	18.7	3.4	3.7
Position in sector	3/28	14/41	26/48	9/60	14/62
Quartile	1	2	3	1	1

* Data from 30 June 2005, due to the fixed price period of the fund. Source: Lipper Limited, QR accumulation, bid to bid in sterling with net income reinvested to 31 March 2014. All performance figures show total return percentage growth. Sector is IMA £ Strategic Bond.

Value of £1,000 invested at launch to 31 March 2014



