PROFIT *hunters*

ARTEMIS Strategic Bond *Fund*

Half-Yearly Report (unaudited)
for the six months ended
30 September 2013

ARTEMIS
The PROFIT Hunter

General information

Company profile

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

The company has grown to the extent that it now manages an asset base of some £16.6 billion*. This is spread across a range of unit trusts, an investment trust, a hedge fund, a venture capital trust and both pooled and segregated institutional portfolios.

The Artemis philosophy requires our fund managers to invest in Artemis funds. This means that our fund managers' interests are directly aligned with our investors.

* Source: Artemis as at 31 October 2013.

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 total return by investing predominantly in fixed income markets.

Investment policy

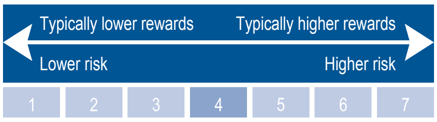
The fund aims to achieve its objective by investing predominantly in fixed income markets but may selectively invest in other markets. Equal emphasis is given to the security of capital and income although from time to time one may take prominence over the other in accordance with the strategy being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

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.
- 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.
- 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.
- 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 higher-yielding 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 higher-yielding bonds than other bonds.
- 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.

General information (continued)

Manager

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

Dealing information:
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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, 25 The North Colonnade, Canary Wharf, London E14 5HS.

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.

R J Turpin Director	M R J Tyndall Director

18 November 2013

- The fund produced a positive return despite volatility.
- Yields on government bonds finally appear fair value.
- The recovery of the banking sector continues apace.

Performance – A positive return in a falling market …

A volatile period for government bonds worked to our advantage as our portfolio positioning performed well. Despite a negative return for government bonds, your fund returned 2.5%* over the six-month period. Further, we outperformed most of the funds in our peer group which, on average, generated a negative return. Meanwhile, we have been mindful of our policy to reduce the fund's volatility, which has been successful.

Review – Rising government bond yields put a spring in our step …

The last six months have been one of the most exciting periods for government bond markets for many years. From the lows of early May to early September, government bond yields in the US virtually doubled. Admittedly they subsequently retraced some of that move – but moves of this magnitude in the US Treasury market are unusual. Other bond markets followed the lead of US Treasuries; UK Gilt yields rose in tandem. Even the yields on German Bunds increased, albeit not as steeply. Emerging-market bonds, meanwhile, had a torrid time, as the markets assessed what impact tighter US monetary policy might have on those economies.

We cannot deny having had a slight spring in our step as yields rose. We had been quite negative on government bonds for a while, especially after the yields fell below the inflation rate. The rise in yields over the summer vindicated our positioning. However, this naturally led to a need to decide when to take these positions off.

As yields reached 3% for 10-year US Treasuries, we felt this was the time to close our short positions. After all, inflation is quite subdued, so a 3% yield on government bonds gives a real return of 1.5%, assuming current inflation at 1.5% is maintained. That is near the historical averages. Furthermore, given the weaker coincident economic data and the impending worries of the US government's ability to agree a budget, we decided to undertake a complete U-turn and bought government bonds. Having argued for so long that government bonds were expensive, this felt like standing on our heads. But the shift in yields had been unusually sharp and, given the uncertainties, buying government bonds seemed appropriate. These positions really began to work after the end of the reporting period, when yields began to drop somewhat.

We have maintained a healthy position in high-yield bonds. These have generated some very strong returns. Ironically, investors sought safety in this area when government bond prices were falling. Although interest rates are unlikely to increase, we were comfortable that demand for this asset class would continue to be strong. In particular, European issues have benefitted as their economies make significant strides away from recession. Our biggest weightings were in the UK and Europe rather than in the US. And, happily, European high-yield bonds have performed better than their US counterparts.

An area of underperformance has been peripheral European bonds. With the exception of some Irish bonds, we have been very negative about those issued by peripheral European nations, such as Greece, Portugal and even Spain. This proved to be wrong. The political will to keep the European project going has outweighed its obvious economic problems. So we watched these bonds perform well from the sidelines and were not involved. While that is depressing, the political outlook (and our generally negative view on peripheral Europe) does not encourage us to chase this area.

Financials remained on the fast road toward recovery. A good set of results from Lloyds Banking Group during the summer, and the subsequent sale of some of its shares by the UK government, highlighted the return to normality for most financial companies. The bonds continue to perform well, as investors are growing more comfortable with the sector. We have been big owners of financial bonds and this has contributed to your fund's strong performance.

Outlook – Fundamentally positive …

Anybody who thinks that investing in bond markets is dull should re-evaluate their preconceptions. At the moment, things could hardly be less dull. On the one hand, we have seen yields nearly doubling in the space of six months. On the other hand, the US government has struggled to agree a deal that would allow it to pay the coupon on its bonds. The ramifications that a default would have had cannot be underestimated. Theoretically, every bank with US Treasuries on its balance sheet would have gone bust! In practice, of course, that wouldn't be allowed to happen. But it certainly doesn't create a stable backdrop.

It seems safe to say that US politics will remain a running sore. So too, no doubt, will European politics. Markets are getting used to the uncertainty and the volatility is less than we used to see in previous crises. We are far from sure that will last forever, as, so far, politicians have always stepped back from the brink. Perhaps the market's rather sanguine response may one day

* Source: Lipper Limited, QR accumulation, bid to bid basis in sterling with net income reinvested. Benchmark is the Markit iBoxx Sterling (non-gilts) Index.

Investment review (continued)

prove its downfall. It is only when markets plummet that politicians feel compelled to respond.

The fundamental backdrop, however, is quite positive. Yields on government bonds, which were offering a negative real return, are now positive. These yields are not exactly generous – but interest rates are very low and likely to remain so, especially with the appointment of new and more dovish central bankers in the UK and the US. Yields are now reflecting a slightly more benign economic outlook. In the long term, there is no doubt that government bond yields will rise further. In the short term, however, they should stabilise until interest rates actually increase. That may not happen for another year or two.

For corporate bonds, again, the fundamentals are quite positive. Corporate profitability is improving. Furthermore, we are positive on the prospects for bonds issued by financial companies, particularly banks. They are not allowed to take the same risks with their balance sheets that they once were. They are being forced to hold more capital as a safety buffer and regulators are crawling all over them. That makes the prospect of default far less likely and yet the bonds yield more than your normal corporate bond issued by a non-financial company. The reason is obviously all the shenanigans we have had with banks in the last few years. But as the rehabilitation process continues, we feel that the difference should continue to narrow.

The economic backdrop is equally positive for high-yield bonds. Default rates are set to stay low and demand from investors needing an income is very strong. These factors are unlikely to change soon, so despite the market being towards the top of its historic range, we expect the strong performance from high yield-bonds to continue for now.

Volatility is likely to persist, not least because politics can so easily undermine sentiment. Our fears earlier in the year about government bonds proved to be well-founded. The market is now pricing on more sensible levels. Moreover, the fundamentally good conditions for corporate profitability and financial stability of the banks provide a supportive backdrop. We continue to believe that, in this environment, a strategic fund is the best way to exploit the opportunities in the bond market – and that returns over the next six months should be reasonable.

James Foster and Alex Ralph
Fund managers

Investment information

Five largest purchases and sales for the six months ended 30 September 2013

Purchases	Cost £'000	Sales	Proceeds £'000
US Treasury 0.25% 2015	22,534	US Treasury 0.25% 2015	35,335
US Treasury 2.5% 2023	21,289	US Treasury 1.75% 2023	19,101
US Treasury 1.75% 2023	19,414	Eksportfinans ASA FRN 2013	9,154
Thomas Cook Finance 7.75% 2020	7,455	Royal Bank of Scotland 9.5% 2022	8,403
ING Verzekeringen 6.375% 2027	6,692	First Hydro Finance 9% 2021	7,569

Portfolio statement as at 30 September 2013

Investment	Holding or nominal value	Valuation £'000	% of net assets
AAA rated – 3.94% (2.53%)			
US Treasury 2.5% 2023	$35,000,000	21,469	3.94
		21,469	**3.94**
AA rated – 1.57% (1.68%)			
IPIC GMTN 5.875% 2021	€8,750,000	8,574	1.57
		8,574	**1.57**
A rated – 3.69% (5.68%)			
GE Capital Trust V 5.5% 2066	£6,000,000	5,949	1.09
HSBC 6.375% 2022	£6,400,000	7,126	1.31
Westfield UK & Europe 4.25% 2022	£6,710,000	7,020	1.29
		20,095	**3.69**
BBB rated – 36.47% (37.28%)			
Aberdeen Asset Management 7% Perpetual	$9,630,000	6,055	1.11
Atradius Finance B 5.875% 2024	€2,400,000	1,895	0.35
AXA 6.6666% Perpetual	£6,220,000	6,331	1.16
BG Energy Capital 6.5% 2072	£7,290,000	7,873	1.44
BNP Paribas Fortis 4.625% Perpetual	€7,300,000	6,096	1.12
Clerical Medical Finance 4.25% Perpetual	€4,760,000	3,881	0.71
Direct Line Insurance 9.25% 2042	£6,390,000	7,709	1.41
EDF 6% Perpetual	£6,800,000	6,851	1.26
Elan Limited 4.691% 2017	€7,300,000	5,766	1.06
ENBW 7.375% 2072	€9,190,000	8,366	1.53
Ferrovial Emisione 3.375% 2018	€6,000,000	5,188	0.95
Fidelity International 6.75% 2020	£3,890,000	4,337	0.80
Friends Life Group 6.292% Perpetual	£6,295,000	5,992	1.10
Go–Ahead Group 5.375% 2017	£6,760,000	7,360	1.35
Imperial Tobacco Finance 5.5% 2016	£6,750,000	7,448	1.37
ITV 5.375% 2015	£6,810,000	7,211	1.32
Legal & General Group 10% 2041	£4,810,000	6,409	1.18
Liverpool Victoria 6.5% 2043	£4,600,000	4,347	0.80
Lloyds TSB Bank 7.625% 2025	£4,860,000	5,640	1.03
Mellon Capital III 6.369% 2066	£6,000,000	5,865	1.08
National Express Group 6.25% 2017	£6,760,000	7,460	1.37
NIE Finance 6.375% 2026	£6,810,000	7,976	1.46
Porterbrook Rail Finance 6.5% 2020	£4,330,000	5,158	0.95
RL Finance Bonds 6.125% Perpetual	£5,860,000	5,547	1.02
Romulus Finance FRN 2015	€6,810,000	5,435	1.00

Investment information (continued)

Investment	Holding or nominal value	Valuation £'000	% of net assets
RSA Insurance Group 8.5% Perpetual	£8,750,000	9,193	1.69
RWE AG 7% Perpetual	£8,200,000	8,524	1.56
Scottish Widows 5.125% Perpetual	£5,830,000	5,597	1.03
Siemens Financieringsmat 6.125% 2066	£4,860,000	5,267	0.97
SSE FRN Perpetual	$10,000,000	6,387	1.17
Standard Life 5.314% Perpetual	€8,070,000	6,801	1.25
Tullett Prebon Group 7.04% 2016	£4,807,000	4,722	0.87
		198,687	**36.47**
BB rated – 23.35% (25.81%)			
AA 9.5% 2043	£5,770,000	6,195	1.14
ABN Amro Bank FRN Perpetual	€8,170,000	6,518	1.20
Bank of Scotland Capital Funding 8.117% Perpetual	£7,655,000	7,523	1.38
Cyfrowy Polsat Finance 7.125% 2018	€2,900,000	2,596	0.48
Enel 7.75% 2075	£5,563,000	5,579	1.02
GKN Holdings 5.375% 2022	£7,000,000	7,208	1.32
Heathrow Finance 7.125% 2017	£6,000,000	6,470	1.19
Infinis 7% 2019	£5,510,000	5,727	1.05
ING Verzekeringen 6.375% 2027	€7,500,000	6,477	1.19
Investec Bank 9.625% 2022	£6,810,000	7,344	1.35
IVS Group 7.125% 2020	€2,760,000	2,311	0.42
Kelda Finance 3 5.75% 2020	£5,350,000	5,426	1.00
Lloyds TSB Bank 10.75% 2021	£1,940,000	2,316	0.42
MPT Finance 5.75% 2020	€2,800,000	2,363	0.43
National Westminster Bank 6.625% Perpetual	€9,000,000	5,560	1.02
NWEN Finance 5.875% 2021	£4,760,000	4,837	0.89
Old Mutual 5% Perpetual	€7,560,000	6,129	1.12
Pennon Group 6.75% Perpetual	£6,030,000	6,281	1.15
Smurfit Kappa Acquisitions 7.75% 2019	€5,830,000	5,272	0.97
Taylor Wimpey 10.375% 2015	£7,290,000	7,800	1.43
Telefonica Europe 7.625% Perpetual	€3,900,000	3,319	0.61
Tereos Europe 6.375% 2014	€4,860,000	4,158	0.76
Virgin Media Secured Finance 6% 2021	£3,300,000	3,342	0.61
William Hill 4.25% 2020	£3,800,000	3,615	0.66
WMG Acquisition 6.25% 2021	€3,456,000	2,939	0.54
		127,305	**23.35**
B rated – 21.21% (19.80%)			
Arqiva Broadcast 9.5% 2020	£5,790,000	6,191	1.14
Bank of Ireland 10% 2022	€6,710,000	6,445	1.18
Bond Mission Critical Service 6.25% 2019	£5,050,000	4,956	0.91
Boparan Holdings Limited 9.875% 2018	£3,890,000	4,275	0.78
Cable & Wireless International Finance 8.625% 2019	£4,700,000	5,264	0.97
Co–Operative Group 5.625% 2020	£6,000,000	5,622	1.03
CPUK Finance Limited 11.625% 2042	£5,300,000	6,035	1.11
Crown Newco 3 7% 2018	£6,320,000	6,489	1.19
DFS Furniture Holding 7.625% 2018	£5,060,000	5,347	0.98
Dixons Retail 8.75% 2017	£3,400,000	3,886	0.71
Dubai Holding Commercial Operations Group 6% 2017	£4,850,000	4,873	0.89

Investment	Notional exposure ^ £'000	Holding or nominal value	Valuation £'000	% of net assets
Eileme 11.75% 2020		€5,060,000	4,952	0.91
Equiniti Newco 2 7.125% 2018		£4,940,000	5,086	0.93
GMAC International Finance 7.5% 2015		€5,830,000	5,217	0.96
IGas Energy 10% 2018		$4,300,000	2,802	0.51
Pipe Holding 9.5% 2015		£5,350,000	5,620	1.03
Polish Television Holding 11% 2021		€5,050,000	4,336	0.80
Thomas Cook Finance 7.75% 2020		€6,765,000	5,743	1.05
TVN Finance 10.75% 2017		€5,830,000	5,189	0.95
UnityMedia 5.625% 2023		€5,900,000	4,834	0.89
UPC Holding 6.75% 2023		CHF5,690,000	3,859	0.71
Vougeot Bidco 7.875% 2200		£3,300,000	3,431	0.63
Voyage Care Bondco 6.5% 2018		£5,240,000	5,187	0.95
			115,639	**21.21**
CCC rated – 1.26% (0.09%)				
Annington Finance 13% 2023		£426,181	494	0.09
Matterhorn Mobile 8.25% 2020		€7,210,000	6,404	1.17
			6,898	**1.26**
C rated – 0.02% (0.01%)				
Cattles 7.125% 2017		£3,700,000	92	0.02
			92	**0.02**
Equities – 0.51% (0.03%)				
Doric Nimrod Air Three (preferred)		2,400,000	2,592	0.48
NVP +		1,301	–	–
Oceanteam Shipping		363,245	182	0.03
			2,774	**0.51**
Futures – 0.10% (–0.11%)				
UK long gilt bond December 2013	22,109	200	551	0.10
			551	**0.10**
Forward foreign exchange contracts – 0.16% (0.14%)				
Sell Euro – 20 December 2013		(172,220,000)	(144,045)	(26.43)
Buy Sterling – 20 December 2013		144,951,546	144,952	26.59
Sell US Dollar – 20 December 2013		(7,550,000)	(4,677)	(0.86)
Buy Sterling – 20 December 2013		4,705,222	4,705	0.86
Sell Swiss Franc – 20 December 2013		(5,740,000)	(3,930)	(0.72)
Buy Sterling – 20 December 2013		3,928,332	3,928	0.72
			933	**0.16**
Portfolio of investments †			503,017	92.28
Net other assets			42,057	7.72
Net assets attributable to unitholders			545,074	100.00

The figures in brackets represent percentages as at 31 March 2013.
+ Unquoted investments: 0.00% (31 March 2013: 0.00%).
† Includes derivative liabilities.
* Source for bond 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.

Financial statements

Statement of total return for the six months ended 30 September 2013

	30 September 2013		30 September 2012	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		3,733		14,657
Revenue	14,931		14,952	
Expenses	(2,720)		(2,750)	
Finance costs: interest	(3)		–	
Net revenue before taxation	12,208		12,202	
Taxation	–		–	
Net revenue after taxation		12,208		12,202
Total return before distributions		**15,941**		**26,859**
Finance costs: distributions		(12,208)		(12,202)
Change in net assets attributable to unitholders from investment activities		3,733		14,657

Statement of change in net assets attributable to unitholders for the six months ended 30 September 2013

	30 September 2013		30 September 2012	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		547,718		548,263
Amounts receivable on issue of units	103,650		48,511	
Amounts payable on cancellation of units	(99,912)		(65,851)	
Amounts payable on cancellation of units in respect of in-specie transfers	(15,300)		–	
		(11,562)		(17,340)
Change in net assets attributable to unitholders from investment activities		3,733		14,657
Retained distributions on accumulation units		5,185		5,178
Closing net assets attributable to unitholders		545,074		550,758

Balance sheet as at 30 September 2013

	30 September 2013		31 March 2013	
	£'000	£'000	£'000	£'000
Assets				
Investment assets		503,019		509,738
Debtors	15,960		10,673	
Cash and bank balances	35,685		41,341	
Total other assets		51,645		52,014
Total assets		**554,664**		**561,752**
Liabilities				
Derivative liabilities		2		704
Creditors	8,463		12,106	
Distribution payable on distribution units	1,125		1,224	
Total other liabilities		9,588		13,330
Total liabilities		**9,590**		**14,034**
Net assets attributable to unitholders		545,074		547,718

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in October 2010.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2013, as set out therein.

2. Post balance sheet events

Since 30 September 2013, the net asset values per unit, on a bid basis, have changed as follows:

	Net asset value per unit (p)		
	15 November 2013	30 September 2013	Movement
MR distribution *	54.00	52.99	2.2%
MR accumulation *	78.49	76.78	2.2%
MI distribution *	54.11	53.09	2.3%
QR distribution	54.12	52.95	2.2%
QR accumulation	78.56	76.86	2.2%
QI accumulation	80.08	78.30	2.3%

* The monthly interim distributions declared on 31 October 2013 of 0.1650p (class MR distribution); 0.2390p (class MR accumulation); and 0.1848p (class MI distribution) have been included in the calculation of the movement in the net asset value per unit.

Distribution tables

For the six months ended 30 September 2013

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

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

	Gross revenue per unit (p)	Income tax (20%)	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%)	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%)	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%)	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%)	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%)	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

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%)	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%)	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

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 2011	527,036,641		
MR distribution		50.98	99,096,661
MR accumulation		67.10	110,636,367
MI distribution		51.05	233,371,141
QR distribution		50.97	175,039,958
QR accumulation		67.17	261,877,637
QI accumulation		67.73	26,629,039
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
30 September 2013	545,073,676		
MR distribution		52.99	156,970,504
MR accumulation		76.78	107,751,012
MI distribution		53.09	187,706,284
QR distribution		52.95	123,707,827
QR accumulation		76.86	244,315,985
QI accumulation		78.30	33,495,566

Net revenue distribution & unit price range

Year	Net revenue per unit (p)	Highest offer price (p)	Lowest bid price (p)
MR distribution			
2008	2.6539	53.21	37.56
2009	2.2360	50.37	34.37
2010	2.0611	54.42	46.80
2011	2.1561	55.10	45.61
2012	1.8332	55.57	46.82
2013 **	1.4188	57.27	51.82
MR accumulation			
2008	3.0432	59.35	44.14
2009	2.7172	62.71	41.04
2010	2.6260	70.19	58.45
2011	2.8585	72.75	61.33
2012	2.5361	78.16	63.69
2013 **	2.0254	81.79	73.53
MI distribution			
2008 *	2.3273	50.50	37.63
2009	2.4080	48.42	34.43
2010	2.2807	52.31	46.87
2011	2.3553	52.97	45.67
2012	2.0373	53.43	46.89
2013 **	1.5758	55.06	51.92
QR distribution			
2008	2.6672	53.20	37.97
2009	2.2481	50.72	34.53
2010	2.0719	54.41	46.79
2011	2.1610	55.26	45.57
2012	1.8438	55.88	46.78
2013 **	1.4223	57.41	51.97
QR accumulation			
2008	3.0405	59.36	44.20
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 **	2.0274	81.87	73.60
QI accumulation			
2008 *	2.6755	56.85	44.19
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 **	2.2874	79.91	74.74

Net revenue includes all amounts paid and payable in each calendar year.
* From 7 March 2008.
** To 30 September 2013.

Comparative tables (continued)

Ongoing charges

Expense	30 September 2013
R units *	
Annual management charge	1.00%
Other expenses	0.09%
Ongoing charges	1.09%
I units **	
Annual management charge	0.50%
Other expenses	0.09%
Ongoing charges	0.59%

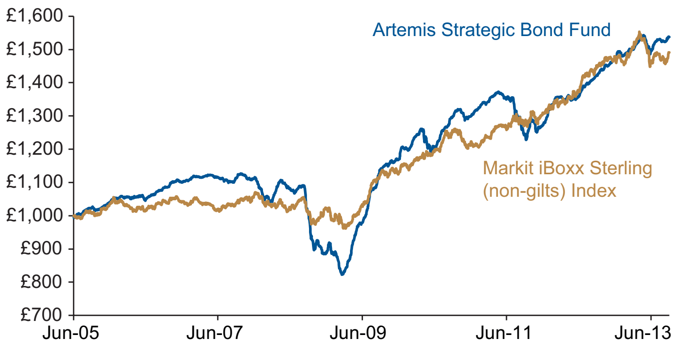
Ongoing charges shows the annual operating expenses of each unit class as a percentage of the average net assets of that class for the preceding 12 months.
* Includes MR distribution, MR accumulation, QR distribution and QR accumulation.
** Includes MI distribution and QI accumulation.

Fund performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis Strategic Bond Fund	53.8	52.8	18.4	8.1	2.5
Markit iBoxx Sterling (non-gilts) Index	49.2	48.6	19.1	2.9	(0.8)
Sector average	33.8	39.8	14.8	4.3	(0.3)
Position in sector	5/34	15/46	20/57	12/62	8/66
Quartile	1	2	2	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 30 September 2013. All performance figures show total return percentage growth. Sector is IMA £ Strategic Bond.

Value of £1,000 invested at launch to 30 September 2013



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