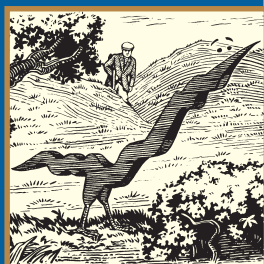


ARTEMIS European Opportunities *Fund*

Half-Yearly Report (unaudited)
for the six months ended
31 October 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 £16.8 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 30 November 2013.

Fund status

Artemis European Opportunities Fund was constituted by a Trust Deed dated 16 September 2011 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 objective of the fund is to achieve long-term growth from investments principally in European equities, excluding the UK.

Investment policy

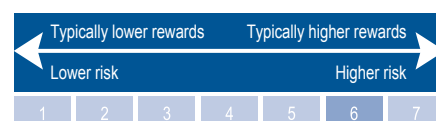
The manager actively manages the portfolio in order to achieve the objective with exposures to company shares, fixed interest securities and derivative instruments as appropriate. The manager will not be restricted in respect of choice of investments either by company size, or in terms of the geographical split of the portfolio.

The fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, cash and near cash, derivatives and forward transactions for investment purposes.

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.

■ 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.

■ 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.

■ Investing in small and medium-sized companies can involve more risk than investing in larger, more established companies. Shares in smaller companies are often not as easy to sell as shares in larger companies are. This can cause difficulty in buying, valuing and selling those shares. Also, reliable information for deciding their value or the risks may not be available.

Hedged unit classes only

■ Units will still be exposed to the market risks that relate to the assets of the portfolio.

■ Units may not be completely protected from all currency fluctuations.

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:
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, 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

13 December 2013

Investment review

- The fund returned 11.3%*.
- First quartile performance since launch.
- Europe's global growth companies look attractive again.

Performance – Steady does it ...

The fund returned 11.3%* over the six months under review, beating the benchmark by 0.3%*. That puts the fund in the second quartile of its peer group over the period. Since its launch in October 2011, the fund has returned 44.9%* versus a return from the benchmark of 34.9%*. That places it in the first quartile.

Review – Seeking stocks for all seasons ...

Developed markets drifted lower in May, bottomed out in late June and then rose through to the end of October. After the mid-summer trough, European stocks steadily outperformed their UK and US counterparts on both a local and a currency-adjusted basis.

Investors spent much of the period fretting that various forms of quantitative easing (QE) around the world might be coming to an end. The liquidity that QE has supplied has been an important driver of asset prices and played an important role in the re-rating of equities. As the period drew to a close, however, data showing disinflation (i.e. a slowing in the rate of inflation) in Europe proved alarming enough for the European Central Bank to cut interest rates.

The corporate results season, meanwhile, showed revenue growth for European companies slowing (although we note that margins remained resilient). Yet among this, signs of renewed GDP growth in Europe continued to emerge. This lack of clarity in the economic picture explains why we seek out stocks whose business models can thrive in a variety of economic and market conditions.

We won't rely on an inflationary tide lifting all boats: it might not.

We continued to avoid the 'distressed' banks, preferring those that have strong balance sheets and access to cheaper funding. So we added to the fund's existing holdings in BBVA, BNP Paribas and DNB. We also added to the mix a new holding in Nordea Bank. We sold our two Turkish banks, Turkiye Garanti Bankasi and Akbank TAS. Their funding costs are being driven higher by the rising cost of external finance. On balance, this leaves the fund 3% underweight in the banking sector, but neutral in financials overall.

Returns over the six-month period were driven by holdings in a typically diverse array of business areas. Utility company EDF was our best-performing holding, followed closely by M6-Metropole Television (French free-to-air TV), DNO International (oil exploration in Kurdistan), Autogrill (which has now split into World Duty Free and Autogrill), ING and BNP Paribas. We also benefited from not holding a number of large, underperforming stocks that are major index constituents, such as Nestlé, Novartis (although we subsequently have taken a position) and Sanofi.

On the other side of the ledger, the oil services sector took a hit and so did we, through our holding in TGS Nopec. Emerging markets also struggled, which hurt our two Turkish bank stocks. Sadly, we didn't hold Nokia, whose share price soared after it sold its handset unit to Microsoft. Meanwhile, as the market surged higher, our holdings in SAP, Alstom (which we subsequently sold) and Unilever merely drifted.

Throughout the period, we continually sifted the European market for companies with the right combination of earnings growth, dividends and attractive share prices to meet our strict five-year return criteria. In late 2012 and early 2013 we began to find that some of Europe's domestically focused stocks were rising to the top of our list. Subsequently we invested in companies such as M6-Metropole Television, Vinci, Bouygues and

EDF. And although we were early, our patience was rewarded. In fact, some of these holdings have done so well already that they no longer meet our five-year return requirements. We have sold our holdings in Vinci, Autogrill and Bouygues.

One of our central investment beliefs is that the market tends to mis-price companies in both directions. This provides us with investment opportunities. At the moment, the market is ignoring some of the growth companies it used to love, particularly those that sell their products to Asia's growing middle classes. We have therefore been able to add stocks with an Asian flavour, such as LVMH, SEB and DKSH Holding. Other interesting growth opportunities whose share prices have fallen far enough to meet our stringent five-year return requirements include SES, Ingenico, Partners Group Holding and Ericsson.

Outlook – A matter of balance ...

The portfolio is well balanced, its holdings split between European companies that derive the bulk of their revenues domestically, and those that sell their products and services overseas. As a rule of thumb, the split between these two types of revenue streams (in our fund and in the European market) is around 50-50.

Recently, the market has been chasing European companies with domestic earnings. As a result, we see an increasing number of opportunities in Europe's global growth companies, and many of them offer reasonable yields. But although we envisage adding to the fund's exposure here, we will do it gradually. Markets tend to swing from over-optimism to pessimism and back again with alarming rapidity; we agreed wholeheartedly with criticisms of the short-termism of some investors. We will continue to take a long-term view of the companies in which we invest.

Mark Page and Laurent Millet
Fund managers

*Source: Lipper Limited, R accumulation, bid to bid basis, in sterling with net income reinvested. Benchmark is the FTSE World Europe (ex-UK) Index.

Investment information

Five largest purchases and sales for the six months ended 31 October 2013

Purchases	Cost £'000	Sales	Proceeds £'000
Novartis	2,531	Vinci	1,448
Nordea Bank	1,723	ING Groep	1,327
ABB	1,655	Bouygues	1,059
Ericsson (B Shares)	1,434	E.ON	974
LVMH	1,407	Alstom	901

Portfolio statement as at 31 October 2013

Investment	Holding	Valuation £'000	% of net assets
Equities – 96.32% (97.00%)			
Austria – 1.48% (0.00%)			
Andritz	26,309	998	1.48
		998	1.48
Denmark – 2.56% (2.52%)			
Novo Nordisk (B shares)	16,089	1,722	2.56
		1,722	2.56
France – 22.01% (25.67%)			
Air Liquide (L Shares)	18,184	1,541	2.29
Biomerieux	15,671	980	1.45
BNP Paribas	47,545	2,190	3.25
Edenred	53,413	1,144	1.70
EDF	57,328	1,260	1.87
Ingenico	20,397	967	1.43
Ipsen	38,464	1,059	1.57
LVMH	11,470	1,382	2.05
M6-Metropole Television	66,200	967	1.44
SEB	17,987	1,023	1.52
Sodexo	11,378	691	1.03
Vivendi	103,049	1,623	2.41
		14,827	22.01
Germany – 13.63% (16.05%)			
Allianz	17,488	1,832	2.72
Deutsche Annington Immobilien	58,257	944	1.40
Fielmann	15,946	1,119	1.66
GEA Group	37,003	1,018	1.51
Infineon Technologies	146,691	891	1.33
Rational	4,841	926	1.38
SAP	34,321	1,685	2.50
Wirecard	33,501	762	1.13
		9,177	13.63
Italy – 2.36% (5.08%)			
Danieli & C. Officine Meccaniche	39,063	756	1.12
World Duty Free	119,884	831	1.24
		1,587	2.36

Investment	Holding	Valuation £'000	% of net assets
Luxembourg – 1.66% (1.39%)			
SES (FDR) (A shares)	61,290	1,115	1.66
		1,115	1.66
Netherlands – 5.16% (5.48%)			
Corbion	63,184	913	1.35
Nutreco	29,639	908	1.35
Unilever	66,951	1,657	2.46
		3,478	5.16
Norway – 4.48% (5.53%)			
DNB	126,979	1,416	2.10
DNO International	524,927	915	1.36
Tomra Systems	120,388	688	1.02
		3,019	4.48
Spain – 11.30% (12.37%)			
Amadeus IT Holdings	49,458	1,145	1.70
BBVA	225,620	1,654	2.46
Distribuidora Internacional de Alimentación	184,211	1,045	1.55
Grifols (A shares)	32,345	827	1.23
Prosegur	260,447	964	1.43
Telefónica	180,597	1,977	2.93
		7,612	11.30
Sweden – 10.28% (7.33%)			
Axis	36,043	771	1.14
Ericsson (B shares)	187,274	1,385	2.06
Intrum Justitia	57,533	963	1.43
Lundin Petroleum	66,167	855	1.27
Nordea Bank	228,249	1,846	2.74
Swedish Match	53,573	1,106	1.64
		6,926	10.28
Switzerland – 21.40% (8.05%)			
ABB	103,945	1,661	2.47
Barry Callebaut	1,385	886	1.31
DKSH Holding	19,223	1,006	1.49
GAM Holding	97,536	1,156	1.72
Kuehne + Nagel International	11,318	897	1.33
Logitech International	109,852	697	1.03
Novartis	55,124	2,680	3.98
Partners Group Holding	6,168	996	1.48
Roche Holding	16,821	2,914	4.33
Zurich Insurance Group	8,793	1,520	2.26
		14,413	21.40
Derivatives – 0.19% (-0.07%)			
Exchange traded stock options – (0.02)% (0.11%)			
GEA Group (Put November 2013)	200	1	–
LVMH (Call November 2013)	(100)	(25)	(0.03)
SAP (Put November 2013)	340	1	–
Telefónica (Put November 2013)	1,900	10	0.01

Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Zurich Insurance Group (Put November 2013)	850	1	—
		(12)	(0.02)
Forward foreign exchange contracts – 0.21% (-0.18)%			
Sell Euro – 29 November 2013 *	(10,814,849)	(9,198)	(13.66)
Buy Sterling – 29 November 2013 *	9,285,952	9,285	13.79
Sell Swiss Franc – 29 November 2013 *	(5,023,672)	(3,465)	(5.14)
Buy Sterling – 29 November 2013 *	3,488,923	3,489	5.18
Sell Swiss Franc – 22 November 2013	(4,871,687)	(3,359)	(4.99)
Buy Euro – 22 November 2013	3,950,000	3,360	4.99
Sell Swedish Krona – 22 November 2013	(23,325,300)	(2,250)	(3.34)
Buy Euro – 22 November 2013	2,650,000	2,254	3.35
Sell Euro – 22 November 2013	(2,250,000)	(1,914)	(2.84)
Buy Swiss Franc – 22 November 2013	2,778,075	1,915	2.84
Sell Swedish Krona – 29 November 2013 *	(11,396,575)	(1,099)	(1.63)
Buy Sterling – 29 November 2013 *	1,114,263	1,114	1.65
Sell Norwegian Krone – 22 November 2013	(8,530,951)	(894)	(1.33)
Buy Swiss Franc – 22 November 2013	1,300,000	896	1.33
Sell Norwegian Krone – 29 November 2013 *	(4,582,692)	(481)	(0.71)
Buy Sterling – 29 November 2013 *	483,597	484	0.72
Sell Danish Krone – 29 November 2013 *	(3,584,368)	(408)	(0.61)
Buy Sterling – 29 November 2013 *	412,705	413	0.61
		142	0.21
Portfolio of investments †		65,004	96.51
Net other assets		2,348	3.49
Net assets attributable to unitholders		67,352	100.00

All holdings are listed ordinary shares unless otherwise stated.

The figures in brackets represent percentages as at 30 April 2013. At this date the portfolio included an exposure to the Czech Republic (1.38%), Finland (2.73%), Poland (1.16%) and Turkey (2.26%).

FDR represents Fiduciary Depositary Receipts.

† Includes derivative liabilities.

* These forward foreign exchange contracts relate to the hedged unit classes only.

Financial statements

Statement of total return for the six months ended 31 October 2013

	31 October 2013		31 October 2012	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		5,289		1,372
Revenue	734		226	
Expenses	(238)		(105)	
Net revenue before taxation	496		121	
Taxation	(85)		(15)	
Net revenue after taxation		411		106
Total return before distribution		5,700		1,478
Finance costs: distribution		280		44
Change in net assets attributable to unitholders from investment activities		5,980		1,522

Statement of change in net assets attributable to unitholders for the six months ended 31 October 2013

	31 October 2013		31 October 2012	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		37,448		12,902
Amounts receivable on issue of units	26,529		8,416	
Amounts payable on cancellation of units	(2,605)		(3,393)	
		23,924		5,023
Change in net assets attributable to unitholders from investment activities		5,980		1,522
Closing net assets attributable to unitholders		67,352		19,447

Balance sheet as at 31 October 2013

	31 October 2013		30 April 2013	
	£'000	£'000	£'000	£'000
Assets				
Investment assets		65,029		36,367
Debtors	959		1,371	
Cash and bank balances	1,495		784	
Total other assets		2,454		2,155
Total assets		67,483		38,522
Liabilities				
Derivative liabilities		25		68
Creditors	106		730	
Distribution payable on distribution units	—		276	
Total other liabilities		106		1,006
Total liabilities		131		1,074
Net assets attributable to unitholders		67,352		37,448

Notes to the financial statements

1. Basis of preparation

The half-yearly 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 30 April 2013, as set out therein.

2. Post balance sheet events

Since 31 October 2013, the net asset values per unit, on a bid basis, have changed as follows:

	Net asset value per unit (p)		Movement
	12 December 2013	31 October 2013	
R distribution	65.90	67.99	(3.1)%
R accumulation	66.77	68.89	(3.1)%
I distribution	66.27	68.31	(3.0)%
I accumulation	67.81	69.91	(3.0)%
I distribution (hedged)	68.31	69.64	(1.9)%
I accumulation (hedged)	70.03	71.38	(1.9)%

Comparative tables

Fund sizes & net asset values

Date	Net asset value of fund (£)	Net asset value per unit (p)	Units in issue
30 April 2012	12,902,470		
R distribution		48.26	884,753
R accumulation		48.58	863,532
I distribution		48.27	2,014,535
I accumulation		48.76	15,358,664
I distribution (hedged)		50.89	1,411,389
I accumulation (hedged)		51.40	5,596,548
30 April 2013	37,448,126		
R distribution		61.15	250,834
R accumulation		61.93	2,333,355
I distribution		61.19	22,012,901
I accumulation		62.61	16,859,766
I distribution (hedged)		62.31	11,455,363
I accumulation (hedged)		63.84	7,340,025
31 October 2013	67,352,427		
R distribution		67.99	323,688
R accumulation		68.89	5,721,322
I distribution		68.31	24,827,118
I accumulation		69.91	44,442,705
I distribution (hedged)		69.64	14,078,783
I accumulation (hedged)		71.38	7,505,470

Net revenue distribution & unit price range

Year	Net revenue per unit (p)	Highest offer price (p)	Lowest bid price (p)
R distribution			
2011 *	–	50.07	41.90
2012	0.3135	58.47	44.32
2013 **	0.4076	72.37	55.52
R accumulation			
2011 *	–	50.07	41.90
2012	0.3060	58.84	44.62
2013 **	0.4243	73.32	55.88
I distribution			
2011 *	–	48.05	41.92
2012	0.4836	56.39	44.36
2013 **	0.8105	69.77	55.81
I accumulation			
2011 *	–	48.05	41.92
2012	0.4808	56.95	44.77
2013 **	0.8205	71.40	56.37
I distribution (hedged)			
2011 *	–	48.05	42.57
2012	0.5009	59.00	46.57
2013 **	0.8439	70.60	58.78
I accumulation (hedged)			
2011 *	–	48.05	42.60
2012	0.4991	59.57	46.59
2013 **	0.8485	72.37	59.35

Net revenue includes all amounts paid and payable in each calendar year.

* From 17 October 2011.

** To 31 October 2013.

Comparative tables (continued)

Ongoing charges

Expense	31 October 2013
R units*	
Annual management charge	1.50%
Other expenses	0.25%
Ongoing charges	1.75%
I units**	
Annual management charge	0.75%
Other expenses	0.25%
Ongoing charges	1.00%

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 R distribution and R accumulation.

** Includes I distribution, I accumulation, I distribution (hedged) and I accumulation (hedged).

Fund performance

	Since launch *	1 year	6 months
Artemis European Opportunities Fund	44.9	29.9	11.3
FTSE World Europe (ex-UK) Index	34.9	32.5	11.0
Sector average	36.9	31.1	11.4
Position in sector	16/93	59/97	50/100
Quartile	1	3	2

* Data from 28 October 2011, due to the fixed price period of the fund.

Source: Lipper Limited, R accumulation, bid to bid in sterling with net income reinvested to 31 October 2013. All performance figures show total return percentage growth. Sector is IMA Europe (ex-UK).

Value of £1,000 invested at launch to 31 October 2013

