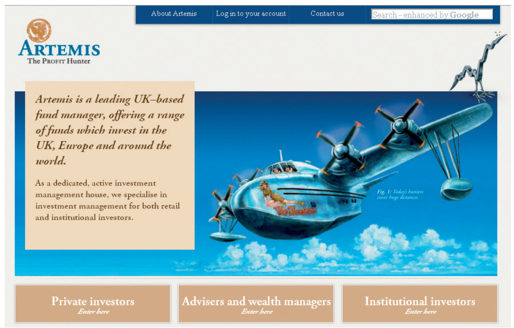
PROFIT *hunters*

ARTEMIS Global Income *Fund*

Half-Yearly Report (unaudited)
for the six months ended
31 January 2014

ARTEMIS
The PROFIT Hunter

Keep up to date ...



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

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- Market and fund insights
- Fund briefings and research articles
- *The Hunters' Tails*, our weekly market newsletter
- Daily fund prices
- Fund literature

artemis.co.uk

General information

Company profile

Independent and owner-managed, Artemis opened for business in 1997. Its aim was 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 £17.8 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 28 February 2014.

Fund status

Artemis Global Income Fund was constituted by a Trust Deed dated 1 June 2010 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 a rising income combined with capital growth primarily from a portfolio of equities selected on a global basis.

Investment policy

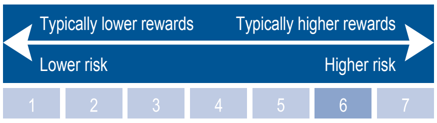
The manager actively manages the portfolio in order to achieve the objective with exposures to company shares, fixed interest securities and derivative instruments as appropriate. The manager will not be restricted in respect of choice of investments either by company size or industry, or in terms of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

The fund may also invest in other asset classes eligible for a UCITS scheme to invest in including 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.
- A portion of the fund's assets may be invested in new, emerging markets. Investment in emerging markets can involve greater risk than that usually associated with more established markets. This means that above-average rises and falls in unit prices can be expected.
- 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.

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 (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.

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

17 March 2014

- The fund rises 3.8%* versus a fall of 2.1%* in its benchmark, maintaining its longer-term record.
- European mid-caps contributed strongly.
- We are cautiously optimistic on the outlook for equity markets.

Performance – Good returns and dividends …

The fund marked its three-year anniversary in July 2013, just before the start of this reporting period. We would like to thank investors for entrusting us with their money over that time. Since the fund's launch in July 2010, our unitholders' faith has been rewarded by a total return of 66.2%*. That compares with a return of 42.8%* from its peer group. That strong performance continued into the reporting period. The fund was up 3.8%* over the six months to the end of January, compared to a fall of 2.1%* in its benchmark, the MSCI AC World Index and a fall of 2.7%* in the sector average.

While the returns the fund has produced to date have been pleasing, total returns are not something we can guarantee going forward; at least in the short-term, we have little control over capital returns. One area where we do have more control is in dividends, which we collect from the companies in which we invest and distribute to our investors. So, even more than the fund's strong total return since launch, we are pleased that we have been able to deliver a consistently high and growing dividend (represented by a yield of between 4% and 5%). Given the recent strength of sterling, however, we would like to alert unitholders to the possibility that a similar dividend payout will be harder to achieve this year. Although the dividends we receive are growing in local currency terms, this is being offset by a stronger pound. In the medium-term, we are confident we can grow the fund's dividend as we have done since inception. But we suspect this year might be a tough one, and that short-term dividend growth will, at best, be flat.

Review – A number of factors combine …

What has driven the fund's strong performance over the last six months? Its longstanding exposure to European stocks, and particularly to mid-caps, was one factor. Domestic demand is picking up and companies that are facing European consumers (who appear to be back from the dead) saw strong business trends. Germany looks fine. Economic growth is healthy, debt is low and the country's industrial sector is competitive despite the strong euro. There is virtually full employment. One of the beneficiaries of this economic vigour is our holding in German media group RTL Group. It has returned 29% over the last six months and is a good play on consumer and advertising trends in Europe as RTL runs 54 TV stations and 29 radio stations in 10 European countries. They also own companies that have developed TV formats such as *Big Brother* and *The Voice*. The company has given clear guidance on its dividend policy. It will pay out 50-70% of the free cash flow that it generates as an ordinary dividend. Any remaining excess cash will be used either to fund acquisitions or to pay special dividends.

There are also slightly more positive noises from the wider eurozone. In Spain, for example, real estate prices are no longer falling in Madrid, Barcelona and some coastal regions (although admittedly things remain dire in other parts of the country). We have exposure to a recovery in Madrid's housing market via a holding in Bankinter, a well-managed private bank focused on affluent urbanites and well-capitalized SMEs.

But rather than country positioning, sector bets or risk taking, it tended to be stock picking that drove returns. Highlights of the last six months have included CTT Correios de Portugal, the privatised Portuguese postal system, which rose by 16%. Irish sandwich-maker Greencore Group (you might not know its name, but you will have eaten its food) was up 71%. We also made good money by subscribing to an IPO by BW LPG. This Norway-based mid cap is a world leader in the very large gas carrier vessels (VLGCs) that transport liquid petroleum gas (LPG) around the world. Basically, it ships cheap US shale gas to energy-hungry Asian nations where these derivative gases are being bottled and used for cooking purposes among other things. It owns and operates 36 of these vessels and is building five more. The arbitrage opportunity (prices in the US are so much lower than selling prices in Asia) means that there is strong demand, which in turn is pushing up shipping rates to record levels. BW LPG has a good business model, is making strong mid-teen returns on equity and is seeing double-digit top-line organic growth. It also pays a decent dividend yield.

While stock selection was the main driver of returns, the fund was also rewarded for being underweight in emerging markets. The fundamental problem is that growth in these economies has been far more credit-led than the market had realised. The 'story' – the emergence of vast new middle classes – was so compelling that it overshadowed the structural problems that countries such as Indonesia, Turkey and Brazil still face. It is becoming increasingly clear that the rapid growth and asset revaluations in these economies depended, in part, on quantitative easing (QE) in the West. Artifically low interest rates have created "free money" which in turn has flowed to emerging markets where the returns tend to be higher.

But, this has created a false cost of capital and has often led to risky

* Source: Lipper Limited, R distribution, bid to bid basis, in sterling with net income reinvested. Benchmark is the MSCI AC World Index. Sector is IMA Global Equity Income.

Investment review (continued)

capital allocations. As the Federal Reserve 'tapers' (progressively reduces the size of its monthly bond-buying program), that process is going into reverse. Hence we are worried about what continued interest rate normalisations in the developed economies can do to the cost of capital – and returns on capital – in emerging markets.

We moved away from consumer-facing stocks in emerging markets back in 2012, selling our preferred holding, Tiger Brands (the 'Unilever of South Africa'), when its p/e hit 20x. We felt that was too rich for an emerging market stock that must pay for its raw materials in US dollars, particularly given the pressures on the South African rand. In sterling terms, its share price fell by 40% in 2013. Today, emerging markets are cheap and widely disliked. Could they, then, be a contrarian 'buy'? We don't think so – not just yet. We don't think the taper-driven unwind in emerging markets is over. The fund remains underweight here but we are monitoring this position daily.

Another contributor to the fund's strong performance was its significant underweight in what we call 'expensive defensives'. For example, Unilever unveiled a surprising profit warning on the back of weaker demand from emerging market consumers and the impact of the recent collapse in some emerging market currencies. This put all consumer staples stocks, which tend to trade at rather stretched multiples, under pressure. We have had very limited exposure to consumer staples for two years. With less than 5% in consumer staples, and nothing whatsoever in Nestlé, Unilever, British American Tobacco, Imperial Tobacco (or any of the US food companies or Asian beverage makers), we have made a clear decision: these stocks are just too expensive for us.

Although the fund outperformed the benchmark in every month of the period, there were – perhaps inevitably – some negatives. Cisco Systems, for example, fell by 20% due to the NSA spying scandal. Some countries have stopped buying networking equipment from Cisco due to a combination of security fears and worries about a political backlash.

In terms of activity, the IPO market was very active as companies took advantage of elevated equity market levels. In addition to BW LPG, we participated in the float of Merlin Entertainments, which operates a global network of theme parks that includes Legoland, SeaWorld and Madame Tussauds. We took profits in a number of more cyclical and emerging market stocks such as Banco do Brasil, Compagnie de Saint-Gobain (a French building materials manufacturer) and Semen Gresik, an Indonesian cement producer.

In general, the portfolio has been overweight Europe (where stocks are still relatively cheap and the outlook is improving), underweight emerging markets and underweight the US (where the economy is good but equities are expensive and up with events).

Outlook – The issue is earnings …

Our central expectation is that markets most likely won't be as calm in the near future as they were in 2013, when QE drove the price of almost all assets (equities, antiques, sports memorabilia, houses, and even stamps) higher. While interest rates are still very low by historic standards, a marginally stronger economy could lead to tighter monetary policy globally.

In the fund's monthly factsheet for March 2013, we predicted that, "apart from Japan, we won't be seeing a great deal more additional easing. And we just don't know how independent the growth in Asia and the US is from liquidity and leverage. So from an investment point of view, we have to be careful not to over interpret the recently positive figures for economic growth. We also have to be careful not to extrapolate too far into the future. It could all be short-lived if monetary stimulus is withdrawn. There are no signs of that. But we take note that this recovery is not 'normal'."

We stand by that view today, almost a year later. The volatility seen in May and June 2013 – when Ben Bernanke started talking about tapering QE and triggered panicked selling of investments whose performance tends to be driven by record low rates. There was similar volatility in December 2013 and January 2014, when the Fed actually started tapering, lowering its monthly bond buying by $10 billion. This supports our view that easy money can lead to inefficient capital allocation, and its withdrawal can have unexpected side-effects.

For most of 2013 – including the period under review – any dips in the market were bought rather than sold. Equity markets were often only down for a day or two, and then only by a few percent, before investors stepped in and drove indices to new highs. Those gains were, to a greater degree than in any previous business cycle we can remember, driven by a re-rating of equities rather than by earnings growth. Or, to put it in price-to-earnings terms, the 'p' (the price) climbed, but the 'e' (earnings) did not keep pace. The question then becomes whether equities can become even more expensive – can the p/e multiple go even higher? Absolutely. Valuations could easily rise from current levels. In most cycles, equities tend to become outright expensive before they retreat meaningfully.

That said, a higher p/e multiple indicates that investors are willing to pay more for future earnings. This carries risks. If the earnings growth that investors currently expect doesn't materialise, they will be disappointed. Given that, it will be important that global equities deliver the growth in earnings that investors are expecting. We are aware of the risk that these expectations prove too high and hence tend not to buy expensive stocks that are dependent on hitting elevated growth expectations.

Since inception, the fund has had a distinct value tilt, which is to say that we have focused on stocks that are unloved and therefore cheap. We don't like owning stocks that are too expensive. Today, our portfolio trades on an average p/e multiple of 12.5x against a global benchmark on 15.0x. This value tilt, we believe, gives us a small safety cushion should earnings disappoint.

While we are concerned that markets could wobble as policy normalises (i.e. rates go higher and central banks stop over-stimulating), we don't exclude the possibility that equities could have a decent year in 2014. But it won't be like 2013, when almost everything went up in a straight(ish) line. If a meltdown in emerging markets can be avoided (and that is a big 'if'), the medium-term economic outlook for the global economy is actually OK. There is a decent probability that we will see global corporate earnings picking up in the second half of this year, the capex outlook is improving (as companies finally start investing again, rather than hoarding cash or paying dividends) and the M&A cycle is supporting equity valuations.

Usually, equity markets are expensive at the point where the economy improves and the earnings cycle kicks in. Currently, however, equities are not very expensive, but closer to fair value. Whatever the markets' outcome this year, we believe that our focus on stock selection, our value bias and ongoing hunt for diversified sources of growing dividend will continue to reward patient investors.

Jacob de Tusch-Lec
Fund manager

Investment information

Five largest purchases and sales for the six months ended 31 January 2014

Purchases	Cost £'000	Sales	Proceeds £'000
CTT Correios de Portugal	15,505	Accor	5,907
AbbVie	11,510	RSA Insurance Group	5,823
BNP Paribas	11,050	Time Warner Cable	5,495
Statoil	10,897	Banco do Brasil	5,325
Bankinter	10,736	SJM Holdings	5,137

Portfolio statement as at 31 January 2014

Investment	Holding	Valuation £'000	% of net assets
Austria – 1.52% (0.00%)			
Flughafen Wien	67,659	3,322	0.57
UNIQA Insurance Group	714,762	5,555	0.95
		8,877	**1.52**
Belgium – 0.81% (0.00%)			
bpost	401,920	4,758	0.81
		4,758	**0.81**
Bermuda – 3.00% (2.26%)			
BW LPG	773,539	5,141	0.88
REXLot Holdings	44,150,000	4,214	0.72
Silverlake Axis	19,821,112	8,147	1.40
		17,502	**3.00**
Brazil – 1.04% (1.48%)			
Vale (preference) (A shares)	821,087	6,098	1.04
		6,098	**1.04**
Cayman Islands – 0.44% (1.17%)			
Trigiant Group	14,995,263	2,593	0.44
		2,593	**0.44**
China – 1.48% (0.57%)			
China Machinery Engineering	5,170,000	2,350	0.40
Shenzhen Expressway	23,504,000	6,290	1.08
		8,640	**1.48**
Cyprus – 0.76% (1.31%)			
Prosafe	1,091,966	4,455	0.76
		4,455	**0.76**
Denmark – 3.34% (1.90%)			
AP Moller-Maersk (B shares)	777	5,293	0.91
DFDS	75,764	3,493	0.60
TDC	1,890,287	10,697	1.83
		19,483	**3.34**
France – 4.44% (4.50%)			
AXA	580,738	9,195	1.58
BNP Paribas	229,953	10,714	1.84
GDF Suez	446,409	5,983	1.02
		25,892	**4.44**
Germany – 5.46% (4.66%)			
Drillisch	513,918	9,424	1.61
Freenet	188,742	3,441	0.59

Investment	Holding	Valuation £'000	% of net assets
ProSiebenSat.1 Media	403,437	10,800	1.85
Siemens	108,598	8,235	1.41
		31,900	**5.46**
Greece – 1.33% (1.71%)			
OPAP	982,284	7,779	1.33
		7,779	**1.33**
Hong Kong – 4.66% (2.11%)			
Guangdong Investment	17,520,000	9,870	1.69
Hutchison Whampoa	1,020,000	7,686	1.32
The Link (REIT)	933,500	2,560	0.44
SJM Holdings	3,746,000	7,093	1.21
		27,209	**4.66**
Ireland – 3.06% (3.87%)			
Greencore Group	3,257,570	8,111	1.39
Origin Enterprises #	699,404	3,877	0.67
Smurfit Kappa Group	411,399	5,850	1.00
		17,838	**3.06**
Isle of Man – 0.65% (2.05%)			
Playtech	551,239	3,776	0.65
		3,776	**0.65**
Israel – 3.99% (0.83%)			
Bezeq	6,825,599	6,356	1.09
Elbit Systems	111,188	3,824	0.65
Israel Chemicals	935,945	4,662	0.80
Mizrahi Tefahot Bank	1,134,337	8,435	1.45
		23,277	**3.99**
Italy – 3.93% (0.67%)			
Atlantia	450,800	6,253	1.07
Gtech	365,736	6,735	1.16
Snam	1,271,545	4,225	0.72
UnipolSai	3,141,124	5,709	0.98
		22,922	**3.93**
Japan – 4.31% (4.64%)			
ITOCHU	1,022,400	7,675	1.32
Mitsubishi UFJ Financial Group	2,891,400	10,706	1.83
Resona Holdings	2,083,400	6,749	1.16
		25,130	**4.31**
Luxembourg – 1.52% (1.93%)			
RTL Group	119,294	8,852	1.52
		8,852	**1.52**
Mexico – 0.86% (1.00%)			
Macquarie Mexico Real Estate Management (REIT)	4,542,216	5,021	0.86
		5,021	**0.86**
New Zealand – 1.90% (2.84%)			
Skycity Entertainment	1,362,053	2,584	0.44
SKY Network Television	1,808,294	5,132	0.88
Telecom Corporation of New Zealand	2,893,709	3,350	0.58
		11,066	**1.90**

Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Norway – 4.36% (3.74%)			
Borregaard	2,129,753	6,959	1.19
Ocean Yield	1,618,111	5,334	0.92
Spectrum	673,009	2,355	0.40
Statoil	750,180	10,792	1.85
		25,440	**4.36**
Poland – 0.33% (0.00%)			
Energa	616,000	1,921	0.33
		1,921	**0.33**
Portugal – 2.97% (0.26%)			
CTT Correios de Portugal	3,158,679	17,343	2.97
		17,343	**2.97**
Russia – 1.01% (0.41%)			
MMC Norilsk Nickel (ADR)	630,807	5,894	1.01
		5,894	**1.01**
Singapore – 0.83% (2.10%)			
Frasers Commercial Trust (REIT)	6,819,000	4,050	0.70
Religare Health	2,143,222	774	0.13
		4,824	**0.83**
Spain – 3.74% (3.52%)			
Bankinter	2,009,206	9,065	1.55
Enagas	337,584	5,616	0.96
Ferrovial	618,110	7,175	1.23
		21,856	**3.74**
Sweden – 0.47% (1.00%)			
Ratos (B shares)	491,425	2,738	0.47
		2,738	**0.47**
Switzerland – 2.96% (3.83%)			
Cembra Money Bank	133,205	5,212	0.89
Roche	40,798	6,747	1.16
Zurich Financial Services	30,387	5,322	0.91
		17,281	**2.96**
Thailand – 1.50% (1.82%)			
Bangkok Bank	2,268,010	7,142	1.22
Tesco Lotus Retail Growth Freehold & Leasehold Property Fund	7,258,723	1,617	0.28
		8,759	**1.50**
United Kingdom – 8.71% (8.20%)			
3i Group	2,060,097	7,725	1.32
Bank of Georgia	437,579	9,154	1.57
Betfair Group	626,398	6,433	1.10
Man Group	7,341,540	5,947	1.02
Merlin Entertainments	1,805,000	6,586	1.13
Reckitt Benckiser Group	141,842	6,359	1.09
Rio Tinto	269,022	8,649	1.48
		50,853	**8.71**
USA – 25.61% (34.70%)			
AbbVie	546,555	16,039	2.75
Blackstone Group	716,757	14,031	2.40

Investment	Holding	Valuation £'000	% of net assets
Chevron	64,335	4,549	0.78
Cisco Systems	470,669	6,285	1.08
Freeport-McMoRan Copper & Gold	234,616	4,620	0.79
GameStop	90,252	1,937	0.33
HCA Holdings	232,405	6,988	1.20
Hewlett Packard	457,556	8,128	1.39
Intel	252,656	3,798	0.65
Intersil	1,110,056	7,682	1.32
JP Morgan Chase	225,642	7,677	1.32
Lockheed Martin	49,691	4,488	0.77
Lorillard	212,674	6,357	1.09
Merck & Co.	236,832	7,702	1.32
Metlife	137,389	4,154	0.71
Microsoft	121,603	2,723	0.47
Northrop Grumman	96,664	6,650	1.14
Pfizer	231,073	4,325	0.74
Ryder System	327,264	14,270	2.44
TAL International Group	347,891	9,260	1.59
Time Warner Cable	25,207	2,055	0.35
Waddell & Reed Financial	144,803	5,740	0.98
		149,458	**25.61**
Forward foreign exchange contracts – 0.09% (-0.14%)			
Sold Euro – 20 March 2014	(50,442,500)	(41,536)	(7.12)
Bought US Dollar – 20 March 2014	69,322,119	42,130	7.22
Sold Japanese Yen – 20 March 2014	(2,257,000,000)	(13,421)	(2.30)
Bought US Dollar – 20 March 2014	21,907,517	13,314	2.28
Sold Euro – 20 March 2014	(5,000,000)	(4,117)	(0.70)
Bought US Dollar – 20 March 2014	6,816,185	4,143	0.71
Sold Japanese Yen – 20 March 2014	(520,000,000)	(3,092)	(0.53)
Bought US Dollar – 20 March 2014	4,981,186	3,027	0.52
Sold Euro – 20 March 2014	(3,700,000)	(3,047)	(0.52)
Bought US Dollar – 20 March 2014	5,032,237	3,058	0.53
Sold Singapore Dollar – 20 March 2014	(5,000,000)	(2,377)	(0.41)
Bought US Dollar – 20 March 2014	3,973,031	2,415	0.41
		497	**0.09**
Portfolio of investments †		589,932	101.08
Net other liabilities		(6,324)	(1.08)
Net assets attributable to unitholders		583,608	100.00

All holdings are listed ordinary shares unless otherwise stated.
The figures in brackets represent percentages as at 31 July 2013. At this date the portfolio included an exposure to the Netherlands (0.92%) and the Philippines (0.39%).
Alternative Investment Market traded investments: 0.67% (31 July 2013: 1.80%).
† Includes derivative liabilities.
ADR represents American Depositary Receipts.
REIT represents Real Estate Investment Trusts.

Financial statements

Statement of total return for the six months ended 31 January 2014

	31 January 2014		31 January 2013	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		8,479		13,471
Revenue	6,012		2,088	
Expenses	(2,206)		(495)	
Finance costs: interest	(57)		(14)	
Net revenue before taxation	3,749		1,579	
Taxation	(549)		(166)	
Net revenue after taxation		3,200		1,413
Total return before distribution		**11,679**		**14,884**
Finance costs: distribution		(4,978)		(1,192)
Change in net assets attributable to unitholders from investment activities		6,701		13,692

Statement of change in net assets attributable to unitholders for the six months ended 31 January 2014

	31 January 2014		31 January 2013	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		285,514		67,240
Amounts receivable on issue of units	317,000		51,179	
Amounts payable on cancellation of units	(29,176)		(23,382)	
		287,824		27,797
Stamp duty reserve tax		(6)		(2)
Change in net assets attributable to unitholders from investment activities		6,701		13,692
Retained distribution on accumulation units		3,575		907
Closing net assets attributable to unitholders		583,608		109,634

Balance sheet as at 31 January 2014

	31 January 2014		31 July 2013	
	£'000	£'000	£'000	£'000
Assets				
Investment assets		590,104		286,654
Debtors	13,496		9,111	
Cash and bank balances	–		676	
Total other assets		13,496		9,787
Total assets		**603,600**		**296,441**
Liabilities				
Derivative liabilities		172		423
Creditors	14,718		6,814	
Distribution payable on income units	3,890		3,690	
Bank overdraft	1,212		–	
Total other liabilities		19,820		10,504
Total liabilities		**19,992**		**10,927**
Net assets attributable to unitholders		583,608		285,514

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 July 2013, as set out therein.

2. Post balance sheet events

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

	Net asset value per unit (p)		
	14 March 2014	31 January 2014	Movement
R distribution	70.29	67.77	3.7%
R accumulation	81.91	78.98	3.7%
I distribution	72.23	69.58	3.8%
I accumulation	84.14	81.08	3.8%

Distribution table

Interim dividend distribution for the six months ended 31 January 2014.

Group 1 – Units purchased prior to 1 August 2013.
Group 2 – Units purchased from 1 August 2013 to 31 January 2014.

	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 31 March 2014	Distribution per unit (p) 28 March 2013
R distribution				
Group 1	0.8737	–	0.8737	0.8685
Group 2	0.3742	0.4995	0.8737	0.8685
R accumulation				
Group 1	1.0053	–	1.0053	0.9557
Group 2	0.3851	0.6202	1.0053	0.9557
I distribution				
Group 1	0.8951	–	0.8951	0.8906
Group 2	0.3121	0.5830	0.8951	0.8906
I accumulation				
Group 1	1.0296	–	1.0296	0.9725
Group 2	0.2376	0.7920	1.0296	0.9725

Corporate unitholders should note that:

1. 100.00% of the revenue distribution together with the tax credit is received as franked investment income.

2. 0.00% of the revenue distribution is received as an annual payment received after deduction of income tax at the lower rate and may be liable to corporation tax. It is not franked investment income.

Equalisation applies only to units purchased during the distribution period (group 2 units). It is the average amount of revenue included in the purchase price of group 2 units and is refunded to the 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 July 2011	41,956,911		
R distribution		54.27	10,535,195
R accumulation		56.79	11,676,059
I distribution		54.68	27,787,519
I accumulation		57.22	25,191,418
31 July 2012	67,240,371		
R distribution		52.25	19,355,870
R accumulation		57.51	30,346,688
I distribution		53.05	30,229,823
I accumulation		58.39	40,478,991
31 July 2013	285,513,575		
R distribution		66.15	41,330,276
R accumulation		76.13	88,861,472
I distribution		67.65	136,316,835
I accumulation		77.86	126,256,926
31 January 2014	583,608,340		
R distribution		67.77	55,144,649
R accumulation		78.98	113,115,650
I distribution		69.58	380,783,100
I accumulation		81.08	236,756,859

Ongoing charges

Expense	31 January 2014
R units *	
Annual management charge	1.50%
Other expenses	0.12%
Ongoing charges	1.62%
I units **	
Annual management charge	0.75%
Other expenses	0.12%
Ongoing charges	0.87%

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 and I accumulation.

Fund performance

	Since launch *	3 year	1 year	6 months
Artemis Global Income Fund	66.2	43.5	16.4	3.8
MSCI AC World Index	39.7	21.7	8.7	(2.1)
Sector average	42.8	24.8	7.0	(2.7)
Position in sector	1/14	1/16	2/24	2/26
Quartile	1	1	1	1

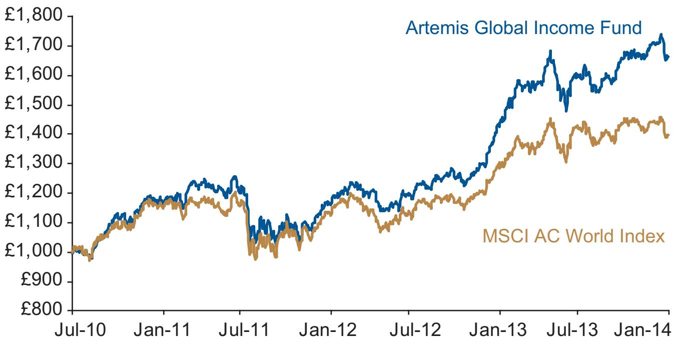
* Data from 19 July 2010 due to the fixed offer period of the fund.
Source: Lipper Limited, R distribution, bid to bid basis, in sterling with net income reinvested to 31 January 2014. All performance figures show total return percentage growth. Sector is IMA Global Equity Income.

Net revenue distribution & unit price range

Year	Net revenue per unit (p)	Highest offer price (p)	Lowest bid price (p)
R distribution			
2010 *	–	59.73	46.45
2011	2.5066	62.30	46.28
2012	2.6795	59.40	50.91
2013	2.9109	75.72	56.38
2014 **	0.8737	76.01	68.17
R accumulation			
2010 *	–	59.73	46.45
2011	2.5248	63.18	48.43
2012	2.8336	65.38	53.28
2013	3.2309	85.91	62.06
2014 **	1.0053	87.46	78.44
I distribution			
2010 *	–	57.51	46.49
2011	2.5202	60.21	46.69
2012	2.7067	58.04	51.47
2013	2.9786	74.21	57.43
2014 **	0.8951	74.86	69.98
I accumulation			
2010 *	–	57.51	46.49
2011	2.5466	61.06	48.86
2012	2.8619	63.88	53.86
2013	3.2959	84.57	63.20
2014 **	1.0296	86.12	80.51

Net revenue includes all amounts paid and payable in each calendar year.
* From 5 July 2010.
** To 31 January 2014.

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



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