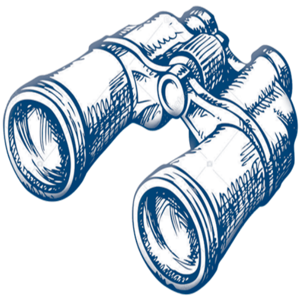
ARTEMIS
The Profit Hunter



Artemis Investment Funds ICVC

Annual Report and Financial Statements

for the year ended 28 February 2023

Contents

* These items comprise the authorised corporate director's report for the purposes of the rules contained in the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL').

COMPANY INFORMATION

About Artemis

Artemis is a leading UK-based fund manager, offering a range of funds which invest in the UK, Europe, the US and around the world.

As a dedicated, active investment house, we specialise in investment management for both retail and institutional investors across Europe.

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 £23.9 billion* across a range of funds, two investment trusts and both pooled and segregated institutional portfolios.

Our managers invest in their own and their colleagues' funds. This has been a basic tenet of the Artemis approach since the firm started. It means that interests of our fund managers are directly aligned with those of our investors.

* Source: Artemis as at 31 May 2023.

The company

Artemis Investment Funds ICVC ('the company') is an investment company with variable capital incorporated under the Open-Ended Investment Companies Regulations 2001 ('the Regulations') in England and Wales under registered number IC001014 and authorised and regulated by the Financial Conduct Authority ('FCA') with effect from 20 June 2014. The company has been certified by the FCA as complying with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive. The company has an unlimited duration. Each sub-fund is treated as a segregated portfolio of assets, and those assets can only be used to meet the liabilities of that sub-fund. Shareholders are not liable for the debts of the company or any other sub-fund. The base currency of the company is Sterling.

The company has an umbrella structure and currently has ten sub-funds, each with a different investment objective. In the financial statements you will find an investment review for each sub-fund (unless the sub-fund closed during the period) which includes details of the investment objective.

The company is registered for sale in Guernsey, Isle of Man, Jersey and Luxembourg. Such registrations are subject to applicable local laws and regulations and some sub-funds and/or share classes may not be available in all jurisdictions.

Annual report and financial statements

We are pleased to present the annual report and financial statements of the company for the year ended 28 February 2023. As required by the Regulations, information for each of the sub-funds has also been included in these financial statements. On the following pages we present the performance of each of those sub-funds during the period.

Annual general meetings

The company has dispensed with the need to hold annual general meetings.

Prospectus

Copies of the most recent Prospectus are available free of charge from the authorised corporate director ('ACD') at the address on page 177.

Sub-fund cross holdings

At the year-end none of the shares in any of the sub-funds were held by any other sub-funds of the company.

Significant events

The Artemis US Absolute Return Fund closed on 12 June 2023.

Share class launches

The following share classes were launched during the year:

Artemis SmartGARP Global Emerging Markets Equity Fund	
E accumulation GBP	15/08/2022
E distribution GBP	15/08/2022

Remuneration

All UCITS schemes are required to comply with the UCITS Remuneration Code.

This includes a requirement to disclose in the annual report of each scheme, details of the total amount of remuneration paid by the manager to its partners and staff for its financial year.

As the Artemis Investment Funds ICVC (the 'company') is a UCITS scheme, Artemis Fund Managers Limited (“AFML”) as manager is required to make these disclosures. Artemis operates its remuneration policies and practices at a group level which includes both Artemis Investment Management LLP and its subsidiary AFML. Details of the group remuneration policies are available on Artemis’ website artemisfunds.com. Remuneration levels are set to attract, retain and motivate talented partners and staff and align the long term interests of partners and staff with those of our clients.

The remuneration policies which apply to all partners and staff across the group are overseen by the Remuneration Committee. The members of the Remuneration Committee are all non-executive officers. The Remuneration Committee is responsible for setting and overseeing the implementation of Artemis’ remuneration policy, including approving the remuneration of partners and other senior staff. The Remuneration Committee will regularly review the remuneration policy to ensure it remains appropriate. The Remuneration Committee considers inputs from Artemis’ Risk and Compliance function when reviewing remuneration issues, including any risk adjustments or controls considered necessary.

The Artemis remuneration period runs from 1 January to 31 December. Certain partners and staff are classified as ‘Identified Staff’ as their professional activities have a material impact on the risk profile of the firm. The payment of some of their variable remuneration (which may include profit share for partners) is deferred. Further, Artemis has the ability to reduce all or part of deferred variable remuneration that has been previously allocated to identified staff both (a) before the end of the vesting period and (b) within two years following the payment of any elements of variable remuneration.

No staff are employed by AFML directly. Staff are employed and paid by other entities of Artemis. Artemis has apportioned the total amount of remuneration paid to all 224 Artemis partners and staff in respect of AFML’s duties performed for the UCITS schemes based on the number of funds. It has estimated that the total amount of remuneration paid in respect of duties for the sub-funds within the company for the year ended 31 December 2022 is £7,099,098 of which £3,107,169 is fixed remuneration and £3,991,929 is variable remuneration.

The aggregate amount of remuneration paid to UCITS Remuneration Code and Identified Staff that is attributable to duties for the company for the year ended 31 December 2022 is £2,527,085. Code and Identified Staff are those senior individuals whose managerial responsibilities or professional activities could influence, and have a material impact on, the overall risk profile of each regulated entity and the funds it manages.

For the purposes of the UCITS Remuneration Code, the AFML Code staff include the members of Artemis' Management and Executive Committees, certain fund managers and others in specified roles. This includes certain individuals who are partners in Artemis Investment Management LLP.

Value assessment

Artemis Fund Managers Limited (AFML) has conducted a detailed assessment of whether its funds are providing value to shareholders. AFML must publish publicly, on an annual basis, a statement setting out a summary of the outcome of the process and whether or not AFML believes the payments out of the scheme property are justified in the context of the overall value delivered to shareholders. Composite reports on Assessment of Value have been published via the website artemisfunds.com.

Tax information reporting

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

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

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

Statement of the Depositary’s responsibilities in respect of the scheme and report of the Depositary to the shareholders of the Artemis Investment Funds ICVC ('the Company') for the year ended 28 February 2023

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority’s Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together “the Regulations”), the Company’s Instrument of Incorporation and Prospectus (together “the Scheme documents”) as detailed below.

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

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

The depositary must ensure that:

- the Company’s cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company’s assets is remitted to the Company within the usual time limits;
- the Company’s income is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director (‘the ACD’), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

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

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company’s shares and the application of the Company’s income in accordance with the Regulations and the Scheme documents of the Company; and

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

J.P. Morgan Europe Limited
London
3 March 2023

Statement of the ACD's responsibilities

COLL requires the ACD to prepare financial statements for each accounting period which give a true and fair view of the financial affairs of the company at the year end and of the net revenue or expense and net gains or losses on the scheme property of the company for the period then ended.

In preparing the financial statements the ACD is required to:

(i) follow applicable accounting standards;

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

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

(iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation for the foreseeable future. For reasons stated in Note 1 (a) to the financial statements of Artemis Global Equity Income Fund, Artemis Pan-European Absolute Return Fund and US Absolute Return Fund the financial statements of these sub-funds have been prepared on a break-up basis.

(v) comply with the Instrument of Incorporation and the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014 ('SORP'). The ACD is required to keep proper accounting records and to manage the company in accordance with the Regulations, the Instrument of Incorporation and prospectus.

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

Report of the authorised corporate director

We hereby approve the Annual Report of Artemis Investment Funds ICVC for the year ended 28 February 2023 on behalf of Artemis Fund Managers Limited in accordance with the requirements of Collective Investment Schemes Sourcebook ('COLL') as issued and amended by the FCA.

M J Murray
Director

L E Cairney
Director

Artemis Fund Managers Limited
London
27 June 2023

Independent auditor’s report to the members of Artemis Investment Funds ICVC

Opinion

We have audited the financial statements of Artemis Investment Funds ICVC (“the Company”) comprising each of its sub-funds for the year ended 28 February 2023, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, Distribution Tables and related notes, including a summary of the significant accounting policies for each of the sub-funds. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 ‘The Financial Reporting Standard applicable to the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice)

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company comprising each of its sub-funds as at 28 February 2023 and of the net revenue or expense and the net capital gains or losses on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’s (the “FRC”) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial Statements of Artemis Global Equity Income Fund, Artemis Pan-European Absolute Return Fund and US Absolute Return Fund prepared on break up basis

We draw attention to Note 1(a) of the financial statements of Artemis Global Equity Income Fund, Artemis Pan-European Absolute Return Fund and US Absolute Return Fund which explains that the sub-funds are closed and in the process of being terminated. The Authorised Corporate Director (‘the ACD’) therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements for these sub-funds only, have been prepared on a break-up basis as described in Note 1(a). The financial statements for the Company as a whole remain prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

The financial statements for the Artemis Global Equity Income Fund, Artemis Pan-European Absolute Return Fund and US Absolute Return Fund have been prepared on a break-up basis as disclosed in Note 1(a).

In auditing the financial statements of the remaining sub-funds, we have concluded that the ACD’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the remaining sub-funds’ ability to continue as a going concern for a period of twelve months from the date the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the remaining sub-funds’ ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor’ report thereon. The ACD is responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the "FCA")

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 FCA and the Instrument of Incorporation; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the FCA requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the ACD

As explained more fully in the ACD's responsibilities statement set out on page 3, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies (OEIC) Regulations, the Company's Instrument of Incorporation and the Prospectus.
- We understood how the Company is complying with those frameworks through discussions with the ACD and the Company's administrator and a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk in relation to the incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. We tested the appropriateness of management's classification of a sample of special dividends as either a capital or revenue return.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the ACD with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Company.
- Due to the regulated nature of the Company, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities . This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's Members, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Company's Members those matters we are required to state to them in an 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 Company and the Company's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
Edinburgh
27 June 2023

Artemis Corporate Bond Fund

Objective and investment policy

Objective	To generate a return that exceeds the iBoxx £ Collateralized & Corporates Index, after fees, over rolling three-year periods, through a combination of income and capital growth.	
Investment policy	**What the sub-fund invests in**	• At least 80% in investment grade corporate bonds. • The sub-fund may also invest in other bonds, cash and near cash, preference shares, convertibles, other transferable securities, other sub-funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives. • At least 80% of the sub-fund will be denominated in or hedged back to sterling.
	Use of derivatives	The sub-fund may use derivatives: • to achieve the sub-fund objective • to produce additional income or growth • for efficient portfolio management purposes to reduce risk and manage the sub-fund efficiently.
	Where the sub-fund invests	• Sterling corporate bonds • To a lesser extent, global corporate bonds (including emerging markets). In this context, emerging market countries means countries included in the MSCI Emerging Markets Index and those included in the World Bank definition of developing economies or those countries which are, in the manager's opinion, developing countries.
	Industries the sub-fund invests in	• Any
	Credit quality of bonds the sub-fund invests in	• At least 80% in investment grade corporate bonds, being • BBB- or above by Standard & Poor's; or • BBB- or above by Fitch; or • Baa3 or above by Moody's
	Other limitations specific to this sub-fund	• None

Investment strategy	• The sub-fund is actively managed. • Investment opportunities across the corporate bond and broader fixed income markets are assessed. • Returns of the sub-fund are driven by four pillars: – active asset allocation across the credit market – stock selection – sector allocation – duration decisions • The sub-fund seeks bonds with the potential for positive changes to their investment outlook, either through improving corporate health or the market having taken an overly negative view on the issuer's prospects. • The sub-fund also seeks bonds with the potential for upside surprise through corporate restructuring or tax and/or legislative change that may lead to early redemption at a higher price.
Benchmarks	• **Markit iBoxx £ Collateralized & Corporates Index** A widely-used indicator of the performance of sterling denominated corporate investment grade bonds, in which the sub-fund invests. It acts as a 'target benchmark' that the sub-fund aims to outperform. Management of the sub-fund is not restricted by this benchmark. • **IA £ Corporate Bond NR** A group of asset managers' funds that invest in similar asset types to the sub-fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark.

ARTEMIS CORPORATE BOND FUND

RISK AND REWARD PROFILE

Potentially lower rewards						Potentially higher rewards
Lower risk						Higher risk
1	2	3	**4**	5	6	7

- The sub-fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the sub-fund may have risen and fallen in the past due to movements in markets, currencies and interest rates). It may not be a reliable indication of the future risk profile of the sub-fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the sub-fund's future risk profile.
- A risk indicator of "1" does not mean that the investment is "risk free".

The risk indicator may not fully take into account the following risks and the following may affect fund performance:

- **Market volatility risk:** The value of the sub-fund and any income from it can fall or rise because of movements in stockmarkets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
- **Currency risk:** The sub-fund's assets may be priced in currencies other than the fund base currency. Changes in currency exchange rates can therefore affect the sub-fund's value.
- **Bond liquidity risk:** The sub-fund holds bonds which could prove difficult to sell. As a result, the sub-fund may have to lower the selling price, sell other investments or forego more appealing investment opportunities.
- **Credit risk:** Investments in bonds are affected by interest rates, inflation and credit ratings. It is possible that bond issuers will not pay interest or return the capital. All of these events can reduce the value of bonds held by the sub-fund.
- **Derivatives risk:** The sub-fund may invest in derivatives with the aim of profiting from falling ('shorting') as well as rising prices. Should the asset's value vary in an unexpected way, the sub-fund value will reduce.
- **Charges from capital risk:** Where charges are taken wholly or partly out of a sub-fund's capital, distributable income may be increased at the expense of capital, which may constrain or erode capital growth.
- **Emerging markets risk:** Compared to more established economies, investments in emerging markets may be subject to greater volatility due to differences in generally accepted accounting principles, less governed standards or from economic or political instability. Under certain market conditions assets may be difficult to sell.

There was no change to the risk indicator in the 12 months to 28 February 2023.

Please refer to the sub-fund's prospectus for full details of these and other risks which are applicable to this sub-fund.

ARTEMIS CORPORATE BOND FUND

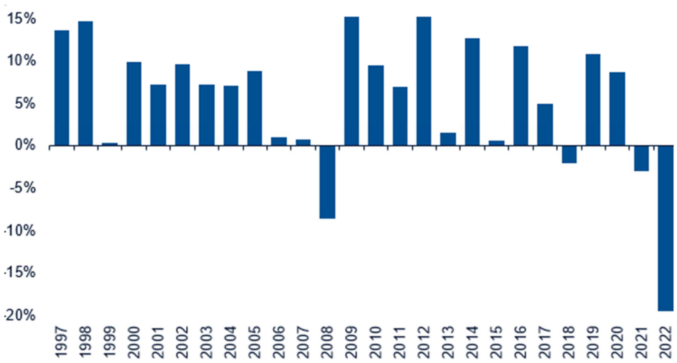
INVESTMENT REVIEW

- The fund returned (9.6)% in a very weak market for corporate bonds.
- Rising inflation and interest rates drove bond prices lower.
- Corporate bonds now offer compelling yields.

Over the 12-month period, the fund fell 9.6%. It held up better than its benchmark, the iBoxx £ Collateralized & Corporate Index, which fell 13.0%[1].

2022 set a record for the worst year on record for corporate bonds with the index being down over 19%. For context the worst yearly performance for the index prior to this was a loss of close to 9% in 2008 (Chart 1).

Chart 1: ICE BofA Sterling Corporate & Collateralized index annual returns



Source: Bloomberg as at 31 December 2022

The aggressive sell-off in corporate bonds was driven by rising inflation, which led to the Bank of England raising interest rates. There were also concerns that a cost-of-living crisis could risk tipping the UK into a recession. The combination of a worsening inflationary backdrop, as well as worries about economic growth, meant that government bonds sold off and credit spreads (the difference between government bond yields and corporate bond yields) widened.

The 'mini'-budget announced in September 2022 further exacerbated the sell-off and caused gilts to fall further as the unfunded tax giveaways, combined with the lack of scrutiny from the Office for Budget Responsibility, led to a crisis of confidence in UK institutions. Alongside this, pension funds were forced to sell holdings to meet liquidity requirements.

A relief rally ensued the following month after Rishi Sunak became Prime Minister and re-instated some fiscal discipline, largely reversing Liz Truss's fiscal policies from the not-so-mini budget in the previous month. Indications that inflation may be nearing its peak also helped government bonds perform well towards the end of the period.

In this environment, the fund fell 9.6%. As noted above, it held up better than its benchmark, the iBoxx £ Collateralized & Corporate Index, which fell 13.0%. The fund was positioned to be less sensitive to changes in interest rates ('short duration') and so was slightly more resilient than the index when bond markets sold off. Credit selection also positively contributed to the fund's outperformance. Notably, the fund had no exposure to Russian energy company Gazprom, which fell heavily following Russia's invasion of Ukraine.

Fund Activity

Government Bond

Over the period, the fund largely maintained a duration position of around 1-year shorter than the benchmark (that is, we made the fund less sensitive to changes in interest rates[2]). This helped performance as government bonds sold off. We tactically adjusted the position during the year. Government bond markets tend to perform well over the summer, so we reduced the short duration position in anticipation of this, which proved to be timely. By the beginning of August, the fund had increased its short position closer to 1.3 years again, just before gilts started to sell off aggressively again.

The sell-off was further accelerated at the end of September amid a crisis of confidence in UK institutions, when 30-year gilt yields breached 5%. Due to the violent and tactical nature of the sell-off – pension funds were being forced to liquidate assets to fund collateral calls – we took the view to partially close the short duration position to 0.5yrs, which we did by buying inflation-linked gilts, which had sold off more than conventional gilts. This proved to be the fund's best trade since its inception. Shortly afterwards, the Bank of England announced that it would launch a purchase facility to buy long-dated gilts to restore calm in the market. While all assets benefited from this, inflation-linked gilts, which had been the biggest underperformer, bounced back strongly and we sold out of this position 58% higher than where we bought it.

Past performance is not a guide to the future.

[1] Source: Artemis/ Lipper Limited, class I accumulation GBP. All figures show total returns with income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.

[2] Bond prices move in inverse relation to interest-rate expectations; having a lower duration is helpful when rate expectations move higher but hurts when they fall.

Following the panic in the gilt markets after the mini-budget, the fund partially closed its longstanding short duration position from around 1-year short to 0.25 year short. This proved timely as gilts started to see a recovery. The fund's underweight duration continues to be taken by avoiding the longest-dated bonds, which have benefited most from central banks' buying programmes and so may suffer when these programmes come to an end.

Corporate bonds

Credit spreads (the difference in yield between corporate and government bonds) mostly widened[3] over the period, amid concerns that higher interest rates and a cost-of-living crisis would cause a hard economic landing. The fund had been pro-active in switching from lower-quality to higher-quality bonds, especially within the financials sector, and while the fund's overweight in the sector should have been detrimental, the fund's credit selection in the sector contributed positively to performance.

The weakness in corporate bonds accelerated after the mini-budget. While we did not predict that pension funds would be forced sellers of bonds, we had been cautious around risk more generally and were short the longest-dated bonds. Following the aggressive sell-off, we re-invested cash across the market, even in longer-dated bonds. Following a strong recovery, we started shifting some of our longer-dated holdings back into shorter-dated bonds. To give an idea of how active we were over this period, at one point the fund had 8% in cash but it is now close to fully invested.

As usual, the fund has been active in relative value trades (that is, switching between different bonds issued by the same company). Notably, the fund sold out of a number of sterling-denominated bonds and switched into euro-denominated bonds in companies such as Logicor and Axa, as the euro bonds had underperformed. Over the summer, we saw a reversal of this, and rotated back into sterling-denominated bonds.

The new issue market continues to be active, although at a slower pace than we saw the previous year. Another notable theme this year has been the number of companies buying back their bonds during the period. Examples included General Electric, GSK, Tesco Property, Orange, HSBC and TFL, amongst others. This constant buying back of bonds has been a positive technical backdrop.

Outlook – An attractive entry point

Corporate bond yields have risen meaningfully relative to yields in other asset classes and now compare favourably to other income opportunities. In government bond markets, after being very cautious on valuations at the start of the year, we now see pockets of value emerging, by no means across the board but our focus most recently has been on shorter-dated bonds which already price in several interest rate hikes by the Bank of England. We have also trimmed the fund's underweight duration position as we are of the view that government bond yields are at an attractive level.
And while yields have become more attractive, investors are being asked to take less risk to earn this yield. Because of the price falls, investors can buy a bond below its redemption value. A bond is typically priced at 100 (that is, when the bond matures, the investor gets 100% of the loan amount). Investors can buy this bond at 90% and get paid back 100% at the maturity of the bond. This means investors have capital downside protection - a very rare occurrence that we haven't seen since the Global Financial Crisis. We believe the chance of investment-grade companies defaulting is extremely remote: these are some of the largest and strongest companies in the world.

Given interest rates have already risen sharply, the risk of a further large move is minimal. We believe this combination of higher yields, lower risk to capital and lower interest-rate risk is a rare and attractive occurrence in corporate bonds.

Stephen Snowden and Grace Le
Fund managers

[3] Bond credit spreads move continuously, just like stock prices. A narrowing bond credit spread can point to improving economic conditions and lower overall risk. A widening bond credit spread typically suggests worsening economic conditions and higher overall risk.

INVESTMENT INFORMATION

Ten largest purchases and sales for the year ended 28 February 2023

Purchases	Cost £'000	Sales	Proceeds £'000
UK Treasury 1.25% 31/07/2051	27,768	UK Treasury 1.25% 31/07/2051	29,736
UK Treasury 0.63% 31/07/2035	26,381	UK Treasury 0.63% 31/07/2035	26,121
Zurich Finance Ireland DAC, FRN 5.13% 23/11/2052	20,197	UK Treasury 1.13% 31/07/2039	18,125
Heathrow Funding 6.45% 10/12/2031	18,357	UK Treasury Inflation Indexed 0.13% 22/03/2051	16,490
UK Treasury 1.13% 31/07/2039	17,806	BNP Paribas SA 2.88% 02/24/2029	13,675
NatWest Group, FRN 7.42% 06/06/2033	17,524	UK Treasury 0.38% 22/10/2026	13,273
ING Groep, FRN 6.25% 20/05/2033	16,991	Burberry Group plc 1.13% 21/09/2025	13,176
Rentokil Initial 5.00% 27/06/2032	15,962	UK Treasury Inflation Indexed 0.13% 10/08/2028	13,146
Credit Agricole 4.88% 23/10/2029	15,906	Citigroup 4.50% 03/03/2031	12,721
Nestle Holdings 2.50% 04/04/2032	15,632	Lloyds Banking Group, FRN 2.71% 03/12/2035	12,272

Portfolio statement as at 28 February 2023

Investment	Nominal value	Valuation £'000	% of net assets
Government Bond 0.00% (1.21%)			
United Kingdom 0.00% (1.21%)			
Corporate Bonds 98.60% (95.77%)			
Australia 0.00% (2.20%)			
Belgium 0.66% (0.00%)			
KBC Group, FRN 5.50% 20/09/2028	£8,000,000	7,901	0.66
		7,901	**0.66**
Canada 1.38% (0.00%)			
CPPIB Capital 4.38% 02/03/2026	£6,600,000	6,557	0.55
Royal Bank of Canada 5.00% 24/01/2028	£10,000,000	9,888	0.83
		16,445	**1.38**
Cayman Islands 0.13% (0.26%)			
Bishopsgate Asset Finance 4.81% 14/08/2044	£2,114,600	1,508	0.13
		1,508	**0.13**
Czech Republic 0.00% (0.38%)			
Denmark 1.70% (0.00%)			
Danske Bank, FRN 4.62% 13/04/2027	£10,700,000	10,468	0.88
Orsted 5.38% 13/09/2042	£10,000,000	9,821	0.82
		20,289	**1.70**
France 6.04% (5.64%)			
AXA, FRN 5.63% 16/01/2054	£10,000,000	9,383	0.79
Banque Federative du Credit Mutuel 5.00% 19/01/2026	£8,500,000	8,444	0.71
BPCE, FRN 6.00% 29/09/2028	£10,000,000	10,046	0.85
Credit Agricole 4.88% 23/10/2029	£16,000,000	15,630	1.31
Electricite de France 5.50% 17/10/2041	£8,000,000	7,304	0.61
Electricite de France 5.63% 25/01/2053	£8,000,000	7,243	0.61
Orange 3.25% 15/01/2032	£16,000,000	13,799	1.16
		71,849	**6.04**

Investment	Nominal value	Valuation £'000	% of net assets
Corporate Bonds 98.60% (95.77%) (continued)			
Germany 3.52% (4.13%)			
Aroundtown 0.38% 15/04/2027	€ 9,000,000	5,789	0.48
Aroundtown 3.00% 16/10/2029	£1,000,000	691	0.06
Bayer, FRN 5.38% 25/03/2082	€ 4,000,000	3,175	0.27
Deutsche Bank, FRN 4.00% 24/06/2026	£12,000,000	11,402	0.96
Deutsche Telekom International Finance 8.88% 27/11/2028	£12,000,000	14,207	1.19
E.ON International Finance 6.13% 06/07/2039	£6,500,000	6,687	0.56
		41,951	**3.52**
Ireland 0.76% (1.54%)			
Freshwater Finance 5.18% 20/04/2035	£9,400,000	9,008	0.76
		9,008	**0.76**
Japan 0.86% (0.00%)			
East Japan Railway 1.16% 15/09/2028	£7,500,000	6,089	0.51
East Japan Railway 5.25% 22/04/2033	£4,150,000	4,193	0.35
		10,282	**0.86**
Luxembourg 0.84% (1.88%)			
Blackstone Property Partners Europe Holdings Sarl 2.63% 20/10/2028	£6,000,000	4,635	0.39
Logicor Financing 1.63% 17/01/2030	€8,000,000	5,316	0.45
		9,951	**0.84**
Netherlands 2.16% (1.83%)			
Cooperatieve Rabobank 4.63% 23/05/2029	£9,800,000	9,055	0.76
ING Groep, FRN 6.25% 20/05/2033	£17,000,000	16,601	1.40
		25,656	**2.16**
Singapore 0.43% (0.00%)			
Temasek Financial I 3.50% 15/02/2033	€6,000,000	5,143	0.43
		5,143	**0.43**
Spain 1.06% (1.21%)			
Abertis Infraestructuras 3.38% 27/11/2026	£13,600,000	12,590	1.06
		12,590	**1.06**
Sweden 0.68% (0.00%)			
Vattenfall 6.88% 15/04/2039	£7,000,000	8,042	0.68
		8,042	**0.68**
Switzerland 3.60% (1.51%)			
Credit Suisse 7.75% 10/03/2026	£3,800,000	3,852	0.32
Credit Suisse Group, FRN 7.38% 07/09/2033	£6,000,000	5,674	0.48
Credit Suisse Group, FRN 7.50% Perpetual	£8,000,000	6,015	0.51
UBS Group, FRN 1.88% 03/11/2029	£10,000,000	8,247	0.69
Zurich Finance Ireland DAC, FRN 5.13% 23/11/2052	£21,000,000	19,026	1.60
		42,814	**3.60**
United Kingdom 60.03% (63.26%)			
AA Bond 8.45% 31/07/2050	£8,500,000	8,535	0.72
Accent Capital 2.63% 18/07/2049	£9,200,000	5,834	0.49
Anchor Hanover Group 2.00% 21/07/2051	£5,400,000	2,865	0.24
Anglian Water Osprey Financing 4.00% 08/03/2026	£11,000,000	10,284	0.86
Annington Funding 3.69% 12/07/2034	£18,000,000	14,208	1.19
Arqiva Financing, STEP 4.88% 31/12/2032	£14,000,000	13,287	1.12

Investment	Nominal value	Valuation £'000	% of net assets
Corporate Bonds 98.60% (95.77%) (continued)			
United Kingdom 60.03% (63.26%) (continued)			
Aviva, FRN 4.00% 03/06/2055	£5,000,000	3,901	0.33
Aviva, FRN 6.88% 20/05/2058	£3,800,000	3,944	0.33
Bank of Scotland 4.88% 20/12/2024	£5,000,000	4,981	0.42
Barclays, FRN 6.37% 31/01/2031	£6,500,000	6,521	0.55
Barclays, FRN 8.41% 14/11/2032	£11,100,000	11,601	0.97
Beyond Housing 2.13% 17/05/2051	£10,000,000	5,544	0.47
Blend Funding 3.46% 21/09/2049	£8,000,000	5,955	0.50
BP Capital Markets, FRN 4.25% Perpetual	£8,000,000	7,225	0.61
British Telecommunications 5.75% 13/02/2041	£10,000,000	9,365	0.79
Bunzl Finance 1.50% 30/10/2030	£13,500,000	10,137	0.85
Canary Wharf Finance II 6.80% 22/10/2033	£4,282,952	4,368	0.37
Canary Wharf Group Investment Holdings 3.38% 23/04/2028	£8,000,000	5,920	0.50
Church Commissioners for England 3.63% 14/07/2052	£7,800,000	6,144	0.52
Close Brothers Finance 2.75% 19/10/2026	£9,000,000	8,182	0.69
Close Brothers Finance 1.63% 03/12/2030	£10,000,000	7,392	0.62
Compass Group 4.38% 08/09/2032	£6,000,000	5,816	0.49
CPUK Finance 7.24% 28/02/2042	£5,000,000	5,026	0.42
Dignity Finance 4.70% 31/12/2049	£11,000,000	6,934	0.58
Direct Line Insurance Group 4.00% 05/06/2032	£7,300,000	5,630	0.47
Drax Finco 6.63% 01/11/2025	£5,000,000	4,072	0.34
DS Smith 2.88% 26/07/2029	£9,000,000	7,618	0.64
Electricity North West 8.88% 25/03/2026	£12,000,000	13,213	1.11
ENW Finance 4.89% 24/11/2032	£5,700,000	5,527	0.46
Gatwick Funding 4.63% 27/03/2036	£5,000,000	4,527	0.38
Greene King Finance 5.11% 15/03/2034	£9,202,200	8,289	0.70
Greene King Finance 4.06% 15/03/2035	£3,509,150	2,972	0.25
Heathrow Funding 6.45% 10/12/2031	£17,000,000	17,765	1.49
Heathrow Funding 5.88% 13/05/2043	£8,000,000	7,936	0.67
HSBC Holdings 6.00% 29/03/2040	£8,000,000	7,312	0.61
HSBC Holdings, FRN 8.20% 16/11/2034	£12,000,000	12,677	1.07
InterContinental Hotels Group 3.75% 14/08/2025	£9,000,000	8,641	0.73
InterContinental Hotels Group 3.38% 08/10/2028	£9,000,000	7,977	0.67
Investec, FRN 1.88% 16/07/2028	£11,000,000	8,871	0.75
Investec, FRN 1.88% 16/07/2028	£8,200,000	6,619	0.56
Investec Bank, FRN 4.25% 24/07/2028	£463,000	457	0.04
Legal & General Group, FRN 5.50% 27/06/2064	£12,700,000	11,103	0.93
Lloyds Banking Group, FRN 0.00% 02/06/2033	£11,000,000	10,926	0.92
Logicor UK 1.88% 17/11/2031	£14,000,000	12,299	1.03
Marston's Issuer, FRN 5.18% 15/07/2032	£7,000,000	6,233	0.52
Martlet Homes 3.00% 09/05/2052	£4,500,000	3,022	0.25
Mitchells & Butlers Finance, STEP 5.57% 15/12/2030	£4,110,497	3,944	0.33
Motability Operations Group 2.38% 03/07/2039	£15,000,000	10,560	0.89
National Express Group, FRN 4.25% Perpetual	£9,000,000	7,989	0.67
National Grid Electricity Transmission 5.27% 18/01/2043	£10,000,000	9,466	0.80
Nationwide Building Society, FRN 5.77% Perpetual	£4,260,000	4,134	0.35
Nationwide Building Society, FRN 7.86% Perpetual	£1,400,000	1,455	0.12

Investment	Nominal value	Valuation £'000	% of net assets
Corporate Bonds 98.60% (95.77%) (continued)			
United Kingdom 60.03% (63.26%) (continued)			
NatWest Group, FRN 7.42% 06/06/2033	£17,000,000	17,302	1.45
NGG Finance, FRN 5.63% 18/06/2073	£6,000,000	5,843	0.49
NIE Finance 5.88% 01/12/2032	£15,000,000	15,636	1.31
Northern Powergrid Northeast 3.25% 01/04/2052	£10,000,000	7,062	0.59
Northumbrian Water Finance 4.50% 14/02/2031	£5,500,000	5,187	0.44
Northumbrian Water Finance 6.38% 28/10/2034	£7,600,000	8,115	0.68
Pension Insurance 6.50% 03/07/2024	£3,000,000	2,985	0.25
Pension Insurance 8.00% 23/11/2026	£2,000,000	2,077	0.17
Pension Insurance 5.63% 20/09/2030	£4,000,000	3,646	0.31
Phoenix Group Holdings 5.63% 28/04/2031	£7,000,000	6,306	0.53
Places For People Treasury 2.50% 26/01/2036	£5,000,000	3,527	0.30
Quadgas Finance 3.38% 17/09/2029	£17,000,000	13,931	1.17
RAC Bond 4.87% 06/05/2046	£12,500,000	11,617	0.98
Rentokil Initial 5.00% 27/06/2032	£16,000,000	15,349	1.29
Rothesay Life 3.38% 12/07/2026	£3,000,000	2,731	0.23
Rothesay Life, FRN 6.88% 31/12/2164	£10,400,000	9,320	0.78
Sage Group 1.63% 25/02/2031	£18,000,000	13,684	1.15
Sanctuary Capital 2.38% 14/04/2050	£11,000,000	6,384	0.54
Santander UK Group Holdings, FRN 2.92% 08/05/2026	£4,000,000	3,737	0.31
Santander UK Group Holdings, FRN 7.10% 16/11/2027	£14,700,000	15,129	1.27
Scottish Hydro Electric Transmission 2.25% 27/09/2035	£10,600,000	7,630	0.64
Scottish Widows 5.50% 16/06/2023	£15,000,000	14,978	1.26
Segro, REIT 5.13% 06/12/2041	£11,500,000	10,980	0.92
Severn Trent Utilities Finance 4.63% 30/11/2034	£10,000,000	9,418	0.79
Southern Housing Group 3.50% 19/10/2047	£4,000,000	2,873	0.24
Southern Water Services Finance 6.19% 31/03/2029	£7,000,000	7,274	0.61
Sovereign Housing Capital 2.38% 04/11/2048	£8,000,000	4,794	0.40
SP Manweb 4.88% 20/09/2027	£15,000,000	14,860	1.25
Swan Housing Capital 3.63% 05/03/2048	£2,000,000	1,507	0.13
Telereal Securitisation 1.37% 10/12/2033	£4,703,580	4,054	0.34
Telereal Securitisation 3.56% 10/12/2036	£7,000,000	6,131	0.52
Tesco Corp. Treasury Services 1.88% 02/11/2028	£10,000,000	8,304	0.70
TP ICAP Finance 5.25% 29/05/2026	£7,800,000	7,361	0.62
TP ICAP Finance 2.63% 18/11/2028	£7,000,000	5,408	0.45
UNITE USAF II 3.37% 30/06/2028	£7,000,000	6,945	0.58
Virgin Money UK, FRN 4.00% 25/09/2026	£6,000,000	5,676	0.48
Virgin Money UK, FRN 4.00% 03/09/2027	£2,200,000	2,043	0.17
Virgin Money UK, FRN 5.13% 11/12/2030	£3,000,000	2,822	0.24
Vodafone Group 5.13% 02/12/2052	£10,000,000	8,723	0.73
Whitbread Group 3.38% 16/10/2025	£10,600,000	9,938	0.83
Yorkshire Water Finance 5.25% 28/04/2030	£8,000,000	7,879	0.66
Yorkshire Water Services Finance, STEP, FRN 5.50% 28/05/2037	£10,000,000	10,080	0.85
		714,449	**60.03**

Investment	Nominal value	Valuation £'000	% of net assets
Corporate Bonds 98.60% (95.77%) (continued)			
United States of America 14.75% (11.93%)			
AT&T 2.90% 04/12/2026	£15,000,000	13,858	1.16
Bank of America, FRN 1.67% 02/06/2029	£10,000,000	8,272	0.70
Dresdner Funding Trust I 8.15% 30/06/2031	£12,000,000	10,665	0.90
Ford Motor Credit 4.54% 06/03/2025	£8,000,000	7,670	0.64
Ford Motor Credit 6.86% 05/06/2026	£8,500,000	8,500	0.71
General Motors Financial 5.15% 15/08/2026	£12,000,000	11,784	0.99
Goldman Sachs Group, FRN 3.63% 29/10/2029	£15,500,000	13,895	1.17
GSK Consumer Healthcare Capital UK 3.38% 29/03/2038	£9,000,000	7,128	0.60
HJ Heinz Finance UK 6.25% 18/02/2030	£7,400,000	7,540	0.63
International Business Machines 4.88% 06/02/2038	£15,000,000	14,143	1.19
McDonald's 3.75% 31/05/2038	£10,000,000	8,395	0.71
Metropolitan Life Global Funding I 5.00% 10/01/2030	£10,000,000	9,942	0.84
Morgan Stanley, FRN 5.79% 18/11/2033	£12,000,000	12,029	1.01
MPT Operating Partnership, REIT 3.69% 05/06/2028	£14,000,000	9,870	0.83
Nestle Holdings 2.50% 04/04/2032	£15,000,000	12,661	1.06
New York Life Global Funding 4.35% 16/09/2025	£8,000,000	7,883	0.66
Protective Life Global Funding 5.25% 13/01/2028	£5,500,000	5,495	0.46
Wells Fargo 2.50% 02/05/2029	£7,000,000	5,869	0.49
		175,599	**14.75**
Corporate Bonds Total		**1,173,477**	**98.60**
Forward Currency Contracts 0.04% (0.14%)			
Buy Sterling 19,447,051 sell Euro 28,607,000 dated 08/03/2023		(387)	(0.03)
Buy Sterling 21,038,767 sell US Dollar 25,588,000 dated 08/03/2023		(115)	(0.01)
Forward Currency Contracts total		**(502)**	**(0.04)**
Investment assets (including investment liabilities)		**1,172,975**	**98.56**
Net other assets		**17,135**	**1.44**
Net assets attributable to shareholders		**1,190,110**	**100.00**

The comparative percentage figures in brackets are as at 28 February 2022.

FINANCIAL STATEMENTS

Statement of total return for the year ended 28 February 2023

	Note	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Income					
Net capital losses	3		**(104,341)**		(41,342)
Revenue	5	**33,872**		18,849	
Expenses	6	**(2,775)**		(2,157)	
Interest payable and similar charges	7	**(16)**		(2)	
Net revenue before taxation		**31,081**		16,690	
Taxation	8	**-**		-	
Net revenue after taxation			**31,081**		16,690
Total return before distributions			**(73,260)**		(24,652)
Distributions	9		**(31,885)**		(17,329)
Change in net assets attributable to shareholders from investment activities			**(105,145)**		(41,981)

Statement of change in net assets attributable to shareholders for the year ended 28 February 2023

	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Opening net assets attributable to shareholders		**765,629**		509,485
Amounts receivable on issue of shares	**635,891**		390,179	
Amounts payable on cancellation of shares	**(122,424)**		(100,325)	
		513,467		289,854
Dilution adjustment		**1,100**		724
Change in net assets attributable to shareholders from investment activities		**(105,145)**		(41,981)
Retained distribution on accumulation shares		**15,059**		7,547
Closing net assets attributable to shareholders		**1,190,110**		765,629

Balance sheet as at 28 February 2023

	Note	28 February 2023 £'000	28 February 2022 £'000
Assets			
Fixed assets			
Investments	10	**1,173,477**	743,591
Current assets			
Debtors	11	**31,744**	14,720
Cash and cash equivalents	12	**19,587**	22,337
Total current assets		**51,331**	37,057
Total assets		**1,224,808**	780,648
Liabilities			
Investment liabilities	10	**502**	-
Creditors			
Bank overdraft	13	**-**	2,693
Distribution payable		**7,807**	3,212
Other creditors	14	**26,389**	9,114
Total creditors		**34,196**	15,019
Total liabilities		**34,698**	15,019
Net assets attributable to shareholders		**1,190,110**	765,629

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, in accordance with FRS 102, the SORP and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). The financial statements have been prepared on a going concern basis. There are no material events that have been identified that may cast significant doubt about the sub-fund's ability to continue as a going concern for a period of twelve months from the date the financial statements are authorised for issue. The ACD believes that the sub-fund has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.

(b) Valuation of investments. All investments have been valued at 12 noon on the last working day of the accounting period, net of any accrued interest in the case of debt securities, which is included in the balance sheet as a revenue related item. Listed investments are valued at fair value which is deemed to be the bid or SETS price.

The last valuation point in the accounting period has been used for the purposes of preparing the report and financial statements and in the ACD's opinion there have been no material movements in the sub-fund between the last valuation point and close of business on the balance sheet date.

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

(d) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward currency contracts are used for investment purposes and efficient portfolio management. Derivatives are valued at 12 noon on the last working day of the accounting period. Over-the-counter derivatives are priced at fair value using valuation models or data sourced from market data providers. Interest on margin accounts held with brokers is included in the revenue return. All other gains/losses and cash flows from derivatives except for bond futures are included in the capital return.

Open forward currency contracts are shown in the Portfolio Statement at market value and the net gains are reflected within forward currency contracts under net capital (losses)/gains in the Notes to the financial statements.

Where bond futures positions generate total returns the returns are apportioned between capital and income to reflect the nature of the transaction. Any capital gains/losses are included within net capital (losses)/gains and any revenue or expense is included within Revenue or Interest payable and similar charges respectively in the Statement of total return. Cash held at future brokers as margin is reflected separately within cash and bank balances.

(e) Revenue. Interest from debt securities is recognised on an effective interest rate basis inclusive of any expected changes to future cash flows. Bank interest is recognised on an accruals basis.

(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 sub-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.

(h) Dilution adjustment. The sub-fund is priced on a single price basis and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions and redemptions in and out of the sub-fund. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing shareholders' interest in the sub-fund. In order to counter this and to protect shareholders' interests, the ACD will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the sub-fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. In the usual course of business a dilution adjustment will be applied systematically and on a consistent basis.

2. Distribution policy

The distribution policy of the sub-fund is to distribute all available revenue, after deduction of expenses properly chargeable against revenue and taxation. The ACD and the depositary have agreed, for the distribution classes only, that 100% of the annual management charge is to be transferred to capital for the purpose of calculating the distribution, as permitted by COLL. The distribution currently payable reflects this treatment.

Gains and losses on investments, derivatives and forward currency contracts, whether realised or unrealised, are taken to capital and are not available for distribution. The sub-fund satisfied the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 throughout the year.

All distributions made are therefore made as interest distributions. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised.

For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares.

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

3. Net capital (losses)/gains

	28 February 2023 £'000	28 February 2022 £'000
Currency gains/(losses)	**691**	(412)
Derivative contracts	**37**	(1)
Forward currency contracts	**(4,151)**	612
Non-derivative securities	**(100,918)**	(41,541)
Net capital losses	**(104,341)**	(41,342)

4. Direct transaction costs

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

Dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.65% (2022: 0.66%). This spread represents the difference between the bid and offer prices of each underlying investment expressed as a percentage of the value determined by reference to its offer price.

5. Revenue

	28 February 2023 £'000	28 February 2022 £'000
Interest on debt securities	**33,437**	18,848
Bank interest	**435**	1
Total revenue	**33,872**	18,849

6. Expenses

	28 February 2023 £'000	28 February 2022 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	**1,707**	1,294
Administration fees	**1,068**	863
Total expenses	**2,775**	2,157

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
The audit fee (excluding VAT) accrued during the year was £9,650 (2022: £9,400). This fee is paid by the manager.

7. Interest payable and similar charges

	28 February 2023 £'000	28 February 2022 £'000
Interest payable	**16**	2
Total interest payable and similar charges	**16**	2

8. Taxation

	28 February 2023 £'000	28 February 2022 £'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	**31,081**	16,690
Corporation tax at 20% (2022: 20%)	**6,216**	3,338
Effects of:		
Tax deductible interest distributions	**(6,216)**	(3,338)
Tax charge for the year (Note 8a)	**-**	-

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 sub-fund has not recognised a deferred tax asset (2022: £nil).

9. Distributions

	28 February 2023 £'000	28 February 2022 £'000
Interim gross interest distribution - May 2022	**5,340**	3,469
Interim gross interest distribution - August 2022	**6,438**	4,185
Interim gross interest distribution - November 2022	**9,319**	4,751
Final gross interest distribution - February 2023	**13,991**	5,922
	35,088	18,327
Add: amounts deducted on cancellation of shares	**418**	366
Deduct: amounts added on issue of shares	**(3,621)**	(1,364)
Distributions	**31,885**	17,329
Movement between net revenue and distributions		
Net revenue after taxation	**31,081**	16,690
Annual management charge paid from capital	**804**	640
Undistributed revenue brought forward	**1**	-
Undistributed revenue carried forward	**(1)**	(1)
	31,885	17,329

The distribution takes account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. Details of the distribution per share are set out in the distribution tables on page 26.

10. Fair value hierarchy

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

The disclosure is split into the following categories:

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

	28 February 2023		28 February 2022	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Level 2	**1,173,477**	**502**	743,591	-
Total	**1,173,477**	**502**	743,591	-

11. Debtors

	28 February 2023 £'000	28 February 2022 £'000
Accrued revenue	**19,660**	10,578
Amounts receivable for issue of shares	**9,098**	1,211
Sales awaiting settlement	**2,986**	2,931
Total debtors	**31,744**	14,720

12. Cash and cash equivalents

	28 February 2023 £'000	28 February 2022 £'000
Cash and bank balances	**18,687**	22,337
Collateral held with JP Morgan	**600**	-
Collateral held with UBS	**150**	-
Amounts held at futures clearing houses and brokers	**150**	-
Total cash and cash equivalents	**19,587**	22,337

13. Bank overdraft

	28 February 2023 £'000	28 February 2022 £'000
Bank overdraft	**-**	1,693
Collateral pledged with UBS	**-**	370
Collateral pledged with JP Morgan	**-**	630
Total bank overdraft	**-**	2,693

14. Other creditors

	28 February 2023 £'000	28 February 2022 £'000
Purchases awaiting settlement	**26,052**	7,691
Accrued annual management charge	**183**	118
Accrued administration fee payable to the ACD	**109**	71
Amounts payable for cancellation of shares	**45**	1,234
Total other creditors	**26,389**	9,114

15. Contingent liabilities and commitments

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

16. Reconciliation of share movements

	Shares in issue at 28 February 2022	Shares issued	Shares cancelled	Shares Converted	**Shares in issue at 28 February 2023**
F distribution GBP	309,874,543	236,146,382	(18,147,997)	(251,555)	**527,621,373**
F accumulation GBP	11,436,624	23,397,077	(1,631,848)	(21,702)	**33,180,151**
I distribution GBP	79,418,735	146,040,336	(27,035,512)	268,063	**198,691,622**
I accumulation GBP	327,474,495	271,753,089	(75,697,275)	6,935	**523,537,244**

17. Risk disclosures

In pursuing its investment objectives, the sub-fund may hold a number of financial instruments. These financial instruments comprise bonds, derivatives, cash balances and liquid resources, which include debtors and creditors that arise directly from the sub-fund's operations.

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-fund. In addition, our Investment Committee and Risk and Compliance Committee meet monthly and quarterly respectively, and as required to evaluate risk across each of our funds. These policies have been consistent for both the current and prior period to which these financial statements relate.

In the normal course of business, the sub-fund's activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests. These financial risks: market risk (comprising currency risk, interest rate risk and other market price risk), credit and counterparty risk and liquidity risk and the approach to the management of these risks, are set out below and remain unchanged from the previous accounting year. For a detailed explanation of these and further risks involved in investing in the sub-fund, reference should be made to the Prospectus.

(a) Market risk

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

The following table details the interest rate risk profile of the sub-fund:

Currency	Floating rate† Assets/(liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
28 February 2023				
Sterling	**1,152,888**	**-**	**(2,906)**	**1,149,982**
US Dollar	**20,752**	**-**	**328**	**21,080**
Euro	**19,424**	**-**	**126**	**19,550**
28 February 2022				
Sterling	47,029	651,956	68,353	767,338
US Dollar	-	18,911	(18,766)	145
Euro	40	44,234	(46,128)	(1,854)

† Includes cash and bank balances.

The forward currency contracts for Euro, Sterling and US Dollar are not included within this table. These can be found in the portfolio statement on page 16.

As at 28 February 2023 if there is a parallel shift in government bond yields with an increase of 1%, the sub-fund could expect to see an approximate 6.3% fall in the prices of the underlying bonds it holds (2022: 7.0%). A 1% fall in government bond yields would have an equal and opposite impact. This calculation has been prepared on a modified duration basis. Modified duration follows the concept that interest rates and fixed rate bond prices move in opposite directions. The calculation has been used to serve as an indication of the possible impact to the fund from changes to government bond yields. This concept relies on a large number of assumptions, in particular, that all bonds are equally sensitive to government bond yields. In practice, this is not the case as many bonds with higher credit risk have lower correlation with government bond yields and in some cases even negative correlation. The sub-fund contains a high and varying proportion of bonds with sometimes a high degree of credit risk. Furthermore, this makes the assumption of a parallel shift in yields. In practice, when interest rates change, longer dated government bond yields do not usually move in parallel with short-term interest rates. It is not unusual to see a negative correlation to short-term interest rate movements. The calculation also includes the impact of any futures positions, which are priced according to the yield of 10 year government bonds.

(ii) Currency risk

A portion of the net assets of the sub-fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the ACD may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the sub-fund's exposure to currency risk is reduced. The loss on forward currency contracts for the period was £4,151,000 (2022: gain £612,000).

Revenue received in foreign currencies is converted into sterling on or near the date of receipt.

The exposure to each currency is shown in the tables below.

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £'000	Total £'000
28 February 2023				
Sterling	**1,133,301**	**16,681**	**40,486**	**1,190,468**
US Dollar	**20,752**	**328**	**(21,154)**	**(74)**
Euro	**19,424**	**126**	**(19,834)**	**(284)**
28 February 2022				
Sterling	679,380	22,787	65,171	767,338
Euro	18,911	306	(19,072)	145
US Dollar	44,234	(1,054)	(45,034)	(1,854)

A five percent increase in the value of the sub-fund's foreign currency exposure would have the effect of decreasing the return and net assets by £18,000 (2022: £85,000). A five percent decrease would have an equal and opposite effect.

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The 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 continuing review of the portfolio, the ACD monitors and reviews these factors. A five per cent increase in the value of the sub-fund's portfolio would have the effect of increasing the return and net assets by £58,674,000 (2022: £37,180,000). A five per cent decrease would have an equal and opposite effect.

Returns from bonds are fixed at the time of purchase, the fixed coupon payments are known, as are the final redemption proceeds. This means that if a bond is held until its redemption date, the total return achieved is unaltered from its purchase date. However, over the life of a bond, the yield (and hence market price) at any given time will depend on the market environment at that time. Therefore, a bond sold before its redemption date may have a different price to its purchase level and a gain or loss may be realised.

Bond investments are exposed to credit rating risk which reflects the ability of a bond issuer to meet its obligations (i.e. pay interest on a bond and return the capital on the redemption date). Generally, the higher the credit rating of the bond issuer, the rate at which they can borrow money may be lower than a bond issuer with a lower credit rating reflecting the potentially higher risk. Additionally, the credit rating of a bond is likely to impact upon the market price of a bond with a higher credit rating reflecting the greater expectation that the bond will be redeemed by the issuer on the maturity date at the nominal amount. An element of the market price of a bond will reflect this.

(iv) Leverage risk

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

The sub-fund can use cash borrowing (subject to restrictions as set out in its Prospectus and COLL) and financial derivatives as sources of leverage. A result of 100% indicates that no leverage has been used.

As at 28 February 2023 and 28 February 2022 leverage ratios of the sub-fund were:

	28 February 2023 **%**	28 February 2022 %
Sum of the notionals	**116.5**	122.7
Commitment	**100.0**	100.0

(b) Credit and counterparty risk

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

The ACD is permitted to use one or more separate counterparties for derivative transactions. The sub-fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the sub-fund enters into derivative contracts, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy or insolvency of a counterparty, the sub-fund could experience delays in liquidating the position and may incur significant losses. There may be a risk that a counterparty will be unable to meet its obligations with regard to the return of the collateral and may not meet other payments due to the sub-fund. To minimise such risk the ACD will assess the creditworthiness of any counterparty that it engages. On a daily basis the ACD assesses the level of assets with each counterparty to ensure that the exposure is within the defined limits in accordance with the requirement stipulated in COLL and the Prospectus. The derivatives are disclosed in the portfolio statement and UBS AG ('UBS') and JPMorgan are the counterparties for forward currency contracts. Aside from the custodian, the derivative counterparties and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 28 February 2023 or 28 February 2022.

Debt security credit analysis*

At the reporting date, the credit analysis of the sub-fund's debt securities was as follows:

	28 February 2023 **£'000**	28 February 2022 £'000
Investment grade securities	**1,060,434**	619,842
Below investment grade securities	**113,043**	106,074
Unrated securities	**-**	16,610
Total of debt securities	**1,173,477**	742,526

* Source of credit ratings: Artemis Investment Management LLP.

Counterparty and collateral exposure

The types of derivatives held at the balance sheet date were forward currency contracts. Details of the individual contracts are disclosed separately in the portfolio statement and the total position by counterparty and the collateral pledged, at the balance sheet date, were as follows:

Currency	Forward currency contracts £'000	Total gross exposure £'000	Net collateral (pledged)/held £'000
28 February 2023			
Goldman Sachs	**(39)**	**(39)**	**-**
JPMorgan	**(452)**	**(452)**	**600**
UBS	**(11)**	**(11)**	**150**
28 February 2022			
JPMorgan	714	714	(630)
UBS	351	351	(370)

Only cash collateral is pledged or held by the sub-fund. The balance includes cash held at brokers.

(c) Liquidity risk

Liquidity risk is the risk that through market liquidity conditions, requests for redemptions from investors cannot be met in an orderly and appropriate manner. Artemis adopts a policy of mitigation and control to manage liquidity risks. Mitigation occurs through maintaining prudent levels of liquidity in each fund and a well-diversified investor base. As a result, redemption requests can be satisfied in all but exceptional circumstances. Artemis has a dedicated liquidity risk management policy which is owned by the independent investment risk team which reports to the Chief Risk Officer. Its purpose is to ensure the portfolio manager acts in the client's best interest with regards to this liquidity risk. Through the use of 3rd party modeling and assumptions, the investment risk team conduct regular monitoring and analyses of the liquidity profile of the funds and investor base. This includes but is not limited to what percentage of the fund can be liquidated within certain redemption horizons, whether the largest investors in the fund can redeem without affecting the fair treatment of remaining investors, liquidity stress testing and other analysis deemed to cover a risk specific to the strategy considered. There was no significant concentration of liquidity risk as at 28 February 2023 or 28 February 2022.

18. Related party transactions

The ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the statement of total return, statement of change in net assets attributable to shareholders and the balance sheet on page 17 and Notes 6, 9, 11 and 13 on pages 19 to 21 including all issues and cancellations where the ACD acted as principal.

The balance due to the ACD as at 28 February 2023 in respect of these transactions was £8,671,000 (2022: due from £212,000).

19. Share classes

The annual management charge on each share class is as follows:

F distribution GBP	0.15%
F accumulation GBP	0.15%
I distribution GBP	0.25%
I accumulation GBP	0.25%

The net asset value per share and the number of shares in each class are given in the comparative tables on page 27. The distributions per share class are given in the distribution tables on page 26. All classes have the same rights on winding up.

20. Post balance sheet events

There were no significant post balance sheet events subsequent to the year end.

Distribution tables

This fund pays quarterly interest distributions.
The following table sets out the distribution periods.

Quarterly distribution periods	Start	End	Ex-dividend date	Pay date
First interim	1 March 2022	31 May 2022	1 June 2022	29 July 2022
Second interim	1 June 2022	31 August 2022	1 September 2022	31 October 2022
Third interim	1 September 2022	30 November 2022	1 December 2022	31 January 2023
Final	1 December 2022	28 February 2023	1 March 2023	28 April 2023

Group 1 shares are those purchased prior to a distribution period and therefore their net revenue rate is the same as the distribution rate.
Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of net revenue and equalisation. Equalisation applies only to group 2 shares purchased during the period. It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Corporate shareholders should note that a holding in a fund with more than 60% of its net assets in interest bearing assets may be required to be treated as a creditor loan relationship for corporation tax purposes.

F distribution GBP

Interest distributions for the year ended 28 February 2023	Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2021 - 2022 Distribution per share (p)
First interim	0.2173	0.5335	0.7508	0.00%	100.00%	0.7432
Second interim	0.4514	0.3614	0.8128	0.00%	100.00%	0.7577
Third interim	0.4202	0.5002	0.9204	0.00%	100.00%	0.7029
Final	0.5006	0.5752	1.0758	0.00%	100.00%	0.8255

F accumulation GBP

Interest distributions for the year ended 28 February 2023	Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2021 - 2022 Distribution per share (p)
First interim	0.1798	0.5819	0.7617	0.00%	100.00%	0.7257
Second interim	0.3739	0.4579	0.8318	0.00%	100.00%	0.7433
Third interim	0.3021	0.6567	0.9588	0.00%	100.00%	0.6932
Final	0.3319	0.8057	1.1376	0.00%	100.00%	0.8282

I distribution GBP

Interest distributions for the year ended 28 February 2023	Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2021 - 2022 Distribution per share (p)
First interim	0.3209	0.4287	0.7496	0.00%	100.00%	0.7422
Second interim	0.4476	0.3630	0.8106	0.00%	100.00%	0.7565
Third interim	0.5192	0.3985	0.9177	0.00%	100.00%	0.7016
Final	0.4529	0.6195	1.0724	0.00%	100.00%	0.8237

I accumulation GBP

Interest distributions for the year ended 28 February 2023	Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2021 - 2022 Distribution per share (p)
First interim	0.2816	0.4424	0.7240	0.00%	100.00%	0.6968
Second interim	0.4099	0.3941	0.8040	0.00%	100.00%	0.7123
Third interim	0.2479	0.6847	0.9326	0.00%	100.00%	0.6637
Final	0.6066	0.5026	1.1092	0.00%	100.00%	0.7986

ARTEMIS CORPORATE BOND FUND

COMPARATIVE TABLES

	F distribution GBP			F accumulation GBP		
	2023	2022	2021	**2023**	2022	2021
Change in net assets per share	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Opening net asset value per share	**102.30**	107.19	101.99	**108.69**	110.73	102.77
Return before operating charges *	**(9.57)**	(1.55)	8.17	**(10.22)**	(1.72)	8.27
Operating charges	**(0.26)**	(0.31)	(0.31)	**(0.28)**	(0.32)	(0.31)
Return after operating charges	**(9.83)**	(1.86)	7.86	**(10.50)**	(2.04)	7.96
Distributions	**(3.56)**	(3.03)	(2.66)	**(3.69)**	(2.99)	(2.54)
Retained distributions on accumulation shares	**-**	-	-	**3.69**	2.99	2.54
Closing net asset value per share	**88.91**	102.30	107.19	**98.19**	108.69	110.73
* after direct transaction costs of	**-**	-	-	**-**	-	-
Performance						
Return after charges	**(9.61)%**	(1.74)%	7.71%	**(9.66)%**	(1.84)%	7.75%
Other information						
Closing net asset value (£'000)	**469,099**	317,016	286,190	**32,579**	12,431	6,173
Closing number of shares	**527,621,373**	309,874,543	266,996,338	**33,180,151**	11,436,624	5,574,784
Operating charges	**0.27%**	0.28%	0.29%	**0.27%**	0.28%	0.29%
Prices	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Highest price	**103.98**	111.98	112.25	**110.32**	116.46	115.25
Lowest price	**81.42**	103.29	88.97	**87.95**	108.86	89.65

	I distribution GBP			I accumulation GBP		
	2023	2022	2021	**2023**	2022	2021
Change in net assets per share	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Opening net asset value per share	**102.07**	107.05	101.96	**108.44**	110.58	102.74
Return before operating charges *	**(9.55)**	(1.54)	8.16	**(10.20)**	(1.70)	8.27
Operating charges	**(0.35)**	(0.42)	(0.42)	**(0.38)**	(0.44)	(0.43)
Return after operating charges	**(9.90)**	(1.96)	7.74	**(10.58)**	(2.14)	7.84
Distributions	**(3.55)**	(3.02)	(2.65)	**(3.57)**	(2.87)	(2.44)
Retained distributions on accumulation shares	**-**	-	-	**3.57**	2.87	2.44
Closing net asset value per share	**88.62**	102.07	107.05	**97.86**	108.44	110.58
* after direct transaction costs of	**-**	-	-	**-**	-	-
Performance						
Return after charges	**(9.70)%**	(1.83)%	7.59%	**(9.76)%**	(1.94)%	7.63%
Other information						
Closing net asset value (£'000)	**176,077**	81,065	61,884	**512,355**	355,117	155,238
Closing number of shares	**198,691,622**	79,418,735	57,806,874	**523,537,244**	327,474,495	140,378,383
Operating charges	**0.37%**	0.38%	0.39%	**0.37%**	0.38%	0.39%
Prices	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Highest price	**103.74**	111.79	112.12	**110.07**	116.26	115.12
Lowest price	**81.18**	103.06	88.94	**87.69**	108.62	89.61

The operating charges are calculated on an ex-post basis and as such may differ from the ongoing charges figure where the ongoing charge has been annualised for a class that has not been open for a full year.
High and low price disclosures are based on quoted unit prices. Therefore opening and closing NAV prices may fall outside the high/low price threshold.

Ongoing charges

Class	**28 February 2023**
F distribution GBP	0.27%
F accumulation GBP	0.27%
I distribution GBP	0.37%
I accumulation GBP	0.37%

Ongoing charges show the annualised operating expenses of each share class as a percentage of the average net assets of that class for the preceding 12 months.

Class I accumulation performance

	Since launch *	3 years	1 year	6 months
Artemis Corporate Bond Fund**	(1.8)	(4.8)	(9.6)	0.2
Artemis Corporate Bond Fund***	(1.6)	(4.6)	(9.8)	0.4
iBoxx £ Collateralized & Corporate Index	(13.4)	(15.7)	(13.0)	(1.3)
IA £ Corporate Bond NR	(9.7)	(12.1)	(10.7)	(0.8)
Position in sector	5/81	13/81	29/85	26/85
Quartile	1	1	2	2

Past performance is not a guide to the future.
* Source: Artemis/ Lipper Limited, class I accumulation GBP from 30 October 2019 to 28 February 2023. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.
** Value at 12 noon valuation point.
*** Value at close of business.
Class I accumulation is disclosed as it is the primary share class.

Artemis Global Equity Income Fund

Note On Merger

Artemis Global Equity Income Fund merger

On 10 July 2020, the Artemis Global Equity Income Fund was merged with the Artemis Global Income Fund.

As a result of the relatively low level of assets in the sub-fund, its Authorised Corporate Director, Artemis Fund Managers Limited, proposed that it be merged with the Artemis Global Income Fund.

This fund has the same investment objective, policy and strategy, but a different legal structure: it is a unit trust. Both funds were managed by the same team of fund managers and held a similar portfolio of investments.

The merger was proposed so that investors could remain invested in their chosen investment strategy, benefit from lower costs offered by a larger fund, and avoid having their shares paid out when the Artemis Global Equity Income Fund closed - which could be treated as a 'disposal' of shares for tax purposes and so give rise to capital gains tax on any gains arising.

The merger was approved by shareholder vote at a meeting on 26 June 2020 and became effective on 10 July 2020. Following the merger, shareholders in the Artemis Global Equity Income Fund received units in the Artemis Global Income Fund. The direct costs associated with the merger, including the legal and accounting costs, were paid by Artemis and not by either of the funds involved.

The sub-fund will be wound up when outstanding withholding tax reclaims have been recovered and paid to Artemis Global Income Fund.

If you have any queries concerning the merger, please contact our client services team on 0800 092 2051 (outside the UK +44 1268 445 401) between 8:00am and 6:00pm (Monday to Friday) or by e-mail at investorsupport@artemisfunds.com. You can find information and regular updates on the Artemis Global Income Fund on the Artemis website.

Objective and Investment Policy*

Objective	To grow both income and capital over a five year period	
Investment policy	**What the sub-fund invests in**	• 80% to 100% in company shares. • Up to 20% in in bonds, cash and near cash, other transferable securities, other funds (10%) managed by Artemis and third party funds, money market instruments, and derivatives.
	Use of derivatives	The sub-fund may use derivatives for efficient portfolio management purposes to: • reduce risk • manage the sub-fund efficiently.
	Where the sub-fund invests	• Globally
	Industries the sub-fund invests in	• Any
	Other limitations specific to this sub-fund	• None

*up to 10 July 2020

INVESTMENT INFORMATION

Ten largest purchases and sales for the year ended 28 February 2023

As the sub-fund closed on 10 July 2020, there were no purchase and sales for the year ended 28 February 2023.

Portfolio statement as at 28 February 2023

As the sub-fund closed on 10 July 2020, there were no investments as at 28 February 2023.

FINANCIAL STATEMENTS

Statement of total return for the year ended 28 February 2023

	Note	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Income					
Net capital gains	3				-
Revenue	5	-		-	
Expenses	6	-		-	
Net revenue before taxation		-		-	
Taxation	7	(20)		-	
Net revenue/(expense) after taxation			(20)		-
Total return before distributions			(20)		-
Distributions	8		(22)		-
Change in net assets attributable to shareholders from investment activities			(42)		-

Statement of change in net assets attributable to shareholders for the year ended 28 February 2023

	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Opening net assets attributable to shareholders		-		-
Withholding tax recoverable		143		143
Change in net assets attributable to shareholders from investment activities		(42)		-
Balance payable to Artemis Global Income Fund		(101)		(143)
Closing net assets attributable to shareholders		-		-

Balance sheet as at 28 February 2023

	Note	28 February 2023 £'000	28 February 2022 £'000
Assets			
Current assets*			
Debtors	9	101	143
Total current assets		101	143
Total assets		101	143
Liabilities			
Creditors			
Other creditors	11	101	143
Total creditors		101	143
Total liabilities		101	143
Net assets attributable to shareholders		-	-

* The financial statements have been prepared on a break-up basis.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

(a) Basis of accounting. The financial statements have been prepared using the historical cost basis, as modified by the revaluation of investments, in accordance with FRS 102, the SORP and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL').

The financial statements have been prepared on a break-up basis for Artemis Global Equity Income Fund as this sub-fund is closed and is in the process of being terminated following the merger with Artemis Global Income Fund. Under this basis, assets are recorded at their recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the termination of the sub-fund will be borne by the ACD.

(b) 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.

(c) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward currency contracts are used for investment purposes and efficient portfolio management.

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

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

(f) Taxation. Corporation tax is charged at a rate of 20% on the excess taxable revenue of the sub- 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.

(g) Dilution adjustment. The sub-fund is priced on a single price basis and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions and redemptions in and out of the sub-fund. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing shareholders' interest in the sub-fund. In order to counter this and to protect shareholders' interests, the ACD will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the sub-fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. In the usual course of business a dilution adjustment will be applied systematically and on a consistent basis.

2. Distribution policy

The distribution policy of the sub-fund is to distribute all available revenue, after deduction of expenses properly chargeable against revenue and taxation.

The ACD and the depositary have agreed, for the distribution class only, that 100% of the annual management charge is to be transferred to capital for the purpose of calculating the distribution, as permitted by COLL. The distribution currently payable reflects this treatment.

Gains and losses on non-derivative investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised.

For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares.

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

3. Net capital gains

	28 February 2023 £'000	28 February 2022 £'000
Currency gains	-	-
Net capital gains	-	-

4. Direct transaction costs

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

Dealing spread

As at the balance sheet date the average portfolio dealing spread was nil% (2022: nil %). This spread represents the difference between the bid and offer prices of each underlying investment expressed as a percentage of the value determined by reference to its offer price.

5. Revenue

	28 February 2023 £'000	28 February 2022 £'000
Bank interest	-	-
Total revenue	-	-

6. Expenses

	28 February 2023 £'000	28 February 2022 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	-	-
Total expenses	-	-

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

7. Taxation

	28 February 2023 £'000	28 February 2022 £'000
a) Analysis of the tax charge in the year		
Irrecoverable overseas tax	20	-
Total taxation (note 7b)	20	-
b) Factors affecting the tax charge for the year		
Net revenue before taxation	-	-
Corporation tax at 20% (2022: 20%)	-	-
Effects of:		
Irrecoverable overseas tax	20	-
Tax charge for the year (note 7a)	20	-

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 sub-fund has not recognised a deferred tax asset of £nil (2022: £414,000) arising as a result of having unutilised management expenses of £nil (2022: £2,072,000) and non-trade loan relationship deficits of £nil (2022: £29,000). It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognised.

8. Distributions

	28 February 2023 £'000	28 February 2022 £'000
Transfer to Artemis Global Income Fund	**(22)**	-
	(22)	-

9. Debtors

	28 February 2023 £'000	28 February 2022 £'000
Overseas withholding tax recoverable	**101**	143
Total debtors	**101**	143

10. Cash and cash equivalents

	28 February 2023 £'000	28 February 2022 £'000
Total cash and cash equivalents	**-**	-

11. Other creditors

	28 February 2023 £'000	28 February 2022 £'000
Amounts due to Artemis Global Income Fund *	**101**	143
Total other creditors	**101**	143

* The amount payable to Artemis Global Income Fund includes an accrued balance for withholding tax reclaimable which has been translated into sterling at the year end exchange rate. The ACD will pay out these amounts to Artemis Global Income Fund when they have been received from the tax authorities.

12. Contingent liabilities and commitments

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

13. Risk disclosures

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-fund. In addition, our Investment Committee and Risk and Compliance Committee meet monthly and quarterly respectively, and as required to evaluate risk across each of our funds. These policies have been consistent for both the current and prior period to which these financial statements relate.

In the normal course of business, the sub-fund's activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests. These financial risks: market risk (comprising currency risk, interest rate risk and other market price risk), credit and counterparty risk and liquidity risk and the approach to the management of these risks, are set out below and remain unchanged from the previous accounting year. For a detailed explanation of these and further risks involved in investing in the sub-fund, reference should be made to the Prospectus.

(a) Market risk

As the sub-fund closed on 10 July 2020 there were no investments as at 28 February 2023 and 28 February 2022.

(i) Interest rate risk

As the sub-fund closed on 10 July 2020 there were no investments as at 28 February 2023 and 28 February 2022.

(ii) Currency risk

As the sub-fund closed on 10 July 2020 there were no investments as at 28 February 2022. A portion of the net assets of the sub-fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. The gain on forward currency contracts for the year was £nil (2022: £nil). Revenue received in foreign currencies is converted into sterling on or near the date of receipt.

A five percent increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets by £nil (2022: £nil). A five percent decrease would have an equal and opposite effect.

(iii) Other price risk

As the sub-fund closed on 10 July 2020 there are no investments held at the year end, the sub-fund's exposure to other price risk is considered to be insignificant.

(b) Credit and counterparty risk

As the sub-fund closed on 10 July 2020 there were no significant concentrations of credit and counterparty risk as at 28 February 2023 or 28 February 2022.

Counterparty and collateral exposure

As the sub-fund closed on 10 July 2020 there were no investments at 28 February 2023. At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties.

(c) Liquidity risk

As the sub-fund closed on 10 July 2020 there was no significant concentration of liquidity risk as at 28 February 2023 or 28 February 2022.

14. Related party transactions

As the sub-fund closed on 10 July 2020 there were no investments as at 28 February 2023. At the balance sheet date no related party transactions in respect of the above.

15. Post balance sheet events

There were no significant post balance sheet events subsequent to the year end.

ARTEMIS PAN-EUROPEAN ABSOLUTE RETURN FUND

NOTE ON CLOSURE

Closure of Artemis Pan-European Absolute Return Fund.

Artemis Pan-European Absolute Return Fund closed on 20 May 2020.

At Artemis, we regularly review the range of funds we offer to ensure we are offering appropriate products to our investors. Given the small size of this sub-fund (approximately £7 million as at 31 March 2020), its investment performance and having seen continued redemptions, we reviewed its ongoing viability and future prospects. Having considered a number of options, we concluded that its closure was in the best interests of investors.

The costs associated with the closure of the sub-fund, including the legal and regulatory charges, were met by Artemis, although trading-related transaction costs associated with the disposal of its investments were borne by the sub-fund.

The sub-fund will be wound up when outstanding withholding tax reclaims have been recovered and paid to shareholders.

If you have any questions about the sub-fund's closure, please contact our client services team on 0800 092 2051 (outside the UK +44 1268 445 401) between 8:00am and 6:00pm (Monday to Friday) or by e-mail at investorsupport@artemisfunds.com.

OBJECTIVE AND INVESTMENT POLICY*

Objective	To achieve a positive return over a rolling three-year period, after fees, notwithstanding changing market conditions. The fund also targets returns in excess of 3 Month LIBOR, after fees, in calculating the performance fee payable 6-to the manager. There is no guarantee that the fund will achieve a positive return over a rolling three-year period or any other time period and your capital is at risk.	
Investment policy	**What the sub-fund invests in**	• At least 80% in shares of European companies, either directly or indirectly through derivatives. • Up to 20% in shares, or derivatives of shares, of companies in other countries, bonds, cash, near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, and money market instruments.
	Use of derivatives	The sub-fund may use derivatives: • for investment purposes to achieve the sub-fund objective, including taking long and short positions • to produce additional income or growth • for efficient portfolio management purposes to reduce risk and manage the sub-fund efficiently • to create leverage
	Industries the sub-fund invests in	• Any
	Other limitations specific to this sub-fund	• Total derivatives (longs plus shorts) are likely to represent a significant proportion of the fund's gross exposure to companies, which will typically lie in a range of +100% to +200% of net asset value. • Net exposure (longs minus shorts) will typically lie in the range of -10% to +75%. • A significant proportion of net asset value will be held in cash due to the level of derivative use. • To allow the fund to manage counterparty risk, it may also invest its cash in government bonds, generally of less than one year maturity.

* until 20 May 2020

ARTEMIS PAN-EUROPEAN ABSOLUTE RETURN FUND

INVESTMENT INFORMATION

Ten largest purchases and sales for the year ended 28 February 2023

As the sub-fund closed on 20 May 2020, there were no purchase and sales for the year ended 28 February 2023.

Portfolio statement as at 28 February 2023

As the sub-fund closed on 20 May 2020, there were no investments as at 28 February 2023.

FINANCIAL STATEMENTS

Statement of total return for the year ended 28 February 2023

	Note		28 February 2023 £'000		28 February 2022 £'000
Income					
Net capital gains	3		-		-
Revenue	5	-		-	
Expenses	6	-		-	
Net revenue before taxation		-		-	
Taxation	7	-		-	
Net revenue after taxation			-		-
Total return before distributions			-		-
Distributions	8		-		-
Change in net assets attributable to shareholders from investment activities			-		-

Statement of change in net assets attributable to shareholders for the year ended 28 February 2023

	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Opening net assets attributable to shareholders		-		-
Withholding tax recoverable		122		122
Change in net assets attributable to shareholders from investment activities		-		-
Balance payable to shareholders following sub-fund closure		(122)		(122)
Closing net assets attributable to shareholders		-		-

Balance sheet as at 28 February 2023

	Note	28 February 2023 £'000	28 February 2022 £'000
Assets			
Fixed assets			
Investments		-	-
Current assets			
Debtors	9	98	102
Cash and cash equivalents	10	24	20
Total current assets		122	122
Total assets		122	122
Liabilities			
Creditors			
Other creditors	11	122	122
Total creditors		122	122
Total liabilities		122	122
Net assets attributable to shareholders		-	-

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

(a) Basis of accounting. The financial statements have been prepared using the historical cost basis, as modified by the revaluation of investments, in accordance with FRS 102, the SORP and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL').

The financial statements have been prepared on a break-up basis for Artemis Pan-European Absolute Return Fund as this sub-fund is closed and in the process of being terminated, as disclosed on the page 36. Under this basis, assets are recorded at their recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the termination of the sub-fund will be borne by the ACD.

(b) 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.

(c) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward currency contracts are used for investment purposes and efficient portfolio management.

(d) Revenue. Interest from debt securities is recognised on a time apportioned basis inclusive of any expected changes to future cash flows. Dividends receivable from equity and non-equity shares, including Real Estate Investment Trusts, are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends received as shares (scrip/ stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. Dividends on unquoted stocks are credited to revenue when the right to receive payment is established. Special dividends are reviewed on a case by case basis when determining if the dividend is to be treated as revenue or capital. It is likely that where a special dividend results in a significant reduction in the capital value of a holding, then the dividend will generally be treated as capital, otherwise this will be recognised as revenue. The dividend equivalent values on contracts for difference are recognised when the underlying security is quoted ex-dividend. For long contracts a compensatory payment is credited to revenue whereas for short contracts a compensatory payment is debited from revenue. Bank interest is recognised on an accruals basis.

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

(f) Taxation. Corporation tax is charged at a rate of 20% on the excess taxable revenue of the sub- 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.

(g) Dilution adjustment. The sub-fund is priced on a single price basis and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions and redemptions in and out of the sub-fund. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing shareholders' interest in the sub-fund. In order to counter this and to protect shareholders' interests, the ACD will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the sub-fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. In the usual course of business a dilution adjustment will be applied systematically and on a consistent basis.

2. Distribution policy

The distribution policy of the sub-fund is to distribute all available revenue, after deduction of expenses properly chargeable against revenue and taxation.

Gains and losses on non-derivative investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised.
For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares.

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

3. Net capital gains

	28 February 2023 £'000	28 February 2022 £'000
Capital gains	-	-
Total gains	-	-

4. Direct transaction costs

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

Dealing spread

As at the balance sheet date the average portfolio dealing spread was nil% (2022: nil%). This spread represents the difference between the bid and offer prices of each underlying investment expressed as a percentage of the value determined by reference to its offer price.

5. Revenue

	28 February 2023 £'000	28 February 2022 £'000
Bank interest	-	-
Total revenue	-	-

6. Expenses

	28 February 2023 £'000	28 February 2022 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	-	-
Total expenses	-	-

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
The audit fee (excluding VAT) accrued during the year was £nil (2022: £nil). This fee is paid by the manager.

7. Taxation

	28 February 2023 £'000	28 February 2022 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	-	-
Total taxation (note 7b)	-	-
b) Factors affecting the tax charge for the year		
Net revenue before taxation	-	-
Corporation tax at 20% (2022: 20%)	-	-
Effects of:		
Irrecoverable overseas tax	-	-
Tax charge for the year (note 7a)	-	-

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 sub-fund has not recognised a deferred tax asset of £1,341,000 (2022: £1,341,000) arising as a result of having unutilised management expenses of £6,705,000 (2022: £6,705,000) and non-trade loan relationship deficits of £5,377,000 (2022: £5,377,000). It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognised.

8. Distributions

	28 February 2023 £'000	28 February 2022 £'000
Distributions	-	-
Movement between net revenue and distributions		
Deficit transferred to capital	-	-
Net expense after taxation	-	-
	-	-

The distribution takes account of amounts added on the issue of shares and amounts deducted on the cancellation of shares.

9. Debtors

	28 February 2023 £'000	28 February 2022 £'000
Overseas withholding tax recoverable	98	102
Total debtors	98	102

10. Cash and cash equivalents

	28 February 2023 £'000	28 February 2022 £'000
Cash and bank balances	24	20
Total cash and cash equivalents	24	20

11. Other creditors

	28 February 2023 £'000	28 February 2022 £'000
Amounts payable to shareholders *	103	122
Overseas tax provision	19	-
Total other creditors	122	122

* The amount payable to shareholders includes an accrued balance for withholding tax reclaimable which has been translated into sterling at the year end exchange rate. The ACD will pay out these amounts to shareholders when they have been received from the tax authorities.

12. Contingent liabilities and commitments

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

13. Risk disclosures

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-fund. In addition, our Investment Committee and Risk and Compliance Committee meet monthly and quarterly respectively, and as required to evaluate risk across each of our funds. These policies have been consistent for both the current and prior period to which these financial statements relate.

(a) Market risk

As the sub-fund closed on 20 May 2020 there were no investments as at 28 February 2023 and 28 February 2022.

(i) Interest rate risk

As the sub-fund closed on 20 May 2020 there were no investments as at 28 February 2023 and 28 February 2022.

(ii) Currency risk

As the sub-fund closed on 20 May 2020 there were no investments as at 28 February 2023. A portion of the net assets of the sub-fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. The gain on forward currency contracts for the year was £nil (2022: £nil). Revenue received in foreign currencies is converted into sterling on or near the date of receipt.

(iii) Other price risk

As the sub-fund closed on 20 May 2020 there are no investments held at the year end, the sub-fund's exposure to other price risk is considered to be insignificant.

(b) Credit and counterparty risk

As the sub-fund closed on 20 May 2020 there were no significant concentrations of credit and counterparty risk as at 28 February 2023 or 28 February 2022.

Counterparty and collateral exposure

As the sub-fund closed on 20 May 2020 there were no investments at 28 February 2023. At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties.

(c) Liquidity risk

As the sub-fund closed on 20 May 2020 there was no significant concentration of liquidity risk as at 28 February 2023 or 28 February 2022.

14. Related party transactions

As the sub-fund closed on 20 May 2020 there were no investments as at 28 February 2023. At the balance sheet date no related party transactions in respect of the above.

15. Post balance sheet events

There were no significant post balance sheet events subsequent to the year end.

Artemis Positive Future Fund

Objective and investment policy

Objective	To grow capital over a five year period by investing in companies which meet the manager's criteria for positive environmental and/or social impact.	
Investment policy	**What the sub-fund invests in**	• 80% to 100% in company shares. • Up to 20% in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives.
	Use of derivatives	The sub-fund may use derivatives for efficient portfolio management purposes to: • reduce risk • manage the sub-fund efficiently.
	Where the sub-fund invests	• Globally
	Industries the sub-fund invests in	• Any, except for those excluded at the sub-industry level below.
	Other limitations specific to this sub-fund	Shares in the following types of company are automatically excluded: • Alcohol: companies which derive more than 10% revenue from alcohol; • Tobacco: companies which derive more than 10% revenue from tobacco; • Weapons: companies which produce or sell civilian firearms and/or manufacture or sell armaments, nuclear weapons or associated strategic products; • Nuclear power: companies which own a nuclear power facility; • Gambling: companies which derive more than 5% of revenue from gambling; • Animal testing: companies that engage in the production and sale of animal tested cosmetics; • Adult entertainment: companies which own an adult entertainment company or produce adult entertainment; • Genetic modification: companies which conduct genetic modification for agricultural purposes; and • Fossil fuels: companies which: -own oil & gas reserves; or -engage in conventional or unconventional oil and gas production and processing; or -own thermal coal reserves, mine thermal coal or derive more than 10% revenue from thermal coal-based electricity generation. • Biodiversity and land use: Companies that the manager determines to be implicated in severe controversies related to the company's use or management of natural resources; and • Companies that the manager determines to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption.

Investment strategy	• The sub-fund is actively managed and will be concentrated, typically investing in 35-45 companies at any time. • A number of companies are removed from the investment universe at the outset of the investment process using the criteria set out in the investment policy above. • A research driven stock selection process is then used to identify innovative companies whose products and services the manager believes are disrupting established industries by offering a positive environmental and/or social impact. • The manager believes that companies which have a combination of disruptive positive impact, favourable strategic positioning, an emerging competitive advantage and improving operational quality are more likely to deliver significant economic returns for their shareholders. These companies are also typically growing faster than the market. • Assessment and measurement of a company's ability to deliver positive environmental and/or social impact and generate financial returns will be conducted at a company level. When considering the positive impact of a company, the manager analyses the impact of: – the products and services it provides; – its operational practices and standards; and – its future positive impact or capacity for improvement. • The manager is predominantly driven by a qualitative approach to research and stock selection but also utilise quantitative screening and third-party research, including environmental, social and governance (ESG) screens. • Engagement forms an important part of the manager's investment process. The manager expects that investee companies should set ambitious goals and seek to continuously improve. Engagement allows the manager to identify and monitor the progressive management philosophy they seek at investee companies. If it is the manager's opinion that an investee company no longer meets the required investment criteria or is not making sufficient progress on improving their operational performance, the sub-fund will not make any further investments in the company and will seek to realise its investment in an orderly fashion. • The manager will report, on at least an annual basis, on the environmental and/or social impact of the companies in which the fund invests consistent with the stated strategy using both qualitative and quantitative assessments. The report will also provide details of the manager's stewardship activities.
Benchmarks	• **MSCI AC World NR GBP NR** A widely-used indicator of the performance of global stockmarkets, in which the fund invests. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark. The deviation from the benchmark may be significant and the portfolio of the fund may at times bear little or no resemblance to its benchmark. • **IA Global NR** A group of asset managers' sub-funds that invest in similar asset types to the sub-fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark.

ARTEMIS POSITIVE FUTURE FUND

RISK AND REWARD PROFILE

Potentially lower rewards						Potentially higher rewards
Lower risk						Higher risk
1	2	3	4	5	**6**	7

- The sub-fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the sub-fund may have risen and fallen in the past due to movements in markets, currencies and interest rates). It may not be a reliable indication of the future risk profile of the sub-fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the sub-fund’s future risk profile.
- A risk indicator of “1” does not mean that the investment is “risk free”.

The risk indicator may not fully take into account the following risks and the following may affect sub-fund performance:

- **Market volatility risk:** The value of the sub-fund and any income from it can fall or rise because of movements in stockmarkets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
- **Currency risk:** The sub-fund’s assets may be priced in currencies other than the sub-fund base currency. Changes in currency exchange rates can therefore affect the sub-fund's value.
- **Emerging markets risk:** Compared to more established economies, investments in emerging markets may be subject to greater volatility due to differences in generally accepted accounting principles, less governed standards or from economic or political instability. Under certain market conditions assets may be difficult to sell.
- **Concentration risk:** The sub-fund may have investments concentrated in a limited number of holdings. This can be more risky than holding a wider range of investments.
- **Charges from capital risk:** Where charges are taken wholly or partly out of a sub-fund's capital, distributable income may be increased at the expense of capital, which may constrain or erode capital growth.
- **Smaller companies risk:** Investing in small and medium-sized companies can involve more risk than investing in larger, more established companies. Shares in smaller companies may not be as easy to sell, which can cause difficulty in valuing those shares.
- **Specialist investment objective risk:** The sub-fund will only invest in companies which have a positive environmental and/or social impact. It is also prevented from investing in companies which conduct certain types of activities. The universe of potential investments available to the sub-fund will therefore be smaller than if no such restrictions were applied. If a company in which the sub-fund invests no longer meets the criteria for investment and/or is not making sufficient progress on improving its operational performance, the manager will seek to sell the investment.

The price which may be obtained for selling an investment in these circumstances might be lower than that which could have been obtained had the sale not been required.

There was no change to the risk indicator in the 12 months to 28 February 2023.

Please refer to the sub-fund's prospectus for full details of these and other risks which are applicable to this sub-fund.

INVESTMENT REVIEW

- The fund returned (10.2)% versus 1.7% from the MSCI AC World Index[1].
- The Inflation Reduction Act in the US should hasten the triumph of clean technologies.
- Emerging-growth equities appear to be attractively valued by almost any historic standard.

Our 'emerging growth' stocks underperformed

Market conditions for investors in 'growth' companies (companies whose sales are expected to keep growing at an above-average pace) were extremely challenging for most of the 12 months covered by this report – particularly in the first half of the year. A confluence of factors drove inflation to 40-year highs and pushed expectations for interest rates sharply higher, increasing funding costs for growth companies and sending their share prices lower. Our fund returned (10.2)% in sterling terms over the year while the benchmark MSCI AC World Index returned 1.7%.

Although many of the factors that have pushed inflation and rates higher will prove to be temporary, it is impossible to forecast when (or even if) some will be resolved. The war in Ukraine and supply-chain disruptions both remain meaningful factors and the interest-rate shock is clearly beginning to affect demand.

Yet while it was clearly a difficult year for our strategy, it is our belief that 'growth' equities and especially emerging-growth equities – those in the early stages of their journey and whose growth can be rapid but volatile – now appear to be attractively valued by almost any historic standard. According to our analysis, 'emerging-growth' stocks (companies in the early stages of their journey, which are investing for future growth rather than focusing on short-term profits) now trade on roughly the same multiple as the broader global equity market – despite being expected to grow nearly twice as quickly.

Our investment process did not work in the way we expected, so we took steps to improve it

The easy response to a period of underperformance would have been to ape what so many other funds do, by buying larger, more defensive companies. Our belief, however, is that we can deliver the greatest impact – and the best long-term returns – by investing in small-to-mid cap growth companies bringing change to unsustainable systems such as fossil fuels, healthcare, education and food production.

But while we remain committed to the core elements of our investment style, with hindsight it became clear that we had underestimated the risk of persistent inflation and had been too slow to react to the possibility of a 'regime change' in financial markets. When 2022 began, we had large positions in a number of higher-risk, more volatile 'emerging growth' stocks. At times we made the situation worse by adding to these stocks on weakness (a 'buy-the-dip' approach had worked well in previous market downturns). In retrospect, we had too much invested in higher-risk stocks and the size of our positions were larger than they should have been given the wider environment.

So, after analysing our returns, we concluded that our holdings in higher-risk, emerging growth stocks needed to be smaller. We also resolved to be more proactive in selling holdings when we stop understanding why a given stock is underperforming. We no longer add to holdings when their share price drops unless we can be 100% confident the share-price movement is unwarranted.

Our clean tech holdings have performed relatively well in recent months…

During the summer, the US Senate reached a deal – the Inflation Reduction Act – to invest in renewable energy technologies. The bill includes US$430bn in new spending on energy, electric vehicle credits and health insurance. It was partly because of this that some of the renewable energy companies in our portfolio – Nibe and SolarEdge – performed relatively well. In combination with the fuel crisis in Europe, the Act should dramatically accelerate the adoption of clean technologies.

We reduced the fund's exposure to slowing economic growth

Given the economic challenges, it is vital that we continually look for evidence that our portfolio companies are delivering as expected and that we adjust our views and the portfolio when they are not. To this end, we reduced the portfolio's exposure to slowing economic growth by halving our positions in **Disco** and **Teradyne**, two holdings that are directly exposed to weaker demand for semiconductors.

We sold our position in **MIPS**, whose technology enhances the protection that cycling helmets provide to their wearers. It is directly exposed to a fall in consumer spending on cycling accessories; bike sales were a clear beneficiary of the pandemic.

Disappointing results from **Chegg** reduced our stock-specific conviction, so we reduced the size of our position. We sold out of **DocuSign** following very disappointing results.

Past performance is not a guide to the future.

[1] Source: Artemis/ Lipper Limited, from 6 April 2021 to 28 February 2023, class I accumulation GBP. All figures show total returns with income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.

We also sold **Avita Medical** and **Volpara**. This was a challenging decision because both companies are executing well, have a clear positive impact and the potential to create significant value. However, we were concerned about the trading liquidity in the stocks and their balance sheet runway given their negative cashflow status.

We added some new stocks to the fund

In September, we bought **Energy Recovery**, a technology company whose unique product captures waste energy from certain industrial processes and feeds it back to the system. Primarily used in desalination to this point, it is now expanding into some new end markets such as refrigeration. We believe this has yet to be factored into its valuation.

We also bought high-quality UK industrial **Halma**, which has growth businesses in several clean technology areas.

NIBE is one of the world's largest manufacturers of heat pumps and focuses primarily on the German and Nordic markets. We believe end demand will be accelerated by the war in Ukraine and that we are early in the adoption curve as consumers switch away from gas boilers toward more environmentally friendly heat pumps.

We bought **Veeva Systems**, a high-quality, cash-generative, founder-run software company that delivers leading software for the pharmaceutical industry. Veeva was the first US company in history to convert to a Public Benefit Corporation ('PBC' status places a legal obligation on the company to consider its impact on workers, the community and the environment– not just its shareholders. For PBCs, sustainability is a core principle rather than an afterthought). Their goal is to reduce clinical-trial times and reduce costs by 25% while creating high-quality employment opportunities.

PowerSchool provides software for so called 'K-12' schools in the US, which educate children from kindergarten through to year 12. Using PowerSchool's software to manage records and assessments allows teachers to focus their time and energy on teaching. The education sector has been a slow adopter of technology but software delivered via the cloud makes it much easier for schools to adopt these solutions.

We also purchased **Airtel Africa**, a FTSE 100 company that has exposure to 14 African telecom markets. The recent launch of their mobile money product in Nigeria, low levels of mobile phone penetration and favourable demographic trends should support rapid growth in sales over the next five years. The company has targets for improving digital inclusion and gender diversity.

We engaged with our holdings

We have voted at a number of AGMs over the past 12 months. These included the AGM of Montrose Environmental, whose advisory remuneration report was rejected by its shareholders; we also voted against as we felt awards to the executives were too generous.

At the AGM of e-commerce platform Shopify, meanwhile, we opposed the award of 'founder shares' to CEO Tobi Lütke. Our view was that the arrangement provided Tobi control with (potentially) only a minimum shareholding.

We also voted at the AGM of online education services provider Coursera and gave the company our view of what would constitute a credible 'net zero' commitment.

Several of our companies reported on their progress towards being more sustainable

Tesla published its 2021 Impact Report. Rather than scrutinising the company's 'actual' positive impact, attention focused on its criticism of ESG and its focus on the dollar value of risk/return. In a nod to some of the controversies around its historical operations, the company recognised that it could do better. Tesla is targeting sales of 20 million electric vehicles in 2030 (it sold 0.94 million in 2021) and 1,500 GWh of energy storage (versus 4 GWh in 2021).

Insulet, which makes drug-delivery devices, **published its third sustainability report**. This provided evidence of the progress it is making in multiple areas – progress we would expect to continue as the company scales up.

Tetra-Tek, the environmental consulting engineer, provided baseline impact metrics for its activities and measured progress towards its 2030 sustainability programme goals – including improving the lives of a billion people by 2030.

Implantable lens manufacturer, **Staar Surgical**, published its 2022 Sustainability Report. We view this as a step up from its previous publications and as evidence that the company is thinking deeply about efficiency in all its forms.

Craig Bonthron, Neil Goddin, Jonathan Parsons and Ryan Smith
Fund Managers

INVESTMENT INFORMATION

Ten largest purchases and sales for the period ended 28 February 2023

Purchases	Cost £'000	Sales	Proceeds £'000
IQVIA Holdings	1,154	Insulet	1,408
Nibe Industrier 'B'	1,009	STAAR Surgical	884
Veeva Systems 'A'	933	MIPS	829
Oxford Instruments	816	Disco	801
Halma	762	Penumbra	674
Dexcom	759	Shopify 'A'	669
First Solar	681	Tetra Tech	631
PowerSchool Holdings 'A'	666	IDP Education	630
Energy Recovery	609	Montrose Environmental Group	603
Amplifon	572	SolarEdge Technologies	603

Portfolio statement as at 28 February 2023

Investment	Holding	Valuation £'000	% of net assets
Equities 92.34% (94.31%)			
Communication Services 1.47% (0.00%)			
Airtel Africa	382,191	464	1.47
		464	**1.47**
Consumer Discretionary 12.82% (21.07%)			
Basic-Fit	22,892	665	2.11
Chegg	21,309	278	0.88
Coursera	27,016	252	0.80
IDP Education	64,781	1,034	3.29
Planet Fitness 'A'	17,667	1,176	3.74
Tesla	3,670	630	2.00
		4,035	**12.82**
Consumer Staples 1.61% (2.10%)			
Vitasoy International Holdings	302,000	508	1.61
		508	**1.61**
Financials 1.12% (0.00%)			
Amalgamated Financial	18,222	351	1.12
		351	**1.12**
Health Care 31.45% (29.34%)			
Amplifon	72,598	1,759	5.59
Cochlear	14,642	1,811	5.75
Dexcom	9,371	856	2.72
DiaSorin	14,703	1,462	4.64
Insulet	3,782	882	2.80
IQVIA Holdings	5,903	1,019	3.24
Penumbra	3,008	657	2.09
STAAR Surgical	9,991	464	1.48
Veeva Systems 'A'	5,690	780	2.48
Veracyte	10,360	207	0.66
		9,897	**31.45**

ARTEMIS POSITIVE FUTURE FUND

Investment	Holding	Valuation £'000	% of net assets
Industrials 20.52% (18.75%)			
Alfen	11,722	790	2.51
Badger Infrastructure Solutions	28,971	542	1.72
Charge Point Holdings	38,289	343	1.09
Deme Group	3,621	373	1.18
Energy Recovery	27,159	488	1.55
Montrose Environmental Group	16,416	686	2.18
Nibe Industrier 'B'	106,883	939	2.99
Tetra Tech	8,871	997	3.17
TOMRA Systems	96,842	1,301	4.13
		6,459	**20.52**
Information Technology 23.35% (23.05%)			
Aehr Test Systems	16,619	440	1.40
Disco	1,900	489	1.55
Everbridge	9,386	254	0.81
First Solar	5,288	726	2.31
Halma	34,314	743	2.36
Oxford Instruments	38,464	942	2.99
PowerSchool Holdings 'A'	40,996	780	2.48
Shopify 'A'	11,909	399	1.26
SolarEdge Technologies	4,467	1,158	3.68
Teradyne	8,747	730	2.32
Universal Display	6,131	689	2.19
		7,350	**23.35**
Fair value adjustment at pricing point 0.00% ((0.77)%)†			
Investment assets		**29,064**	**92.34**
Net other assets		**2,409**	**7.66**
Net assets attributable to shareholders		**31,473**	**100.00**

The comparative percentage figures in brackets are as at 28 February 2022.
† Fair value adjustment based on movements of futures in markets closed at the sub-fund valuation point, since the last market close.

FINANCIAL STATEMENTS

Statement of total return for the period ended 28 February 2023

	Note	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Income					
Net capital losses	3		**(3,439)**		(9,643)
Revenue	5	**187**		58	
Expenses	6	**(189)**		(159)	
Net expense before taxation		**(2)**		(101)	
Taxation	7	**(18)**		(6)	
Net expense after taxation			**(20)**		(107)
Total return before distributions			**(3,459)**		(9,750)
Distributions	8		**(27)**		(2)
Change in net assets attributable to shareholders from investment activities			**(3,486)**		(9,752)

Statement of change in net assets attributable to shareholders for the period ended 28 February 2023

	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Opening net assets attributable to shareholders		**33,951**		-
Amounts receivable on issue of shares	**7,728**		46,947	
Amounts payable on cancellation of shares	**(6,731)**		(3,293)	
		997		43,654
Dilution adjustment		**6**		49
Change in net assets attributable to shareholders from investment activities		**(3,486)**		(9,752)
Retained distribution on accumulation shares		**5**		-
Closing net assets attributable to shareholders		**31,473**		33,951

Balance sheet as at 28 February 2023

	Note	28 February 2023 £'000	28 February 2022 £'000
Assets			
Fixed assets			
Investments	9	**29,064**	31,758
Current assets			
Debtors	10	**33**	424
Cash and cash equivalents	11	**2,421**	2,334
Total current assets		**2,454**	2,758
Total assets		**31,518**	34,516
Liabilities			
Creditors			
Distribution payable		**25**	4
Other creditors	12	**20**	561
Total creditors		**45**	565
Total liabilities		**45**	565
Net assets attributable to shareholders		**31,473**	33,951

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, in accordance with FRS 102, the SORP and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). The financial statements have been prepared on a going concern basis. There are no material events that have been identified that may cast significant doubt about the sub-fund's ability to continue as a going concern for a period of twelve months from the date the financial statements are authorised for issue. The ACD believes that the sub-fund has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.

(b) Valuation of investments. All investments have been valued at 12 noon on the last working day of the accounting period. Where a sub-fund invests in markets that are closed for trading at the sub-fund's valuation point, the ACD will allow for the Net Asset Value to be adjusted (based on movements of index futures or other suitable proxies in markets closed at the sub-fund valuation point, since the last market close), to reflect more accurately the fair value of the sub-fund's investments. Listed investments are valued at fair value which is deemed to be the bid or SETS price. The last valuation point in the accounting period has been used for the purposes of preparing the report and financial statements and in the ACD's opinion there have been no material movements in the sub-fund between the last valuation point and close of business on the balance sheet date.

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

(d) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward currency contracts are used for investment purposes and efficient portfolio management. 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. Open forward currency contracts are shown in the Portfolio Statement at market value and the net gains are reflected within forward currency contracts under net capital losses in the Notes to the financial statements.

(e) Revenue. Dividends receivable from equity and non-equity shares, including Real Estate Investment Trusts, are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. Special dividends are reviewed on a case by case basis when determining if the dividend is to be treated as revenue or capital.

It is likely that where a special dividend results in a significant reduction in the capital value of a holding, then the dividend will generally be treated as capital, otherwise this will be recognised as revenue. Bank interest is recognised on an accruals basis.

(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 sub-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.

(h) Dilution adjustment. The sub-fund is priced on a single price basis and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions and redemptions in and out of the sub-fund. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing shareholders' interest in the sub-fund. In order to counter this and to protect shareholders' interests, the ACD will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the sub-fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. In the usual course of business a dilution adjustment will be applied systematically and on a consistent basis.

2. Distribution policy

The distribution policy of the sub-fund is to distribute all available revenue, after deduction of expenses properly chargeable against revenue and taxation. The ACD and the depositary have agreed, for the distribution classes only, that 100% of the annual management charge is to be transferred to capital for the purpose of calculating the distribution, as permitted by COLL. The distribution currently payable reflects this treatment. Gains and losses on non-derivative investments and currencies, whether realized or unrealised, are taken to capital and are not available for distribution. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised. For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares. Distributions which have remained unclaimed by shareholders for six years are credited to the capital property of the sub-fund.

3. Net capital losses

	28 February 2023 £'000	28 February 2022 £'000
Currency gains/(losses)	**20**	(77)
Forward currency contracts	**1**	20
Non-derivative securities	**(3,460)**	(9,586)
Net capital losses	**(3,439)**	(9,643)

4. Direct transaction costs

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

						Year ended 28 February 2023
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	16,763	3	12	16,778	0.02	0.07
Sales						
Equities	16,017	3	1	16,013	0.02	0.01
Total		**6**	**13**			
Percentage of sub-fund average net assets		**0.02%**	**0.03%**			

						From 6 April 2021 to 28 February 2022
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	45,030	8	5	45,043	0.02	0.01
Sales						
Equities	3,701	1	1	3,699	0.03	0.03
Total		**9**	**6**			
Percentage of sub-fund average net assets		**0.03%**	**0.02%**			

During the year the sub-fund incurred £nil (2022: £nil) in capital transaction charges.

Dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.12% (2022: 0.34%). This spread represents the difference between the bid and offer prices of each underlying investment of the sub-fund expressed as a percentage of the value determined by reference to its offer price.

5. Revenue

	28 February 2023 £'000	28 February 2022 £'000
Overseas dividends	**137**	58
Bank interest	**37**	-
UK dividends	**13**	-
Total revenue	**187**	58

6. Expenses

	28 February 2023 £'000	28 February 2022 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	**141**	117
Administration fees	**48**	42
Total expenses	**189**	159

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
The audit fee (excluding VAT) accrued during the year was £9,000 (2022: £8,000). This fee is paid by the manager.

7. Taxation

	28 February 2023 £'000	28 February 2022 £'000
a) Analysis of the tax charge for the period		
Irrecoverable overseas tax	**18**	6
Total taxation (note 7b)	**18**	6
b) Factors affecting the tax charge for the period		
Net revenue before taxation	**(2)**	(101)
Corporation tax at 20% (2022: 20%)	**-**	(20)
Effects of:		
Unutilised management expenses	**30**	32
Irrecoverable overseas tax	**18**	6
Non-taxable UK dividends	**(3)**	-
Non-taxable overseas dividends	**(27)**	(12)
Tax charge for the period (note 7a)	**18**	6

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 sub-fund has not recognised a deferred tax asset of £62,243 (2022: £31,716) arising as a result of having unutilised management expenses of £311,215 (2022: £158,579). It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognised.

8. Distributions

	28 February 2023 £'000	28 February 2022 £'000
Final dividend distribution	**30**	4
Add: amounts deducted on cancellation of shares	**4**	-
Deduct: amounts added on issue of shares	**(7)**	(2)
Distributions	**27**	**2**
Movement between net revenue and distributions		
Annual management charge paid from capital	**27**	20
Deficit transferred to capital	**21**	89
Revenue paid on conversion of shares	**(1)**	-
Net expense after taxation	**(20)**	(107)
	27	**2**

The distribution takes account of amounts added on the issue of shares and amounts deducted on the cancellation of shares.
Details of the distribution per share are set out in the distribution tables on page 57.

9. Fair value hierarchy

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

The disclosure is split into the following categories:

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

	28 February 2023		28 February 2022	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Level 1	**29,064**	**-**	31,758*	-
Total	**29,064**	**-**	31,758	-

* Level 1 includes fair value adjustment based on movement of futures in markets closed at the sub-fund valuation point, since the last market close.

10. Debtors

	28 February 2023 £'000	28 February 2022 £'000
Amounts receivable for issue of shares	**32**	106
Accrued revenue	**1**	1
Sales awaiting settlement	**-**	317
Total debtors	**33**	424

11. Cash and cash equivalents

	28 February 2023 £'000	28 February 2022 £'000
Amounts held in JPMorgan Liquidity Funds – GBP Liquidity Fund (Institutional dist.)	**2,403**	2,324
Cash and bank balances	**18**	10
Total cash and cash equivalents	**2,421**	2,334

12. Other creditors

	28 February 2023 £'000	28 February 2022 £'000
Accrued annual management charge	**10**	11
Amounts payable for cancellation of shares	**6**	546
Accrued administration fee payable to manager	**4**	4
Total other creditors	**20**	561

13. Contingent liabilities and commitments

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

14. Reconciliation of share movements

	Shares in issue at 28 February 2022	Shares issued	Shares cancelled	Shares converted	**Shares in issue at 28 February 2023**
F distribution	6,711,096	1,488,442	(1,067,168)	(10,099)	**7,122,271**
F accumulation	28,603,710	6,070,850	(6,292,390)	615,470	**28,997,640**
I distribution GBP	1,385,608	1,237,159	(236,561)	10,168	**2,396,374**
I accumulation GBP	7,871,642	2,259,515	(2,167,420)	(619,538)	**7,344,199**

15. Risk disclosures

In pursuing its investment objectives, the sub-fund may hold a number of financial instruments. These financial instruments comprise equities, derivatives and cash balances which include debtors and creditors that arise directly from the sub-fund's operations. The fund only executes derivative contracts where both the derivative instrument and the counterparty have been approved by the manager.

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-fund. In addition, our Investment Committee and Risk and Compliance Committee meet monthly and quarterly respectively, and as required to evaluate risk across each of our funds.

In the normal course of business, the sub-fund's activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests. These financial risks: market risk (comprising currency risk, interest rate risk and other market price risk), credit and counterparty risk and liquidity risk and the approach to the management of these risks, are set out below. For a detailed explanation of these and further risks involved in investing in the sub-fund, reference should be made to the Prospectus.

(a) Market risk

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

(i) Interest rate risk

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. As the majority of the sub-fund's financial assets are non-interest bearing, the sub-fund is only subject to limited exposure to fair value interest rate risk due to fluctuations in levels of market interest rates and therefore no sensitivity analysis has been provided.

(ii) Currency risk

A portion of the net assets of the sub-fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the ACD may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the sub-fund's exposure to currency risk is reduced. The gain on forward currency contracts for the period was £1,000 (2022: £20,000).

The exposure to each currency is shown in the tables below.

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £'000	**Total £'000**
28 February 2023				
US Dollar	**15,242**	**7**	**-**	**15,249**
Euro	**5,049**	**3**	**-**	**5,052**
Australian Dollar	**2,845**	**-**	**-**	**2,845**
Sterling	**2,149**	**2,399**	**-**	**4,548**
Japanese Yen	**489**	**-**	**-**	**489**
Canadian Dollar	**542**	**-**	**-**	**542**
Swedish Krona	**939**	**-**	**-**	**939**
Norwegian Krone	**1,301**	**-**	**-**	**1,301**
Hong Kong Dollar	**508**	**-**	**-**	**508**
28 February 2022				
US Dollar	18,389	1	-	18,390
Euro	4,862	-	-	4,862
Australian Dollar	3,120	-	-	3,120
Sterling	(212)	2,192	-	1,980
Japanese Yen	1,604	-	-	1,604
Canadian Dollar	1,294	-	-	1,294
Swedish Krona	997	-	-	997
Norwegian Krone	991	-	-	991
Hong Kong Dollar	713	-	-	713

A five percent increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets by £1,346,000 (2022: £1,599,000). A five percent decrease would have an equal and opposite effect.

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The value of equities is dependent on a number of factors, arising from the performance of the company itself and matters arising in the wider market (for example the state of the underlying economy and current government policy). The portfolio is invested in securities domiciled in a number of countries and will be exposed to market movements in the relevant country arising from changes in the local economy and government decisions.As part of the continuing review of the portfolio, the ACD monitors and reviews these factors. A five per cent increase in the value of the sub-fund's portfolio would have the effect of increasing the return and net assets by £1,453,000 (2022: £1,588,000). A five per cent decrease would have an equal and opposite effect.

(iv) Leverage risk

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

The sub-fund can use cash borrowing (subject to restrictions as set out in its Prospectus and COLL) and financial derivatives as sources of leverage. A result of 100% indicates that no leverage has been used.

As at 28 February 2023 and 28 February 2022 the leverage ratios of the sub-fund were:

	28 February 2023 %	28 February 2022 %
Sum of the notionals	**100.0**	100.0
Commitment	**100.0**	100.0

(b) Credit and counterparty risk

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

The ACD is permitted to use one or more separate counterparties for derivative transactions. The sub-fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit worthiness of its counterparties and their ability to satisfy the terms of such contracts. Where the sub-fund enters into derivative contracts, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy or insolvency of a counterparty, the sub-fund could experience delays in liquidating the position and may incur significant losses. There may be a risk that a counterparty will be unable to meet its obligations with regard to the return of the collateral and may not meet other payments due to the sub-fund. To minimise such risk the ACD will assess the creditworthiness of any counterparty that it engages. On a daily basis the ACD assesses the level of assets with each counterparty to ensure that the exposure is within the defined limits in accordance with the requirement stipulated in COLL and the Prospectus.

(c) Liquidity risk

Liquidity risk is the risk that through market liquidity conditions, requests for redemptions from investors cannot be met in an orderly and appropriate manner. Artemis adopts a policy of mitigation and control to manage liquidity risks. Mitigation occurs through maintaining prudent levels of liquidity in each fund and a well-diversified investor base. As a result, redemption requests can be satisfied in all but exceptional circumstances. Artemis has a dedicated liquidity risk management policy which is owned by the independent investment risk team which reports to the Chief Risk Officer. Its purpose is to ensure the portfolio manager acts in the client's best interest with regards to this liquidity risk. Through the use of 3rd party modeling and assumptions, the investment risk team conduct regular monitoring and analyses of the liquidity profile of the funds and investor base. This includes but is not limited to what percentage of the fund can be liquidated within certain redemption horizons, whether the largest investors in the fund can redeem without affecting the fair treatment of remaining investors, liquidity stress testing and other analysis deemed to cover a risk specific to the strategy considered. There was no significant concentration of liquidity risk as at 28 February 2023.

16. Related party transactions

The ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the statement of total return, statement of change in net assets attributable to shareholders and the balance sheet on page 49 and notes 6, 8, 10 and 12 on pages 52 to 53 including all issues and cancellations where the ACD acted as principal.

The balance due from the ACD as at 28 February 2023 in respect of these transactions was £12,000 (2022: due to the ACD £455,000).

17. Share classes

The annual management charge on each share class is as follows:

F distribution GBP	0.35%
F accumulation GBP	0.35%
I distribution GBP	0.75%
I accumulation GBP	0.75%

The net asset value per share and the number of shares in each class are given in the comparative tables on page 58. The distributions per share class are given in the distribution tables on page 57. All classes have the same rights on winding up.

18. Post balance sheet events

There were no significant post balance sheet events subsequent to the year end.

DISTRIBUTION TABLES

This sub-fund pays annual dividend distributions.
The following table sets out the distribution periods.

Annual distribution period	Start	End	Ex-dividend date	Pay date
Final	1 March 2022	28 February 2023	1 March 2023	28 April 2023

Group 1 shares are those purchased prior to a distribution period and therefore their net revenue rate is the same as the distribution rate.

Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of net revenue and equalisation. Equalisation applies only to group 2 shares purchased during the period. It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

F distribution GBP

Dividend distribution for the year ended 28 Feb 2023	Group 2 Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2022 Distribution per share (p)
Final	0.1081	0.1542	0.2623	100.00%	0.00%	0.0467

F accumulation GBP

Dividend distribution for the year ended 28 Feb 2023	Group 2 Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2022 Distribution per share (p)
Final	0.0000	0.0187	0.0187	100.00%	0.00%	0.0000

I distribution GBP

Dividend distribution for the year ended 28 Feb 2023	Group 2 Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2022 Distribution per share (p)
Final	0.1155	0.1455	0.2610	100.00%	0.00%	0.0507

I accumulation GBP

Dividend distribution for the year ended 28 February 2023	Group 2 Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2022 Distribution per share (p)
Final	0.0000	0.0000	0.0000	0.00%	0.00%	0.0000

COMPARATIVE TABLES

	F distribution GBP **		F accumulation GBP **	
	2023	2022	**2023**	2022
Change in net assets per share	**(p)**	(p)	**(p)**	(p)
Opening net asset value per share	**76.19**	100.00	**76.24**	100.00
Return before operating charges *	**(7.08)**	(23.27)	**(7.09)**	(23.27)
Operating charges	**(0.35)**	(0.49)	**(0.35)**	(0.49)
Return after operating charges	**(7.43)**	(23.76)	**(7.44)**	(23.76)
Distributions	**(0.26)**	(0.05)	**(0.02)**	-
Retained distributions on accumulation shares	**-**	-	**0.02**	-
Closing net asset value per share	**68.50**	76.19	**68.80**	76.24
* after direct transaction costs of	**(0.03)**	(0.05)	**(0.03)**	(0.05)
Performance				
Return after charges	**(9.75)%**	(23.76)%	**(9.76)%**	(23.76)%
Other information				
Closing net asset value (£'000)	**4,878**	5,113	**19,951**	21,806
Closing number of shares	**7,122,271**	6,711,096	**28,997,640**	28,603,710
Operating charges	**0.50%**	0.50%	**0.50%**	0.50%
Direct transaction costs	**0.05%**	0.05%	**0.05%**	0.05%
Prices	**(p)**	(p)	**(p)**	(p)
Highest price	**84.71**	111.45	**84.76**	111.45
Lowest price	**59.60**	71.38	**59.64**	71.38

	I distribution GBP **		I accumulation GBP **	
	2023	2022	**2023**	2022
Change in net assets per share	**(p)**	(p)	**(p)**	(p)
Opening net asset value per share	**75.92**	100.00	**75.97**	100.00
Return before operating charges *	**(7.06)**	(23.25)	**(7.06)**	(23.16)
Operating charges	**(0.62)**	(0.78)	**(0.62)**	(0.87)
Return after operating charges	**(7.68)**	(24.03)	**(7.68)**	(24.03)
Distributions	**(0.26)**	(0.05)	**-**	-
Retained distributions on accumulation shares	**-**	-	**-**	-
Closing net asset value per share	**67.98**	75.92	**68.29**	75.97
* after direct transaction costs of	**(0.03)**	(0.04)	**(0.03)**	(0.05)
Performance				
Return after charges	**(10.12)%**	(24.03)%	**(10.11)%**	(24.03)%
Other information				
Closing net asset value (£'000)	**1,629**	1,052	**5,015**	5,980
Closing number of shares	**2,396,374**	1,385,608	**7,344,199**	7,871,642
Operating charges	**0.90%**	0.90%	**0.90%**	0.90%
Direct transaction costs	**0.05%**	0.05%	**0.05%**	0.05%
Prices	**(p)**	(p)	**(p)**	(p)
Highest price	**84.38**	111.20	**84.43**	111.20
Lowest price	**59.32**	71.14	**59.36**	71.14

** Launched on 6 April 2021.

The operating charges are calculated on an ex-post basis and as such may differ from the ongoing charges figure where the ongoing charge has been annualised for a class that has not been open for a full year. High and low price disclosures are based on quoted unit prices. Therefore opening and closing NAV prices may fall outside the high/low price threshold.

Ongoing charges

Class	**28 February 2023**
F distribution GBP	0.50%
F accumulation GBP	0.50%
I distribution GBP	0.90%
I accumulation GBP	0.90%

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

Class I accumulation performance

	Since launch *	1 year	6 months
Artemis Positive Future Fund**	(31.7)	(10.2)	(3.2)
Artemis Positive Future Fund***	(31.7)	(12.6)	(2.9)
MSCI AC World NR GBP	7.8	1.7	(0.7)
IA Global Average	4.2	2.0	0.9
Position in sector	248/249	253/265	244/269
Quartile	4	4	4

Past performance is not a guide to the future.
* Source: Artemis/Lipper Limited, class I accumulation GBP to 28 February 2023. All figures show total returns with dividends and/or income reinvested, net of all charges and performance fees. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class.
** Value at 12 noon valuation point
** Value at close of business
Class I accumulation is disclosed as it is the primary share class.

Artemis SmartGARP Global Emerging Markets Equity Fund*

Objective and investment policy

Objective	To grow capital over a five year period.	
Investment policy	**What the sub-fund invests in**	• 80% to 100% in company shares. • Up to 20% in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives.
	Use of derivatives	The sub-fund may use derivatives for efficient portfolio management purposes to: • reduce risk • manage the sub-fund efficiently.
	Where the sub-fund invests	• Emerging market countries, including companies in other countries that are headquartered or have a significant part of their activities in emerging market countries. In this context, emerging market countries means countries included in the MSCI Emerging Markets Index and those included in the World Bank definition of developing economies or those countries which are, in the manager's opinion, developing countries.
	Industries the sub-fund invests in	• Any
	Other limitations specific to this sub-fund	• None
Investment strategy	• The sub-fund is actively managed. • A proprietary tool called 'SmartGARP' is used as the foundation of the investment process. It screens the financial characteristics of companies by identifying those that are growing faster than the market but are trading on lower valuations than the market. • The manager selects companies that in aggregate have good 'SmartGARP' characteristics. This tends to mean that the portfolio contains stocks that have lower valuations than the market average, upgrades to profit forecasts, and are under-owned by the investment community, while at the same time benefiting from helpful trends in the wider economy.	
Benchmarks	• **MSCI EM (Emerging Markets) NR** A widely-used indicator of the performance of emerging markets stockmarkets, in which the sub-fund invests. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark. • **IA Global Emerging Markets NR** A group of asset managers' sub-funds that invest in similar asset types to the sub-fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark.	

Risk and reward profile

Potentially lower rewards						Potentially higher rewards
Lower risk						Higher risk
1	2	3	4	5	**6**	7

- The sub-fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the fund may have risen and fallen in the past due to movements in markets, currencies and interest rates). It may not be a reliable indication of the future risk profile of the sub-fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the sub-fund's future risk profile.
- A risk indicator of "1" does not mean that the investment is "risk free".

The risk indicator may not fully take into account the following risks and the following may affect sub-fund performance:

- **Market volatility risk:** The value of the sub-fund and any income from it can fall or rise because of movements in stockmarkets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
- **Currency risk:** The sub-fund's assets may be priced in currencies other than the sub-fund base currency. Changes in currency exchange rates can therefore affect the sub-fund's value.
- **Charges from capital risk:** Where charges are taken wholly or partly out of a sub-fund's capital, distributable income may be increased at the expense of capital, which may constrain or erode capital growth.
- **Emerging markets risk:** Compared to more established economies, investments in emerging markets may be subject to greater volatility due to differences in generally accepted accounting principles, less governed standards or from economic or political instability. Under certain market conditions assets may be difficult to sell.
- **China risk:** The sub-fund can invest in China A-shares (shares traded on Chinese stock exchanges in Renminbi). There is a risk that the sub-fund may suffer difficulties or delays in enforcing its rights in these shares, including title and assurance of ownership.

There was no change to the risk indicator in the 12 months to 28 February 2023.

Please refer to the sub-fund's prospectus for full details of these and other risks which are applicable to this sub-fund.

ARTEMIS SMARTGARP GLOBAL EMERGING MARKETS EQUITY FUND

INVESTMENT REVIEW

- Significant outperformance over the period.
- Stocks on lower valuations have outperformed.
- The long-term investment case remains compelling.

Performance – Positive in a falling market

The fund returned 1.8% in the twelve months to 28 February 2023, significantly ahead of the MSCI Emerging Markets index's (6.1) % and the average peer's return of (4.5) %. In the longer term, performance since launch of 6.5% per annum puts us ahead of both the benchmark index at 4.4% and the average peer at 2.0% per annum[1].

Stock picking opportunities in China

Our preference for 'deep value' names in China (stocks whose share prices appear extremely low relative to their earnings) contributed positively to performance in the last year and remains a significant exposure in the fund. Top contributors were in logistics (Sinotrans), telecommunications (China Mobile) and energy (Sinopec).

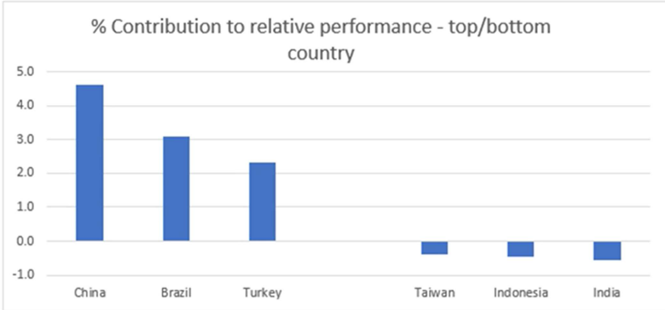
By the end of October, we sensed a more favourable balance between risk and reward developing in the Chinese market. This prompted us to buy some consumer stocks, an area we had been light on in the fund since the pandemic in 2020. Signs of more relaxed Covid controls and a potential re-opening of the economy fuelled a strong rally in the following months. Our holding in Hello Group (social networking) was a beneficiary of this improved sentiment.

Brazil and Turkey contribute strongly

Elsewhere, winners were found in Brazil and Turkey. Brazil benefited from firm commodity prices and an export boom. Our holdings in Gerdau (steel) and BB Seguridade (insurance) performed well against this backdrop. Energy giant Petrobras had a strong year, mainly because of the substantial dividends they delivered to investors.

The Turkish stock market was a surprise winner in the period. Its economy is battling against inflation near 80% and persisting in unconventional monetary policies. Despite this, its stock market was the best performer in emerging markets in the last year. Profit growth in our Turkish holdings has been strong against the backdrop of economic headwinds. Glass producer Sisecam, bottler Coca Cola Icecek were both amongst the top contributors. Shares in Sisecam rose +208% in the period.

Chart 1: Country contribution to relative performance



Source: Artemis

Technology hardware among detractors

In a volatile year for share prices, there were inevitably some disappointments among our holdings. Heightened concerns about the real estate sector in China and tighter credit controls on property investment led to our holding in Country Garden falling significantly. Concerns emerged about a slowdown in demand for technology from a weaker global economy. The fund benefited from being underweight to the sector, but Lenovo and Phison Electronics were detractors among our technology holdings.

Despite these setbacks, the fund outperformed significantly in the period. It was a good year for value stocks and mid-caps, both areas where we have found (and continue to find) plenty of opportunities.

Review – Rate hikes, dollar strength and slowing growth weigh on markets

Firm food and energy prices alongside aggressive monetary policy tightening all pointed to a slowdown in developed economies. Aggressive rate hikes by the US Federal Reserve (Fed) and the associated strength of the US dollar weighed on sentiment towards emerging markets.

Emerging market central banks have taken measures to protect against inflation

A number of EM central banks raised interest rates in 2021, pre-empting similar moves by the Fed by almost a year. With tightening supply chains and rising food costs, central bankers acted early to curb inflationary threats, putting them in a better place than they have been historically. In aggregate, emerging countries continue to have current account surpluses, largely a result of the healthy fundamentals of Asian economies.

Past performance is not a guide to the future.

[1] Source: Artemis/ Lipper Limited, class I accumulation GBP. All figures show total returns with dividends and/or income reinvested, net of all charges. Our benchmark is MSCI EM (Emerging Markets) NR. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.

China – Depressed valuations with positive catalysts

The situation in China dominated sentiment during the first half of the period because of its continued 'zero Covid' strategy, geopolitical concerns and political risks following the 20th National Congress of the Chinese Communist Party. Sentiment had improved rapidly by the end of 2022. Positive developments in money supply and monetary policy provided some support, but the main catalyst was China's reopening. As the country moved away from a 'zero Covid' policy, the potential unleashing of substantial excess savings amongst consumers created opportunities. By the end of the period, data releases were signalling a broad pickup in economic activity and corporate news pointed to improving consumer sentiment and a recovery in demand.

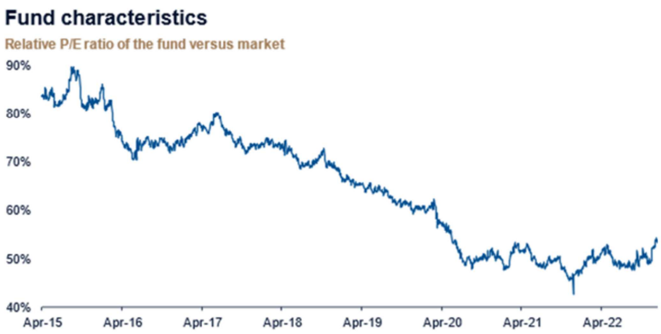
Transactions – following the process to find opportunities

We continued to find plenty of companies delivering good growth and trading on low valuations. Our systematic approach to screening companies for favourable characteristics ensures that we remain consistent in this discipline. At the country level we increased our stakes in China, India and Taiwan at the expense of Korea and Turkey. Among sectors, we added to consumer discretionary and staples and reduced materials, energy and technology.

We remain positioned for a rotation into value

The result of these changes is that the fund continues to offer an attractive combination of extremely low valuations and attractive growth prospects. We remain overweight China, Brazil and Turkey and underweight India, Taiwan and Saudi Arabia. At the sector level, energy, financials and industrials feature as the largest overweights. Materials, semiconductors and software and services the largest underweights. Our 'value' bias remains substantial. In other words, we favour stocks whose share prices are low relative to their earnings, meaning they trade on low price-to-earnings (p/e) multiples. The fund trades on a price/earnings ratio of 6.2x, compared to the benchmark index at 11.8x (a 48% discount).

Chart 2: The fund's P/E ratio versus the market



Source: Artemis, Bloomberg, MSCI as at 28 February 2023.

Despite the significant outperformance of value stocks in the last year, our discount to the market has not changed much. This is because many of our companies are seeing their growth forecasts revised up significantly. With this fundamental support in place, we expect share prices to follow.

Emerging market equities remain cheap and unloved

For much of the period, Chinese equity markets have suffered from weaker sentiment for reasons highlighted above. Periods of excess pessimism also coincide with the point of maximum financial opportunity. In our experience, these environments create opportunities for stock pickers. Most global (and, indeed most emerging market funds) have relatively little capital committed to Chinese stocks. Yet in our view, the potential for significant reforms and consumers pent-up demand to support growth appears to be underestimated.

More broadly, stocks in emerging markets are trading on multi-decade valuation lows against developed markets across a range of metrics. They remain out of favour and extremely cheap relative to US stocks. With signs of supportive policy measures ahead and beneficiaries from shifting supply chains aplenty, sentiment should improve from here.

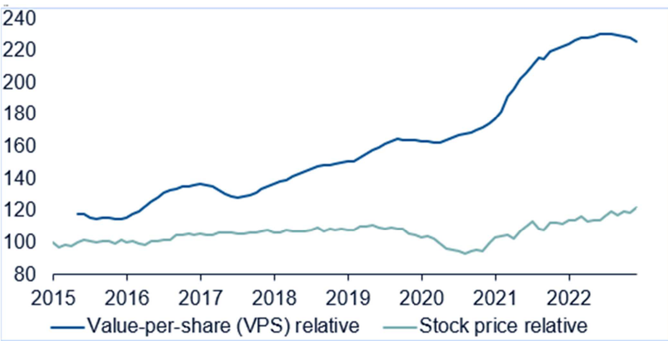
Our focus on fundamentals

For a number of years, speculation and surging share prices have reduced investors' focus on fundamentals. This has subsequently created excessively high valuations in parts of the market (such as US technology stocks) that have now started to unwind. We think this has further to run. We see less risk in companies that have been overlooked and trade on low valuations, but where there are signs of improving fundamentals.

We continue to believe that a focus on companies' fundamentals, such as earnings and cash flows, combined with a strict discipline around valuations is the best way to navigate markets. To monitor how effective we are at doing this, we track earnings, cash flows, dividends, operating profits and asset values at the company level. We can then compare the combined measure of a company's financial fundamentals (its 'fundamental value per share') to the broader market.

ARTEMIS SMARTGARP GLOBAL EMERGING MARKETS EQUITY FUND

Chart 3 shows the evolution of the fund's fundamental value per share relative to the market and its relative performance.



Source: Artemis, Bloomberg

Divergence between fundamentals and share prices

The divergence between fundamentals and share prices is substantial, as shown by the wide gap between the two lines. In the three years to the end of February, the companies the fund has invested in have, on average, grown their fundamental value per share 11% faster than the market per annum. While the fund has outperformed in the same period, it has lagged this fundamental growth significantly. In our opinion, there remains significant further catch-up potential for our fund regardless of the future direction of the equity market.

SmartGARP® – Evidence-based investing…

The Artemis SmartGARP Global Emerging Markets Equity Fund is one of five Artemis funds that rely heavily on SmartGARP, Artemis' proprietary stock-screening tool.

SmartGARP screens 2500 stocks across emerging and frontier markets, looking for those whose valuation appears out of line with their growth prospects and where there is a catalyst that might cause investors to re-appraise their views about the company. And while SmartGARP helps partly by singling out potentially undervalued stocks, it also monitors whether the reasons for investing in our existing holdings are still valid. As an unemotional and objective yardstick, SmartGARP is an extremely valuable tool.

The last 12 months have been no different to our experience from the last few decades, we have once again found the unemotional and objective yardstick of SmartGARP to be an extremely useful tool.

Raheel Altaf and Peter Saacke

Fund managers

INVESTMENT INFORMATION

Ten largest purchases and sales for the year ended 28 February 2023

Purchases	Cost £'000	Sales	Proceeds £'000
Alibaba Group Holding	9,264	LG Innotek	7,468
Banco do Brasil	8,586	Turkiye Sise ve Cam Fabrikalari	7,272
Taiwan Semiconductor Manufacturing	7,330	Lenovo Group	6,484
Gree Electric Appliances, Inc. of Zhuhai 'A'	7,033	Samsung Electronics	6,135
Emirates NBD Bank	6,202	China Railway Group 'H'	5,663
Ping An Insurance Group Co. of China 'H'	5,921	Synnex Technology International	5,596
Xinte Energy 'H'	5,812	China Resources Land	5,469
CNOOC	5,598	China Petroleum & Chemical 'H'	5,269
Hyundai Marine & Fire Insurance	4,795	Eregli Demir ve Celik Fabrikalari	5,061
Indofood Sukses Makmur	4,629	Bank of Communications 'H'	5,056

Portfolio statement as at 28 February 2023

Investment	Holding	Valuation £'000	% of net assets
Equities 98.58% (99.84%)			
Brazil 10.91% (5.87%)			
Banco do Brasil	1,446,700	9,183	2.54
BB Seguridade Participacoes	1,556,200	8,482	2.35
Cia Energetica de Minas Gerais Preference	1,597,000	2,678	0.74
Gerdau Preference	1,816,915	8,145	2.26
Petroleo Brasileiro, ADR	1,029,113	9,785	2.71
Porto Seguro	265,000	1,130	0.31
		39,403	**10.91**
China 38.21% (39.98%)			
Alibaba Group Holding	1,096,900	9,994	2.77
Baidu 'A'	185,450	2,633	0.73
Bank of China 'H'	29,368,500	8,878	2.46
Bank of Communications 'H'	2,170,700	1,061	0.29
China Construction Bank 'H'	19,535,927	9,877	2.73
China Medical System Holdings	2,064,796	2,566	0.71
China Mobile	1,167,500	7,231	2.00
China Petroleum & Chemical 'H'	14,465,000	6,110	1.69
China Railway Group 'H'	4,860,000	2,094	0.58
China Resources Land	329,698	1,209	0.34
China Resources Pharmaceutical Group	1,830,500	1,242	0.34
China State Construction Engineering 'A'	1,198,000	802	0.22
CNOOC	5,064,000	5,867	1.62
FinVolution Group, ADR	821,764	3,492	0.97
Foxconn Industrial Internet 'A'	940,000	1,075	0.30
Gree Electric Appliances, Inc. of Zhuhai 'A'	1,715,300	7,261	2.01
Hello Group, ADR	679,668	5,012	1.39
Industrial & Commercial Bank of China 'H'	20,798,400	8,587	2.38
JD.com 'A'	49,700	909	0.25
Lao Feng Xiang 'A'	514,995	2,989	0.83
Lenovo Group	3,507,000	2,600	0.72
MINISO Group Holding, ADR	114,085	1,599	0.44
Muyuan Foods 'A'	685,400	4,046	1.12
NetDragon Websoft Holdings	2,187,000	4,086	1.13
PDD Holdings, ADR	58,811	4,182	1.16

Investment	Holding	Valuation £'000	% of net assets
Equities 98.58% (99.84%) (continued)			
China 38.21% (39.98%) (continued)			
PICC Property & Casualty 'H'	12,514,483	9,069	2.51
Ping An Insurance Group Co. of China 'H'	947,000	5,316	1.47
Sinopec Engineering Group 'H'	5,299,000	2,193	0.61
Sinotrans 'H'	22,385,346	5,588	1.55
Tencent Music Entertainment Group, ADR	337,000	2,134	0.59
Tongling Nonferrous Metals Group 'A'	2,690,500	1,081	0.30
Vipshop Holdings, ADR	317,422	3,805	1.05
Xinte Energy 'H'	1,054,000	1,921	0.53
Yangtze Optical Fibre and Cable Joint Stock 'H'	939,000	1,523	0.42
		138,032	**38.21**
Colombia 1.74% (1.12%)			
Bancolombia Preference	1,166,000	6,283	1.74
		6,283	**1.74**
Greece 0.37% (0.39%)			
Star Bulk Carriers	67,911	1,346	0.37
		1,346	**0.37**
Hong Kong 0.00% (0.74%)			
India 6.94% (5.40%)			
Amara Raja Batteries	619,000	3,452	0.96
Bharat Electronics	3,745,000	3,547	0.98
Eicher Motors	34,227	1,063	0.29
ITC	1,163,000	4,384	1.21
NTPC	1,086,000	1,849	0.51
Power Grid Corp. of India	2,061,070	4,578	1.27
Redington	1,657,000	2,823	0.78
Sun Pharmaceutical Industries	221,500	2,120	0.59
UPL	181,000	1,257	0.35
		25,073	**6.94**
Indonesia 2.18% (0.33%)			
Indofood Sukses Makmur	7,978,000	2,799	0.77
Media Nusantara Citra	30,247,367	1,065	0.30
Telkom Indonesia Persero	9,680,000	2,035	0.56
Vale Indonesia	5,416,000	1,995	0.55
		7,894	**2.18**
Malaysia 0.00% (0.35%)			
Mexico 3.17% (2.64%)			
Alpek	352,300	362	0.10
El Puerto de Liverpool 'C1'	754,619	3,792	1.05
Grupo Bimbo	1,819,000	7,318	2.02
		11,472	**3.17**
Poland 0.80% (1.05%)			
Powszechna Kasa Oszczednosci Bank Polski	498,774	2,878	0.80
		2,878	**0.80**
Russia 0.00% (2.22%)			
Gazprom, ADR^	963,000	-	-
Globaltrans Investment^	603,316	-	-
LUKOIL, ADR^	90,473	-	-
Novolipetsk Steel^	52,449	-	-
Rosneft Oil, GDR^	425,000	-	-
Sberbank of Russia, GDR^	492,000	-	-
		-	**-**

Investment	Holding	Valuation £'000	% of net assets
Equities 98.58% (99.84%) (continued)			
South Africa 4.17% (4.38%)			
Absa Group	780,496	6,961	1.93
FirstRand	1,470,000	4,320	1.20
MultiChoice Group	617,180	3,774	1.04
		15,055	**4.17**
South Korea 13.82% (14.80%)			
DB Insurance	105,500	5,052	1.40
GS Holdings	80,228	2,039	0.57
Hana Financial Group	141,335	4,007	1.11
Hankook Tire & Technology	76,900	1,788	0.50
Hyundai Glovis	34,663	3,437	0.95
Hyundai Marine & Fire Insurance	239,700	5,275	1.46
JB Financial Group	1,151,231	6,657	1.84
Kia	95,388	4,490	1.24
KT	101,000	1,919	0.53
KT&G	39,321	2,180	0.60
POSCO Holdings	10,068	2,002	0.56
Samsung Electronics	264,123	10,006	2.77
SK Telecom	37,628	1,062	0.29
		49,914	**13.82**
Taiwan 9.99% (12.28%)			
Compeq Manufacturing	2,550,000	3,126	0.86
Ennoconn	457,000	2,856	0.79
Hon Hai Precision Industry	1,393,898	3,785	1.05
Largan Precision	22,000	1,304	0.36
Novatek Microelectronics	334,000	3,655	1.01
Synnex Technology International	689,751	1,159	0.32
Taiwan Semiconductor Manufacturing	1,056,000	14,508	4.02
Wiwynn	106,000	2,756	0.76
Zhen Ding Technology Holding	983,000	2,960	0.82
		36,109	**9.99**
Thailand 0.97% (1.85%)			
Tisco Financial Group	1,462,000	3,505	0.97
		3,505	**0.97**
Turkey 3.42% (5.47%)			
Coca-Cola Icecek	583,193	4,858	1.34
Tofas Turk Otomobil Fabrikasi	241,290	1,791	0.50
Turkcell Iletisim Hizmetleri	1,872,411	2,628	0.73
Turkiye Sise ve Cam Fabrikalari	1,496,704	3,069	0.85
		12,346	**3.42**
Ukraine 0.26% (0.41%)			
Kernel Holding	250,500	942	0.26
		942	**0.26**
United Arab Emirates 1.63% (0.00%)			
Emirates NBD Bank	1,939,000	5,892	1.63
		5,892	**1.63**
Vietnam 0.00% (0.56%)			
Investment assets		**356,144**	**98.58**
Net other assets		**5,123**	**1.42**
Net assets attributable to shareholders		**361,267**	**100.00**

The comparative percentage figures in brackets are as at 28 February 2022.
^ Security is currently suspended. Indirect Russian holdings currently suspended have been valued at nil by the manager.

FINANCIAL STATEMENTS

Statement of total return for the year ended 28 February 2023

	Note	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Income					
Net capital losses	3		**(16,727)**		(3,254)
Revenue	5	**27,855**		25,186	
Expenses	6	**(3,213)**		(3,786)	
Interest payable and similar charges	7	**(4)**		(3)	
Net revenue before taxation		**24,638**		21,397	
Taxation	8	**(2,144)**		(2,265)	
Net revenue after taxation			**22,494**		19,132
Total return before distributions			**5,767**		15,878
Distributions	9		**(22,986)**		(19,455)
Change in net assets attributable to shareholders from investment activities			**(17,219)**		(3,577)

Statement of change in net assets attributable to shareholders for the year ended 28 February 2023

	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Opening net assets attributable to shareholders		**322,038**		354,991
Amounts receivable on issue of shares	**126,134**		129,670	
Amounts payable on cancellation of shares	**(89,350)**		(173,472)	
		36,784		(43,802)
Dilution adjustment		**186**		539
Change in net assets attributable to shareholders from investment activities		**(17,219)**		(3,577)
Retained distribution on accumulation shares		**19,478**		13,887
Closing net assets attributable to shareholders		**361,267**		322,038

Balance sheet as at 28 February 2023

	Note	28 February 2023 £'000	28 February 2022 £'000
Assets			
Fixed assets			
Investments	10	**356,144**	321,531
Current assets			
Debtors	11	**4,792**	4,413
Cash and cash equivalents	12	**8,199**	2,660
Total current assets		**12,991**	7,073
Total assets		**369,135**	328,604
Liabilities			
Creditors			
Distribution payable		**3,794**	2,328
Other creditors	13	**4,074**	4,238
Total creditors		**7,868**	6,566
Total liabilities		**7,868**	6,566
Net assets attributable to shareholders		**361,267**	322,038

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, in accordance with FRS 102, the SORP and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). The financial statements have been prepared on a going concern basis. There are no material events that have been identified that may cast significant doubt about the sub-fund's ability to continue as a going concern for a period of twelve months from the date the financial statements are authorised for issue. The ACD believes that the sub-fund has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.

(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. The last valuation point in the accounting period has been used for the purposes of preparing the report and financial statements and in the ACD's opinion there have been no material movements in the sub-fund between the last valuation point and close of business on the balance sheet date.

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

(d) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward currency contracts are used for investment purposes and efficient portfolio management. Derivatives are valued at 12 noon on the last working day of the accounting period. Over-the-counter derivatives are priced at fair values using valuation models or data sourced from market data providers.

(e) Revenue. 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 when the right to receive payment is established. 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 the dividend is to be treated as revenue or capital. It is likely that where a special dividend results in a significant reduction in the capital value of a holding, then the dividend will generally be treated as capital, otherwise this will be recognised as revenue. Bank interest is recognised on an accruals basis.

(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 sub-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. Indian capital gains tax is accounted for on an accruals basis.

(h) Dilution adjustment. The sub-fund is priced on a single price basis and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions and redemptions in and out of the sub-fund. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing shareholders' interest in the sub-fund. In order to counter this and to protect shareholders' interests, the ACD will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the sub-fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. In the usual course of business a dilution adjustment will be applied systematically and on a consistent basis.

2. Distribution policy

The distribution policy of the sub-fund is to distribute all available revenue, after deduction of expenses properly chargeable against revenue and taxation. The ACD and the depositary have agreed, for the distribution classes only, that 100% of the annual management charge is to be transferred to capital for the purpose of calculating the distribution, as permitted by COLL. The distribution currently payable reflects this treatment.

Gains and losses on non-derivative investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised.

For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares.

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

3. Net capital losses

	28 February 2023 £'000	28 February 2022 £'000
Forward currency contracts	**7**	46
Currency losses	**(69)**	(213)
Non-derivative securities	**(16,665)**	(3,087)
Net capital losses	**(16,727)**	(3,254)

4. Direct transaction costs

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

						Year ended 28 February 2023
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	267,465	107	139	267,711	0.04	0.05
Sales						
Equities	216,827	73	309	216,445	0.03	0.14
Derivative purchases and sales		-	-			
Total		**180**	**448**			
Percentage of sub-fund average net assets		**0.05%**	**0.13%**			

						Year ended 28 February 2022
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	338,552	115	216	338,883	0.03	0.06
Sales						
Equities	369,250	135	524	368,591	0.04	0.14
Derivative purchases and sales		-	-			
Total		**250**	**740**			
Percentage of sub-fund average net assets		**0.06%**	**0.19%**			

Dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.23% (2022: 0.27%). This spread represents the difference between the bid and offer prices of each underlying investment expressed as a percentage of the value determined by reference to its offer price.

5. Revenue

	28 February 2023 £'000	28 February 2022 £'000
Overseas dividends	**27,812**	25,182
Overseas stock dividends	**-**	3
Bank interest	**43**	1
Total revenue	**27,855**	25,186

6. Expenses

	28 February 2023 £'000	28 February 2022 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	**2,546**	2,961
Administration fees	**667**	825
Total expenses	**3,213**	3,786

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
The audit fee (excluding VAT) accrued during the year was £9,000 (2022: £8,000). This fee is paid by the manager.

7. Interest payable and similar charges

	28 February 2023 £'000	28 February 2022 £'000
Interest payable	**4**	3
Total interest payable and similar charges	**4**	3

8. Taxation

	28 February 2023 £'000	28 February 2022 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	**2,193**	2,265
Prior year adjustments	**(169)**	-
Total current taxation (note 8b)	**2,144**	2,265
Deferred tax (note 8c)	**-**	-
Total taxation (note 8b)	**2,144**	2,265
b) Factors affecting the tax charge for the year		
Net revenue before taxation	**24,638**	21,397
Corporation tax at 20% (2022: 20%)	**4,928**	4,279
Effects of:		
Irrecoverable overseas tax	**2,193**	2,265
Unutilised management expenses	**519**	285
Indian capital gains tax	**120**	-
Non-trade loan relationship debits	**-**	1
Non-taxable stock dividends	**-**	(1)
Prior year adjustments	**(169)**	-
Overseas withholding tax expensed	**(20)**	(57)
Non-taxable overseas dividends	**(5,427)**	(4,507)
Tax charge for the year (note 8a)	**2,144**	2,265

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 sub-fund has not recognised a deferred tax asset of £2,002,000 (2022: £1, 483,000) arising as a result of having unutilised management expenses of £10,012,000 (2022: £7,416,000) and non-trade loan relationship deficits of £15,000 (2022: £15,000). It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognised.

9. Distributions

	28 February 2023 £'000	28 February 2022 £'000
Final dividend distribution	**23,271**	16,214
Add: amounts deducted on cancellation of shares	**3,586**	6,414
Deduct: amounts added on issue of shares	**(3,871)**	(3,173)
Distributions	**22,986**	19,455
Movement between net revenue and distributions		
Net revenue after taxation	**22,494**	19,132
Annual management charge paid from capital	**372**	323
Indian capital gains tax	**120**	-
	22,986	19,455

The distribution takes account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. Details of the distribution per share are set out in the distribution tables on page 76.

10. Fair value hierarchy

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

The disclosure is split into the following categories:

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

	28 February 2023 Assets £'000	28 February 2022 Assets £'000
Level 1	**356,144**	321,531
Total	**356,144**	321,531

11. Debtors

	28 February 2023 £'000	28 February 2022 £'000
Accrued revenue	**2,781**	1,520
Sales awaiting settlement	**980**	2,316
Overseas withholding tax recoverable	**555**	573
Amounts receivable for issue of shares	**476**	4
Total debtors	**4,792**	4,413

12. Cash and cash equivalents

	28 February 2023 £'000	28 February 2022 £'000
Amounts held in JPMorgan Liquidity Funds – Sterling Liquidity Fund (Institutional dist.)	**6,661**	1,631
Cash and bank balances	**1,511**	1,002
Amounts held in JPMorgan Liquidity Funds – US Dollar Liquidity Fund (Institutional dist.)	**27**	23
Amounts held at futures clearing houses and brokers	**-**	4
Total cash and cash equivalents	**8,199**	2,660

13. Other creditors

	28 February 2023 £'000	28 February 2022 £'000
Amounts payable for cancellation of shares	**2,372**	3,007
Purchases awaiting settlement	**1,321**	987
Accrued annual management charge	**206**	193
Accrued Indian capital gains tax	**120**	-
Accrued administration fee payable to the ACD	**55**	51
Total other creditors	**4,074**	4,238

14. Contingent liabilities and commitments

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

15. Reconciliation of share movements

	Shares in issue at 28 February 2022	Shares issued	Shares cancelled	Shares converted	Shares in issue at 28 February 2023
E distribution GBP *	-	105,146	(1,981)	-	**103,165**
E accumulation GBP *	-	21,051,886	(895,998)	-	**20,155,888**
I distribution GBP	31,409,082	15,215,747	(5,502,964)	(19,954)	**41,101,911**
I accumulation GBP	175,215,910	56,267,904	(53,809,841)	15,507	**177,689,480**

* Launched on 15 August 2022

16. Risk disclosures

In pursuing its investment objectives, the sub-fund may hold a number of financial instruments. These financial instruments comprise equities, cash balances and liquid resources, which include debtors and creditors that arise directly from the sub fund's operations.

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-fund. In addition, our Investment Committee and Risk and Compliance Committee meet monthly and quarterly respectively, and as required to evaluate risk across each of our funds. These policies have been consistent for both the current and prior period to which these financial statements relate.

In the normal course of business, the sub-fund's activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests. These financial risks: market risk (comprising currency risk, interest rate risk and other market price risk), credit and counterparty risk and liquidity risk and the approach to the management of these risks, are set out below and remain unchanged from the previous accounting year. For a detailed explanation of these and further risks involved in investing in the sub-fund, reference should be made to the Prospectus.

(a) Market risk

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

(i) Interest rate risk

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. As the majority of the sub-fund's financial assets are non-interest bearing, the sub-fund is only subject to limited exposure to fair value interest rate risk due to fluctuations in levels of market interest rates and therefore no sensitivity analysis has been provided.

(ii) Currency risk

A portion of the net assets of the sub-fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the ACD may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the sub-fund's exposure to currency risk is reduced. The gain on forward currency contracts for the year was £7,000 (2022: £46,000).

Revenue received in foreign currencies is converted into sterling on or near the date of receipt.

The exposure to each currency is shown in the tables below.

	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency Contracts £'000	Total £'000
28 February 2023				
Hong Kong Dollar	**100,553**	**-**	-	**100,553**
South Korean Won	**49,914**	**1,922**	**-**	**51,836**
Taiwan Dollar	**36,109**	**(35)**	**-**	**36,074**
US Dollar	**31,356**	**76**	**-**	**31,432**
Brazilian Real	**29,618**	**770**	**-**	**30,388**
Indian Rupee	**25,073**	**191**	**-**	**25,264**
Chinese Yuan	**17,254**	**-**	**-**	**17,254**
South African Rand	**15,055**	**-**	**-**	**15,055**
Turkish Lira	**12,346**	**-**	**-**	**12,346**
Mexican Peso	**11,472**	**-**	**-**	**11,472**
Indonesian Rupiah	**7,894**	**-**	**-**	**7,894**
Colombian Peso	**6,283**	**-**	**-**	**6,283**
UAE Dirham	**5,892**	**-**	**-**	**5,892**
Polish Zloty	**3,820**	**14**	**-**	**3,834**
Thai Baht	**3,505**		**-**	**3,505**
Sterling	**-**	**2,185**	**-**	**2,185**
28 February 2022				
Hong Kong Dollar	127,195	-	-	127,195
South Korean Won	47,656	2,027	-	49,683
Taiwan Dollar	39,534	566	-	40,100
US Dollar	17,738	(35)	-	17,703
Indian Rupee	17,385	229	-	17,614
Turkish Lira	17,610	-	-	17,610
South African Rand	14,101	-	-	14,101
Brazilian Real	9,553	91	-	9,644
Mexican Peso	8,507	-	-	8,507
Thai Baht	5,971	-	-	5,971
Polish Zloty	4,694	-	-	4,694
Chinese Yuan	3,953	-	-	3,953
Colombian Peso	3,617	-	-	3,617
Vietnamese Dong	1,810	-	-	1,810
Malaysian Ringgit	1,138	-	-	1,138
Indonesian Rupiah	1,069	-	-	1,069
Sterling	-	(2,371)	-	(2,371)

A five percent increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets by £17,954,000 (2022: £16,220,000). A five percent decrease would have an equal and opposite effect.

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The value of equities is dependent on a number of factors, arising from the performance of the company itself and matters arising in the wider market (for example the state of the underlying economy and current government policy). The portfolio is invested in securities domiciled in a number of countries and will be exposed to market movements in the relevant country arising from changes in the local economy and government decisions. As part of the continuing review of the portfolio, the ACD monitors and reviews these factors. A five per cent increase in the value of the sub-fund's portfolio would have the effect of increasing the return and net assets by £17,807,000 (2022: £16,077,000). A five per cent decrease would have an equal and opposite effect.

(iv) Leverage risk

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

The sub-fund can use cash borrowing (subject to restrictions as set out in its Prospectus and COLL) and financial derivatives as sources of leverage. A result of 100% indicates that no leverage has been used.

The maximum level of leverage which the ACD may employ on behalf of the sub-fund is 200% under the commitment method. A result of 100% indicates that no leverage has been used.

As at 28 February 2023 and 28 February 2022 the leverage ratios of the sub-fund were:

	28 February 2023 **%**	28 February 2022 %
Sum of the notionals	**101.1**	100.5
Commitment	**100.8**	100.1

(b) Credit and counterparty risk

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

The ACD is permitted to use one or more separate counterparties for derivative transactions. The sub-fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the sub-fund enters into derivative contracts, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy or insolvency of a counterparty, the sub-fund could experience delays in liquidating the position and may incur significant losses. There may be a risk that a counterparty will be unable to meet its obligations with regard to the return of the collateral and may not meet other payments due to the sub-fund. To minimise such risk the ACD will assess the creditworthiness of any counterparty that it engages. On a daily basis the ACD assesses the level of assets with each counterparty to ensure that the exposure is within the defined limits in accordance with the requirement stipulated in COLL and the Prospectus.

Aside from the custodian, the derivative counterparties and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 28 February 2023 or 28 February 2022.

Counterparty and collateral exposure

As at 28 February 2023 and 28 February 2022 no financial derivative instruments were held.

(c) Liquidity risk

Liquidity risk is the risk that through market liquidity conditions, requests for redemptions from investors cannot be met in an orderly and appropriate manner. Artemis adopts a policy of mitigation and control to manage liquidity risks. Mitigation occurs through maintaining prudent levels of liquidity in each fund and a well-diversified investor base. As a result, redemption requests can be satisfied in all but exceptional circumstances.

Artemis has a dedicated liquidity risk management policy which is owned by the independent investment risk team which reports to the Chief Risk Officer. Its purpose is to ensure the portfolio manager acts in the client's best interest with regards to this liquidity risk. Through the use of 3rd party modelling and assumptions, the investment risk team conduct regular monitoring and analyses of the liquidity profile of the funds and investor base. This includes but is not limited to what percentage of the fund can be liquidated within certain redemption horizons, whether the largest investors in the fund can redeem without affecting the fair treatment of remaining investors, liquidity stress testing and other analysis deemed to cover a risk specific to the strategy considered.

There was no significant concentration of liquidity risk as at 28 February 2023 or 28 February 2022.

17. Related party transactions

The ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the statement of total return, statement of change in net assets attributable to shareholders and the balance sheet on page 67 and Notes 6, 9, 11 and 13 on pages 70 to 72 including all issues and cancellations where the ACD acted as principal.

The balance due to the ACD as at 28 February 2023 in respect of these transactions was £2,157,000 (2022: £3,247,000).

18. Share classes

The annual management charge on each share class is as follows:

E distribution GBP	0.60%
E accumulation GBP	0.60%
I distribution GBP	0.75%
I accumulation GBP	0.75%

The net asset value per share and the number of shares in each class are given in the comparative tables on pages 77 and 78. The distributions per share class are given in the distribution tables on page 76. All classes have the same rights on winding up.

19. Post balance sheet events

There were no significant post balance sheet events subsequent to the year end.

DISTRIBUTION TABLES

This sub-fund pays annual dividend distributions.
The following table sets out the distribution periods.

Distribution period	Start	End	Ex-dividend date	Pay date
Final	1 March 2022	28 February 2023	1 March 2023	28 April 2023

Group 1 shares are those purchased prior to a distribution period and therefore their net revenue rate is the same as the distribution rate.
Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of net revenue and equalisation. Equalisation applies only to group 2 shares purchased during the period. It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

The fund has not held more than 60% of its net assets in interest bearing securities during any of the distribution periods. Corporate shareholders should note that a holding in a fund with more than 60% of its net assets in interest bearing assets may be required to be treated as a creditor loan relationship for corporation tax purposes.

E distribution GBP *

Dividend distribution for the period ended 28 February 2023	Group 2 Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2022 Distribution per share (p)
Final	0.8942	1.6323	2.5265	100.00%	0.00%	-

* Launched on 15 August 2022.

E accumulation GBP *

Dividend distribution for the period ended 28 February 2023	Group 2 Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2022 Distribution per share (p)
Final	1.2742	1.1330	2.4072	100.00%	0.00%	-

* Launched on 15 August 2022.

I distribution GBP

Dividend distribution for the year ended 28 February 2023	Group 2 Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2022 Distribution per share (p)
Final	5.1210	4.1023	9.2233	100.00%	0.00%	7.4102

I accumulation GBP

Dividend distribution for the year ended 28 February 2023	Group 2 Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2022 Distribution per share (p)
Final	5.3343	5.3543	10.6886	100.00%	0.00%	7.9256

COMPARATIVE TABLES

	E distribution GBP**			E accumulation GBP**		
	2023	2022	2021	**2023**	2022	2021
Change in net assets per share	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Opening net asset value per share	**100.00**	-	-	**100.00**	-	-
Return before operating charges *	**2.56**	-	-	**2.59**	-	-
Operating charges	**(0.52)**	-	-	**(0.52)**	-	-
Return after operating charges	**2.04**	-	-	**2.07**	-	-
Distributions	**(2.53)**	-	-	**(2.41)**	-	-
Retained distributions on accumulation shares	**-**	-	-	**2.41**	-	-
Closing net asset value per share	**99.51**	-	-	**102.07**	-	-
* after direct transaction costs of	**(0.18)**	-	-	**(0.18)**	-	-
Performance		-	-		-	-
Return after charges	**2.04%**	-	-	**2.07%**	-	-
Other information		-	-		-	-
Closing net asset value (£'000)	**103**	-	-	**20,573**	-	-
Closing number of shares	**103,165**	-	-	**20,155,888**	-	-
Operating charges	**0.79%**	-	-	**0.79%**	-	-
Performance fees (%)	**-**	-	-	**-**	-	-
Performance fees (£)	**-**	-	-	**-**	-	-
Performance fees (£'000)	**-**	-	-	**-**	-	-
Direct transaction costs	**0.18%**	-	-	**0.18%**	-	-
Prices	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Highest price	**107.12**	-	-	**107.12**	-	-
Lowest price	**92.88**	-	-	**92.88**	-	-

* Direct transaction costs are stated after deducting the amounts collected in relation to estimated dealing costs added to the issue of shares and subtracted from the cancellation of shares.
** Launched on 15 August 2022.

	I distribution GBP			I accumulation GBP		
	2023	2022	2021	**2023**	2022	2021
Change in net assets per share	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Opening net asset value per share	**125.42**	128.09	112.67	**161.31**	155.44	132.23
Return before operating charges *	**3.40**	6.04	20.85	**4.49**	7.44	24.46
Operating charges	**(1.18)**	(1.30)	(1.05)	**(1.52)**	(1.57)	(1.25)
Return after operating charges	**2.22**	4.74	19.80	**2.97**	5.87	23.21
Distributions	**(9.22)**	(7.41)	(4.38)	**(10.69)**	(7.93)	(4.19)
Retained distributions on accumulation shares	**-**	-	-	**10.69**	7.93	4.19
Closing net asset value per share	**118.42**	125.42	128.09	**164.28**	161.31	155.44
* after direct transaction costs of	**(0.22)**	(0.34)	(0.20)	**(0.29)**	(0.42)	(0.24)
Performance						
Return after charges	**1.77%**	3.70%	17.57%	**1.84%**	3.78%	17.55%
Other information						
Closing net asset value (£'000)	**48,674**	39,395	31,831	**291,917**	282,643	323,160
Closing number of shares	**41,101,911**	31,409,082	24,850,066	**177,689,480**	175,215,910	207,902,172
Operating charges	**0.94%**	0.94%	0.94%	**0.94%**	0.94%	0.94%
Direct transaction costs	**0.18%**	0.25%	0.18%	**0.18%**	0.25%	0.18%
Prices	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Highest price	**133.99**	144.29	137.42	**172.42**	175.19	161.24
Lowest price	**116.22**	128.65	93.24	**149.55**	156.05	109.36

* Direct transaction costs are stated after deducting the amounts collected in relation to estimated dealing costs added to the issue of shares and subtracted from the cancellation of shares.

The operating charges are calculated on an ex-post basis. High and low price disclosures are based on quoted unit prices. Therefore opening and closing NAV prices may fall outside the high/low price threshold.

ARTEMIS SMARTGARP GLOBAL EMERGING MARKETS EQUITY FUND

Ongoing charges

Class	28 February 2023
I distribution GBP	0.94%
I accumulation GBP	0.94%
E distribution GBP*	0.79%
E accumulation GBP*	0.79%

*Ongoing charges show the estimated annual operating expenses as a percentage of the average net assets of that class since launch.

Class I accumulation performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis SmartGARP Global Emerging Markets Equity Fund **	64.5	14.2	24.2	1.8	0.0
Artemis SmartGARP Global Emerging Markets Equity Fund ***	64.4	13.7	23.2	2.4	0.2
MSCI EM (Emerging Markets) NR GBP	40.5	3.6	8.6	(6.1)	(6.1)
Global Emerging Markets Average	47.1	6.8	12.0	(4.5)	(3.4)
Position in sector	8/44	12/49	8/56	6/63	11/65
Quartile	1	1	1	1	1

Past performance is not a guide to the future.
* Source: Artemis/ Lipper Limited, class I accumulation GBP from 8 April 2015 to 28 February 2023. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.
** Value at 12 noon valuation point
*** Value at close of business
Class I accumulation is disclosed as it is the primary share class.

Artemis Target Return Bond Fund

Objective and investment policy

Objective	To achieve a positive return of at least 2.5% above the Bank of England (BOE) base rate, after fees, on an annualised basis over rolling three-year periods.	
Investment policy	**What the sub-fund invests in**	• Bonds in any currency, directly or indirectly using derivatives, including: – Government bonds – Corporate bonds – Asset-backed securities – Mortgage-backed securities • The sub-fund may also invest in cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, and money market instruments.
	Use of derivatives	The sub-fund may use derivatives: • for investment purposes to achieve the sub-fund objective, including taking long and short positions in sovereign bonds, credit spreads (via credit default swaps on single issuers or indices), interest rates or inflation expectations • to produce additional income or growth • for efficient portfolio management purposes to reduce risk and manage the sub-fund efficiently.
	Where the sub-fund invests	• Globally. • No more than 40% net exposure (longs minus shorts) in emerging market debt securities. • At least 90% of the sub-fund will be denominated in or hedged back to sterling.
	Industries the sub-fund invests in	• Any
	Credit quality of bonds the sub-fund invests in	• Investment grade corporate being • BBB- or above by Standard & Poor's; or • BBB- or above by Fitch; or • Baa3 or above by Moody's • No more than 40% net exposure (longs minus shorts) in below investment grade securities. • Up to 10% in unrated bonds • The sub-fund will not invest in bonds below B3 by Moody's, B- by S&P or B- by Fitch (the Minimum Bond Rating). Where the sub-fund has exposure to an index the Minimum Bond Rating will apply to the average credit rating of bonds making up the index.

Other limitations specific to this sub-fund	• The sub-fund's portfolio duration will vary between -2 years and +4 years • No more than 40% net exposure (longs minus shorts) in aggregate in a combination of emerging market debt securities and below investment grade securities. • Up to 5% exposure to any non-government issuer of investment grade securities. • Up to 3% exposure to an individual issuer of below investment grade securities or an issuer listed, headquartered or having significant business in emerging markets. In this context, emerging market countries means countries included in the MSCI Emerging Markets Index and those included in the World Bank definition of developing economies or those countries which are, in the manager's opinion, developing countries.
Investment strategy	• The sub-fund is actively managed. • A combination of three strategies is used: – Carry strategy: a global portfolio of investment grade corporate and government bonds. This aims to generate predictable returns over the medium term. – Credit strategy: aims to generate returns through the manager's highest-conviction ideas on credit assets which are expected to rise or fall in value over a particular period. These ideas may be implemented through trades which are intended to exploit the relative prospects of two assets or indices, for example by taking a long position in one and a short position in the other. – Rates strategy: aims to exploit expected movements in inflation rates, interest rates globally and the value of global government bonds. The manager seeks to generate returns by using derivatives to take long and short positions in global government bonds, inflation rates or interest rates.
Benchmark	• **Bank of England (BOE) base rate** BOE base rate is a measure of the interest rate at which the BOE, the UK's central bank, lends money to other banks. It is used as a way of estimating the amount of interest which could be earned on cash. It acts as a 'target benchmark' that the sub-fund aims to outperform by at least 2.5%, after fees, on an annualised basis over rolling three-year periods. There is no guarantee that the sub-fund will achieve a positive return over a rolling three- year period or any other time period and your capital is at risk.

ARTEMIS TARGET RETURN BOND FUND

RISK AND REWARD PROFILE

Potentially lower rewards						Potentially higher rewards
Lower risk						Higher risk
1	2	**3**	4	5	6	7

- The sub-fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the sub-fund may have risen and fallen in the past due to movements in markets, currencies and interest rates). It may not be a reliable indication of the future risk profile of the sub-fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the sub-fund's future risk profile.
- A risk indicator of "1" does not mean that the investment is "risk free".

The risk indicator may not fully take into account the following risks and the following may affect sub-fund performance:

- **Market volatility risk:** The value of the sub-fund and any income from it can fall or rise because of movements in stockmarkets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
- **Currency risk:** The sub-fund's assets may be priced in currencies other than the sub-fund base currency. Changes in currency exchange rates can therefore affect the sub-fund's value.
- **Higher-yielding bonds risk:** The sub-fund may invest in higher-yielding bonds, which may increase the risk to capital. Investing in these types of assets (which are also known as sub-investment grade bonds) can produce a higher yield but also brings an increased risk of default, which would affect the capital value of the sub-fund.
- **Credit risk:** Investments in bonds are affected by interest rates, inflation and credit ratings. It is possible that bond issuers will not pay interest or return the capital. All of these events can reduce the value of bonds held by the sub-fund.
- **Derivatives risk:** The sub-fund may invest in derivatives with the aim of profiting from falling ('shorting') as well as rising prices. Should the asset's value vary in an unexpected way, the sub-fund value will reduce.
- **Absolute return risk:** The sub-fund is not guaranteed to produce a positive return and as an absolute return sub-fund, performance may not move in line with general market trends or fully benefit from a positive market environment.
- **Emerging markets risk:** Compared to more established economies, investments in emerging markets may be subject to greater volatility due to differences in generally accepted accounting principles, less governed standards or from economic or political instability. Under certain market conditions assets may be difficult to sell.
- **Bond liquidity risk:** The sub-fund holds bonds which could prove difficult to sell. As a result, the sub-fund may have to lower the selling price, sell other investments or forego more appealing investment opportunities.
- **Counterparty risk:** Investments such as derivatives are made using financial contracts with third parties. Those third parties may fail to meet their obligations to the sub-fund due to events beyond the sub-fund's control. The sub-fund's value could fall because of loss of monies owed by the counterparty and/or the cost of replacement financial contracts.
- **Mortgage- or asset-backed securities risk:** Mortgage- or asset-backed securities may not receive in full the amounts owed to them by underlying borrowers.
- **Charges from capital risk:** Where charges are taken wholly or partly out of a fund's capital, distributable income may be increased at the expense of capital, which may constrain or erode capital growth.
- **Leverage risk:** The fund may operate with a significant amount of leverage. Leverage occurs when the economic exposure created by the use of derivatives is greater than the amount invested. A leveraged portfolio may result in large fluctuations in its value and therefore entails a high degree of risk including the risk that losses may be substantial.
- **Target return risk:** The sub-fund is not guaranteed to produce a positive return over a rolling three year period or any other time period and capital is at risk.

There was no change to the risk indicator in the 12 months to 28 February 2023.

Please refer to the sub-fund's prospectus for full details of these and other risks which are applicable to this sub-fund.

INVESTMENT REVIEW

- Bond markets endured their biggest losses in decades.
- The fund fell by 0.7% over the year[1].
- Despite these (modest) losses, the fund is still firmly in positive territory since its launch in 2019

The fund, briefly described…

This fund seeks to identify and exploit opportunities across fixed-income markets – in different regions, industry sectors and credit ratings. We seek returns in three distinct modules. By limiting the proportion of the fund that can be invested in any one of these modules, we hope to prevent the fund from becoming too reliant on any single source of opportunity.

The carry module is the most defensive part of our fund. Our focus here is on investment-grade[2] bonds (both corporate bonds and government bonds in developed markets) that are due to mature (return the capital their bondholders have invested) within the next three years.

In our credit module, we look for isolated, idiosyncratic pockets of value across investment-grade, high-yield[3] and emerging bond markets.

Our rates module focuses on the opportunities – in both relative and absolute terms – that we find across the world's major government bond markets. Our views on interest rates, inflation and on the relationship between countries' short-term and long-term borrowing costs (as shown by the yield curve, a line illustrating the cost of borrowing over various time horizons) shape the investments we make here.

A word on risk…

This fund invests in a range of different bonds issued by governments and companies. As events in 2022 showed, prices of even the safest forms of bonds can fall. Changes in inflation or interest rates, for example, can cause bond prices to fall quite sharply.

The fund was down this year because every corner of the fixed income market was down

The fund generated a negative return over the year, falling by 0.7%. Our target is to produce a positive return of at least 2.5% above the Bank of England's base rate, after fees, on an annualised basis (over rolling three-year periods). Over the 12 months covered by this report, hitting that target would have meant generating a return of 4.5%.

Yet while our failure to hit that target certainly feels disappointing, these headline return figures must be set into broader context: this is a fixed-income fund and, in 2022, the asset class we invest in experienced the worst conditions seen in decades.

- the UK corporate bond index suffered its largest fall since it was created in 1997.
- the US corporate bond index suffered its largest fall ever since it was created in 1976.
- short-dated sterling corporate bonds fell by 8.0%.
- short-dated UK gilts fell by 25.1%.

These losses were a direct result of the profound changes taking place in the global economy and financial system. A year ago, the US Federal Reserve was still buying bonds through quantitative easing and holding interest rates at zero. A year later, it has responded to rampant inflation by shrinking its balance sheet (selling its holdings in assets such as US Treasuries) by over half-a-trillion dollars and by pushing up US interest rates to almost 5%. Similar processes have unfolded in Europe and the UK.

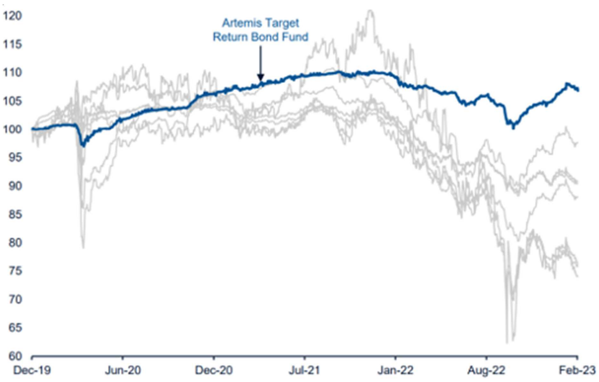
So, the fund was down this year because every corner of the fixed income market fell in reaction to the attempts of the world's central banks to bring inflation under control.

The fund is still in positive territory since launch

Even after the historic fall in bond prices seen in 2022, the fund is still in positive territory since its launch in 2019 (up 6.8%). As Chart 1 shows, the fund's performance relative to every part of its investable universe since launch in December 2019 remains robust.

Past performance is not a guide to the future.
[1]Source: Artemis/ Lipper Limited, class I accumulation GBP. All figures show total returns with income reinvested, net of all charges. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class.
[2] Investment-grade bonds are issued by companies with higher credit ratings – businesses which independent agencies such as S&P and Moody's consider to be at relatively low risk of defaulting on their debts.
[3] High-yield bonds are those which ratings agencies regard as being at greater risk of defaulting on their dents and so which offer higher yields to compensate for this risk.

Chart 1: Strong performance relative to investable universe since launch



Source: Bloomberg, class I accumulation shares in GBP from 3 December 2019 to 28 February 2023. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. The grey lines in the chart above show the performance of the indices listed in the table to the right of the chart.

	Annualised Return (%)	Volatility (%)
Artemis Target Return Bond Fund	2.1	4.4
Bloomberg Global High Yield	-0.7	13.5
Bloomberg Global Aggregate	-2.9	9.9
Bloomberg Global Agg Treasuries	-3.0	9.8
Bloomberg EM USD Aggregate	-3.8	13.3
FTSE UK Conventional Gilts	-7.9	21.6
Bloomberg Sterling Aggregate	-8.0	25.7
FTSE UK Index-Linked	-8.8	33.9

Why we are positive on the fund's prospects for 2023

The dramatic cheapening that fixed income markets experienced in 2022 means that the asset class has become very compelling – particularly relative to equities. Investors no longer need resort to financial engineering – or to buy esoteric or illiquid products – in order to generate positive real returns.

1) One of our core hunting grounds – the short-maturity investment-grade corporate bonds held in our carry module – now appear very attractive.

At the end of 2022, the yield on short-dated (1-3 year) sterling corporate bonds was 5.79%[4] with 1.79 years of duration[5]. That yield would need to increase to 9% to result in this asset class generating a negative total return over a one-year holding period. While this is mathematically possible, we believe it is highly unlikely. The balance between risk and reward here is compelling: short-dated corporate bonds have a low degree of sensitivity to changes in interest rates (they are 'short duration' assets) and, as investment-grade debt, carry a low risk of default.

2) Elevated market volatility in 2023 will create dislocations that we can exploit across the fund's other two modules.

We have a significant degree of exposure to short-dated corporate bonds, but we also invest in different assets and deploy additional strategies that have historically proven to moderate losses when markets are weak; our rates module generated a positive return last year despite near-universal losses in bond markets.

These strategies also offer the potential to deliver stronger returns when markets recover. We believe that investing beyond short-dated sterling corporates gives the fund valuable diversification and offers additional sources of return, making ours a compelling alternative to funds investing solely in short-dated investment- grade corporate bonds.

Stephen Snowden and Juan Valenzuela
Fund managers

[4] A bond's yield is calculated by dividing the regular coupons it pays (which don't change) by its price (which does).
[5] Duration expresses a bond's sensitivity to interest-rate movements. A higher duration implies greater price volatility when rates move. It is quoted as the percentage change in price for a one percentage point change in interest rates. So the price of a bond with a duration of 1.79 would be expected to fall by about 1.79% for each 1% move higher in interest rates.

Artemis Target Return Bond Fund

Investment information

Ten largest purchases and sales for the year ended 28 February 2023

Purchases	Cost £'000	Sales	Proceeds £'000
UK Treasury Inflation Indexed 0.13% 10/08/2028	22,515	UK Treasury Inflation Indexed 0.13% 10/08/2028	17,489
US Treasury 2.38% 15/02/2042	7,651	UK Treasury 0.50% 22/10/2061	7,502
UK Treasury 0.50% 22/10/2061	7,421	UK Treasury Inflation Indexed 0.13% 22/03/2024	7,352
UK Treasury Inflation Indexed 0.13% 22/03/2024	7,390	Italy Buoni Poliennali Del Tesoro 0.40% 11/04/2024	7,197
Gatwick Funding 5.25% 23/01/2026	7,101	UK Treasury 0.63% 31/07/2035	6,004
UK Treasury 0.63% 31/07/2035	5,844	Finland Government Bond 0.13% 15/09/2031	5,750
Scottish Widows 5.50% 16/06/2023	5,090	UK Treasury Inflation Indexed 0.13% 22/03/2073	5,055
BP Capital Markets, FRN 4.25% Perpetual	4,984	BHP Billiton Finance, FRN 6.50% 22/10/2077	5,000
Deutsche Bank, FRN 4.00% 24/06/2026	4,735	Zurich Finance UK, FRN 6.62% Perpetual	5,000
Spain Government Bond 0.10% 04/30/2031	4,645	Thames Water Utilities Finance, FRN 5.75% 13/09/2030	5,000

Portfolio statement as at 28 February 2023

Investment	Nominal value	Valuation £'000	% of net assets
Government Bonds 9.35% (6.50%)			
Australia 0.00% (0.65%)			
Austria 0.00% (0.21%)			
Canada 0.00% (0.39%)			
Finland 0.88% (2.32%)			
Finland Government Bond 1.50% 15/09/2032	€3,000,000	2,266	0.88
		2,266	**0.88**
Ireland 0.00% (0.92%)			
Italy 1.05% (1.38%)			
Italy Buoni Poliennali Del Tesoro 1.40% 26/05/2025	€3,000,000	2,702	1.05
		2,702	**1.05**
Netherlands 0.88% (0.00%)			
Netherlands Government Bond 2.50% 15/07/2033	€2,700,000	2,264	0.88
		2,264	**0.88**
New Zealand 1.43% (0.63%)			
New Zealand Government Inflation Indexed 2.50% 20/09/2035	NZD 6,000,000	3,683	1.43
		3,683	**1.43**
United Kingdom 3.39% (0.00%)			
UK Treasury Inflation Indexed 0.13% 10/08/2028	£4,000,000	5,133	1.99
United Kingdom of Great Britain and Northern Ireland 0.13% 22/03/2029	£2,000,000	3,009	1.17
United Kingdom of Great Britain and Northern Ireland 0.13% 22/03/2046	£500,000	605	0.23
		8,747	**3.39**
United States of America 1.72% (0.00%)			
US Treasury 2.38% 15/02/2042	$7,000,000	4,425	1.72
		4,425	**1.72**
Government Bonds total		**24,087**	**9.35**
Corporate Bonds 86.91% (82.22%)			
Australia 0.28% (3.13%)			
Perenti Finance 6.50% 07/10/2025	$900,000	725	0.28
		725	**0.28**
Canada 1.21% (0.00%)			
CPPIB Capital 4.38% 02/03/2026	£2,200,000	2,185	0.85
CPPIB Capital 1.50% 23/06/2028	AUD 2,000,000	932	0.36
		3,117	**1.21**

Investment	Nominal value	Valuation £'000	% of net assets
Corporate Bonds 86.91% (82.22%) (continued)			
Czech Republic 0.00% (0.88%)			
Denmark 0.87% (0.00%)			
Danske Bank, FRN 4.62% 13/04/2027	£2,300,000	2,250	0.87
		2,250	**0.87**
France 5.10% (7.17%)			
AXA, FRN 5.45% Perpetual	£4,000,000	3,945	1.53
Banque Federative du Credit Mutuel 5.00% 19/01/2026	£2,500,000	2,483	0.96
Credit Agricole 7.38% 18/12/2023	£3,000,000	3,043	1.18
Westfield America Management, REIT 2.13% 30/03/2025	£4,000,000	3,671	1.43
		13,142	**5.10**
Germany 4.30% (4.22%)			
Aroundtown 4.75% Perpetual	£4,000,000	2,068	0.80
Bayer, FRN 4.50% 25/03/2082	€3,000,000	2,440	0.95
Deutsche Bank, FRN 4.00% 24/06/2026	£5,000,000	4,751	1.84
Volkswagen Financial Services 0.88% 20/02/2025	£2,000,000	1,825	0.71
		11,084	**4.30**
Ireland 0.00% (1.35%)			
Israel 0.51% (0.29%)			
Teva Pharmaceutical Finance Netherlands III 6.00% 15/04/2024	$1,600,000	1,319	0.51
		1,319	**0.51**
Luxembourg 1.35% (1.68%)			
Blackstone Property Partners Europe Holdings 2.00% 20/10/2025	£4,000,000	3,476	1.35
		3,476	**1.35**
Netherlands 1.91% (0.00%)			
ING Groep, FRN 5.00% 30/08/2026	£3,000,000	2,954	1.15
ING Groep, FRN 6.25% 20/05/2033	£2,000,000	1,953	0.76
		4,907	**1.91**
Spain 3.38% (2.60%)			
Abertis Infraestructuras 3.38% 27/11/2026	£4,000,000	3,703	1.44
Cellnex Finance 2.25% 12/04/2026	€3,000,000	2,434	0.95
Telefonica Europe, FRN 4.38% Perpetual	€3,000,000	2,554	0.99
		8,691	**3.38**
Switzerland 1.73% (2.43%)			
Credit Suisse Group, FRN 7.00% 30/09/2027	£1,500,000	1,430	0.56
Credit Suisse Group, FRN 6.25% Perpetual	$2,000,000	1,356	0.53
Credit Suisse Group, FRN 7.50% Perpetual	$2,000,000	1,504	0.58
UBS Group, FRN 7.00% Perpetual	$200,000	164	0.06
		4,454	**1.73**
United Kingdom 55.24% (49.48%)			
AA Bond 6.27% 02/07/2043	£4,000,000	3,898	1.51
Aviva, FRN 6.12% 14/11/2036	£4,000,000	3,995	1.55
Barclays, FRN 3.75% 22/11/2030	£5,000,000	4,619	1.79
BP Capital Markets, FRN 4.25% Perpetual	£3,000,000	2,709	1.05
Canary Wharf Group Investment Holdings 1.75% 07/04/2026	€4,000,000	2,805	1.09
Centrica, FRN 5.25% 10/04/2075	£3,000,000	2,850	1.11
CPUK Finance 6.50% 28/08/2026	£2,000,000	1,908	0.74
CPUK Finance 7.24% 28/02/2042	£3,000,000	3,015	1.17
Drax Finco 6.63% 01/11/2025	$3,200,000	2,606	1.01
Gatwick Funding 5.25% 23/01/2026	£3,440,000	3,437	1.33
Heathrow Funding 7.13% 14/02/2024	£2,000,000	2,019	0.78
Heathrow Funding 6.75% 03/12/2028	£3,000,000	3,100	1.20
Hiscox, FRN 6.12% 24/11/2045	£1,800,000	1,746	0.68
IG Group Holdings 3.13% 18/11/2028	£4,000,000	3,085	1.20
InterContinental Hotels Group 3.75% 14/08/2025	£2,000,000	1,920	0.75
Investec, FRN 1.88% 16/07/2028	£3,400,000	2,744	1.07

ARTEMIS TARGET RETURN BOND FUND

Investment	Nominal value	Valuation £'000	% of net assets
Corporate Bonds 86.91% (82.22%) (continued)			
United Kingdom 55.24% (49.48%) (continued)			
Investec Bank, FRN 4.25% 24/07/2028	£347,000	343	0.13
Kane Bidco 5.00% 15/02/2027	€1,200,000	974	0.38
Kane Bidco 6.50% 15/02/2027	£1,300,000	1,179	0.46
Legal & General Group, FRN 5.38% 27/10/2045	£4,500,000	4,409	1.71
London & Quadrant Housing Trust 2.63% 05/05/2026	£3,000,000	2,782	1.08
Marston's Issuer, FRN 5.38% 15/10/2027	£2,143,317	1,933	0.75
Mitchells & Butlers Finance, STEP 5.97% 15/12/2025	£1,362,652	1,346	0.52
National Express Group, FRN 4.25% Perpetual	£4,500,000	3,995	1.55
NatWest Group, FRN 3.62% 14/08/2030	£5,000,000	4,663	1.81
Neptune Energy Bondco 6.63% 15/05/2025	$4,000,000	3,215	1.25
NGG Finance, FRN 5.63% 18/06/2073	£3,000,000	2,921	1.13
Ocado Group 3.88% 08/10/2026	£3,000,000	2,325	0.90
Pearson Funding 3.75% 04/06/2030	£3,000,000	2,667	1.04
Pension Insurance 6.50% 03/07/2024	£4,000,000	3,980	1.55
Phoenix Group Holdings 6.63% 18/12/2025	£4,000,000	4,026	1.56
Places For People Treasury 2.88% 17/08/2026	£4,000,000	3,679	1.43
RAC Bond 4.57% 06/05/2046	£1,000,000	998	0.39
RAC Bond 4.87% 06/05/2046	£4,000,000	3,718	1.44
RL Finance Bonds No. 2, FRN 6.12% 30/11/2043	£4,000,000	3,974	1.54
Rothesay Life, FRN 5.50% 17/09/2029	£5,000,000	4,879	1.89
RSA Insurance Group, FRN 5.13% 10/10/2045	£300,000	289	0.11
Santander UK Group Holdings, FRN 2.92% 08/05/2026	£3,000,000	2,803	1.09
Santander UK Group Holdings, FRN 7.10% 16/11/2027	£2,200,000	2,264	0.88
Scottish Widows 5.50% 16/06/2023	£5,000,000	4,993	1.94
Student Finance 2.67% 30/09/2029	£544,000	526	0.20
Telereal Securitisation, FRN 4.08% 10/12/2033	£567,000	513	0.20
Thames Water Utilities Finance 1.88% 24/01/2024	£4,500,000	4,366	1.70
TP ICAP Finance 5.25% 26/01/2024	£2,000,000	1,972	0.77
TP ICAP Finance 5.25% 29/05/2026	£2,300,000	2,171	0.84
TP ICAP Finance 2.63% 18/11/2028	£500,000	386	0.15
Trafford Centre Finance, STEP 7.03% 28/01/2029	£372,801	346	0.14
Travis Perkins 4.50% 07/09/2023	£1,100,000	1,092	0.42
UNITE USAF II 3.37% 30/06/2028	£2,000,000	1,984	0.77
Victoria 3.63% 24/08/2026	€1,000,000	716	0.28
Virgin Money UK, FRN 4.00% 25/09/2026	£1,500,000	1,419	0.55
Virgin Money UK, FRN 7.87% 14/12/2028	£3,500,000	3,503	1.36
Vodafone Group, FRN 4.87% 03/10/2078	£4,000,000	3,812	1.48
Whitbread Group 3.38% 16/10/2025	£5,000,000	4,688	1.82
		142,305	**55.24**
United States of America 11.03% (8.99%)			
Adient Global Holdings 3.50% 15/08/2024	€2,000,000	1,717	0.67
Amgen 5.50% 07/12/2026	£2,000,000	2,026	0.79
Citigroup 5.88% 01/07/2024	£1,000,000	1,001	0.39
CTR Partnership, REIT 3.88% 30/06/2028	$2,000,000	1,410	0.55
Ford Motor Credit 2.75% 14/06/2024	£3,000,000	2,850	1.10
Ford Motor Credit 6.86% 05/06/2026	£2,100,000	2,100	0.81
General Motors Financial 5.15% 15/08/2026	£3,000,000	2,946	1.14
Goldman Sachs Group, FRN 1.00% 16/12/2025	£4,000,000	3,701	1.44
Metropolitan Life Global Funding I 4.13% 02/09/2025	£2,500,000	2,448	0.95
MPT Operating Partnership, REIT 3.69% 05/06/2028	£5,000,000	3,525	1.37
Wells Fargo Bank 5.25% 01/08/2023	£4,700,000	4,695	1.82
		28,419	**11.03**
Corporate Bonds total		**223,889**	**86.91**

	Nominal value	Global exposure^ £'000	Valuation £'000	% of net assets
Supranationals 0.43% (0.00%)				
European Union 3.00% 04/03/2053	€1,400,000		1,104	0.43
Supranationals total			**1,104**	**0.43**
Swaps 0.06% (0.03%)				
Credit Default Swap Goldman Sachs Buy Commerzbank 1.00% 20/12/2027	5,000,000	4,386	(83)	(0.03)
Credit Default Swap Goldman Sachs Buy HSBC Holding 6.00% 20/12/2027	5,000,000	4,386	21	0.01
Credit Default Swap Goldman Sachs Buy CDX.NA.EM.38-V1 20/12/2027	10,000,000	8,268	453	0.18
Credit Default Swap J.P.Morgan Buy Bayer 0.38% 20/12/2027	20,000,000	17,542	(251)	(0.10)
Inflation Rate Swap J.P. Morgan Pay floating HICPXT 1 month Receive fixed 2.60% 15/03/2042	1,500,000	1,316	(132)	(0.05)
Inflation Rate Swap J.P.Morgan Pay fixed 4.87% Receive floating UKRPI 1 month 15/11/2027	7,000,000	7,000	26	0.01
Inflation Rate Swap J.P.Morgan Pay floating UKRPI 1 month Receive fixed 4.28% 15/11/2032	7,000,000	7,000	0	0.00
Inflation Rate Swap J.P.Morgan Pay floating UKRPI 1 month Receive fixed 3.77% 15/02/2033	2,500,000	2,500	(28)	(0.01)
Inflation Rate Swap J.P.Morgan Pay floating FRCPI 1 month Receive fixed 2.73% 15/09/2042	1,500,000	1,316	(85)	(0.03)
Inflation Rate Swap J.P.Morgan Pay floating FRCPI 1 month Receive fixed 2.84% 15/01/2043	1,000,000	877	(24)	(0.01)
Inflation Rate Swap J.P.Morgan Pay floating HICPXT 1 month Receive fixed 2.60% 15/02/2053	1,000,000	877	(18)	(0.01)
Inflation Rate Swap J.P.Morgan Pay floating UKRPI 1 month Receive fixed 3.38% 15/02/2053	1,500,000	1,500	(12)	(0.01)
Inflation Rate Swap J.P.Morgan Pay floating FRCPI 1 month Receive fixed 2.70% 15/08/2042	1,250,000	1,096	(84)	(0.03)
Interest Rate Swap J.P. Morgan Pay fixed 0.12% Receive floating TONAR 1 day 09/06/2025	2,500,000,000	15,112	33	0.01
Interest Rate Swap J.P.Morgan Pay fixed 4.41% Receive floating BBR 6 month 11/11/2026	20,000,000	11,128	(60)	(0.02)
Interest Rate Swap J.P.Morgan Pay fixed 4.49% Receive floating BBR 3 month 22/02/2033	7,000,000	3,565	59	0.02
Interest Rate Swap J.P.Morgan Pay fixed 4.18% Receive floating BBR 6 month 24/01/2043	10,000,000	5,564	124	0.05
Interest Rate Swap J.P.Morgan Pay fixed 2.14% Receive floating EURIBOR 6 month 24/06/2042	9,000,000	7,894	94	0.04
Interest Rate Swap J.P.Morgan Pay fixed 2.13% Receive floating EURIBOR 6 month 10/02/2043	8,000,000	7,017	63	0.02
Interest Rate Swap J.P.Morgan Pay fixed 1.43% Receive floating EURIBOR 6 month 09/09/2052	3,000,000	2,631	133	0.05
Interest Rate Swap J.P.Morgan Pay fixed 2.48% Receive floating EURIBOR 6 month 30/12/2052	2,100,000	1,842	87	0.03
Interest Rate Swap J.P.Morgan Pay fixed 1.80% Receive floating EURIBOR 6 month 23/02/2053	3,000,000	2,631	44	0.02
Interest Rate Swap J.P.Morgan Pay fixed 2.56% Receive floating EURIBOR 6 month 23/02/2053	1,400,000	1,228	40	0.01
Interest Rate Swap J.P.Morgan Pay fixed 2.58% Receive floating EURIBOR 6 month 28/02/2053	3,500,000	3,070	86	0.03
Interest Rate Swap J.P.Morgan Pay fixed 1.37% Receive floating SARON 1 day 02/02/2025	41,000,000	36,143	192	0.07
Interest Rate Swap J.P.Morgan Pay fixed 3.09% Receive floating SONIA 1 day 21/12/2032	10,500,000	10,500	121	0.05
Interest Rate Swap J.P.Morgan Pay fixed 3.06% Receive floating SONIA 1 day 15/02/2073	1,000,000	1,000	53	0.02
Interest Rate Swap J.P.Morgan Pay floating ESTR 1 day Receive fixed 2.92% 02/02/2025	40,000,000	35,084	(234)	(0.09)
Interest Rate Swap J.P.Morgan Pay floating BBR 3 month Receive fixed 5.15% 22/02/2025	25,000,000	12,732	(53)	(0.02)
Interest Rate Swap J.P.Morgan Pay floating SONIA 1 day Receive fixed 3.74% 23/12/2026	23,000,000	23,000	(55)	(0.02)
Interest Rate Swap J.P.Morgan Pay floating BBR 6 month Receive fixed 5.10% 08/11/2032	10,000,000	5,564	83	0.03

	Nominal value/ Holding	Global exposure^ £'000	Valuation £'000	% of net assets
Swaps 0.06% (0.03%) (continued)				
Interest Rate Swap J.P.Morgan Pay floating EURIBOR 6 month Receive fixed 3.15% 30/12/2032	5,000,000	4,386	(24)	(0.01)

Artemis Target Return Bond Fund

Interest Rate Swap J.P.Morgan Pay floating BBR 6 month Receive fixed 4.37% 24/01/2033	15,000,000	8,346	(108)	(0.04)
Interest Rate Swap J.P.Morgan Pay floating EURIBOR 6 month Receive fixed 2.81% 08/02/2033	8,000,000	7,017	(69)	(0.03)
Interest Rate Swap J.P.Morgan Pay floating EURIBOR 6 month Receive fixed 3.07% 23/02/2033	3,000,000	2,631	(34)	(0.01)
Interest Rate Swap J.P.Morgan Pay floating EURIBOR 6 month Receive fixed 2.85% 10/02/2038	7,000,000	6,140	(62)	(0.02)
Interest Rate Swap J.P.Morgan Pay floating EURIBOR 6 month Receive fixed 2.18% 28/02/2073	2,550,000	2,237	(77)	(0.03)
Interest Rate Swap J.P.Morgan Pay floating EURIBOR 6 month Receive fixed 2.91% 24/06/2037	8,000,000	7,017	(62)	(0.02)
Swaps total		**281,543**	**157**	**0.06**
Forward Currency Contracts (0.03) % (0.40%)				
Buy Japanese Yen 300,000,000 sell US Dollar 2,322,826 dated 08/03/2023			(106)	(0.04)
Buy Sterling 3,260,423 sell Canadian Dollar 5,300,000 dated 08/03/2023			30	0.01
Buy Canadian Dollar 5,300,000 sell Sterling 3,183,986 dated 08/03/2023			46	0.02
Buy Sterling 24,852,013 sell Euro 32,850,000 dated 08/03/2023			(108)	(0.04)
Buy Sterling 3,962,570 sell New Zealand Dollar 7,700,000 dated 08/03/2023			42	0.01
Buy Sterling 18,545,147 sell US Dollar 21,500,000 dated 08/03/2023			37	0.02
Buy Sterling 1,347,303 sell Australian Dollar 2,450,000 dated 08/03/2023			(16)	(0.01)
Forward Currency Contracts total			**(75)**	**(0.03)**
Futures 0.12 % (0.17%)				
Australia 3 Year Bond 15/03/2023	(50)	(2,970)	43	0.02
Euro-Bono 08/03/2023	(30)	(3,185)	41	0.02
Euro-BTP 08/03/2023	(60)	(5,919)	38	0.02
Euro-Bund 08/03/2023	71	8,265	(256)	(0.10)
Euro-Buxl 30 Year Bond 08/03/2023	(21)	(2,468)	238	0.09
Euro-OAT 08/03/2023	(55)	(6,151)	184	0.07
ICE 3 Month SONIA Index 19/12/2023	(25)	(5,950)	23	0.01
ICE 3 Month SONIA Index 18/03/2025	50	11,980	(56)	(0.02)
Long Gilt 28/06/2023	(42)	(4,186)	34	0.01
Short-Term Euro-BTP 08/03/2023	(10)	(923)	5	0.00
US 10 Year Note 21/06/2023	120	11,060	(23)	(0.01)
US 10 Year Ultra Bond 21/06/2023	(140)	(13,527)	27	0.01
Futures total		**(13,974)**	**298**	**0.12**
Investment assets (including investment liabilities)			**249,460**	**96.84**
Net other assets			**8,148**	**3.16**
Net assets attributable to shareholders			**257,608**	**100.00**

The comparative percentage figures in brackets are as at 28 February 2022.
^ Global exposure has been calculated in line with the guidelines issued by the European Securities and Markets Authority ('ESMA') and represents the market value of an equivalent position in the underlying investment of each derivative contract. For all other asset types the percentage of net assets has been calculated based on the valuation of each holding.

FINANCIAL STATEMENTS

Statement of total return for the year ended 28 February 2023

	Note	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Income					
Net capital losses	3		**(13,469)**		(6,767)
Revenue	5	**11,310**		4,078	
Expenses	6	**(917)**		(465)	
Interest payable and similar charges	7	**(273)**		(141)	
Net revenue before taxation		**10,120**		3,472	
Taxation	8	**-**		-	
Net revenue after taxation			**10,120**		3,472
Total return before distributions			**(3,349)**		(3,295)
Distributions	9		**(10,239)**		(3,527)
Change in net assets attributable to shareholders from investment activities			**(13,588)**		(6,822)

Statement of change in net assets attributable to shareholders for the year ended 28 February 2023

	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Opening net assets attributable to shareholders		**259,068**		44,162
Amounts receivable on issue of shares	**113,020**		230,814	
Amounts payable on cancellation of shares	**(108,843)**		(12,753)	
		4,177		218,061
Dilution adjustment		**315**		467
Change in net assets attributable to shareholders from investment activities		**(13,588)**		(6,822)
Retained distribution on accumulation shares		**7,636**		3,200
Closing net assets attributable to shareholders		**257,608**		259,068

Balance sheet as at 28 February 2023

	Note	28 February 2023 £'000	28 February 2022 £'000
Assets			
Fixed assets			
Investments	10	**251,580**	233,079
Current assets			
Debtors	11	**13,472**	7,061
Cash and cash equivalents	12	**10,926**	27,427
Total current assets		**23,860**	34,488
Total assets		**275,440**	267,567
Liabilities			
Investment liabilities	10	**2,120**	1,681
Creditors			
Bank overdraft	13	**1,208**	1,936
Distribution payable		**824**	469
Other creditors	14	**14,218**	4,413
Total creditors		**15,712**	6,818
Total liabilities		**17,832**	8,499
Net assets attributable to shareholders		**257,608**	259,068

ARTEMIS TARGET RETURN BOND FUND

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, in accordance with FRS 102, the SORP and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). The financial statements have been prepared on a going concern basis. There are no material events that have been identified that may cast significant doubt about the sub-fund's ability to continue as a going concern for a period of twelve months from the date the financial statements are authorised for issue. The ACD believes that the sub-fund has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.

(b) Valuation of investments. All investments have been valued at 12 noon on the last working day of the accounting period, net of any accrued interest in the case of debt securities, which is included in the balance sheet as a revenue related item. Listed investments are valued at fair value which is deemed to be the bid or SETS price.

The last valuation point in the accounting period has been used for the purposes of preparing the report and financial statements and in the ACD's opinion there have been no material movements in the sub-fund between the last valuation point and close of business on the balance sheet date.

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

(d) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward currency contracts are used for investment purposes and efficient portfolio management. 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. Interest on margin accounts held with brokers is included in the revenue return. All other gains/losses and cash flows from derivatives except for bond futures and swaps are included in the capital return.

Open forward currency contracts are shown in the Portfolio Statement at market value and the net gains/(losses) are reflected within Forward currency contracts under Net capital (losses)/gains in the Notes to the financial statements.

Where bond futures positions generate total returns the returns are apportioned between capital and income to reflect the nature of the transaction. Any capital gains/losses are included within Net capital gains/(losses) and any revenue or expense is included within Revenue or Interest payable and similar charges respectively in the Statement of total return. The revenue return element in respect of bond futures is calculated by reference to the quoted yield of the index upon which the future is based compared to synthetic LIBOR. Cash held at future brokers as margin is reflected separately within cash and bank balances.

Open interest rate and credit default swaps are shown in the Portfolio Statement and are priced at fair value using valuation models and data sourced from market data providers. Net (losses)/ gains are reflected within Derivative contracts under Net capital gains in the Notes to the financial statements. Interest receivable or payable on interest rate swaps is included within Derivative revenue or Interest payable and similar charges respectively in the Statement of total return.

(e) Revenue. Interest from debt securities is recognised on an effective interest rate basis inclusive of any expected changes to future cash flows. Bank interest is recognised on an accruals basis.

(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 sub-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.

(h) Dilution adjustment. The sub-fund is priced on a single price basis and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions and redemptions in and out of the sub-fund.

This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing shareholders' interest in the sub-fund. In order to counter this and to protect shareholders' interests, the ACD will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the sub-fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. In the usual course of business a dilution adjustment will be applied systematically and on a consistent basis.

2. Distribution policy

The distribution policy of the sub-fund is to distribute all available revenue, after deduction of expenses properly chargeable against revenue and taxation. The ACD and the depositary have agreed, for the distribution classes only, that 100% of the annual management charge is to be transferred to capital for the purpose of calculating the distribution, as permitted by COLL.

The distribution currently payable reflects this treatment. Gains and losses on non-derivative investments and forward currency contracts, whether realised or unrealised, are taken to capital and are not available for distribution.
The sub-fund satisfied the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 throughout the year. All distributions made are therefore made as interest distributions. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised.

For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares.

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

3. Net capital losses

	28 February 2023 £'000	28 February 2022 £'000
Derivative contracts	**5,642**	2,039
Currency gains/(losses)	**869**	(470)
Forward currency contracts	**(2,509)**	750
Non-derivative securities	**(17,471)**	(9,086)
Net capital losses	**(13,469)**	(6,767)

4. Direct transaction costs

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

Dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.59% (2022: 0.46%).This spread represents the difference between the bid and offer prices of each underlying investment expressed as a percentage of the value determined by reference to its offer price.

5. Revenue

	28 February 2023 £'000	28 February 2022 £'000
Interest on debt securities	**11,150**	4,043
Revenue from other derivatives	**117**	35
Bank interest	**43**	-
Total revenue	**11,310**	4,078

ARTEMIS TARGET RETURN BOND FUND

6. Expenses

	28 February 2023 £'000	28 February 2022 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	**542**	259
Administration fees	**375**	206
Total expenses	**917**	465

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
The audit fee (excluding VAT) accrued during the year was £11,600 (2022: £11,150). This fee is paid by the manager.

7. Interest payable and similar charges

	28 February 2023 £'000	28 February 2022 £'000
Interest payable on short futures	**230**	129
Interest payable	**43**	12
Total interest payable and similar charges	**273**	141

8. Taxation

	28 February 2023 £'000	28 February 2022 £'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	**10,120**	3,472
Corporation tax at 20% (2022: 20%)	**2,024**	694
Effects of:		
Tax deductible interest distributions	**(2,024)**	(694)
Tax charge for the year (note 8a)	**-**	-

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 sub-fund has not recognised a deferred tax asset (2022: £nil).

9. Distributions

	28 February 2023 £'000	28 February 2022 £'000
Interim gross interest distribution - May 2022	**2,141**	416
Interim gross interest distribution - August 2022	**2,253**	794
Interim gross interest distribution - November 2022	**2,856**	1,147
Final gross interest distribution - February 2023	**3,068**	1,860
	10,318	4,217
Add: amounts deducted on cancellation of shares	**501**	37
Deduct: amounts added on issue of shares	**(580)**	(727)
Distributions	**10,239**	3,527
Movement between net revenue and distributions		
Net revenue after taxation	**10,120**	3,472
Annual management charge paid from capital	**119**	55
	10,239	3,527

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. Details of the distributions per share are set out in the distribution tables on page 98.

10. Fair value hierarchy

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

The disclosure is split into the following categories:

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

	28 February 2023		28 February 2022	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Level 1	**633**	**(335)**	551	100
Level 2	**250,947**	**(1,785)**	232,528	1,581
Total	**251,580**	**(2,120)**	233,079	1,681

11. Debtors

	28 February 2023 £'000	28 February 2022 £'000
Accrued revenue	**3,920**	3,481
Amounts receivable for issue of shares	**9,486**	1,823
Sales awaiting settlement	**-**	1,728
Amounts receivable on derivative contracts	**66**	29
Total debtors	**13,472**	7,061

12. Cash and cash equivalents

	28 February 2023 £'000	28 February 2022 £'000
Cash and bank balances	**7,397**	24,428
Amounts held at futures clearing houses and brokers	**3,209**	2,999
Collateral held with JPMorgan	**320**	-
Total cash and cash equivalents	**10,926**	27,427

13. Bank overdraft

	28 February 2023 £'000	28 February 2022 £'000
Collateral pledged with Goldman Sachs	**520**	90
Amounts pledged with futures clearing houses and brokers	**368**	796
Collateral pledged with JPMorgan	**-**	730
Collateral pledged with UBS	**150**	320
Bank overdrafts	**59**	-
Total bank overdraft	**1,208**	1,936

Artemis Target Return Bond Fund

14. Other creditors

	28 February 2023 £'000	28 February 2022 £'000
Purchases awaiting settlement	**13,858**	3,915
Amounts payable for cancellation of shares	**293**	432
Accrued annual management charge	**38**	37
Accrued administration fee payable to the ACD	**29**	29
Total other creditors	**14,218**	4,413

15. Contingent liabilities and commitments

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

16. Reconciliation of share movements

	Shares in issue at 28 February 2022	Shares issued	Shares cancelled	Shares converted	**Shares in issue at 28 February 2023**
F distribution GBP	42,170,045	7,552,381	(10,332,847)	-	**39,389,579**
F accumulation GBP	78,257,661	22,735,934	(37,877,918)	(25,444)	**63,090,233**
I distribution GBP	18,220,705	13,977,949	(3,153,293)	(44,850)	**29,000,511**
I accumulation GBP	105,405,705	64,557,884	(53,752,992)	66,785	**116,277,382**

17. Risk disclosures

In pursuing its investment objectives, the sub-fund may hold a number of financial instruments. These financial instruments comprise bonds, derivatives and cash balances which include debtors and creditors that arise directly from the sub-fund's operations. The fund only executes derivative contracts where both the derivative instrument and the counterparty have been approved by the ACD.

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-fund. In addition, our Investment Committee and Risk and Compliance Committee meet monthly and quarterly respectively, and as required to evaluate risk across each of our funds. These policies have been consistent for both the current and prior period to which these financial statements relate.

In the normal course of business, the sub-fund's activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests. These financial risks: market risk (comprising currency risk, interest rate risk and other market price risk), credit and counterparty risk and liquidity risk and the approach to the management of these risks, are set out below and remain unchanged from the previous accounting year. For a detailed explanation of these and further risks involved in investing in the sub-fund, reference should be made to the Prospectus.

(a) Market risk

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

Value at risk ("VaR")

The ACD is currently empowered to enter into derivative transactions on behalf of the sub-fund. The use of these strategies is subject to a risk management process and the ACD analyses the overall risk position of the sub-fund on a daily basis, which is then used by the ACD to evaluate the exposures and risks in the portfolio. As part of the process, the VaR is used on a daily basis to calculate the market price risk on the sub-fund in absolute terms. The maximum limit for UCITS funds is 20% of its NAV, in accordance with the Committee of European Securities Regulators ('CESR') guidance. VaR expresses the maximum expected loss by the sub-fund in a defined period, at a specified confidence level. The parameters used are: a confidence level of 99%, uses two year risk factor data and a 20 business day holding period.

	28 February 2023 **%**	28 February 2022 %
At 28 February	**2.98**	2.24
Average utilisation during the year	**3.10**	1.12
Highest utilisation during the year	**4.52**	2.24
Lowest utilisation during the year	**1.93**	0.71

(b) Credit and counterparty risk

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

The ACD is permitted to use one or more separate counterparties for derivative transactions. The sub-fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the sub-fund enters into derivative contracts, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy or insolvency of a counterparty, the sub-fund could experience delays in liquidating the position and may incur significant losses. There may be a risk that a counterparty will be unable to meet its obligations with regard to the return of the collateral and may not meet other payments due to the sub-fund. To minimise such risk the ACD will assess the creditworthiness of any counterparty that it engages. On a daily basis the ACD assesses the level of assets with each counterparty to ensure that the exposure is within the defined limits in accordance with the requirement stipulated in COLL and the Prospectus. In order to diversify counterparty risk the sub-fund holds cash with a number of other counterparties other than JP Morgan. The derivatives are disclosed in the portfolio statement and J.P. Morgan Securities Plc is the counterparty for futures contracts, forward contracts and swaps, UBS is the counterparty for forward currency contracts and Goldman Sachs International ('Goldman Sachs') is the counterparty for swaps and forward contracts. Aside from the custodian, the derivative counterparties and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 28 February 2023 or 28 February 2022.

Debt security credit analysis *

At the reporting date, the credit analysis of the sub-fund's debt securities was as follows:

	28 February 2023 £'000	28 February 2022 £'000
Investment grade securities	**174,900**	153,876
Below investment grade securities	**69,214**	73,930
Unrated securities	**4,966**	2,020
Total of debt securities	**249,080**	229,826

* Source of credit ratings: Artemis Investment Management LLP.

Counterparty and collateral exposure

The types of derivatives held at the balance sheet date were forward currency contracts and future currency contracts. Details of the individual contracts are disclosed separately in the portfolio statement and the total position by counterparty and the collateral pledged, at the balance sheet date, were as follows:

Currency	Credit Default Swaps £'000	Inflation Rate Swaps £'000	Interest Rate Swaps £'000	Forward contracts £'000	Future contracts £'000	Total gross exposure £'000	Net collateral (pledged)/held £'000
28 February 2023							
Goldman Sachs	**474**		**-**	**(106)**	**-**	**368**	**(520)**
JPMorgan	**-**	**26**	**1,212**	**(164)**	**663**	**1,737**	**320**
UBS	**-**	**-**	**-**	**194**	**-**	**194**	**(150)**
28 February 2022							
JPMorgan	63	836	671	654	551	2,775	(730)
BNP Paribas	51	-	-	-	-	51	-
Goldman Sachs	17	-	-	(2)	-	15	(90)
UBS	-	-	-	391	-	391	(320)

Only cash collateral is pledged or held by the sub-fund. The balance includes cash held at brokers.

(c) Liquidity risk

Liquidity risk is the risk that through market liquidity conditions, requests for redemptions from investors cannot be met in an orderly and appropriate manner. Artemis adopts a policy of mitigation and control to manage liquidity risks. Mitigation occurs through maintaining prudent levels of liquidity in each sub-fund and a well-diversified investor base. As a result, redemption requests can be satisfied in all but exceptional circumstances.

Artemis has a dedicated liquidity risk management policy which is owned by the independent investment risk team which reports to the Chief Risk Officer. Its purpose is to ensure the portfolio manager acts in the client's best interest with regards to this liquidity risk. Through the use of 3rd party modeling and assumptions, the investment risk team conduct regular monitoring and analyses of the liquidity profile of the sub-funds and investor base. This includes but is not limited to what percentage of the sub-fund can be liquidated within certain redemption horizons, whether the largest investors in the subfund can redeem without affecting the fair treatment of remaining investors, liquidity stress testing and other analysis deemed to cover a risk specific to the strategy considered.

There was no significant concentration of liquidity risk as at 28 February 2023 or 28 February 2022.

18. Related party transactions

The ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the statement of total return, statement of change in net assets attributable to shareholders and the balance sheet on page 89 and Notes 6, 9, 11 and 13 on pages 92 to 93 including all issues and cancellations where the ACD acted as principal.

The balance due from the ACD as at 28 February 2023 in respect of these transactions was £9,126,000 (2022: £1,325,000).

19. Share classes

The annual management charge on each share class is as follows:

F distribution GBP	0.15%
F accumulation GBP	0.15%
I distribution GBP	0.25%
I accumulation GBP	0.25%

The net asset value per share and the number of shares in each class are given in the comparative tables on page 99. The distributions per share class are given in the distribution tables on page 98. All classes have the same rights on winding up.

20. Post balance sheet events

There were no significant post balance sheet events subsequent to the year end.

ARTEMIS TARGET RETURN BOND FUND

DISTRIBUTION TABLES

This sub-fund pays quarterly interest distributions. The following table sets out the distribution periods.

Quarterly distribution periods	Start	End	Ex-dividend date	Pay date
First interim	1 March 2022	31 May 2022	1 June 2022	29 July 2022
Second interim	1 June 2022	31 August 2022	1 September 2022	31 October 2022
Third interim	1 September 2022	30 November 2022	1 December 2022	31 January 2023
Final	1 December 2022	28 February 2023	1 March 2023	28 April 2023

Group 1 shares are those purchased prior to a distribution period and therefore their net revenue rate is the same as the distribution rate.
Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of net revenue and equalisation. Equalisation applies only to group 2 shares purchased during the period. It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

F distribution GBP

	Group 2		Group 1 & 2	2021 - 2022
Interest distribution for the year ended 28 February 2023	Net revenue per share (p)	Equalisation per share (p)	Distribution per share (p)	Distribution per share (p)
First interim	0.3279	0.5110	0.8389	0.6366
Second interim	0.4949	0.3622	0.8571	0.6569
Third interim	0.4059	0.6664	1.0723	0.6459
Final	0.4778	0.7280	1.2058	0.7763

F accumulation GBP

	Group 2		Group 1 & 2	2021 - 2022
Interest distribution for the year ended 28 February 2023	Net revenue per share (p)	Equalisation per share (p)	Distribution per share (p)	Distribution per share (p)
First interim	0.5873	0.2642	0.8515	0.6153
Second interim	0.5268	0.3465	0.8733	0.6378
Third interim	1.1067	0.0068	1.1135	0.6322
Final	0.7624	0.5086	1.2710	0.7735

I distribution GBP

	Group 2		Group 1 & 2	2021 - 2022
Interest distribution for the year ended 28 February 2023	Net revenue per share (p)	Equalisation per share (p)	Distribution per share (p)	Distribution per share (p)
First interim	0.3694	0.4688	0.8382	0.6358
Second interim	0.4426	0.4124	0.8550	0.6558
Third interim	0.3627	0.7065	1.0692	0.6447
Final	0.4398	0.7622	1.2020	0.7746

I accumulation GBP

	Group 2		Group 1 & 2	2021 - 2022
Interest distribution for the year ended 28 February 2023	Net revenue per share (p)	Equalisation per share (p)	Distribution per share (p)	Distribution per share (p)
First interim	0.4254	0.4008	0.8262	0.5877
Second interim	0.5150	0.3296	0.8446	0.6090
Third interim	0.4959	0.5888	1.0847	0.6043
Final	0.4323	0.8087	1.2410	0.7457

COMPARATIVE TABLES

	F distribution GBP			F accumulation GBP		
	2023	2022	2021	**2023**	2022	2021
Change in net assets per share	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Opening net asset value per share	**101.92**	103.59	99.96	**107.70**	106.66	100.50
Return before operating charges *	**(0.54)**	1.36	6.39	**(0.53)**	1.37	6.47
Operating charges	**(0.29)**	(0.31)	(0.31)	**(0.31)**	(0.33)	(0.31)
Return after operating charges	**(0.83)**	1.05	6.08	**(0.84)**	1.04	6.16
Distributions	**(3.97)**	(2.72)	(2.45)	**(4.11)**	(2.66)	(2.33)
Retained distributions on accumulation shares	**-**	-	-	**4.11**	2.66	2.33
Closing net asset value per share	**97.12**	101.92	103.59	**106.86**	107.70	106.66
* after direct transaction costs of	**-**	-	-	**-**	-	-
Performance						
Return after charges	**(0.81)%**	1.01%	6.08%	**(0.78)%**	0.98%	6.13%
Other information						
Closing net asset value (£'000)	**38,254**	42,981	5,532	**67,421**	84,285	24,222
Closing number of shares	**39,389,579**	42,170,045	5,340,444	**63,090,233**	78,257,661	22,709,166
Operating charges	**0.29%**	0.30%	0.30%	**0.29%**	0.30%	0.30%
Direct transaction costs	**-**	-	-	**-**	-	-
Prices	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Highest price	**102.39**	106.28	105.38	**108.45**	110.50	107.82
Lowest price	**93.40**	102.69	96.48	**100.40**	107.14	96.99

	I distribution GBP			I accumulation GBP		
	2023	2022	2021	**2023**	2022	2021
Change in net assets per share	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Opening net asset value per share	**101.70**	103.46	99.94	**107.46**	106.53	100.47
Return before operating charges *	**(0.56)**	1.37	6.37	**(0.53)**	1.37	6.47
Operating charges	**(0.38)**	(0.42)	(0.40)	**(0.41)**	(0.44)	(0.41)
Return after operating charges	**(0.94)**	0.95	5.97	**(0.94)**	0.93	6.06
Distributions	**(3.96)**	(2.71)	(2.45)	**(4.00)**	(2.55)	(2.23)
Retained distributions on accumulation shares	**-**	-	-	**4.00**	2.55	2.23
Closing net asset value per share	**96.80**	101.70	103.46	**106.52**	107.46	106.53
* after direct transaction costs of	**-**	-	-	**-**	-	-
Performance						
Return after charges	**(0.92)%**	0.92%	5.97%	**(0.87)%**	0.87%	6.03%
Other information						
Closing net asset value (£'000)	**28,073**	18,530	2,201	**123,860**	113,272	12,207
Closing number of shares	**29,000,511**	18,220,705	2,126,802	**116,277,382**	105,405,705	11,459,138
Operating charges	**0.39%**	0.40%	0.40%	**0.39%**	0.40%	0.40%
Direct transaction costs	**-**	-	-	**-**	-	-
Prices	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Highest price	**102.16**	106.10	105.25	**108.11**	110.28	107.70
Lowest price	**93.14**	102.46	96.45	**100.11**	107.00	96.96

* Direct transaction costs are stated after deducting the amounts collected in relation to estimated dealing costs added to the issue of shares and subtracted from the cancellation of shares.

The operating charges are calculated on an ex-post basis. High and low price disclosures are based on quoted unit prices. Therefore opening and closing NAV prices may fall outside the high/low price threshold.

ARTEMIS TARGET RETURN BOND FUND

Ongoing charges

Class	28 February 2023
F distribution GBP	0.29%
F accumulation GBP	0.29%
I distribution GBP	0.39%
I accumulation GBP	0.39%

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

Class I accumulation performance

	Since launch *	3 years	1 year	6 months
Artemis Target Return Bond Fund**	6.8	6.1	(0.7)	2.0
Artemis Target Return Bond Fund***	6.9	6.1	(0.8)	2.1
Bank of England Base Rate +2.5%	11.0	10.1	4.5	2.7
Bank of England Base Rate	2.5	2.3	2.0	1.5

Past performance is not a guide to the future.
* Source: Artemis/ Lipper Limited, class I accumulation GBP from 3 December 2019 to 28 February 2023. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class.
** Value at 12 noon valuation point
*** Value at close of business
Class I accumulation is disclosed as it is the primary share class.

ARTEMIS US ABSOLUTE RETURN FUND

NOTE ON CLOSURE

Closure of Artemis US Absolute Return Fund.

At Artemis, we regularly review the funds across our range to ensure we are offering appropriate products to our investors.

Following continuous large redemptions from Artemis US Absolute Return Fund, we have undertaken an assessment of the ongoing viability of the fund and its future prospects, in terms of increasing size and scale through gaining new investors and determined that the fund is no longer economically viable. The fund had approximately £15.3 million assets under management, as at 28 April 2023.

Having considered a number of options, we have concluded that there are no suitable options for maintaining the fund and closing the fund is therefore in the best interests of investors. The effective date of the closure was 12 June 2023.

OBJECTIVE AND INVESTMENT POLICY

Objective	To achieve a positive return over a rolling three-year period, after fees, notwithstanding changing market conditions. The sub-fund also targets returns in excess of SONIA + 0.1%, after fees, in calculating the performance fee payable to the manager. There is no guarantee that the sub-fund will achieve a positive return over a rolling three-year period or any other time period and your capital is at risk.	
Investment policy	**What the sub-fund invests in**	• The sub-fund invests in shares and makes extensive use of equity derivatives (complex financial instruments) so the sub-fund can take positions the investment manager believes will either rise in value (long positions) or fall in value (short positions), meaning that the sub-fund may benefit from either scenario. Derivatives may be based on individual companies or equity indices. • At least 60% of the sub-fund, calculated on a gross basis (long and short positions in aggregate), will be invested directly, or indirectly via derivatives, in companies of any size. • The sub-fund may also invest in bonds, cash, near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, and money market instruments.
	Use of derivatives	The sub-fund may use derivatives: • for investment purposes to achieve the fund objective, including taking long and short positions • to produce additional income or growth • for efficient portfolio management purposes to reduce risk and manage the sub-fund efficiently. • to create leverage.
	Where the sub-fund invests	• At least 60% of the fund (calculated on a gross basis) will be invested directly or indirectly in companies in the United States of America, including companies in other countries that are headquartered or have a significant part of their activities in the USA, but the sub-fund may also invest in other countries.
	Industries the sub-fund invests in	• Any
Other limitations specific to this sub-fund	• Gross exposure to companies, either directly or indirectly through derivatives, will be below 200%. • Net exposure (longs minus shorts) to companies, either directly or indirectly through derivatives, will typically lie in the range of -30% to +40%. • The sub-fund will hold a significant proportion of its assets in cash and money market instruments as a result of holding derivatives and for when the investment manager wishes to take a defensive stance. The sub-fund may employ 'leverage' (so that the sub-fund can invest a greater amount than its actual value) when the investment manager has greater confidence in the opportunities available.	
Investment Strategy	• The sub-fund is actively managed. • The manager uses multiple sources of information, both to generate ideas and to assist in validating and testing candidate companies for investment. This is complemented by techniques such as data mining (examining large databases of information) and financial analysis. • External research is also used in order to tap into knowledge already available and to look for different views. • The manager carries out a significant amount of analysis of wider economic trends to understand cyclical and long-term trends and the outlook. Judgement, skill and experience drive the investment process.	
Benchmark	• **SONIA (Sterling Overnight Index Average) + 0.1%** A widely-used measure of the average interest rate at which banks lend to each other, used to estimate the amount of interest which could be earned on cash. It acts as a 'target benchmark' that the sub-fund aims to outperform by at least 0.1%. Artemis is paid a performance fee if the sub-fund's performance exceeds the benchmark.	

ARTEMIS US ABSOLUTE RETURN FUND

RISK AND REWARD PROFILE

Potentially lower rewards						Potentially higher rewards
Lower risk						Higher risk
1	2	**3**	4	5	6	7

- The sub-fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the fund may have risen and fallen in the past due to movements in markets, currencies and interest rates). It may not be a reliable indication of the future risk profile of the sub-fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the fund’s future risk profile.
- A risk indicator of “1” does not mean that the investment is “risk free”.

The risk indicator may not fully take into account the following risks and the following may affect fund performance:

- **Market volatility risk:** The value of the sub-fund and any income from it can fall or rise because of movements in stockmarkets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
- **Currency risk:** The sub-fund’s assets may be priced in currencies other than the sub-fund base currency. Changes in currency exchange rates can therefore affect the sub-fund's value.
- **Derivatives risk:** The sub-fund may invest in derivatives with the aim of profiting from falling (‘shorting’) as well as rising prices. Should the asset’s value vary in an unexpected way, the sub-fund value will reduce.
- **Cash risk:** The sub-fund may hold a large amount of cash. If it does so when markets are rising, the sub-fund's returns could be less that if the cash was fully invested in other types of assets.
- **Absolute return risk:** The sub-fund is not guaranteed to produce a positive return and as an absolute return sub-fund, performance may not move in line with general market trends or fully benefit from a positive market environment.
- **Leverage risk:** The sub-fund may operate with a significant amount of leverage. Leverage occurs when the economic exposure created by the use of derivatives is greater than the amount invested. A leveraged portfolio may result in large fluctuations in its value and therefore entails a high degree of risk including the risk that losses may be substantial.

There was no change to the risk indicator in the 12 months ended 28 February 2023.

Please refer to the sub-fund’s prospectus for full details of these and other risks which are applicable to this sub-fund.

ARTEMIS US ABSOLUTE RETURN FUND

INVESTMENT REVIEW

- In a challenging period for the US market, the fund fell 1.1% in sterling terms[1].
- As interest rate expectations increased, 'growth' stocks came under pressure.
- We have increased exposure to long-term winners trading at a cyclic bottom such as Nvidia and Meta.

It was a volatile period for US markets. As inflation continued to push higher, interest-rate expectations also rose. As a result, fears of recession periodically weighed on investors' minds and on the US equity market. The review period ended amid a renewed sell-off triggered by a speech in which the US Federal Reserve's chairman Jerome Powell suggested that getting back to price stability would "likely require maintaining a restrictive policy stance for some time". The implication was that interest rates would need to remain higher for longer than some investors had hoped.

This is a 'long/short' fund

It combines a portfolio of 'long' positions (which benefit when share prices rise) with an offsetting, roughly equally sized portfolio of 'short' positions (which benefit when a given company's share price falls). In our long book, we buy shares in companies where analysis suggests that the balance between risk and potential reward is attractive. In part, returns from these positions reflect our ability to pick the 'right' stocks. But they also depend on what is happening in the wider US market: it is more likely that the value of our long positions will rise when share prices in general are moving higher – but it will tend to fall when the wider market does.

Offsetting these long positions, we hold 'short' positions, whose value increases when the share price of a given company falls – and vice versa. Here, we look for US companies whose share prices we think are too high and so could be vulnerable to a correction. When share prices fall, these can be positive for the fund's returns. Equally, however, there can be periods when share prices rise irrespective of companies' underlying financial merits, and this tends to hurt our short positions.

The fund made a negative return

Over the 12 months covered by this report, the fund fell by 1.1% in sterling terms. Rising interest rates and higher borrowing costs put downward pressure on the valuations awarded to growth stocks – companies that are expected to keep increasing their sales at a faster-than-average pace. Growth stocks tend to struggle when interest rates are rising or are expected to move higher.

Within software, our long position in Sumo Logic detracted as did a number of our software holdings. Our long position in Upstart Holdings, a cloud-based lending platform that uses artificial intelligence to predict credit risk, acted as a drag on returns. As economic conditions began to deteriorate and credit conditions grew worse, it became evident that its loan selection had also deteriorated. Although it may gain further market share, the current economic environment could be a difficult one for it to navigate. We closed the position. Elsewhere, long positions in cyclical growth companies (companies whose sales are viewed as being sensitive to conditions in the wider economy) also suffered. These included Pool Corp and Saia. Both businesses have strong fundamentals and continue to deliver good results, but that carried little weight with a nervous market. Our long positions in Meta, Linde, Copart, Costco, Lockheed Martin and Oracle contributed positively to performance.

Challenging market conditions meant most of the top contributions came from our short positions. Many of these were in the tech sector and ranged from IT services stocks through to software and semiconductor companies. Semiconductor stocks were particularly weak in August due to rising inventories of some types of chips, as well as some ongoing supply-chain issues. We also had significant short contributions from unprofitable technology companies and put option spreads[2] on the S&P500 index.

Outlook – Caution prevails…

We remain cautious on the economic outlook. The actions and utterances of the Federal Reserve are likely to continue to dominate the headlines for the foreseeable future and an economic slowdown – or an outright recession – now seems unavoidable. The impact of that slowdown on corporate earnings is still to come. The recent turmoil in the banking industry will likely reverberate through the rest of the economy. While share prices in some areas have fallen a long way, they might yet have further to fall. At the same time, share prices in some of the more defensive parts of the markets are starting to look elevated. We will be looking to increase gross exposure[3] over the next few months as we gain more conviction in the potential for some of our long positions. We have added to our long exposure in Nvidia and Meta and have reduced our exposure to software stocks with meaningful exposure to corporate IT spending levels which we believe will come under pressure.

William Warren
Fund manager

Past performance is not a guide to the future.
[1]Artemis/ Lipper Limited, class I accumulation GBP (NAV hedged). All figures show total returns with dividends and/or income reinvested, net of all charges, to 28 February 2023. Performance does not take account of any costs incurred when investors buy or sell the fund.
[2] A type of options strategy used when an investor expects a moderate-to-large decline in the price of a security or asset
[3] The total of long and short positions.

Investment Information

Ten largest purchases and sales for the year ended 28 February 2023

Purchases	Cost £'000	Sales	Proceeds £'000
Microsoft	2,485	Alphabet 'A'	2,842
Advanced Micro Devices	2,103	Microsoft	2,169
Alphabet 'A'	1,910	Advanced Micro Devices	2,055
UniFirst	1,808	Splunk	1,991
Northrop Grumman	1,619	UniFirst	1,845
Splunk	1,456	Northrop Grumman	1,672
SVB Financial Group	1,445	Saia	1,565
Pool	1,300	Linde	1,499
Linde	1,294	Pool	1,467
Amazon.com	1,227	SVB Financial Group	1,381

Portfolio statement as at 28 February 2023

Investment	Holding	Valuation £'000	% of net assets
Equities 28.43% (31.52%)			
Communication Services 4.11% (4.96%)			
Alphabet 'A'	1,152	86	0.48
Altice USA 'A'	2,630	8	0.05
Meta Platforms 'A'	2,221	311	1.75
Pinterest 'A'	1,363	28	0.16
T-Mobile US	884	105	0.59
Trade Desk 'A'	4,214	192	1.08
		730	**4.11**
Consumer Discretionary 2.04% (7.66%)			
Amazon.com	340	26	0.15
Dollar Tree	589	70	0.40
Farfetch 'A'	2,011	9	0.05
Lowe's	530	90	0.50
NIKE 'B'	382	37	0.21
Overstock.com	475	8	0.04
Pool	231	68	0.38
RH	218	55	0.31
		363	**2.04**
Consumer Staples 1.25% (0.41%)			
Coca-Cola	995	49	0.28
Darling Ingredients	800	45	0.25
Mondelez International 'A'	2,347	127	0.72
		221	**1.25**
Energy 0.00% (0.11%)			
Financials 1.52% (1.99%)			
CME Group	179	27	0.15
First Republic Bank	916	92	0.52
Intercontinental Exchange	678	57	0.32
S&P Global	293	83	0.47
Wells Fargo	271	11	0.06
		270	**1.52**
Health Care 1.10% (0.87%)			
Avantor	4,483	90	0.51
Elevance Health	80	32	0.17
Eli Lilly	284	74	0.42
		196	**1.10**

Investment	Holding or nominal value	Valuation £'000	% of net assets
Equities 28.43% (31.52%) (continued)			
Industrials 5.00% (6.37%)			
Advanced Drainage Systems	516	38	0.21
Builders FirstSource	891	60	0.34
Canadian Pacific Railway	975	62	0.35
Clean Harbors	369	41	0.23
Copart	2,491	144	0.81
Curtiss-Wright	238	35	0.20
Equifax	185	31	0.17
Jacobs Solutions	1,226	123	0.69
Parker-Hannifin	408	118	0.67
Raytheon Technologies	1,065	87	0.49
Saia	87	19	0.11
TFI International	842	86	0.48
Waste Connections	387	43	0.25
		887	**5.00**
Information Technology 9.92% (7.30%)			
ASML Holding, NYRS	226	118	0.66
Broadcom	129	62	0.35
Ciena	907	35	0.20
Cisco Systems	3,727	150	0.85
Credo Technology Group Holding	3,908	33	0.19
Darktrace	4,766	13	0.07
Elastic	971	47	0.26
Lam Research	295	118	0.66
Microsoft	1,327	275	1.55
NVIDIA	661	128	0.72
Okta	924	55	0.31
Oracle	2,265	165	0.93
Salesforce	671	91	0.51
Skyworks Solutions	1,373	126	0.71
Smartsheet 'A'	814	29	0.16
Twilio 'A'	1,829	96	0.54
Visa 'A'	893	163	0.92
WANdisco[#]	3,159	41	0.23
Western Digital	542	17	0.10
		1,762	**9.92**
Materials 2.12% (1.33%)			
Celanese	1,128	110	0.62
Franco-Nevada	367	38	0.22
Linde	422	120	0.68
Vulcan Materials	715	107	0.60
		375	**2.12**
Real Estate 0.66% (0.21%)			
Agree Realty, REIT	651	38	0.22
Healthcare Realty Trust, REIT	1,929	31	0.17
National Retail Properties, REIT	1,266	48	0.27
		117	**0.66**
Utilities 0.71% (0.31%)			
Constellation Energy	553	36	0.20
PG&E	6,873	89	0.51
		125	**0.71**
Equities total		**5,046**	**28.43**

Investment	Holding or nominal value	Valuation £'000	% of net assets
Government Bonds 63.20% (65.14%)			
US Treasury Bill 23/03/2023	177,300	146	0.82
US Treasury Bill 20/04/2023	2,600,000	2,136	12.03
US Treasury Bill 13/07/2023	2,100,000	1,705	9.61
US Treasury Bill 10/08/2023	3,286,200	2,658	14.97
US Treasury Bill 07/09/2023	3,400,000	2,742	15.45
US Treasury Bill 05/10/2023	2,083,600	1,674	9.43
US Treasury Bill 25/01/2024	200,000	158	0.89
Government Bonds total		**11,219**	**63.20**

Investment	Holding	Global exposure^ £'000	Valuation £'000	% of net assets
Contracts for Difference 0.34% ((0.01)%)				
Communication Services (0.08)% (0.00%)				
AT&T	(2,579)	(41)	2	0.01
Charter Communications A	(132)	(41)	2	0.01
Netflix	(324)	(87)	5	0.03
Omnicom Group	(606)	(46)	(3)	(0.02)
Trade Desk A	(4,221)	(192)	(21)	(0.11)
Verizon Communications	(1,273)	(41)	-	-
		(448)	**(15)**	**(0.08)**
Consumer Discretionary 0.00% (0.00%)				
Fisker	(1,383)	(8)	-	-
Floor & Decor Holdings A	(488)	(36)	(2)	(0.01)
Garmin	(642)	(52)	-	-
Helen of Troy	(623)	(57)	-	-
MarineMax	(943)	(26)	1	-
Penske Automotive Group	(319)	(38)	(4)	(0.02)
Skechers USA A	(1,048)	(38)	3	0.02
Target	(538)	(74)	2	0.01
		(329)	**-**	**-**
Consumer Staples 0.01% ((0.01)%)				
Freshpet	(772)	(40)	-	-
Kimberly-Clark	(824)	(86)	2	0.01
McCormick	(1,325)	(82)	-	-
		(208)	**2**	**0.01**
Energy 0.00% (0.00%)				
Financials 0.08% ((0.01)%)				
Blackstone	(805)	(60)	1	0.01
Credit Acceptance	(218)	(80)	4	0.02
KKR	(763)	(35)	1	-
Moody's	(348)	(83)	9	0.05
		(258)	**15**	**0.08**
Health Care 0.02% ((0.03)%)				
Charles River Laboratories International	(217)	(40)	3	0.02
Establishment Labs Holdings	(425)	(24)	-	-
Merck	336	30	1	-
UnitedHealth Group	(82)	(33)	-	-
		(67)	**4**	**0.02**
Industrials 0.04% (0.04%)				
3M	(644)	(58)	2	0.01
Caterpillar	(596)	(118)	8	0.05
Expeditors International of Washington	(403)	(35)	-	-
Graco	(1,433)	(83)	(3)	(0.02)
Honeywell International	(421)	(67)	3	0.02
JB Hunt Transport Services	(424)	(65)	1	-

Investment	Holding	Global exposure^ £'000	Valuation £'000	% of net assets
Contracts for Difference 0.34% ((0.01)%) (continued)				
Industrials 0.04% (0.04%) (continued)				
Kennametal	(3,945)	(93)	(1)	-
Landstar System	(237)	(36)	(2)	(0.01)
Masco	(979)	(42)	-	-
Rockwell Automation	(70)	(17)	(1)	(0.01)
Snap-on	(535)	(109)	(2)	(0.01)
TransUnion	(556)	(30)	2	0.01
Waste Management	(335)	(42)	-	-
		(795)	**7**	**0.04**
Information Technology 0.16% ((0.02)%)				
Apple	(723)	(88)	1	0.01
Axcelis Technologies	(583)	(60)	-	-
CDW	(739)	(124)	(4)	(0.02)
Ceridian HCM Holding	(577)	(35)	(1)	(0.01)
Cirrus Logic	(1,110)	(94)	3	0.01
Cloudflare A	(2,082)	(104)	-	-
Coherent	(1,936)	(68)	1	0.01
GLOBALFOUNDRIES	(830)	(45)	-	-
Mastercard A	(547)	(161)	7	0.04
MKS Instruments	(562)	(43)	3	0.01
Monday.com	(276)	(36)	(4)	(0.02)
Motorola Solutions	(700)	(152)	4	0.02
Palantir Technologies A	(3,963)	(26)	1	0.01
PayPal Holdings	(296)	(18)	2	0.01
QUALCOMM	(992)	(101)	-	-
Sage Group plc	(6,024)	(45)	2	0.01
SAP, ADR	(1,504)	(143)	4	0.02
Silicon Laboratories	(123)	(18)	1	-
Synaptics	(605)	(59)	1	0.01
Teradyne	(1,121)	(94)	5	0.03
Texas Instruments	(608)	(86)	3	0.02
		(1,600)	**29**	**0.16**
Materials 0.05% (0.02%)				
Air Products and Chemicals	(132)	(31)	2	0.01
Ball	(895)	(41)	1	0.01
Crown Holdings	(1,119)	(80)	-	-
Dow	(1,147)	(54)	1	0.01
Martin Marietta Materials	(360)	(107)	4	0.02
		(313)	**8**	**0.05**
Real Estate 0.02% (0.00%)				
American Homes 4 Rent A	(731)	(19)	2	0.01
Digital Realty Trust	(400)	(35)	2	0.01
Invitation Homes	(1,440)	(37)	1	-
Welltower	(315)	(19)	-	-
		(110)	**5**	**0.02**
Utilities 0.04% (0.00%)				
AES	(2,083)	(43)	3	0.02
Ameren	(559)	(39)	1	0.01
CenterPoint Energy	(1,785)	(42)	2	0.01
		(124)	**6**	**0.04**
Contracts for Difference total		**4,252**	**61**	**0.34**

Investment	Holding	Global exposure^ £'000	Valuation £'000	% of net assets
Options 0.34% (0.58%)				
Ciena, Call, 55, 21/04/2023	300	14	7	0.04
Intel, Call, 42.5, 19/01/2024	125	4	2	0.01
Meta Platforms, Put, 175, 17/03/2023	11	2	8	0.04
Microsoft, Put, 265, 17/03/2023	7	1	9	0.05
S&P 500 Index, Put, 3,800, 28/02/2023	20	63	-	-
S&P 500 Index, Put, 3,000, 28/02/2023	6	15	-	-
S&P 500 Index, Put, 3,650, 28/02/2023	(20)	(60)	-	-
S&P 500 Index, Call, 5,000, 31/03/2023	500	2,067	2	0.01
S&P 500 Index, Put, 3,950, 21/04/2023	5	16	36	0.21
S&P 500 Index, Put, 3,450, 21/04/2023	(5)	(14)	(4)	(0.02)
Options total		**2,108**	**60**	**0.34**
Forward Currency Contracts 1.04% (0.04%)				
I accumulation GBP (NAV Hedged) 1.04% (0.04%)				
Buy Sterling 52,277 sell US Dollar 62,888 dated 01/03/2023			-	-
Buy Sterling 70,474 sell US Dollar 84,476 dated 02/03/2023			1	-
Buy Sterling 40,378 sell US Dollar 48,392 dated 03/03/2023			-	-
Buy Sterling 18,578,936 sell US Dollar 21,405,319 dated 08/03/2023			184	1.04
I accumulation GBP (NAV Hedged) total			**185**	**1.04**
Forward Currency Contracts total			**185**	**1.04**
Futures 0.07% (0.21%)				
NASDAQ 100 Emini Index 17/03/2023	(3)		12	0.07
Futures total			**12**	**0.07**
Fair value adjustment at pricing point 0.00% ((0.15)%)†				
Investment assets (including investment liabilities)			**16,583**	**93.42**
Net other assets			**1,168**	**6.58**
Net assets attributable to shareholders			**17,751**	**100.00**

The comparative percentage figures in brackets are as at 28 February 2022.
Unlisted, suspended or delisted security.
† Fair value adjustment based on movements of futures in markets closed at the fund valuation point, since the last market close.
^ Global exposure has been calculated in line with the guidelines issued by the European Securities and Markets Authority ('ESMA') and represents the market value of an equivalent position in the underlying investment of each derivative contract. For all other asset types the percentage of net assets has been calculated based on the valuation of each holding.

FINANCIAL STATEMENTS

Statement of total return for the year ended 28 February 2023

	Note	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Income					
Net capital losses	3		**(516)**		(3,916)
Revenue	5	**457**		679	
Expenses	6	**(261)**		(1,136)	
Interest payable and similar charges	7	**(134)**		(681)	
Net revenue/(expense) before taxation		**62**		(1,138)	
Taxation	8	**(13)**		(63)	
Net revenue/(expense) after taxation			**49**		(1,201)
Total return before distributions			**(467)**		(5,117)
Distributions	9		**(49)**		-
Change in net assets attributable to shareholders from investment activities			**(516)**		(5,117)

Statement of change in net assets attributable to shareholders for the year ended 28 February 2023

	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Opening net assets attributable to shareholders		**41,623**		265,090
Amounts receivable on issue of shares	**694**		5,724	
Amounts payable on cancellation of shares	**(24,102)**		(224,267)	
		(23,408)		(218,543)
Dilution adjustment		**9**		193
Change in net assets attributable to shareholders from investment activities		**(516)**		(5,117)
Retained distribution on accumulation shares		**43**		-
Closing net assets attributable to shareholders		**17,751**		41,623

Balance sheet as at 28 February 2023

	Note	28 February 2023 £'000	28 February 2022 £'000
Assets			
Current assets *			
Investments	10	**16,635**	40,905
Debtors	11	**167**	688
Cash and cash equivalents	12	**1,481**	1,788
Total current assets		**1,648**	2,476
Total assets		**18,283**	43,381
Liabilities			
Investment liabilities	10	**52**	393
Creditors			
Bank overdraft	13	**8**	237
Other creditors	14	**472**	1,128
Total creditors		**480**	1,365
Total liabilities		**532**	1,758
Net assets attributable to shareholders		**17,751**	41,623

* The financial statements have been prepared on a break-up basis.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

(a) Basis of accounting. The financial statements have been prepared using the historical cost basis, as modified by the revaluation of investments, in accordance with FRS 102, the SORP and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). The financial statements have been prepared on a break-up basis for Artemis US Absolute Return Fund as this sub-fund is closed and in the process of being terminated, as disclosed on the page 101. Under this basis, assets are recorded at their recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the termination of the sub- fund will be borne by the ACD.

(b) Valuation of investments. All investments have been valued at 12 noon on the last working day of the accounting period, net of any accrued interest in the case of debt securities, which is included in the balance sheet as a revenue related item. Where a sub-fund invests in markets that are closed for trading at the sub-fund's valuation point, the ACD will allow for the Net Asset Value to be adjusted (based on movements of index futures or other suitable proxies in markets closed at the sub-fund valuation point, since the last market close), to reflect more accurately the fair value of the sub-fund's investments. Listed investments are valued at fair value which is deemed to be the bid or SETS price.

The last valuation point in the accounting period has been used for the purposes of preparing the report and financial statements and in the ACD's opinion there have been no material movements in the sub-funds between the last valuation point and close of business on the balance sheet date.

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

(d) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward currency contracts are used for investment purposes and efficient portfolio management. 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 for long positions and the offer price for short positions. Over-the-counter derivatives are priced at fair values using valuation models or data sourced from market data providers. Contracts for difference held in the portfolio are valued at bid when held long and offer when short. Interest on margin accounts held with brokers is included in the revenue return. All other gains/losses and cash flows from derivatives are included in the capital return.

Open forward foreign exchange contracts are shown in the Portfolio Statement at market value and the net gains/(losses) are reflected within forward currency contracts under net capital losses in the Notes to the financial statements.

Where bond futures positions generate total returns the returns are apportioned between capital and income to reflect the nature of the transaction. Any capital gains/losses are included within Net capital losses and any revenue or expense is included within Revenue or Interest payable and similar charges respectively in the Statement of total return.

The contracts for difference held in the portfolio are valued based on the price of the underlying security or index which they are purchased to reflect. The nature and intended use of these derivatives is to synthetically allow the sub-fund to go long and short on an underlying asset without the need to trade the physical securities. They are valued at the quoted bid price of the underlying security when held long and at the quoted offer price of the underlying security when short. There are revenue and capital returns to be derived from these instruments. Dividends on contracts for difference are recognised when the securities are quoted ex-dividend. Cash held at CFD brokers as margin is reflected separately within cash and bank balances.

(e) Revenue. Interest from debt securities is recognised on a time apportioned basis inclusive of any expected changes to future cash flows. Dividends receivable from equity and non-equity shares, including Real Estate Investment Trusts, are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. Special dividends are reviewed on a case by case basis when determining if the dividend is to be treated as revenue or capital. It is likely that where a special dividend results in a significant reduction in the capital value of a holding, then the dividend will generally be treated as capital, otherwise this will be recognised as revenue. Bank interest is recognised on an accruals basis.

(f) Expenses. All expenses (other than the performance fee and 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 sub-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.

(h) Dilution adjustment. The sub-fund is priced on a single price basis and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions and redemptions in and out of the sub-fund. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing shareholders' interest in the sub-fund. In order to counter this and to protect shareholders' interests, the ACD will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the sub-fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. In the usual course of business a dilution adjustment will be applied systematically and on a consistent basis.

2. Distribution policy

The distribution policy of the sub-fund is to distribute all available revenue, after deduction of expenses properly chargeable against revenue and taxation. Gains and losses on non-derivative investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised.

For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares.

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

3. Net capital losses

	28 February 2023 £'000	28 February 2022 £'000
Non-derivative securities	**2,181**	16,207
Currency (losses)/gains	**(231)**	1,462
Forward currency contracts	**(3,935)**	(5,160)
Derivative contracts	**1,469**	(16,425)
Net capital losses	**(516)**	(3,916)

4. Direct transaction costs

For purchases and sales of equities and derivatives, broker commissions, transfer taxes and stamp duty are paid by the sub-fund on each transaction and are summarised below. Bonds have no separately identifiable transaction costs, these costs form part of the dealing price.

						Year ended 28 February 2023
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	71,669	3	12	71,669	-	0.02
Bonds	20,770	-	-	20,770	-	-
Sales						
Equities	79,264	3	1	79,264	-	-
Bonds	39,570	-	-	39,570	-	-
Total		**6**	**13**			
Percentage of sub-fund average net assets		**0.02%**	**0.04%**			

	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Year ended 28 February 2022 Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	346,142	60	1	346,203	0.02	-
Bonds	68,449	-	-	68,449	-	-
Sales						
Equities	462,505	75	2	462,428	0.02	-
Bonds	160,376	-	-	160,376	-	-
Derivative purchases and sales		149	22			
Total		**284**	**25**			
Percentage of sub-fund average net assets		**0.23%**	**0.02%**			

During the year the sub-fund incurred £nil (2022: £nil) in capital transaction charges.

Dealing spread

As at the balance sheet date the estimated portfolio dealing spread was 0.02% (2022: 0.02%). This spread represents the difference between the bid and offer prices of each underlying investment expressed as a percentage of the value determined by reference to its offer price.

5. Revenue

	28 February 2023 £'000	28 February 2022 £'000
Overseas dividends	**82**	374
Bank interest	**49**	157
Revenue from other derivatives	**19**	85
Interest on debt securities	**307**	63
Total revenue	**457**	679

6. Expenses

	28 February 2023 £'000	28 February 2022 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	**217**	962
Administration fee	**44**	174
Total expenses	**261**	1,136

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
The audit fee (excluding VAT) accrued during the year was £11,600 (2022: £12,050). This fee is paid by the manager.

7. Interest payable and similar charges

	28 February 2023 £'000	28 February 2022 £'000
Dividends payable on short positions	**137**	497
Interest payable/ (receivable) on positions with brokers and counterparties	**(61)**	183
Interest payable	**58**	1
Total interest payable and similar charges	**134**	681

8. Taxation

	28 February 2023 £'000	28 February 2022 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	**13**	63
Total taxation (note 8b)	**13**	63
b) Factors affecting the tax charge for the year		
Net expense before taxation	**62**	(1,138)
Corporation tax at 20% (2022: 20%)	**12**	(228)
Effects of:		
Unutilised management expenses	**4**	227
Irrecoverable overseas tax	**13**	63
Utilisation of non-trade deficit carried forward	**-**	75
Non-taxable overseas dividends	**(16)**	(74)
Tax charge for the year (note 8a)	**13**	63

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 sub-fund has not recognised a deferred tax asset of £3,116,000 (2022: £3,112,000) arising as a result of having unutilised management expenses of £15,579,000 (2022: £15,561,000) and non-trade loan relationship deficits of £981,000 (2022: £981,000). It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognised.

9. Distributions

	28 February 2023 £'000	28 February 2022 £'000
Final dividend distribution	**43**	-
Add: amounts deducted on cancellation of shares	**6**	-
Distributions	**49**	-
Movement between net revenue/(expense) and distributions		
Net revenue/(expense) after taxation	**49**	(1,201)
Deficit transferred to capital	**49**	1,201
	98	-

The distribution takes account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. Details of the distribution per share are set out in the distribution tables on page 118.

10. Fair value hierarchy

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

The disclosure is split into the following categories:

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

	28 February 2023 Assets £'000	28 February 2023 Liabilities £'000	28 February 2022 Assets £'000	28 February 2022 Liabilities £'000
Level 1	**5,231**	**52**	13,777 *	393
Level 2	**11,404**	**-**	27,128	-
Total	**16,635**	**52**	40,905	393

* Level 1 includes fair value adjustment based on movement of futures in markets closed at the sub-fund valuation point, since the last market close.

11. Debtors

	28 February 2023 £'000	28 February 2022 £'000
Sales awaiting settlement	**138**	673
Overseas withholding tax recoverable	**4**	9
Accrued revenue	**25**	6
Total debtors	**167**	688

12. Cash and cash equivalents

	28 February 2023 £'000	28 February 2022 £'000
Cash and bank balances	**1,396**	1,403
Collateral held with JP Morgan	**40**	351
Amounts held at futures clearing houses and brokers	**45**	34
Total cash and cash equivalents	**1,481**	1,788

13. Bank overdraft

	28 February 2023 £'000	28 February 2022 £'000
Amounts held at futures clearing houses and brokers	**-**	170
Collateral pledged with Goldman Sachs	**3**	37
Collateral pledged with Morgan Stanley	**5**	30
Total bank overdraft	**8**	237

14. Other creditors

	28 February 2023 £'000	28 February 2022 £'000
Purchases awaiting settlement	**177**	754
Amounts payable for cancellation of shares	**268**	325
Accrued annual management charge	**11**	24
Amounts payable on derivative contracts	**14**	18
Accrued administration fee payable to manager	**2**	5
Accrued other expenses	**-**	2
Total other creditors	**472**	1,128

15. Contingent liabilities and commitments

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

16. Reconciliation of share movements

	Shares in issue at 28 February 2022	Shares issued	Shares cancelled	**Shares in issue at 28 February 2023**
I accumulation GBP (NAV Hedged)	36,786,909	617,825	(21,545,703)	**15,859,031**

17. Risk disclosures

In pursuing its investment objectives, the sub-fund may hold a number of financial instruments. These financial instruments comprise equities, bonds, derivatives, cash balances and liquid resources, which include debtors and creditors that arise directly from the sub-fund's operations. The sub-fund only executes derivative contracts where both the derivative instrument and the counterparty have been approved by the ACD.

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-fund. In addition, our Investment Committee and Risk and Compliance Committee meet monthly and quarterly respectively, and as required to evaluate risk across each of our funds. These policies have been consistent for both the current and prior period to which these financial statements relate.

In the normal course of business, the sub-fund's activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests. These financial risks: market risk (comprising currency risk, interest rate risk and other market price risk), credit and counterparty risk and liquidity risk and the approach to the management of these risks, are set out below and remain unchanged from the previous accounting year. For a detailed explanation of these and further risks involved in investing in the sub-fund, reference should be made to the Prospectus.

(a) Market risk

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

Value at risk ("VaR")

The ACD is currently empowered to enter into derivative transactions on behalf of the sub-fund. The use of these strategies is subject to a risk management process and the ACD analyses the overall risk position of the sub-fund on a daily basis, which is then used by the ACD to evaluate the exposures and risks in the portfolio.

As part of the process, the VaR is produced on a daily basis to calculate the market price risk on the sub-fund. VaR expresses the maximum expected loss by the sub-fund in a defined period within a defined confidence level. The model used for the sub-fund has a confidence level of 99%, uses two year risk factor data over a 20 day business period (i.e. it predicts the maximum loss that could arise over a 20 business day period) and is based on the portfolio at the point of the calculation. The ACD monitors and ensures that the absolute VaR is no more than 20% of the sub-fund's net asset value, in accordance with CESR guidance.

	28 February 2023 %	28 February 2022 %
At 28 February	**0.75**	2.02
Average utilisation during the year	**1.11**	2.26
Highest utilisation during the year	**3.17**	4.24
Lowest utilisation during the year	**0.48**	1.49

(b) Credit and counterparty risk

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

The ACD is permitted to use one or more separate counterparties for derivative transactions. The sub-fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit worthiness of its counterparties and their ability to satisfy the terms of such contracts. Where the sub-fund enters into derivative contracts, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy or insolvency of a counterparty, the sub-fund could experience delays in liquidating the position and may incur significant losses. There may be a risk that a counterparty will be unable to meet its obligations with regard to the return of the collateral and may not meet other payments due to the sub-fund. To minimise such risk the ACD will assess the creditworthiness of any counterparty that it engages. On a daily basis the ACD assesses the level of assets with each counterparty to ensure that the exposure is within the defined limits in accordance with the requirements stipulated in COLL and the Prospectus. Cash accounts are maintained at several counterparties. The derivatives are disclosed in the portfolio statement and Goldman Sachs International ('Goldman Sachs'), Morgan Stanley ('Morgan Stanley') and JPMorgan Chase Bank N.A. ('JPMorgan') are the counterparties for the CFDs and JPMorgan is the counterparty for the forward currency contracts, future contracts and options. Aside from the custodian, the derivative counterparties and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 28 February 2023 or 28 February 2022.

Counterparty and collateral exposure

The types of derivatives held at the balance sheet date were contracts for difference, options, future contracts and forward currency contracts. Details of the individual contracts are disclosed separately in the portfolio statement and the total position by counterparty at the balance sheet date was as follows:

	Contracts for difference £'000	Options £'000	Future contracts £'000	Forward currency contracts £'000	Total gross exposure £'000	Net collateral (pledged)/held £'000
28 February 2023						
Goldman Sachs	**2,720**	**-**	**-**	**-**	**2,720**	**(3)**
JPMorgan	**594**	**60**	**12**	**185**	**851**	**40**
Morgan Stanley	**938**	**-**	**-**	**-**	**938**	**(5)**
28 February 2022						
JPMorgan	(207)	-	15	-	(192)	351
Morgan Stanley	(1,795)	242	-	-	(1,553)	(30)
Goldman Sachs	(5,447)	-	-	-	(5,447)	(37)

Only cash collateral is held or pledged by the sub-fund. The balance includes cash held at brokers.

(c) Liquidity risk

Liquidity risk is the risk that through market liquidity conditions, requests for redemptions from investors cannot be met in an orderly and appropriate manner. Artemis adopts a policy of mitigation and control to manage liquidity risks. Mitigation occurs through maintaining prudent levels of liquidity in each sub-fund and a well-diversified investor base. As a result, redemption requests can be satisfied in all but exceptional circumstances.

Artemis has a dedicated liquidity risk management policy which is owned by the independent investment risk team which reports to the Chief Risk Officer. Its purpose is to ensure the portfolio manager acts in the client's best interest with regards to this liquidity risk. Through the use of 3rd party modeling and assumptions, the investment risk team conduct regular monitoring and analyses of the liquidity profile of the sub-funds and investor base. This includes but is not limited to what percentage of the sub-fund can be liquidated within certain redemption horizons, whether the largest investors in the sub-fund can redeem without affecting the fair treatment of remaining investors, liquidity stress testing and other analysis deemed to cover a risk specific to the strategy considered.

There was no significant concentration of liquidity risk as at 28 February 2023 or 28 February 2022.

18. Related party transactions

The ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the statement of total return, statement of change in net assets attributable to shareholders and the balance sheet on page 109 and notes 6, 9, 11 and 14 on pages 112 to 114 including all issues and cancellations where the ACD acted as principal.

The balance due to the ACD as at 28 February 2023 in respect of these transactions was £281,000 (2022: £354,000).

19. Share classes

The annual management charge on the I accumulation GBP (NAV Hedged) share class is 0.75%.

The net asset value per share and the number of shares in each class are given in the comparative tables on page 119. The distributions per share class are given in the distribution tables on page 118.

20. Post balance sheet events

There were no significant post balance sheet events subsequent to the year end.

DISTRIBUTION TABLES

This sub-fund pays annual dividend distributions.
The following table sets out the details of the distribution.

Annual distribution period	Start	End	Ex-dividend date	Pay date
Final	1 March 2022	28 February 2023	1 March 2023	28 April 2023

Group 1 shares are those purchased prior to a distribution period and therefore their net revenue rate is the same as the distribution rate.
Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of net revenue and equalisation. Equalisation applies only to group 2 shares purchased during the period. It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

I accumulation GBP (NAV Hedged)

	Group 2		Group 1 & 2	Corporate streaming		2022
Dividend distribution for the year ended 28 February 2023	Net revenue per share (p)	Equalisation per share (p)	Distribution per share (p)	Franked	Unfranked	Distribution per share (p)
Final	0.2671	0.0027	0.2698	100.00%	0.00%	-

Artemis US Absolute Return Fund

Comparative tables

	I accumulation GBP (NAV Hedged)		
	2023	2022	2021
Change in net assets per share	**(p)**	(p)	(p)
Opening net asset value per share	**113.15**	114.43	115.54
Return before operating charges *	**(0.18)**	(0.26)	(0.09)
Operating charges	**(1.01)**	(1.02)	(1.02)
Return after operating charges	**(1.19)**	(1.28)	(1.11)
Distributions	**(0.27)**	-	-
Retained distributions on accumulation shares	**0.27**	-	-
Closing net asset value per share	**111.96**	113.15	114.43
* after direct transaction costs of	**(0.07)**	(0.28)	(0.31)
Performance			
Return after charges	**(1.05)%**	(1.12)%	(0.96)%
Other information			
Closing net asset value (£'000)	**17,756**	41,623	265,090
Closing number of shares	**15,859,031**	36,786,909	231,671,257
Operating charges (%)	**0.90%**	0.90%	0.89%
Performance fees (%)	**-**	-	0.01%
Direct transaction costs	**0.06%**	0.25%	0.27%
Prices	**(p)**	(p)	(p)
Highest price	**113.20**	115.24	116.57
Lowest price	**110.62**	110.46	111.93

* Direct transaction costs are stated after deducting the amounts collected in relation to estimated dealing costs added to the issue of shares and subtracted from the cancellation of shares.

The operating charges are calculated on an ex-post basis. High and low price disclosures are based on quoted unit prices. Therefore opening and closing NAV prices may fall outside the high/low price threshold.

Ongoing charges

Class	**28 February 2023**
I accumulation GBP (NAV Hedged)	0.90%

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

Class I accumulation (NAV Hedged) performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis US Absolute Return Fund**	12.0	(0.9)	(3.1)	(1.1)	0.3
Artemis US Absolute Return Fund***	12.2	(0.9)	(2.7)	(0.9)	0.4
SONIA +0.1%	5.8	4.1	2.5	2.1	1.5

Past performance is not a guide to the future.
* Source: Artemis/Lipper Limited, class I accumulation GBP (NAV Hedged) from 27 October 2015 to 28 February 2023. All figures show total returns with dividends and/or income reinvested, net of all charges and performance fees. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class.
** Value at 12 noon valuation point
*** Value at close of business

Artemis US Extended Alpha Fund

Objective and investment policy

Objective	To grow capital over a five year period. There is no guarantee that the sub-fund will achieve a positive return over a five-year period or any other time period and your capital is at risk.	
Investment policy	**What the sub-fund invests in**	• At least 80% in shares of US companies, either directly or indirectly through derivatives. • Up to 20% in shares, or derivatives of shares, of companies in other countries, bonds, cash, near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, and money market instruments.
	Use of derivatives	The sub-fund may use derivatives: • for investment purposes to achieve the sub-fund objective, including taking long and short positions • to produce additional income or growth • for efficient portfolio management purposes to reduce risk and manage the sub-fund efficiently. • to create leverage.
	Industries the sub-fund invests in	• Any
	Other limitations specific to this sub-fund	• Total derivatives (longs plus shorts) are likely to represent a significant proportion of the sub-fund's gross exposure to companies, which will typically lie in a range of +100% to +200% of net asset value. • Net exposure (longs minus shorts) to companies will typically lie in the range of +85% to +110% depending on market conditions. • A significant proportion of the sub-fund will be held in cash due to the level of derivative use. • To allow the sub-fund to manage counterparty risk, it may also invest its cash in government bonds, generally of less than one year maturity.

Investment strategy	• The sub-fund is actively managed. • The manager uses multiple sources of information, both to generate ideas and to assist in validating and testing candidate companies for investment. This is complemented by techniques such as data mining (examining large databases of information) and financial analysis. • External research is also used in order to tap into knowledge already available and to look for different views. • The manager carries out a significant amount of analysis of wider economic trends is carried out in order to understand cyclical and long-term trends and the outlook. • The manager derives alpha by seeking to exploit market inefficiencies by buying shares in companies believed to be undervalued and by shorting shares believed to be over-valued.
Benchmarks	• **S&P 500 TR** A widely-used indicator of the performance of 500 large publicly-traded US companies, some of which the fund invests in. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark. • **IA North America NR** A group of other asset managers' funds that invest in similar asset types as this sub-fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark.

RISK AND REWARD PROFILE

Potentially lower rewards						Potentially higher rewards
Lower risk						Higher risk
1	2	3	4	**5**	6	7

- The sub-fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the fund may have risen and fallen in the past due to movements in markets, currencies and interest rates). It may not be a reliable indication of the future risk profile of the sub-fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the sub-fund's future risk profile.
- A risk indicator of "1" does not mean that the investment is "risk free".

The risk indicator may not fully take into account the following risks and the following may affect sub-fund performance:

- **Market volatility risk:** The value of the sub-fund and any income from it can fall or rise because of movements in stockmarkets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
- **Currency risk:** The sub-fund's assets may be priced in currencies other than the fund base currency. Changes in currency exchange rates can therefore affect the sub-fund's value.
- **Derivatives risk:** The sub-fund may invest in derivatives with the aim of profiting from falling ('shorting') as well as rising prices. Should the asset's value vary in an unexpected way, the sub-fund value will reduce.
- **Cash risk:** The sub-fund may hold a large amount of cash. If it does so when markets are rising, the sub-fund's returns could be less that if the cash was fully invested in other types of assets.
- **Leverage risk:** The fund may operate with a significant amount of leverage. Leverage occurs when the economic exposure created by the use of derivatives is greater than the amount invested. A leveraged portfolio may result in large fluctuations in its value and therefore entails a high degree of risk including the risk that losses may be substantial.

There was no change to the risk indicator in the 12 months to 28 February 2023.

Please refer to the sub-fund's prospectus for full details of these and other risks which are applicable to this sub-fund.

ARTEMIS US EXTENDED ALPHA FUND

INVESTMENT REVIEW

- The fund returned 0.5% versus a 2.3% return from the benchmark S&P500 index[1].
- A challenging period for the fund's holdings in the financials sector.
- This was partially offset by strong contributions from utilities holdings.

Inflation dominated market sentiment

As the year progressed, inflation spread from goods through to services and wages, leading to fears that inflationary pressures would remain elevated. While supply chains showed signs of easing following disruption seen during the pandemic, the labour market remained tight. As a result, US Treasury yields spiked more quickly than at any other time in recent history. With the era of 'free money' apparently over, equities weakened substantially through to October, when bond yields hit their peak.

From October onward, sentiment improved dramatically, apparently spurred by the view that inflation was unlikely to rise further, and bond yields fell. Markets ended the reporting period strongly, albeit with index returns being driven by gains for 'mega-cap' technology shares such as Apple and Microsoft.

The period ended with several ominous signs, including negative readings from a range of outlook indicators, from measures of business confidence through to purchasing managers indices (a measure of industrial activity).

This is a 'long/short' fund

It combines a portfolio of 'long' positions (which benefit when share prices rise) with an offsetting portfolio of 'short' positions (which benefit when a given company's share price falls). In our long book, we buy shares in companies where our team-based analysis suggests that the balance between risk and potential reward is attractive. In part, returns from these positions reflect our ability to pick the 'right' stocks. But they also depend on what is happening in the wider US market: it is more likely that the value of our long positions will rise when share prices in general are moving higher – but they will tend to fall when the wider market does.

Offsetting these long positions, we hold 'short' positions, whose value increases when the share price of a given company falls – and vice versa. Here, we look for companies whose share prices we think are too high and so could be vulnerable to a correction. When share prices fall, these can be positive for the fund's returns.

A new manager

Adrian Brass joined Artemis' US equities team in September 2022 and became lead manager on the fund.

Performance … lagged a falling market in the earlier part of the period

The fund underperformed in the earlier part of the period, through to the end of July. In a falling market, our low net exposure[2] (the difference between the fund's short positions and long positions[3]) and holding S&P500 index 'put' options (a financial instrument that acts as a form of insurance against market falls) helped its performance. But this was more than offset by negative stock selection, particularly in the financials sector.

Financials – suffering in a changing interest-rate regime

We held a number of higher-growth banks and lenders including SVB Financial, Upstart Holdings and Signature Bank. These initially performed well but suffered from the dramatic shift in interest rates and bond yields through the period. Their end markets – early-stage financing, alternative lending and crypto currency respectively – all came under pressure from higher rates. And while we sold these holdings in 2022 before the full extent of their difficulties became apparent, our exposure to these stocks had a negative impact on returns.

Energy – a spike in oil prices proves temporary

Oil prices initially spiked higher on Russia's invasion of the Ukraine, only to relinquish these gains on concerns about slowing economic growth and its effect on demand. This eroded the gains energy company shares had experienced earlier in the year and also resulted in diverging fortunes across the sector. Shares of larger, diversified oil companies like Exxon (which the fund did not own) generally remained firm while those of smaller, more focused exploration and production (E&P) stocks like EOG, Conoco and Hess (which we held) came under pressure.

Past performance is not a guide to the future.

[1]Artemis/Lipper Limited, class I accumulation GBP. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if you invest in a different currency class. Our benchmark is the S&P 500 TR GBP Index.

[2] Net exposure is the difference between a fund's short positions and long positions, expressed as a percentage. A lower level of net exposure decreases the risk of the fund's portfolio being affected by market fluctuations.

[3] A type of options strategy where an investor or trader expects a moderate-to-large decline in the price of a security or asset.

Utilities – strong returns from PG&E

The fund's position in Pacific Gas and Energy (PG&E), the California-based utility, helped performance. We bought the stock believing it to be a very cheaply valued turnaround opportunity. PG&E went into bankruptcy several years ago following its culpability in the Californian wildfires in 2018. We have been encouraged by the new management team's substantial moves to invest in safety improvements and improve procedures such as undergrounding cables, having quick alert systems and shutoffs, and pruning or removing trees close to electricity facilities. Importantly, the regulator appears to be giving its safety measures the seal of approval, and the shares are slowly moving to reflect this.

Consumer-related stocks

The fund benefited from strong performance from consumer-related stocks ranging from autopart retailer O'Reilly Automotive, through to the off-price clothing retailer, Burlington Stores and pet care retailer Petco Health. We find that consumer-related stocks offer substantial opportunities on both the long and the short side, especially at this point in the economic cycle, when there is a polarisation in views: sentiment towards some stocks is overly complacent while share prices elsewhere appear unduly depressed.

Outlook – A wide dispersion in valuations creates opportunities

The slowing economy and uncertainty over whether it will progress into a full recession has led to polarised valuations. Some areas, such as advertising, semiconductors, housing-related and transport have already seen a slowdown in activity. This has been reflected in lower equity valuations. Other more defensive areas are being viewed as safe havens, with valuations in areas such as capital goods through to consumer staples looking particularly high.

The fund typically has three clusters of opportunity:

Most of the fund's long positions are in high-quality[4] companies that are growing at a reasonable pace and trading on what we believe to be attractive valuations. These tend to have low economic sensitivity and range from insurance brokers and financial exchanges across to enterprise software. It should be noted that we also have many short positions in the 'quality' or 'growth' areas, but these are in stocks where we believe expectations and valuations have got too high and therefore are vulnerable to correction.

Alongside these typically long-term holdings, we have been increasing the fund's allocation to more cyclical (economically sensitive) sectors. Our long positions are in stocks with depressed earnings estimates and valuations, which we believe are offering a substantially attractive risk-reward to the patient investor. Our short positions are typically 'later cycle' stocks (such as the aforementioned capital goods and consumer staples companies). We suspect this is a dangerous point of the economic cycle for these businesses: their earnings and share prices could be at risk.

Third, the fund has long exposure to turnaround, or 'deep value' names. For example, a new management team with a new strategy may be in the process of reviving a hitherto undermanaged and undervalued business. Our view is that successful execution of such strategies will lead to substantial upside in share prices (PG&E is a case in point). Set against these attractive turnarounds, we have a portfolio of short positions which we consider to be value-traps: poor businesses which are likely to continue destroying shareholder value and lagging the market.

Adrian Brass
Fund manager

[4] A 'quality' company typically has low debt, sustainable earnings and growing asset values. The hope is that they can be relied on to spring no unwelcome surprises.

Artemis US Extended Alpha Fund

Investment information

Ten largest purchases and sales for the year ended 28 February 2023

Purchases	Cost £'000	Sales	Proceeds £'000
Microsoft	36,298	Apple	28,264
Cigna Group	15,387	Microsoft	18,669
Advanced Micro Devices	14,965	Alphabet 'C'	18,550
Amazon.com	13,621	Amazon.com	16,694
IQVIA Holdings	13,437	Costco Wholesale	15,211
Bank of America	13,284	PACCAR	15,195
Colgate-Palmolive	13,132	Splunk	15,130
Meta Platforms 'A'	13,131	Bank of America	14,941
Intuit	12,833	IQVIA Holdings	14,635
PG&E	12,180	Linde	13,991

Portfolio statement as at 28 February 2023

Investment	Holding	Valuation £'000	% of net assets
Equities 102.46% (97.59%)			
Communication Services 7.66% (14.77%)			
Alphabet 'A'	121,953	9,062	3.70
Meta Platforms 'A'	44,454	6,232	2.54
T-Mobile US	29,135	3,471	1.42
		18,765	**7.66**
Consumer Discretionary 15.95% (19.93%)			
Amazon.com	91,384	7,085	2.89
Aramark	108,408	3,316	1.35
Autoliv	47,911	3,690	1.51
AutoZone	2,203	4,690	1.92
Burlington Stores	11,637	2,089	0.85
Capri Holdings	31,750	1,312	0.54
Dollar Tree	35,039	4,166	1.70
Lowe's	18,488	3,122	1.27
Pool	8,936	2,631	1.07
Ralph Lauren	21,299	2,097	0.86
RH	5,116	1,282	0.52
TopBuild	20,898	3,610	1.47
		39,090	**15.95**
Consumer Staples 5.83% (1.94%)			
Darling Ingredients	49,095	2,741	1.12
Mondelez International 'A'	100,918	5,478	2.24
Performance Food Group	126,445	6,060	2.47
		14,279	**5.83**
Energy 0.95% (0.61%)			
Hess	20,309	2,332	0.95
		2,332	**0.95**
Financials 10.00% (8.62%)			
First Republic Bank	29,801	3,003	1.23
Intercontinental Exchange	108,860	9,135	3.73
Wells Fargo	148,245	5,734	2.34
Willis Towers Watson	33,834	6,619	2.70
		24,491	**10.00**

Investment	Holding	Valuation £’000	% of net assets
Equities 102.46% (97.59%) (continued)			
Health Care 12.24% (10.57%)			
Avantor	192,612	3,873	1.58
Bristol-Myers Squibb	90,076	5,213	2.13
Cigna Group	18,306	4,487	1.83
Elevance Health	11,417	4,495	1.83
ICON	13,909	2,566	1.05
IQVIA Holdings	6,049	1,044	0.43
Thermo Fisher Scientific	6,996	3,131	1.28
Zimmer Biomet Holdings	50,758	5,175	2.11
		29,984	**12.24**
Industrials 14.80% (10.24%)			
AZEK	102,150	2,040	0.83
Booz Allen Hamilton Holding	27,605	2,176	0.89
Clean Harbors	37,249	4,098	1.67
Copart	25,832	1,494	0.61
Equifax	11,865	1,959	0.80
Ferguson	31,928	3,807	1.55
Jacobs Solutions	54,661	5,485	2.24
L3Harris Technologies	24,593	4,283	1.75
Norfolk Southern	24,008	4,472	1.83
WillScot Mobile Mini Holdings	151,935	6,442	2.63
		36,256	**14.80**
Information Technology 22.74% (24.90%)			
Advanced Micro Devices	63,197	4,115	1.68
Broadcom	6,189	2,995	1.22
Gartner	19,318	5,230	2.13
Intuit	17,779	6,065	2.48
Littelfuse	4,585	982	0.40
Mastercard 'A'	22,923	6,738	2.75
Micron Technology	62,801	3,006	1.23
Microsoft	80,645	16,682	6.81
Oracle	79,896	5,810	2.37
Skyworks Solutions	44,485	4,094	1.67
		55,717	**22.74**
Materials 5.80% (3.64%)			
Franco-Nevada	22,107	2,310	0.94
International Flavors & Fragrances	17,055	1,333	0.54
Linde	14,909	4,246	1.73
Vulcan Materials	42,193	6,333	2.59
		14,222	**5.80**
Real Estate 0.00% (0.84%)			
Utilities 6.49% (1.53%)			
Constellation Energy	70,472	4,563	1.86
NextEra Energy	38,816	2,306	0.94
PG&E	693,470	9,024	3.69
		15,893	**6.49**
Equities total		**251,029**	**102.46**

	Holding	Global exposure^ £'000	Valuation £'000	% of net assets
Government Bond 0.00% (1.86%)				
Contracts for Difference (0.17)% ((0.36)%)				
Communication Services 0.02% (0.00%)				
Verizon Communications	(23,866)	(767)	48	0.02
		(767)	**48**	**0.02**
Consumer Discretionary (0.04)% (0.00%)				
Fisker	(62,157)	(380)	(17)	(0.01)
Floor & Decor Holdings A	(9,789)	(731)	26	0.01
Ford Motor	(75,917)	(757)	10	0.01
Genuine Parts	(5,913)	(872)	(48)	(0.02)
Penske Automotive Group	(7,445)	(893)	(126)	(0.05)
Tapestry	(21,372)	(763)	31	0.01
Target	(7,731)	(1,067)	11	0.01
Williams-Sonoma	(2,567)	(269)	6	0.00
		(5,732)	**(107)**	**(0.04)**
Consumer Staples (0.03)% ((0.01)%)				
Clorox	(7,234)	(927)	(77)	(0.03)
Kimberly-Clark	(8,092)	(845)	18	0.01
Kraft Heinz	147,123	4,824	(43)	(0.02)
Sysco	(16,016)	(1,002)	29	0.01
		2,050	**(73)**	**(0.03)**
Energy (0.49)% (0.06%)				
ConocoPhillips	38,373	3,358	(466)	(0.19)
EOG Resources	58,344	5,535	(837)	(0.34)
Marathon Oil	(35,865)	(766)	33	0.01
Pioneer Natural Resources	(4,277)	(714)	69	0.03
		7,413	**(1,201)**	**(0.49)**
Financials 0.01% (0.01%)				
Blackstone	(12,132)	(902)	35	0.01
Credit Acceptance	(2,362)	(865)	11	0.00
KKR	(11,193)	(515)	(11)	0.00
		(2,282)	**35**	**0.01**
Health Care 0.11% ((0.15)%)				
Medpace Holdings	(4,731)	(762)	48	0.02
Merck	82,000	7,414	222	0.09
UnitedHealth Group	(2,124)	(849)	4	0.00
		5,803	**274**	**0.11**
Industrials 0.01% ((0.03)%)				
3M	(7,145)	(640)	25	0.01
Caterpillar	(6,265)	(1,243)	111	0.05
Eaton	(3,872)	(558)	(43)	(0.02)
Expeditors International of Washington	(11,575)	(1,012)	(3)	0.00
Illinois Tool Works	(5,535)	(1,065)	(13)	(0.01)
Masco	(17,594)	(763)	(2)	0.00
Rockwell Automation	(4,338)	(1,056)	(57)	(0.02)
Rollins	(29,753)	(863)	14	0.01
Snap-on	(5,207)	(1,063)	(19)	(0.01)
United Parcel Service B	(5,245)	(790)	4	0.00
		(9,053)	**17**	**0.01**
Information Technology 0.15% ((0.26)%)				
Apple	87,399	10,689	355	0.14
Ceridian HCM Holding	(13,143)	(792)	(25)	(0.01)
Intel	(34,147)	(703)	103	0.04
International Business Machines	(7,366)	(795)	29	0.01
Silicon Laboratories	(4,187)	(609)	(82)	(0.03)
		7,790	**380**	**0.15**

	Holding	Global exposure^ £'000	Valuation £'000	% of net assets
Contracts for Difference (0.17)% ((0.36)%) (continued)				
Materials 0.04% (0.01%)				
Air Products and Chemicals	(2,563)	(605)	60	0.03
Martin Marietta Materials	(2,537)	(754)	31	0.01
		(1,359)	**91**	**0.04**
Real Estate 0.03% (0.01%)				
Digital Realty Trust	(8,544)	(741)	22	0.01
Host Hotels & Resorts	(53,788)	(760)	64	0.02
		(1,501)	**86**	**0.03**
Utilities 0.02% (0.00%)				
Ameren	(15,871)	(1,101)	39	0.02
		(1,101)	**39**	**0.02**
Contracts for Difference total		**1,261**	**(411)**	**(0.17)**
Options 0.09% (0.56%)				
S&P 500 Index, Put, 3,700, 28/02/2023	62	190	1	0.00
S&P 500 Index, Put, 3,850, 28/02/2023	80	255	-	0.00
S&P 500 Index, Put, 3,000, 28/02/2023	65	161	-	0.00
S&P 500 Index, Put, 3,850, 08/03/2023	32	102	15	0.01
S&P 500 Index, Put, 3,950, 21/04/2023	20	65	146	0.06
S&P 500 Index, Put, 3,450, 21/04/2023	(20)	(57)	(17)	(0.01)
Tesla, Call, 230, 03/03/2023	570	108	64	0.03
Options total		**824**	**209**	**0.09**
Forward Currency Contracts 0.04% (0.00%)				
I accumulation GBP (NAV hedged) 0.04% (0.00%)				
Buy Sterling 11,150,3208 sell US Dollar 13,353992 dated 08/03/2023			110	0.04
I accumulation GBP (NAV hedged) total			**110**	**0.04**
Forward Currency Contracts total			**110**	**0.04**
Futures 0.00% (0.12%)				
Fair value adjustment at pricing point 0.20% ((1.36)%)†			**484**	**0.20**
Investment assets (including investment liabilities)			**251,421**	**102.62**
Net other liabilities			**(6,423)**	**(2.62)**
Net assets attributable to shareholders			**244,998**	**100.00**

The comparative percentage figures in brackets are as at 28 February 2022.
† Fair value adjustment based on movements of futures in markets closed at the fund valuation point, since the last market close.
^ Global exposure has been calculated in line with the guidelines issued by the European Securities and Markets Authority ('ESMA') and represents the market value of an equivalent position in the underlying investment of each derivative contract. For all other asset types the percentage of net assets has been calculated based on the valuation of each holding.

ARTEMIS US EXTENDED ALPHA FUND

FINANCIAL STATEMENTS

Statement of total return for the year ended 28 February 2023

	Note	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Income					
Net capital gains	3		**691**		64,279
Revenue	5	**4,344**		4,814	
Expenses	6	**(2,999)**		(4,051)	
Interest payable and similar charges	7	**(1,307)**		(1,605)	
Net revenue/(expense) before taxation		**38**		(842)	
Taxation	8	**(553)**		(659)	
Net expense after taxation			**(515)**		(1,501)
Total return before distributions			**176**		62,778
Distributions	9		**-**		-
Change in net assets attributable to shareholders from investment activities			**176**		62,778

Statement of change in net assets attributable to shareholders for the year ended 28 February 2023

	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Opening net assets attributable to shareholders		**383,822**		449,819
Amounts receivable on issue of shares	**12,406**		125,230	
Amounts payable on cancellation of shares	**(151,451)**		(254,192)	
		(139,045)		(128,962)
Dilution adjustment		**45**		187
Change in net assets attributable to shareholders from investment activities		**176**		62,778
Closing net assets attributable to shareholders		**244,998**		383,822

Balance sheet as at 28 February 2023

	Note	28 February 2023 £'000	28 February 2022 £'000
Assets			
Fixed assets			
Investments	10	**253,307**	382,216
Current assets			
Debtors	11	**876**	12,337
Cash and cash equivalents	12	**9,868**	8,882
Total current assets		**10,744**	21,219
Total assets		**264,051**	403,435
Liabilities			
Investment liabilities	10	**1,886**	4,479
Creditors			
Bank overdraft	13	**1,026**	1,560
Other creditors	14	**16,141**	13,574
Total creditors		**17,167**	15,134
Total liabilities		**19,053**	19,613
Net assets attributable to shareholders		**244,998**	383,822

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, in accordance with FRS 102, the SORP and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). The financial statements have been prepared on a going concern basis. There are no material events that have been identified that may cast significant doubt about the sub-fund's ability to continue as a going concern for a period of twelve months from the date the financial statements are authorised for issue. The ACD believes that the sub-fund has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.

(b) Valuation of investments. All investments have been valued at 12 noon on the last working day of the accounting period, net of any accrued interest in the case of debt securities, which is included in the balance sheet as a revenue related item. Where a sub-fund invests in markets that are closed for trading at the sub-fund's valuation point, the ACD will allow for the Net Asset Value to be adjusted (based on movements of index futures or other suitable proxies in markets closed at the sub-fund valuation point, since the last market close), to reflect more accurately the fair value of the sub-fund's investments. Listed investments are valued at fair value which is deemed to be the bid or SETS price. The last valuation point in the accounting period has been used for the purposes of preparing the report and financial statements and in the ACD's opinion there have been no material movements in the sub-fund between the last valuation point and close of business on the balance sheet date.

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

(d) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward currency contracts are used for investment purposes and efficient portfolio management. 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 for long positions and the offer price for short positions. Over-the-counter derivatives are priced at fair values using valuation models or data sourced from market data providers. Contracts for difference held in the portfolio are valued at bid when held long and offer when short. Interest on margin accounts held with brokers is included in the revenue return. All other gains/losses and cash flows from derivatives are included in the capital return.

Open forward foreign exchange contracts are shown in the Portfolio Statement at market value and the net gains/(losses) are reflected within forward currency contracts under net capital gains in the Notes to the financial statements.

Where bond futures positions generate total returns the returns are apportioned between capital and income to reflect the nature of the transaction. Any capital gains/losses are included within Net capital gains/(losses) and any revenue or expense is included within Revenue or Interest payable and similar charges respectively in the Statement of total return.

The contracts for difference held in the portfolio are valued based on the price of the underlying security or index which they are purchased to reflect. The nature and intended use of these derivatives is to synthetically allow the sub-fund to go long and short on an underlying asset without the need to trade the physical securities. There are revenue and capital returns to be derived from these instruments. Dividends on contracts for difference are recognised when the securities are quoted ex-dividend. Cash held at CFD brokers as margin is reflected separately within cash and bank balances.

(e) Revenue. Interest from debt securities is recognised on a time apportioned basis inclusive of any expected changes to future cash flows. Dividends receivable from equity and non-equity shares, including Real Estate Investment Trusts, are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. Special dividends are reviewed on a case by case basis when determining if the dividend is to be treated as revenue or capital. It is likely that where a special dividend results in a significant reduction in the capital value of a holding, then the dividend will generally be treated as capital, otherwise this will be recognised as revenue. The dividend equivalent values on contracts for difference are recognised when the underlying security is quoted ex-dividend. For long contracts a compensatory payment is credited to revenue whereas for short contracts a compensatory payment is debited from revenue. Bank interest is recognised on an accruals basis.

(f) Expenses. All expenses (other than the performance fee and 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 sub-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.

(h) Dilution adjustment. The sub-fund is priced on a single price basis and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions and redemptions in and out of the sub-fund. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing shareholders' interest in the sub-fund. In order to counter this and to protect shareholders' interests, the ACD will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the sub-fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. In the usual course of business a dilution adjustment will be applied systematically and on a consistent basis.

2. Distribution policy

The distribution policy of the sub-fund is to distribute all available revenue, after deduction of expenses properly chargeable against revenue and taxation. Gains and losses on non-derivative investments and forward currency contracts, whether realised or unrealised, are taken to capital and are not available for distribution. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised.

For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares.

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

3. Net capital gains

	28 February 2023 £'000	28 February 2022 £'000
Non-derivative securities	**4,410**	59,091
Derivative contracts	**3,336**	4,719
Currency (losses) /gains	**(2,195)**	1,473
Forward currency contracts	**(4,860)**	(1,004)
Net capital gains	**691**	64,279

4. Direct transaction costs

For purchases and sales of equities and derivatives, broker commissions, transfer taxes and stamp duty are paid by the sub-fund on each transaction and are summarised below. Bonds have no separately identifiable transaction costs; these costs form part of the dealing price.

						Year ended 28 February 2023
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	743,768	117	-	743,885	0.02	-
Bonds	1,077	-	-	1,077	-	-
Sales						
Equities	855,801	133	13	855,655	0.02	-
Bonds	9,420	-	-	9,420	-	-
Derivative purchases and sales		14	7			
Total		**264**	**20**			
Percentage of sub-fund average net assets		**0.08%**	**0.00%**			

						Year ended 28 February 2022
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	1,671,454	287	7	1,671,748	0.02	-
Bonds	59,663	-	-	59,663	-	-
Sales						
Equities	1,747,811	280	9	1,747,522	0.02	-
Bonds	81,733	-	-	81,733	-	-
Derivative purchases and sales		415	61	-	-	-
Total		**982**	**77**			
Percentage of sub-fund average net assets		**0.21%**	**0.02%**			

Dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.03% (2022: 0.04%). This spread represents the difference between the bid and offer prices of each underlying investment expressed as a percentage of the value determined by reference to its offer price.

5. Revenue

	28 February 2023 £'000	28 February 2022 £'000
Overseas dividends	**3,179**	2,960
Revenue from other derivatives	**916**	1,758
Bank interest	**205**	67
Interest on debt securities	**44**	29
Total revenue	**4,344**	4,814

6. Expenses

	28 February 2023 £'000	28 February 2022 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	**2,430**	3,432
Administration fees	**569**	618
Performance fees	**-**	1
Total expenses	**2,999**	4,051

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
The audit fee (excluding VAT) accrued during the year was £11,600 (2022: £12,050). This fee is paid by the manager.

7. Interest payable and similar charges

	28 February 2023 £'000	28 February 2022 £'000
Interest payable	**660**	2
Dividends payable on short positions	**647**	896
Interest payable on positions with brokers and counterparties	**-**	707
Total interest payable and similar charges	**1,307**	1,605

8. Taxation

	28 February 2023 £'000	28 February 2022 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	**556**	659
Prior year adjustments	**(3)**	-
Total taxation (note 8b)	**553**	659
b) Factors affecting the tax charge for the year		
Net revenue/(expense) before taxation	**38**	(842)
Corporation tax at 20% (2022: 20%)	**8**	(168)
Effects of:		
Unutilised management expenses	**590**	757
Irrecoverable overseas tax	**556**	659
Overseas withholding tax expensed	**(2)**	(1)
Non-trade loan relationship deficit	**28**	-
Prior year adjustments	**(3)**	-
Non-taxable overseas dividends	**(624)**	(588)
Tax charge for the year (note 8a)	**553**	659

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 sub-fund has not recognised a deferred tax asset of £9,463,000 (2022: £8,632,000) arising as a result of having unutilised management expenses of £47,314,000 (2022: £43,161,000) and non-trade loan relationship deficits of £1,204,000 (2022: £1,204,000). It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognised.

9. Distributions

	28 February 2023 £'000	28 February 2022 £'000
Distributions	**-**	-
Movement between net revenue and distributions		
Deficit transferred to capital	**515**	1,500
Expenses paid from capital	**-**	1
Net expense after taxation	**(515)**	(1,501)
	-	-

The distribution takes account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. Details of the distribution per share are set out in the distribution tables on page 139.

10. Fair value hierarchy

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

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

	28 February 2023		28 February 2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	**253,197***	**1,886**	375,083*	4,479
Level 2	**110**	**-**	7,133	-
Total	**253,307**	**1,886**	382,216	-

* Level 1 includes fair value adjustment based on movement of futures in markets closed at the sub-fund valuation point, since the last market close.

11. Debtors

	28 February 2023 £'000	28 February 2022 £'000
Sales awaiting settlement	**730**	11,545
Accrued revenue	**134**	109
Overseas withholding tax recoverable	**12**	25
Amounts receivable on derivative contracts	**-**	172
US income tax recoverable *	**-**	486
Total debtors	**876**	12,337

* US income tax recoverable relates to over-withheld tax in the US during the period FYE 2017 – FYE 2019 relating to multiple assets.

12. Cash and cash equivalents

	28 February 2023 £'000	28 February 2022 £'000
Amounts held in JPMorgan Liquidity Funds – US Dollar Liquidity Fund (Institutional dist.)	**4,982**	2,607
Cash and bank balances	**3,660**	3,647
Collateral held with Goldman Sachs	**-**	1,523
Collateral held with Morgan Stanley	**-**	732
Collateral held with JPMorgan	**1,226**	373
Total cash and cash equivalents	**9,868**	8,882

13. Bank overdraft

	28 February 2023 £'000	28 February 2022 £'000
Collateral pledged with Goldman Sachs	**684**	-
Collateral pledged with Morgan Stanley	**337**	-
Amounts at futures clearing houses and brokers	**5**	1,560
Total bank overdraft	**1,026**	1,560

14. Other creditors

	28 February 2023 £'000	28 February 2022 £'000
Amounts payable for cancellation of shares	**14,357**	902
Purchases awaiting settlement	**1,461**	12,352
Accrued annual management charge	**149**	220
Accrued other expenses	**144**	56
Accrued administration fee payable to manager	**29**	43
Accrued performance fee	**1**	1
Total other creditors	**16,141**	13,574

15. Contingent liabilities and commitments

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

16. Reconciliation of share movements

	Shares in issue at 28 February 2022	Shares issued	Shares cancelled	Shares converted	Shares in issue at 28 February 2023
I accumulation GBP	113,202,329	2,379,111	(43,822,263)	85,870	**71,845,047**
I accumulation GBP (NAV hedged)	8,254,658	2,298,093	(4,577,753)	(133,387)	**5,841,611**

17. Risk disclosures

In pursuing its investment objectives, the sub-fund may hold a number of financial instruments. These financial instruments comprise equities, bonds, derivatives, cash balances and liquid resources, which include debtors and creditors that arise directly from the sub-fund's operations. The sub-fund only executes derivative contracts where both the derivative instrument and the counterparty have been approved by the ACD.

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-fund. In addition, our Investment Committee and Risk and Compliance Committee meet monthly and quarterly respectively, and as required to evaluate risk across each of our funds. These policies have been consistent for both the current and prior period to which these financial statements relate.

In the normal course of business, the sub-fund's activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests. These financial risks: market risk (comprising currency risk, interest rate risk and other market price risk), credit and counterparty risk and liquidity risk and the approach to the management of these risks, are set out below and remain unchanged from the previous accounting year. For a detailed explanation of these and further risks involved in investing in the sub-fund, reference should be made to the Prospectus.

(a) Market risk

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

Value at Risk ('VaR')

The ACD is currently empowered to enter into derivative transactions on behalf of the sub-fund. The use of these strategies is subject to a risk management process and the ACD analyses the overall risk position of the sub-fund on a daily basis, which is then used by the ACD to evaluate the exposures and risks in the portfolio. As part of the process, the VaR is used on a daily basis to calculate the market price risk on the sub-fund relative to a reference portfolio, the S&P 500 Index. The maximum limit for UCITS funds is twice the VaR of the reference portfolio, i.e. +100%, in accordance with the Committee of European Securities Regulators ('CESR') guidance. A relative VaR of zero indicates that the sub-fund is estimated to have the same market price risk as the reference portfolio. A negative relative VaR indicates that the sub- fund's market price risk is estimated to be lower than the reference portfolio. VaR expresses the maximum expected loss by the sub-fund in a defined period, at a specified confidence level. The parameters used are: a confidence level of 99%, uses one year risk factor data and a 20 business day holding period. It should be noted that VaR assumes that risk in the future can be predicted from the historic distribution of returns and so this methodology can be vulnerable to extreme, unforeseen events and therefore the VaR analysis is complemented with additional scenario and stress testing.

	28 February 2023 **%**	28 February 2022 %
At 28 February	**0.94**	0.87
Average utilisation during the year	**0.92**	0.91
Highest utilisation during the year	**1.04**	1.24
Lowest utilisation during the year	**0.71**	0.77

(b) Credit and counterparty risk

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

The ACD is permitted to use one or more separate counterparties for derivative transactions. The sub-fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the sub-fund enters into derivative contracts, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy or insolvency of a counterparty, the sub-fund could experience delays in liquidating the position and may incur significant losses. There may be a risk that a counterparty will be unable to meet its obligations with regard to the return of the collateral and may not meet other payments due to the sub-fund. To minimise such risk the ACD will assess the creditworthiness of any counterparty that it engages. On a daily basis the ACD assesses the level of assets with each counterparty to ensure that the exposure is within the defined limits in accordance with the requirement stipulated in COLL and the Prospectus. In order to diversify counterparty risk the sub-fund holds cash with a number of other counterparties other than JP Morgan. The derivatives are disclosed in the portfolio statement and J.P. Morgan Securities Plc is the counterparty for forward currency contracts and CFDs (excluding US CFDs) and Goldman Sachs International ('Goldman Sachs') is the counterparty for US CFDs. Morgan Stanley is a counterparty for options and contracts for difference. Aside from the custodian, the derivative counterparties and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 28 February 2023 or 28 February 2022.

Counterparty and collateral exposure

The types of derivatives held at the balance sheet date were contracts for difference, future contracts, forward currency contracts and options. Details of the individual contracts are disclosed separately in the portfolio statement and the total position by counterparty and the collateral pledged, at the balance sheet date, were as follows:

	Contracts for difference £'000	Options £'000	Future contracts £'000	Forward currency contracts £'000	Total net exposure £'000	Net collateral held/ (pledged) £'000
28 February 2023						
JPMorgan	**7,562**	**-**	**-**	**110**	**7,672**	**1,226**
Goldman Sachs	**5,201**	**-**	**-**	**-**	**5,201**	**(684)**
Morgan Stanley	**(11,502)**	**226**	**-**	**-**	**(11,276)**	**(337)**
28 February 2022						
JPMorgan	9,299	-	465	5	9,769	373
Goldman Sachs	7,743	-	-	-	7,743	1,523
Morgan Stanley	(10,461)	2,979	-	-	(7,482)	732

Only cash collateral is held or pledged by the sub-fund. The balance includes cash held at brokers.

(c) Liquidity risk

Liquidity risk is the risk that through market liquidity conditions, requests for redemptions from investors cannot be met in an orderly and appropriate manner. Artemis adopts a policy of mitigation and control to manage liquidity risks. Mitigation occurs through maintaining prudent levels of liquidity in each sub-fund and a well-diversified investor base. As a result, redemption requests can be satisfied in all but exceptional circumstances.

Artemis has a dedicated liquidity risk management policy which is owned by the independent investment risk team which reports to the Chief Risk Officer. Its purpose is to ensure the portfolio manager acts in the client's best interest with regards to this liquidity risk.

Through the use of 3rd party modeling and assumptions, the investment risk team conduct regular monitoring and analyses of the liquidity profile of the sub-funds and investor base. This includes but is not limited to what percentage of the sub-fund can be liquidated within certain redemption horizons, whether the largest investors in the sub-fund can redeem without affecting the fair treatment of remaining investors, liquidity stress testing and other analysis deemed to cover a risk specific to the strategy considered.

There was no significant concentration of liquidity risk as at 28 February 2023 or 28 February 2022.

18. Related party transactions

The ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the statement of total return, statement of change in net assets attributable to shareholders and the balance sheet on page 129 and notes 6, 9, 11 and 14 on pages 133 to 135 including all issues and cancellations where the ACD acted as principal.

The balance due to the ACD as at 28 February 2023 in respect of these transactions was £14,535,000 (2022: £1,166,000).

19. Share classes

The annual management charge on each share class is 0.75%

The net asset value per share and the number of shares in each class are given in the comparative tables on page 140. The distributions per unit class are given in the distribution tables on page 139. All classes have the same rights on winding up.

20. Post balance sheet events

There were no significant post balance sheet events subsequent to the year end.

ARTEMIS US EXTENDED ALPHA FUND

DISTRIBUTION TABLES

This sub-fund pays annual dividend distributions.
The following table sets out the details of the distribution.

Distribution period	Start	End	Ex-dividend date	Pay date
Final	1 March 2022	28 February 2023	1 March 2023	28 April 2023

Group 1 shares are those purchased prior to a distribution period and therefore their net revenue rate is the same as the distribution rate.
Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of net revenue and equalisation. Equalisation applies only to group 2 shares purchased during the period. It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

I accumulation GBP

	Group 2		Group 1 & 2	Corporate streaming		2022
Dividend distribution for the year ended 28 Feb 2023	Net revenue per share (p)	Equalisation per share (p)	Distribution per share (p)	Franked	Unfranked	Distribution per share (p)
Final	-	-	-	-	-	-

I accumulation GBP (NAV hedged)

	Group 2		Group 1 & 2	Corporate streaming		2022
Dividend distribution for the year ended 28 Feb 2023	Net revenue per share (p)	Equalisation per share (p)	Distribution per share (p)	Franked	Unfranked	Distribution per share (p)
Final	-	-	-	-	-	-

COMPARATIVE TABLES

	I accumulation GBP			I accumulation GBP (NAV hedged)		
	2023	2022	2021	**2023**	2022	2021
Change in net assets per share	**(c)**	(c)	(c)	**(p)**	(p)	(p)
Opening net asset value per share	**323.39**	282.30	230.77	**214.94**	196.31	151.53
Return before operating charges *	**5.14**	43.92	53.83	**(22.42)**	20.59	46.26
Operating charges	**(3.03)**	(2.83)	(2.30)	**(1.81)**	(1.96)	(1.48)
Return after operating charges	**2.11**	41.09	51.53	**(24.23)**	18.63	44.78
Distributions	**-**	-	(0.29)	**-**	-	(0.20)
Retained distributions on accumulation shares	**-**	-	0.29	**-**	-	0.20
Closing net asset value per share	**325.50**	323.39	282.30	**190.71**	214.94	196.31
* after direct transaction costs of	**(0.26)**	(0.73)	(0.72)	**(0.16)**	(0.50)	(0.46)
Performance						
Return after charges	**0.65%**	14.56%	22.33%	**(11.27)%**	9.49%	29.55%
Other information						
Closing net asset value (£'000)	**233,858**	366,079	425,307	**11,140**	17,743	24,512
Closing number of shares	**71,845,047**	113,202,329	150,658,723	**5,841,611**	8,254,658	12,486,247
Operating charges (%)	**0.89%**	0.89%	0.89%	**0.89%**	0.89%	0.89%
Performance fees (%)	**-**	0.00%	0.72%	**-**	0.00%	0.50%
Direct transaction costs	**0.08%**	0.23%	0.28%	**0.08%**	0.23%	0.28%
Prices	**(p)**	(p)	(p)	**(p)**	(p)	
Highest price	**347.72**	352.15	291.79	**225.45**	235.57	250.18
Lowest price	**298.69**	281.42	203.57	**172.66**	194.04	170.20

* Direct transaction costs are stated after deducting the amounts collected in relation to estimated dealing costs added to the issue of shares and subtracted from the cancellation of shares.

The operating charges are calculated on an ex-post basis. High and low price disclosures are based on quoted unit prices. Therefore opening and closing NAV prices may fall outside the high/low price threshold.

ARTEMIS US EXTENDED ALPHA FUND

Ongoing charges

Class	**28 February 2023**
I accumulation GBP	0.89%
I accumulation GBP (NAV Hedged)	0.89%

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

Class I accumulation performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis US Extended Alpha Fund**	225.2	70.5	40.9	0.5	(2.8)
Artemis US Extended Alpha Fund***	222.6	69.4	37.4	(1.0)	(2.9)
S&P 500 TR	212.2	81.8	48.8	2.3	(2.7)
North America Average	172.8	67.4	44.3	1.2	(2.7)
Position in sector	7/67	39/80	61/87	58/93	44/95
Quartile	1	2	3	3	2

Past performance is not a guide to the future.
* Source: Lipper Limited, class I accumulation GBP from 19 September 2014 to 28 February 2023. All figures show total returns with dividends and/or income reinvested, net of all charges and performance fees. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.
** Value at 12 noon valuation point
*** Value at close of business
Class I accumulation is disclosed as it is the primary share class.

Artemis US Select Fund

Objective and investment policy

Objective	To grow capital over a five year period.	
Investment policy	**What the sub-fund invests in**	• 80% to 100% in company shares. • Up to 20% in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments.
	Use of derivatives	The sub-fund may use derivatives for efficient portfolio management purposes to: • reduce risk • manage the sub-fund efficiently.
	Where the sub-fund invests	• United States of America, including companies in other countries that are headquartered or have a significant part of their activities in the USA.
	Industries the sub-fund invests in	• Any
	Other limitations specific to this sub-fund	• None
Investment strategy	• The sub-fund is actively managed. • The manager uses multiple sources of information, both to generate ideas and to assist in validating and testing candidate companies for investment. This is complemented by techniques such as data mining (examining large databases of information) and financial analysis. • External research is also used in order to tap into knowledge already available and to look for different views. • The manager carries out a significant amount of analysis of wider economic trends to understand cyclical and long-term trends and the outlook.	
Benchmarks	• **S&P 500 TR** A widely-used indicator of the performance of 500 large publicly-traded US companies, some of which the sub-fund invests in. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark. • **IA North America NR** A group of other asset managers' funds that invest in similar asset types as this sub-fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark.	

Risk and reward profile

Potentially lower rewards						Potentially higher rewards
Lower risk						Higher risk
1	2	3	4	5	**6**	7

- The sub-fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the fund may have risen and fallen in the past due to movements in markets, currencies and interest rates). It may not be a reliable indication of the future risk profile of the sub-fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the sub-fund's future risk profile.
- A risk indicator of "1" does not mean that the investment is "risk free".

The risk indicator may not fully take into account the following risks and the following may affect sub-fund performance:

- **Market volatility risk:** The value of the sub-fund and any income from it can fall or rise because of movements in stock markets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
- **Currency risk:** The sub-fund's assets may be priced in currencies other than the sub-fund base currency. Changes in currency exchange rates can therefore affect the sub-fund's value.
- **Concentration risk:** The sub-fund may have investments concentrated in a limited number of holdings. This can be more risky than holding a wider range of investments.

There was a change to the risk indicator from 5 to 6 in the 12 months ended 28 February 2023.

Please refer to the sub-fund's prospectus for full details of these and other risks which are applicable to this sub-fund.

INVESTMENT REVIEW

- The fund fell by 3.3% versus the S&P 500's gain of 2.3%[1].
- The biggest negatives were our holdings in banks.
- We added Meta to the portfolio.

Rising inflation and higher interest rates drove the market

Inflation and interest rates were the dominant theme in the market over the reporting period. Spurred by disruptions to commodity markets caused by the tragic events in Ukraine, inflation increased from 7% at the start of the year, peaking at around 9% in June. The Federal Reserve responded by raising rates. Initially, this was somewhat tentative – with a hike of 0.25% in March followed by one of 0.50% in May. But it then delivered four back-to-back hikes of 0.75%.

Unsurprisingly, these moves were keenly felt in interest-rate sensitive sectors of the economy such as housing:

- US 30-year mortgage rates started 2022 at a little over 3% but peaked in November at around 7.3%.
- Housing starts declined by about a quarter from peak to trough.
- Homebuilders and related stocks (as measured by the S&P Homebuilding Index) fell by around 42% from December 2021, to the middle of June 2022.

While overall real economic growth remained positive, recession concerns intensified over the course of the year. Manufacturing and services surveys both showed deterioration through 2022, with both crossing the threshold separating expansion from contraction. As of the end of February 2023, a majority of forecasters on Bloomberg were predicting a recession in the year ahead.

Shortly after the end of the reporting period, several regional banks ran into financial difficulties, leading investors to start worrying about the impact of a potential credit crunch on an already slowing economy.

Performance – Held back by our financial holdings…

This was a disappointing 12-month period for the fund, which fell by 3.3% while its benchmark, the S&P 500 index, returned 2.3%. The main reason for this underperformance was our stock selection in financials, namely our holdings in Signature Bank, SVB Financial Group and First Republic Bank.

Signature Bank is a New York-based bank, primarily involved in real estate lending, but which had expanded through hiring groups of bankers outside of its core region to achieve some geographic diversification. It also provided facilities, through an internal blockchain, for traders in cryptocurrencies to exchange their crypto into or out of dollars outside of normal banking hours. To facilitate this business, crypto exchanges lodged deposits with the bank. As interest rates rose, trading in cryptocurrencies fell sharply and so did the deposits held at Signature Bank. While not directly implicated in any of the broader controversies about cryptocurrencies, the stock underperformed significantly and we sold our position in early March (after this reporting period ended) just before its sudden bankruptcy.

We sold Silicon Valley Bank (SVB Financial Group) after it reported disappointing quarterly results in October 2022. It had underperformed because of its close ties with technology and venture capital, both areas fell as interest rates rose.

First Republic Bank weakened towards the end of 2022 because its high-net-worth clients were responding quickly to changes in interest rates by switching their deposits elsewhere to maximise their yields. While we retained our position, we reduced the position size when First Republic found itself caught up in the general crisis in confidence in the banking sector in March.

The market turns away from growth companies

During the period there was a switch in the market away from 'growth'[2] and 'quality'[3] companies trading on higher-than-average valuations. This affected a number of our holdings. One example was Upstart Holdings, as its innovative way of assessing consumer credit worthiness did not perform as well as expected in the rising interest rate environment. We sold our holding after some underperformance, but before a further (and quite significant) fall in the share price.

Examples of high-quality holdings with higher-than-average valuations include SAIA and Pool Corporation. Both are companies we have known for some time and which we believe have the ability to significantly outperform their sectors from a fundamental point of view over the coming years. As a consequence, while we understood that the valuations of these companies would fall as interest rates rose, we took the view that we still wanted to own these companies and so retained our holdings. While the stocks underperformed over the year, our patience has been validated: they have performed well since the start of 2023.

Past performance is not a guide to the future.
[1]Artemis/Lipper Limited, class I accumulation GBP. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if you invest in a different currency class. Benchmark is S&P 500 TR GBP Index.
[2] Growth companies are expected to keep increasing their sales more quickly than the average stock.
[3] Quality companies are those with low debt and sustainable earnings. The hope is that they can be relied on not to spring any unpleasant surprises.

Our defensive holdings performed well

Our holding in Pacific Gas and Electric (PG&E) made a useful contribution. Under the guidance of its new, highly impressive management team, this Californian utility company is shedding its pariah status. Where it once had a poor fire-safety record, the California Public Utilities Commission estimates that the extensive investments made by the new management team have reduced the possibility of wildfires by 90%. It is now becoming a trusted partner in developing renewable and carbon-free energy.

In addition, the company proposed a significant investment plan to put approximately 10,000 miles of electricity-transmission cables in areas at high risk of wildfire underground. The capital cost of this plan is about $7 billion and will be met, over time, by the company's customers. However, this capital investment programme will save approximately $1 billion annually in vegetation management, providing value for money for its customers.

Late in the calendar year, PG&E was readmitted to the S&P 500 utility index, another sign of the company's rehabilitation. It still trades at a significant discount to the average utility and is likely to deliver a faster earnings growth than many (initially 10%) and when it re-institutes its dividend this year will be able to attract new shareholders.

Other defensive holdings that performed strongly for us included Cigna and Elevance Healthcare. These healthcare insurance companies perform a key role in managing consumption and cost of healthcare for the people who are insured under their various programmes.

It was encouraging to see that some of our holdings that should benefit from President Biden's significant infrastructure investment programmes performed well. Specifically, Linde the industrial gases company and Clean Harbors, which controls a large part of US hazardous incineration capacity.

Adding to technology stocks…

Having for some time had rather less invested in the technology sector than the market average, we began to add to the sector towards the end of the period. This reflected the fact that we were increasingly finding stocks that looked attractive on our risk / reward framework. Chief amongst them was Meta (formerly Facebook). This had dramatically underperformed for two broad reasons. First, Apple made changes to its operating system so that consumers were able to stop Facebook tracking what they were doing in other apps. This initially reduced Facebook's ability to present advertisements relevant to consumers' current interests and needs, although due to constant innovation it soon adapted its technology to glean this information in a different way. Second, Meta had embarked on a very significant investment plan centred around the 'metaverse'. Investors are sceptical about when they might see returns from this huge investment.

While the company's ability to make money from the metaverse is still open to question, we were very encouraged by Meta's attitude to cost management when it announced layoffs towards the end of the calendar year. There is no doubt that Meta – like many technology companies – hired too many staff during the pandemic. We remain confident that its management can run the business more efficiently while still investing in new projects. The key to our investment was that the most negative views seem to be reflected in the stock price, thereby giving a high degree of downside protection but with some potential upside from better expense management and ad targeting.

…and to healthcare

We added another new holding in healthcare, Avantor. It provides a wide range of components for the pharmaceutical and biotechnology industries, such as chemicals, reagents and laboratory supplies. The company benefited from a high level of demand during the pandemic, which resulted in its customers ordering too much as they feared they would run out of supplies. However, when their customers' businesses returned to a more normal demand pattern after the Covid boom, they found that they had far too much inventory of the products that Avantor supplies. This resulted in some disappointing quarterly sales and its share price fell. We think this provides an opportunity: customers are using up their excess inventory and returning to a more normal ordering pattern in an industry which grows between 3% to 5% every year.

AI will be a significant area of investment

Towards the end of the reporting period, AI became the buzzword on everyone's lips. Microsoft and Alphabet (the parent company of Google) both presented how they thought their businesses would evolve with the help of AI. While we do not know who the winners in this battle to use AI will be, we are confident that in order to crunch very significant amounts of data, more and more powerful semiconductors will be at the heart of the process. So we bought a holding in Nvidia and increased our holding in AMD, both of which we expect to benefit not just from AI investment but from more normalised demands in their own markets.

Cormac Weldon and Chris Kent
Fund managers

INVESTMENT INFORMATION

Ten largest purchases and sales for the year ended 28 February 2023

Purchases	Cost £'000	Sales	Proceeds £'000
Microsoft	114,817	Alphabet 'C'	212,252
Coca-Cola	110,249	Microsoft	155,424
Amazon.com	90,382	Amazon.com	119,093
Alphabet 'C'	86,574	Coca-Cola	113,722
Meta Platforms 'A'	83,014	ConocoPhillips	102,485
Cigna Group	80,660	Apple	98,521
PG&E	79,934	NextEra Energy	88,556
Bristol-Myers Squibb	75,083	Splunk Inc	82,746
Autodesk	72,652	Elevance Health	81,091
SVB Financial Group	72,439	Lowe's Co	79,281

Portfolio statement as at 28 February 2023

Investment	Holding	Valuation £'000	% of net assets
Equities 98.13% (98.77%)			
Communication Services 6.46% (8.37%)			
Alphabet 'C'	579,106	43,149	2.39
Meta Platforms 'A'	297,653	41,727	2.31
T-Mobile US	265,892	31,680	1.76
		116,556	**6.46**
Consumer Discretionary 9.33% (18.20%)			
Amazon.com	780,067	60,476	3.35
AutoZone	12,030	25,611	1.42
Burlington Stores	52,615	9,444	0.52
Dollar Tree	153,097	18,203	1.01
Planet Fitness 'A'	271,241	18,048	1.00
Pool	88,033	25,923	1.44
RH	42,601	10,671	0.59
		168,376	**9.33**
Consumer Staples 5.24% (1.72%)			
Costco Wholesale	50,076	20,164	1.12
Darling Ingredients	571,941	31,928	1.77
Kraft Heinz	1,292,839	42,381	2.35
		94,473	**5.24**
Energy 3.19% (2.56%)			
ConocoPhillips	258,046	22,583	1.25
EOG Resources	128,963	12,234	0.68
Hess	198,296	22,770	1.26
		57,587	**3.19**
Financials 8.18% (14.26%)			
First Republic Bank	227,167	22,893	1.27
Intercontinental Exchange	421,382	35,361	1.96
Signature Bank	70,310	6,615	0.37
Wells Fargo	1,238,445	47,899	2.65
Willis Towers Watson	177,600	34,744	1.93
		147,512	**8.18**

Investment	Holding	Valuation £'000	% of net assets
Equities 98.13% (98.77%) (continued)			
Health Care 16.24% (12.37%)			
Avantor	1,819,706	36,589	2.03
Bioxcel Therapeutics	262,205	6,666	0.37
Bristol-Myers Squibb	1,056,478	61,143	3.39
Cigna Group	153,712	37,672	2.09
Elevance Health	91,567	36,052	2.00
McKesson	122,851	36,088	2.00
Merck	625,678	56,571	3.13
Thermo Fisher Scientific	16,101	7,207	0.40
Zoetis	109,854	15,032	0.83
		293,020	**16.24**
Industrials 11.46% (12.64%)			
Builders FirstSource	208,577	14,049	0.78
Clean Harbors	379,318	41,735	2.31
Copart	178,657	10,332	0.57
Ferguson	276,997	33,026	1.83
Jacobs Solutions	339,623	34,080	1.89
Norfolk Southern	73,399	13,673	0.76
Parker-Hannifin	38,317	11,103	0.62
Saia	98,947	22,143	1.23
WillScot Mobile Mini Holdings	626,157	26,547	1.47
		206,688	**11.46**
Information Technology 25.59% (23.81%)			
Advanced Micro Devices	327,365	21,317	1.18
Apple	587,508	71,845	3.98
Autodesk	64,109	10,422	0.58
Broadcom	26,717	12,931	0.72
Gartner	132,788	35,950	1.99
Intuit	115,311	39,335	2.18
Lam Research	54,786	21,859	1.21
Micron Technology	385,626	18,457	1.02
Microsoft	462,810	95,736	5.31
Okta	150,294	8,902	0.49
Oracle	573,064	41,670	2.31
Skyworks Solutions	216,680	19,941	1.11
Twilio 'A'	340,103	17,931	0.99
Visa 'A'	249,701	45,491	2.52
		461,787	**25.59**
Materials 5.04% (3.51%)			
International Flavors & Fragrances	95,146	7,436	0.41
Linde	184,821	52,640	2.92
Vulcan Materials	205,030	30,772	1.71
		90,848	**5.04**
Utilities 7.40% (1.33%)			
Constellation Energy	803,841	52,044	2.88
NextEra Energy	184,167	10,942	0.61
PG&E	5,420,140	70,535	3.91
		133,521	**7.40**
Equities total		**1,770,368**	**98.13**

Investment	Holding	Valuation £'000	% of net assets
Forward Currency Contracts 0.01% (0.00%)			
I accumulation GBP (NAV Hedged) 0.01% (0.00%)			
Buy Sterling 24,977,288 sell US Dollar 29,829,451 dated 08/03/2023		247	0.01
Forward Currency Contracts total		**247**	**0.01**
Fair value adjustment at pricing point 0.00% (1.37%)†			
Investment assets		**1,770,615**	**98.14**
Net other assets		**33,583**	**1.86**
Net assets attributable to shareholders		**1,804,198**	**100.00**

The comparative percentage figures in brackets are as at 28 February 2022.
† Fair value adjustment based on movements of futures in markets closed at the sub-fund valuation point, since the last market close.

FINANCIAL STATEMENTS

Statement of total return for the year ended 28 February 2023

	Note	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Income					
Net capital (losses)/gains	3		**(63,013)**		206,429
Revenue	5	**24,338**		21,213	
Expenses	6	**(17,601)**		(22,204)	
Interest payable and similar charges	7	**(4)**		-	
Net revenue/(expense) before taxation		**6,733**		(991)	
Taxation	8	**(3,258)**		(2,977)	
Net revenue/(expense) after taxation			**3,475**		(3,968)
Total return before distributions			**(59,538)**		202,461
Distributions	9		**(3,475)**		7
Change in net assets attributable to shareholders from investment activities			**(63,013)**		202,468

Statement of change in net assets attributable to shareholders for the year ended 28 February 2023

	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Opening net assets attributable to shareholders		**2,373,147**		2,240,253
Amounts receivable on issue of shares	**60,869**		346,958	
Amounts payable on cancellation of shares	**(569,261)**		(416,733)	
		(508,392)		(69,775)
Dilution adjustment		**73**		201
Change in net assets attributable to shareholders from investment activities		**(63,013)**		202,468
Retained distribution on accumulation shares		**2,383**		-
Closing net assets attributable to shareholders		**1,804,198**		2,373,147

Balance sheet as at 28 February 2023

	Note	28 February 2023 £'000	28 February 2022 £'000
Assets			
Fixed assets			
Investments	10	**1,770,615**	2,311,356
Current assets			
Debtors	11	**8,371**	1,660
Cash and cash equivalents	12	**50,656**	73,300
Total current assets		**59,027**	74,960
Total assets		**1,829,642**	2,386,316
Liabilities			
Investment liabilities	10	-	-
Creditors			
Distribution payable		**825**	-
Other creditors	13	**24,619**	13,169
Total creditors		**25,444**	13,169
Total liabilities		**25,444**	13,169
Net assets attributable to shareholders		**1,804,198**	2,373,147

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, in accordance with FRS 102, the SORP and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). The financial statements have been prepared on a going concern basis. There are no material events that have been identified that may cast significant doubt about the sub-fund's ability to continue as a going concern for a period of twelve months from the date the financial statements are authorised for issue. The ACD believes that the sub-fund has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.

(b) Valuation of investments. All investments have been valued at 12 noon on the last working day of the accounting period. Where a sub-fund invests in markets that are closed for trading at the sub-fund's valuation point, the ACD will allow for the Net Asset Value to be adjusted (based on movements of index futures or other suitable proxies in markets closed at the sub-fund valuation point, since the last market close), to reflect more accurately the fair value of the sub-fund's investments. Listed investments are valued at fair value which is deemed to be the bid or SETS price. The last valuation point in the accounting period has been used for the purposes of preparing the report and financial statements and in the ACD's opinion there have been no material movements in the sub-fund between the last valuation point and close of business on the balance sheet date.

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

(d) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward currency contracts are used for investment purposes and efficient portfolio management. Derivatives are valued at 12 noon on the last working day of the accounting period. Over-the-counter derivatives are priced at fair values using valuation models or data sourced from market data providers.

Open forward currency contracts are shown in the Portfolio Statement at market value and the net gains/(losses) are reflected within forward currency contracts under net capital gains in the Notes to the financial statements.

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

(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 sub-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.

(h) Dilution adjustment. The sub-fund is priced on a single price basis and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions and redemptions in and out of the sub-fund. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing shareholders' interest in the sub-fund. In order to counter this and to protect shareholders' interests, the ACD will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the sub-fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. In the usual course of business a dilution adjustment will be applied systematically and on a consistent basis.

Artemis US Select Fund

2. Distribution policy

The distribution policy of the sub-fund is to distribute all available revenue, after deduction of expenses properly chargeable against revenue and taxation. Gains and losses on non-derivative investments and forward currency contracts, whether realised or unrealised, are taken to capital and are not available for distribution. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised.

For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares.

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

3. Net capital (losses)/gains

	28 February 2023 £'000	28 February 2022 £'000
Currency gains	**10,811**	5,216
Forward currency contracts	**(7,454)**	(3,307)
Non-derivative securities	**(66,370)**	204,520
Net capital (losses)/gains	**(63,013)**	206,429

4. Direct transaction costs

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

						Year ended 28 February 2023
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	2,938,193	513	-	2,938,706	0.02	-
Sales						
Equities	3,413,926	566	60	3,413,300	0.02	-
Total		**1,079**	**60**			
Percentage of sub-fund average net assets		**0.06%**	**0.00%**			

						Year ended 28 February 2022
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	3,339,451	551	-	3,340,002	0.02	-
Sales						
Equities	3,438,353	557	18	3,437,778	0.02	-
Total		**1,108**	**18**			
Percentage of sub-fund average net assets		**0.04%**	**0.00%**			

During the year the sub-fund incurred £nil (2022: £nil) in capital transaction charges.

Dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.02% (2022: 0.05%). This spread represents the difference between the bid and offer prices of each underlying investment of the sub-fund expressed as a percentage of the value determined by reference to its offer price.

5. Revenue

	28 February 2023 £'000	28 February 2022 £'000
Overseas dividends	**23,518**	21,196
Bank interest	**820**	17
Total revenue	**24,338**	21,213

6. Expenses

	28 February 2023 £'000	28 February 2022 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	**15,530**	19,592
Administration fees	**2,071**	2,612
Total expenses	**17,601**	22,204

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
The audit fee (excluding VAT) accrued during the year was £9,650 (2022: £8,800). This fee is paid by the manager.

7. Interest payable and similar charges

	28 February 2023 £'000	28 February 2022 £'000
Interest payable	**4**	-
Total interest payable and similar charges	**4**	- -

8. Taxation

	28 February 2023 £'000	28 February 2022 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	**3,258**	2,977
Total taxation (note 8b)	**3,258**	2,977
b) Factors affecting the tax charge for the year		
Net revenue/(expense) before taxation	**6,733**	(991)
Corporation tax at 20% (2022: 20%)	**1,347**	(198)
Effects of:		
Unutilised management expenses	**3,315**	4,437
Irrecoverable overseas tax	**3,258**	2,977
Overseas withholding tax expensed	**(7)**	-
Non-taxable overseas dividends	**(4,655)**	(4,239)
Tax charge for the year (note 8a)	**3,258**	2,977

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 sub-fund has not recognised a deferred tax asset of £16,541,000 (2022: £13,225,000) arising as a result of having unutilised management expenses of £82,703,000 (2022: £66,126,000). It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognised.

ARTEMIS US SELECT FUND

9. Distributions

	28 February 2023 £'000	28 February 2022 £'000
Final dividend distribution	**3,208**	-
Add: amounts deducted on cancellation of shares	**338**	-
Deduct: amounts added on issue of shares	**(71)**	(7)
Distributions	**3,475**	(7)
Movement between net revenue/(expense) and distributions		
Deficit transferred to capital	**-**	3,961
Net revenue/(expense) after taxation	**3,475**	(3,968)
	3,475	(7)

The distributions takes account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. Details of the distributions per share are set out in the distribution tables on page 160.

10. Fair value hierarchy

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

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

	28 February 2023		28 February 2022	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Level 1	**1,770,368**	**-**	2,311,349*	-
Level 2	**247**	**-**	7	-
Total	**1,770,615**	**-**	2,311,356	-

* Level 1 includes fair value adjustment based on movement of futures in markets closed at the sub-fund valuation point, since the last market close.

11. Debtors

	28 February 2023 £'000	28 February 2022 £'000
Sales awaiting settlement	**7,205**	-
Accrued revenue	**1,109**	1,592
Overseas withholding tax recoverable	**44**	39
Amounts receivable for issue of shares	**13**	29
Total debtors	**8,371**	1,660

12. Cash and cash equivalents

	28 February 2023 £'000	28 February 2022 £'000
Amounts held in JPMorgan Liquidity Funds – US Dollar Liquidity Fund (Institutional dist)	**49,250**	72,825
Cash and bank balances	**1,332**	236
Collateral held with JPMorgan	**74**	239
Total cash and cash equivalents	**50,656**	73,300

13. Other creditors

	28 February 2023 £'000	28 February 2022 £'000
Purchase awaiting settlement	**14,130**	-
Amounts payable for cancellation of shares	**9,316**	11,641
Accrued annual management charge	**1,031**	1,342
Accrued administration fee payable to the ACD	**142**	186
Total other creditors	**24,619**	13,169

14. Contingent liabilities and commitments

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

15. Reconciliation of share movements

	Shares in issue at 28 February 2022	Shares issued	Shares cancelled	Shares converted	**Shares in issue at 28 February 2023**
I distribution GBP	255,009,434	3,296,230	(75,273,177)	84,622	**183,117,109**
I accumulation GBP	566,981,068	16,859,467	(122,953,800)	(125,610)	**460,761,125**
I accumulation GBP (NAV Hedged)	14,208,534	1,705,633	(2,098,544)	86,159	**13,901,782**

16. Risk disclosures

In pursuing its investment objectives, the sub-fund may hold a number of financial instruments. These financial instruments comprise equities, derivatives, cash balances and liquid resources, which include debtors and creditors that arise directly from the sub-fund's operations. The sub-fund only executes derivative contracts where both the derivative instrument and the counterparty have been approved by the ACD.

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-fund. In addition, our Investment Committee and Risk and Compliance Committee meet monthly and quarterly respectively, and as required to evaluate risk across each of our funds. These policies have been consistent for both the current and prior period to which these financial statements relate.

In the normal course of business, the sub-fund's activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests. These financial risks: market risk (comprising currency risk, interest rate risk and other market price risk), credit and counterparty risk and liquidity risk and the approach to the management of these risks, are set out below and remain unchanged from the previous accounting year. For a detailed explanation of these and further risks involved in investing in the sub-fund, reference should be made to the Prospectus.

(a) Market risk

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

(i) Interest rate risk

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. As the majority of the sub-fund's financial assets are non-interest bearing, the sub-fund is only subject to limited exposure to fair value interest rate risk due to fluctuations in levels of market interest rates and therefore no sensitivity analysis has been provided.

(ii) Currency risk

A portion of the net assets of the sub-fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the ACD may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the sub-fund's exposure to currency risk is reduced. The loss on forward currency contracts for the year was £7,454,000 (2022: loss of £3,307,000).

Revenue received in foreign currencies is converted into sterling on or near the date of receipt. For hedged share classes, the hedging is undertaken with regard to managing the currency movement risk on accrued revenue.

The exposure to each currency is shown in the tables below.

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £'000	Total £'000
28 February 2023				
US Dollar	**1,770,369**	**44,743**	**(28,350)**	**1,786,762**
Sterling	**-**	**(11,188)**	**28,624**	**17,436**
28 February 2022				
US Dollar	2,311,349	64,725	(29,367)	2,346,707
Sterling	-	(2,934)	29,374	26,440

A five percent increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets by £89,338,000 (2022: £117,335,000). A five percent decrease would have an equal and opposite effect.

I accumulation GBP (NAV hedged)

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £'000	Total £'000
28 February 2023				
Sterling	**52,266**	**614**	**(28,350)**	**24,530**
US Dollar	**(28,231)**	**(154)**	**28,624**	**239**
28 February 2022				
Sterling	-	(37)	29,374	29,337
US Dollar	29,022	813	(29,367)	468

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The value of equities is dependent on a number of factors, arising from the performance of the company itself and matters arising in the wider market (for example the state of the underlying economy and current government policy). The portfolio is invested in securities domiciled in a number of countries and will be exposed to market movements in the relevant country arising from changes in the local economy and government decisions. As part of the continuing review of the portfolio, the ACD monitors and reviews these factors. A five per cent increase in the value of the sub-fund's portfolio would have the effect of increasing the return and net assets by £88,531,000 (2022: £115,568,000). A five per cent decrease would have an equal and opposite effect.

(iv) Leverage risk

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

The sub-fund can use cash borrowing and financial derivatives (subject to the restrictions as set out in its Prospectus and COLL) as sources of leverage. A result of 100% indicates that no leverage has been used.

As at 28 February 2023 and 28 February 2022 the leverage ratios of the sub-fund were:

	28 February 2023 **%**	28 February 2022 %
Sum of the notionals	**101.6**	101.4
Commitment	**100.5**	100.5

(b) Credit and counterparty risk

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

The ACD is permitted to use one or more separate counterparties for derivative transactions. The sub-fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit worthiness of its counterparties and their ability to satisfy the terms of such contracts. Where the sub-fund enters into derivative contracts, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy or insolvency of a counterparty, the sub-fund could experience delays in liquidating the position and may incur significant losses. There may be a risk that a counterparty will be unable to meet its obligations with regard to the return of the collateral and may not meet other payments due to the sub-fund. To minimise such risk the ACD will assess the creditworthiness of any counterparty that it engages with. On a daily basis the ACD assesses the level of assets with each counterparty to ensure that the exposure is within the defined limits in accordance with the requirements stipulated in COLL and the Prospectus. Aside from the custodian, and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 28 February 2023 or 28 February 2022.

Counterparty and collateral exposure

The types of derivatives held at the balance sheet date were forward currency contracts. Details of the individual contracts are disclosed separately in the portfolio statement and the total position by counterparty and the collateral pledged, at the balance sheet date, were as follows:

	Forward currency contracts £'000	Total gross exposure £'000	Net collateral held £'000
28 February 2023			
JPMorgan	**247**	**247**	**74**
UBS AG	**28**	**28**	**-**
28 February 2022			
JPMorgan	7	7	239

Only cash collateral is pledged or held by the sub-fund. The balance includes cash held at brokers.

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(c) Liquidity risk

Liquidity risk is the risk that through market liquidity conditions, requests for redemptions from investors cannot be met in an orderly and appropriate manner. Artemis adopts a policy of mitigation and control to manage liquidity risks. Mitigation occur through maintaining prudent levels of liquidity in each sub-fund and a well-diversified investor base. As a result, redemption requests can be satisfied in all but exceptional circumstances.

Artemis has a dedicated liquidity risk management policy which is owned by the independent investment risk team which reports to the Chief Risk Officer. Its purpose is to ensure the portfolio manager acts in the client's best interest with regards to this liquidity risk. Through the use of 3rd party modeling and assumptions, the investment risk team conduct regular monitoring and analyses of the liquidity profile of the sub-funds and investor base. This includes but is not limited to what percentage of the sub-fund can be liquidated within certain redemption horizons, whether the largest investors in the sub-fund can redeem without affecting the fair treatment of remaining investors, liquidity stress testing and other analysis deemed to cover a risk specific to the strategy considered. There was no significant concentration of liquidity risk as at 28 February 2023 or 28 February 2022.

17. Related party transactions

The ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the statement of total return, statement of change in net assets attributable to shareholders and the balance sheet on page 148 and Notes 6, 9, 11 and 13 on pages 151 to 153 including all issues and cancellations where the ACD acted as principal.

The balance due to the ACD as at 28 February 2023 in respect of these transactions was £10,476,000 (2022: due from the ACD £13,140,000).

18. Share classes

The annual management charge on each share class is as follows:

I distribution GBP	0.75%
I accumulation GBP	0.75%
I accumulation GBP (NAV hedged)	0.75%

The net asset value per share and the number of shares in each class are given in the comparative tables on page 158. The distribution per share class are given in the distribution tables on page 157. All classes have the same rights on winding up.

19. Post balance sheet events

There were no significant post balance sheet events subsequent to the year end.

DISTRIBUTION TABLES

This fund pays annual dividend distributions.
The following table sets out the details of the distribution periods.

Distribution period	Start	End	Ex-dividend date	Pay date
Final	1 March 2022	28 February 2023	1 March 2023	28 April 2023

Group 1 shares are those purchased prior to a distribution period and therefore their net revenue rate is the same as the distribution rate.
Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of net revenue and equalisation. Equalisation applies only to group 2 shares purchased during the period. It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

I distribution GBP

	Group 2		Group 1 & 2	Corporate streaming		2022
Dividend distribution for the year ended 28 February 2023	Net revenue per share (p)	Equalisation per share (p)	Distribution per share (p)	Franked	Unfranked	Distribution per share (p)
Final	0.2886	0.1617	0.4503	100.00%	0.00%	-

I accumulation GBP

	Group 2		Group 1 & 2	Corporate streaming		2022
Dividend distribution for the year ended 28 February 2023	Net revenue per share (p)	Equalisation per share (p)	Distribution per share (p)	Franked	Unfranked	Distribution per share (p)
Final	0.2640	0.2437	0.5077	100.00%	0.00%	-

I accumulation GBP (NAV Hedged)

	Group 2		Group 1 & 2	Corporate streaming		2022
Dividend distribution for the year ended 28 February 2023	Net revenue per share (p)	Equalisation per share (p)	Distribution per share (p)	Franked	Unfranked	Distribution per share (p)
Final	0.1706	0.1438	0.3144	100.00%	0.00%	-

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COMPARATIVE TABLES

	I distribution GBP			I accumulation GBP		
	2023	2022	2021	**2023**	2022	2021
Change in net assets per share	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Opening net asset value per share	**261.23**	241.37	197.97	**295.82**	273.33	224.15
Return before operating charges *	**(6.46)**	22.16	45.80	**(7.31)**	25.09	51.32
Operating charges	**(2.22)**	(2.30)	(1.92)	**(2.51)**	(2.60)	(2.14)
Return after operating charges	**(8.68)**	19.86	43.88	**(9.82)**	22.49	49.18
Distributions	**(0.45)**	-	(0.48)	**(0.51)**	-	(0.51)
Retained distributions on accumulation shares	**-**	-	-	**0.51**	-	0.51
Closing net asset value per share	**252.10**	261.23	241.37	**286.00**	295.82	273.33
* after direct transaction costs of	**(0.16)**	(0.11)	(0.14)	**(0.18)**	(0.12)	(0.15)
Performance						
Return after charges	**(3.32)%**	8.23%	22.16%	**(3.32)%**	8.23%	21.94%
Other information						
Closing net asset value (£'000)	**461,631**	666,149	632,505	**1,317,755**	1,677,229	1,584,886
Closing number of shares	**183,117,109**	255,009,434	262,050,983	**460,761,125**	566,981,068	579,835,481
Operating charges (%)	**0.85%**	0.85%	0.85%	**0.85%**	0.85%	0.85%
Direct transaction costs	**0.06%**	0.04%	0.06%	**0.06%**	0.04%	0.06%
Prices	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Highest price	**283.21**	296.23	250.18	**320.71**	335.46	283.26
Lowest price	**237.69**	240.03	170.20	**269.16**	271.82	192.71

	I accumulation GBP (NAV Hedged)		
	2023	2022	2021
Change in net assets per share	**(p)**	(p)	(p)
Opening net asset value per share	**209.51**	202.64	157.63
Return before operating charges *	**(29.44)**	8.77	46.51
Operating charges	**(1.59)**	(1.90)	(1.50)
Return after operating charges	**(31.03)**	6.87	45.01
Distributions	**(0.31)**	-	(0.36)
Retained distributions on accumulation shares	**0.31**	-	0.36
Closing net asset value per share	**178.48**	209.51	202.64
* after direct transaction costs of	**(0.11)**	(0.09)	(0.11)
Performance			
Return after charges	**(14.81)%**	3.39%	28.55%
Other information			
Closing net asset value (£'000)	**24,812**	29,769	22,862
Closing number of shares	**13,901,782**	14,208,534	11,281,780
Operating charges	**0.85%**	0.85%	0.85%
Direct transaction costs	**0.06%**	0.04%	0.06%
Prices	**(p)**	(p)	(p)
Highest price	**222.54**	239.24	209.05
Lowest price	**168.89**	199.57	119.66

* Direct transaction costs are stated after deducting the amounts collected in relation to estimated dealing costs added to the issue of shares and subtracted from the cancellation of shares.

The operating charges are calculated on an ex-post basis. High and low price disclosures are based on quoted unit prices. Therefore opening and closing NAV prices may fall outside the high/low price threshold.

ARTEMIS US SELECT FUND

Ongoing charges

Class	**28 February 2023**
I distribution GBP	0.85%
I accumulation GBP	0.85%
I accumulation GBP (NAV Hedged)	0.85%

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

Class I accumulation performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis US Select Fund**	186.0	59.0	27.6	(3.3)	(6.8)
Artemis US Select Fund***	183.9	58.3	24.2	(5.2)	(6.7)
S&P 500 TR	212.2	81.8	48.8	2.3	(2.7)
North America Average	172.8	67.4	44.3	1.2	(2.7)
Position in sector	30/67	59/80	75/87	75/93	87/95
Quartile	2	3	4	4	4

Past performance is not a guide to the future.
* Source: Artemis/Lipper Limited, class I accumulation GBP from 19 September 2014 to 28 February 2023. All figures show total returns with dividends and/or income reinvested, net of all charges Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.
** Value at 12 noon valuation point
*** Value at close of business
Class I accumulation is disclosed as it is the primary share class.

ARTEMIS US SMALLER COMPANIES FUND

OBJECTIVE AND INVESTMENT POLICY

Objective	To grow capital over a five year period.	
Investment policy	**What the sub-fund invests in**	• 80% to 100% in shares of smaller companies which, when first acquired, have a market value of less than USD 10 billion. • Up to 20% in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, and money market instruments.
	Use of derivatives	The sub-fund may use derivatives for efficient portfolio management purposes to: • reduce risk • manage the sub-fund efficiently.
	Where the sub fund invests	• United States of America, including companies in other countries that are headquartered or have a significant part of their activities in the USA.
	Industries the sub-fund invests in	• Any
	Other limitations specific to this sub-fund	• None
Investment strategy	• The sub-fund is actively managed. • The manager uses multiple sources of information, both to generate ideas and to assist in validating and testing candidate companies for investment. This is complemented by techniques such as data mining (examining large databases of information) and financial analysis. • External research is also used in order to tap into knowledge already available and to look for different views. • The manager carries out a significant amount of analysis of wider economic trends to understand cyclical and long-term trends and the outlook.	
Benchmarks	• **Russell 2000 TR** A widely-used indicator of the performance of US smaller companies, in which the sub-fund invests in. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark. • **IA North American Smaller Companies NR** A group of other asset managers' funds that invest in similar asset types as this sub-fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the fund is not restricted by this benchmark.	

RISK AND REWARD PROFILE

Potentially lower rewards						Potentially higher rewards
Lower risk						Higher risk
1	2	3	4	5	**6**	7

- The sub-fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the fund may have risen and fallen in the past due to movements in markets, currencies and interest rates). It may not be a reliable indication of the future risk profile of the sub-fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the sub-fund's future risk profile.
- A risk indicator of "1" does not mean that the investment is "risk free".

The risk indicator may not fully take into account the following risks and the following may affect sub-fund performance:

- **Market volatility risk:** The value of the sub-fund and any income from it can fall or rise because of movements in stock markets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
- **Currency risk:** The sub-fund's assets may be priced in currencies other than the sub-fund base currency. Changes in currency exchange rates can therefore affect the sub-fund's value.
- **Concentration risk:** The sub-fund may have investments concentrated in a limited number of holdings. This can be more risky than holding a wider range of investments.
- **Smaller companies risk:** Investing in small and medium-sized companies can involve more risk than investing in larger, more established companies. Shares in smaller companies may not be as easy to sell, which can cause difficulty in valuing those shares.

There was no change to the risk indicator in the 12 months ended 28 February 2023.

Please refer to the sub-fund's prospectus for full details of these and other risks which are applicable to this sub-fund.

ARTEMIS US SMALLER COMPANIES FUND

INVESTMENT REVIEW

- The fund underperformed the index, returning (5.1)% in sterling terms versus a return of 4.2% from the Russell 2000 index[1].
- Higher growth stocks suffered.
- We are focused on companies that we believe can deliver in a tougher economic background.

Rising inflation and higher interest rates drove the market

Inflation and interest rates were the dominant theme in the market over the reporting period. Spurred on by disruptions to commodity markets caused by the tragic events in Ukraine, inflation increased from 7% at the start of the year, peaking at around 9% in June. The Federal Reserve responded by raising rates. Initially, this was somewhat tentative – with a hike of 0.25% in March followed by one of 0.50% in May. But it then delivered four back-to-back hikes of 0.75%.

Unsurprisingly, these moves were keenly felt in interest-rate sensitive sectors of the economy such as housing:

- US 30-year mortgage rates started 2022 at a little over 3% but peaked in November at around 7.3%.
- Housing starts declined by about a quarter from peak to trough.
- Homebuilders and related stocks (as measured by the S&P Homebuilding Index) fell by around 42% from December 31 2021 to the middle of June 2022.

While overall real economic growth remained positive, recession concerns intensified over the course of the year. Manufacturing and services surveys both showed deterioration through 2022, with both crossing the threshold separating expansion from contraction. As of the end of February 2023, a majority of forecasters on Bloomberg were predicting a recession in the year ahead.

Shortly after the end of the reporting period, several regional banks ran into financial difficulties, leading investors to start worrying about the impact of a potential credit crunch on an already slowing economy.

Performance – Held back by our high-growth stocks

Over the 12 months to February 2023 the fund underperformed the index. The fund declined by 5.1% in sterling terms, with the Russell 2000 index delivering a positive return of 4.2%.

Early in the period, some of our higher-quality, higher-growth companies were still trading at a premium valuation to the market. They suffered poor performance as the market awarded them lower valuations than it has done over the past couple of years. We decided to reduce or sell some of these holdings to limit our underperformance.

One example is Kornit Digital, which was a large detractor from returns for the year. Kornit's disruptive technology addresses some of the environmental damage caused by the clothing industry. Using the company's digital printing machines, clothing can be printed much closer to the source of demand and in smaller batches. This reduces the significant wastage of printing very large volumes (to reduce the unit costs), which is usually done in markets with very low labour costs. In addition to reducing textile wastage and the cost of transport, Kornit's technology also significantly cuts the use of water.

Maravai LifeSciences was also disappointing, and we sold the full position. We had liked the company's exposure to further innovation in MRNA-based drugs but a post-Covid overhang and the impact of rising rates on higher-growth businesses weighed on its shares.

Infrastructure-related stocks did well

Stocks that are exposed to infrastructure spending contributed positively to the fund's returns over the period. Infrastructure is an important theme for us; a range of infrastructure across the US now requires significant investment.

The most significant area of investment relates to power generation amid the transition away from fossil fuels. We bought Constellation Energy, which is a pure play on producing electricity using nuclear power. We believe such sources of carbon-free energy have become increasingly vital. Valmont Industries is involved in a number of different aspects of infrastructure and also provides the manpower and know-how to connect sources of renewable energy to the existing grid. It should also benefit from increased spending by the agricultural sector.

Clean Harbors was another positive contributor within our infrastructure theme. The company has two primary businesses. First, its incinerators are used to dispose of hazardous waste. The Biden government has been more enthusiastic about enforcing environmental legislation, which has benefited this part of the business. The second part of Clean Harbors is called Safety-Kleen. It collects used motor oil from garages which it then recycles, removing contaminants. Both businesses are performing strongly.

Past performance is not a guide to the future.
[1] Artemis/Lipper Limited, class I accumulation GBP to 28 February 2023. Our benchmark is the Russell 2000 Index NR. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if you invest in a different currency class.

Adding to consumer-facing companies

In the latter part of the period, we increased our exposure to consumer-facing companies. We believe the market is too focused on shorter-term issues and is ignoring positive longer-term trends.

We bought back into Burlington Stores, the discount retailer. We have liked this business for quite some time. It performed extremely well in the initial phase of the pandemic as its lower-income customers benefited disproportionately from stimulus payments from the government. However, business suffered when these payments stopped – which happened to coincide with severe disruption to supply chains. We felt that these issues were largely in the past and that the positive fundamentals of Burlington's business would begin to reassert themselves. This dynamic has begun to play out and Burlington has been a strong performer for us since purchase.

We also bought Builders FirstSource. We believe its share price is fully discounting shorter-term headwinds in the housing industry but we now see the prospect of attractive growth in the longer term. It has contributed positively to performance since purchase.

We do not believe interest rates will return to the extreme lows of the pandemic era. As such, companies that can demonstrate growth, while also generating healthy cashflow and earnings should be able to beat the market. We expect that interest rates that are materially higher than they have been over the past five to 10 years will have a detrimental impact on ‘zombie companies’ which have been kept alive by extremely low interest rates. We believe this will benefit our portfolio’s bias to quality stocks – those with predictable, growing earnings and high free cashflows.

Cormac Weldon and Olivia Micklem
Fund managers

ARTEMIS US SMALLER COMPANIES FUND

INVESTMENT INFORMATION

Ten largest purchases and sales for the year ended 28 February 2023

Purchases	Cost £'000	Sales	Proceeds £'000
Ovintiv	60,748	Syneos Health	35,798
Hostess Brands	36,535	AGCO	34,635
Bunge	29,001	LPL Financial Holdings	32,331
Assurant	25,996	Vonage Holdings	26,407
Constellation Energy	25,541	Victoria's Secret	25,690
First Industrial Realty Trust, REIT	23,335	Clean Harbors	25,111
MKS Instruments	22,277	TFI International	25,096
Envista Holdings	22,028	Bio-Techne	25,007
Twilio 'A'	21,204	Ovintiv	24,089
Valmont Industries	21,154	Bath & Body Works	21,607

Portfolio statement as at 28 February 2023

Investment	Holding	Valuation £'000	% of net assets
Equities 98.55% (96.86%)			
Communication Services 0.00% (0.65%)			
Consumer Discretionary 15.20% (19.40%)			
Aramark	295,377	9,036	0.87
Burlington Stores	84,372	15,145	1.46
CarMax	103,582	5,749	0.56
Churchill Downs	155,981	31,416	3.03
Planet Fitness 'A'	492,141	32,747	3.16
Pool	102,832	30,280	2.92
Ralph Lauren	156,269	15,385	1.48
TopBuild	103,114	17,811	1.72
		157,569	**15.20**
Consumer Staples 10.66% (2.83%)			
Bunge	262,178	21,072	2.03
Coty 'A'	675,278	6,247	0.60
Darling Ingredients	530,099	29,592	2.85
Hostess Brands	1,893,160	38,551	3.72
Performance Food Group	315,454	15,119	1.46
		110,581	**10.66**
Energy 5.82% (0.00%)			
NOV	1,034,462	18,936	1.83
Ovintiv	1,089,789	41,392	3.99
		60,328	**5.82**
Financials 12.40% (19.97%)			
Equitable Holdings	796,910	20,669	1.99
LPL Financial Holdings	211,114	42,987	4.15
Pinnacle Financial Partners	625,586	38,724	3.74
Signature Bank	55,346	5,207	0.50
Western Alliance Bancorp	341,113	20,974	2.02
		128,561	**12.40**
Health Care 7.12% (13.50%)			
Bio-Techne	161,134	9,685	0.93
Bioxcel Therapeutics	319,318	8,118	0.78

Investment	Holding	Valuation £'000	% of net assets
Equities 98.55% (96.86%) (continued)			
Health Care 7.12% (13.50%) (continued)			
Enovis	162,649	7,695	0.74
Envista Holdings	1,007,503	31,636	3.05
Natera	426,343	16,747	1.62
		73,881	**7.12**
Industrials 27.49% (28.87%)			
Advanced Drainage Systems	230,088	16,746	1.61
Axon Enterprise	163,768	26,342	2.54
Builders FirstSource	269,923	18,181	1.75
Clean Harbors	437,202	48,104	4.64
Jacobs Solutions	353,071	35,429	3.42
Saia	136,808	30,615	2.95
TFI International	231,324	23,496	2.27
Valmont Industries	137,482	35,255	3.40
WillScot Mobile Mini Holdings	1,200,215	50,886	4.91
		285,054	**27.49**
Information Technology 9.70% (8.44%)			
Ciena	95,445	3,667	0.35
Jabil	72,456	5,002	0.48
Lattice Semiconductor	158,471	10,960	1.06
Okta	171,625	10,165	0.98
Qorvo	199,930	16,538	1.60
Qualys	70,590	6,829	0.66
Sumo Logic	960,201	9,455	0.91
Tenable Holdings	591,688	21,407	2.06
Twilio 'A'	314,266	16,569	1.60
		100,592	**9.70**
Materials 1.51% (1.06%)			
Eagle Materials	45,704	5,284	0.51
Stelco Holdings	326,421	10,409	1.00
		15,693	**1.51**
Real Estate 2.93% (0.00%)			
First Industrial Realty Trust	526,066	22,995	2.22
Kilroy Realty	246,804	7,358	0.71
		30,353	**2.93**
Utilities 5.72% (2.14%)			
Constellation Energy	444,124	28,755	2.78
NextEra Energy Partners	557,992	30,512	2.94
		59,267	**5.72**
Equities total		**1,021,879**	**98.55**
Forward Currency Contracts 0.01% (0.00%)			
I accumulation GBP (NAV Hedged) 0.01% (0.00%)			
Buy Sterling 102 sell US Dollar 122 dated 03/03/2023		–	–
Buy Sterling 5,781,034 sell US Dollar 6,922,497 dated 08/03/2023		58	0.01
I accumulation GBP (NAV Hedged) total		**58**	**0.01**
Forward Currency Contracts total		**58**	**0.01**
Fair value adjustment at pricing point 0.00% ((1.06)%)†			
Investment assets (including investment liabilities)		**1,021,937**	**98.56**
Net other assets		**14,956**	**1.44**
Net assets attributable to shareholders		**1,036,893**	**100.00**

The comparative percentage figures in brackets are as at 28 February 2022.

† Fair value adjustment based on movements of futures in markets closed at the sub-fund valuation point, since the last market close.

FINANCIAL STATEMENTS

Statement of total return for the year ended 28 February 2023

	Note	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Income					
Net capital losses	3		**(68,229)**		(15,760)
Revenue	5	**10,521**		10,076	
Expenses	6	**(9,670)**		(11,152)	
Interest payable and similar charges	7	**(3)**		(4)	
Net revenue/(expense) before taxation		**848**		(1,080)	
Taxation	8	**(1,308)**		(1,394)	
Net expense after taxation			**(460)**		(2,474)
Total return before distributions			**(68,689)**		(18,234)
Distributions	9		**-**		32
Change in net assets attributable to shareholders from investment activities			**(68,689)**		(18,202)

Statement of change in net assets attributable to shareholders for the year ended 28 February 2023

	28 February 2023 £'000	28 February 2023 £'000	28 February 2022 £'000	28 February 2022 £'000
Opening net assets attributable to shareholders		**1,290,927**		934,880
Amounts receivable on issue of shares	**68,318**		520,216	
Amounts payable on cancellation of shares	**(253,788)**		(146,191)	
		(185,470)		374,025
Dilution adjustment		**125**		224
Change in net assets attributable to shareholders from investment activities		**(68,689)**		(18,202)
Closing net assets attributable to shareholders		**1,036,893**		1,290,927

Balance sheet as at 28 February 2023

	Note	28 February 2023 £'000	28 February 2022 £'000
Assets			
Fixed assets			
Investments	10	**1,021,937**	1,236,652
Current assets			
Debtors	11	**4,140**	3,386
Cash and cash equivalents	12	**14,639**	51,747
Total current assets		**18,779**	55,133
Total assets		**1,040,716**	1,291,785
Liabilities			
Investment liabilities	10	**-**	-
Creditors			
Other creditors	13	**3,823**	858
Total creditors		**3,823**	858
Total liabilities		**3,823**	858
Net assets attributable to shareholders		**1,036,893**	1,290,927

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, in accordance with FRS 102, the SORP and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). The financial statements have been prepared on a going concern basis. There are no material events that have been identified that may cast significant doubt about the sub-fund's ability to continue as a going concern for a period of twelve months from the date the financial statements are authorised for issue. The ACD believes that the sub-fund has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.

(b) Valuation of investments. All investments have been valued at 12 noon on the last working day of the accounting period. Where a sub-fund invests in markets that are closed for trading at the sub-fund's valuation point, the ACD will allow for the Net Asset Value to be adjusted (based on movements of index futures or other suitable proxies in markets closed at the sub-fund valuation point, since the last market close), to reflect more accurately the fair value of the sub-fund's investments. Listed investments are valued at fair value which is deemed to be the bid or SETS price. The last valuation point in the accounting period has been used for the purposes of preparing the report and financial statements and in the ACD's opinion there have been no material movements in the sub-fund between the last valuation point and close of business on the balance sheet date.

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

(d) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward currency contracts are used for investment purposes and efficient portfolio management. Derivatives are valued at 12 noon on the last working day of the accounting period. Over-the-counter derivatives are priced at fair values using valuation models or data sourced from market data providers. Interest on margin accounts held with brokers is included in the revenue return. All other gains/losses and cash flows from derivatives are included in the capital return. Open forward currency contracts are shown in the Portfolio Statement at market value and the net gains/(losses) are reflected within forward currency contracts under net capital (losses)/ gains in the Notes to the financial statements.

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

(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 sub-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.

(h) Dilution adjustment. The sub-fund is priced on a single price basis and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions and redemptions in and out of the sub-fund. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing shareholders' interest in the sub-fund. In order to counter this and to protect shareholders' interests, the ACD will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the sub-fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. In the usual course of business a dilution adjustment will be applied systematically and on a consistent basis.

2. Distribution policy

The distribution policy of the sub-fund is to distribute all available revenue, after deduction of expenses properly chargeable against revenue and taxation.

Gains and losses on non-derivative investments and forward currency contracts, whether realised or unrealised, are taken to capital and are not available for distribution. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised.

For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares.

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

3. Net capital losses

	28 February 2023 £'000	28 February 2022 £'000
Currency gains	**5,911**	2,509
Forward currency contracts	**(2,108)**	(2,719)
Non-derivative securities	**(72,032)**	(15,550)
Net capital losses	**(68,229)**	(15,760)

4. Direct transaction costs

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

						Year ended 28 February 2023
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	796,244	146	-	796,390	0.02	-
Sales						
Equities	939,261	158	16	939,087	0.02	-
Total		**304**	**16**			
Percentage of sub-fund average net assets		**0.03%**	**0.00%**			

						Year ended 28 February 2022
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	759,404	138	-	759,542	0.02	-
Sales						
Equities	418,376	77	2	418,297	0.02	-
Total		**215**	**2**			
Percentage of sub-fund average net assets		**0.02%**	**0.00%**			

During the year the sub-fund incurred £nil (2022: £nil) in capital transaction charges.

Dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.07% (2022: 0.11%). This spread represents the difference between the bid and offer values of each underlying investment of the sub-fund expressed as a percentage of its offer price.

5. Revenue

	28 February 2023 £'000	28 February 2022 £'000
Overseas dividends	10,048	10,068
Bank interest	473	8
Total revenue	10,521	10,076

6. Expenses

	28 February 2023 £'000	28 February 2022 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	8,336	9,614
Administration fees	1,334	1,538
Total expenses	9,670	11,152

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
The audit fee (excluding VAT) accrued during the year was £9,650 (2022: £8,800). This fee is paid by the manager.

7. Interest payable and similar charges

	28 February 2023 £'000	28 February 2022 £'000
Interest payable	3	4
Total interest payable and similar charges	3	4

8. Taxation

	28 February 2023 £'000	28 February 2022 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	1,308	1,394
Total taxation (note 8b)	1,308	1,394
b) Factors affecting the tax charge for the year		
Net revenue/(expense) before taxation	848	(1,080)
Corporation tax at 20% (2022: 20%)	170	(216)
Effects of:		
Unutilised management expenses	1,447	2,081
Irrecoverable overseas tax	1,308	1,394
Overseas withholding tax expensed	(69)	(26)
Non-taxable overseas dividends	(1,548)	(1,839)
Tax charge for the year (note 8a)	1,308	1,394

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 sub-fund has not recognised a deferred tax asset of £5,973,000 (2022: £4,526,000) arising as a result of having unutilised management expenses of £29,865,000 (2022: £22,629,000) . It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognised.

9. Distributions

	28 February 2023 £'000	28 February 2022 £'000
Add: amounts deducted on cancellation of shares	-	1
Deduct: amounts added on issue of shares	-	(33)
Distributions	-	(32)
Movement between net expense and distributions		
Net (expense)/revenue after taxation	(460)	(2,474)
Expenses paid from capital	460	2,442
	-	(32)

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. Details of the distribution per share are set out in the distribution tables on page 174.

10. Fair value hierarchy

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

The disclosure is split into the following categories:

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

	28 February 2023		28 February 2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,021,879*	-	1,236,649*	-
Level 2	58	-	3	-
Total	1,021,937	-	1,236,652	-

* Level 1 includes fair value adjustment based on movement of futures in markets closed at the sub-fund valuation point, since the last market close.

11. Debtors

	28 February 2023 £'000	28 February 2022 £'000
Sales awaiting settlement	3,461	478
Accrued revenue	535	-
Amounts receivable for issue of shares	144	2,908
Total debtors	4,140	3,386

12. Cash and cash equivalents

	28 February 2023 £'000	28 February 2022 £'000
Cash and bank balances	14,622	1,511
Amounts held in JPMorgan Liquidity Funds – US Dollar Liquidity Fund (Institutional dist.)	-	50,146
Collateral held with JPMorgan	17	90
Total cash and cash equivalents	14,639	51,747

13. Other creditors

	28 February 2023 £'000	28 February 2022 £'000
Purchases awaiting settlement	**2,187**	-
Amounts payable for cancellation of shares	**950**	21
Accrued annual management charge	**588**	718
Accrued administration fee payable to ACD	**98**	119
Total other creditors	**3,823**	858

14. Contingent liabilities and commitments

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

15. Reconciliation of share movements

	Shares in issue at 28 February 2022	Shares issued	Shares cancelled	Shares converted	Shares in issue at 28 February 2023
I accumulation GBP	381,898,648	20,362,641	(77,527,666)	(3,370)	**324,730,253**
I accumulation GBP (NAV Hedged)	9,085,171	4,246,794	(8,496,559)	8,767	**4,844,173**

16. Risk disclosures

In pursuing its investment objectives, the sub-fund may hold a number of financial instruments. These financial instruments comprise equities, cash balances and liquid resources, which include debtors and creditors that arise directly from the sub-fund's operations.

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-fund. In addition, our Investment Committee and Risk and Compliance Committee meet monthly and quarterly respectively, and as required to evaluate risk across each of our funds. These policies have been consistent for both the current and prior period to which these financial statements relate.

In the normal course of business, the sub-fund's activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests. These financial risks: market risk (comprising currency risk, interest rate risk and other market price risk), credit and counterparty risk and liquidity risk and the approach to the management of these risks, are set out below and remain unchanged from the previous accounting year. For a detailed explanation of these and further risks involved in investing in the sub-fund, reference should be made to the Prospectus.

(a) Market risk

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

(i) Interest rate risk

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. As the majority of the sub-fund's financial assets are non-interest bearing, the sub-fund is only subject to limited exposure to fair value interest rate risk due to fluctuations in levels of market interest rates and therefore no sensitivity analysis has been provided.

(ii) Currency risk

A portion of the net assets of the sub-fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the ACD may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the sub-fund's exposure to currency risk is reduced. The loss on forward currency contracts for the year was £2,108,000 (2022: loss of £2,719,000).

Revenue received in foreign currencies is converted into sterling on or near the date of receipt. The exposure to each currency is shown in the tables below.

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £'000	Total £'000
28 February 2023				
US Dollar	**1,005,527**	**15,898**	**220**	**1,021,645**
Canadian Dollar	**10,409**	**-**	**-**	**10,409**
Sterling	**5,943**	**(942)**	**(162)**	**4,839**
28 February 2022				
US Dollar	1,205,638	53,029	(12,790)	1,245,877
Canadian Dollar	31,011	-	-	31,011
Sterling	-	1,246	12,793	14,039

A five percent increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets by £51,603,000 (2022: £63,844,000). A five percent decrease would have an equal and opposite effect.

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The value of equities is dependent on a number of factors, arising from the performance of the company itself and matters arising in the wider market (for example the state of the underlying economy and current government policy). The portfolio is invested in securities domiciled in a number of countries and will be exposed to market movements in the relevant country arising from changes in the local economy and government decisions. As part of the continuing review of the portfolio, the ACD monitors and reviews these factors. A five per cent increase in the value of the sub-fund's portfolio would have the effect of increasing the return and net assets by £51,097,000 (2022: £61,833,000). A five per cent decrease would have an equal and opposite effect.

(iv) Leverage risk

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

The sub-fund can use cash borrowing (subject to restrictions as set out in its Prospectus and COLL) and financial derivatives as sources of leverage. A result of 100% indicates that no leverage has been used.

As at 28 February 2023 and 28 February 2022 the leverage ratios of the sub-fund were:

	28 February 2023 %	28 February 2022 %
Sum of the notionals	**100.3**	100.1
Commitment	**100.1**	100.0

(b) Credit and counterparty risk

Credit and counterparty risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into with the sub-fund, resulting in a financial loss. From time to time, the sub-fund may be subject to short-term credit risk with counterparties pending settlement of investment transactions. The ACD has a pre-approved list of counterparties it uses for investment transactions, which is reviewed on a regular basis.

The largest counterparty risk is with J.P. Morgan Chase N.A. ('JP Morgan'), the sub-fund's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of JP Morgan may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited. The depositary receives and reviews a semi-annual report on the internal controls in place at JP Morgan. The sub-fund is also exposed to counterparty risk through holding specific financial instruments.

The ACD is permitted to use one or more separate counterparties for derivative transactions. The sub-fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit worthiness of its counterparties and their ability to satisfy the terms of such contracts. Where the sub-fund enters into derivative contracts, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy or insolvency of a counterparty, the sub-fund could experience delays in liquidating the position and may incur significant losses. There may be a risk that a counterparty will be unable to meet its obligations with regard to the return of the collateral and may not meet other payments due to the sub-fund. To minimise such risk the ACD will assess the creditworthiness of any counterparty that it engages with. On a daily basis the ACD assesses the level of assets with each counterparty to ensure that the exposure is within the defined limits in accordance with the requirements stipulated in COLL and the Prospectus. Aside from the custodian, and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 28 February 2023 or 28 February 2022.

Counterparty and collateral exposure

The types of derivatives held at the balance sheet date were forward currency contracts. Details of the individual contracts are disclosed separately in the portfolio statement and the total position by counterparty and the collateral pledged, at the balance sheet date, were as follows:

	Forward currency Contract £'000	Total gross Exposure £'000	Net collateral held £'000
28 February 2023			
JPMorgan	**58**	**58**	**17**
28 February 2022			
JPMorgan	3	3	90

(c) Liquidity risk

Liquidity risk is the risk that through market liquidity conditions, requests for redemptions from investors cannot be met in an orderly and appropriate manner. Artemis adopts a policy of mitigation and control to manage liquidity risks. Mitigation occurs through maintaining prudent levels of liquidity in each sub-fund and a well-diversified investor base. As a result, redemption requests can be satisfied in all but exceptional circumstances.

Artemis has a dedicated liquidity risk management policy which is owned by the independent investment risk team which reports to the Chief Risk Officer. Its purpose is to ensure the portfolio manager acts in the client's best interest with regards to this liquidity risk. Through the use of 3rd party modeling and assumptions, the investment risk team conduct regular monitoring and analyses of the liquidity profile of the funds and investor base. This includes but is not limited to what percentage of the sub-fund can be liquidated within certain redemption horizons, whether the largest investors in the sub-fund can redeem without affecting the fair treatment of remaining investors, liquidity stress testing and other analysis deemed to cover a risk specific to the strategy considered. There was no significant concentration of liquidity risk as at 28 February 2023 or 28 February 2022.

17. Related party transactions

The ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the statement of total return, statement of change in net assets attributable to shareholders and the balance sheet on page 165 and notes 6, 9, 11 and 13 on pages 168 to 170 including all issues and cancellations where the ACD acted as principal.

The balance due to the ACD as at 28 February 2023 in respect of these transactions was £1,492,000 (2022: due from the ACD £2,050,000).

18. Share classes

The annual management charge on each share class is 0.75%

The net asset value per share and the number of shares in each class are given in the comparative tables on page 175. The distributions per share class are given in the distribution tables on page 174. All classes have the same rights on winding up.

19. Post balance sheet events

There were no significant post balance sheet events subsequent to the year end.

DISTRIBUTION TABLES

This sub-fund pays annual dividend distributions.
The following table sets out the distribution periods.

Distribution period	Start	End	Ex-dividend date	Pay date
Final	1 March 2022	28 February 2023	1 March 2023	28 April 2023

Group 1 shares are those purchased prior to a distribution period and therefore their net revenue rate is the same as the distribution rate.

Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of net revenue and equalisation. Equalisation applies only to group 2 shares purchased during the period. It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

I accumulation GBP

	Group 2		Group 1 & 2	Corporate streaming		2022
Dividend distribution for the year ended 28 February 2023	Net revenue per share (p)	Equalisation per share (p)	Distribution per share (p)	Franked	Unfranked	Distribution per share (p)
Final	-	-	-	-	-	-

I accumulation GBP (NAV Hedged)

	Group 2		Group 1 & 2	Corporate streaming		2022
Dividend distribution for the year ended 28 February 2023	Net revenue per share (p)	Equalisation per share (p)	Distribution per share (p)	Franked	Unfranked	Distribution per share (p)
Final	-	-	-	-	-	-

ARTEMIS US SMALLER COMPANIES FUND

COMPARATIVE TABLES

	I accumulation GBP			I accumulation GBP (NAV Hedged)		
	2023	2022	2021	**2023**	2022	2021
Change in net assets per share	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Opening net asset value per share	**334.59**	330.40	237.63	**144.73**	149.74	103.31
Return before operating charges *	**(14.35)**	7.29	95.19	**(23.18)**	(3.62)	47.46
Operating charges	**(2.73)**	(3.10)	(2.42)	**(1.06)**	(1.39)	(1.03)
Return after operating charges	**(17.08)**	4.19	92.77	**(24.24)**	(5.01)	46.43
Distributions	**-**	-	-	**-**	-	-
Retained distributions on accumulation shares	**-**	-	-	**-**	-	-
Closing net asset value per share	**317.51**	334.59	330.40	**120.49**	144.73	149.74
* after direct transaction costs of	**(0.09)**	(0.07)	(0.11)	**(0.04)**	(0.03)	(0.05)
Performance						
Return after charges	**(5.10)%**	1.27%	39.04%	**(16.75)%**	(3.35)%	44.94%
Other information						
Closing net asset value (£'000)	**1,031,056**	1,277,778	922,287	**5,837**	13,149	12,593
Closing number of shares	**324,730,253**	381,898,648	279,141,865	**4,844,173**	9,085,171	8,409,864
Operating charges	**0.87%**	0.87%	0.88%	**0.87%**	0.87%	0.88%
Direct transaction costs	**0.03%**	0.02%	0.04%	**0.03%**	0.02%	0.04%
Prices	**(p)**	(p)	(p)	**(p)**	(p)	(p)
Highest price	**350.35**	392.80	348.43	**148.38**	171.05	157.77
Lowest price	**274.18**	313.36	183.93	**107.81**	135.58	69.85

* Direct transaction costs are stated after deducting the amounts collected in relation to estimated dealing costs added to the issue of shares and subtracted from the cancellation of shares.

The operating charges are calculated on an ex-post basis. High and low price disclosures are based on quoted unit prices. Therefore opening and closing NAV prices may fall outside the high/low price threshold.

Ongoing charges

Class	28 February 2023
I accumulation GBP	0.87%
I accumulation GBP (NAV Hedged)	0.87%

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

Class I accumulation performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis US Smaller Companies Fund**	217.6	70.0	33.6	(5.1)	(1.7)
Artemis US Smaller Companies Fund***	215.7	70.5	32.5	(6.6)	(1.2)
Russell 2000 TR	153.0	52.4	40.7	4.2	(0.4)
North American Smaller Companies Average	182.4	72.4	47.2	3.7	0.2
Position in sector	1/6	3/7	6/8	7/8	6/8
Quartile	1	2	3	4	3

Past performance is not a guide to the future.
* Source: Lipper Limited, class I accumulation GBP from 27 October 2014 to 28 February 2023. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.
** Value at 12 noon valuation point
*** Value at close of business
Class I accumulation is disclosed as it is the primary share class.

General information

Investment in the company

Investments in Artemis Investment Funds ICVC are intended to be medium to long term investments and should not be considered a short term investment.

Investors are reminded that past performance is not a guarantee of performance in the future and that the price of shares and the income from them can fall as well as rise. Please refer to the Key Investor Information Document and Prospectus (which are available from the ACD on request) for a full description of the risks involved when investing in the sub-funds.

Shares may be bought and sold by contacting the ACD by telephone, at the address on this page or via the website artemisfunds.com in the UK. Valuation of the sub-funds takes place each Dealing Day at 12 noon on a forward pricing basis. The current list of non-Dealing Days impacting the sub-funds is published on our website at www.artemisfunds.com/nondealing-days. Investors are reminded that past performance is not a guarantee of performance in the future and that the price of shares and the revenue from them can fall as well as rise.

The information contained within this document should not be construed as a recommendation to purchase or sell stocks.

Publication of prices

The most recent prices are published on the ACD's website artemisfunds.com, which is the primary method of price publication.

For further details and where to find such prices please contact the ACD. Shares are not quoted on any recognised investment exchange.

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