

## Artemis Global Select *Fund*

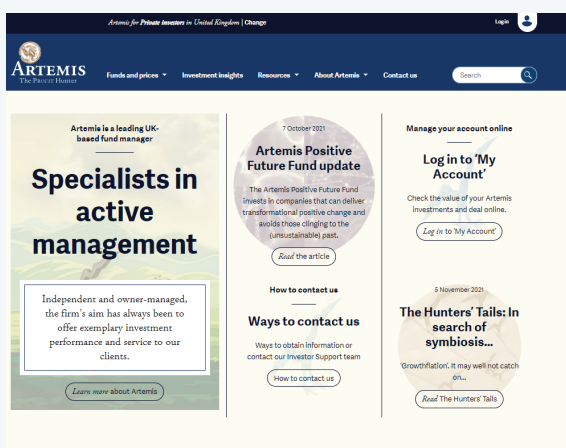
Manager's Report  
and Financial Statements

for the year ended 30 April 2023

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[artemisfunds.com](https://www.artemisfunds.com)

## GENERAL INFORMATION

### Company profile

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

### Fund status

Artemis Global Select Fund was constituted by a Trust Deed dated 9 June 2011 and is an authorised unit trust scheme under the Financial Services and Markets Act 2000. The fund belongs to the category of UCITS schemes as defined in the Collective Investment Schemes Sourcebook ('COLL') of the Financial Conduct Authority ('FCA').

### Buying and selling

Units may be bought and sold by contacting the manager by telephone, at the address on page 5 or via the website [artemisfunds.com](http://artemisfunds.com). Valuation of the fund takes place each dealing day at 12 noon on a forward pricing basis. The current list of non-dealing days impacting the fund is published on our website at [www.artemisfunds.com/non-dealing-days](http://www.artemisfunds.com/non-dealing-days). Investors are reminded that past performance is not a guarantee of performance in the future and that the price of units and the revenue from them can fall as well as rise.

## OBJECTIVE AND INVESTMENT POLICY

<b>Objective</b>	To grow capital over a five year period.	
<b>Investment policy</b>	<b>What the fund invests in</b>	<ul style="list-style-type: none"> <li>• 80% to 100% in company shares.</li> <li>• 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.</li> </ul>
	<b>Use of derivatives</b>	<p>The fund may use derivatives for efficient portfolio management purposes to:</p> <ul style="list-style-type: none"> <li>• reduce risk</li> <li>• manage the fund efficiently.</li> </ul>
	<b>Where the fund invests</b>	<ul style="list-style-type: none"> <li>• Globally</li> </ul>
	<b>Industries the fund invests in</b>	<ul style="list-style-type: none"> <li>• Any, except for those excluded at the sub-industry level below.</li> </ul>
<b>Investment strategy</b>	<b>Other limitations specific to this fund</b>	<ul style="list-style-type: none"> <li>• Shares in the following types of companies (held either directly or indirectly via derivatives) are automatically excluded: <ul style="list-style-type: none"> <li>• Tobacco: companies which derive more than 10% revenue from tobacco;</li> <li>• Gambling: companies which derive more than 10% revenue from gambling;</li> <li>• Weapons: companies: <ul style="list-style-type: none"> <li>- involved in the production of controversial weapons (including cluster munitions, landmines, biological and chemical weapons); or</li> <li>- which derive more than 10% revenue from conventional or nuclear weapons, related components and systems;</li> </ul> </li> <li>• Fossil fuels: companies which derive more than 10% revenue from: <ul style="list-style-type: none"> <li>- Mining or sale of thermal coal; or</li> <li>- Extraction, production or refining of either oil or gas.</li> </ul> </li> </ul> </li> </ul>
		<ul style="list-style-type: none"> <li>- The fund is actively managed.</li> <li>- 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.</li> <li>- The manager identifies long-term growth trends that are not seasonal or cyclical or dependent on current economic events.</li> <li>- Then, companies are sought which may benefit from these trends and exhibit characteristics such as high and persistent barriers to entry, competent management teams whose remuneration is aligned to the success of the company, exposure to external factors, and high governance standards.</li> <li>- The manager assesses the sustainability of each investment, including environmental, social and governance factors such as a company's remuneration policy, energy and social supply policy, board diversity and any unequal voting rights. However, investments are chosen on the basis of many quantitative (financial or ESG) or qualitative (e.g. quality and/or growth characteristics) attributes and need not rate highly on any or all of these sustainability factors to be included in the portfolio.</li> </ul>
<b>Benchmarks</b>	<ul style="list-style-type: none"> <li>• <b>MSCI AC World NR GBP</b> 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.</li> <li>• <b>IA Global NR</b> A group of other asset managers' funds that invest in similar asset types as this fund, collated by the Investment Association. 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.</li> </ul>	

## RISK AND REWARD PROFILE



- The 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 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 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 fund's assets may be priced in currencies other than the fund base currency. Changes in currency exchange rates can therefore affect the fund's value.
- **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.
- **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.
- **ESG risk:** The fund may select, sell or exclude investments based on ESG criteria; this may lead to the fund underperforming the broader market or other funds that do not apply ESG criteria. If sold based on ESG criteria rather than solely on financial considerations, the price obtained 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 year to 30 April 2023.

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

## OTHER INFORMATION

### Prospectus

Copies of the most recent Prospectus are available free of charge from the manager at the address on page 5.

### 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 Global Select Fund (the "fund") 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](http://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 functions 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 fund for the year ended 31 December 2022 is £887,387 of which £388,396 is fixed remuneration and £498,991 is variable remuneration.

The aggregate amount of remuneration paid to UCITS Remuneration Code and Identified Staff that is attributable to duties for the fund for the year ended 31 December 2022 is £315,886. 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 UCITS Remuneration Code, the AFML Code staff are 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.

## Tax information reporting

UK tax legislation requires fund managers to provide information to HM Revenue & Customs ('HMRC') on certain investors who purchase units in unit trusts. Accordingly, the fund may have to provide information annually to HMRC on the tax residencies of those unitholders that are tax resident outwith 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 unitholders that invest in the fund must complete a certification form as part of the application form. Existing unitholders 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](https://gov.uk/government/publications/exchange-of-information-account-holders).

## Value assessment

Artemis Fund Managers Limited (AFML) has conducted a detailed assessment on whether its funds are providing value to unitholders. 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 unitholders. Composite reports on Assessment of Value have been published via the website [artemisfunds.com](https://artemisfunds.com).

## Change of Appointed Depositary of the fund

With effect from 6 March 2023, Northern Trust Investor Services Limited has replaced J.P. Morgan Europe Limited as the Depositary of the fund.

## Manager

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

Dealing information:  
Artemis Fund Managers Limited  
Sunderland SR43 4BH  
Telephone: 0800 092 2051  
Website: [artemisfunds.com](https://artemisfunds.com)

## Investment adviser

Artemis Investment Management LLP \*  
Cassini House  
57 St James's Street  
London SW1A 1LD

## Trustee and Depositary

J.P. Morgan Europe Limited †  
(prior to 6 March 2023)  
25 Bank Street  
Canary Wharf  
London E14 5JP

Northern Trust Investor Services Limited †  
(from 6 March 2023)  
50 Bank Street  
Canary Wharf  
London E14 5NT

## Registrar

SS&C Financial Services International Limited \*  
(prior to 2 May 2023)  
SS&C House  
St Nicholas Lane  
Basildon  
Essex SS15 5FS

Northern Trust UK Global Services SE †  
(from 2 May 2023)  
50 Bank Street  
Canary Wharf  
London  
E14 5NT

## Auditor

Ernst & Young LLP  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

\*Authorised and regulated by the FCA,  
12 Endeavour Square, London E20 1JN.

†Authorised by the Prudential Regulation Authority ('PRA'),  
20 Moorgate, London EC2R 6DA and regulated by the PRA and the FCA.

## STATEMENTS OF RESPONSIBILITIES

### Statement of the Depositary's Responsibilities in respect of the Scheme and Report of the Depositary to the Unitholders of the Artemis Global Select Fund for the period ended 3 March 2023.

The Depositary in its capacity as Trustee of Artemis Global Select Fund must ensure that the fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed 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 fund and its investors.

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

The Depositary must ensure that:

- the fund's cash flows are properly monitored and that cash of the fund is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the fund's assets is remitted to the fund within the usual time limits;
- the fund's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), 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 the fund is managed in accordance with the regulations and the Scheme documents of the fund in relation to the investment and borrowing powers applicable to the fund.

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the fund's units and the application of the fund's income in accordance with the regulations and the Scheme documents of the fund; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the fund in accordance with the regulations and the Scheme documents of the fund.

J.P. Morgan Europe Limited  
London  
3 March 2023

### Statement of the Depositary's Responsibilities in respect of the Scheme and Report of the Depositary to the Unitholders of the Artemis Global Select Fund ("the Fund") for the period from 6 March 2023 to 30 April 2023.

The Depositary in its capacity as Trustee of Artemis Global Select Fund must ensure that the fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together 'the Scheme documents') as detailed below.

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- the value of units of the fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the fund's assets is remitted to the fund within the usual time limits;
- the fund's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), are carried out (unless they conflict with the Regulations).

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

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the fund's units and the application of the fund's income in accordance with the regulations and the Scheme documents of the fund; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the fund in accordance with the regulations and the Scheme documents of the fund.

Northern Trust Investor Services Limited  
London  
20 July 2023

## Statement of the manager's responsibilities

COLL requires the manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial affairs of the fund and of its revenue and expenditure for the year.

In preparing the financial statements the manager is required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014 ('SORP');
- (iii) follow applicable accounting standards;
- (iv) keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- (v) make judgements and estimates that are reasonable and prudent; and
- (vi) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the fund will continue in operation.

The manager is responsible for the management of the fund in accordance with its Trust Deed, Prospectus and COLL.

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

## Report of the manager

We hereby approve the Manager's Report and Financial Statements of the Artemis Global Select Fund for the year ended 30 April 2023 on behalf of Artemis Fund Managers Limited in accordance with the requirements of COLL as issued and amended by the FCA.

M J Murray  
Director  
Artemis Fund Managers Limited  
London  
20 July 2023

L E Cairney  
Director



## AUDITOR'S REPORT

### Independent auditor's report to the unitholders of the Artemis Global Select Fund

#### Opinion

We have audited the financial statements of the Artemis Global Select Fund ("the Fund") for the year ended 30 April 2023, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. 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 Fund as at 30 April 2023 and of the net revenue and the net capital losses on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

#### 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 Fund 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.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Manager'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 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.

Our responsibilities and the responsibilities of the Manager 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 Fund's 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's report thereon. The Manager 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 Trust Deed; 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 Manager'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 rules 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 Manager

As explained more fully in the Manager's responsibilities statement set out on page 7, the Manager 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 Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Fund or to cease operations, or has no realistic alternative but to do so.

### **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 Fund 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 Fund's Trust Deed and the Prospectus.
- We understood how the Fund is complying with those frameworks through discussions with the Manager and the Fund's administrator and a review of the Fund's documented policies and procedures.
- We assessed the susceptibility of the Fund'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 incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact on amounts available for distribution. We tested the appropriateness of management's classification of a sample of special dividends as either a revenue or capital 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 Manager 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 Fund.
- Due to the regulated nature of the Fund, 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 Fund's unitholders, 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 Fund's unitholders 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 Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP  
Statutory Auditor  
Edinburgh  
20 July 2023

## INVESTMENT REVIEW

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### Main changes to the fund

- We have added to US technology holdings, finding better value for money after last year's price falls. We bought Amazon, Salesforce and Adobe.
- We initiated a position in Ansys in the fourth quarter of 2022, as the valuation had come back to an attractive level. Ansys provides leading software for fluid dynamics simulation, budget for which is often tied to a client's recurring R&D spend rather than capital expenditure.
- We have sold Nestle and Colgate as these have shown their ability to cope with inflation but offer low growth prospects in the longer term.

if the next few months were more challenging for investors and so we continue to concentrate our stock selection on the companies we have seen coping well over the last few years. Our holdings have grown cash flows through a pandemic as well as sharp rises in inflation and interest rates. We expect they will continue to grow even if economies slow and other challenges, both predictable and less predictable, arise.

### Explaining the fund's performance

- The fund returned (5.4)% over the period, behind the MSCI A/C World index's return of 1.9%<sup>1</sup>.
- Holdings in warehouse and logistics companies SEGRO and Prologis were among the biggest detractors from performance.
- Not holding some of large US technology stocks such as Apple, Nvidia and Meta also held back performance as these stocks outperformed.
- Sustainable Consumer was the best performing theme, led by Louis Vuitton and Richemont as China reopened.
- Japanese banks contributed to performance strongly towards the end of 2022. They have fallen back slightly in the first quarter of 2023 on general banking system concerns after the failure of SVB in the US.

### The wider context

Inflation started falling in late 2022 as fuel prices declined. This gave a bullish tone to equity markets at the start of 2023 despite interest rate rises and suggestions there may be a recession later this year. Higher interest rates led to tech investors withdrawing deposits from Silicon Valley Bank (SVB), so that bank failed. More significantly, Credit Suisse failed, requiring the authorities to orchestrate a merger with UBS. Banks and their regulators taking fright from these failures will tighten lending – which helps to keep inflation down. However, wage inflation seems stubbornly high and likely to remain a challenge for investors this year.

### Looking ahead

There are positive signs: jobs are plentiful, wages are rising, the Ukraine war seems not to be escalating, fuel prices are down. However, central banks continue to struggle with inflation and many companies find it hard to cope with higher rates after years of cheap money. We would not be surprised

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Past performance is not a guide to the future.

<sup>1</sup> 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.

## INVESTMENT INFORMATION

### Ten largest purchases and sales for the year ended 30 April 2023

Purchases	Cost £'000	Sales	Proceeds £'000
Salesforce	22,907	Nestle	16,287
Nestle	16,819	Alphabet 'C'	15,759
Alphabet 'C'	15,205	Salesforce	15,454
Adobe	11,492	Nippon Telegraph & Telephone	13,776
Mitsubishi UFJ Financial Group	11,076	Hoya	13,550
Merck	10,588	Elevance Health	12,217
Hexagon 'B'	10,180	Adobe	11,504
Diageo	9,834	Microsoft	11,377
AT&T	9,561	Pfizer	10,945
Hoya	9,544	Norfolk Southern	9,978

### Portfolio statement as at 30 April 2023

	Holding	Valuation £'000	% of net assets
<b>Equities 95.01% (94.82%)</b>			
<b>Australia 1.38% (0.85%)</b>			
Rio Tinto	96,103	4,851	1.38
		<b>4,851</b>	<b>1.38</b>
<b>Canada 0.00% (1.27%)</b>			
<b>Denmark 2.14% (1.75%)</b>			
Novo Nordisk 'B'	56,347	7,526	2.14
		<b>7,526</b>	<b>2.14</b>
<b>France 7.14% (3.25%)</b>			
EssilorLuxottica	49,261	7,789	2.21
LVMH Moët Hennessy Louis Vuitton	14,290	10,966	3.12
Schneider Electric	45,902	6,384	1.81
		<b>25,139</b>	<b>7.14</b>
<b>Germany 2.62% (2.44%)</b>			
Siemens	42,274	5,534	1.57
Siemens Energy	189,267	3,700	1.05
		<b>9,234</b>	<b>2.62</b>
<b>Japan 8.84% (8.00%)</b>			
Keyence	18,800	6,745	1.91
Mitsubishi UFJ Financial Group	995,600	5,006	1.42
Panasonic	497,000	3,721	1.06
SMC	17,800	7,071	2.01
Sumitomo Mitsui Financial Group	262,800	8,594	2.44
		<b>31,137</b>	<b>8.84</b>
<b>Netherlands 0.00% (0.95%)</b>			
<b>Singapore 2.44% (3.40%)</b>			
Singapore Telecommunications	5,632,000	8,584	2.44
		<b>8,584</b>	<b>2.44</b>
<b>South Africa 0.00% (1.55%)</b>			
<b>South Korea 1.24% (4.02%)</b>			
Samsung Electronics	112,044	4,386	1.24
		<b>4,386</b>	<b>1.24</b>

	Holding	Valuation £'000	% of net assets
<b>Spain 0.00% (1.84%)</b>			
<b>Sweden 2.74% (2.31%)</b>			
Epiroc 'A'	307,825	4,862	1.38
Hexagon 'B'	525,864	4,779	1.36
		<b>9,641</b>	<b>2.74</b>
<b>Switzerland 3.60% (0.00%)</b>			
Cie Financiere Richemont	56,310	7,413	2.10
Sonova Holding	20,937	5,286	1.50
		<b>12,699</b>	<b>3.60</b>
<b>Taiwan 2.18% (2.52%)</b>			
Taiwan Semiconductor Manufacturing	587,717	7,672	2.18
		<b>7,672</b>	<b>2.18</b>
<b>Thailand 0.97% (0.90%)</b>			
Thai Beverage	8,947,400	3,409	0.97
		<b>3,409</b>	<b>0.97</b>
<b>United Kingdom 4.67% (1.80%)</b>			
Diageo	186,706	6,763	1.92
Unilever	218,585	9,694	2.75
		<b>16,457</b>	<b>4.67</b>
<b>United States of America 55.05% (57.97%)</b>			
Accenture 'A'	35,156	7,862	2.23
Adobe	22,685	6,828	1.94
Agilent Technologies	47,777	5,166	1.47
Alphabet 'C'	124,860	10,775	3.06
Amazon.com	109,150	9,152	2.60
ANSYS	28,431	7,122	2.02
Avery Dennison	59,520	8,295	2.36
Estee Lauder 'A'	25,743	5,066	1.44
First Solar	19,992	2,914	0.83
Freeport-McMoRan	165,906	5,003	1.42
Halliburton	211,881	5,538	1.57
Humana	17,842	7,586	2.15
International Business Machines	50,424	5,105	1.45
Mastercard 'A'	30,828	9,348	2.65
Merck	94,696	8,767	2.49
Mettler-Toledo International	5,764	6,862	1.95
Microsoft	42,498	10,424	2.96
Omnicom Group	85,800	6,211	1.76
Procter & Gamble	46,962	5,879	1.67
Prologis, REIT	79,154	7,909	2.25
Revvity	62,349	6,491	1.84
Rockwell Automation	32,762	7,404	2.10
Salesforce	40,200	6,356	1.80
Synopsys	20,615	6,113	1.74
Thermo Fisher Scientific	19,853	8,801	2.50
Uber Technologies	126,015	3,111	0.88
Union Pacific	42,716	6,685	1.90
UnitedHealth Group	18,051	7,117	2.02
		<b>193,890</b>	<b>55.05</b>
<b>Investment assets</b>		<b>334,625</b>	<b>95.01</b>
<b>Net other assets</b>		<b>17,570</b>	<b>4.99</b>
<b>Net assets attributable to unitholders</b>		<b>352,195</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 30 April 2022.

## FINANCIAL STATEMENTS

### Statement of total return for the year ended 30 April 2023

	Note	30 April 2023		30 April 2022	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital (losses)/gains	3		(26,350)		15,187
Revenue	5	8,228		6,099	
Expenses	6	(3,397)		(3,317)	
Interest payable and similar charges	7	(20)		(3)	
Net revenue before taxation		4,811		2,779	
Taxation	8	(862)		(603)	
Net revenue after taxation			3,949		2,176
<b>Total return before distributions</b>			(22,401)		17,363
Distributions	9		(4,098)		(2,293)
<b>Change in net assets attributable to unitholders from investment activities</b>			(26,499)		15,070

### Statement of change in net assets attributable to unitholders for the year ended 30 April 2023

	30 April 2023		30 April 2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>		440,779		299,714
Amounts receivable on issue of units		29,550		92,439
Amounts payable on cancellation of units		(95,315)		(29,170)
Amounts receivable on issue of units by in specie transfer		–		60,452
		(65,765)		123,721
Dilution adjustment		377		25
Change in net assets attributable to unitholders from investment activities		(26,499)		15,070
Retained distribution on accumulation units		3,303		2,249
<b>Closing net assets attributable to unitholders</b>		352,195		440,779

### Balance Sheet as at 30 April 2023

	Note	30 April 2023	30 April 2022
		£'000	£'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments	10	334,625	417,939
<b>Current assets</b>			
Debtors	11	769	2,984
Cash and cash equivalents	12	23,952	21,910
<b>Total current assets</b>		24,721	24,894
<b>Total assets</b>		359,346	442,833
<b>Liabilities</b>			
<b>Creditors</b>			
Distribution payable		289	305
Other creditors	13	6,862	1,749
<b>Total creditors</b>		7,151	2,054
<b>Total liabilities</b>		7,151	2,054
<b>Net assets attributable to unitholders</b>		352,195	440,779

# 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 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 manager believes that the 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 close of business on the last working day of the accounting period. Listed investments are valued at fair value which is deemed to be the bid or SETS price. Unquoted investments are valued at fair value which is determined by the manager, with reference to the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Guidelines Board.

**(c) Foreign exchange rates.** Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at close of business 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. Returns on derivative instruments are recognized as either revenue or capital depending on the nature and circumstances of each particular case. Any positions on such transactions open at the year end are reflected in the balance sheet at their marked to market value.

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

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

**(g) Taxation.** Corporation tax is charged at a rate of 20% on the excess taxable revenue of the fund. In general, the tax accounting treatment follows that of the principal amount. Deferred tax is provided for all timing differences that have originated but not reversed at the balance sheet date other than those recorded as permanent differences. Deferred tax is provided for at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

**(h) Dilution adjustment.** The 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 fund. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/ continuing unit holders' interest in the fund. In order to counter this and to protect unitholders' interests, the manager will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the 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 the application of a dilution adjustment will be applied systematically and on a consistent basis.

## 2. Distribution policy

The fund shall distribute all available revenue, after deduction of expenses properly chargeable against revenue and taxation. Gains and losses on investments, derivatives and forward currency contracts, whether realised or unrealised, if taken to capital are not available for distribution. The fund is not more than 60% invested in qualifying investments (as defined in Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19) and where applicable will pay a dividend distribution. With the exception of the manager's annual management charge, which is directly attributable to each unit class, all income and expenses are apportioned to each unit class pro-rata to the value of the net assets of the relevant unit class on the day that the income or expense is recognised. For distribution units, the annual management charge is made to capital.

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

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

### 3. Net capital (losses)/gains

	30 April 2023 £'000	30 April 2022 £'000
Currency gains	506	1,193
Forward currency contracts	51	(21)
Non-derivative securities	(26,907)	14,015
<b>Net capital (losses)/gains</b>	<b>(26,350)</b>	<b>15,187</b>

### 4. Direct transaction costs

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

Year ended 30 April 2023						
	Principal £'000	Commissions £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
<b>Purchases</b>						
Equities	463,319	90	247	463,656	0.02	0.05
<b>Sales</b>						
Equities	520,659	93	109	520,457	0.02	0.02
<b>Total</b>		<b>183</b>	<b>356</b>			
<b>Percentage of fund average net assets</b>		<b>0.05%</b>	<b>0.09%</b>			

Year ended 30 April 2022						
	Principal £'000	Commissions £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
<b>Purchases</b>						
Equities	572,183	114	290	572,587	0.02	0.05
<b>Sales</b>						
Equities	447,809	94	47	447,668	0.02	0.01
<b>Total</b>		<b>208</b>	<b>337</b>			
<b>Percentage of fund average net assets</b>		<b>0.05%</b>	<b>0.09%</b>			

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

### Dealing spread

As at the balance sheet date the estimated portfolio dealing spread was 0.06% (2022: 0.09%). 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

	30 April 2023 £'000	30 April 2022 £'000
Overseas dividends	7,264	5,083
Bank interest	475	3
UK dividends	430	769
Revenue from UK REITs	59	–
Revenue from overseas REITs	–	150
UK stock dividends	–	94
<b>Total revenue</b>	<b>8,228</b>	<b>6,099</b>



## 6. Expenses

	30 April 2023 £'000	30 April 2022 £'000
<b>Payable to the manager, associates of the manager and agents of either of them:</b>		
Annual management charge	2,850	2,783
Administration fees	547	534
<b>Total expenses</b>	<b>3,397</b>	<b>3,317</b>

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

The audit fee (excluding VAT) accrued during the period was £9,000 (2022: £8,000). This fee is paid by the manager via the administration fee.

## 7. Interest payable and similar charges

	30 April 2023 £'000	30 April 2022 £'000
Interest payable	20	3
<b>Total interest payable and similar charges</b>	<b>20</b>	<b>3</b>

## 8. Taxation

	30 April 2023 £'000	30 April 2022 £'000
<b>a) Analysis of the tax charge for the year</b>		
Irrecoverable overseas tax	862	603
<b>Total taxation (note 8b)</b>	<b>862</b>	<b>603</b>
<b>b) Factors affecting the tax charge for the year</b>		
Net revenue before taxation	4,811	2,779
Corporation tax of 20% (2022: 20%)	962	556
<b>Effects of:</b>		
Irrecoverable overseas tax	862	603
Unutilised management expenses	490	573
Overseas withholding tax expensed	(2)	(9)
Non-taxable UK dividends	(98)	(154)
Non-taxable stock dividends	–	(18)
Non-taxable overseas dividends	(1,352)	(948)
<b>Tax charge for the year (note 8a)</b>	<b>862</b>	<b>603</b>

### c) Provision for deferred tax

No provision for deferred tax has been made in the current or prior accounting year.

### d) Factors that may affect future tax charges

The fund has not recognised a deferred tax asset of £2,414,000 (2022: £1,924,000) arising as a result of having unutilised management expenses of £12,069,000 (2022: £9,620,000). It is unlikely that the fund will obtain relief for these in the future so no deferred tax asset has been recognised.

## 9. Distributions

	30 April 2023 £'000	30 April 2022 £'000
Final dividend distribution	3,592	2,554
Add: amounts deducted on cancellation of units	645	48
Deduct: amounts added on issue of units	(139)	(309)
<b>Distributions</b>	<b>4,098</b>	<b>2,293</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	3,949	2,176
Annual management charge paid from capital	149	110
Deficit transferred to capital	–	6
Revenue received on conversion of units	–	1
	<b>4,098</b>	<b>2,293</b>

The distributions take account of amounts added on the issue of units and amounts deducted on the cancellation of units. Details of the distributions per unit are set out in the distribution tables on page 21.

## 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).

	30 April 2023 Assets £'000	30 April 2022 Assets £'000
Level 1	334,625	417,939
<b>Total</b>	<b>334,625</b>	<b>417,939</b>

## 11. Debtors

	30 April 2023 £'000	30 April 2022 £'000
Accrued revenue	605	710
Overseas withholding tax recoverable	164	119
Amounts receivable for issue of units	–	1,203
Sales awaiting settlement	–	952
<b>Total debtors</b>	<b>769</b>	<b>2,984</b>

## 12. Cash and cash equivalents

	30 April 2023 £'000	30 April 2022 £'000
Amounts held in liquidity funds	15,886	17,013
Cash and bank balances	8,066	4,897
<b>Total cash and cash equivalents</b>	<b>23,952</b>	<b>21,910</b>

### 13. Other creditors

	30 April 2023 £ '000	30 April 2022 £ '000
Amounts payable for cancellation of units	6,609	17
Accrued annual management charge	211	243
Accrued administration fee payable to the manager	42	49
Purchases awaiting settlement	–	1,440
<b>Total other creditors</b>	<b>6,862</b>	<b>1,749</b>

### 14. Contingent liabilities and commitments

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

### 15. Reconciliation of unit movements

	Units in Issue at 30 April 2022	Units issued	Units cancelled	Units converted	Units in Issue at 30 April 2023
C accumulation	3,522,694	306,674	(232,318)	–	<b>3,597,050</b>
I distribution	4,997,386	3,918,413	(6,145,762)	–	<b>2,770,037</b>
I accumulation	203,029,139	12,532,223	(35,367,917)	2,855	<b>180,196,300</b>
J distribution	13,929,008	1,344,596	(3,820,343)	–	<b>11,453,261</b>
J accumulation	58,413,042	–	(26,328,046)	–	<b>32,084,996</b>
R accumulation	2,670,143	1,333,678	(450,749)	(3,116)	<b>3,549,956</b>

### 16. Risk disclosures

In pursuing its investment objective, the 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 funds' operations. The fund only executes derivative contracts where both the derivative instrument and the counter party have been approved by the manager.

The manager has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the fund's positions and their contribution to the overall risk profile of the 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 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, other market price risk and leverage 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 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 fund's investment portfolio. The 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, the Trust Deed and the Prospectus to seek to reduce the risks arising from factors specific to a particular company or sector. The manager'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 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 fund's financial assets are non-interest bearing, the 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 presented.

## (ii) Currency risk

A portion of the net assets of the fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the manager may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the fund's exposure to currency risk is reduced. The gain on forward currency contracts for the year was £51,000 (2022: £21,000 loss).

Revenue received in foreign currencies is converted into sterling on or near the date of receipt. No hedging is undertaken with regard to managing the currency movement risk on accrued revenue.

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

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £ '000	Total £'000
<b>30 April 2023</b>				
US Dollar	193,890	172	–	194,062
Sterling	21,307	16,783	–	38,090
Euro	34,373	68	–	34,441
Japanese Yen	31,137	353	–	31,490
Swiss Franc	12,700	–	–	12,700
Singapore Dollar	11,993	–	–	11,993
Swedish Krona	9,641	26	–	9,667
Taiwan Dollar	7,672	61	–	7,733
Danish Kroner	7,526	18	–	7,544
South Korean Won	4,386	89	–	4,475
<b>30 April 2022</b>				
US Dollar	255,502	16,441	–	271,943
Euro	37,403	87	–	37,490
Japanese Yen	35,280	283	–	35,563
Sterling	18,506	5,674	–	24,180
Singapore Dollar	18,911	–	–	18,911
Swedish Krona	17,739	104	–	17,843
Taiwan Dollar	11,088	58	–	11,146
South Korean Won	10,179	156	–	10,335
Danish Kroner	7,727	16	–	7,743
Canadian Dollar	5,604	21	–	5,625

A five percent increase in the value of the fund's foreign currency exposure would have the effect of increasing the return and net assets by £15,705,000 (2022: £20,830,000). 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 manager monitors and reviews these factors. A five percent increase in the value of the fund's portfolio would have the effect of increasing the return and net assets by £16,731,000 (2022: £20,897,000). A five percent decrease would have an equal and opposite effect.

## (iv) Leverage risk

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

The fund can use cash borrowing and financial derivatives (subject to restrictions as set out in its Prospectus and COLL) as sources of leverage.

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

As at 30 April 2023 and 30 April 2022 the leverage ratios of the fund were:

	2023 %	2022 %
Sum of the notionals	100.0	101.4
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 fund, resulting in a financial loss. From time to time, the fund may be subject to short-term credit risk with counterparties pending settlement of investment transactions. The manager has a pre-approved list of counterparties it uses for investment transactions, which is reviewed on a regular basis. The largest counterparty risk is with Northern Trust Investor Services Limited, the fund's custodian and banker, who holds the fund's investments and maintains the bank accounts. Bankruptcy or insolvency of Northern Trust Investor Services Limited may cause the fund's rights with respect to securities and cash held by the custodian to be delayed or limited. The fund is also exposed to counterparty risk through holding specific financial instruments.

Aside from the custodian and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 30 April 2023 or 30 April 2022.

## (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 30 April 2023 or 30 April 2022.

## 18. Related party transactions

The manager is deemed to be a related party. All transactions and balances associated with the manager are disclosed within the statement of total return, statement of change in net assets attributable to unitholders and the balance sheet on page 13 and notes 6, 9, 11 and 13 on pages 16 to 18 including all issues and cancellations where the manager acted as principal. The balance due to the manager as at 30 April 2023 in respect of these transactions was £6,862,000 (2022: £894,000 due from manager).

## 19. Unit classes

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

C accumulation	1.20%
I distribution	0.75%
I accumulation	0.75%
J distribution	0.50%
J accumulation	0.50%
R accumulation	1.50%

The net asset value per unit and the number of units in each class are given in the comparative tables on page 22.

The distributions per unit class are given in the distribution tables on page 21. All classes have the same rights on winding up.

## 20. Post balance sheet event

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

## DISTRIBUTION TABLES

This fund pays annual dividend distributions. The following table sets out the distribution period.

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

Group 2 units 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 units purchased during the period. It is the average amount of revenue included in the purchase price of all group 2 units and is refunded to holders of these units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

Distribution period	Start	End	Ex-dividend date	Pay date
Final	1 May 2022	30 April 2023	1 May 2023	30 June 2023

### C accumulation

Dividend distributions for the year ended 30 April 2023	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2022 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	0.0024	0.7966	0.7990	100.00%	0.00%	0.1328

### I distribution

Dividend distributions for the year ended 30 April 2023	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2022 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	0.2527	2.1164	2.3691	100.00%	0.00%	1.8605

### I accumulation

Dividend distributions for the year ended 30 April 2023	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2022 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	0.1432	1.4556	1.5988	100.00%	0.00%	0.8990

### J distribution

Dividend distributions for the year ended 30 April 2023	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2022 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	0.2096	1.7390	1.9486	100.00%	0.00%	1.5204

### J accumulation

Dividend distributions for the year ended 30 April 2023	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2022 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	1.1882	–	1.1882	100.00%	0.00%	0.7174

### R accumulation

Dividend distributions for the year ended 30 April 2023	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2022 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	0.0280	0.3161	0.3441	100.00%	0.00%	–

## COMPARATIVE TABLES

	C accumulation			I distribution		
	2023	2022	2021	2023	2022	2021
<b>Change in net assets per unit (p)</b>						
<b>Opening net asset value per unit</b>	<b>159.08</b>	<b>149.55</b>	<b>120.37</b>	<b>144.31</b>	<b>136.80</b>	<b>110.76</b>
Return before operating charges*	(6.34)	11.67	31.04	(5.78)	10.67	28.55
Operating charges	(2.02)	(2.14)	(1.86)	(1.22)	(1.30)	(1.13)
<b>Return after operating charges</b>	<b>(8.36)</b>	<b>9.53</b>	<b>29.18</b>	<b>(7.00)</b>	<b>9.37</b>	<b>27.42</b>
Distributions	(0.80)	(0.13)	–	(2.37)	(1.86)	(1.38)
Retained distributions on accumulation units	0.80	0.13	–	–	–	–
<b>Closing net asset value per units</b>	<b>150.72</b>	<b>159.08</b>	<b>149.55</b>	<b>134.94</b>	<b>144.31</b>	<b>136.80</b>
*after direct transaction costs of	(0.06)	(0.22)	(0.22)	(0.06)	(0.20)	(0.20)
<b>Performance</b>						
Return after charges	(5.26)%	6.37%	24.24%	(4.85)%	6.85%	24.76%
<b>Other information</b>						
Closing net asset value (£'000)	5,421	5,604	4,659	3,738	7,212	4,281
Closing number of units	3,597,050	3,522,694	3,115,643	2,770,037	4,997,386	3,129,259
Operating charges	1.34%	1.34%	1.34%	0.89%	0.89%	0.89%
Direct transaction costs	0.04%	0.14%	0.16%	0.04%	0.14%	0.16%
<b>Prices</b>						
Highest unit price (p)	158.37	171.80	151.68	144.13	157.60	140.12
Lowest unit price (p)	142.33	145.07	117.01	129.27	132.72	107.64

	I accumulation			J distribution **		
	2023	2022	2021	2023	2022	2021
<b>Change in net assets per unit (p)</b>						
<b>Opening net asset value per unit</b>	<b>171.44</b>	<b>160.45</b>	<b>128.57</b>	<b>118.07</b>	<b>111.64</b>	<b>100.00</b>
Return before operating charges*	(6.82)	12.52	33.19	(4.73)	8.72	12.99
Operating charges	(1.45)	(1.53)	(1.31)	(0.72)	(0.77)	0.69
<b>Return after operating charges</b>	<b>(8.27)</b>	<b>10.99</b>	<b>31.88</b>	<b>(5.45)</b>	<b>7.95</b>	<b>12.30</b>
Distributions	(1.60)	(0.90)	(0.50)	(1.95)	(1.52)	(0.66)
Retained distributions on accumulation units	1.60	0.90	0.50	–	–	–
<b>Closing net asset value per units</b>	<b>163.17</b>	<b>171.44</b>	<b>160.45</b>	<b>110.67</b>	<b>118.07</b>	<b>111.64</b>
*after direct transaction costs of	(0.07)	(0.24)	(0.24)	(0.05)	(0.17)	(0.17)
<b>Performance</b>						
Return after charges	(4.82)%	6.85%	24.80%	(4.62)%	7.12%	12.30%
<b>Other information</b>						
Closing net asset value (£'000)	294,026	348,079	273,604	12,676	16,446	13,100
Closing number of units	180,196,300	203,029,139	170,526,578	11,453,261	13,929,008	11,733,951
Operating charges	0.89%	0.89%	0.89%	0.64%	0.64%	0.64%
Direct transaction costs	0.04%	0.14%	0.16%	0.04%	0.14%	0.16%
<b>Prices</b>						
Highest unit price (p)	171.27	184.84	162.70	118.14	128.82	113.88
Lowest unit price (p)	153.62	155.67	124.99	105.80	108.33	98.07

\*\* Launched on 18 September 2020.

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.



## COMPARATIVE TABLES

	J accumulation ***		R accumulation		
	2023	2022	2023	2022	2021
<b>Change in net assets per unit (p)</b>					
<b>Opening net asset value per unit</b>	<b>101.38</b>	<b>100.00</b>	<b>158.03</b>	<b>149.01</b>	<b>120.30</b>
Return before operating charges*	(4.03)	2.04	(6.29)	11.62	30.95
Operating charges	(0.62)	(0.66)	(2.46)	(2.60)	(2.24)
<b>Return after operating charges</b>	<b>(4.65)</b>	<b>1.38</b>	<b>(8.75)</b>	<b>9.02</b>	<b>28.71</b>
Distributions	(1.19)	(0.72)	(0.34)	–	–
Retained distributions on accumulation units	1.19	0.72	0.34	–	–
<b>Closing net asset value per units</b>	<b>96.73</b>	<b>101.38</b>	<b>149.28</b>	<b>158.03</b>	<b>149.01</b>
*after direct transaction costs of	(0.04)	(0.14)	(0.06)	(0.22)	(0.22)
<b>Performance</b>					
Return after charges	(4.59)%	1.38%	(5.54)%	6.05%	23.87%
<b>Other information</b>					
Closing net asset value (£'000)	31,035	59,219	5,299	4,219	4,070
Closing number of units	32,084,996	58,413,042	3,549,956	2,670,143	2,731,380
Operating charges	0.64%	0.64%	1.64%	1.64%	1.64%
Direct transaction costs	0.04%	0.14%	0.04%	0.14%	0.16%
<b>Prices</b>					
Highest unit price (p)	101.47	109.20	156.97	170.86	151.15
Lowest unit price (p)	90.87	95.78	141.20	144.53	116.94

\*\*\* Launched on 21 July 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	30 April 2023
C accumulation	1.34%
I distribution	0.89%
I accumulation	0.89%
J distribution	0.64%
J accumulation	0.64%
R accumulation	1.64%

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

## Class I accumulation performance

	Since launch*	10 years	5 years	3 years	1 year	6 months
Artemis Global Select Fund **	244.3	169.0	48.6	26.4	(5.4)	1.9
Artemis Global Select Fund ***	245.1	169.1	49.8	28.3	(3.3)	2.1
MSCI AC World NR GBP	222.9	165.1	53.9	41.2	1.9	3.2
IA Global NR	188.7	145.7	46.2	34.9	0.3	4.1
Position in sector	27/112	45/140	91/199	168/228	235/266	205/269
Quartile	1	2	2	3	4	4

Past performance is not a guide to the future.

\* Source: Artemis/Lipper Limited, data from 16 June 2011 to 30 April 2023, reflects class I accumulation units, in sterling. 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.

\*\* Value at 12 noon valuation point.

\*\*\* Value at close of business.

Class I accumulation is disclosed as it is the primary unit class.

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