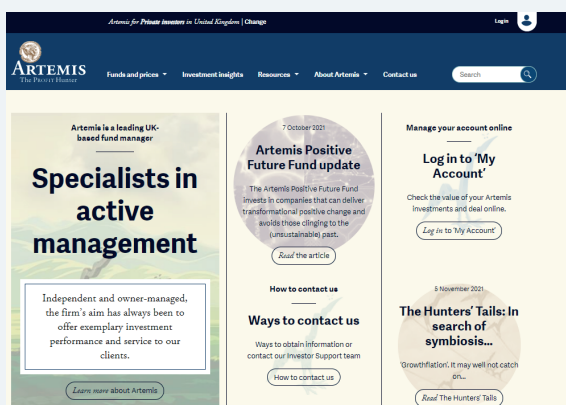


Artemis Strategic Bond *Fund*

Half-Yearly Report (unaudited)
for the six months ended 30 September 2022

Keep up to date ...

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

[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 £24.2 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 October 2022.

Fund status

Artemis Strategic Bond Fund was constituted by a Trust Deed dated 26 May 2005 and is an authorised unit trust scheme under the Financial Services and Markets Act 2000. The fund belongs to the category of UCITS schemes as defined in the Collective Investment Schemes Sourcebook ('COLL') of the Financial Conduct Authority ('FCA').

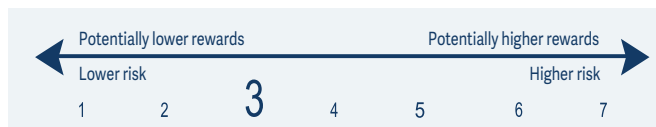
Buying and selling

Units may be bought and sold by contacting the manager by telephone, at the address on page 5 or via the website artemisfunds.com. 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. 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

| | | |
|----------------------------|---|--|
| Objective | To provide a combination of income and capital growth over a five year period. | |
| Investment policy | What the fund invests in | <ul style="list-style-type: none"> 80% to 100% in debt and debt-related securities (of any credit quality). The fund may also invest in cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, company shares, and derivatives. |
| | Use of derivatives | <p>The fund may use derivatives such as futures, forwards, swaps and options:</p> <ul style="list-style-type: none"> for investment purposes to achieve the fund objective, including taking long and short positions in debt and debt related securities, 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 fund invests | <ul style="list-style-type: none"> Globally |
| | Industries the fund invests in Other limitations specific to this fund | <ul style="list-style-type: none"> Any At least 80% of the fund will be invested in assets denominated in sterling or will be hedged back to sterling. |
| Investment strategy | <ul style="list-style-type: none"> The fund is actively managed. Returns are driven in four ways: <ul style="list-style-type: none"> investing globally in government, Investment Grade and High Yield debt and debt-related securities adjusting the portfolio duration allocation between different credit ratings and different economic sectors security selection including different levels of seniority When investing in corporate debt and debt-related securities, the manager seeks to invest in profitable and resilient companies with a robust business model offering an attractive risk-reward profile. | |
| Benchmark | <ul style="list-style-type: none"> IA £ Strategic Bond NR <p>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.</p> | |

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 have risen and fallen in the past). 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.
- **Bond liquidity risk:** The fund holds bonds which could prove difficult to sell. As a result, the 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 fund.
- **Higher-yielding bonds risk:** The 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 fund.
- **Derivatives risk:** The 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 fund value will reduce.
- **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.
- **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 fund due to events beyond the fund's control. The fund's value could fall because of loss of monies owed by the counterparty and/or the cost of replacement financial contracts.

There was no change to the risk indicator in the six months to 30 September 2022.

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.

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.

Value assessment

Artemis Fund Managers Limited (AFML) has conducted a detailed assessment on whether its funds are providing value to unitholders in response to newly introduced regulations. 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://www.artemisfunds.com).

Manager

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

Dealing information:
Artemis Fund Managers Limited
PO Box 9688
Chelmsford CM99 2AE
Telephone: 0800 092 2051
Website: 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 †
25 Bank Street
Canary Wharf
London E14 5JP

Registrar

SS&C Financial Services International Limited *
SS&C House
St Nicholas Lane
Basildon
Essex SS15 5FS

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.

Report of the manager

We hereby approve the Half-Yearly Report of the Artemis Strategic Bond Fund for the six months ended 30 September 2022 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
25 November 2022

L E Cairney
Director

INVESTMENT REVIEW

- It was a challenging six months for every corner of the bond market.
- The fund continued to perform well relative to its investable universe.
- Some areas of the bond market now offer compelling yields.

It was a challenging six-month period for bond markets

In recent months, central banks worldwide have raised interest rates and halted (or began to reverse) quantitative easing ('QE'), the mechanism through which they supplied vast amounts of liquidity to financial markets over the past decade. Moreover, inflationary pressures have been so intense that they have committed to raising rates far more aggressively than the market once expected. The result has been clear: government bond yields moved higher, pushing their prices sharply lower. At the same time, credit spreads – the additional premium that corporate borrowers must pay to borrow over and above 'risk free' rate on governments bonds – moved meaningfully wider.

Chart: a difficult six months for bond markets



Source: Artemis; Refinitiv Datastream

It was also a volatile period. Prices of both government and corporate bonds rallied through the early summer only to give all of those gains back – and more – through late August and into September. In a generally negative period, the clear underperformers were sterling-denominated bonds of every description.

Fund returns were broadly in line with the peer group

Against this challenging backdrop, the fund fell by 11.5%¹. At first glance, this may seem a disappointing result but the decline was broadly in line with the 11.7% decline in the peer group (IA £ Strategic Bond) which in turn reflected steep declines in every corner of the bond market.

As central banks step back, bond markets are becoming more discriminating

As we anticipated, the withdrawal of liquidity once supplied by central banks (under quantitative easing) is already having an effect. Rather than moving in lockstep, there is now a greater degree of dispersion in returns between superficially similar bonds; freed from the influence of blanket buying by central banks, the market is becoming increasingly discriminating. We believe that dynamic will provide active managers (such as Artemis) an opportunity to shine.

We remain selective in credit markets with a clear 'quality' bias

Higher-quality corporate bonds are where we see the most attractive trade-off between risk and reward. In a slowing growth environment, we are avoiding dipping down into lower-quality credit.

Having been our largest allocation at the start of the year, our allocation to high-yield bonds² has now been surpassed by our exposure to investment-grade³ credit. Where we do have exposure to high yield it is predominantly to 'BB'-rated bond⁴. In this part of the credit spectrum, corporate fundamentals (as measured by balance sheets, interest coverage, margins and liquidity levels) generally remain strong. The risk of default is low and income levels are attractive. We have only a small number of 'B'-rated holdings; we have no 'CCC'-rated bonds.

We have (modestly) increased our duration...

At current valuations, government-bond yields are far more compelling than they were at the start of the year. Over recent months, we have increased the portfolio's duration⁵ towards five years, a level we regard as being broadly neutral. Within that, however, we took a tactical decision at the start of August to shorten the fund's duration again after a meaningful rally for government bonds pushed their

Past performance is not a guide to the future.

¹Source: Artemis/ Lipper Limited, reflects class QI accumulation units, in sterling, with interest reinvested to 30 September 2022. 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 sector benchmark. Sector is IA £ Strategic Bond NR.

²'High-yield' bonds are issued by companies which ratings agencies deem to be at higher risk of defaulting on debt repayments than 'investment-grade' borrowers and which offer higher yields in compensation for this risk.

³'Investment-grade' bonds are issued by companies and governments that ratings agencies regard as being highly unlikely to default on their debt repayments. They offer a lower premium to borrow compared to their high-yield counterparts.

⁴'BB' rated bonds are the highest rated bonds in the high-yield universe. They are regarded as being less likely to default than 'B' or 'CCC'-rated debt.

⁵Duration expresses a bond's sensitivity to interest-rate movements. The higher the duration of a bond fund, the longer investors must wait for the payment of coupons and return of principal – and the more its price will drop as interest rates rise.

valuations back up to quite extreme levels (a seasonal pattern we often see in the summer months).

We continue to take advantage of the attractive premiums on offer in the new issue market

Our activity in the primary market⁶ has focused on the investment-grade area, where we have added exposure to bonds issued by large, quality businesses such as Nestlé, PepsiCo and McDonald's. In the financials sector, meanwhile, we bought bonds issued by major US banks such as Bank of America and Goldman Sachs.

Inflation-linked bonds now appear attractive on an absolute and relative basis...

Until recent months, we have been wary of inflation-linked bonds, believing their valuations were deeply unattractive and that they would prove vulnerable to the end of a long era of QE. That call proved to be correct: in the UK, inflation-linked bonds have performed even more poorly than their conventional (i.e. non-inflation linked) counterparts over the year to date. After that sharp correction, however the 'real' yields now on offer in a number of markets (between 1.6%-2.5%) are compelling and we have been active in buying inflation-linked issues in New Zealand, US, Canada and the UK.

After a poor run, sterling-denominated assets have begun to look attractive

In our view, the market's expectations for how rapidly the Bank of England will raise interest rates now appear to be too aggressive. That the Bank will tighten by less than the market currently expects makes sterling assets attractive on an absolute and relative basis. We therefore added to them – selectively – as their valuations cheapened. At the same time, some longer-dated sterling bonds remain relatively unattractive. With the UK government's financing requirements increasing meaningfully just as central banks are stepping back from (or reversing) QE, longer-dated sterling bonds are vulnerable to an increase in net supply.

We now find ourselves in a dramatically improved yield environment

Parts of the fixed-income market now offer a compelling proposition on an absolute basis and relative to other asset classes. We have waited a long time for fixed income as an asset class to begin offering a competitive level of income. Today, we are able to lock in attractive yields without taking aggressive risks, either in terms of credit risk (we don't need to buy the lowest-rated high-yield bonds to receive an attractive yield) or interest-rate risk (we don't have to buy the longest-dated bonds in order to generate returns).

As we look forward, we are increasingly confident that fixed-income markets are set up to produce compelling returns that should outstrip inflation over the years to come.

Juan Valenzuela and Rebecca Young
Fund managers

⁶ 'Primary markets' are where companies first issue bonds to raise capital; those bonds then go on to be traded in the 'secondary markets'.

INVESTMENT INFORMATION

Ten largest purchases and sales for the six months ended 30 September 2022

| Purchases | Cost £'000 | Sales | Proceeds £'000 |
|---|---------------|--|-------------------|
| UK Treasury 0.38% 22/10/2026 | 200,631 | UK Treasury 1.26% 31/01/2023 | 203,103 |
| UK Treasury 1.26% 31/01/2023 | 148,781 | UK Treasury 0.38% 22/10/2026 | 197,692 |
| US Treasury 2.38% 15/02/2042 | 64,266 | UK Treasury 0.13% 31/01/2024 | 38,799 |
| US Treasury 2.88% 30/04/2029 | 35,944 | US Treasury 2.38% 15/02/2042 | 34,880 |
| UK Treasury, FRN 0.13% 22/03/2051 | 27,478 | UK Treasury, FRN 0.13% 22/03/2051 | 25,310 |
| UK Treasury 0.13% 31/01/2024 | 24,169 | UK Treasury 1.26% 22/03/2024 | 14,480 |
| New Zealand Government Bond, FRN 2.50% 20/09/2035 | 18,928 | Australia Government Bond 1.00% 21/11/2031 | 13,925 |
| Australia Government Bond 1.00% 21/11/2031 | 18,582 | Kreditanstalt fuer Wiederaufbau 1.38% 09/12/2024 | 13,840 |
| UK Treasury 1.26% 22/03/2024 | 14,428 | Bank of Ireland Group, FRN 4.12% 19/09/2027 | 13,183 |
| US Treasury Inflation Indexed, FRN 0.13% 15/02/2052 | 10,384 | Whitbread Group 3.00% 31/05/2031 | 13,127 |

Portfolio statement as at 30 September 2022

| | Holding/ nominal value | Valuation £'000 | % of net assets |
|---|---------------------------|--------------------|--------------------|
| Equities 0.00% (0.00%) | | | |
| Cayman Islands 0.00% (0.00%) | | | |
| NVP ^ | 1,301 | – | – |
| | | – | – |
| Norway 0.00% (0.00%) | | | |
| Oceanteam | 16,242 | 3 | – |
| | | 3 | – |
| Equities total | | 3 | – |
| Government Bonds 23.11% (20.01%) | | | |
| Australia 0.41% (0.00%) | | | |
| Australia Government Bond 1.00% 21/11/2031 | AUD 10,000,000 | 4,559 | 0.41 |
| | | 4,559 | 0.41 |
| Austria 0.00% (0.19%) | | | |
| Canada 1.89% (1.53%) | | | |
| Canada Government Real Return Bond 3.00% 01/12/2036 | CAD 5,000,000 | 5,866 | 0.52 |
| Canada Government Real Return Bond 2.00% 01/12/2041 | CAD 3,000,000 | 2,949 | 0.26 |
| CPPIB Capital 1.25% 07/12/2027 | £15,000,000 | 12,484 | 1.11 |
| | | 21,299 | 1.89 |
| New Zealand 2.01% (1.37%) | | | |
| New Zealand Government Bond 1.75% 15/05/2041 | NZD 5,000,000 | 1,634 | 0.14 |
| New Zealand Government Bond 2.75% 15/05/2051 | NZD 8,000,000 | 2,893 | 0.26 |
| New Zealand Government Bond 2.50% 20/09/2035 | NZD 30,000,000 | 18,108 | 1.61 |
| | | 22,635 | 2.01 |
| United Kingdom 12.84% (16.37%) | | | |
| UK Treasury 0.13% 31/01/2024 | £45,000,000 | 42,657 | 3.79 |
| UK Treasury 0.38% 22/10/2026 | £115,000,000 | 98,010 | 8.70 |
| UK Treasury 0.13% 22/03/2051 | £3,500,000 | 3,889 | 0.35 |
| | | 144,556 | 12.84 |
| United States of America 5.96% (0.55%) | | | |
| US Treasury 2.88% 30/04/2029 | \$30,000,000 | 25,470 | 2.26 |
| US Treasury 2.38% 15/02/2042 | \$52,000,000 | 36,606 | 3.25 |
| US Treasury Inflation Indexed 0.13% 15/02/2052 | \$8,000,000 | 5,042 | 0.45 |
| | | 67,118 | 5.96 |
| Government Bonds total | | 260,167 | 23.11 |

| | Nominal value | Valuation £'000 | % of net assets |
|---|------------------|--------------------|--------------------|
| Corporate Bonds 74.08% (78.41%) | | | |
| Australia 1.53% (0.82%) | | | |
| BHP Billiton Finance, FRN 6.50% 22/10/2077 | £10,800,000 | 10,789 | 0.96 |
| Mineral Resources 8.00% 01/11/2027 | \$5,500,000 | 4,783 | 0.42 |
| Perenti Finance 6.50% 07/10/2025 | \$2,000,000 | 1,655 | 0.15 |
| | | 17,227 | 1.53 |
| Austria 0.45% (0.36%) | | | |
| ams-OSRAM 7.00% 31/07/2025 | \$6,200,000 | 5,039 | 0.45 |
| | | 5,039 | 0.45 |
| Czech Republic 0.00% (0.41%) | | | |
| Denmark 0.89% (0.76%) | | | |
| Nassa Topco 2.88% 06/04/2024 | €12,000,000 | 10,032 | 0.89 |
| | | 10,032 | 0.89 |
| France 6.42% (8.53%) | | | |
| AXA 3.25% 28/05/2049 | €2,500,000 | 1,915 | 0.17 |
| AXA, FRN 5.13% 17/01/2047 | \$8,500,000 | 7,009 | 0.62 |
| CAB SELAS 3.38% 01/02/2028 | €10,000,000 | 6,720 | 0.60 |
| Credit Agricole, FRN 7.88% Perpetual | \$7,800,000 | 6,760 | 0.60 |
| Credit Agricole Assurances 2.00% 17/07/2030 | €8,000,000 | 5,463 | 0.48 |
| Electricite de France, FRN 6.00% Perpetual | £11,100,000 | 8,592 | 0.76 |
| Paprec Holding 3.50% 01/07/2028 | €10,000,000 | 6,716 | 0.60 |
| SCOR, FRN 5.25% Perpetual | \$16,000,000 | 10,021 | 0.89 |
| SPCM 3.13% 15/03/2027 | \$12,300,000 | 9,666 | 0.86 |
| TotalEnergies, FRN 1.62% Perpetual | €6,500,000 | 4,460 | 0.40 |
| Veolia Environnement, FRN 2.25% Perpetual | €6,500,000 | 4,929 | 0.44 |
| | | 72,251 | 6.42 |
| Germany 1.66% (4.09%) | | | |
| Bayer, FRN 2.38% 12/11/2079 | €6,000,000 | 4,587 | 0.41 |
| Deutsche Bank, FRN 4.00% 24/06/2026 | £6,700,000 | 6,037 | 0.53 |
| Deutsche Bank, FRN 6.75% 31/12/2164 | €1,600,000 | 1,123 | 0.10 |
| Deutsche Bank, FRN 7.50% 31/12/2164 | \$4,000,000 | 3,051 | 0.27 |
| Gruenenthal 3.63% 15/11/2026 | €5,200,000 | 3,922 | 0.35 |
| | | 18,720 | 1.66 |
| Hong Kong 0.63% (0.54%) | | | |
| Seaspan 5.50% 01/08/2029 | \$10,000,000 | 7,136 | 0.63 |
| | | 7,136 | 0.63 |
| Ireland 0.37% (0.86%) | | | |
| Bank of Ireland Group, FRN 7.59% 06/12/2032 | £4,500,000 | 4,175 | 0.37 |
| | | 4,175 | 0.37 |
| Israel 1.26% (1.06%) | | | |
| Enegean Israel Finance 5.38% 30/03/2028 | \$12,000,000 | 9,244 | 0.82 |
| Teva Pharmaceutical Finance Netherlands III 6.00% 15/04/2024 | \$5,700,000 | 4,983 | 0.44 |
| | | 14,227 | 1.26 |
| Italy 1.95% (1.79%) | | | |
| Enel Finance International 2.88% 11/04/2029 | £7,100,000 | 5,561 | 0.49 |
| Infrastrutture Wireless Italiane 1.63% 21/10/2028 | €13,000,000 | 9,237 | 0.82 |
| Intesa Sanpaolo 2.50% 15/01/2030 | £10,000,000 | 7,186 | 0.64 |
| | | 21,984 | 1.95 |
| Luxembourg 1.35% (0.87%) | | | |
| Blackstone Property Partners Europe Holdings 2.00% 20/10/2025 | £5,200,000 | 4,346 | 0.39 |
| Blackstone Property Partners Europe Holdings 4.88% 29/04/2032 | £10,000,000 | 7,923 | 0.70 |

| | Nominal value | Valuation £'000 | % of net assets |
|--|------------------|--------------------|--------------------|
| Logicor Financing 0.88% 14/01/2031 | €5,000,000 | 2,937 | 0.26 |
| | | 15,206 | 1.35 |
| Netherlands 2.43% (3.75%) | | | |
| ABN AMRO Bank 4.38% Perpetual | €8,500,000 | 6,355 | 0.56 |
| Cooperatieve Rabobank 4.63% 23/05/2029 | £14,000,000 | 11,779 | 1.05 |
| NN Group, FRN 4.38% Perpetual | €11,000,000 | 9,198 | 0.82 |
| | | 27,332 | 2.43 |
| Norway 0.67% (0.81%) | | | |
| DNB Bank, FRN 4.00% 17/08/2027 | £8,400,000 | 7,523 | 0.67 |
| | | 7,523 | 0.67 |
| Spain 2.09% (0.96%) | | | |
| Abertis Infraestructuras 3.38% 27/11/2026 | £7,000,000 | 5,956 | 0.53 |
| Banco Santander, FRN 4.75% 30/08/2028 | £7,300,000 | 6,651 | 0.59 |
| Cellnex Finance 2.00% 15/09/2032 | €11,500,000 | 6,766 | 0.60 |
| Telefonica Europe 4.38% Perpetual | €5,000,000 | 4,155 | 0.37 |
| | | 23,528 | 2.09 |
| Sweden 2.90% (2.10%) | | | |
| Heimstaden, FRN 6.75% Perpetual | €5,900,000 | 3,276 | 0.29 |
| Svenska Handelsbanken, FRN 4.62% 23/08/2032 | £5,700,000 | 4,994 | 0.45 |
| Vattenfall, FRN 2.50% 29/06/2083 | £14,000,000 | 10,446 | 0.93 |
| Verisure Holding 3.50% 15/05/2023 | €11,000,000 | 9,678 | 0.86 |
| Verisure Holding 9.25% 15/10/2027 | €4,700,000 | 4,200 | 0.37 |
| | | 32,594 | 2.90 |
| Switzerland 5.09% (3.29%) | | | |
| Credit Suisse Group, FRN 7.00% 30/09/2027 | £6,000,000 | 5,685 | 0.51 |
| Credit Suisse Group, FRN 6.25% Perpetual | \$20,000,000 | 15,520 | 1.38 |
| Swiss Re, FRN 5.75% 15/08/2050 | \$16,000,000 | 13,190 | 1.17 |
| Zurich Finance Ireland Designated Activity, FRN 3.00% 19/04/2051 | \$10,400,000 | 6,473 | 0.57 |
| Zurich Finance Ireland Designated Activity, FRN 5.13% 23/11/2052 | £5,000,000 | 4,140 | 0.37 |
| Zurich Insurance, FRN 4.25% 01/10/2045 | \$15,500,000 | 12,300 | 1.09 |
| | | 57,308 | 5.09 |
| United Kingdom 29.00% (31.35%) | | | |
| Anglian Water Osprey Financing 2.00% 31/07/2028 | £7,000,000 | 5,064 | 0.45 |
| Annington Funding 4.75% 09/08/2033 | £8,000,000 | 6,582 | 0.58 |
| Aviva, FRN 6.12% 14/11/2036 | £7,000,000 | 6,463 | 0.57 |
| Aviva, FRN 5.13% 04/06/2050 | £7,000,000 | 5,720 | 0.51 |
| Aviva, FRN 6.88% 31/12/2164 | £2,600,000 | 2,070 | 0.18 |
| Barclays, FRN 8.88% 31/12/2164 | £4,000,000 | 3,630 | 0.32 |
| BP Capital Markets, FRN 4.25% Perpetual | £10,000,000 | 8,375 | 0.74 |
| Canary Wharf Group Investment Holdings 3.38% 23/04/2028 | £10,000,000 | 7,599 | 0.67 |
| CPUK Finance 6.50% 28/08/2026 | £7,000,000 | 6,349 | 0.56 |
| CPUK Finance 4.50% 28/08/2027 | £3,550,000 | 2,980 | 0.26 |
| Dignity Finance 4.70% 31/12/2049 | £11,000,000 | 8,541 | 0.76 |
| Direct Line Insurance Group 4.00% 05/06/2032 | £10,000,000 | 7,174 | 0.64 |
| Energia Group NI FinanceCo 4.75% 15/09/2024 | £8,600,000 | 7,740 | 0.69 |
| Heathrow Finance, STEP 4.38% 01/03/2027 | £1,200,000 | 957 | 0.08 |
| Hiscox, FRN 6.12% 24/11/2045 | £9,000,000 | 8,072 | 0.72 |
| HSBC Holdings, FRN 4.76% 29/03/2033 | \$3,000,000 | 2,230 | 0.20 |
| InterContinental Hotels Group 3.38% 08/10/2028 | £11,000,000 | 8,753 | 0.78 |
| Investec Bank, FRN 4.25% 24/07/2028 | £6,700,000 | 6,440 | 0.57 |
| Ithaca Energy North Sea 9.00% 15/07/2026 | \$6,700,000 | 5,774 | 0.51 |

| | Nominal value | Valuation £'000 | % of net assets |
|---|------------------|--------------------|--------------------|
| Jaguar Land Rover Automotive 5.88% 15/01/2028 | \$3,736,000 | 2,357 | 0.21 |
| Kane Bidco 5.00% 15/02/2027 | €3,300,000 | 2,445 | 0.22 |
| Kane Bidco 6.50% 15/02/2027 | £3,700,000 | 3,177 | 0.28 |
| Legal & General Group, FRN 3.75% 26/11/2049 | £8,900,000 | 6,659 | 0.59 |
| Liverpool Victoria Friendly Society, FRN 6.50% 22/05/2043 | £7,800,000 | 7,607 | 0.68 |
| Lloyds Banking Group, FRN 2.71% 03/12/2035 | £10,000,000 | 6,713 | 0.60 |
| Lloyds Banking Group, FRN 8.50% 31/12/2164 | £7,000,000 | 6,423 | 0.57 |
| Logicor UK 1.88% 17/11/2031 | £4,000,000 | 3,352 | 0.30 |
| Marston's Issuer, FRN 5.18% 15/07/2032 | £9,000,000 | 8,197 | 0.73 |
| National Express Group, FRN 4.25% Perpetual | £11,700,000 | 9,142 | 0.81 |
| NatWest Group 3.62% 14/08/2030 | £12,000,000 | 10,612 | 0.94 |
| Neptune Energy Bondco 6.63% 15/05/2025 | \$9,000,000 | 7,607 | 0.68 |
| NGG Finance, FRN 5.63% 18/06/2073 | £12,000,000 | 10,602 | 0.94 |
| Ocado Group 3.88% 08/10/2026 | £11,200,000 | 8,159 | 0.72 |
| Pension Insurance, FRN 7.38% Perpetual | £8,800,000 | 7,467 | 0.66 |
| Phoenix Group Holdings 5.87% 13/06/2029 | £7,000,000 | 5,928 | 0.53 |
| Premier Foods Finance 3.50% 15/10/2026 | £5,200,000 | 4,134 | 0.37 |
| Quilter, FRN 4.48% 28/02/2028 | £8,000,000 | 7,756 | 0.69 |
| RAC Bond 4.87% 06/05/2046 | £13,700,000 | 12,271 | 1.09 |
| Rentokil Initial 5.00% 27/06/2032 | £8,000,000 | 7,041 | 0.63 |
| Rothsay Life, FRN 5.00% 31/12/2164 | £5,000,000 | 3,162 | 0.28 |
| Rothsay Life, FRN 6.88% 31/12/2164 | £11,600,000 | 9,338 | 0.83 |
| RSA Insurance Group, FRN 5.13% 10/10/2045 | £1,947,000 | 1,764 | 0.16 |
| Santander UK Group Holdings 4.75% 15/09/2025 | \$4,200,000 | 3,626 | 0.32 |
| Society of Lloyd's 4.75% 30/10/2024 | £4,100,000 | 3,855 | 0.34 |
| SSE, FRN 4.00% Perpetual | €8,000,000 | 6,178 | 0.55 |
| TalkTalk Telecom Group 3.88% 20/02/2025 | £5,000,000 | 4,182 | 0.37 |
| Tesco Corporate Treasury Services 1.88% 02/11/2028 | £13,500,000 | 10,122 | 0.90 |
| Victoria 3.63% 24/08/2026 | €10,000,000 | 6,395 | 0.57 |
| Virgin Money UK, FRN 4.00% 03/09/2027 | £5,000,000 | 4,261 | 0.38 |
| Virgin Money UK, FRN 5.13% 11/12/2030 | £3,000,000 | 2,675 | 0.24 |
| Vmed O2 UK Financing I 4.00% 31/01/2029 | £11,000,000 | 8,264 | 0.73 |
| Vodafone Group, FRN 3.00% 27/08/2080 | €14,000,000 | 9,089 | 0.81 |
| Yorkshire Building Society, FRN 3.51% 11/10/2030 | £7,000,000 | 5,496 | 0.49 |
| | | 326,569 | 29.00 |
| United States of America 15.39% (16.06%) | | | |
| Asbury Automotive Group 4.63% 15/11/2029 | \$5,000,000 | 3,535 | 0.31 |
| Bank of America 8.13% 02/06/2028 | £2,700,000 | 2,734 | 0.24 |
| Burford Capital Finance 6.13% 12/08/2025 | \$2,900,000 | 2,432 | 0.22 |
| CCO Holdings 5.50% 01/05/2026 | \$2,000,000 | 1,716 | 0.15 |
| Centene 4.63% 15/12/2029 | \$8,600,000 | 6,946 | 0.62 |
| Consensus Cloud Solutions 6.50% 15/10/2028 | \$5,000,000 | 3,847 | 0.34 |
| Dell International 6.02% 15/06/2026 | \$8,000,000 | 7,264 | 0.64 |
| Encore Capital Group 4.88% 15/10/2025 | €2,000,000 | 1,641 | 0.15 |
| Encore Capital Group 5.38% 15/02/2026 | £7,200,000 | 6,359 | 0.56 |
| Energizer Holdings 4.38% 31/03/2029 | \$8,400,000 | 5,600 | 0.50 |
| Entegris Escrow 4.75% 15/04/2029 | \$4,600,000 | 3,652 | 0.32 |
| Equinix, REIT 2.15% 15/07/2030 | \$10,000,000 | 6,953 | 0.62 |
| Fidelity National Information Services 5.10% 15/07/2032 | \$7,000,000 | 5,964 | 0.53 |
| Ford Motor 6.10% 19/08/2032 | \$2,500,000 | 1,981 | 0.18 |
| Ford Motor Credit 4.54% 06/03/2025 | £5,500,000 | 4,909 | 0.44 |

| | Holding/ nominal value | Global exposure * £'000 | Valuation £'000 | % of net assets |
|--|---------------------------|----------------------------|--------------------|--------------------|
| Global Payments 5.30% 15/08/2029 | \$7,000,000 | | 5,982 | 0.53 |
| Goldman Sachs Group 6.88% 18/01/2038 | £6,000,000 | | 5,762 | 0.51 |
| Goldman Sachs Group, FRN 3.63% 29/10/2029 | £4,500,000 | | 3,743 | 0.33 |
| Goodyear Europe 2.75% 15/08/2028 | €3,000,000 | | 2,002 | 0.18 |
| Graphic Packaging International 2.63% 01/02/2029 | €9,200,000 | | 6,193 | 0.55 |
| HCA 3.63% 15/03/2032 | \$5,000,000 | | 3,686 | 0.33 |
| Iron Mountain UK, REIT 3.88% 15/11/2025 | £4,000,000 | | 3,533 | 0.31 |
| Mauser Packaging Solutions Holding 4.75% 15/04/2024 | €11,050,000 | | 9,080 | 0.81 |
| McDonald's 3.75% 31/05/2038 | £7,000,000 | | 5,461 | 0.48 |
| Metropolitan Life Global Funding I 4.13% 02/09/2025 | £5,000,000 | | 4,761 | 0.42 |
| MPT Operating Partnership, REIT 3.69% 05/06/2028 | £13,000,000 | | 9,685 | 0.86 |
| Nestle Holdings 4.25% 01/10/2029 | \$6,000,000 | | 5,250 | 0.47 |
| Netflix 5.88% 15/11/2028 | \$9,000,000 | | 7,929 | 0.70 |
| Netflix 3.88% 15/11/2029 | €4,000,000 | | 3,106 | 0.28 |
| PepsiCo 3.55% 22/07/2034 | £5,900,000 | | 4,919 | 0.44 |
| Roller Bearing Co. of America 4.38% 15/10/2029 | \$5,000,000 | | 3,763 | 0.33 |
| Sotheby's 5.88% 01/06/2029 | \$10,000,000 | | 7,420 | 0.66 |
| T-Mobile USA 5.20% 15/01/2033 | \$5,000,000 | | 4,327 | 0.38 |
| Utah Acquisition Sub 3.95% 15/06/2026 | \$5,000,000 | | 4,136 | 0.37 |
| Warnermedia Holdings 4.28% 15/03/2032 | \$9,500,000 | | 7,061 | 0.63 |
| | | | 173,332 | 15.39 |
| Corporate Bonds total | | | 834,183 | 74.08 |
| Swaps (0.65)% (0.00%) | | | | |
| Credit Default Swap J.P. Morgan Sell ITRAXX.EUROPE. CROSSOVER.38-V120/12/2027 | 35,000,000 | 30,872 | (1,673) | (0.15) |
| Inflation Rate Swap J.P. Morgan Pay floating UKRPI 1 month Receive fixed 4.63% 15/03/2032 | 10,000,000 | 10,000 | (562) | (0.05) |
| Inflation Rate Swap J.P. Morgan Pay floating HICPXT 1 month Receive fixed 2.43% 15/08/2042 | 5,000,000 | 4,410 | (18) | – |
| Inflation Rate Swap J.P. Morgan Pay floating UKRPI 1 month Receive fixed 4.13% 15/07/2032 | 5,000,000 | 5,000 | (231) | (0.02) |
| Interest Rate Swap J.P. Morgan Pay fixed 1.27% Receive floating EURIBOR 6 month 28/09/2052 | 10,000,000 | 8,821 | 132 | 0.01 |
| Interest Rate Swap J.P. Morgan Pay fixed 2.54% Receive floating SONIA 1 day 26/08/2052 | 10,000,000 | 10,000 | 1,881 | 0.17 |
| Interest Rate Swap J.P. Morgan Pay floating EURIBOR 6 month Receive fixed 1.87% 26/04/2032 | 25,000,000 | 22,051 | (1,179) | (0.11) |
| Interest Rate Swap J.P. Morgan Pay floating SONIA 1 day Receive fixed 2.85% 26/08/2032 | 25,000,000 | 25,000 | (2,957) | (0.26) |
| Interest Rate Swap J.P. Morgan Pay floating SONIA 1 day Receive fixed 3.07% 19/08/2025 | 25,000,000 | 25,000 | (1,422) | (0.13) |
| Interest Rate Swap J.P. Morgan Pay floating SONIA 1 day Receive fixed 3.34% 23/08/2025 | 25,000,000 | 25,000 | (1,250) | (0.11) |
| Swaps total | | 166,154 | (7,279) | (0.65) |
| Forward Currency Contracts (1.33)% ((0.27)%) | | | | |
| Buy Sterling 4,534,942 sell Australian Dollar 7,780,000 dated 29/11/2022 | | | (14) | – |
| Buy Sterling 8,807,692 sell Candian Dollar 13,589,000 dated 29/11/2022 | | | (140) | (0.02) |
| Buy Sterling 147,754,715 sell Euro 170,900,000 dated 29/11/2022 | | | (3,485) | (0.31) |
| Buy Sterling 23,406,101 sell New Zealand Dollar 44,655,500 dated 29/11/2022 | | | 483 | 0.05 |
| Buy Sterling 299,433,351 sell US Dollar 344,710,000 dated 29/11/2022 | | | (11,822) | (1.05) |
| Forward Currency Contracts total | | | (14,978) | (1.33) |
| Futures (0.13)% (0.28%) | | | | |
| Canada 10 Year Bond 19/12/2022 | (200) | (16,316) | 3 | – |
| Euro-buxl 30 Year Bond 08/12/2022 | (60) | (7,851) | 604 | 0.06 |
| Japan 10 Year Bond 13/12/2022 | (35) | (32,465) | (79) | (0.01) |
| Long Gilt 28/12/2022 | (25) | (2,427) | (11) | – |

| | Holding | Global exposure * £'000 | Valuation £'000 | % of net assets |
|---|---------|----------------------------|--------------------|--------------------|
| US 10 Year Note 20/12/2022 | 850 | 86,617 | (2,004) | (0.18) |
| Futures total | | 27,558 | (1,487) | (0.13) |
| Investment assets (including investment liabilities) | | | 1,070,609 | 95.08 |
| Net other assets | | | 55,413 | 4.92 |
| Net assets attributable to unitholders | | | 1,126,022 | 100.00 |

The comparative percentage figures in brackets are as at 31 March 2022.

^ Unlisted, suspended or delisted security.

* 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.

Debt security credit analysis **

| | 30 September 2022 | | 31 March 2022 | |
|-----------------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| | Valuation £'000 | % of net assets £'000 | Valuation £'000 | % of net assets £'000 |
| Investment grade securities | 729,677 | 64.80 | 756,400 | 56.82 |
| Below investment grade securities | 364,673 | 32.39 | 544,892 | 40.94 |
| Unrated securities | – | – | 8,773 | 0.66 |
| | 1,094,350 | 97.19 | 1,310,065 | 98.42 |

** Source of credit ratings: Artemis Investment Management LLP.

FINANCIAL STATEMENTS

Statement of total return for the six months ended 30 September 2022

| | 30 September 2022 £'000 | 30 September 2021 £'000 |
|--|----------------------------|----------------------------|
| Income | | |
| Net capital (losses)/gains | (175,821) | 6,963 |
| Revenue | 28,808 | 28,590 |
| Expenses | (4,182) | (5,802) |
| Interest payable and similar charges | (42) | (742) |
| Net revenue before taxation | 24,584 | 22,046 |
| Taxation | - | (15) |
| Net revenue after taxation | 24,584 | 22,031 |
| Total return before distributions | (151,237) | 28,994 |
| Distributions | (24,584) | (22,032) |
| Change in net assets attributable to unitholders from investment activities | (175,821) | 6,962 |

Statement of change in net assets attributable to unitholders for the six months ended 30 September 2022

| | 30 September 2022 £'000 | 30 September 2021 £'000 |
|---|----------------------------|----------------------------|
| Opening net assets attributable to unitholders | 1,331,129 | 1,803,533 |
| Amounts receivable on issue of units | 34,012 | 62,142 |
| Amounts payable on cancellation of units | (80,199) | (197,575) |
| | (46,187) | (135,433) |
| Dilution adjustment | - | 128 |
| Change in net assets attributable to unitholders from investment activities | (175,821) | 6,962 |
| Retained distributions on accumulation units | 16,901 | 14,516 |
| Closing net assets attributable to unitholders | 1,126,022 | 1,689,706 |

Balance sheet as at 30 September 2022

| | 30 September 2022 £'000 | 31 March 2022 £'000 |
|---|----------------------------|------------------------|
| Assets | | |
| Fixed assets | | |
| Investments | 1,097,456 | 1,314,625 |
| Current assets | | |
| Debtors | 31,186 | 19,964 |
| Cash and cash equivalents | 45,137 | 31,884 |
| Total current assets | 76,323 | 51,848 |
| Total assets | 1,173,779 | 1,366,473 |
| Liabilities | | |
| Investment liabilities | 26,847 | 4,356 |
| Creditors | | |
| Bank overdraft | 6,032 | 2,352 |
| Distribution payable | 2,066 | 1,433 |
| Other creditors | 12,812 | 27,203 |
| Total creditors | 20,910 | 30,988 |
| Total liabilities | 47,757 | 35,344 |
| Net assets attributable to unitholders | 1,126,022 | 1,331,129 |

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2022 as set out therein.

2. Post balance sheet events

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

DISTRIBUTION TABLES

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

| Monthly distribution periods | Start | End | Ex-dividend date | Pay date |
|------------------------------|------------------|-------------------|------------------|-------------------|
| First interim | 1 April 2022 | 30 April 2022 | 1 May 2022 | 31 May 2022 |
| Second interim | 1 May 2022 | 31 May 2022 | 1 June 2022 | 30 June 2022 |
| Third interim | 1 June 2022 | 30 June 2022 | 1 July 2022 | 29 July 2022 |
| Fourth interim | 1 July 2022 | 31 July 2022 | 1 August 2022 | 31 August 2022 |
| Fifth interim | 1 August 2022 | 31 August 2022 | 1 September 2022 | 30 September 2022 |
| Sixth interim | 1 September 2022 | 30 September 2022 | 1 October 2022 | 31 October 2022 |

| Quarterly distribution periods | Start | End | Ex-dividend date | Pay date |
|--------------------------------|--------------|-------------------|------------------|-----------------|
| First interim | 1 April 2022 | 30 June 2022 | 1 July 2022 | 29 July 2022 |
| Second interim | 1 July 2022 | 30 September 2022 | 1 October 2022 | 31 October 2022 |

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.

MC distribution

| Interest distributions for the six months ended 30 September 2022 | Group 2 Net revenue per unit (p) | Equalisation per unit (p) | Group 1 & 2 Distribution per unit (p) | 2021 Distribution per unit (p) |
|---|--|------------------------------|---|--------------------------------------|
| First interim | 0.0403 | 0.0828 | 0.1231 | 0.1091 |
| Second interim | 0.1334 | 0.0190 | 0.1524 | 0.0898 |
| Third interim | 0.1542 | 0.0046 | 0.1588 | 0.1104 |
| Fourth interim | 0.1420 | 0.0070 | 0.1490 | 0.0931 |
| Fifth interim | 0.1588 | 0.0112 | 0.1700 | 0.0977 |
| Sixth interim | 0.0521 | 0.1270 | 0.1791 | 0.1084 |

MC accumulation

| Interest distributions for the six months ended 30 September 2022 | Group 2 Net revenue per unit (p) | Equalisation per unit (p) | Group 1 & 2 Distribution per unit (p) | 2021 Distribution per unit (p) |
|---|--|------------------------------|---|--------------------------------------|
| First interim | 0.2223 | 0.0052 | 0.2275 | 0.1966 |
| Second interim | 0.2469 | 0.0351 | 0.2820 | 0.1628 |
| Third interim | 0.2863 | 0.0087 | 0.2950 | 0.2002 |
| Fourth interim | 0.2650 | 0.0131 | 0.2781 | 0.1692 |
| Fifth interim | 0.2967 | 0.0209 | 0.3176 | 0.1778 |
| Sixth interim | 0.3208 | 0.0149 | 0.3357 | 0.1978 |

MI distribution

| Interest distributions for the six months ended 30 September 2022 | Group 2 Net revenue per unit (p) | Equalisation per unit (p) | Group 1 & 2 Distribution per unit (p) | 2021 Distribution per unit (p) |
|---|--|------------------------------|---|--------------------------------------|
| First interim | 0.0779 | 0.0650 | 0.1429 | 0.1306 |
| Second interim | 0.0560 | 0.1178 | 0.1738 | 0.1102 |
| Third interim | 0.0704 | 0.1082 | 0.1786 | 0.1344 |
| Fourth interim | 0.0695 | 0.0985 | 0.1680 | 0.1149 |
| Fifth interim | 0.0849 | 0.1070 | 0.1919 | 0.1211 |
| Sixth interim | 0.1218 | 0.0763 | 0.1981 | 0.1304 |

MI accumulation

| Interest distributions for the six months ended 30 September 2022 | Group 2 | | Group 1 & 2 | 2021 |
|---|-----------------------------|------------------------------|------------------------------|------------------------------|
| | Net revenue per unit (p) | Equalisation per unit (p) | Distribution per unit (p) | Distribution per unit (p) |
| First interim | 0.0974 | 0.0886 | 0.1860 | 0.1656 |
| Second interim | 0.1360 | 0.0907 | 0.2267 | 0.1400 |
| Third interim | 0.1138 | 0.1199 | 0.2337 | 0.1710 |
| Fourth interim | 0.0984 | 0.1224 | 0.2208 | 0.1468 |
| Fifth interim | 0.1332 | 0.1195 | 0.2527 | 0.1548 |
| Sixth interim | 0.1501 | 0.1119 | 0.2620 | 0.1671 |

QC distribution

| Interest distributions for the six months ended 30 September 2022 | Group 2 | | Group 1 & 2 | 2021 |
|---|-----------------------------|------------------------------|------------------------------|------------------------------|
| | Net revenue per unit (p) | Equalisation per unit (p) | Distribution per unit (p) | Distribution per unit (p) |
| First interim | 0.3986 | 0.0364 | 0.4350 | 0.3098 |
| Second interim | 0.2450 | 0.2542 | 0.4992 | 0.2994 |

QC accumulation

| Interest distributions for the six months ended 30 September 2022 | Group 2 | | Group 1 & 2 | 2021 |
|---|-----------------------------|------------------------------|------------------------------|------------------------------|
| | Net revenue per unit (p) | Equalisation per unit (p) | Distribution per unit (p) | Distribution per unit (p) |
| First interim | 0.2630 | 0.5430 | 0.8060 | 0.5609 |
| Second interim | 0.5175 | 0.4159 | 0.9334 | 0.5460 |

QI distribution

| Interest distributions for the six months ended 30 September 2022 | Group 2 | | Group 1 & 2 | 2021 |
|---|-----------------------------|------------------------------|------------------------------|------------------------------|
| | Net revenue per unit (p) | Equalisation per unit (p) | Distribution per unit (p) | Distribution per unit (p) |
| First interim | 0.5062 | 0.2400 | 0.7462 | 0.5644 |
| Second interim | 0.4469 | 0.3940 | 0.8409 | 0.5516 |

QI accumulation

| Interest distributions for the six months ended 30 September 2022 | Group 2 | | Group 1 & 2 | 2021 |
|---|-----------------------------|------------------------------|------------------------------|------------------------------|
| | Net revenue per unit (p) | Equalisation per unit (p) | Distribution per unit (p) | Distribution per unit (p) |
| First interim | 0.4664 | 0.5059 | 0.9723 | 0.7169 |
| Second interim | 0.5493 | 0.5569 | 1.1062 | 0.7047 |

MR distribution

| Interest distributions for the six months ended 30 September 2022 | Group 2 | | Group 1 & 2 | 2021 |
|---|-----------------------------|------------------------------|------------------------------|------------------------------|
| | Net revenue per unit (p) | Equalisation per unit (p) | Distribution per unit (p) | Distribution per unit (p) |
| First interim | 0.0739 | 0.0471 | 0.1210 | 0.1063 |
| Second interim | 0.0940 | 0.0560 | 0.1500 | 0.0876 |
| Third interim | 0.0870 | 0.0697 | 0.1567 | 0.1077 |
| Fourth interim | 0.0484 | 0.0989 | 0.1473 | 0.0907 |
| Fifth interim | 0.0818 | 0.0859 | 0.1677 | 0.0951 |
| Sixth interim | 0.0947 | 0.0824 | 0.1771 | 0.1061 |

MR accumulation

| Interest distributions for the six months ended 30 September 2022 | Group 2 | | Group 1 & 2 Distribution per unit (p) | 2021 Distribution per unit (p) |
|---|-----------------------------|------------------------------|---|--------------------------------------|
| | Net revenue per unit (p) | Equalisation per unit (p) | | |
| First interim | 0.1348 | 0.0884 | 0.2232 | 0.1922 |
| Second interim | 0.1793 | 0.0980 | 0.2773 | 0.1586 |
| Third interim | 0.1423 | 0.1483 | 0.2906 | 0.1952 |
| Fourth interim | 0.1032 | 0.1708 | 0.2740 | 0.1648 |
| Fifth interim | 0.1295 | 0.1833 | 0.3128 | 0.1730 |
| Sixth interim | 0.1911 | 0.1404 | 0.3315 | 0.1933 |

QR distribution

| Interest distributions for the six months ended 30 September 2022 | Group 2 | | Group 1 & 2 Distribution per unit (p) | 2021 Distribution per unit (p) |
|---|-----------------------------|------------------------------|---|--------------------------------------|
| | Net revenue per unit (p) | Equalisation per unit (p) | | |
| First interim | 0.3014 | 0.1267 | 0.4281 | 0.3014 |
| Second interim | 0.3469 | 0.1460 | 0.4929 | 0.2919 |

QR accumulation

| Interest distributions for the six months ended 30 September 2022 | Group 2 | | Group 1 & 2 Distribution per unit (p) | 2021 Distribution per unit (p) |
|---|-----------------------------|------------------------------|---|--------------------------------------|
| | Net revenue per unit (p) | Equalisation per unit (p) | | |
| First interim | 0.3189 | 0.4735 | 0.7924 | 0.5468 |
| Second interim | 0.4416 | 0.4783 | 0.9199 | 0.5318 |

Fund sizes & net asset values

| Date | Net asset value of fund (£) | Net asset value per unit (p) | Units in issue |
|-------------------|-----------------------------|------------------------------|----------------|
| 31 March 2020 | 1,569,906,569 | | |
| MC distribution | | 53.38 | 1,043,435 |
| MC accumulation | | 94.72 | 273,773 |
| MI distribution | | 53.48 | 699,357,057 |
| MI accumulation | | 66.25 | 296,104,383 |
| QC distribution | | 53.31 | 1,647,365 |
| QC accumulation | | 94.89 | 1,669,691 |
| QI distribution | | 80.32 | 162,254,953 |
| QI accumulation | | 99.64 | 622,209,270 |
| MR distribution | | 53.38 | 144,744,939 |
| MR accumulation | | 94.71 | 48,086,387 |
| QR distribution | | 53.31 | 11,399,570 |
| QR accumulation | | 94.88 | 123,620,790 |
| 31 March 2021 | 1,803,533,494 | | |
| MC distribution | | 57.99 | 1,121,183 |
| MC accumulation | | 104.85 | 248,605 |
| MI distribution | | 58.09 | 635,097,274 |
| MI accumulation | | 73.66 | 316,489,356 |
| QC distribution | | 57.92 | 1,933,299 |
| QC accumulation | | 105.04 | 1,950,015 |
| QI distribution | | 87.26 | 172,694,801 |
| QI accumulation | | 110.79 | 705,865,732 |
| MR distribution | | 57.99 | 138,011,865 |
| MR accumulation | | 104.79 | 55,314,889 |
| QR distribution | | 57.92 | 8,895,794 |
| QR accumulation | | 104.98 | 115,711,450 |
| 31 March 2022 | 1,331,129,093 | | |
| MC distribution | | 54.99 | 1,240,607 |
| MC accumulation | | 101.59 | 246,781 |
| MI distribution | | 55.09 | 462,241,924 |
| MI accumulation | | 71.69 | 292,304,940 |
| QC distribution | | 54.92 | 2,139,143 |
| QC accumulation | | 101.78 | 1,955,909 |
| QI distribution | | 82.74 | 106,743,369 |
| QI accumulation | | 107.83 | 530,416,456 |
| MR distribution | | 54.99 | 95,629,437 |
| MR accumulation | | 101.48 | 42,180,552 |
| QR distribution | | 54.92 | 6,550,154 |
| QR accumulation | | 101.66 | 101,849,918 |
| 30 September 2022 | 1,126,022,102 | | |
| MC distribution | | 47.62 | 929,360 |
| MC accumulation | | 89.58 | 227,493 |
| MI distribution | | 47.70 | 445,058,899 |
| MI accumulation | | 63.36 | 283,565,423 |
| QC distribution | | 47.52 | 1,966,286 |
| QC accumulation | | 89.74 | 1,996,241 |
| QI distribution | | 71.58 | 116,049,732 |
| QI accumulation | | 95.29 | 501,913,570 |
| MR distribution | | 47.62 | 93,948,069 |
| MR accumulation | | 89.46 | 40,793,689 |
| QR distribution | | 47.52 | 6,295,847 |
| QR accumulation | | 89.62 | 94,978,208 |

Ongoing charges

| Class | 30 September 2022 |
|-----------------|-------------------|
| MC distribution | 1.03% |
| MC accumulation | 1.03% |
| MI distribution | 0.58% |
| MI accumulation | 0.58% |
| QC distribution | 1.03% |
| QC accumulation | 1.03% |
| QI distribution | 0.58% |
| QI accumulation | 0.58% |
| MR distribution | 1.08% |
| MR accumulation | 1.08% |
| QR distribution | 1.08% |
| QR accumulation | 1.08% |

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 QI accumulation performance

| | Since launch * | 10 years | 5 years | 3 years | 1 year | 6 months |
|---------------------------------|----------------|----------|---------|---------|--------|----------|
| Artemis Strategic Bond Fund ** | 90.7 | 32.2 | (3.0) | (8.8) | (15.2) | (11.5) |
| Artemis Strategic Bond Fund *** | 93.4 | 31.6 | (3.3) | (9.0) | (15.5) | (11.8) |
| IA £ Strategic Bond average | 65.0 | 21.6 | (2.5) | (8.7) | (15.6) | (11.7) |
| Position in sector | 5/20 | 10/43 | 23/56 | 30/66 | 30/71 | 33/72 |
| Quartile | 1 | 1 | 2 | 2 | 2 | 2 |

Past performance is not a guide to the future.

* Source: Artemis/Lipper Limited, data from 30 June 2005 to 7 March 2008 reflects class QR accumulation units and from 7 March 2008 to 30 September 2022 reflects class QI 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 QI accumulation is disclosed as it is the representative unit class.

Artemis Fund Managers Limited

Cassini House, 57 St James's Street, London SW1A 1LD
6th floor, Exchange Plaza, 50 Lothian Road, Edinburgh EH3 9BY

Sales Support 0800 092 2090

Facsimile 020 7399 6498

Client Services 0800 092 2051

Facsimile 0845 076 2290

Website www.artemisfunds.com

