

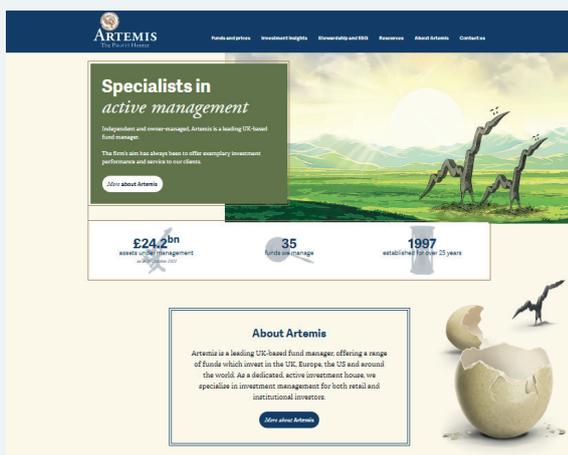
Artemis Monthly
Distribution *Fund*

Manager's Report
and Financial Statements

for the year ended 31 December 2022

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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 £25.8 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 January 2023.

Fund status

Artemis Monthly Distribution Fund was constituted by a Trust Deed dated 10 February 2012 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').

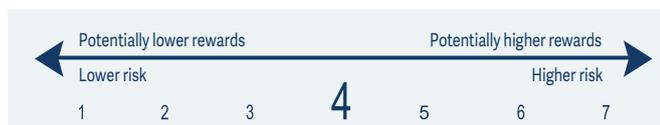
Buying and selling

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 generate monthly income, combined with some capital growth over a five year period.	
Investment policy	What the fund invests in	<ul style="list-style-type: none"> • 40% to 80% in bonds (of any credit quality). • 20% to 60% in company shares. • The fund may also invest in near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives.
	Use of derivatives	The fund may use derivatives for efficient portfolio management purposes to: <ul style="list-style-type: none"> • reduce risk • manage the fund efficiently
	Where the fund invests	<ul style="list-style-type: none"> • Globally
	Industries the fund invests in	<ul style="list-style-type: none"> • Any
	Other limitations specific to this fund	<ul style="list-style-type: none"> • None
Investment strategy	<ul style="list-style-type: none"> • The fund is actively managed. • Bond returns are principally driven in four ways: <ul style="list-style-type: none"> - investing globally in government bonds, Investment Grade and High Yield bonds - Adjusting the portfolio duration - Allocation between different credit ratings and different economic sectors - Security selection including different levels of seniority • When investing in corporate bonds, the manager seeks to invest in profitable and resilient companies with a robust business model offering an attractive risk-reward profile. • When investing in company shares, the manager selects companies which exhibit strong levels of free cashflow generation (cash that is left over after a company pays for its operating and capital expenditures which can be returned to investors through dividends and share buybacks) relative to other companies in the market, dividend distribution and dividend growth. 	
Benchmark	IA Mixed Investment 20-60% Shares NR 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.	

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.
- **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.
- **Income risk:** Although the fund aims to pay a regular income, the payment of income and its level is not guaranteed.
- **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.
- **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.
- **Charges from capital risk:** Because one of the key objectives of the fund is to provide income, the fund charges are taken from capital. This may constrain capital growth or erode capital.

There was no change to the risk indicator in the year ended 31 December 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.

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 Monthly Distribution 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.

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' Compliance and Risk 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 before the end of the vesting period 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 but are employed and paid by other entities of Artemis. Artemis has apportioned the total amount of remuneration paid to all 219 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 within the fund for the year ended 31 December 2021 is £1,043,991 of which £371,207 is fixed remuneration and £672,784 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 2021 is £389,871. 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.

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.

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.

STATEMENTS OF RESPONSIBILITIES

Statement of the Trustee's Responsibilities in Respect of the Scheme and Report of the Trustee to the Unitholders of the Artemis Monthly Distribution Fund ("the Trust") for the Year Ended 31 December 2022.

The Trustee of the Artemis Monthly Distribution Fund must ensure that the Trust 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 Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

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

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust 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 Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ('the AFM' or 'the Manager'), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

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

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

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

(ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

J.P. Morgan Europe Limited
Bournemouth
28 February 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 Monthly Distribution Fund for the year ended 31 December 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
28 February 2023

L E Cairney
Director

AUDITOR'S REPORT

Independent auditor's report to the unitholders of the Artemis Monthly Distribution Fund

Opinion

We have audited the financial statements of Artemis Monthly Distribution Fund ("the Fund") for the year ended 31 December 2022, 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 31 December 2022 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 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 6, 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 the incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. We tested the appropriateness of management's classification of a sample of special dividends as either a capital or revenue return.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the 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/> auditors responsibilities. 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
28 February 2023

INVESTMENT REVIEW

- The fund returns -5.6%, ahead of the sector average.
- Market adjusts to higher interest rates.
- Bonds offering attractive income opportunities.

Overview – Inflation and rising interest rates drive markets...

It is fair to say that 2022 was a challenging year in financial markets. The inflationary pressures that began to emerge in the summer of 2021 as the global economy reopened after the pandemic were supercharged by Russia's gruesome invasion of Ukraine. Policymakers around the world have responded with their most aggressive interest rate hiking cycles in 40 years, and as a result, the post financial crisis bonanza of disinflation, ultra-low rates and loose financial conditions has come to an end.

The areas of the market that had benefitted from these trends were the worst performing areas of 2022. The biggest beneficiaries of quantitative easing – the tool central banks used to lower borrowing costs – were unprofitable, cash-hungry tech companies: the UBS Profitless Technology Index now trades below its March 2020 low and has lost nearly three quarters of its value since its February 2021 high.

Bonds did not provide the diversification that investors sought in 2022, as the correlations between bond and equity returns spiked in the face of rapidly rising rates and reduced liquidity. The traditional 'balanced' portfolio (with 60% in equities and 40% in bonds) posted its worst returns in nearly a century.

The fund makes a negative return but outperforms peer group

The fund returned -5.6%*, outperforming the IA Mixed Investment 20-60% Shares Net Return index, which returned -9.8%.

What helped the fund's performance

In equities, the fund's overweight to 'real assets', and underweight to intangibles, was a significant contributor to relative returns. Throughout the year, the portfolio has been overweight to areas like energy, soft commodities and materials.

Three of our best performers were US oil major ExxonMobil, which reported several record sets of earnings in 2022, US food producer Archer Daniels Midland, that again benefitted from a significant boost to earnings as soft commodity prices rose, and diversified miner Glencore. It is something of an uncomfortable truth that Glencore's coal kept the lights on in Europe for much of last year.

Conversely, our underweight to technology – particularly software – was positive for relative performance, as rising rates and reduced liquidity battered the technology sector.

What you didn't own in 2022 was arguably as important as what you did.

The fixed income portion of the fund's duration position was significantly shorter than many peers at the start of the year. Longer-dated debt experienced large price falls earlier in 2022, given the outsized impact of rising rates (and indeed increased rate expectations) on bonds with longer maturities.

What didn't work

Performance was held back by our allocation – both within bonds and equities – to real estate. Theoretically, high-quality real estate is a good place to hide in an inflationary environment given protection from rent increases that are often tied to CPI. However, what we underestimated was the degree to which this would be erased by higher funding costs in a sector that uses considerable amounts of debt. Even the likes of US apartment real estate investment trust (REIT) AvalonBay – which has strong fundamentals and rent growth some way ahead of inflation – saw its share price fall 30% over the course of the year. We have materially reduced our real estate exposure in recent months.

Portfolio activity – Adding to fixed income

The portfolio's equity allocation began 2022 towards the top of the permitted range. But given the particularly pronounced sell-off in bonds, we have been reducing our equity exposure and adding to fixed income, which now has the most attractive valuations seen for many years.

Within the fixed income part of the portfolio, we have been increasing exposure to higher-quality bonds. Most of this has been in investment-grade corporate bonds, which now offer very healthy all-in yields for very low levels of fundamental risk. Alongside this we have increased our exposure to inflation-linked government bonds in both the UK and the US, given the most attractive backdrop for valuations in well over a decade.

Within equities, we have recently been reducing some of last year's winners in sectors like energy, soft commodities and mining, and have been increasing our financials exposure across both banks and insurance. Having been out of favour for several years, both sectors are seeing attractive earnings momentum given rising rates from a starting point of attractive valuations.

Outlook – Fixed income sell-off produces attractive yields...

2023 could turn out to be more of the same for financial markets. Despite moderating headline figures, inflation remains elevated and the global economy as a whole remains strong. Crucially, labour markets globally are tight and this

Past performance is not a guide to the future.

* Source: Artemis/Lipper Limited, class I distribution units, in sterling to 31 December 2022. All figures show total returns with dividends/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. Benchmark sector is IA Mixed Investment 20-60%.

continues to exert upwards pressure on inflation. It seems to us therefore that interest rates will remain high for some time yet. While the bond market is signalling a near certainty of recession in the US, we are perhaps a little more optimistic that one can be avoided. We also believe much of this recession risk is reflected in valuations while balance sheets are generally strong.

Higher interest rates help make the upfront, growing cash flows of dividend-paying stocks more attractive than the long-term promises of technology stocks, especially considering the deterioration in the sector's earnings growth.

The outlook is of course uncertain, but potentially quite exciting for income investors. As mentioned above, valuations across fixed income and equities are as attractive as they have been for some time and high-quality assets are offering some compelling yields. The fund's per unit distribution reached record levels in 2022, and at the time of writing has a historic yield of 4.8%.

**Jacob de Tusch-Lec, James Davidson, Jack Holmes
and David Ennett**

Fund managers

INVESTMENT INFORMATION

Ten largest purchases and sales for the year ended 31 December 2022

Purchases	Cost £'000	Sales	Proceeds £'000
Glencore	20,490	Pfizer	29,709
Exxon Mobil	20,092	Nobina	25,929
AbbVie	17,078	Exxon Mobil	24,907
Pfizer	16,169	BNP Paribas	19,364
Baker Hughes	15,782	AvalonBay Communities, REIT	16,354
Tesco	14,745	NN Group	16,254
BAE Systems	14,597	Blackstone Mortgage Trust, REIT `A	15,890
Mitsubishi UFJ Financial Group	14,188	Broadcom	15,670
AT&T	14,148	PPL	15,399
NN Group	13,664	TotalEnergies	15,356

Portfolio statement as at 31 December 2022

	Holding	Valuation £'000	% of net assets
Equities 47.81% (53.76%)			
Australia 1.21% (0.00%)			
Glencore	1,432,687	7,960	1.21
		7,960	1.21
Austria 0.00% (0.69%)			
Bermuda 0.00% (0.89%)			
Brazil 1.05% (0.00%)			
Banco do Brasil	1,274,000	6,948	1.05
		6,948	1.05
Canada 0.68% (1.74%)			
Nutrien	73,072	4,452	0.68
		4,452	0.68
China 0.00% (0.93%)			
Denmark 0.00% (1.49%)			
France 2.02% (3.08%)			
Vinci	160,744	13,337	2.02
		13,337	2.02
Germany 5.55% (3.30%)			
Bayer	218,122	9,441	1.43
Infineon Technologies	294,747	7,469	1.14
Rheinmetall	55,661	9,324	1.42
RWE	278,954	10,301	1.56
		36,535	5.55
Israel 0.94% (1.73%)			
Bezeq The Israeli Telecommunication	2,528,363	3,613	0.55
Gav-Yam Lands	403,641	2,603	0.39
		6,216	0.94
Italy 2.53% (3.41%)			
RAI Way	3,460,516	16,648	2.53
		16,648	2.53
Japan 1.82% (0.79%)			
Mitsubishi UFJ Financial Group	2,139,500	11,985	1.82
		11,985	1.82

	Holding	Valuation £'000	% of net assets
Luxembourg 0.00% (0.88%)			
Mexico 0.27% (0.00%)			
Grupo Financiero Banorte 'O'	289,804	1,762	0.27
		1,762	0.27
Netherlands 0.57% (1.03%)			
NN Group	110,487	3,772	0.57
		3,772	0.57
Norway 2.43% (0.70%)			
Elopak	3,334,266	7,009	1.06
Var Energi	3,183,689	9,005	1.37
		16,014	2.43
Russia 0.00% (0.75%)			
Sberbank of Russia, ADR^	784,260	–	–
		–	–
Sweden 0.00% (3.75%)			
Taiwan 1.03% (0.00%)			
Taiwan Semiconductor Manufacturing, ADR	107,286	6,771	1.03
		6,771	1.03
United Arab Emirates 0.36% (0.00%)			
Abu Dhabi Commercial Bank	1,172,251	2,386	0.36
		2,386	0.36
United Kingdom 5.26% (1.06%)			
BAE Systems	1,271,709	10,896	1.65
CNH Industrial	125,087	1,670	0.25
Direct Line Insurance Group	2,515,912	5,570	0.84
Tesco	1,517,292	3,412	0.52
Unilever	312,279	13,083	1.99
Zegona Communications	71,834	57	0.01
		34,688	5.26
United States of America 22.09% (27.54%)			
AbbVie	148,844	20,099	3.05
Archer-Daniels-Midland	174,714	13,512	2.05
Baker Hughes	267,078	6,469	0.98
Broadcom	18,224	8,442	1.28
Bunge	36,595	3,033	0.46
Diversified Energy	5,503,047	6,373	0.97
Exxon Mobil	77,410	7,022	1.07
Fluor	245,940	7,138	1.08
Kraft Heinz	342,751	11,579	1.76
Phillips 66	105,289	9,104	1.38
PPL	140,445	3,459	0.53
Simon Property Group, REIT	37,398	3,644	0.55
Swiss Re	125,435	9,895	1.50
Tenaris	899,105	13,068	1.99
Wells Fargo	347,521	11,928	1.81
Weyerhaeuser, REIT	413,666	10,758	1.63
		145,523	22.09
Equities total		314,997	47.81

	Nominal value	Valuation £'000	% of net assets
Government Bonds 5.25% (3.52%)			
Austria 0.17% (0.00%)			
Austria Government Bond 0.85% 30/06/2120	€3,000,000	1,096	0.17
		1,096	0.17
United Kingdom 1.76% (0.89%)			
UK Treasury 0.38% 22/10/2026	£2,200,000	1,945	0.29
UK Treasury Inflation Indexed 0.13% 10/08/2028	£7,600,000	9,690	1.47
		11,635	1.76
United States of America 3.32% (2.63%)			
US Treasury 3.13% 15/11/2028	\$6,000,000	4,759	0.72
US Treasury 2.88% 15/05/2032	\$5,000,000	3,836	0.58
US Treasury Inflation Indexed, 0.25% 15/07/2029	\$15,000,000	13,285	2.02
		21,880	3.32
Government Bonds total		34,611	5.25
Corporate Bonds 46.24% (40.64%)			
Australia 0.45% (0.00%)			
Mineral Resources 8.00% 01/11/2027	\$3,500,000	2,967	0.45
		2,967	0.45
Austria 0.70% (0.32%)			
ams-OSRAM 7.00% 31/07/2025	\$3,200,000	2,501	0.38
AT&S Austria Technologie & Systemtechnik, FRN 5.00% Perpetual	€2,800,000	2,123	0.32
		4,624	0.70
Belgium 0.00% (0.11%)			
Canada 0.00% (0.37%)			
Denmark 0.00% (0.24%)			
France 2.18% (2.79%)			
Burger King France, FRN 6.39% 01/11/2026	€1,500,000	1,293	0.20
CAB SELAS 3.38% 01/02/2028	€2,100,000	1,490	0.23
Electricite de France 4.75% 12/10/2034	€1,900,000	1,666	0.25
Goldstory 5.38% 01/03/2026	€4,000,000	3,237	0.49
Loxam 2.88% 15/04/2026	€2,500,000	1,966	0.30
SCOR, FRN 5.25% Perpetual	\$3,000,000	1,906	0.29
TotalEnergies, FRN 1.62% Perpetual	€2,250,000	1,618	0.24
Veolia Environnement, FRN 2.25% Perpetual	€1,500,000	1,183	0.18
		14,359	2.18
Germany 2.12% (2.14%)			
Cheplapharm Arzneimittel 5.50% 15/01/2028	\$4,600,000	3,195	0.49
CT Investment 5.50% 15/04/2026	€3,000,000	2,342	0.36
Ctec II 5.25% 15/02/2030	€2,700,000	1,981	0.30
Gruenenthal 3.63% 15/11/2026	€5,400,000	4,375	0.66
IHO Verwaltungs 6.00% 15/05/2027	\$2,200,000	1,602	0.24
Standard Profil Automotive 6.25% 30/04/2026	€900,000	482	0.07
		13,977	2.12
Greece 0.00% (0.28%)			
Hong Kong 0.70% (0.43%)			
Seaspan 6.50% 29/04/2026	\$1,500,000	1,221	0.19
Seaspan 5.50% 01/08/2029	\$5,400,000	3,393	0.51
		4,614	0.70

	Nominal value	Valuation £'000	% of net assets
India 0.00% (0.41%)			
Israel 1.06% (0.86%)			
Energiean Israel Finance 5.38% 30/03/2028	\$4,000,000	2,974	0.45
Teva Pharmaceutical Finance Netherlands III 6.00% 15/04/2024	\$4,900,000	3,989	0.61
		6,963	1.06
Italy 0.48% (0.18%)			
Enel Finance International 7.50% 14/10/2032	\$3,600,000	3,173	0.48
		3,173	0.48
Japan 0.31% (0.00%)			
Toyota Motor Finance Netherlands 4.63% 08/06/2026	£2,100,000	2,076	0.31
		2,076	0.31
Luxembourg 1.53% (1.43%)			
Albion Financing 1 6.13% 15/10/2026	\$4,500,000	3,333	0.51
Albion Financing 2 8.75% 15/04/2027	\$3,500,000	2,476	0.37
Blackstone Property Partners Europe Holdings 2.00% 20/10/2025	£5,000,000	4,270	0.65
		10,079	1.53
Mexico 0.70% (0.00%)			
Cemex 3.13% 19/03/2026	€3,000,000	2,550	0.39
Food Service Project 5.50% 21/01/2027	€2,500,000	2,043	0.31
		4,593	0.70
Netherlands 0.59% (1.40%)			
ABN AMRO Bank, FRN 4.38% Perpetual	€2,600,000	2,125	0.32
NN Group, FRN 4.38% Perpetual	€2,000,000	1,747	0.27
		3,872	0.59
Romania 0.00% (0.42%)			
Spain 0.71% (0.61%)			
Cellnex Finance 2.00% 15/09/2032	€3,800,000	2,494	0.38
Grupo Antolin-Irausa 3.38% 30/04/2026	€3,000,000	2,155	0.33
		4,649	0.71
Sweden 0.42% (0.64%)			
Heimstaden, FRN 6.75% Perpetual	€2,400,000	936	0.14
Verisure Holding 3.88% 15/07/2026	€2,300,000	1,842	0.28
		2,778	0.42
Switzerland 2.22% (2.20%)			
Credit Suisse Group, FRN 6.25% Perpetual	\$6,000,000	3,895	0.59
Swiss Re, FRN 5.75% 15/08/2050	\$3,500,000	2,769	0.42
Zurich Finance Ireland Designated Activity, FRN 3.00% 19/04/2051	\$3,100,000	1,963	0.30
Zurich Finance Ireland Designated Activity, FRN 5.13% 23/11/2052	£3,000,000	2,715	0.41
Zurich Insurance, FRN 4.25% 01/10/2045	\$4,400,000	3,308	0.50
		14,650	2.22
United Kingdom 16.20% (18.43%)			
180 Medical 3.88% 15/10/2029	\$2,800,000	2,014	0.31
Annington Funding 4.75% 09/08/2033	£1,600,000	1,401	0.21
Aviva, FRN 6.88% Perpetual	£1,600,000	1,448	0.22
BCP V Modular Services Finance II 6.13% 30/11/2028	£5,000,000	4,176	0.63
BP Capital Markets, FRN 4.25% Perpetual	£2,000,000	1,757	0.27
Castle UK Finco 7.00% 15/05/2029	£3,400,000	2,366	0.36
Constellation Automotive Financing 4.88% 15/07/2027	£4,100,000	2,672	0.41
CPUK Finance 4.50% 28/08/2027	£1,650,000	1,365	0.21
Drax Finco 6.63% 01/11/2025	\$5,000,000	3,959	0.60
eG Global Finance 6.25% 30/10/2025	€3,300,000	2,559	0.39

	Nominal value	Valuation £'000	% of net assets
Energia Group NI FinanceCo 4.75% 15/09/2024	£4,150,000	3,850	0.58
Harbour Energy 5.50% 15/10/2026	\$3,500,000	2,605	0.40
Hiscox, FRN 6.12% 24/11/2045	£3,000,000	2,848	0.43
INEOS Quattro Finance 2 2.50% 15/01/2026	€4,400,000	3,307	0.50
InterContinental Hotels Group 3.38% 08/10/2028	£2,700,000	2,326	0.35
Investec Bank, FRN 4.25% 24/07/2028	£347,000	342	0.05
Ithaca Energy North Sea 9.00% 15/07/2026	\$3,100,000	2,528	0.38
Jaguar Land Rover Automotive 5.88% 15/01/2028	\$3,400,000	2,155	0.33
Jerrold Finco 4.88% 15/01/2026	£4,000,000	3,438	0.52
Kane Bidco 5.00% 15/02/2027	€1,600,000	1,213	0.18
Kane Bidco 6.50% 15/02/2027	£1,900,000	1,577	0.24
Legal & General Group, FRN 5.38% 27/10/2045	£3,000,000	2,917	0.44
National Express Group, FRN 4.25% Perpetual	£3,600,000	2,950	0.45
National Grid 3.50% 16/10/2026	£3,400,000	3,164	0.48
Nationwide Building Society, FRN 6.18% 07/12/2027	£1,400,000	1,401	0.21
NatWest Group, FRN 5.13% Perpetual	£2,800,000	2,348	0.36
NatWest Markets 6.38% 08/11/2027	£1,700,000	1,737	0.26
NGG Finance, FRN 5.63% 18/06/2073	£2,600,000	2,454	0.37
NIE Finance 5.88% 01/12/2032	£800,000	822	0.13
Northumbrian Water Finance 6.38% 28/10/2034	£2,100,000	2,225	0.34
Pension Insurance, FRN 7.38% Perpetual	£3,000,000	2,797	0.42
Phoenix Group Holdings 5.87% 13/06/2029	£2,100,000	1,935	0.29
Phoenix Group Holdings, FRN 5.75% Perpetual	£800,000	667	0.10
Premier Foods Finance 3.50% 15/10/2026	£4,000,000	3,500	0.53
Quilter, FRN 4.48% 28/02/2028	£1,360,000	1,312	0.20
RAC Bond 5.25% 04/11/2046	£3,800,000	2,988	0.45
Rothesay Life, FRN 6.88% Perpetual	£5,500,000	4,909	0.75
RSA Insurance Group, FRN 5.13% 10/10/2045	£689,000	654	0.10
Santander UK Group Holdings 4.75% 15/09/2025	\$2,200,000	1,746	0.27
Santander UK Group Holdings, FRN 7.10% 16/11/2027	£3,000,000	3,039	0.46
Sherwood Financing 6.00% 15/11/2026	£2,800,000	2,156	0.33
Synthomer 3.88% 01/07/2025	€3,600,000	2,914	0.44
TalkTalk Telecom Group 3.88% 20/02/2025	£2,700,000	2,106	0.32
Tesco Corp. Treasury Services 1.88% 02/11/2028	£3,200,000	2,605	0.40
Victoria 3.63% 24/08/2026	€3,200,000	2,313	0.35
Vmed O2 UK Financing I 4.00% 31/01/2029	£1,500,000	1,166	0.18
		106,731	16.20
United States of America 15.87% (7.38%)			
At Home Group 7.13% 15/07/2029	\$3,500,000	1,709	0.26
Ball 4.00% 15/11/2023	\$4,000,000	3,256	0.49
Banff Merger Sub 8.38% 01/09/2026	€4,000,000	3,174	0.48
Catalent Pharma Solutions 3.13% 15/02/2029	\$2,400,000	1,571	0.24
Catalent Pharma Solutions, ADR 2.38% 01/03/2028	€2,400,000	1,721	0.26
Compass Group Diversified Holdings 5.25% 15/04/2029	\$3,600,000	2,572	0.39
Coty 3.88% 15/04/2026	€6,300,000	5,187	0.79
Encore Capital Group 5.38% 15/02/2026	£3,000,000	2,682	0.41
Energizer Holdings 4.38% 31/03/2029	\$5,000,000	3,530	0.54
Ford Motor Credit 2.75% 14/06/2024	£5,900,000	5,564	0.84
Goodyear Europe 2.75% 15/08/2028	€5,000,000	3,550	0.54
Graphic Packaging International 4.75% 15/07/2027	\$500,000	389	0.06
Graphic Packaging International 2.63% 01/02/2029	€2,800,000	2,174	0.33

	Nominal value	Valuation £'000	% of net assets
GSK Consumer Healthcare Capital UK 3.13% 24/03/2025	\$6,000,000	4,743	0.72
International Game Technology 3.50% 15/06/2026	€4,800,000	4,041	0.61
IQVIA 2.25% 15/03/2029	€2,600,000	1,937	0.29
Match Group Holdings II 3.63% 01/10/2031	\$5,500,000	3,500	0.53
Medline Borrower 3.88% 01/04/2029	\$5,100,000	3,390	0.51
Meritage Homes 5.13% 06/06/2027	\$2,500,000	1,968	0.30
MPT Operating Partnership, REIT 2.50% 24/03/2026	£6,000,000	4,758	0.72
Netflix 6.38% 15/05/2029	\$4,200,000	3,593	0.55
Owens & Minor 6.63% 01/04/2030	\$4,444,000	3,170	0.48
PECF USS Intermediate Holding III 8.00% 15/11/2029	\$3,881,000	2,094	0.32
Realty Income, REIT 1.88% 14/01/2027	£1,900,000	1,644	0.25
Roller Bearing Co. of America 4.38% 15/10/2029	\$2,800,000	2,011	0.31
SCIL IV 5.38% 01/11/2026	\$4,000,000	2,839	0.43
Sotheby's/Bidfair Holdings 5.88% 01/06/2029	\$4,000,000	2,785	0.42
Summer BC Bidco B 5.50% 31/10/2026	\$1,250,000	842	0.13
TripAdvisor 7.00% 15/07/2025	\$4,000,000	3,283	0.50
Utah Acquisition Sub 3.95% 15/06/2026	\$6,000,000	4,663	0.71
VICI Properties, REIT 3.50% 15/02/2025	\$7,000,000	5,524	0.84
Warnermedia Holdings 3.64% 15/03/2025	\$6,000,000	4,740	0.72
Wolverine World Wide 4.00% 15/08/2029	\$4,000,000	2,517	0.38
ZipRecruiter 5.00% 15/01/2030	\$5,000,000	3,412	0.52
		104,533	15.87
Corporate Bonds total		304,638	46.24
Forward Currency Contracts (0.41)% (0.51%)			
Buy Sterling 74,990,879 sell Euro 86,330,000 dated 08/03/2023		(1,783)	(0.27)
Buy Sterling 156,277,654 sell US Dollar 189,538,000 dated 08/03/2023		(905)	(0.14)
Forward Currency Contracts total		(2,688)	(0.41)
Investment assets (including investment liabilities)		651,558	98.89
Net other assets		7,421	1.13
Net assets attributable to unitholders		658,979	100.02

The comparative percentage figures in brackets are as at 31 December 2021.

^ Unlisted, suspended or delisted security. Russian holdings currently suspended have been valued at nil by the manager.

FINANCIAL STATEMENTS

Statement of total return for the year ended 31 December 2022

	Note	31 December 2022		31 December 2021	
		£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	3		(65,866)		74,403
Revenue	5	36,130		28,975	
Expenses	6	(5,839)		(6,162)	
Interest payable and similar charges	7	(44)		(12)	
Net revenue before taxation		30,247		22,801	
Taxation	8	(4,057)		(3,432)	
Net revenue after taxation			26,190		19,369
Total return before distributions			(39,676)		93,772
Distributions	9		(31,286)		(24,713)
Change in net assets attributable to unitholders from investment activities			(70,962)		69,059

Statement of change in net assets attributable to unitholders for the year ended 31 December 2022

	31 December 2022		31 December 2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		700,049		722,396
Amounts receivable on issue of units		55,438		15,593
Amounts payable on cancellation of units		(43,222)		(121,085)
		12,216		(105,492)
Dilution adjustment		37		-
Change in net assets attributable to unitholders from investment activities		(70,962)		69,023
Retained distributions on accumulation units		17,639		14,123
Closing net assets attributable to unitholders		658,979		700,050

Balance sheet as at 31 December 2022

	Note	31 December 2022		31 December 2021	
		£'000	£'000	£'000	£'000
Assets					
Fixed assets					
Investments	10		654,246		689,191
Current assets					
Debtors	11		7,295		7,531
Cash and cash equivalents	12		3,248		9,894
Total current assets			10,543		17,425
Total assets			664,789		706,616
Liabilities					
Investment liabilities	10		2,688		117
Provisions for liabilities	13		-		21
Creditors					
Bank overdraft			-		3,320
Distribution payable			2,228		1,559
Other creditors	14		894		1,549
Total creditors			3,122		6,428
Total liabilities			5,810		6,566
Net assets attributable to unitholders			658,979		700,050

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, following consideration of the impact of Covid-19, they continue to adopt the going concern basis in preparing the financial statements.

(b) Valuation of investments. All investments have been valued at 12 noon on the last working day of the accounting period, net of any accrued interest in the case of debt securities, which is included in the balance sheet as a revenue related item. Listed investments are valued at fair value which is deemed to be the bid or SETS price. The last valuation point in the year has been used for the purposes of preparing the report and financial statements and in the manager's opinion there have been no material movements in the fund between the last dealing point and close of business on the balance sheet date.

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

(d) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward currency contracts are used for investment purposes and efficient portfolio management. Derivatives are valued at 12 noon on the last working day of the accounting period. Exchange traded derivatives are priced at fair value, which is deemed to be the bid price. Over-the-counter derivatives are priced at fair value using valuation models or data sourced from market data providers. Returns on derivative instruments are recognised 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. Open forward foreign exchange contracts are shown in the Portfolio Statement at market value and the net gains/(losses) are reflected within Forward currency contracts under net capital gains/(losses) in the Notes to the financial statements.

(e) Revenue. Interest from debt securities is recognised on an effective interest rate basis inclusive of any expected changes to future cash flows. Dividends receivable from equity and non-equity shares are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends 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 unitholders' 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 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 and taxation properly chargeable against revenue. The manager and the trustee have agreed that 100% of the annual management charge is to be transferred to capital for the purpose of calculating the distribution, as permitted by COLL. The distribution currently payable reflects this treatment. The manager may from time to time, smooth the distribution payments during the accounting period with the balance of revenue (if any) being paid in respect of the final distribution. Gains and losses on investments, derivatives and currencies, 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 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

	31 December 2022 £'000	31 December 2021 £'000
Currency losses	(156)	(1,716)
Forward currency contracts	(15,422)	11,040
Non-derivative securities	(50,288)	65,079
Net capital (losses)/gains	(65,866)	74,403

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. Bonds have no separately identifiable transaction costs; these costs form part of the dealing price.

	Year ended 31 December 2022					
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	596,306	146	548	597,000	0.02	0.09
Bonds	218,583	-	-	218,583	-	-
Sales						
Equities	646,334	150	27	646,157	0.02	-
Bonds	151,486	-	-	151,486	-	-
Total		296	575			
Percentage of fund average net assets		0.04%	0.09%			

	Year ended 31 December 2021					
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	448,788	102	167	449,057	0.02	0.04
Bonds	205,248	-	-	205,248	-	-
Sales						
Equities	480,457	98	69	480,290	0.02	0.01
Bonds	271,740	-	-	271,740	-	-
Total		200	236			
Percentage of fund average net assets		0.03%	0.03%			

Dealing spread

As at the balance sheet date the estimated portfolio dealing spread was 0.51% (2021: 0.31%). 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

	31 December 2022 £'000	31 December 2021 £'000
Interest on debt securities	17,576	14,926
Overseas dividends	16,643	12,624
UK dividends	1,798	1,421
Bank interest	113	4
Total revenue	36,130	28,975

6. Expenses

	31 December 2022 £'000	31 December 2021 £'000
Payable to the manager, associates of the manager and agents of either of them:		
Annual management charge	5,096	5,380
Administration fees	732	782
Total expenses	5,828	6,162

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

The audit fee (excluding VAT) accrued during the period was £9,650 (2021: £8,800). This fee is paid by the manager.

7. Interest payable and similar charges

	31 December 2022 £'000	31 December 2021 £'000
Interest payable	44	12
Total interest payable and similar charges	44	12

8. Taxation

	31 December 2022 £'000	31 December 2021 £'000
a) Analysis of the tax charge in the year		
UK corporation tax	2,830	2,195
Irrecoverable overseas tax	1,600	1,405
Overseas tax provision	-	(18)
Prior year adjustments	-	(36)
Double tax relief	(352)	(121)
Total current taxation (note 8b)	4,078	3,425
Deferred tax (note 8c)	(21)	7
Total taxation (note 8b)	4,057	3,432
b) Factors affecting the tax charge for the year		
Net revenue before taxation	30,247	22,801
Corporation tax at 20% (2021: 20%)	6,049	4,560
Effects of:		
Irrecoverable overseas tax	1,248	1,284
Revenue taxable in different periods	84	(26)
Expensed withholding tax incurred	-	(18)
Prior year adjustments	-	(36)
Deferred tax (note 8c)	(21)	7
Non-taxable UK dividends	(359)	(284)
Non-taxable overseas dividends	(2,944)	(2,055)
Tax charge for the year (note 8a)	4,057	3,432
c) Provision for deferred tax		
Provision at the start of the year	21	14
Movement in deferred tax for the year (note 8a)	(21)	7
Provision at the end of the year	-	21

9. Distributions

	31 December 2022 £'000	31 December 2021 £'000
Interim dividend distribution - January 2022	1,468	1,655
Interim dividend distribution - February 2022	2,014	1,615
Interim dividend distribution - March 2022	3,381	2,509
Interim dividend distribution - April 2022	2,833	1,706
Interim dividend distribution - May 2022	4,909	2,865
Interim dividend distribution - June 2022	2,488	2,691
Interim dividend distribution - July 2022	1,489	1,693
Interim dividend distribution - August 2022	3,381	2,153
Interim dividend distribution - September 2022	2,726	2,226
Interim dividend distribution - October 2022	1,616	1,795
Interim dividend distribution - November 2022	2,993	1,865
Final dividend distribution - December 2022	1,992	1,757
	<u>31,290</u>	<u>24,530</u>
Add: amounts deducted on cancellation of units	81	201
Deduct: amounts added on issue of units	(85)	(18)
Distributions	<u>31,286</u>	<u>24,713</u>
Movement between net revenue and distributions		
Net revenue after taxation	26,125	19,369
Annual management charge paid from capital	5,096	5,380
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	-	(1)
	<u>31,222</u>	<u>24,749</u>

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 pages 28 to 30.

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).

	31 December 2022		31 December 2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	314,997	-	376,303	-
Level 2	339,249	2,688	312,888	117
Total	<u>654,246</u>	<u>2,688</u>	<u>689,191</u>	<u>117</u>

11. Debtors

	31 December 2022 £'000	31 December 2021 £'000
Accrued revenue	5,091	4,564
Sales awaiting settlement	924	1,464
Overseas withholding tax recoverable	864	987
Amounts receivable for issue of units	322	453
Corporation tax recoverable	94	63
Total debtors	<u>7,295</u>	<u>7,531</u>

12. Cash and cash equivalents

	31 December 2022 £'000	31 December 2021 £'000
Cash and bank balances	898	9,894
Amounts held at futures clearing houses and brokers	2,350	-
Total cash and cash equivalents	3,248	9,894

13. Provisions for liabilities

	31 December 2022 £'000	31 December 2021 £'000
Deferred taxation	-	21
Total provisions for liabilities	-	21

14. Other creditors

	31 December 2022 £'000	31 December 2021 £'000
Accrued annual management charge	401	436
Amounts payable for cancellation of units	303	453
Purchases awaiting settlement	130	595
Accrued administration fee payable to manager	60	65
Total other creditors	894	1,549

15. Contingent liabilities and commitments

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

16. Reconciliation of unit movements

	Units in issue at 31 December 2021	Units issued	Units cancelled	Units converted	Units in issue at 31 December 2022
C distribution	6,771,073	1,205,051	(391,207)	(163,084)	7,421,833
C accumulation	943,180	620,923	(267,053)	(116,817)	1,180,233
I distribution	376,856,971	49,638,477	(18,336,630)	698,034	408,856,852
I accumulation	345,216,903	14,124,551	(25,762,227)	(84,428)	333,494,799
R distribution	5,384,801	1,360,433	(606,734)	(256,040)	5,882,460
R accumulation	5,541,175	1,967,896	(884,628)	(5,727)	6,618,716

17. Risk disclosures

In pursuing its investment objective, the fund may hold a number of financial instruments. These financial instruments comprise equities, bonds, derivatives, cash balances and liquid resources, which include debtors and creditors that arise directly from the 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 bonds and 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. Bond yields (and as a consequence bond prices) are determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, governments' fiscal positions, short-term interest rates and international market comparisons.

As part of the continuing review of the portfolio, the manager monitors and reviews these factors.

Currency	Floating rate financial assets [†]	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31 December 2022				
Sterling	3,225	114,762	276,228	394,215
US Dollar	21	149,653	(25,140)	124,534
Norwegian Krone	-	-	16,081	16,081
Japanese Yen	-	-	11,985	11,985
Euro	2	74,834	9,885	84,721
Swiss Franc	-	-	9,895	9,895
Brazilian Real	-	-	6,948	6,948
Israeli New Shekel	-	-	6,295	6,295
UAE Dirham	-	-	2,386	2,386
Mexican Peso	-	-	1,762	1,762
Danish Krone	-	-	122	122
Swedish Krona	-	-	35	35
31 December 2021				
Sterling	7,024	125,849	198,523	331,396
US Dollar	5,372	103,340	141,232	249,944
Euro	103	73,520	(33,310)	40,313
Swedish Krona	-	-	26,315	26,315
Israeli New Shekel	-	-	12,192	12,192
Canadian Dollar	-	-	12,170	12,170
Danish Krone	-	-	10,543	10,543
Hong Kong Dollar	-	-	6,599	6,599
Japanese Yen	594	-	4,954	5,548
Norwegian Krone	(43)	-	5,073	5,030

[†] Includes cash and bank balances.

As at 31 December 2022 if there is a parallel shift in government bond yields with an increase of 1%, the fund could expect to see a 4.0% fall in the prices of the underlying bonds it holds (2021: 4.0%). A 1% fall in government bond yields would have an equal and opposite impact. This calculation has been prepared on a modified duration basis. Modified duration follows the concept that interest rates and bond prices move in opposite directions. The calculation has been used to serve as an indication of the possible impact to the fund from changes to government bond yields. This concept relies on a large number of assumptions, in particular, that all bonds are equally sensitive to government bond yields. In practice, this is not the case as many bonds with higher credit risk have lower correlation with government bond yields and in some cases even negative correlation. The fund contains a high and varying proportion of bonds with sometimes a high degree of credit risk. Furthermore, this makes the assumption of a parallel shift in yields. In practice, when interest rates change, longer dated government bond yields do not usually move in parallel with short-term interest rates. It is not unusual to see a negative correlation to short-term interest rate movements. The calculation also includes the impact of any futures positions, which are priced according to the yield of 10 year government bonds.

(ii) Currency risk

A portion of the net assets of the 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 loss on forward currency contracts for the year was £15,422,000 (2021: gain of £11,040,000).

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

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

Currency	Investments £'000	Net other assets £'000	Forward currency contracts £'000	Total £'000
31 December 2022				
Sterling	162,112	835	231,268	394,215
US Dollar	277,065	4,651	(157,182)	124,534
Euro	159,863	1,632	(76,774)	84,721
Norwegian Krone	16,014	67	-	16,081
Japanese Yen	11,985	-	-	11,985
Swiss Franc	9,895	-	-	9,895
Brazilian Real	6,948	-	-	6,948
Israeli New Shekel	6,216	79	-	6,295
UAE Dirham	2,386	-	-	2,386
Mexican Peso	1,762	-	-	1,762
Danish Krone	-	122	-	122
Swedish Krona	-	35	-	35
31 December 2021				
Sterling	-	6,813	191,322	331,396
US Dollar	-	2,356	(65,154)	249,944
Euro	-	1,380	(122,570)	40,313
Swedish Krona	26,279	36	-	26,315
Israeli New Shekel	12,107	85	-	12,192
Canadian Dollar	12,169	1	-	12,170
Danish Krone	10,462	81	-	10,543
Hong Kong Dollar	6,497	102	-	6,599
Japanese Yen	5,548	-	-	5,548
Norwegian Krone	4,919	122	(11)	5,030

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 £13,238,000 (2021: £18,433,000). 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 as detailed in the portfolio statement 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 per cent increase in the value of the fund's portfolio would have the effect of increasing the return and net assets by £32,577,000 (2021: £34,454,000). A five per cent decrease would have an equal and opposite effect.

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

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

(iv) Leverage risk

Leverage is defined as any method by which the 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 both the sum of the notionals and the commitment methods. 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 31 December 2022 and 31 December 2021 the leverage ratios of the fund were:

	31 December 2022	31 December 2021
	%	%
Sum of the notionals	206.25	167.45
Commitment	100.99	100.00

(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 JP Morgan Chase N.A. ('JP Morgan'), the fund's custodian and banker, who holds the fund's investments and maintains the bank accounts. Bankruptcy or insolvency of JP Morgan 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.

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

The derivatives held at the year end are disclosed in the portfolio statement and UBS AG ('UBS') and J.P. Morgan are the counterparties for the forward currency contracts (2021: UBS and J.P. Morgan for the forward currency contracts). Aside from the custodian, the derivative counterparties and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 31 December 2022 or 31 December 2021.

Debt Security credit analysis

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

	31 December 2022	31 December 2021
	£'000	£'000
Investment grade securities	138,386	121,331
Below investment grade securities	198,740	184,308
Unrated securities	2,123	3,545
Total of debt securities	339,249	309,184

* Source of credit ratings: Artemis Investment Management LLP.

Counterparty and collateral exposure

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

Currency	Foreign currency contracts £'000	Net collateral (pledged)/held £'000
31 December 2022		
J.P. Morgan	1,805	1,630
UBS	901	720
31 December 2021		
J.P. Morgan	1,337	1,337
UBS	2,246	2,246

Only cash collateral is pledged or held by the fund.

(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 third 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 31 December 2022 or 31 December 2021.

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 17 and notes 6, 9, 11 and 15 on pages 20 to 22 including all issues and cancellations where the manager acted as principal. The balance due to the manager as at 31 December 2022 in respect of these transactions was £442,000 (2021: £501,000).

19. Unit classes

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

C distribution	1.20%
C accumulation	1.20%
I distribution	0.75%
I accumulation	0.75%
R distribution	1.50%
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 30 and 31. The distributions per unit class are given in the distribution tables on pages 27 to 29. 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 year end.

DISTRIBUTION TABLES

This fund pays monthly dividend distributions. The following table sets out the distribution periods.

Monthly distribution periods	Start	End	Ex-dividend date	Pay date
First interim	1 January 2022	31 January 2022	1 February 2022	31 March 2022
Second interim	1 February 2022	28 February 2022	1 March 2022	29 April 2022
Third interim	1 March 2022	31 March 2022	1 April 2022	31 May 2022
Fourth interim	1 April 2022	30 April 2022	1 May 2022	30 June 2022
Fifth interim	1 May 2022	31 May 2022	1 June 2022	29 July 2022
Sixth interim	1 June 2022	30 June 2022	1 July 2022	31 August 2022
Seventh interim	1 July 2022	31 July 2022	1 August 2022	30 September 2022
Eighth interim	1 August 2022	31 August 2022	1 September 2022	31 October 2022
Ninth interim	1 September 2022	30 September 2022	1 October 2022	30 November 2022
Tenth interim	1 October 2022	31 October 2022	1 November 2022	30 December 2022
Eleventh interim	1 November 2022	30 November 2022	1 December 2022	31 January 2023
Final	1 December 2022	31 December 2022	1 January 2023	28 February 2023

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.

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

C distribution

Dividend distributions for the year ended 31 December 2022	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2021 Distribution per unit (p)
	Net revenue per unit (p)	Equalisation per unit (p)		Franked	Unfranked	
First interim	0.1061	0.0505	0.1566	54.69%	45.31%	0.1588
Second interim	0.1488	0.0645	0.2133	46.29%	53.71%	0.1570
Third interim	0.1918	0.1646	0.3564	67.49%	32.51%	0.2483
Fourth interim	0.1396	0.1591	0.2987	72.77%	27.23%	0.1719
Fifth interim	0.3846	0.1261	0.5107	84.76%	15.24%	0.2889
Sixth interim	0.1547	0.1032	0.2579	31.07%	68.93%	0.2743
Seventh interim	0.1321	0.0223	0.1544	28.16%	71.84%	0.1747
Eighth interim	0.0969	0.2491	0.3460	67.21%	32.79%	0.2229
Ninth interim	0.2297	0.0498	0.2795	30.98%	69.02%	0.2324
Tenth interim	0.1570	0.0092	0.1662	30.12%	69.88%	0.1891
Eleventh interim	0.2183	0.0831	0.3014	66.53%	33.47%	0.1974
Final	0.1047	0.0970	0.2017	54.82%	45.18%	0.1858

C accumulation

Dividend distributions for the year ended 31 December 2022	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2021 Distribution per unit (p)
	Net revenue per unit (p)	Equalisation per unit (p)		Franked	Unfranked	
First interim	0.0678	0.1625	0.2303	54.69%	45.31%	0.2254
Second interim	0.3054	0.0091	0.3145	46.29%	53.71%	0.2235
Third interim	0.4371	0.0911	0.5282	67.49%	32.51%	0.3543
Fourth interim	0.4100	0.0338	0.4438	72.77%	27.23%	0.2459
Fifth interim	0.1354	0.6270	0.7624	84.76%	15.24%	0.4147
Sixth interim	0.1318	0.2546	0.3864	31.07%	68.93%	0.3947
Seventh interim	0.1320	0.1010	0.2330	28.16%	71.84%	0.2526
Eighth interim	0.1038	0.4207	0.5245	67.21%	32.79%	0.3237
Ninth interim	0.3427	0.0812	0.4239	30.98%	69.02%	0.3379
Tenth interim	0.2401	0.0140	0.2541	30.12%	69.88%	0.2761
Eleventh interim	0.3938	0.0679	0.4617	66.53%	33.47%	0.2889
Final	0.2838	0.0244	0.3082	54.82%	45.18%	0.2733

I distribution

Dividend distributions for the year ended 31 December 2022	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2021 Distribution per unit (p)
	Net revenue per unit (p)	Equalisation per unit (p)		Franked	Unfranked	
First interim	0.0703	0.0925	0.1628	54.69%	45.31%	0.1647
Second interim	0.1129	0.1106	0.2235	46.29%	53.71%	0.1628
Third interim	0.1703	0.2050	0.3753	67.49%	32.51%	0.2591
Fourth interim	0.1812	0.1332	0.3144	72.77%	27.23%	0.1786
Fifth interim	0.3526	0.1877	0.5403	84.76%	15.24%	0.3029
Sixth interim	0.1670	0.1039	0.2709	31.07%	68.93%	0.2872
Seventh interim	0.0623	0.0986	0.1609	28.16%	71.84%	0.1813
Eighth interim	0.1770	0.1882	0.3652	67.21%	32.79%	0.2327
Ninth interim	0.1591	0.1355	0.2946	30.98%	69.02%	0.2429
Tenth interim	0.0566	0.1172	0.1738	30.12%	69.88%	0.1971
Eleventh interim	0.2500	0.0680	0.3180	66.53%	33.47%	0.2058
Final	0.1316	0.0801	0.2117	54.82%	45.18%	0.1946

I accumulation

Dividend distributions for the year ended 31 December 2022	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2021 Distribution per unit (p)
	Net revenue per unit (p)	Equalisation per unit (p)		Franked	Unfranked	
First interim	0.0863	0.1519	0.2382	54.69%	45.31%	0.2325
Second interim	0.1691	0.1586	0.3277	46.29%	53.71%	0.2306
Third interim	0.2579	0.2941	0.5520	67.49%	32.51%	0.3679
Fourth interim	0.2458	0.2191	0.4649	72.77%	27.23%	0.2544
Fifth interim	0.4311	0.3709	0.8020	84.76%	15.24%	0.4327
Sixth interim	0.2123	0.1929	0.4052	31.07%	68.93%	0.4113
Seventh interim	0.1194	0.1222	0.2416	28.16%	71.84%	0.2609
Eighth interim	0.2876	0.2616	0.5492	67.21%	32.79%	0.3355
Ninth interim	0.2255	0.2199	0.4454	30.98%	69.02%	0.3518
Tenth interim	0.1291	0.1349	0.2640	30.12%	69.88%	0.2863
Eleventh interim	0.2280	0.2562	0.4842	66.53%	33.47%	0.2998
Final	0.1916	0.1309	0.3225	54.82%	45.18%	0.2846

DISTRIBUTION TABLES

R distribution

Dividend distributions for the year ended 31 December 2022	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2021 Distribution per unit (p)
	Net revenue per unit (p)	Equalisation per unit (p)		Franked	Unfranked	
First interim	0.0630	0.0952	0.1582	54.69%	45.31%	0.1606
Second interim	0.1055	0.1089	0.2144	46.29%	53.71%	0.1588
Third interim	0.1510	0.2059	0.3569	67.49%	32.51%	0.2502
Fourth interim	0.0710	0.2279	0.2989	72.77%	27.23%	0.1735
Fifth interim	0.4281	0.0817	0.5098	84.76%	15.24%	0.2901
Sixth interim	0.2214	0.0362	0.2576	31.07%	68.93%	0.2759
Seventh interim	0.0157	0.1399	0.1556	28.16%	71.84%	0.1764
Eighth interim	0.2830	0.0632	0.3462	67.21%	32.79%	0.2247
Ninth interim	0.2327	0.0468	0.2795	30.98%	69.02%	0.2338
Tenth interim	0.0176	0.1495	0.1671	30.12%	69.88%	0.1905
Eleventh interim	0.2655	0.0357	0.3012	66.53%	33.47%	0.1989
Final	0.1560	0.0451	0.2011	54.82%	45.18%	0.1879

R accumulation

Dividend distributions for the year ended 31 December 2022	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2021 Distribution per unit (p)
	Net revenue per unit (p)	Equalisation per unit (p)		Franked	Unfranked	
First interim	0.1294	0.1034	0.2328	54.69%	45.31%	0.2281
Second interim	0.1223	0.1945	0.3168	46.29%	53.71%	0.2261
Third interim	0.1628	0.3657	0.5285	67.49%	32.51%	0.3570
Fourth interim	0.1704	0.2742	0.4446	72.77%	27.23%	0.2487
Fifth interim	0.5020	0.2597	0.7617	84.76%	15.24%	0.4165
Sixth interim	0.1816	0.2054	0.3870	31.07%	68.93%	0.3976
Seventh interim	0.1512	0.0840	0.2352	28.16%	71.84%	0.2554
Eighth interim	0.3114	0.2135	0.5249	67.21%	32.79%	0.3254
Ninth interim	0.1350	0.2904	0.4254	30.98%	69.02%	0.3408
Tenth interim	0.1771	0.0785	0.2556	30.12%	69.88%	0.2786
Eleventh interim	0.2359	0.2261	0.4620	66.53%	33.47%	0.2925
Final	0.1911	0.1216	0.3127	54.82%	45.18%	0.2777

COMPARATIVE TABLES

	C distribution **			C accumulation **		
	2022	2021	2020	2022	2021	2020
Change in net assets per unit (p)						
Opening net asset value unit	72.93	66.43	59.73	107.32	94.33	82.25
Return before operating charges *	(3.47)	9.92	9.42	(5.15)	14.32	13.21
Operating charges	(0.89)	(0.92)	(0.81)	(1.34)	(1.33)	(1.13)
Return after operating charges	(4.36)	9.00	8.61	(6.49)	12.99	12.08
Distributions	(3.24)	(2.50)	(1.91)	(4.87)	(3.61)	(2.67)
Retained distributions on accumulation units	-	-	-	4.87	3.61	2.67
Closing net asset value per unit	65.33	72.93	66.43	100.83	107.32	94.33
* after direct transaction costs of	(0.09)	(0.04)	(0.04)	(0.13)	(0.06)	(0.06)
Performance						
Return after charges	(5.98)%	13.55%	14.41%	(6.05)%	13.77%	14.69%
Other information						
Closing net asset value (£'000)	4,848	4,938	3,764	1,190	1,012	844
Closing number of units	7,421,833	6,771,073	5,666,511	1,180,233	943,180	894,523
Operating charges (%)	1.31%	1.31%	1.29%	1.31%	1.31%	1.29%
Performance fees (£'000)	-	-	-	-	-	-
Direct transaction costs	0.13%	0.06%	0.07%	0.13%	0.06%	0.07%
Prices						
Highest unit price (p)	73.41	73.22	66.94	108.03	107.48	94.83
Lowest unit price (p)	63.03	66.62	54.86	96.30	94.77	75.55

	I distribution			I accumulation		
	2022	2021	2020	2022	2021	2020
Change in net assets per unit (p)						
Opening net asset value unit	77.56	70.33	72.33	113.55	99.42	98.64
Return before operating charges *	(3.74)	10.48	0.95	(5.52)	15.05	1.56
Operating charges	(0.62)	(0.64)	(0.56)	(0.94)	(0.92)	(0.78)
Return after operating charges	(4.36)	9.84	0.39	(6.46)	14.13	0.78
Distributions	(3.41)	(2.61)	(2.39)	(5.10)	(3.75)	(3.31)
Retained distributions on accumulation units	-	-	-	5.10	3.75	3.31
Closing net asset value per unit	69.79	77.56	70.33	107.09	113.55	99.42
* after direct transaction costs of	(0.09)	(0.04)	(0.05)	(0.14)	(0.06)	(0.07)
Performance						
Return after charges	(5.62)%	13.99%	0.54%	(5.69)%	14.21%	0.79%
Other information						
Closing net asset value (£'000)	285,357	292,299	291,156	357,148	391,977	416,197
Closing number of units	408,856,852	376,856,971	413,964,999	333,494,799	345,216,903	418,636,531
Operating charges (%)	0.86%	0.86%	0.84%	0.86%	0.86%	0.84%
Performance fees (%)	-	-	-	-	-	-
Performance fees (£'000)	-	-	-	-	-	-
Direct transaction costs	0.13%	0.06%	0.07%	0.13%	0.06%	0.07%
Prices**						
Highest unit price (p)	78.08	77.87	75.14	114.30	113.71	102.72
Lowest unit price (p)	67.27	70.57	57.89	102.19	99.90	79.38

** Launched on 13 March 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.

	R distribution			R accumulation		
	2022	2021	2020	2022	2021	2020
Change in net assets per unit (p)						
Opening net asset value unit	72.52	66.25	68.66	106.82	94.14	94.00
Return before operating charges *	(3.41)	9.91	0.94	(5.07)	14.30	1.55
Operating charges	(1.09)	(1.12)	(1.02)	(1.64)	(1.62)	(1.41)
Return after operating charges	(4.50)	8.79	(0.08)	(6.71)	12.68	0.14
Distributions	(3.25)	(2.52)	(2.33)	(4.89)	(3.64)	(3.24)
Retained distributions on accumulation units	-	-	-	4.89	3.64	3.24
Closing net asset value per unit	64.77	72.52	66.25	100.11	106.82	94.14
* after direct transaction costs of	(0.09)	(0.04)	(0.05)	(0.13)	(0.06)	(0.06)
Performance						
Return after charges	(6.21)%	13.27%	(0.12)%	(6.28)%	13.47%	0.15%
Other information						
Closing net asset value (£'000)	3,810	3,905	3,492	6,626	5,920	6,943
Closing number of units	5,882,460	5,384,801	5,270,461	6,618,716	5,541,175	7,375,505
Operating charges (%)	1.61%	1.61%	1.59%	1.61%	1.61%	1.59%
Performance fees (%)	-	-	-	-	-	-
Performance fees (£'000)	-	-	-	-	-	-
Direct transaction costs	0.13%	0.06%	0.07%	0.13%	0.06%	0.07%
Prices						
Highest unit price (p)	73.00	72.81	71.26	107.52	106.98	97.80
Lowest unit price (p)	62.53	66.43	54.85	95.67	94.54	75.53

Ongoing charges

Class	31 December 2022
C distribution	1.31%
C accumulation	1.31%
I distribution	0.86%
I accumulation	0.86%
R distribution	1.61%
R accumulation	1.61%

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 distribution performance

	Since launch *	10 years	5 years	3 years	1 year	6 months
Artemis Monthly Distribution Fund **	125.5	100.5	12.8	8.5	(5.6)	2.0
Artemis Monthly Distribution Fund ***	125.8	100.2	12.8	8.5	(5.6)	2.2
IA Mixed Investment 20-60% Shares average	58.7	46.7	6.7	0.3	(9.8)	(0.1)
Position in sector	2/74	2/82	17/124	12/143	21/163	11/164
Quartile	1	1	1	1	1	1

Past performance is not a guide to the future.

* Source: Lipper Limited, data from 21 May 2012 to 31 December 2022, in sterling. All figures show total returns with dividends/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 be in a currency or 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 distribution is disclosed as it is the primary share 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

