PROFIT *hunters*

ARTEMIS
UK Select *Fund*

Manager's Report
and Financial Statements
for the year ended 31 December 2017

ARTEMIS
The PROFIT Hunter

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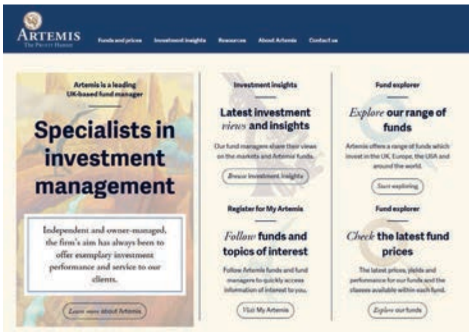

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- *The Hunters' Tails*, our weekly market newsletter
- Daily fund prices
- Fund literature

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 £27.8 billion* across a range of funds, two investment trusts, a venture capital trust 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 2018.

Fund status

Artemis UK Select Fund was constituted by a Trust Deed dated 17 March 1998 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').

Investment objective

The objective of the fund is to achieve long-term capital growth. The emphasis of the fund will be investment in companies listed, quoted and/or traded in the UK and in companies which are headquartered or have a significant part of their activities in the UK which are quoted on a regulated market outside the UK.

Investment policy

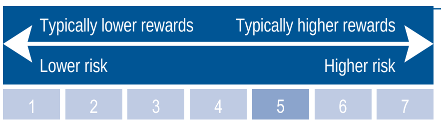
The manager actively manages the portfolio in order to achieve the objective and will not be restricted in respect of choice of investments either by company size or industry. The securities of companies listed, quoted and/or traded in the UK but domiciled elsewhere and the securities of companies traded on ISDX may be included in the portfolio.

The fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash, derivatives and forward transactions and other investments to the extent that each is permitted by the regulations.

Buying and selling

Units may be bought and sold by contacting the manager by telephone, at the address on page 2 or via the website artemisfunds.com. Valuation of the fund takes place each business day at 12 noon on a forward pricing basis. Investors are reminded that past performance is not a guarantee of performance in the future and that the price of units and the revenue from them can fall as well as rise.

Risk and reward profile



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the fund.
- The risk category shown is not guaranteed and may change over time.
- A risk indicator of "1" does not mean that the investment is "risk free".
- The indicator is not a measure of the possibility of losing your investment.

The risk indicator for the fund is as above because:

- The price of units, and the income from them, can fall and rise because of stock market and currency movements.
- Stock market prices, currencies and interest rates can move irrationally and can be affected unpredictably by diverse factors, including political and economic events.
- A portion of the fund's assets may be invested in a currency other than the fund's accounting currency (sterling). The value of these assets, and the income from them, may decrease if the currency falls in relation to sterling, in which the fund is valued and priced.
- The fund may hold derivatives with the aim of profiting from falling prices. If the related assets rise in value the fund will lose money.
- Investing in small and medium-size companies can involve more risk than investing in larger, more established companies. Shares in smaller companies are often not as easy to sell as shares in larger companies are. This can cause difficulty in buying,valuing and selling those shares. Also, reliable information for deciding their value or the risks may not be available.
- Investments in fixed interest securities are subject to market and credit risk and will be impacted by movements in interest rates. Interest rate movements are determined by a number of economic factors, in particular market expectations of future inflation.
- There was no change to the indicator in the period.

Prospectus

Copies of the most recent Prospectus are available free of charge from the manager at the address on page 2.

Change of Trustee and Depositary

With effect from 15 January 2018 J.P. Morgan Europe Limited took over the responsibility as Trustee & Depositary of the fund.

Remuneration

Following an amendment to the UCITS Directive in the UK on 18 March 2016, all UCITS schemes are required to

General information (continued)

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 staff for its financial year.

The first full financial year for Artemis Fund Managers Limited under the amended regulations ended on 31 December 2017, therefore as this information is not yet available the required disclosures have been omitted from the Manager's Report and Financial Statements as permitted by COLL.

Details of Artemis Fund Managers Limited's UCITS remuneration policy is disclosed on Artemis' website artemisfunds.com.

Tax information reporting

UK tax legislation requires fund managers to provide information to HM Revenue and 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.

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

(to 12 January 2018)
National Westminster Bank Plc †
Trustee & Depositary Services
Younger Building
1st Floor, 3 Redheughs Avenue
Edinburgh EH12 9RH

(from 15 January 2018)
J.P. Morgan Europe Limited †
25 Bank Street
Canary Wharf
London E14 5JP

Registrar

DST Financial Services International Limited * (formerly International Financial Data Services (UK) Limited)
DST 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, 25 The North Colonnade, Canary Wharf, London E14 5HS.

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

Statement of the trustee's responsibilities

The trustee must ensure that the scheme is managed in accordance with COLL, 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 scheme and its investors.

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

The trustee must ensure that:

- the scheme's cash flows are properly monitored and that cash of the scheme is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the scheme are calculated in accordance with the Regulations;
- any consideration relating to transactions in the scheme's assets is remitted to the scheme within the usual time limits;
- the scheme's income is applied in accordance with the Regulations; and
- the instructions of the manager are carried out (unless they conflict with the Regulations).

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

Report of the trustee to the unitholders of Artemis UK Select Fund for the year ended 31 December 2017

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

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

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

National Westminster Bank Plc
Trustee & Depositary Services
Edinburgh
27 February 2018

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 UK Select Fund for the year ended 31 December 2017 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
R J Turpin, Director
Artemis Fund Managers Limited
London
27 February 2018

General information (continued)

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

Opinion

We have audited the financial statements of the Artemis UK Select Fund ("the Fund") for the year ended 31 December 2017 which comprise the statement of total return, statement of change in net assets attributable to unitholders, balance sheet, distribution tables and the related notes 1 to 19 including 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 31 December 2017 and of the net revenue and the net gains 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 FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

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 FRC's 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.

Use of our report

This report is made solely to the unitholders of the Fund, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the unitholders of the Fund 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 unitholders of the Fund as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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

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 Financial Conduct Authority and the Trust Deed;
- 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; and
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records.

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 Financial Conduct Authority rules requires us to report to you if, in our opinion:

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

Responsibilities of the manager

As explained more fully in the manager's responsibilities statement set out on page 3, 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 liquidate 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.

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

Ernst & Young LLP
Statutory Auditor
Edinburgh
27 February 2018

Notes:
1. The maintenance and integrity of the Artemis Unit Trusts web site is the responsibility of the manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Investment review

- The fund returned 21.3%* versus the FTSE All-Share Index's 13.1%* return.
- Our industrial stocks perform particularly well.
- We continue to find pockets of value among UK shares.

Performance – 'Just right'…

Market indices didn't flinch from setting all-time highs in 2017 and volatility plunged. The Goldilocks scenario – where growth in the global economy is neither too hot (risking inflation) nor too cold but 'just right' – remained in place throughout, helping cyclical stocks. Meanwhile, low interest rates continued to underpin demand for bond proxies, consumer staples and growth stocks. The rigour of our investment process – company meetings and stock reviewing – paid off. Our sector allocation and, particularly, stock selection were positive. Over the year, the fund returned 21.3% versus the FTSE All-Share Index's 13.1%.

Although we remained underweight to consumer staples and growth stocks, we benefited from the recovery in cyclicals. Despite all the headlines, the Brexit discussions didn't prevent some of the UK market's domestic earners from outperforming, notably the housebuilders to which we had significant exposure through a variety of holdings. We took profits here recurrently throughout the year, reducing this position. We were pleased that our short book also made a positive contribution. Reflecting where we feel market valuations are (and where complacencies lie) we have been adding some new short ideas of late.

The fund had a pronounced overweight to industrials throughout the year. These holdings benefited from strong growth in the global economy, a recovery in commodity prices and some interesting stock-specific stories, with Fenner being the top contributor. Recoveries in shale production in the US, in coal mining in Australia and an increased market share helped the stock. Although pricing for its core products has yet to move higher, we see this as being likely to drive the next stage in its recovery.

Meanwhile, Renishaw, 'Britain's engineering innovation lab', has spent the last two decades investing heavily in the technology that underpins the next generation of factory automation, such as collaborative robots ('cobots') and 3D printing. As this technology moves towards mass adoption Renishaw looks well-placed to continue to deliver strong double-digit growth in sales.

Elsewhere, DS Smith is now one of our largest holdings. An intelligent acquisition in the US has opened up a huge new and higher-margin market to it. Crucially, many of its largest customers in Europe now want to receive the same products in the US as they do Europe. Management has been tight-lipped on any revenue-growth assumptions, but it is clear to us that this has been meaningfully underestimated.

No year, of course, is entirely blemish-free. This year, our banks were overlooked and being underweight in HSBC, whose dividend mattered more to its shareholders than its valuation, hurt. We are hopeful that our holding in Lloyds Banking Group will enjoy a similar re-rating in 2018 as it follows HSBC in distributing all of its profits to shareholders.

Mining was a missed opportunity. We were modestly underweight in a sector that rose by 30%, having underestimated the impact that pollution controls in China would have on tightening the balance between supply and demand for bulk commodities. Growth in the electric vehicle market also supported demand for a number of base metals.

Activity – Looking for value …

As the year progressed and we searched for value, the fund tilted more towards larger stocks. We reduced the large underweight in the oil sector. Positions in financials, meanwhile, grew over the second half of the year. We brought Lloyds Banking Group back into the portfolio. We think its cash generation will prove too strong for the market to ignore. We increased exposure to Aviva ahead of its investor day. Disappointingly, this holding has yet to really perform but the market's expectations are so modest we feel comfortable waiting.

In a year in which shares of European airlines soared, it was frustrating that one new addition, Ryanair Holdings, only just managed to get airborne. Its rostering woes and subsequent unionisation of its pilots didn't help, but its position as the lowest cost carrier in Europe is not in doubt.

On a stock-specific basis, Interserve was our bête noir. It initially came under pressure from its energy-from-waste construction contracts. We thought this was containable. But when trading also weakened in its support services business, we began to worry that what we had thought were the better cards in its hand weren't that good. Another weak statement later moved us to draw the line, but the holding was small by this stage. So we sold out entirely.

Tesco, on the other hand, performed well following news that the Competition and Markets Authority had approved its merger with Booker. While the outlook for the food retail sector remains tough, we believe Tesco is in the early stages of a substantial recovery in profits.

We have started a holding in Ashtead Group. Its end markets are extremely strong, its valuation is modest and its management is excellent. The shortage of labour in the US looks set to prolong the current cycle for Ashtead. To part-fund this purchase we sold some more of geotechnical specialist Keller. The stock has performed well and has similar US exposure to Ashtead but does not offer the structural outsourcing story.

* Source: Lipper Limited, class I accumulation units, bid to bid basis, in sterling with dividends reinvested. Benchmark is the FTSE All-Share Index.

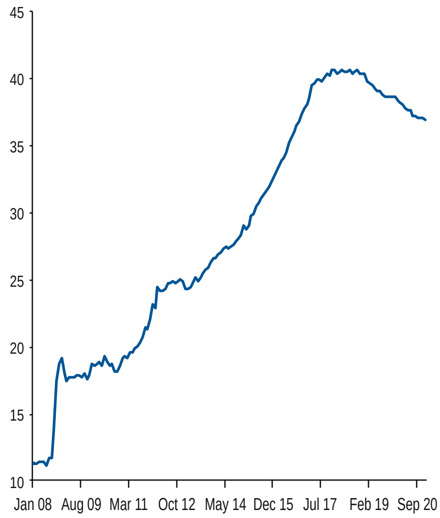
Outlook – The fog begins to clear …

Three top-down themes continue to dominate investor sentiment towards the UK: progress with Brexit negotiations (and so exchange rates); global monetary policy; and commodity prices. We feel that some of the fog that once clouded the outlook for all three has begun to clear.

While we eagerly await the next steps in Brexit, sterling has already rallied in response to the progress made in 2017, taking it to a six-month high relative to the euro and to a 12-month high versus the dollar. Over the next few months sterling's strength should start to feed through to lower inflation, reducing the squeeze on real wages. We will be watching economic data from the UK for any signs of an improvement in corporate and consumer confidence. At a stock level, current exchange rates should result in a switch in earnings momentum away from the UK's overseas earners and towards its domestic earners. The fund remains modestly overweight in domestic earners.

Turning to monetary policy, forecasts for global growth continue to rise, unemployment across the developed world is falling and forward-looking economic indicators remain strong. So we believe that central banks will continue to normalise monetary policy. There is no question that asset prices have benefited from almost a decade of quantitative easing by central banks. Globally, central banks will swing from being net buyers of bonds to net sellers in the second half of this year. While bond markets remain sanguine at this prospect, there is every chance that bond yields will move higher from here. Given this, we maintain the fund's overweight in financials and its bias towards value. These are two areas of the market that de-rated in a world being driven by quantitative easing and which now have scope to recover some of this underperformance.

G4 Central Bank Balance sheet, % of GDP



Source: J.P. Morgan

Over the last quarter of 2017, a weak US dollar, supply-side discipline and robust demand saw commodity prices firm. The oil price was buoyed by Opec's decision to extend its production cuts into 2018 which, when combined with strong global demand, has seen inventories falling to more normal levels. At the same time, the response from shale producers in the US to rising oil prices has been slower than many (ourselves included) expected. A lack of pipeline capacity to transport their product to market has curtailed the incentive to grow production. This restriction on the growth of shale production has allowed Opec to regain some control over the market and we see oil prices as being underpinned at the current levels. These prices should be supportive for both of the UK's oil majors as well as for the broader UK stockmarket (they account for over 12% of the FTSE All-Share Index). As outlined above, we have reduced our underweight in this area and retain our exposure to Weir and Fenner, who manufacture equipment for commodity producers.

A summary of the year's market events cannot entirely avoid making mention of Bitcoin or of cryptocurrencies more broadly. Rather than looking to make sense of the moves in cryptocurrencies, we focus on the potential disruption they might pose to the business models of stocks the fund currently owns. For today, the transaction processing speed of cryptocurrencies is simply too slow for them to provide any credible threat to the banking system. Speeds will no doubt improve in time. So while we are watchful, for now we are not fearful.

Our disposition towards the market feels similar to 2017: in absolute terms, valuations of UK equities look relatively full but there remain excellent pockets of value to exploit within that. We are, however, a little concerned that the investment banks' predictions for 2018 are almost universally bullish. This naturally instils a degree of caution. We are mindful that headlines about the Brexit negotiations have merely paused rather than stopped.

Globally, the second-order impacts of higher oil prices have yet to feed through to inflation and bond yields. Interest rates in the UK are so low that there should be no widespread worry for now. But consumers on the fringes of society do look weak.

We believe that the UK market's exposure to sterling and commodity companies, combined with the underweight positioning of international investors, represent supportive conditions for the UK stockmarket to perform well relative to other regions of the global market in 2018. We continue to focus the fund on stocks where we have bottom-up, stock-specific insights and which also have attractive starting valuations and some earnings growth. Reflecting this, the portfolio currently trades on just over 12x forecast earnings for 2018 compared to a market trading on just under 15x. Furthermore, the earnings of our companies are set to grow faster than the wider market.

Ed Legget and Ambrose Faulks
Fund managers

Investment information

Five largest purchases and sales for the year ended 31 December 2017

Purchases	Cost £'000	Sales	Proceeds £'000
British American Tobacco	24,062	British American Tobacco	21,618
Lloyds Banking Group	23,826	Photo-Me International	17,766
Glencore	22,322	RPC Group	17,140
Tesco	20,651	Barclays	14,285
Ryanair Holdings	16,399	Shire	14,068

Portfolio statement as at 31 December 2017

Investment	Holding	Valuation £'000	% of net assets
Equities 99.17% (100.01%)			
Basic Materials 3.09% (3.28%)			
Anglo American	208,618	3,213	0.49
Glencore	4,000,000	15,478	2.39
Mondi	72,000	1,382	0.21
		20,073	**3.09**
Consumer Goods 15.90% (23.06%)			
British American Tobacco	500,000	24,790	3.83
Countryside Properties	4,520,000	15,955	2.46
Crest Nicholson Holdings	900,000	4,882	0.75
Galliford Try	400,000	5,148	0.79
Photo-Me International	3,512,236	6,410	0.99
Redrow	2,442,083	16,008	2.47
SuperGroup	1,510,150	29,856	4.61
		103,049	**15.90**
Consumer Services 16.34% (12.01%)			
888 Holdings	3,336,754	9,393	1.45
easyJet	620,159	8,974	1.38
EI Group	4,234,981	5,982	0.92
International Consolidated Airlines Group	3,500,119	22,611	3.49
Just Eat	1,000,000	7,765	1.20
Lookers	6,000,000	6,195	0.96
Playtech	1,000,000	8,640	1.33
Ryanair Holdings	1,000,000	13,478	2.08
Tesco	11,000,000	22,907	3.53
		105,945	**16.34**
Financials 29.93% (21.90%)			
3i Group	3,650,000	33,124	5.11
AIB Group	3,000,000	14,462	2.23
Arrow Global Group	1,264,324	5,045	0.78
Aviva	3,500,000	17,587	2.71
Barclays	11,029,232	22,263	3.43
Intermediate Capital Group	1,374,613	15,671	2.42
International Personal Finance	509,807	1,018	0.16
Legal & General Group	3,700,000	10,108	1.56
Lloyds Banking Group	35,000,000	23,639	3.65
Prudential	1,841,991	34,703	5.35
St James's Place	1,350,000	16,375	2.53
		193,995	**29.93**
Healthcare 0.90% (5.41%)			
Shire	150,000	5,819	0.90
		5,819	**0.90**

Investment	Holding	Global exposure ^ £'000	Valuation £'000	% of net assets
Industrials 30.46% (30.36%)				
Ashtead Group	700,000		13,797	2.13
BBA Aviation	5,500,000		19,244	2.97
Biffa	3,650,000		9,499	1.46
Bodycote	1,262,347		11,494	1.77
DS Smith	6,133,968		31,682	4.89
Fenner	4,491,296		17,875	2.76
Forterra	2,244,282		6,671	1.03
Hays	4,753,509		8,713	1.34
Howden Joinery Group	525,126		2,458	0.38
Keller Group	545,413		5,299	0.82
Melrose Industries	3,800,000		8,026	1.24
Oxford Instruments	1,200,000		10,116	1.56
Renishaw	220,000		11,440	1.76
RPC Group	950,000		8,341	1.29
SThree	400,000		1,477	0.23
Tyman	2,438,582		8,852	1.37
Vesuvius	1,300,000		7,618	1.17
Weir Group	700,000		14,840	2.29
			197,442	**30.46**
Oil & Gas 2.55% (3.22%)				
BP	3,184,945		16,546	2.55
			16,546	**2.55**
Telecommunications 0.00% (0.77%)				
Equities total			**642,869**	**99.17**
Contracts for difference (0.02)% (0.01%)				
Consumer Goods 0.00% (0.00%)				
Dairy Crest Group	(192,387)	(1,107)	-	-
Intu Properties	(750,000)	(1,908)	(15)	-
		(3,015)	**(15)**	**-**
Consumer Services 0.00% ((0.01)%)				
AO World	(2,440,584)	(2,685)	(6)	-
		(2,685)	**(6)**	**-**
Financials (0.01)% (0.00%)				
NEX Group	(470,000)	(2,851)	(26)	(0.01)
		(2,851)	**(26)**	**(0.01)**
Healthcare 0.00% (0.00%)				
Mediclinic International	(400,000)	(2,576)	(2)	-
		(2,576)	**(2)**	**-**
Industrials (0.01)% (0.02%)				
Intertek Group	(50,000)	(2,588)	(15)	-
Mitie Group	(1,769,318)	(3,402)	(55)	(0.01)
Travis Perkins	(120,000)	(1,892)	(7)	-
		(7,882)	**(77)**	**(0.01)**
Contracts for difference total		**(19,009)**	**(126)**	**(0.02)**
Investment assets (including investment liabilities)			642,743	99.15
Net other assets			5,481	0.85
Net assets attributable to unitholders			648,224	100.00

The comparative percentage figures in brackets are as at 31 December 2016.

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

Financial statements

Statement of total return for the year ended 31 December 2017

	Note	31 December 2017 £'000	31 December 2017 £'000	31 December 2016 £'000	31 December 2016 £'000
Income					
Net capital gains/(losses)	3		98,861		(18,634)
Revenue	5	16,367		20,506	
Expenses	6	(6,592)		(6,373)	
Interest payable and similar charges	7	(407)		(856)	
Net revenue before taxation		9,368		13,277	
Taxation	8	60		(170)	
Net revenue after taxation			9,428		13,107
Total return before distributions			**108,289**		**(5,527)**
Distributions	9		(9,461)		(13,172)
Change in net assets attributable to unitholders from investment activities			98,828		(18,699)

Statement of change in net assets attributable to unitholders for the year ended 31 December 2017

	31 December 2017 £'000	31 December 2017 £'000	31 December 2016 £'000	31 December 2016 £'000
Opening net assets attributable to unitholders		529,836		687,500
Amounts receivable on issue of units	65,220		29,088	
Amounts payable on cancellation of units	(55,594)		(180,069)	
		9,626		(150,981)
Change in net assets attributable to unitholders from investment activities		98,828		(18,699)
Retained distribution on accumulation units		9,934		12,016
Closing net assets attributable to unitholders		648,224		529,836

Balance sheet as at 31 December 2017

	Note	31 December 2017 £'000	31 December 2016 £'000
Assets			
Fixed assets			
Investments	10	642,869	530,068
Current assets			
Debtors	11	2,512	2,035
Cash and bank balances	12	7,090	2,349
Total current assets		**9,602**	**4,384**
Total assets		**652,471**	**534,452**
Liabilities			
Investment liabilities	10	126	51
Creditors			
Bank overdraft		32	3,519
Distribution payable		102	-
Other creditors	13	3,987	1,046
Total creditors		**4,121**	**4,565**
Total liabilities		**4,247**	**4,616**
Net assets attributable to unitholders		648,224	529,836

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 and the SORP.

(b) Valuation of investments. All investments have been valued at 12 noon on the last working day of the accounting period. Listed investments are valued at fair value which is deemed to be the bid or SETS price. Unquoted investments are valued at fair value which is determined by the investment manager, with reference to the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Guidelines Board.

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

(d) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward currency contracts are used for investment purposes and efficient portfolio management. Derivatives are valued at 12 noon on the last working day of the accounting period. Exchange traded derivatives are priced at fair value, which is deemed to be the bid price. Over-the-counter derivatives are priced at fair values using valuation models or data sourced from market data providers. Contracts for difference ('CFDs') held in the portfolio are valued at bid when held long and offer when short. Interest on margin accounts held with brokers is included in the revenue return. All other gains/losses and cash flows from derivatives are included in the capital return.

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

(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.

2. Distribution policy

The fund shall distribute all available revenue, after deduction of expenses properly chargeable against revenue. The manager and trustee have agreed, for the Distribution class only, that 100% of the annual management charge is to be transferred to capital for the purpose of calculating its distribution, as permitted by COLL. The distribution currently payable reflects this treatment. 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 section 468L, Income and Corporation Taxes Act 1988) 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. Distributions which have remained unclaimed by unitholders for six years are credited to the capital property of the fund.

3. Net capital gains /(losses)

	31 December 2017 £'000	31 December 2016 £'000
Non-derivative securities	97,359	(12,108)
Derivative contracts	1,469	(6,499)
Currency gains/(losses)	37	(21)
Capital transaction charges	(4)	(6)
Net capital gains/(losses)	98,861	(18,634)

4. Direct transaction costs

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

	Year ended 31 December 2017					
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	331,309	275	1,490	333,074	0.08	0.45
Sales						
Equities	317,770	246	1	317,523	0.08	-
Derivative purchases and sales		25	-			
Total		546	1,491			
Percentage of fund average net assets		0.09%	0.26%			

	Year ended 31 December 2016					
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	442,861	382	1,823	445,066	0.09	0.41
Sales						
Equities	540,763	509	1	540,253	0.09	-
Derivative purchases and sales		60	-			
Total		951	1,824			
Percentage of fund average net assets		0.18%	0.34%			

During the year the fund incurred £4,000 (2016: £6,000) in capital transaction charges.

Dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.10% (2016: 0.27%). This spread represents the difference between the bid and offer prices of each underlying investment expressed as a percentage of the value determined by reference to its offer price.

5. Revenue

	31 December 2017 £'000	31 December 2016 £'000
UK dividends	14,089	19,302
Overseas dividends	1,501	1,054
UK stock dividends	770	-
Bank interest	7	74
Revenue from UK REITs	-	65
Underwriting commission	-	11
Total revenue	16,367	20,506

6. Expenses

	31 December 2017 £'000	31 December 2016 £'000
Payable to the manager, associates of the manager and agents of either of them:		
Annual management charge	6,195	5,966
Other expenses:		
Registration fees	141	141
Administration fees	106	121
Trustee fees	69	64
Operational fees	44	36
Safe custody fees	15	13
Capital derivative fees	12	21
Auditor's remuneration: audit fees *	9	9
Price publication fees	1	1
Printing and postage fees	-	1
Total expenses	6,592	6,373

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
* The amounts disclosed above includes VAT at the rate of 20%. The audit fee (excluding VAT) accrued during the period was £7,500 (2016: £7,500).

7. Interest payable and similar charges

	31 December 2017 £'000	31 December 2016 £'000
Interest payable	253	373
Dividends payable on short positions	154	483
Total interest payable and similar charges	407	856

8. Taxation

	31 December 2017 £'000	31 December 2016 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	133	170
Prior year adjustments	(193)	-
Total taxation (note 8b)	(60)	170
b) Factors affecting the tax charge for the year		
Net revenue before taxation	9,368	13,277
Corporation tax at 20% (2016: 20%)	1,874	2,655
Effects of:		
Unutilised management expenses	1,318	1,260
Irrecoverable overseas tax	133	170
Utilisation of non-trade deficit carried forward	49	118
Non-taxable stock dividends	(154)	-
Prior year adjustments	(193)	-
Non-taxable overseas dividends	(269)	(211)
Non-taxable UK dividends	(2,818)	(3,822)
Tax charge for the year (note 8a)	(60)	170

c) Provision for deferred tax
No provision for deferred tax has been made in the current or prior accounting year.
d) Factors that may affect future tax charges
The fund has not recognised a deferred tax asset of £20,149,000 (2016: £18,831,000) arising as a result of having unutilised management expenses of £100,745,000 (2016: £94,153,000) and non-trade loan relationship deficits of £5,394,000 (2016: £5,148,000). It is unlikely that the fund will obtain relief for these in the future so no deferred tax asset has been recognised.

9. Distributions

	31 December 2017 £'000	31 December 2016 £'000
Final dividend distribution	10,036	12,016
Add: amounts deducted on cancellation of units	320	1,538
Deduct: amounts added on issue of units	(895)	(382)
Distributions	9,461	13,172
Movement between net revenue and distributions		
Net revenue after taxation	9,428	13,107
Add: revenue received on conversion of units	15	44
Expenses paid from capital	12	21
Annual management charge paid from capital	6	-
	9,461	13,172

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 table on page 18.

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 2017		31 December 2016	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	642,869	126	530,068	51
Total	642,869	126	530,068	51

11. Debtors

	31 December 2017 £'000	31 December 2016 £'000
Accrued revenue	985	675
Sales awaiting settlement	825	1,042
Amounts receivable for issue of units	475	252
Amounts receivable on derivative contracts	164	-
Overseas withholding tax recoverable	63	66
Total debtors	2,512	2,035

12. Cash and bank balances

	31 December 2017 £'000	31 December 2016 £'000
Amounts held in JPMorgan Liquidity Funds – Sterling Liquidity Fund (Institutional dist.)	5,147	-
Amounts held at futures clearing houses and brokers	1,932	2,348
Cash and bank balances	11	1
Total cash and bank balances	7,090	2,349

13. Other creditors

	31 December 2017 £'000	31 December 2016 £'000
Purchases awaiting settlement	3,223	33
Accrued annual management charge	504	457
Accrued other expenses	114	118
Amounts payable for cancellation of units	106	358
Amounts payable on derivative contracts	40	80
Total other creditors	3,987	1,046

14. Contingent liabilities and commitments

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

15. Reconciliation of unit movements

Class	Units in issue at 31 December 2016	Units issued	Units cancelled	Units converted	Units in issue at 31 December 2017
I distribution	2,192	613,430	(14,214)	109,027	710,435
I accumulation	57,514,701	10,713,422	(3,488,947)	377,563	65,116,739
R distribution	53,029,508	421,721	(7,251,300)	(509,221)	45,690,708

16. Risk disclosures

The fund's financial instruments comprise equities, derivatives, cash balances and liquid resources which include debtors and creditors. The fund holds such financial assets in accordance with its investment objective and policy as set out on page 1. The fund is exposed to a number of risks that are associated with the financial instruments and markets in which it invests. The most significant risks which the fund is exposed to are market risk, credit and counterparty risk and liquidity risk.

(a) Market risk

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

(i) Value at Risk ('VaR')

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

As part of the process, the VaR is used on a daily basis to calculate the market price risk on the fund relative to a reference portfolio, the FTSE All-Share Index. The maximum limit for UCITS funds is twice the VaR of the reference portfolio, i.e. +100%, in accordance with the Committee of European Securities Regulators ('CESR') guidance. A relative VaR of zero indicates that the fund is estimated to have the same market price risk as the reference portfolio. A negative relative VaR indicates that the fund's market price risk is estimated to be lower than the reference portfolio. VaR expresses the maximum expected loss by the fund in a defined period, at a specified confidence level. The parameters used are: a confidence level of 99%, uses two year risk factor data and a 20 business day holding period. From 28 June 2017 the VaR methodology was changed from using one year risk factor data to two years.

It should be noted that VaR assumes that risk in the future can be predicted from the historic distribution of returns and so this methodology can be vulnerable to extreme, unforeseen events and therefore the VaR analysis is complemented with additional scenario and stress testing.

	2017 - For the 6 months to 31 December 2017 (%)	2017 - For the 6 months to 28 June 2017 (%)	2016 %
At 31 December	35.20		62.28
Average utilisation during the period	31.14	90.46	31.29
Highest utilisation during the period	44.75	101.25	68.74
Lowest utilisation during the period	17.58	24.70	(25.48)

(ii) Leverage risk

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

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

As at 31 December 2017 and 31 December 2016 the leverage ratios of the fund were:

	2017	2016
Sum of the notionals	104.35%	103.67%
Commitment	102.43%	103.28%

(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 J.P. 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 trustee receives and reviews a semi-annual report on the internal controls in place at JP Morgan. 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 creditworthiness 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 requirement stipulated in COLL and the Prospectus. The derivatives are disclosed in the portfolio statement and UBS AG ('UBS') is the counterparty for the CFDs. Aside from the custodian, the derivative counterparty and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 31 December 2017 or 31 December 2016.

Counterparty and collateral exposure

The types of derivatives held at the balance sheet date were CFDs. 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:

Gross exposure	Contracts for difference £'000	Total net exposure £'000	Net collateral pledged £'000
31 December 2017			
UBS	(19,009)	(20,941)	1,932
31 December 2016			
UBS	(12,687)	(15,035)	2,348

Only cash collateral is pledged or held by the fund.

(c) Liquidity risk

Some of the fund's financial instruments can include securities that are not listed on a recognised stock exchange and which may not always be readily realisable. However, from time to time, liquidity in any market or in a specific security can be affected by economic events. As a result, the fund may not be able to realise these investments quickly at their fair value to respond to any further liquidity requirements, or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. In order to manage liquidity requirements, the fund seeks to maintain sufficient cash to pay creditors. Liquidity risk limits are set by reference to two key metrics: market liquidity and investor concentration. These measures will, in combination, identify instances where the fund may be unable to meet investor redemptions. Market liquidity considers a fund's liquidity compared against the daily average liquidity over the previous twelve months. Investor concentration considers the proportion of the fund that is realisable within a redemption cycle measured against the largest unitholder.

17. 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 9 and notes 6, 9, 11 and 13 on pages 12 to 14 including all issues and cancellations where the manager acted as principal. The balance due to the manager as at 31 December 2017 in respect of these transactions was £135,000 (2016: £563,000).

18. Unit classes

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

I distribution: 0.75%
I accumulation: 0.75%
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 19. The distributions per unit class are given in the distribution table on page 18. All classes have the same rights on winding up.

19. Post balance sheet event

Since 31 December 2017, the net asset values per unit, on a bid basis, have changed as follows:

	Net asset value per unit (p)		
	22 February 2018	31 December 2017	Movement
I distribution	545.30	563.36	(3.2)%
I accumulation	575.34	594.42	(3.2)%
R accumulation	544.14	562.82	(3.3)%

Distribution table

Final dividend distribution for the year ended 31 December 2017 (payable on 28 February 2018) in pence per unit.

Group 1 - Units purchased prior to 1 January 2017.
Group 2 - Units purchased from 1 January 2017 to 31 December 2017.

	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 28 February 2018	Distribution per unit (p) 28 February 2017
I distribution				
Group 1	14.4146	-	14.4146	-
Group 2	1.7225	12.6921	14.4146	13.6973
I accumulation				
Group 1	10.8065	-	10.8065	12.6933
Group 2	4.4869	6.3196	10.8065	12.6933
R accumulation				
Group 1	6.3410	-	6.3410	8.8921
Group 2	2.6747	3.6663	6.3410	8.8921

Corporate unitholders should note that:

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

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

Equalisation applies only to units purchased during the distribution period (group 2 units). It is the average amount of revenue included in the purchase price of 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.

Comparative tables

	I distribution **		I accumulation		
	2017	2016	2017	2016	2015
Change in net assets per unit (p)					
Opening net asset value per unit	**476.29**	**452.17**	**490.11**	**481.75**	**429.38**
Return before operating charges *	105.96	39.21	108.80	12.09	56.18
Operating charges	(4.48)	(1.33)	(4.49)	(3.73)	(3.81)
Return after operating charges	101.48	37.88	104.31	8.36	52.37
Distributions	(14.41)	(13.76)	(10.81)	(12.69)	(9.66)
Retained distributions on accumulation units	-	-	10.81	12.69	9.66
Closing net asset value per unit	**563.36**	**476.29**	**594.42**	**490.11**	**481.75**
* after direct transaction costs of	(1.63)	(2.10)	(1.59)	(2.03)	(0.98)
Performance					
Return after charges	21.31%	8.38%	21.28%	1.74%	12.20%
Other information					
Closing net asset value (£'000)	4,002	10	387,066	281,888	373,251
Closing number of units	710,435	2,192	65,116,739	57,514,701	77,478,183
Operating charges	0.82%	0.24%	0.82%	0.83%	0.82%
Direct transaction costs	0.29%	0.46%	0.29%	0.46%	0.21%
Prices					
Highest offer unit price (p)	587.18	503.86	604.10	498.83	499.86
Lowest bid unit price (p)	480.24	392.36	494.10	391.73	422.59

	R accumulation		
	2017	2016	2015
Change in net assets per unit (p)			
Opening net asset value per unit	**467.55**	**463.02**	**415.81**
Return before operating charges *	103.42	11.33	54.27
Operating charges	(8.15)	(6.80)	(7.06)
Return after operating charges	95.27	4.53	47.21
Distributions	(6.34)	(8.89)	(5.91)
Retained distributions on accumulation units	6.34	8.89	5.91
Closing net asset value per unit	**562.82**	**467.55**	**463.02**
* after direct transaction costs of	(1.51)	(1.94)	(0.95)
Performance			
Return after charges	20.38%	0.98%	11.35%
Other information			
Closing net asset value (£'000)	257,156	247,938	314,249
Closing number of units	45,690,708	53,029,508	67,869,117
Operating charges	1.57%	1.58%	1.57%
Direct transaction costs	0.29%	0.46%	0.21%
Prices			
Highest offer unit price (p)	594.64	494.70	500.97
Lowest bid unit price (p)	471.31	375.12	409.11

* Direct transaction costs are stated after deducting the amounts collected in relation to estimated dealing costs added to issue of units and subtracted from the cancellation of units.
** Launched 14 September 2016.
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.

Comparative tables (continued)

Ongoing charges

Class	31 December 2017
I distribution	0.82%
I accumulation	0.82%
R accumulation	1.57%

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 performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis UK Select Fund	523.8	91.3	38.5	21.3	9.2
FTSE All-Share Index	184.2	63.0	33.3	13.1	7.2
Sector average	208.4	68.4	32.6	14.0	6.2
Position in sector	5/81	45/224	65/233	31/247	45/248
Quartile	1	1	2	1	1

* Data from 3 April 1998. Source: Lipper Limited, data from 3 April 1998 to 1 September 2010 reflects class R accumulation units and from 1 September 2010 reflects class I accumulation units, bid to bid in sterling to 31 December 2017. All performance figures show total returns with dividends reinvested, percentage growth. Sector is IA UK All Companies.

Class R performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis UK Select Fund	490.6	84.2	35.4	20.4	8.8
FTSE All-Share Index	184.2	63.0	33.3	13.1	7.2

* Data from 3 April 1998. Source: Lipper Limited, class R accumulation units, bid to bid in sterling to 31 December 2017. All performance figures show total returns with dividends reinvested, percentage growth.

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