

Artemis European Select *Fund*

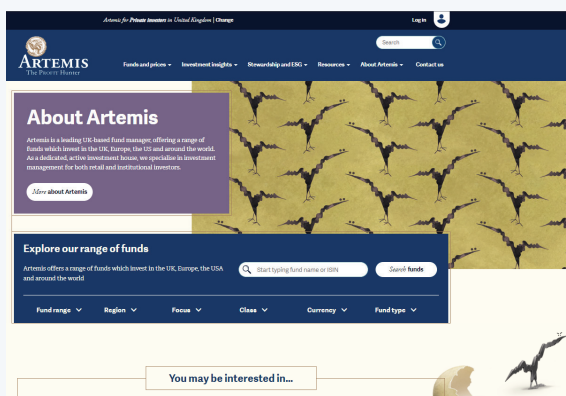
(formerly Artemis European Sustainable Growth Fund)

Manager's Report
and Financial Statements

for the year ended 30 April 2024

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

GENERAL INFORMATION

Company profile

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

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

Independent and owner-managed, Artemis opened for business in 1997. Its aim was, and still is, exemplary investment performance and client service. All Artemis' staff share these two precepts – and the same flair and enthusiasm for fund management.

The firm now manages some £25.0 billion* across a range of funds, an investment 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 May 2024

Fund-specific exclusions (negative screens) were removed from the investment policy, allowing investment in a wider universe of industries and sectors.

Fund status

Artemis European Select Fund was constituted by a Trust Deed dated 16 September 2011 and is an authorised unit trust scheme under the Financial Services and Markets Act 2000. The fund belongs to the category of UCITS schemes as defined in the Collective Investment Schemes Sourcebook ('COLL') of the Financial Conduct Authority ('FCA').

Buying and selling

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

Changes to the fund

On 31 October 2023, changes were made to the name, investment policy and strategy of the fund. The name of the fund was changed to "Artemis European Select Fund" to more clearly represent the fund's investment strategy, after the changes were made. The fund's investment policy and strategy was amended to remove the previous focus on investing primarily in sustainable European companies.

The fund's investment policy was changed to allow the investment managers to use derivatives for investment purposes (to allow investment in derivatives to profit from falling or rising share prices in pursuit of the investment objective).

OBJECTIVE AND INVESTMENT POLICY

(prior to 31 October 2023)

Objective	To grow capital over a five year period.	
Investment policy	What the fund invests in	<ul style="list-style-type: none"> • 80% to 100% in company shares. • Up to 20% in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives.
	Use of derivatives	<p>The fund may use derivatives for efficient portfolio management purposes to:</p> <ul style="list-style-type: none"> • reduce risk • manage the fund efficiently
	Where the fund invests	<ul style="list-style-type: none"> • At least 80% in Europe (excluding the United Kingdom) • Up to 20% in other countries.
	Industries the fund invests in	<ul style="list-style-type: none"> • Any, except for those excluded at the sub-industry level below
	Other limitations specific to this fund	<ul style="list-style-type: none"> • Shares in the following types of company (held either directly or indirectly via derivatives) are automatically excluded: • Alcohol: companies which derive more than 10% revenue from alcoholic beverages; • Tobacco: companies which derive more than 10% revenue from tobacco; • Gambling: companies which derive more than 10% of revenue from gambling; • Nuclear power: companies which derive revenue from nuclear energy based power generation; • Weapons: companies: <ul style="list-style-type: none"> - involved in the production of controversial weapons (including cluster munitions, landmines, biological and chemical weapons); or - which produce or sell civilian firearms; or - which manufacture armaments, nuclear weapons or associated strategic products; • Fossil fuels: companies which have reserves or engage in power generation or production related to thermal coal, oil or gas; • Companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption.
Investment strategy	<ul style="list-style-type: none"> • The fund is actively managed. • A number of companies are removed from the investment universe at the outset of the investment process using the criteria set out in the investment policy above. • The manager seeks to invest in profitable and resilient companies with a robust business model offering an attractive risk-reward profile. • The manager assesses the quality of environmental, social and governance (ESG) processes and seeks to invest in companies that use their resources efficiently, invest in their business, and build contingent assets that will eventually contribute to cash flows over time. The manager believes that growth of cash flows and capital are a consequence of a company's sustainable practices across the organisation. Consequently, the manager does not typically invest in companies with a track record of cash flow and/or capital growth if the company exhibits material sustainability weaknesses. Detailed assessment of the sustainability practices of companies is undertaken using proprietary and third-party research. • The manager takes a holistic view of a company's sustainability processes. Whenever relevant and material, this view includes: an analysis of a company's purpose; the impact of the products or services it sells; its sustainability governance; carbon intensity and plans to reduce Greenhouse Gas Emission targets; relationship with suppliers; waste management and recycling efforts; product quality and safety; customer satisfaction; employee health, safety and well-being; ethical behaviour; company culture; employee diversity; fair tax policies; data privacy; cyber-security; quality of the governance body; and management incentivisation. The material sustainability elements vary from company to company. For example, resource intensity and carbon emissions are much more important for industrial companies than service or software companies. Company purpose and corporate culture, employee well-being and diversity tend to be more important for service companies than industrial ones. The manager systematically looks into all of these areas but focuses on material sustainability, key performance indicators and corporate practices. The manager selects companies believed to be best-in-class in material sustainability areas; a company stock is not purchased where there are serious concerns on material sustainability processes / indicators. • The manager takes a three-to-five year view on investments and believes in the power of compounding returns. • The end result is a portfolio of companies that the manager believes to be 'best in class' with the ability to grow earnings and cash flows through sustainable business practices. The fund is concentrated, typically investing in 30 to 40 companies at any time. • Engagement with company management of existing and potential companies in the portfolio is a fundamental element of the fund's investment process. Having a concentrated portfolio enables regular, meaningful interactions with the companies. The manager monitors the ESG factors of the portfolio companies on an ongoing basis and votes accordingly, unless restricted to do so. If it is the manager's opinion that there has been a persistent deterioration of sustainability practices within an investee company, even if the financial key performance indicators remain strong, the manager will review whether the company should remain in the portfolio and, if decided to no longer hold the investment, the fund will seek to realise its investment as soon as practicable taking into account the best interests of investors. 	
	<ul style="list-style-type: none"> • FTSE World Europe ex UK TR A widely-used indicator of the performance of European stockmarkets, in which the fund invests. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark. • IA Europe Excluding UK 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. 	

OBJECTIVE AND INVESTMENT POLICY

(from 31 October 2023)

Objective	To grow capital over a five year period.	
Investment policy	What the fund invests in	<ul style="list-style-type: none"> • 80% to 100% in company shares. • Up to 20% in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives.
	Use of derivatives	<p>The fund may use derivatives:</p> <ul style="list-style-type: none"> • for investment purposes to achieve the fund objective, including by taking long and short positions • to produce additional income or growth • for efficient portfolio management purposes to reduce risk and • manage the fund efficiently.
	Where the fund invests	<ul style="list-style-type: none"> • At least 80% in Europe (excluding the United Kingdom) • Up to 20% in other countries.
	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. • The manager pursues a fundamental equity strategy with the following investment process: <ul style="list-style-type: none"> - Bottom-up research and financial analysis is conducted to assess business models, prospective returns and risk; - The manager has a long-term investment horizon when assessing companies; - The manager focuses on businesses with competitive advantages (conditions or circumstances that put a company in a superior business position relative to its peers) that are expected to continue into the future; - Opportunistic investments may be made in companies that are in recovery, need re-financing or are suffering from investor indifference (also known as 'special situations') and turnarounds; - Engagement with management teams on capital allocation and governance. • The end result is a concentrated portfolio, typically 30-60 holdings, depending on opportunity set and the manager's conviction. 	
Benchmarks	<ul style="list-style-type: none"> • FTSE World Europe ex UK TR A widely-used indicator of the performance of European stockmarkets, in which the fund invests. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark. • IA Europe Excluding UK 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.
- **Concentration risk:** The fund may have investments concentrated in a limited number of holdings. This can be more risky than holding a wider range of investments.
- **Smaller companies risk:** Investing in small and medium-sized companies can involve more risk than investing in larger, more established companies. Shares in smaller companies may not be as easy to sell, which can cause difficulty in valuing those shares.
- **Derivatives risk:** The fund may invest in derivatives with the aim of profiting from falling ('shorting') as well as rising prices. Should the asset's value vary in an unexpected way, the fund value will reduce.
- **Leverage risk:** The fund may operate with a significant amount of leverage. Leverage occurs when the economic exposure created by the use of derivatives is greater than the amount invested. A leveraged portfolio may result in large fluctuations in its value and therefore entails a high degree of risk including the risk that losses may be substantial.

There was no change to the risk indicator in the year ended 30 April 2024.

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 6.

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

Manager

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

Dealing information:

Artemis Fund Managers Limited
Sunderland SR43 4BH
Telephone: 0800 092 2051
Website: artemisfunds.com

Investment adviser

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

Trustee and Depositary

Northern Trust Investor Services Limited †
50 Bank Street
Canary Wharf
London E14 5NT

Registrar

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

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

Auditor

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

*Authorised and regulated by Financial Conduct Authority.

†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 European Select Fund ("the Trust") for the year ended 30 April 2024

The Trustee in its capacity as Trustee of the Artemis European Select 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 Trustee 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"), 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 fund 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 AFM:

- (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 fund.

Northern Trust Investor Services Limited
London
27 June 2024

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 Trust 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 Trust will continue in operation.

The manager is responsible for the management of the Trust 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 European Select Fund for the year ended 30 April 2024 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
27 June 2024

S Dougall
Director

AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of the Artemis European Select Fund ("the Fund") for the year ended 30 April 2024, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 30 April 2024 and of the net revenue and the net capital 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.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not

a guarantee as to the Fund's ability to continue as a going concern.

Other information

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

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

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

We have nothing to report in this regard.

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

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Trust Deed; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Responsibilities of the Manager

As explained more fully in the Manager's responsibilities statement set out on page 7, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such

internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the Fund's Trust Deed and the Prospectus.
- We understood how the Fund is complying with those frameworks through discussions with the Manager and the Fund's administrator and a review of the Fund's documented policies and procedures.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk in relation to incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact on amounts available for distribution. We tested the appropriateness of management's classification of a sample of special dividends as either a revenue or capital return.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Fund.
- Due to the regulated nature of the Fund, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

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

Use of our report

This report is made solely to the Fund's unitholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
Edinburgh
27 June 2024

INVESTMENT REVIEW

Activity and market events

The fund's activity in the year continued to be influenced by the evolution of its strategy.

Its approach to integrating environmental, social and governance (ESG) factors into its investment process was changed to remove an exclusions policy that restricted investment in any company deriving a meaningful proportion of revenue from defence, alcohol, tobacco, gambling, nuclear power or fossil fuels.

The most significant change to the fund's positioning was the investment in aerospace and defence companies (Airbus, Safran and MTU Aero Engines). These have strong barriers to entry due to stringent regulatory requirements and high upfront costs of R&D, while travel is a structural growth market. The combination of these factors produces investment characteristics that are attractive: high profitability and cash returns with a long duration of growth potential.

We made new investments in holdings such as automobile distributor D'Ieteren, oil & gas company TotalEnergies, retailer Frasers Group, food delivery business Delivery Hero, technology investor Prosus and telco Inwit. These were funded by the sale of positions such as grocer Dino Polska, travel technology company Amadeus, payment provider Edenred, dental implant maker Straumann, market research firm Ipsos and FinecoBank. Holdings were sold either due to difficulties in assessing stock-specific risk, or when a more compelling risk-adjusted return profile was identified elsewhere.

Performance

The fund made 17.7%¹ during the 12-month period, well ahead of the 9.4% return of the FTSE Europe ex-UK index.

Outperformance was driven by sector (+2%) and stock selection (+4%). An underweight position in defensive sectors such as consumer staples, utilities and telecommunications contributed to performance. Stock selection was the primary contributor to performance in sectors such as healthcare, financials and consumer discretionary. As an example, the fund's only capital allocation within pharmaceuticals was to Novo Nordisk, which significantly outperformed its peers.

European banks (UniCredit, BBVA and ING) and reinsurance (Munich Re) made the largest contribution to relative performance as higher interest rates led to a material

inflection in earnings ahead of market expectations. Growth staples such as Universal Music Group and Novo Nordisk were also top contributors, with both companies continuing to demonstrate robust revenue and earnings growth.

Macro context

Long-dated bond yields rose sharply in the period, particularly in the US and UK, while geopolitical tensions in the Middle East worsened. Despite these headwinds, equities added to their gains from the trough in 2022, led by US and Japanese markets.

Strength in equity markets was a consequence of lower inflation and positive economic growth surprises, meaning concerns over stagflation have proved to be excessively pessimistic. The fading impact of the shock to gas markets that followed Russia's 2022 invasion of Ukraine has been a key contributor to the improved macro backdrop. Investor confidence has increased as expectations over the future path of interest rates has become more certain. Corporate earnings have been more robust than expected, leading to an increase in equity valuations.

Outlook

We remain optimistic about portfolio returns as we see potential across a diverse range of areas. In response to rising valuations, the fund has shifted its positioning to seek out the companies/sectors with the most attractive risk/return profiles.

Our core holdings have competitive advantages in sectors that can predictably raise cash flows ahead of inflation over a long time frame. These include investments in software (SAP, Wolters Kluwer and Dassault Systemes), consumer staples (L'Oreal and Essilor), pharmaceuticals (Novo Nordisk and Recordati), infrastructure (Vinci, Aena, Ferrovial and Inwit) and aerospace (Airbus, Safran and MTU).

The fund also has a range of idiosyncratic and cyclical exposure where we judge risk-adjusted returns to be attractive. For example, our holdings in banks and construction (Legrand, Cairn and Redrow) provide gearing to further improvements in economic conditions and significant return potential owing to low starting valuations and high distribution yields.

Our diversification should allow us to perform well in a range of market environments and provide flexibility to respond to changes in our opportunity set.

Past performance is not a guide to the future.

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

INVESTMENT INFORMATION

Ten largest purchases and sales for the year ended 30 April 2024

Purchases	Cost £'000	Sales	Proceeds £'000
Airbus	1,920	Dino Polska	2,051
D'ieteren Group	1,522	Amadeus IT Group	1,920
Frasers Group	1,424	Edenred	1,670
Safran	1,275	FinecoBank Banca Fineco	1,655
Barratt Developments	1,163	Straumann Holding	1,562
Muenchener Rueckversicherungs-Gesellschaft	1,138	IPSOS	1,407
Redrow	1,090	Novo Nordisk 'B'	1,317
TotalEnergies	1,050	Sonova Holding	1,315
MTU Aero Engines	992	L'Oreal	1,260
Delivery Hero	852	Barratt Developments	1,223

Portfolio statement as at 30 April 2024

	Holding	Valuation £'000	% of net assets
Equities 99.51% (97.73%)			
Belgium 6.65% (2.61%)			
Azelis Group	85,285	1,645	3.36
D'ieteren Group	9,289	1,613	3.29
		3,258	6.65
Denmark 5.78% (6.91%)			
Novo Nordisk 'B'	27,289	2,831	5.78
		2,831	5.78
France 26.25% (31.95%)			
Airbus	16,410	2,171	4.43
Dassault Systemes	28,790	912	1.86
Elis	43,202	781	1.60
EssilorLuxottica	8,687	1,492	3.05
Legrand	16,838	1,395	2.85
L'Oreal	3,832	1,441	2.94
Safran	9,453	1,651	3.37
TotalEnergies	18,324	1,075	2.20
Vinci	20,530	1,936	3.95
		12,854	26.25
Germany 12.08% (7.34%)			
Delivery Hero	42,443	954	1.95
MTU Aero Engines	5,064	978	2.00
Muenchener Rueckversicherungs-Gesellschaft	6,672	2,353	4.80
SAP	11,218	1,629	3.33
		5,914	12.08
Ireland 1.61% (0.00%)			
Cairn Homes	582,799	789	1.61
		789	1.61
Italy 12.04% (10.96%)			
Davide Campari-Milano	89,816	723	1.48
Infrastrutture Wireless Italiane	87,744	756	1.54
Moncler	13,498	739	1.51
Recordati Industria Chimica e Farmaceutica	36,863	1,577	3.22
UniCredit	71,104	2,103	4.29
		5,898	12.04

	Holding	Valuation £'000	% of net assets
Equities 99.51% (97.73%) (continued)			
Netherlands 17.57% (9.78%)			
ASML Holding	1,248	889	1.81
Ferrovial	47,733	1,379	2.82
IMCD	5,994	729	1.49
ING Groep	113,517	1,443	2.95
Prosus	30,244	815	1.66
Universal Music Group	83,212	1,970	4.02
Wolters Kluwer	11,474	1,381	2.82
		8,606	17.57
Poland 0.00% (3.61%)			
Spain 6.64% (11.63%)			
Aena	10,400	1,527	3.12
Banco Bilbao Vizcaya Argentaria	197,844	1,722	3.52
		3,249	6.64
Sweden 2.79% (3.04%)			
Epiroc 'B'	102,027	1,368	2.79
		1,368	2.79
Switzerland 2.51% (8.43%)			
Sika	5,338	1,230	2.51
		1,230	2.51
United Kingdom 5.59% (1.47%)			
easyJet	130,772	704	1.44
Frasers Group	125,127	1,022	2.09
Redrow	157,316	1,011	2.06
		2,737	5.59
Equities total		48,734	99.51
Forward Currency Contracts 0.04% (0.06%)			
I distribution (hedged) 0.01% (0.01%)			
Buy Sterling 131,868 Sell Danish Krone 1,145,424 dated 31/05/2024		–	–
Buy Sterling 1,908,520 Sell Euro 2,223,302 dated 31/05/2024		4	0.01
Buy Sterling 66,603 Sell Swedish Krona 905,614 dated 31/05/2024		1	–
Buy Sterling 57,107 Sell Swiss Franc 64,994 dated 31/05/2024		–	–
		5	0.01
I accumulation (hedged) 0.03% (0.05%)			
Buy Sterling 367,792 Sell Danish Krone 3,194,707 dated 31/05/2024		1	–
Buy Sterling 5,322,064 Sell Euro 6,199,876 dated 31/05/2024		13	0.03
Buy Sterling 185,754 Sell Swedish Krona 2,525,879 dated 31/05/2024		2	–
Buy Sterling 159,278 Sell Swiss Franc 181,274 dated 31/05/2024		–	–
		16	0.03
Forward Currency Contracts total		21	0.04
Investment assets		48,755	99.55
Net other assets		217	0.45
Net assets attributable to unitholders		48,972	100.00

The comparative percentage figures in brackets are as at 30 April 2023.

FINANCIAL STATEMENTS

Statement of total return for the year ended 30 April 2024

	Note	30 April 2024		30 April 2023	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	3		5,933		5,005
Revenue	5	1,373		969	
Expenses	6	(428)		(529)	
Interest payable and similar charges	7	(1)		(7)	
Net revenue before taxation		944		433	
Taxation	8	(9)		(308)	
Net revenue after taxation			935		125
Total return before distributions			6,868		5,130
Distributions	9		(935)		(125)
Change in net assets attributable to unitholders from investment activities			5,933		5,005

Statement of change in net assets attributable to unitholders for the year ended 30 April 2024

	30 April 2024		30 April 2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		54,806		71,061
Amounts receivable on issue of units	10,302		1,450	
Amounts payable on cancellation of units	(22,634)		(22,757)	
		(12,332)		(21,307)
Dilution adjustment		4		4
Change in net assets attributable to unitholders from investment activities		5,933		5,005
Retained distribution on accumulation units		561		43
Closing net assets attributable to unitholders		48,972		54,806

Balance sheet as at 30 April 2024

	Note	30 April 2024	30 April 2023
		£'000	£'000
Assets			
Fixed assets			
Investments	10	48,755	53,593
Current assets			
Debtors	11	384	1,540
Cash and cash equivalents	12	704	989
Total current assets		1,088	2,529
Total assets		49,843	56,122
Liabilities			
Creditors			
Distribution payable		252	16
Other creditors	13	619	1,300
Total creditors		871	1,316
Total liabilities		871	1,316
Net assets attributable to unitholders		48,972	54,806

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 and the Statement of Recommended Practice ("SORP") issued by the Investment Management Association in May 2014 and amended in June 2017 and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). The financial statements have been prepared on a going concern basis. The manager believes that the fund has adequate resources to continue in operational existence for the foreseeable future. No material events 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.

(b) Valuation of investments. All investments, including any derivatives, have been valued at close of business on the last working day of the accounting period. Where a fund invests in markets that are closed for trading at the fund's valuation point, the manager will allow for the net asset value to be adjusted (based on movements of index futures or other suitable proxies in markets closed at the fund valuation point, since the last market close), to reflect more accurately the fair value of the fund's investments. Listed investments are valued at fair value which is generally deemed to be the bid price. Unquoted investments are valued at fair value which is determined by the manager, with reference to the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Guidelines Board. Open forward currency contracts are shown in the portfolio statement at market value and the net gains/(losses) are reflected within forward currency contracts under net capital gains.

(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) Revenue. Dividends receivable from equity and non-equity shares, including Real Estate Investment Trusts ("REITs"), 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. Dividends are recognised gross of any overseas tax. Overseas tax is included as part of the tax charge. A provision is made for any overseas tax not considered recoverable at the balance sheet date, whether due to uncertainty as to receipt either due to circumstances or recovery experience in specific jurisdictions, or due to the significant time lag since the receipt of the dividend. 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 and interest on margin accounts held with brokers is recognised as revenue on an accruals basis.

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

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

(g) Dilution adjustment. The fund is priced on a single swinging price basis. The manager has the discretion to charge a dilution adjustment as part of its daily valuation policy. This will mean that in certain circumstances the fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. In the usual course of business, the application of a dilution adjustment will be applied systematically and on a consistent basis.

2. Distribution policy

The distribution policy of the fund is to distribute all available revenue, after deduction of expenses and taxation properly chargeable against revenue. The fund did not satisfy the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 and where applicable will pay a dividend distribution. Gains and losses on investments and derivatives whether realised or unrealised, if taken to capital are not available for 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 gains

	30 April 2024 £'000	30 April 2023 £'000
Non-derivative securities	5,612	4,716
Forward currency contracts	393	(94)
Derivative contracts	1	690
Capital transaction charges	–	(2)
Currency losses	(73)	(305)
Net capital gains	5,933	5,005

4. Direct transaction costs

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

Year ended 30 April 2024						
	Principal £'000	Commissions £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	21,793	–	47	21,840	–	0.22
Sales						
Equities	32,278	–	7	32,271	–	0.02
Total		–	54			
Percentage of fund average net assets		0.00%	0.11%			

Year ended 30 April 2023						
	Principal £'000	Commissions £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	35,382	8	44	35,434	0.02	0.13
Sales						
Equities	50,703	10	1	50,692	0.02	–
Total		18	45			
Percentage of fund average net assets		0.03%	0.07%			

During the year, the fund incurred £nil (2023: £2,000) in capital transaction charges.

Dealing spread

As at the balance sheet date, the estimated portfolio dealing spread was 0.10% (2023: 0.06%). This spread represents the difference between the bid and offer prices of each underlying investment expressed as a percentage of the value determined by reference to its offer price.

5. Revenue

	30 April 2024 £'000	30 April 2023 £'000
Overseas dividends	1,270	903
UK dividends	71	–
Bank interest	32	26
Overseas stock dividends	–	40
Total revenue	1,373	969

6. Expenses

	30 April 2024 £'000	30 April 2023 £'000
Payable to the manager, associates of the manager and agents of either of them:		
Annual management charge	369	456
Administration fees	59	73
Total expenses	428	529

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

The audit fee (excluding VAT) accrued during the year was £10,150 (2023: £9,650). This fee is paid by the manager via the administration fee.

7. Interest payable and similar charges

	30 April 2024 £'000	30 April 2023 £'000
Interest payable	1	7
Total interest payable and similar charges	1	7

8. Taxation

	30 April 2024 £'000	30 April 2023 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	9	308
Total taxation (note 8b)	9	308
b) Factors affecting the tax charge for the year		
Net revenue before taxation	944	433
Corporation tax of 20% (2023: 20%)	189	87
Effects of:		
Unutilised management expenses	79	102
Irrecoverable overseas tax	9	308
Taxable stock dividends	–	(8)
Tax on franked dividends	(14)	–
Non-taxable overseas dividends	(254)	(181)
Tax charge for the year (note 8a)	9	308

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 £3,602,000 (2023: £3,523,000) arising as a result of having unutilized management expenses of £18,013,000 (2023: £17,617,000) and non-trade loan relationship deficits of £1,000 (2023: £1,000). It is unlikely that the fund will obtain relief for these in the future so no deferred tax asset has been recognized.

9. Distributions

	30 April 2024 £'000	30 April 2023 £'000
Final dividend distribution	813	59
Add: amounts deducted on cancellation of units	215	71
Deduct: amounts added on issue of units	(93)	(5)
Distributions	935	125
Movement between net revenue and distributions		
Net revenue after taxation	935	125
	935	125

The distributions take account of amounts added on the issue of units and amounts deducted on the cancellation of units. Details of the distributions per unit are set out in the distribution tables on page 24.

10. Fair value hierarchy

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

The disclosure is split into the following categories:

Level 1 – Investments with unadjusted quoted prices in an active market;

Level 2 – Investments whose fair value is based on inputs other than quoted prices that are either directly or indirectly observable;

Level 3 – Investments whose fair value is based on inputs that are unobservable (i.e. for which market data is unavailable).

	30 April 2024 Assets £'000	30 April 2023 Assets £'000
Level 1	48,734	53,560
Level 2	21	34
Total	48,755	53,594

11. Debtors

	30 April 2024 £'000	30 April 2023 £'000
Overseas withholding tax recoverable	238	252
Accrued revenue	84	43
Amounts receivable for issue of units	62	29
Sales awaiting settlement	–	1,216
Total debtors	384	1,540

12. Cash and cash equivalents

	30 April 2024 £'000	30 April 2023 £'000
Amounts held in liquidity funds	508	–
Cash and bank balances	187	980
Amounts held at brokers	9	9
Total cash and cash equivalents	704	989

13. Other creditors

	30 April 2024 £'000	30 April 2023 £'000
Amounts payable for cancellation of units	583	88
Accrued annual management charge	31	33
Accrued administration fee payable to the manager	5	5
Purchases awaiting settlement	–	1,174
Total other creditors	619	1,300

14. Contingent liabilities and commitments

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

15. Contingent assets

Following the ruling on Denkavit's case with the European Court of Justice regarding taxation withheld on overseas dividends, the manager has taken steps to make claims with certain European tax authorities for repayment of taxation suffered by the fund on dividend revenue.

Due to uncertainty regarding the likely success of claims made in other countries, it is not possible to estimate the potential amount of overseas tax that may be received by the fund, if any. Therefore, the financial statements presented for the year ended 30 April 2024 do not reflect any further amounts that may be received (2023: nil).

16. Reconciliation of unit movements

	Units in issue at 30 April 2023	Units issued	Units cancelled	Units converted	Units in issue at 30 April 2024
I distribution	10,867,085	1,454,272	(2,588,862)	7,778	9,740,273
I accumulation	25,760,679	4,506,098	(12,301,234)	(6,731)	17,958,812
I distribution (hedged)	1,964,462	81,204	(360,410)	–	1,685,256
I accumulation (hedged)	4,653,652	1,356,387	(1,949,573)	–	4,060,466

17. Risk disclosures

In pursuing its investment objective, the fund may hold a number of financial instruments. These financial instruments comprise equities, cash balances and liquid resources, which include debtors and creditors that arise directly from the funds' operations. The fund only executes derivative contracts where both the derivative instrument and the counter party have been approved by the manager.

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

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

(a) Market risk

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

(i) 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.

Since 31 October 2023, when changes were made to the name, investment policy and strategy of the fund, the VaR is used on a daily basis to calculate the market price risk on the fund relative to a reference portfolio, the FTSE World Europe-ex UK TR. Under the relative VaR approach, the global exposure of the fund is determined calculating the VaR of the fund's current portfolio versus the VaR of the reference portfolio; the VaR of the fund must be lower than twice the VaR of the reference portfolio (i.e. 200%). A relative VaR of zero indicates that the fund is estimated to have the same market price risk as 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 a maximum two year risk factor data and a 20 business day holding period.

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

	31 October 2023 to 30 April 2024 %
At 30 April	9.00
Average utilization during the period	6.00
Highest utilization during the period	13.00
Lowest utilization during the period	0.00

(ii) Interest rate risk

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

(iii) Currency risk

A portion of the net assets of the fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the manager may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the fund's exposure to currency risk is reduced. The gain on forward currency contracts for the year was £393,000 (2023: loss of £94,000).

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

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

All non-hedged classes

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Total £'000
30 April 2024			
Euro	33,391	185	33,576
Danish Kroner	2,330	24	2,354
Sterling	2,253	(86)	2,167
Swedish Krona	1,126	56	1,182
Swiss Franc	1,012	–	1,012
30 April 2023			
Euro	35,214	86	35,300
Swiss Franc	3,919	7	3,926
Danish Kroner	3,213	38	3,251
Polish Zloty	1,681	–	1,681
Swedish Krona	1,414	60	1,474
Sterling	–	838	838

A five percent increase in the value of the non-hedged unit classes foreign currency exposure would have the effect of increasing the return and net assets by £1,906,000 (2023: £2,282,000). A five percent decrease would have an equal and opposite effect.

For the hedged unit classes, hedging transactions may be entered into to reduce the effect of a decrease in the value of sterling relative to the currency or currencies in which the assets of the portfolio are denominated. However, it should also be noted that such hedging may also preclude investors from benefiting from an increase in the value of sterling.

Class I distribution (hedged)

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £'000	Total £'000
30 April 2024				
Sterling	126	(4)	2,164	2,286
Danish Kroner	131	1	(132)	–
Swedish Krona	63	3	(66)	–
Swiss Franc	57	–	(57)	–
Euro	1,871	10	(1,904)	(23)
30 April 2023				
Sterling	–	40	2,173	2,213
Euro	1,681	4	(1,672)	13
Swiss Franc	187	–	(184)	3
Polish Zloty	80	–	(79)	1
Swedish Krona	68	3	(72)	(1)
Danish Kroner	153	2	(158)	(3)

Class I accumulation (hedged)

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £ '000	Total £'000
30 April 2024				
Sterling	358	(14)	6,035	6,379
Euro	5,306	29	(5,309)	26
Danish Kroner	370	4	(367)	7
Swedish Krona	179	9	(184)	4
Swiss Franc	161	–	(159)	2
30 April 2023				
Sterling	–	110	5,934	6,044
Euro	4,611	11	(4,563)	59
Swiss Franc	513	1	(503)	11
Polish Zloty	220	–	(216)	4
Danish Kroner	421	5	(430)	(4)
Swedish Krona	185	8	(197)	(4)

A five percent increase in the value of the hedged unit classes foreign currency exposure would have the effect of increasing the return and net assets by £1,000 (2023: £4,000). A five percent decrease would have an equal and opposite effect.

(iv) 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 percent increase in the value of the fund's portfolio would have the effect of increasing the return and net assets by £2,438,000 (2023: £2,680,000). A five percent decrease would have an equal and opposite effect.

(v) 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 leverage of a fund is expressed as a percentage of the exposure of the fund and its net asset value. 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. The expected level of leverage for this fund is between 100% and 200%.

(b) Credit and counterparty risk

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

Aside from the custodian and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 30 April 2024 or 30 April 2023.

Counterparty exposure

	Foreign currency contracts £'000	Total gross exposure £'000	Net collateral (pledged)/held £'000
30 April 2024			
Northern Trust	21	21	9
30 April 2023			
Northern Trust	33	33	9

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

(c) Liquidity risk

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

Artemis has a dedicated liquidity risk management policy which is owned by the independent investment risk team which reports to the Chief Risk Officer. Its purpose is to ensure the portfolio manager acts in the client's best interest with regards to this liquidity risk.

Through the use of 3rd party modeling and assumptions, the investment risk team conduct regular monitoring and analyses of the liquidity profile of the funds and investor base. This includes but is not limited to what percentage of the fund can be liquidated within certain redemption horizons, whether the largest investors in the fund can redeem without affecting the fair treatment of remaining investors, liquidity stress testing and other analysis deemed to cover a risk specific to the strategy considered.

There was no significant concentration of liquidity risk as at 30 April 2024 or 30 April 2023.

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 14 and notes 6, 9, 11 and 13 on pages 17 to 19 including all issues and cancellations where the manager acted as principal. The balance due to the manager as at 30 April 2024 in respect of these transactions was £557,000 (2023: £97,000).

19. Unit classes

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

I distribution	0.75%
I accumulation	0.75%
I distribution (hedged)	0.75%
I accumulation (hedged)	0.75%

The net asset value per unit and the number of units in each class are given in the comparative tables on page 25.

The distributions per unit class are given in the distribution tables on page 24. 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 annual dividend distributions. The following table sets out the distribution period.

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

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

Distribution period	Start	End	Ex-dividend date	Pay date
Final	1 May 2023	30 April 2024	1 May 2024	28 June 2024

I distribution

Dividend distributions for the year ended 30 April 2024	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2023 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	1.1002	1.0992	2.1994	100.00%	0.00%	0.1220

I accumulation

Dividend distributions for the year ended 30 April 2024	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2023 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	1.2229	1.3179	2.5408	100.00%	0.00%	0.1393

I distribution (hedged)

Dividend distributions for the year ended 30 April 2024	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2023 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	1.0608	1.1645	2.2253	100.00%	0.00%	0.1174

I accumulation (hedged)

Dividend distributions for the year ended 30 April 2024	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2023 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	1.2295	1.3477	2.5772	100.00%	0.00%	0.1596

COMPARATIVE TABLES

	I distribution			I accumulation		
	2024	2023	2022	2024	2023	2022
Change in net assets per unit (p)						
Opening net asset value per unit	114.43	103.25	109.83	132.23	119.17	126.25
Return before operating charges *	19.45	12.19	(5.11)	22.45	14.10	(5.94)
Operating charges	(1.04)	(0.89)	(0.99)	(1.19)	(1.04)	(1.14)
Return after operating charges *	18.41	11.30	(6.10)	21.26	13.06	(7.08)
Distributions	(2.20)	(0.12)	(0.48)	(2.54)	(0.14)	(0.52)
Retained distributions on accumulation units	–	–	–	2.54	0.14	0.52
Closing net asset value per unit	130.64	114.43	103.25	153.49	132.23	119.17
* after direct transaction costs of	(0.12)	(0.10)	(0.09)	(0.14)	(0.12)	(0.11)
Performance						
Return after charges	16.09%	10.94%	(5.55)%	16.08%	10.96%	(5.61)%
Other information						
Closing net asset value (£'000)	12,725	12,435	17,879	27,566	34,062	41,342
Closing number of units	9,740,273	10,867,085	17,316,861	17,958,812	25,760,680	34,691,477
Operating charges	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%
Direct transaction costs	0.10%	0.10%	0.08%	0.10%	0.10%	0.08%
Prices						
Highest unit price (p)	136.04	116.35	124.64	157.19	134.29	143.21
Lowest unit price (p)	108.72	91.57	96.00	125.63	105.70	110.28

	I distribution (hedged)			I accumulation (hedged)		
	2024	2023	2022	2024	2023	2022
Change in net assets per unit (p)						
Opening net asset value per unit	112.99	105.72	108.99	130.83	122.21	125.49
Return before operating charges *	24.60	8.29	(1.84)	28.45	9.66	(2.12)
Operating charges	(1.05)	(0.90)	(1.01)	(1.22)	(1.04)	(1.16)
Return after operating charges *	23.55	7.39	(2.85)	27.23	8.62	(3.28)
Distributions	(2.23)	(0.12)	(0.42)	(2.58)	(0.16)	(0.50)
Retained distributions on accumulation units	–	–	–	2.58	0.16	0.50
Closing net asset value per unit	134.31	112.99	105.72	158.06	130.83	122.21
* after direct transaction costs of	(0.12)	(0.10)	(0.09)	(0.14)	(0.12)	(0.11)
Performance						
Return after charges	20.84%	6.99%	(2.61)%	20.81%	7.05%	(2.61)%
Other information						
Closing net asset value (£'000)	2,263	2,220	3,081	6,418	6,089	8,759
Closing number of units	1,685,256	1,964,463	2,914,542	4,060,466	4,653,652	7,166,744
Operating charges	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%
Direct transaction costs	0.10%	0.10%	0.08%	0.10%	0.10%	0.08%
Prices						
Highest unit price (p)	139.60	114.37	125.18	161.62	132.29	144.09
Lowest unit price (p)	109.27	91.96	99.63	126.51	106.34	114.70

High and low price disclosures are based on quoted unit prices. Therefore, opening and closing NAV prices may fall outside the high/low price threshold.

Ongoing charges

Class	30 April 2024
I distribution	0.870%
I accumulation	0.870%
I distribution (hedged)	0.870%
I accumulation (hedged)	0.870%

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.

Securities Financing Transactions Regulations (“SFTR”)

The Fund may enter into total return swaps. No such transactions have been entered into as at 30 April 2024.

Class I accumulation performance

	Since launch*	10 years	5 years	3 years	1 year	6 months
Artemis European Select Fund**	225.2	115.9	38.8	21.9	17.7	20.8
Artemis European Select Fund***	222.7	114.1	38.1	20.9	16.3	20.7
FTSE World Europe ex UK TR	214.3	125.4	54.5	23.9	9.4	16.4
IA Europe Ex UK NR	198.1	111.2	47.5	17.2	9.1	17.2
Position in sector	22/59	40/66	62/81	44/85	5/92	14/92
Quartile	2	3	4	3	1	1

Past performance is not a guide to the future.

* Data from 28 October 2011. Source: Artemis/Lipper Limited, class I accumulation units, in sterling to 30 April 2024. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investors currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.

** Value at 12 noon valuation point.

*** Value at close of business.

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

Class I accumulation (hedged) performance

	Since launch*	10 years	5 years	3 years	1 Year	6 months
Artemis European Select Fund	234.9	110.8	41.4	26.3	22.5	24.0
FT FTSE World Europe ex UK TR SE (hedged to GBP)	242.2	126.6	59.1	29.1	14.6	20.0

Past performance is not a guide to the future.

* Data from 28 October 2011. Source: Artemis/Lipper Limited, class I accumulation (hedged) units, in sterling to 30 April 2024. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investors 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.

Artemis Fund Managers Limited

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

Client Services 0800 092 2051

Facsimile 0207 643 3708

Website www.artemisfunds.com

