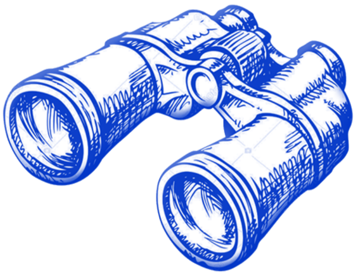

Artemis Investment Funds ICVC

Annual Report and
Financial Statements

for the year ended 29 February 2024

Contents

* These items comprise the authorised corporate director's report for the purposes of the rules contained in the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL').

Company information

About Artemis

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

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

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

The firm now manages some £24.7 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 March 2024

The company

Artemis Investment Funds ICVC ('the company') is an investment company with variable capital incorporated under the Open-Ended Investment Companies Regulations 2001 ('the Regulations') in England and Wales under registered number IC001014 and authorised and regulated by the Financial Conduct Authority ('FCA') with effect from 20 June 2014. The company has been certified by the FCA as complying with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive. The company has an unlimited duration. Each sub-fund is treated as a segregated portfolio of assets, and those assets can only be used to meet the liabilities of that sub-fund. Shareholders are not liable for the debts of the company or any other sub-fund. The base currency of the company is Sterling.

The company has an umbrella structure and currently has nine sub-funds, each with a different investment objective. In the financial statements you will find an investment review for each sub-fund (unless the sub-fund closed during the period) which includes details of the investment objective.

The company is registered for sale in Luxembourg.

Annual report and financial statements

We are pleased to present the annual report and financial statements of the company for the year ended 29 February 2024. As required by the Regulations, information for each of the sub-funds has also been included in these financial statements. On the following pages we present the performance of each of those sub-funds during the period.

Annual general meetings

The company has dispensed with the need to hold annual general meetings.

Prospectus

Copies of the most recent Prospectus are available free of charge from the authorised corporate director ('ACD') at the address on page 160.

Sub-fund cross holdings

At the year-end none of the shares in any of the sub-funds were held by any other sub-funds of the company.

Significant events

Termination of Artemis US Absolute Return Fund

At Artemis, we regularly review the funds across our range to ensure we are offering appropriate products to our investors.

Following continuous large redemptions in the sub-fund, we undertook an assessment of the ongoing viability of the sub-fund and its future prospects, in terms of increasing size and scale through gaining new investors and determined that the sub-fund was no longer economically viable.

Having considered a number of options, we concluded that there were no suitable options for maintaining the sub-fund and closing the sub-fund was therefore in the best interests of investors. The effective date of the closure was 12th June 2023. Artemis US Absolute Return Fund was subsequently terminated on 27 February 2024.

Changes to Artemis Target Return Bond Fund

On 18 March 2024, changes were made to the name, investment objective, policy and strategy, and benchmark of Artemis Target Return Bond Fund:

(i) changed the name of the sub-fund to 'Artemis Short-Duration Strategic Bond Fund';

(ii) changed the sub-fund's investment objective from:

"To achieve a positive return of at least 2.5% above the Bank of England (BOE) base rate, after fees, on an annualised basis over rolling three-year periods."

To:

"To generate a return that exceeds the Markit iBoxx 1-5 year £ Collateralised & Corporates Index, after fees, over rolling three-year periods, through a combination of income and capital growth, by investing in a portfolio of global debt and debt-related securities whilst maintaining an aggregate portfolio duration of below 4 years (duration is a measure of the sensitivity of the prices of bonds to changes in interest rates)."

(iii) changed the target benchmark from 'Bank of England base rate' to 'Markit iBoxx 1-5 year £ Collateralised & Corporates Index;

(iv) changed the sub-fund's investment policy and strategy wording to align with other Artemis fixed income funds, specifically:

- amend the wording on the Fund holding B- rated bonds to clarify that the restriction applies to the purchase of B- rated bonds. Bonds that are downgraded below this credit rating after purchase would not have to be compulsorily sold; and
- delete the restrictions on exposures to non-government issuers of investment grade securities, individual issuers of below investment grade securities or emerging market issuers.

Otherwise, the sub-fund's limits/restrictions remain unchanged.

The sub-fund's prospectus has been updated to reflect that the global exposure of the sub-fund will now be calculated using a relative VaR risk management approach, with the Markit iBoxx 1-5 year £ Collateralised & Corporates Index as the reference portfolio. Previously, absolute VaR was the risk management approach applied.

Change of Appointed Depositary of the sub-funds

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

Remuneration

All UCITS schemes are required to comply with the UCITS Remuneration Code. This includes a requirement to disclose in the annual report of each scheme, details of the total amount of remuneration paid by the manager to its partners and staff for its financial year.

As the Artemis Investments Fund ICVC (the "company") is a UCITS scheme, Artemis Fund Managers Limited ("AFML") as manager is required to make these disclosures. Artemis operates its remuneration policies and practices at a group level which includes both Artemis Investment Management LLP and its subsidiary AFML. Details of the group remuneration policies are available on Artemis' website artemisfunds.com. Remuneration levels are set to attract, retain and motivate talented partners and staff and align the long term interests of partners and staff with those of our clients.

The remuneration policies which apply to all partners and staff across the group are overseen by the Remuneration Committee. The members of the Remuneration Committee are all non-executive officers. The Remuneration Committee is responsible for setting and overseeing the implementation of Artemis' remuneration policy, including approving the remuneration of partners and other senior staff. The Remuneration Committee will regularly review the remuneration policy to ensure it remains appropriate. The Remuneration Committee considers inputs from Artemis' Risk and Compliance function when reviewing remuneration issues, including any risk adjustments or controls considered necessary.

The Artemis remuneration period runs from 1 January to 31 December. Certain partners and staff are classified as 'Identified Staff' as their professional activities have a material impact on the risk profile of the firm. The payment of some of their variable remuneration (which may include profit share for partners) is deferred. Further, Artemis has the ability to reduce all or part of deferred variable remuneration that has been previously allocated to identified staff both (a) before the end of the vesting period and (b) within two years following the payment of any elements of variable remuneration.

No staff are employed by AFML directly. Staff are employed and paid by other entities of Artemis. Artemis has apportioned the total amount of remuneration paid to all 232 Artemis partners and staff in respect of AFML's duties performed for the UCITS schemes based on the number of funds. It has estimated that the total amount of remuneration paid in respect of duties for the sub-funds for the year ended 31 December 2023 is £6,415,772 of which £2,955,426 is fixed remuneration and £3,460,346 is variable remuneration.

The aggregate amount of remuneration paid to UCITS Remuneration Code and Identified Staff that is attributable to duties for the sub-funds for the year ended 31 December 2023 is £2,319,279. Code and Identified Staff are those senior individuals whose managerial responsibilities or professional activities could influence, and have a material impact on, the overall risk profile of each regulated entity and the funds it manages.

For the purposes of the UCITS Remuneration Code, the AFML Code staff are the members of Artemis' Management and Executive Committees, certain fund managers and others in specified roles. This includes certain individuals who are partners in Artemis Investment Management LLP.

Tax information reporting

UK tax legislation requires fund managers to provide information to HM Revenue & Customs ('HMRC') on certain investors who purchase shares or units in collective investment schemes. Accordingly, the fund may have to provide information annually to HMRC on the tax residencies of those shareholders 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').

Company information

All new investors that invest in the fund must complete a certification form as part of the application form. Existing shareholders may also be contacted by the Registrar should any extra information be needed to correctly determine their tax residence. Failure to provide this information may result in the account being reported to HMRC.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders: gov.uk/government/publications/exchange-of information-account-holders.

Value assessment

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

Statement of the Depositary's responsibilities in respect of the scheme and report of the Depositary to the Shareholders of the Artemis Investment Funds ICVC ('the Company') for period ended 3 March 2023.

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

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

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director ("the ACD"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

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

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

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

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

J.P. Morgan Europe Limited
London
3 March 2023

Statement of the Depositary's responsibilities in respect of the scheme and report of the Depositary to the Shareholders of the Artemis Investment Funds ICVC ('the Company') for the period from 6 March 2023 to 29 February 2024.

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

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- the Company's income is applied in accordance with the Regulations; and
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Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Company, acting through the ACD:

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

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

Northern Trust Investor Services Limited
London
2 May 2024

Statement of the ACD's responsibilities

COLL requires the ACD to prepare financial statements for each accounting period which give a true and fair view of the financial affairs of the company at the year end and of the net revenue or expense and net gains or losses on the schemeproperty of the company for the period then ended.

In preparing the financial statements the ACD is required to:

(i) follow applicable accounting standards;

(ii) make judgements and estimates that are reasonable and prudent;

(iii) select suitable accounting policies and then apply them consistently;

(iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation for the foreseeable future. For reasons stated in Note 1 (a) to the financial statements of Artemis Global Equity Income Fund and Artemis Pan-European Absolute Return Fund the financial statements of these sub-funds have been prepared on a break-up basis.

(v) comply with the Instrument of Incorporation and the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014 ('SORP'). The ACD is required to keep proper accounting records and to manage the company in accordance with the Regulations, the Instrument of Incorporation and prospectus.

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

Report of the authorised corporate director

We hereby approve the Annual Report of Artemis Investment Funds ICVC for the year ended 29 February 2024 on behalf of Artemis Fund Managers Limited in accordance with the requirements of Collective Investment Schemes Sourcebook ('COLL') as issued and amended by the FCA.

M J Murray
Director

S Dougall
Director

Artemis Fund Managers Limited
London
2 May 2024

Independent auditor's report to the members of Artemis Investment Funds ICVC

Opinion

We have audited the financial statements of the Artemis Investment Funds ICVC ("the Company") comprising each of its sub-funds for the year ended 29 February 2024, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies for each of the sub-funds, 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 Company comprising each of its sub-funds as at 29 February 2024 and of the net revenue or expenses and the net capital gains or losses of the Company comprising each of its sub-funds 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 Company 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.

Emphasis of matter – Financial Statements of Artemis Global Equity Income Fund and Artemis Pan-European Absolute Return Fund prepared on break up basis

We draw attention to Note 1(a) of the financial statements of Artemis Global Equity Income Fund and Artemis Pan-European Absolute Return Fund which explains that the sub-funds are closed and in the process of being terminated. The Authorised Corporate Director ('the ACD') therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements for these sub-funds only, have been prepared on a break-up basis as described in Note 1(a). The financial statements for the Company as a whole remain prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

The financial statements for the Artemis Global Equity Income Fund and Artemis Pan-European Absolute Return Fund have been prepared on a break-up basis as disclosed in Note 1(a).

In auditing the financial statements of the remaining sub-funds, we have concluded that the ACD'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 ACD 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 remaining sub-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' report thereon. The ACD 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 Instrument of Incorporation; 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 ACD'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 ACD

As explained more fully in the ACD's responsibilities statement set out on page 8, the ACD 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 ACD 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 ACD is responsible for assessing the sub-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 ACD either intends to wind up or terminate the sub-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 Company 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 Open-Ended Investment Companies (OEIC) Regulations, the Company's Instrument of Incorporation and the Prospectus.
- We understood how the Company is complying with those frameworks through discussions with the ACD and the Company's administrator and a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company'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 ACD 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 Company.
- Due to the regulated nature of the Company, 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 Company's Members, 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 Company's Members 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 Company and the Company's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
Edinburgh
2 May 2024

Artemis Corporate Bond Fund

Objective and investment policy

Objective	To generate a return that exceeds the Markit iBoxx £ Collateralized & Corporates Index, after fees, over rolling three-year periods, through a combination of income and capital growth.	
Investment policy	**What the sub-fund invests in**	• At least 80% in investment grade corporate bonds • The sub-fund may also invest in other bonds, cash and near cash, preference shares, convertibles, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives. • At least 80% of the sub-fund will be denominated in or hedged back to sterling.
	Use of derivatives	The sub-fund may use derivatives: • to achieve the sub-fund objective • to produce additional income or growth • for efficient portfolio management purposes to reduce risk and manage the sub-fund efficiently.
	Where the sub-fund invests	• Sterling corporate bonds • To a lesser extent, global corporate bonds (including emerging markets). In this context, emerging market countries means countries included in the MSCI Emerging Markets Index and those included in the World Bank definition of developing economies or those countries which are, in the manager's opinion, developing countries.
	Industries the sub-fund invests in	• Any
	Credit quality of bonds the sub-fund invests in	• At least 80% in investment grade corporate bonds, being - BBB- or above by Standard & Poor's; or - BBB- or above by Fitch; or - Baa3 or above by Moody's
	Other limitations specific to this sub-fund	• None
Investment strategy	• The sub-fund is actively managed. • Investment opportunities across the corporate bond and broader fixed income markets are assessed. • Returns of the sub-fund are driven by four pillars: - active asset allocation across the credit market - stock selection - sector allocation - duration decisions • The sub-fund seeks bonds with the potential for positive changes to their investment outlook, either through improving corporate health or the market having taken an overly negative view on the issuer's prospects. • The sub-fund also seeks bonds with the potential for upside surprise through corporate restructurings or tax and/or legislative change that may lead to early redemption at a higher price.	

Benchmarks	• **Markit iBoxx £ Collateralized & Corporates Index** A widely-used indicator of the performance of sterling-denominated corporate investment grade bonds, in which the sub-fund invests. It acts as a 'target benchmark' that the sub-fund aims to outperform. Management of the sub-fund is not restricted by this benchmark. • **IA £ Corporate Bond NR** A group of other asset managers' funds that invest in similar asset types as the sub-fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark.

RISK AND REWARD PROFILE

Potentially lower rewards | Potentially higher rewards
Lower risk | Higher risk

1 2 3 **4** 5 6 7

- The sub-fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the sub-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 sub-fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the sub-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 sub-fund performance:

- **Market volatility risk:** The value of the sub-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 sub-fund's assets may be priced in currencies other than the sub-fund base currency. Changes in currency exchange rates can therefore affect the sub-fund's value.
- **Derivatives risk:** The sub-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 sub-fund value will reduce.
- **Credit risk**: Investments in bonds are affected by interest rates, inflation and credit ratings. It is possible that bond issuers will not pay interest or return the capital. All of these events can reduce the value of bonds held by the sub-fund.
- **Bond liquidity risk:** The sub-fund holds bonds which could prove difficult to sell. As a result, the sub-fund may have to lower the selling price, sell other investments or forego more appealing investment opportunities.
- **Charges from capital risk:** Where charges are taken wholly or partly out of a sub-fund's capital, distributable income may be increased at the expense of capital, which may constrain or erode capital growth.
- **Emerging markets risk:** Compared to more established economies, investments in emerging markets may be subject to greater volatility due to differences in generally accepted accounting principles, less governed standards or from economic or political instability. Under certain market conditions assets may be difficult to sell.
- **Income risk:** The payment of income and its level is not guaranteed. Please refer to the sub-fund's prospectus for full details of these and other risks which are applicable to this sub-fund.

There was no change to the risk indicator in the year ended 29 February 2024.

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

Artemis Corporate Bond Fund

Investment Review

The Artemis Corporate Bond Fund invests predominantly in investment-grade bonds issued by companies. An investment grade rating signifies that a bond is regarded by credit rating agencies as having a relatively low risk of defaulting on its payments.

Explaining the sub-fund's performance

Over the course of a volatile year in bond markets, the sub-fund returned 6.6%. It thereby outperformed both of its benchmarks. The iBoxx £ Collateralized & Corporate Index (UK midday) showed a return of 5.8% over the same period[1]. Meanwhile, the Investment Association's £ Corporate Bond NR sector showed a return of 5.9%[2].

Individual credit selection was the key reason for the sub-fund's outperformance over the past 12 months. In particular, our choice of bonds in the financials, real estate and utilities sectors helped to underpin its benchmark-beating returns.

The wider context

It was another volatile year for government bond markets.

- The UK government bond market rallied as the year under review began – but gave back those early gains in April.
- May brought a new leg lower in bond prices. The sell-off rivalled the one seen in the wake of the Truss/Kwarteng 'mini budget' in September 2022.
- Looking at the world's other major bond markets, German Bunds and US Treasuries both experienced more gradual sell-offs, with yields (which rise as bond prices fall) climbing steadily from March through to August. By August, the UK 10-year Gilt yield topped 4.7%. Yields on 10-year German Bunds exceeded 2.90%, while US 10-year Treasury yields were approaching 5%. These are levels not seen since before the global financial crisis.
- From November, however, bonds began to rally. The rally was given fresh impetus when the US central bank, the Federal Reserve, signalled that it was preparing to cut interest rates in 2024.
- After the initial excitement, however, the market's conviction that inflation had been vanquished faded. Investors began to temper their expectations regarding how quickly and how aggressively central banks would cut interest rates. The result was that, through the first two months of 2024, government bonds relinquished a chunk of the gains they had recorded towards the end of 2023.

Reflecting this volatility in the underlying government bond market, corporate bond markets also had a choppy year.

On a corporate level, meanwhile, the collapse of Silicon Valley Bank (in the US) triggered a brief panic focused on the banking sector. A week later, Credit Suisse found itself the subject of a rescue deal by its Swiss rival UBS. The resulting weakness in the corporate bond market proved to be the year's nadir. Confidence soon returned, with subordinated financial bonds (a junior form of bank debt) rallying the furthest. The sub-fund was a beneficiary of this rally.

In late June, meanwhile, Thames Water, the UK's largest water company, became the subject of media scrutiny of the sustainability of its debt load. That, in turn, led to a sell-off across the wider water utilities sector – selling which even the most financially robust utility companies could not entirely escape.

From October, however, the corporate bond market recovered strongly and spreads – the extra yield on corporate bonds over and above those on government bonds – narrowed to their tightest levels in just under two years. Bonds issued by real estate companies were the prime beneficiary of the newfound optimism and led the rally in corporate bond markets; property valuations are closely tied to interest rates.

Changes to the sub-fund

In early 2024, we took a number of opportunities to add to the sub-fund's holdings in higher-quality investment-grade bonds. That was not because we believed that credit spreads would widen. But we recognised that spreads had tightened meaningfully and that lower-quality bonds were not as cheap than they had been a year earlier. We were being paid less to take credit risk on behalf of our clients than we were a year earlier. That made it prudent to start favouring 'up-in-quality' trades. In other words, when the opportunity presented itself, we locked in profits in some of our less highly rated names and shifted up the credit quality spectrum, often by switching into more senior bonds from the same issuer.

Looking ahead

As we look to the prospects for the year ahead, we might paraphrase the late Donald Rumsfeld. We can be sure it will bring a mix of 'known unknowns' (such as the US presidential race and the volatile situation in the Middle East) along with 'unknown unknowns'.

Past performance is not a guide to the future.

[1] Markit iBoxx £ Collateralized & Corporate Index (UK Midday) is a widely used indicator of the performance of sterling-denominated corporate investment grade bonds, in which the sub-fund invests. It acts as a 'target benchmark' that the sub-fund aims to outperform. Management of the sub-fund is not restricted by this benchmark.

[2] IA £ Corporate Bond NR is a group of asset managers' sub-funds that invest in similar asset types to the sub-fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark.

From the perspective of the bond market, the most important of these 'known unknowns' will be the steps central banks take to reduce interest rates:

- When will rates be cut?
- Which central bank will move first?
- How far will rates fall?

The conflict in the Middle East has already disrupted worldwide shipping and pushed freight costs higher. But from the perspective of the bond market – and of central bankers – inflation is heading in the right direction: down. It therefore seems almost certain that interest rates will begin to move lower in 2024 and the bond market will benefit when they do.

While we await clarity on the timing and extent of rate cuts, our focus will remain on undertaking detailed credit analysis and exploiting the inefficiencies that are inherent in the corporate bond market. We are optimistic this will allow us to continue to deliver the outperformance our clients have come to expect.

As for the prospects for the corporate bond market as a whole? Yields in the investment-grade corporate bond market are above inflation and sufficiently attractive to ensure that demand for corporate bonds should remain strong. Many companies, meanwhile, would rather not issue bonds at today's yield levels, so levels of supply – new issuance – should remain low. That set-up (buyers outnumbering sellers) should offer powerful technical support to the corporate bond market.

Artemis Corporate Bond Fund

Investment information

Ten largest purchases and sales for the year ended 29 February 2024

Purchases	Cost £'000	Sales	Proceeds £'000
Vattenfall 6.88% 31/08/2083	25,571	UK Treasury 1.50% 22/07/2047	24,340
UK Treasury 1.50% 22/07/2047	25,320	Anglian Water Services 6.00% 20/06/2039	23,266
Eastern Power Network 5.38% 26/02/2042	23,782	Volkswagen Financial Services 5.87% 23/05/2029	19,420
Motability Operations Group 5.75% 11/09/2048	23,154	Barclays, FRN 8.41% 14/11/2032	19,349
Anglian Water Services 6.00% 20/06/2039	23,075	Vattenfall 6.88% 15/04/2039	18,949
Citigroup 6.8% 25/06/2038	20,528	Deutsche Telekom International Finance 8.88% 27/11/2028	17,443
CPPIB Capital 6.00% 07/06/2025	19,974	UK Treasury 4.50% 07/06/2028	17,261
CPUK Finance 5.88% 28/8/2027	19,794	Motability Operations Group 2.38% 03/07/2039	16,835
National Grid Electricity Transmission 5.27% 18/01/2043	19,781	AT&T 7.00% 30/04/2040	16,361
Volkswagen Financial Services 5.87% 23/05/2029	19,771	Credit Agricole 4.88% 23/10/2029	15,668

Portfolio statement as at 29 February 2024

Investment	Holding/ nominal value	Valuation £'000	% of net assets
Corporate Bonds 98.52% (98.60%)			
Belgium 0.00% (0.66%)			
Canada 1.96% (1.38%)			
CPPIB Capital 4.38% 02/03/2026	£8,000,000	7,929	0.55
CPPIB Capital 6.00% 07/06/2025	£20,000,000	20,210	1.41
		28,139	**1.96**
Cayman Islands 0.00% (0.13%)			
Denmark 0.34% (1.70%)			
Danske Bank, FRN 4.63% 13/04/2027	£5,000,000	4,931	0.34
		4,931	**0.34**
France 6.00% (6.04%)			
AXA, FRN 6.38% Perpetual	€7,300,000	6,407	0.45
Banque Federative du Credit Mutuel 5.00% 22/10/2029	£14,700,000	14,599	1.02
BNP Paribas 6.00% 18/08/2029	£18,000,000	18,550	1.29
Credit Agricole, FRN 5.38% 15/01/2029	£8,000,000	7,973	0.56
Electricite de France 5.50% 17/10/2041	£13,000,000	12,119	0.85
Electricite de France 5.63% 25/01/2053	£10,000,000	9,108	0.64
Societe Generale, FRN 5.75% 22/01/2032	£8,400,000	8,327	0.58
Sodexo 1.75% 26/06/2028	£10,000,000	8,778	0.61
		85,861	**6.00**
Germany 4.97% (3.52%)			
Bayer 7.00% 25/09/2083	€18,000,000	15,443	1.08
Deutsche Bank, FRN 4.00% 24/06/2026	£9,000,000	8,747	0.61
E.ON International Finance 6.13% 06/07/2039	£15,000,000	15,635	1.09
Traton Finance Luxembourg 5.63% 16/01/2029	£12,000,000	11,946	0.84
Vonovia 5.50% 18/01/2036	£20,000,000	19,379	1.35
		71,150	**4.97**

Investment	Holding/ nominal value	Valuation £'000	% of net assets
Corporate Bonds 98.52% (98.60%) (continued)			
Ireland 0.37% (0.76%)			
Freshwater Finance 4.61% 17/10/2036	£6,120,000	5,285	0.37
		5,285	**0.37**
Japan 0.00% (0.86%)			
Luxembourg 1.88% (0.84%)			
Blackstone Property Partners Europe Holdings 4.88% 29/04/2032	£17,000,000	14,981	1.05
Logicor Financing Sarl 2.75% 15/01/2030	£14,450,000	11,974	0.83
		26,955	**1.88**
Netherlands 1.48% (2.16%)			
Cooperatieve Rabobank 4.63% 23/05/2029	£12,000,000	11,338	0.79
ING Groep, FRN 6.25% 20/05/2033	£9,900,000	9,829	0.69
		21,167	**1.48**
Singapore 0.00% (0.43%)			
Spain 1.18% (1.06%)			
Abertis Infraestructuras 3.38% 27/11/2026	£18,000,000	16,964	1.18
		16,964	**1.18**
Sweden 1.42% (0.68%)			
Vattenfall 6.88% 31/08/2083	£20,000,000	20,304	1.42
		20,304	**1.42**
Switzerland 2.95% (3.60%)			
UBS Group, FRN 7.38% 07/09/2033	£20,000,000	22,301	1.56
Zurich Finance Ireland Designated Activity, FRN 5.13% 23/11/2052	£21,000,000	19,968	1.39
		42,269	**2.95**
United Kingdom 62.47% (60.03%)			
AA Bond 5.50% 31/07/2050	£5,000,000	4,817	0.34
AA Bond 7.38% 31/07/2050	£11,600,000	11,786	0.82
Accent Capital 2.63% 18/07/2049	£14,000,000	8,870	0.62
Admiral Group 8.50% 06/01/2034	£3,200,000	3,469	0.24
Anglian Water Osprey Financing 4.00% 08/03/2026	£11,000,000	10,351	0.72
Anglian Water Services Financing 5.75% 07/06/2043	£10,000,000	10,004	0.70
Annington Funding 3.69% 12/07/2034	£24,000,000	19,996	1.40
Arqiva Financing 4.88% 31/12/2032	£13,980,000	13,362	0.93
Arqiva Financing 7.21% 30/06/2045	£7,000,000	7,426	0.52
Aster Treasury 5.41% 20/12/2032	£15,000,000	15,446	1.08
Aviva 6.88% 27/11/2053	£7,600,000	7,839	0.55
Aviva, FRN 4.00% 03/06/2055	£17,500,000	14,164	0.99
Barclays, FRN 7.09% 06/11/2029	£18,000,000	18,819	1.31
Beyond Housing 2.13% 17/05/2051	£17,000,000	9,349	0.65
Blend Funding 3.46% 21/09/2049	£17,000,000	12,653	0.88
BP Capital Markets, FRN 4.25% Perpetual	£22,000,000	20,625	1.44
Bunzl Finance 1.50% 30/10/2030	£6,500,000	5,227	0.37
Canary Wharf Finance II 6.80% 22/10/2033	£5,431,771	5,404	0.38
Centrica 7.00% 19/09/2033	£15,000,000	16,620	1.16
Close Brothers Group 7.75% 14/06/2028	£2,800,000	2,785	0.19
CPUK Finance 5.88% 28/08/2027	£20,000,000	20,051	1.40
Direct Line Insurance Group 4.00% 05/06/2032	£5,000,000	4,114	0.29
Drax Finco 6.63% 01/11/2025	$5,000,000	3,903	0.27
Eastern Power Networks 5.38% 26/02/2042	£24,000,000	23,772	1.66
Electricity North West 8.88% 25/03/2026	£15,000,000	16,028	1.12

Artemis Corporate Bond Fund

Investment	Holding/ nominal value	Valuation £'000	% of net assets
Corporate Bonds 98.52% (98.60%) (continued)			
United Kingdom 62.47% (60.03%) (continued)			
Greene King Finance 4.06% 15/03/2035	£4,567,500	4,104	0.29
Greene King Finance 5.11% 15/03/2034	£12,417,945	11,780	0.82
Heathrow Funding 6.45% 10/12/2033	£22,000,000	23,524	1.64
HSBC Holdings 6.80% 14/09/2031	£17,000,000	17,982	1.26
Inchcape 6.50% 09/06/2028	£14,400,000	14,628	1.02
International Distributions Services 7.38% 14/09/2030	£12,000,000	12,455	0.87
Investec, FRN 1.88% 16/07/2028	£11,100,000	9,463	0.66
Land Securities Capital Markets 4.88% 15/09/2032	£16,000,000	15,850	1.11
Legal & General Group, FRN 5.50% 27/06/2064	£12,600,000	12,102	0.85
Lloyds Banking Group, FRN 6.63% 02/06/2033	£9,900,000	9,925	0.69
Logicor 2019-1 UK 1.88% 17/11/2031	£1,000,000	910	0.06
Logicor 2019-1 UK 1.88% 17/11/2031	£14,000,000	12,741	0.89
M&G, FRN 6.25% 20/10/2068	£6,000,000	5,581	0.39
Manchester Airport Group Funding 6.13% 30/09/2041	£13,500,000	14,442	1.01
Marston's Issuer, FRN 5.18% 15/07/2032	£8,382,000	7,373	0.51
Martlet Homes 3.00% 09/05/2052	£12,000,000	7,984	0.56
Meadowhall Finance 4.99% 12/01/2032	£7,139,752	6,511	0.45
Mitchells & Butlers Finance 5.57% 15/12/2030	£5,687,821	5,574	0.39
Mobico Group 4.88% 26/09/2031	€12,000,000	10,150	0.71
Motability Operations Group 2.38% 03/07/2039	£7,000,000	4,891	0.34
Motability Operations Group 3.63% 10/03/2036	£9,000,000	7,810	0.55
Motability Operations Group 5.75% 11/09/2048	£14,000,000	14,641	1.02
National Grid Electricity Transmission 5.27% 18/01/2043	£15,000,000	14,319	1.00
Nationwide Building Society, FRN 7.86% Perpetual	£2,500,000	2,463	0.17
NatWest Group, FRN 7.42% 06/06/2033	£19,000,000	19,524	1.36
NGG Finance, FRN 5.63% 18/06/2073	£5,000,000	4,930	0.34
Northern Powergrid Northeast 3.25% 01/04/2052	£13,000,000	9,096	0.64
Northern Powergrid Yorkshire 5.63% 14/11/2033	£10,000,000	10,339	0.72
Pension Insurance 8.00% 13/11/2033	£16,000,000	17,021	1.19
Places For People Treasury 6.25% 06/12/2041	£15,000,000	15,750	1.10
Quadgas Finance 3.38% 17/09/2029	£24,000,000	20,982	1.47
RAC Bond 4.87% 06/05/2046	£12,500,000	12,154	0.85
RAC Bond 8.25% 06/11/2028	£4,500,000	4,851	0.34
Rothesay Life 7.73% 16/05/2033	£10,500,000	11,121	0.78
Rothesay Life, FRN 6.88% Perpetual	£10,000,000	9,143	0.64
Sage 1.63% 25/02/2031	£15,000,000	11,991	0.84
Sanctuary Capital 2.38% 14/04/2050	£11,000,000	6,503	0.45
Santander UK Group Holdings, FRN 7.10% 16/11/2027	£17,000,000	17,422	1.22
Scottish Hydro Electric Transmission 5.50% 15/01/2044	£11,000,000	10,962	0.77
Segro 5.13% 06/12/2041	£10,000,000	9,647	0.67
Skipton Building Society, FRN 6.25% 25/04/2029	£11,000,000	10,955	0.77
Southern Water Services Finance 6.19% 31/03/2029	£7,000,000	7,168	0.50
Sovereign Housing Capital 2.38% 04/11/2048	£14,400,000	8,519	0.59
SP Manweb 4.88% 20/09/2027	£13,000,000	12,911	0.90
SW Finance I 7.38% 12/12/2041	£9,000,000	9,340	0.65
Telereal Securitisation 1.37% 10/12/2033	£10,352,133	9,035	0.63
Telereal Securitisation 3.56% 10/12/2031	£15,300,000	13,626	0.95
Thames Water Utilities Finance 7.75% 30/04/2044	£17,000,000	17,398	1.22
TP ICAP Finance 7.88% 17/04/2030	£19,800,000	21,323	1.49
Virgin Money UK 7.63% 23/08/2029	£6,100,000	6,410	0.45

Investment	Holding/ nominal value	Valuation £'000	% of net assets
Corporate Bonds 98.52% (98.60%) (continued)			
United Kingdom 62.47% (60.03%) (continued)			
Virgin Money UK, FRN 4.00% 25/09/2026	£13,000,000	12,555	0.88
Weir Group 6.88% 14/06/2028	£10,000,000	10,326	0.72
Whitbread Group 3.38% 16/10/2025	£8,000,000	7,709	0.54
Yorkshire Building Society 7.38% 12/09/2027	£11,000,000	11,300	0.79
Yorkshire Water Services Finance 5.50% 28/05/2037	£10,400,000	10,279	0.72
		894,373	**62.47**
United States of America 13.50% (14.75%)			
Caterpillar Financial Services 5.72% 17/08/2026	£8,600,000	8,751	0.61
Citigroup 4.50% 03/03/2031	£10,900,000	10,031	0.70
Citigroup 6.80% 25/06/2038	£15,000,000	17,072	1.19
Dresdner Funding Trust I 8.15% 30/06/2031	$13,000,000	11,317	0.79
Ford Motor Credit 5.63% 09/10/2028	£8,500,000	8,413	0.59
General Motors Financial 5.50% 12/01/2030	£10,000,000	9,889	0.69
Goldman Sachs Group 6.88% 18/01/2038	£16,000,000	17,177	1.20
HJ Heinz Finance UK 6.25% 18/02/2030	£13,000,000	13,466	0.94
McDonald's 3.75% 31/05/2038	£10,000,000	8,511	0.59
Metropolitan Life Global Funding I 1.63% 12/10/2028	£18,000,000	15,604	1.09
Morgan Stanley, FRN 5.79% 18/11/2033	£4,800,000	4,948	0.35
MPT Operating Partnership, REIT 3.69% 05/06/2028	£16,000,000	11,240	0.79
Nestle Holdings 5.25% 21/09/2026	£17,000,000	17,138	1.20
New York Life Global Funding 4.35% 16/09/2025	£8,000,000	7,905	0.55
Realty Income 6.00% 05/12/2039	£9,700,000	10,117	0.71
Verizon Communications 4.75% 17/02/2034	£13,000,000	12,515	0.87
Wells Fargo 4.88% 29/11/2035	£10,000,000	9,155	0.64
		193,249	**13.50**
Corporate Bonds total		**1,410,647**	**98.52**
Forward Currency Contracts 0.01% (0.04%)			
Buy Sterling 32,770,000 sell Euro 38,284,000 dated 08/03/2024		(22)	–
Buy Sterling 15,626,000 sell US Dollar 19,592,000 dated 08/03/2024		138	0.01
Forward Currency Contracts total		**116**	**0.01**
Investment assets (including investment liabilities)		**1,410,763**	**98.53**
Net other assets		**21,023**	**1.47**
Net assets attributable to shareholders		**1,431,786**	**100.00**

The comparative percentage figures in brackets are as at 28 February 2023.

Financial statements

Statement of total return for the year ended 29 February 2024

	Note	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Income					
Net capital gains/(losses)	3		**21,469**		(104,341)
Revenue	5	**75,633**		33,872	
Expenses	6	**(4,349)**		(2,775)	
Interest payable and similar charges	7	**(9)**		(16)	
Net revenue before taxation		**71,275**		31,081	
Taxation	8	**–**		–	
Net revenue after taxation			**71,275**		31,081
Total return before distributions			**92,744**		(73,260)
Distributions	9		**(72,526)**		(31,885)
Change in net assets attributable to shareholders from investment activities			**20,218**		(105,145)

Statement of change in net assets attributable to shareholders for the year ended 29 February 2024

	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Opening net assets attributable to shareholders		**1,190,110**		765,629
Amounts receivable on issue of shares	**656,253**		635,891	
Amounts payable on cancellation of shares	**(469,237)**		(122,424)	
		187,016		513,467
Dilution adjustment		**296**		1,100
Change in net assets attributable to shareholders from investment activities		**20,218**		(105,145)
Retained distribution on accumulation shares		**34,146**		15,059
Closing net assets attributable to shareholders		**1,431,786**		1,190,110

Balance sheet as at 29 February 2024

	Note	29 February 2024 £'000	28 February 2023 £'000
Assets			
Fixed assets			
Investments	10	**1,410,785**	1,173,477
Current assets			
Debtors	11	**43,891**	31,744
Cash and cash equivalents	12	**25,195**	19,587
Total current assets		**69,086**	51,331
Total assets		**1,479,871**	1,224,808
Liabilities			
Investment liabilities	10	**22**	502
Creditors			
Bank overdraft	13	**130**	–
Distribution payable		**9,582**	7,807
Other creditors	14	**38,351**	26,389
Total creditors		**48,063**	34,196
Total liabilities		**48,085**	34,698
Net assets attributable to shareholders		**1,431,786**	1,190,110

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 ACD believes that the sub-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 sub-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 sub-fund invests in markets that are closed for trading at the sub-fund's valuation point, the ACD 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 sub-fund valuation point, since the last market close), to reflect more accurately the fair value of the sub-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 ACD, 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/(losses).

(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. Interest from debt securities is recognised on an effective interest rate basis inclusive of any expected changes to future cash flows. Interest from debt securities bought or sold is excluded from the capital cost of such securities, and accounted for as part of revenue. Bank interest and interest on margin accounts held with brokers is recognised as revenue on an accruals basis. Returns on derivative instruments are recognised as either revenue or capital depending on the nature and circumstances of each particular case. Net gains/(losses) are reflected within derivative contracts under net capital gains/(losses) in the notes to the financial statements.

(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 sub-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 sub-fund is priced on a single swinging price basis. The ACD has the discretion to charge a dilution adjustment as part of its daily valuation policy. This will mean that in certain circumstances the sub-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 sub-fund is to distribute/accumulate all available revenue, after deduction of expenses and taxation properly chargeable against revenue. The sub-fund satisfied the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 throughout each distribution period and where applicable will pay an interest distribution. The ACD and the depositary have agreed, for the distribution classes only, that 100% of the annual management charge is to be transferred to capital for the purpose of calculating the distribution, as permitted by COLL. The distribution currently payable reflects this treatment. The ACD may from time to time, smooth the distribution payments during the accounting period with the balance of revenue (if any) being paid in respect of the final distribution. Gains and losses on investments and derivatives whether realised or unrealised, if taken to capital are not available for distribution. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised. For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares. Distributions which have remained unclaimed by shareholders for six years are credited to the capital property of the sub-fund.

3. Net capital gains/(losses)

	29 February 2024 £'000	28 February 2023 £'000
Non-derivative securities	**20,545**	(100,918)
Forward currency contracts	**1,350**	(4,151)
Derivative contracts	**–**	37
Currency (losses)/gains	**(426)**	691
Net capital gains/(losses)	**21,469**	(104,341)

4. Direct transaction costs

There were no commissions or taxes paid in relation to transactions on the portfolio during the current year or previous year.

Dealing spread

As at the balance sheet date the estimated portfolio dealing spread was 0.57% (2023: 0.65%). 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

	29 February 2024 £'000	28 February 2023 £'000
Interest on debt securities	**74,292**	33,437
Bank interest	**1,341**	435
Total revenue	**75,633**	33,872

6. Expenses

	29 February 2024 £'000	28 February 2023 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	**2,769**	1,707
Administration fees	**1,580**	1,068
Total expenses	**4,349**	2,775

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 ACD via the administration fee.

7. Interest payable and similar charges

	29 February 2024 £'000	28 February 2023 £'000
Interest payable	**9**	16
Total interest payable and similar charges	**9**	16

8. Taxation

	29 February 2024 £'000	28 February 2023 £'000
a) Analysis of the tax charge for the year		
Corporation tax	**–**	–
Total taxation (note 8b)	**–**	–
b) Factors affecting the tax charge for the year		
Net revenue before taxation	**71,275**	31,081
Corporation tax of 20% (2023: 20%)	**14,255**	6,216
Effects of:		
Tax deductible interest distributions	**(14,255)**	(6,216)
Tax charge for the year (note 8a)	**–**	–

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 sub-fund has not recognised a deferred tax asset (2023: £nil).

9. Distributions

	29 February 2024 £'000	28 February 2023 £'000
Interim gross interest distribution – May 2023	**17,236**	5,340
Interim gross interest distribution – August 2023	**18,835**	6,438
Interim gross interest distribution – November 2023	**18,042**	9,319
Final gross interest distribution – February 2024	**19,444**	13,991
	73,557	35,088
Add: amounts deducted on cancellation of shares	**3,504**	418
Deduct: amounts added on issue of shares	**(4,535)**	(3,621)
Distributions	**72,526**	31,885
Movement between net revenue and distributions		
Net revenue after taxation	**71,275**	31,081
Expenses paid from capital	**1,251**	804
Undistributed revenue brought forward	**–**	1
Undistributed revenue carried forward	**–**	(1)
	72,526	31,885

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. Details of the distributions per share are set out in the distribution tables on page 29.

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).

	29 February 2024		28 February 2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 2	**1,410,785**	**22**	1,173,477	502
Total	**1,410,785**	**22**	1,173,477	502

11. Debtors

	29 February 2024 £'000	28 February 2023 £'000
Accrued revenue	**26,023**	19,660
Sales awaiting settlement	**9,874**	2,986
Amounts receivable for issue of shares	**7,994**	9,098
Total debtors	**43,891**	31,744

12. Cash and cash equivalents

	29 February 2024 £'000	28 February 2023 £'000
Amounts held in liquidity funds	**25,094**	–
Cash and bank balances	**101**	18,687
Collateral held with brokers	**–**	750
Amounts held at brokers	**–**	150
Total cash and cash equivalents	**25,195**	19,587

13. Bank overdraft

	29 February 2024 £'000	28 February 2023 £'000
Collateral pledged with brokers	**130**	–
Total bank overdraft	**130**	–

14. Other creditors

	29 February 2024 £'000	28 February 2023 £'000
Purchases awaiting settlement	**33,068**	26,052
Amounts payable for cancellation of shares	**4,901**	45
Accrued annual management charge	**243**	183
Accrued administration fee payable to the ACD	**137**	109
Interest payable	**2**	–
Total other creditors	**38,351**	26,389

15. Contingent liabilities and commitments

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

16. Reconciliation of share movements

	Shares in issue at 28 February 2023	Shares issued	Shares cancelled	Shares converted	Shares in issue at 29 February 2024
F distribution GBP	527,621,373	249,991,309	(245,934,442)	4,331,386	**536,009,626**
F accumulation GBP	33,180,151	18,572,959	(9,716,301)	(251,333)	**41,785,476**
I distribution GBP	198,691,622	101,096,530	(73,553,200)	(3,629,754)	**222,605,198**
I accumulation GBP	523,537,244	330,099,944	(184,130,431)	(389,533)	**669,117,224**

17. Risk disclosures

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

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-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 sub-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, and other market price 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 sub-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 sub-fund's investment portfolio. The sub-fund, in order to meet its investment objective and policy, invests predominantly in bonds and maintains an appropriate spread of investments in accordance with COLL and the Prospectus to seek to reduce the risks arising from factors specific to a particular company or sector. The ACD'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 sub-fund disclosed in the balance sheet.

(i) Interest rate risk

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. Bond yields (and as a consequence bond prices) are determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, governments' fiscal positions, short-term interest rates and international market comparisons. As part of the continuing review of the portfolio, the manager monitors and reviews these factors.

The following table details the interest rate risk profile of the sub-fund:

Currency	Floating Rate † financial assets £'000	Fixed Rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
29 February 2024				
Sterling	**369,647**	**1,018,975**	**43,339**	**1,431,961**
US Dollar	**–**	**15,220**	**229**	**15,449**
Euro	**21,850**	**10,150**	**462**	**32,462**
28 February 2023				
Sterling	1,152,888	–	(2,906)	1,149,982
US Dollar	20,752	–	328	21,080
Euro	19,424	–	126	19,550

† Includes cash and bank balances.

The forward currency contracts for Euro, Sterling and US Dollar are not included within this table. These can be found in the portfolio statement on page 4.

As at 29 February 2024, if there is a parallel shift in government bond yields with an increase of 1%, the sub-fund could expect to see an approximate 6.3% fall in the prices of the underlying bonds it holds (2023: 6.3%). A 1% fall in government bond yields would have an equal and opposite impact. This calculation has been prepared on a modified duration basis. Modified duration follows the concept that interest rates and fixed rate bond prices move in opposite directions. The calculation has been used to serve as an indication of the possible impact to the fund from changes to government bond yields. This concept relies on a large number of assumptions, in particular, that all bonds are equally sensitive to government bond yields. In practice, this is not the case as many bonds with higher credit risk have lower correlation with government bond yields and in some cases even negative correlation. The sub-fund contains a high and varying proportion of bonds with sometimes a high degree of credit risk. Furthermore, this makes the assumption of a parallel shift in yields. In practice, when interest rates change, longer dated government bond yields do not usually move in parallel with short-term interest rates. It is not unusual to see a negative correlation to short-term interest rate movements. The calculation also includes the impact of any futures positions.

(ii) Currency risk

A portion of the net assets of the sub-fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the ACD may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the sub-fund's exposure to currency risk is reduced. The gain on forward currency contracts for the period was £1,350,000 (2023: loss of £4,151,000).

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

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

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £'000	Total £'000
29 February 2024				
Sterling	**1,363,427**	**(4,762)**	**48,396**	**1,407,061**
US Dollar	**15,220**	**229**	**(15,487)**	**(38)**
Euro	**32,000**	**462**	**(32,793)**	**(331)**
28 February 2023				
Sterling	1,133,301	16,681	40,486	1,190,468
US Dollar	20,752	328	(21,154)	(74)
Euro	19,424	126	(19,834)	(284)

A five percent increase in the value of the sub-fund's foreign currency exposure would have the effect of decreasing the return and net assets by £18,000 (2023: £18,000). A five percent decrease would have an equal and opposite effect.

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The portfolio is invested in securities domiciled in a number of countries and will be exposed to market movements in the relevant country arising from changes in the local economy and government decisions. As part of the continuing review of the portfolio, the ACD monitors and reviews these factors. A five percent increase in the value of the sub-fund's portfolio would have the effect of increasing the return and net assets by £71,589,000 (2023: £58,674,000). A five percent decrease would have an equal and opposite effect.

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

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

(iv) Leverage risk

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

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

As at 29 February 2024 and 28 February 2023 leverage ratios of the sub-fund were:

	2024 %	2023 %
Sum of the notionals	**106.2**	116.5
Commitment	**100.0**	100.0

(b) Credit and counterparty risk

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

The ACD is permitted to use one or more separate counterparties for derivative transactions. The sub-fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the sub-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 sub-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 sub-fund. To minimise such risk the ACD will assess the creditworthiness of any counterparty that it engages. On a daily basis the ACD 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. In order to diversify counterparty risk the sub-fund holds cash with a number of other counterparties other than Northern Trust.

The derivatives are disclosed in the portfolio statement, Northern Trust is the counterparty for forward currency contracts. Aside from the custodian, the derivative counterparties and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 29 February 2024 or 28 February 2023.

Debt Security credit analysis

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

	29 February 2024 £'000	28 February 2023 £'000
Investment grade securities	**1,348,904**	1,060,434
Below investment grade securities	**51,738**	113,043
Unrated securities	**10,004**	–
Total of debt securities	**1,410,646**	1,173,477

Source of credit ratings: Artemis Investment Management LLP.

Counterparty and collateral exposure

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

Currency	Forward currency contracts £'000	Total gross exposure £'000	Net collateral (pledged)/held £'000
29 February 2024			
Northern Trust	**116**	**116**	**(130)**
28 February 2023			
Goldman Sachs	(39)	(39)	–
J.P. Morgan	(452)	(452)	600
UBS	(11)	(11)	150

Only cash collateral is pledged or held by the sub-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 sub-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 sub-funds and investor base. This includes but is not limited to what percentage of the sub-fund can be liquidated within certain redemption horizons, whether the largest investors in the sub-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 29 February 2024 or 28 February 2023.

18. Related party transactions

The ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the statement of total return, statement of change in net assets attributable to shareholders and the balance sheet on page 20 and notes 6, 9, 11 and 14 on pages 22 to 24 including all issues and cancellations where the ACD acted as principal. The balance due from the ACD as at 29 February 2024 in respect of these transactions was £2,713,000 (2023: £8,761,000).

19. Share classes

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

F distribution GBP	0.15%
F accumulation GBP	0.15%
I distribution GBP	0.25%
I accumulation GBP	0.25%

The net asset value per share and the number of shares in each class are given in the comparative table on page 18.
The distributions per share class are given in the distribution tables on page 29. All classes have the same rights on winding up.

20. Post balance sheet event

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

DISTRIBUTION TABLES

This sub-fund pays quarterly interest distributions. The following table sets out the distribution periods.

Quarterly distribution periods	Start	End	Ex-dividend date	Pay date
First interim	1 March 2023	31 May 2023	1 June 2023	31 July 2023
Second interim	1 June 2023	31 August 2023	1 September 2023	31 October 2023
Third interim	1 September 2023	30 November 2023	1 December 2023	31 January 2024
Final	1 December 2023	29 February 2024	1 March 2024	30 April 2024

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

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

Corporate shareholders should note that a holding in a fund with more than 60% of its net assets in interest bearing assets may be required to be treated as a creditor loan relationship for corporation tax purposes.

F distribution GBP

Interest distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Interest per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2022 - 2023 Distribution per share (p)
First interim	0.5634	0.6114	1.1748	0.00%	100.00%	0.7508
Second interim	0.6413	0.6305	1.2718	0.00%	100.00%	0.8128
Third interim	0.5538	0.6994	1.2532	0.00%	100.00%	0.9204
Final	0.5918	0.6729	1.2647	0.00%	100.00%	1.0758

F accumulation GBP

Interest distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Interest per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2022 - 2023 Distribution per share (p)
First interim	0.6254	0.6357	1.2611	0.00%	100.00%	0.7617
Second interim	0.7719	0.6146	1.3865	0.00%	100.00%	0.8318
Third interim	0.7730	0.6133	1.3863	0.00%	100.00%	0.9588
Final	0.5795	0.8378	1.4173	0.00%	100.00%	1.1376

I distribution GBP

Interest distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Interest per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2022 - 2023 Distribution per share (p)
First interim	0.3428	0.8280	1.1708	0.00%	100.00%	0.7496
Second interim	0.6611	0.6061	1.2672	0.00%	100.00%	0.8106
Third interim	0.5123	0.7360	1.2483	0.00%	100.00%	0.9177
Final	0.7084	0.5510	1.2594	0.00%	100.00%	1.0724

I accumulation GBP

Interest distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Interest per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2022 - 2023 Distribution per share (p)
First interim	0.5925	0.6396	1.2321	0.00%	100.00%	0.7240
Second interim	0.8604	0.4963	1.3567	0.00%	100.00%	0.8040
Third interim	0.6348	0.7215	1.3563	0.00%	100.00%	0.9326
Final	0.7199	0.6654	1.3853	0.00%	100.00%	1.1092

Artemis Corporate Bond Fund

Comparative tables

	F distribution GBP			F accumulation GBP		
	2024	2023	2022	2024	2023	2022
Change in net assets per share (p)						
Opening net asset value per share	**88.91**	**102.30**	**107.19**	**98.19**	**108.69**	**110.73**
Return before operating charges *	6.65	(9.57)	(1.55)	7.61	(10.22)	(1.72)
Operating charges	(0.24)	(0.26)	(0.31)	(0.27)	(0.28)	(0.32)
Return after operating charges *	**6.41**	**(9.83)**	**(1.86)**	**7.34**	**(10.50)**	**(2.04)**
Distributions	(4.96)	(3.56)	(3.03)	(5.45)	(3.69)	(2.99)
Retained distributions on accumulation shares	–	–	–	5.45	3.69	2.99
Closing net asset value per share	**90.36**	**88.91**	**102.30**	**105.53**	**98.19**	**108.69**
* after direct transaction costs of	0.02	–	–	0.02	–	–
Performance						
Return after charges	7.21%	(9.61)%	(1.74)%	7.48%	(9.66)%	(1.84)%
Other information						
Closing net asset value (£'000)	484,323	469,099	317,016	44,096	32,579	12,431
Closing number of shares	536,009,626	527,621,373	309,874,543	41,785,476	33,180,151	11,436,624
Operating charges	0.27%	0.27%	0.28%	0.27%	0.27%	0.28%
Prices						
Highest share price (p)	93.31	103.98	111.98	107.47	110.32	116.46
Lowest share price (p)	84.66	81.42	103.29	94.75	87.95	108.86

	I distribution GBP			I accumulation GBP		
	2024	2023	2022	2024	2023	2022
Change in net assets per share (p)						
Opening net asset value per share	**88.62**	**102.07**	**107.05**	**97.86**	**108.44**	**110.58**
Return before operating charges *	6.63	(9.55)	(1.54)	7.59	(10.20)	(1.70)
Operating charges	(0.33)	(0.35)	(0.42)	(0.37)	(0.38)	(0.44)
Return after operating charges *	**6.30**	**(9.90)**	**(1.96)**	**7.22**	**(10.58)**	**(2.14)**
Distributions	(4.95)	(3.55)	(3.02)	(5.33)	(3.57)	(2.87)
Retained distributions on accumulation shares	–	–	–	5.33	3.57	2.87
Closing net asset value per share	**89.97**	**88.62**	**102.07**	**105.08**	**97.86**	**108.44**
* after direct transaction costs of	0.02	–	–	0.02	–	–
Performance						
Return after charges	7.11%	(9.70)%	(1.83)%	7.38%	(9.76)%	(1.94)%
Other information						
Closing net asset value (£'000)	200,280	176,077	81,065	703,087	512,355	355,117
Closing number of shares	222,605,198	198,691,622	79,418,735	669,117,224	523,537,244	327,474,495
Operating charges	0.37%	0.37%	0.38%	0.37%	0.37%	0.38%
Prices						
Highest share price (p)	92.93	103.74	111.79	107.03	110.07	116.26
Lowest share price (p)	84.35	81.18	103.06	94.41	87.69	108.62

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

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	**29 February 2024**
F distribution GBP	0.270%
F accumulation GBP	0.270%
I distribution GBP	0.370%
I accumulation GBP	0.370%

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

Class I accumulation performance

	Since launch *	3 years	1 year	6 months
Artemis Corporate Bond Fund **	4.6	(5.8)	6.6	7.2
Artemis Corporate Bond Fund ***	5.4	(5.2)	7.1	7.8
iBoxx £ Collateralized & Corporate Index	(8.5)	(12.3)	5.8	6.1
IA £ Corporate Bond NR	(4.5)	(8.8)	5.9	6.1
Position in sector	3/78	22/80	19/83	13/83
Quartile	1	2	1	1

Past performance is not a guide to the future.

* Source: Lipper Limited, class I accumulation GBP from 30 October 2019 to 29 February 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 investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.
** Value at 12 noon valuation point.
*** Value at close of business.

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

Artemis Global Equity Income Fund

Note on merger

Artemis Global Equity Income Fund merger

On 10 July 2020, the Artemis Global Equity Income Fund was merged with the Artemis Global Income Fund.

As a result of the relatively low level of assets in the sub-fund, its Authorised Corporate Director, Artemis Fund Managers Limited, proposed that it be merged with the Artemis Global Income Fund.

This sub-fund has the same investment objective, policy and strategy, but a different legal structure: it is a unit trust. Both funds were managed by the same team of fund managers and held a similar portfolio of investments.

The merger was proposed so that investors could remain invested in their chosen investment strategy, benefit from lower costs offered by a larger fund, and avoid having their shares paid out when the Artemis Global Equity Income Fund closed - which could be treated as a 'disposal' of shares for tax purposes and so give rise to capital gains tax on any gains arising.

The merger was approved by shareholder vote at a meeting on 26 June 2020 and became effective on 10 July 2020. Following the merger, shareholders in the Artemis Global Equity Income Fund received units in the Artemis Global Income Fund. The direct costs associated with the merger, including the legal and accounting costs, were paid by Artemis and not by either of the funds involved.

The sub-fund will be wound up when outstanding withholding tax reclaims have been recovered and paid to Artemis Global Income Fund.

Objective and investment policy *

Objective	To grow both income and capital over a five year period	
Investment policy	**What the sub-fund invests in**	• 80% to 100% in company shares. • Up to 20% in in bonds, cash and • near cash, other transferable securities, other funds (10%) managed by Artemis and third party funds, money market instruments, and derivatives.
	Use of derivatives	The sub-fund may use derivatives for efficient portfolio management purposes to: • reduce risk • manage the sub-fund efficiently.
	Where the sub-fund invests	• Globally
	Industries the sub-fund invests in	• Any
	Other limitations specific to this sub-fund	• None

* up to 10 July 2020

Investment information

Ten largest purchases and sales for the year ended 29 February 2024

As the sub-fund closed on 10 July 2020, there were no purchase and sales for the year ended 29 February 2024.

Portfolio statement as at 29 February 2024

As the sub-fund closed on 10 July 2020, there were no investments as at 29 February 2024.

Financial statements

Statement of total return for the year ended 29 February 2024

	Note	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Income					
Net capital gains	3		–		–
Revenue	5	–		–	
Expenses	6	–		–	
Net revenue before taxation		–		–	
Taxation	7	(11)		(20)	
Net expense after taxation			(11)		(20)
Total return before distributions			(11)		(20)
Distributions	8		(49)		(22)
Change in net assets attributable to shareholders from investment activities			(60)		(42)

Statement of change in net assets attributable to shareholders for the year ended 29 February 2024

	29 February 2024 £'000	28 February 2023 £'000
Opening net assets attributable to shareholders	–	–
Withholding tax recoverable	101	143
Change in net assets attributable to shareholders from investment activities	(60)	(42)
Balance payable to Artemis Global Income Fund	(41)	(101)
Closing net assets attributable to shareholders	–	–

Balance sheet as at 29 February 2024

	Note	29 February 2024 £'000	28 February 2023 £'000
Assets			
Current assets *			
Debtors	9	41	101
Total current assets		41	101
Total assets		41	101
Liabilities			
Creditors			
Other creditors	11	41	101
Total creditors		41	101
Total liabilities		41	101
Net assets attributable to shareholders		–	–

* The financial statements have been prepared on a break-up basis.

Notes to the financial statements

1. Accounting policies

(a) Basis of accounting. The financial statements have been prepared using the historical cost basis, as modified by the revaluation of investments, in accordance with FRS 102, the SORP and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL').

The financial statements have been prepared on a break-up basis for Artemis Global Equity Income Fund as this sub-fund is closed and is in the process of being terminated following the merger with Artemis Global Income Fund. Under this basis, assets are recorded at their recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the termination of the sub-fund will be borne by the ACD.

(b) 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.

(c) 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. 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.

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

(e) Taxation. Corporation tax is charged at a rate of 20% on the excess taxable revenue of the sub-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.

(f) Dilution adjustment. The sub-fund is priced on a single price basis and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions and redemptions in and out of the sub-fund. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing shareholders' interest in the sub-fund. In order to counter this and to protect shareholders' interests, the ACD will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the sub-fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. In the usual course of business a dilution adjustment will be applied systematically and on a consistent basis.

2. Distribution policy

The distribution policy of the sub-fund is to distribute all available revenue, after deduction of expenses properly chargeable against revenue and taxation.

The ACD and the depositary 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 the distribution, as permitted by COLL. The distribution currently payable reflects this treatment.

Gains and losses on non-derivative investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised.

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

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

3. Net capital gains

	29 February 2024 £'000	28 February 2023 £'000
Currency gains	–	–
Net capital gains	–	–

4. Direct transaction costs

There were no commissions or taxes paid in relation to transactions on the portfolio during the current year or previous year.

Dealing spread

As at the balance sheet date the average portfolio dealing spread was nil% (2023: nil%). 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

	29 February 2024 £'000	28 February 2023 £'000
Bank interest	–	–
Total revenue	–	–

6. Expenses

	29 February 2024 £'000	28 February 2023 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	–	–
Total expenses	–	–

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

7. Taxation

	29 February 2024 £'000	28 February 2023 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	11	20
Total taxation (note 7b)	11	20
b) Factors affecting the tax charge for the year		
Net revenue before taxation	–	–
Corporation tax of 20% (2023: 20%)	–	–
Effects of:		
Irrecoverable overseas tax	11	20
Tax charge for the year (note 7a)	11	20

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 sub-fund has not recognised a deferred tax asset of £nil (2023: £nil) arising as a result of having unutilised management expenses of £nil (2023: £nil) and non-trade loan relationship deficits of £nil (2023: £nil). It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognised.

8. Distributions

	29 February 2024 £'000	28 February 2023 £'000
Transfer to Artemis Global Income Fund	**(49)**	(22)
	(49)	(22)

9. Debtors

	29 February 2024 £'000	28 February 2023 £'000
Overseas withholding tax recoverable	**41**	101
Total debtors	**41**	101

10. Cash and cash equivalents

	29 February 2024 £'000	28 February 2023 £'000
Total cash and cash equivalents	**–**	–

11. Other creditors

	29 February 2024 £'000	28 February 2023 £'000
Amounts due to Artemis Global Income Fund *	**41**	101
Total other creditors	**41**	101

* The amount payable to Artemis Global Income Fund includes an accrued balance for withholding tax reclaimable which has been translated into sterling at the year end exchange rate. The ACD will pay out these amounts to Artemis Global Income Fund when they have been received from the tax authorities.

12. Contingent liabilities and commitments

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

13. Risk disclosures

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-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 sub-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 and other market price 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 sub-fund, reference should be made to the Prospectus.

(a) Market risk

As the sub-fund closed on 10 July 2020, there were no investments as at 29 February 2024 and 28 February 2023.

(i) Interest rate risk

As the sub-fund closed on 10 July 2020, there were no investments as at 29 February 2024 and 28 February 2023.

(ii) Currency risk

As the sub-fund closed on 10 July 2020, there were no investments as at 29 February 2024. A portion of the net assets of the sub-fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. The gain on forward currency contracts for the year was £nil (2023: £nil). Revenue received in foreign currencies is converted into sterling on or near the date of receipt.

A five percent increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets by £nil (2023: £nil). A five percent decrease would have an equal and opposite effect.

(iii) Other price risk

As the sub-fund closed on 10 July 2020, there are no investments held at the year end, the sub-fund's exposure to other price risk is considered to be insignificant.

(b) Credit and counterparty risk

As the sub-fund closed on 10 July 2020, there were no significant concentrations of credit and counterparty risk as at 29 February 2024 or 28 February 2023.

Counterparty and collateral exposure

As the sub-fund closed on 10 July 2020, there were no investments at 29 February 2024. At the balance sheet date, no collateral was held or pledged by the sub-fund or on behalf of the counterparties.

(c) Liquidity risk

As the sub-fund closed on 10 July 2020, there was no significant concentration of liquidity risk as at 29 February 2024 or 28 February 2023.

14. Related party transactions

As the sub-fund closed on 10 July 2020, there were no investments as at 29 February 2024. At the balance sheet date, no related party transactions in respect of the above.

15. Post balance sheet event

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

Note On Closure

Closure of Artemis Pan-European Absolute Return Fund.

Artemis Pan-European Absolute Return Fund closed on 20 May 2020.

At Artemis, we regularly review the range of funds we offer to ensure we are offering appropriate products to our investors. Given the small size of this sub-fund (approximately £7 million as at 31 March 2020), its investment performance and having seen continued redemptions, we reviewed its ongoing viability and future prospects. Having considered a number of options, we concluded that its closure was in the best interests of investors.

The costs associated with the closure of the sub-fund, including the legal and regulatory charges, were met by Artemis, although trading-related transaction costs associated with the disposal of its investments were borne by the sub-fund.

The sub-fund will be wound up when outstanding withholding tax reclaims have been recovered and paid to shareholders.

Objective and investment policy *

Objective	To achieve a positive return over a rolling three-year period, after fees, notwithstanding changing market conditions. The sub-fund also targets returns in excess of 3 Month LIBOR, after fees, in calculating the performance fee payable to the manager. There is no guarantee that the sub-fund will achieve a positive return over a rolling three-year period or any other time period and your capital is at risk.	
Investment policy	**What the sub-fund invests in**	• At least 80% in shares of European companies, either directly or indirectly through derivatives. • Up to 20% in shares, or derivatives of shares, of companies in other countries, bonds, cash, near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, and money market instruments.
	Use of derivatives	The sub-fund may use derivatives: • for investment purposes to achieve the sub-fund objective, including taking long and short positions • to produce additional income or growth • for efficient portfolio management purposes to reduce risk and manage the sub-fund efficiently • to create leverage
	Industries the sub-fund invests in	• Any
	Other limitations specific to this sub-fund	• Total derivatives (longs plus shorts) are likely to represent a significant proportion of the sub-fund's gross exposure to companies, which will typically lie in a range of +100% to +200% of net asset value. • Net exposure (longs minus shorts) will typically lie in the range of -10% to +75%. • A significant proportion of net asset value will be held in cash due to the level of derivative use. • To allow the sub-fund to manage counterparty risk, it may also invest its cash in government bonds, generally of less than one year maturity.

* until 20 May 2020

Investment information

Ten largest purchases and sales for the year ended 29 February 2024

As the sub-fund closed on 20 May 2020, there were no purchase and sales for the year ended 29 February 2024.

Portfolio statement as at 29 February 2024

As the sub-fund closed on 20 May 2020, there were no investments as at 29 February 2024.

FINANCIAL STATEMENTS

Statement of total return for the year ended 29 February 2024

	Note	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Income					
Net capital gains	3		–		–
Revenue	5	–		–	
Expenses	6	–		–	
Net revenue before taxation		–		–	
Taxation	7	(6)		–	
Net revenue after taxation			(6)		–
Total return before distributions			(6)		–
Distributions	8		–		–
Change in net assets attributable to shareholders from investment activities			(6)		–

Statement of change in net assets attributable to shareholders for the year ended 29 February 2024

	29 February 2024 £'000	28 February 2023 £'000
Opening net assets attributable to shareholders	–	–
Withholding tax recoverable	83	122
Change in net assets attributable to shareholders from investment activities	(6)	–
Balance payable to shareholders following sub-fund closure	(77)	(122)
Closing net assets attributable to shareholders	–	–

Balance sheet as at 29 February 2024

	Note	29 February 2024 £'000	28 February 2023 £'000
Assets			
Current assets			
Debtors	9	55	98
Cash and cash equivalents	10	22	24
Total current assets		77	122
Total assets		77	122
Liabilities			
Creditors			
Other creditors	11	77	122
Total creditors		77	122
Total liabilities		77	122
Net assets attributable to shareholders		–	–

Notes to the financial statements

1. Accounting policies

(a) Basis of accounting. The financial statements have been prepared using the historical cost basis, as modified by the revaluation of investments, in accordance with FRS 102, the SORP and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). The financial statements have been prepared on a break-up basis for Artemis Pan-European Absolute Return Fund as this sub-fund is closed and in the process of being terminated, as disclosed on the page 39 . Under this basis, assets are recorded at their recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the termination of the sub-fund will be borne by the ACD.

(b) 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.

(c) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward currency contracts are used for investment purposes and efficient portfolio management.

(d) Revenue. Interest from debt securities is recognised on a time apportioned basis inclusive of any expected changes to future cash flows. 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. The dividend equivalent values on contracts for difference are recognised when the underlying security is quoted ex-dividend. For long contracts a compensatory payment is credited to revenue whereas for short contracts a compensatory payment is debited from revenue. Bank interest is recognised 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 sub-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 sub-fund is priced on a single price basis and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions and redemptions in and out of the sub-fund. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing shareholders' interest in the sub-fund. In order to counter this and to protect shareholders' interests, the ACD will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the sub-fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. In the usual course of business a dilution adjustment will be applied systematically and on a consistent basis.

2. Distribution policy

The distribution policy of the sub-fund is to distribute all available revenue, after deduction of expenses properly chargeable against revenue and taxation. Gains and losses on non-derivative investments andcurrencies, whether realised or unrealised, are taken to capital and are not available for distribution. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised. For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares. Distributions which have remained unclaimed by shareholders for six years are credited to the capital property of the sub-fund.

3. Net capital gains

	29 February 2024 £'000	28 February 2023 £'000
Capital gains	–	–
Total gains	–	–

4. Direct transaction costs

There were no commissions or taxes paid in relation to transactions on the portfolio during the current year or previous year.

Dealing spread

As at the balance sheet date the average portfolio dealing spread was nil% (2023: nil%). 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

	29 February 2024 £'000	28 February 2023 £'000
Bank interest	–	–
Total revenue	–	–

6. Expenses

	29 February 2024 £'000	28 February 2023 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	–	–
Total expenses	–	–

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

7. Taxation

	29 February 2024 £'000	28 February 2023 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	6	–
Total taxation (note 7b)	6	–
b) Factors affecting the tax charge for the year		
Net revenue before taxation	–	–
Corporation tax of 20% (2023: 20%)	–	–
Effects of:		
Irrecoverable overseas tax	6	–
Tax charge for the year (note 7a)	6	–

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 sub-fund has not recognised a deferred tax asset of £1,341,000 (2023: £1,341,000) arising as a result of having unutilised management expenses of £6,705,000 (2023: £6,705,000) and non-trade loan relationship deficits of £5,377,000 (2023: £5,377,000). It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognised.

8. Distributions

	29 February 2024 £'000	28 February 2023 £'000
Distributions	–	–
Movement between net revenue and distributions		
Deficit transferred to capital	–	–
Net expense after taxation	–	–
	–	–

The distribution takes account of amounts added on the issue of shares and amounts deducted on the cancellation of shares.

9. Debtors

	29 February 2024 £'000	28 February 2023 £'000
Overseas withholding tax recoverable	55	98
Total debtors	55	98

10. Cash and cash equivalents

	29 February 2024 £'000	28 February 2023 £'000
Cash and bank balances	22	24
Total cash and cash equivalents	22	24

11. Other creditors

	29 February 2024 £'000	28 February 2023 £'000
Amounts payable to shareholders *	77	103
Overseas tax provision	–	19
Total other creditors	77	122

* The amount payable to shareholders includes an accrued balance for withholding tax reclaimable which has been translated into sterling at the year end exchange rate. The ACD will pay out these amounts to shareholders when they have been received from the tax authorities.

12. Contingent liabilities and commitments

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

13. Risk disclosures

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-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.

(a) Market risk

As the sub-fund closed on 20 May 2020 there were no investments as at 29 February 2024 and 28 February 2023.

(i) Interest rate risk

As the sub-fund closed on 20 May 2020 there were no investments as at 29 February 2024 and 28 February 2023.

(ii) Currency risk

As the sub-fund closed on 20 May 2020 there were no investments as at 29 February 2024. A portion of the net assets of the sub-fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. The gain on forward currency contracts for the year was £nil (2023: £nil). Revenue received in foreign currencies is converted into sterling on or near the date of receipt.

(iii) Other price risk

As the sub-fund closed on 20 May 2020 there are no investments held at the year end, the sub-fund's exposure to other price risk is considered to be insignificant.

(b) Credit and counterparty risk

As the sub-fund closed on 20 May 2020 there were no significant concentrations of credit and counterparty risk as at 29 February 2024 or 28 February 2023.

Counterparty and collateral exposure

As the sub-fund closed on 20 May 2020 there were no investments at 29 February 2024. At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties:

(c) Liquidity risk

As the sub-fund closed on 20 May 2020 there was no significant concentration of liquidity risk as at 29 February 2024 or 28 February 2023.

14. Related party transactions

As the sub-fund closed on 20 May 2020 there were no investments as at 29 February 2024. At the balance sheet date no related party transactions in respect of the above.

15. Post balance sheet event

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

Artemis Positive Future Fund

Objective and investment policy

Objective	To grow capital over a five year period by investing in companies which meet the manager's criteria for positive environmental and/or social impact.	
Investment policy	**What the sub-fund invests in**	• 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	The sub-fund may use derivatives for efficient portfolio management purposes to: • reduce risk • manage the sub-fund efficiently.
	Where the sub-fund invests	• Globally
	Industries the sub-fund invests in	• Any, except for those excluded at the sub-industry level below.
	Other limitations specific to this sub-fund	Shares in the following types of company are automatically excluded: • Alcohol: companies which derive more than 10% revenue from alcohol; • Tobacco: companies which derive more than 10% revenue from tobacco; • Weapons: companies which produce or sell civilian firearms and/or manufacture or sell armaments, nuclear weapons or associated strategic products; • Nuclear power: companies which mine uranium, own or operate nuclear power stations, generate nuclear power, or which supply key nuclear-specific products and services; • Gambling: companies which derive more than 5% of revenue from gambling; • Animal testing: companies that engage in the production and sale of animal tested cosmetics; • Adult entertainment: companies which own an adult entertainment company or produce adult entertainment; • Genetic modification: companies involved in the uncontrolled release of genetically-engineered organisms into the environment; and • Fossil fuels: companies which: - own oil and gas reserves; or - engage in conventional or unconventional oil and gas production and processing; or - own thermal coal reserves, mine thermal coal or derive more than 10% revenue from thermal coal-based electricity generation. • Biodiversity and land use: Companies that the manager determines to be implicated in severe controversies related to the company's use or management of natural resources; and • Companies that the manager determines to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption.

Investment strategy	• The sub-fund is actively managed and will be concentrated, typically investing in 35-45 companies at any time. • 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. • A research driven stock selection process is then used to identify innovative companies whose products and services the manager believes are disrupting established industries by offering a positive environmental and/or social impact. • The manager believes that companies which have a combination of disruptive positive impact, favourable strategic positioning, an emerging competitive advantage and improving operational quality are more likely to deliver significant economic returns for their shareholders. These companies are also typically growing faster than the market. • Assessment and measurement of a company's ability to deliver positive environmental and/or social impact and generate financial returns will be conducted at a company level. When considering the positive impact of a company, the manager analyses the impact of: - the products and services it provides; - its operational practices and standards; and - its future positive impact or capacity for improvement. • The manager is predominantly driven by a qualitative approach to research and stock selection but also utilise quantitative screening and third-party research, including environmental, social and governance (ESG) screens. • Engagement forms an important part of the manager's investment process. The manager expects that investee companies should set ambitious goals and seek to continuously improve. Engagement allows the manager to identify and monitor the progressive management philosophy they seek at investee companies. If it is the manager's opinion that an investee company no longer meets the required investment criteria or is not making sufficient progress on improving their operational performance, the sub-fund will not make any further investments in the company and will seek to realise its investment in an orderly fashion. • The manager will report, on at least an annual basis, on the environmental and/or social impact of the companies in which the sub-fund invests consistent with the stated strategy using both qualitative and quantitative assessments. The report will also provide details of the manager's stewardship activities.
Benchmarks	• **MSCI AC World NR GBP** A widely-used indicator of the performance of global stockmarkets, in which the sub-fund invests. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark. The deviation from the benchmark may be significant and the portfolio of the sub-fund may at times bear little or no resemblance to its benchmark. • **IA Global NR** A group of asset managers' sub-funds that invest in similar asset types to the sub-fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark.

Risk and reward profile

- The sub-fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the sub-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 sub-fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the sub-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 sub-fund performance:

- **Market volatility risk:** The value of the sub-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 sub-fund's assets may be priced in currencies other than the sub-fund base currency. Changes in currency exchange rates can therefore affect the sub-fund's value.
- **Concentration risk:** The sub-fund may have investments concentrated in a limited number of holdings. This can be more risky than holding a wider range of investments.
- **Charges from capital risk:** Where charges are taken wholly or partly out of a sub-fund's capital, distributable income may be increased at the expense of capital, which may constrain or erode capital growth.
- **Emerging markets risk**: Compared to more established economies, investments in emerging markets may be subject to greater volatility due to differences in generally accepted accounting principles, less governed standards or from economic or political instability. Under certain market conditions assets may be difficult to sell.
- **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.
- **Specialist investment objective risk:** The sub-fund will only invest in companies which have a positive environmental and/or social impact. It is also prevented from investing in companies which conduct certain types of activities. The universe of potential investments available to the sub-fund will therefore be smaller than if no such restrictions were applied. If a company in which the sub-fund invests no longer meets the criteria for investment and/or is not making sufficient progress on improving its operational performance, the manager will seek to sell the investment. The price which may be obtained for selling an investment in these circumstances might be lower than that which could have been obtained had the sale not been required.

There was no change to the risk indicator in the year ended 29 February 2024.

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

Artemis Positive Future Fund

Investment Review

A new manager

Shortly after the reporting period ended, Artemis announced the appointment of Sacha El Khoury as the lead manager of the Artemis Positive Future Fund.

Sacha joined Artemis in 2023 as Head of Impact Equities from Columbia Threadneedle, where she led the Sustainable Global Equity Income strategy and where she was the alternate manager of the CT Sustainable Opportunities Global Equity and CT SDG Engagement Global Equity strategies.

Main changes to the sub-fund

The largest new holding added to the sub-fund during the year was Hologic, a specialist provider of women's healthcare solutions with market-leading positions in mammography and gynaecology.

The managers also re-established a holding in Shimano, a Japanese manufacturer of components – such as gears and brakes – for bicycles. Its products promote and enable exercise, a 'miracle cure' for a range of health issues.

The holding in IQVIA, a contract research organisation and provider of data analytics to the life sciences industry, was sold. The managers had come to regard one of its competitors, Icon, as being better-managed and as having greater investment potential.

The managers sold DiaSorin as their conviction in the growth of its end markets (diagnostic reagents) had faded.

Explaining the sub-fund's performance

The sub-fund fell by 6.4% versus a return of 17.9% from the benchmark MSCI AC World index[1].

Lower electricity prices and excess supply of solar panels from China weighed on the European market and on the share prices of some of the sub-fund's clean-energy related holdings, particularly SolarEdge (down 62%).

Insulet's shares came under pressure (down 44%) on fears that a new generation of 'GLP-1' weight-loss drugs could hurt sales of its insulin pumps. The theory is that sales of insulin delivery devices to patients with Type 2 diabetes will shrink as patients manage their weight using GLP-1 drugs.

Alfen, meanwhile, indicated that its earnings would come in towards the low end of expectations due, in part, to a temporary slowdown in its electric vehicle charging business. Its shares fell by 51%.

Set against those negatives, the sub-fund's holdings in Disco and Cochlear performed well. Japan's Disco, whose tools and consumables are used for cutting, grinding and polishing semiconductors, returned 198% and made the single largest contribution to returns over the reporting period. Elsewhere, the sub-fund's largest position, Cochlear (up 47%), whose hearing implants can transform the lives of those with moderate to severe hearing loss, saw continued positive momentum.

The wider context

We are active, responsible investors. We believe in the power of engagement to effect positive change. We believe every company that we invest in has a duty to manage the environmental impact of its operations. Measuring and disclosing greenhouse-gas emissions are the first step. We encourage companies to set targets and strategies to move to net zero by 2050 and emphasize to them the importance of targeting meaningful reductions in their emissions by 2030.

Past performance is not a guide to the future.

[1] Source: Artemis/ Lipper Limited, from 1 March 2023 to 29 February 2024, class I accumulation GBP. All figures show total returns with income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the sub-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 29 February 2024

Purchases	Cost £'000	Sales	Proceeds £'000
Motorola Solutions	1,268	Amplifon	1,633
Terumo	1,140	Cochlear	1,526
Kerry Group	1,037	DiaSorin	1,283
Hologic	1,006	TOMRA Systems	1,150
IDEX	799	IQVIA Holdings	1,112
Roper Technologies	779	Planet Fitness 'A'	901
Valmont Industries	751	IDP Education	884
Verisk Analytics	744	Motorola Solutions	865
Avery Dennison	720	Halma	840
Shimano	649	Terumo	828

Portfolio statement as at 29 February 2024

Investment	Holding	Valuation £'000	% of net assets
Equities 98.10% (92.34%)			
Communication Services 0.00% (1.47%)			
Consumer Discretionary 8.94% (12.82%)			
Basic-Fit	12,855	274	2.21
Coursera	20,828	264	2.13
On Holding	4,408	122	0.99
Shimano	3,300	363	2.93
Technogym	11,250	84	0.68
		1,107	**8.94**
Consumer Staples 0.00% (1.61%)			
Financials 0.00% (1.12%)			
Energy 2.17% (0.00%)			
First Solar	1,727	210	1.70
Shoals Technologies Group	5,741	58	0.47
		268	**2.17**
Health Care 27.48% (31.45%)			
Amplifon	17,833	472	3.81
Cochlear	3,749	674	5.45
Dexcom	4,022	365	2.95
Hologic	7,497	437	3.53
ICON	1,628	413	3.34
Insulet	1,963	254	2.05
Penumbra	962	178	1.44
Terumo	13,400	412	3.33
Veracyte	10,534	196	1.58
		3,401	**27.48**
Industrials 29.90% (20.52%)			
Carrier Global	4,959	218	1.76
Chroma ATE	28,000	163	1.32
Core & Main	3,802	143	1.15
Energy Recovery	11,855	147	1.19
Halma	15,661	360	2.91
IDEX	2,418	450	3.64

Artemis Positive Future Fund

Investment	Holding	Valuation £'000	% of net assets
Equities 98.10% (92.34%) (continued)			
Industrials 29.90% (20.52%) (continued)			
Montrose Environmental Group	9,282	304	2.46
MSA Safety	2,506	365	2.95
nVent Electric	2,592	138	1.11
Tetra Tech	4,076	571	4.61
Valmont Industries	1,661	278	2.25
Wolters Kluwer	4,512	563	4.55
		3,700	**29.90**
Information Technology 25.97% (23.35%)			
Aehr Test Systems	4,174	54	0.44
Disco	1,000	254	2.05
Doximity	5,525	123	0.99
Monolithic Power Systems	397	226	1.83
Motorola Solutions	1,909	498	4.02
Oxford Instruments	11,331	248	2.00
PowerSchool	15,572	257	2.08
Roper Technologies	1,109	477	3.85
Universal Display	1,084	149	1.20
Veeva Systems	2,644	470	3.80
Verisk Analytics	1,915	366	2.96
Zscaler	489	93	0.75
		3,215	**25.97**
Materials 3.64% (0.00%)			
Avery Dennison	2,630	450	3.64
		450	**3.64**
Equities total		**12,141**	**98.10**
Investment assets		**12,141**	**98.10**
Net other assets		**235**	**1.90**
Net assets attributable to shareholders		**12,376**	**100.00**

The comparative percentage figures in brackets are as at 28 February 2023.

Financial statements

Statement of total return for the year ended 29 February 2024

	Note	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Income					
Net capital losses	3		**(2,187)**		(3,439)
Revenue	5	**196**		187	
Expenses	6	**(125)**		(189)	
Interest payable and similar charges	7	**(1)**		–	
Net revenue/(expense) before taxation		**70**		(2)	
Taxation	8	**(18)**		(18)	
Net revenue/(expense) after taxation			**52**		(20)
Total return before distributions			**(2,135)**		(3,459)
Distributions	9		**(70)**		(27)
Change in net assets attributable to shareholders from investment activities			**(2,205)**		(3,486)

Statement of change in net assets attributable to shareholders for the year ended 29 February 2024

	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Opening net assets attributable to shareholders		**31,473**		33,951
Amounts receivable on issue of shares	**3,480**		7,728	
Amounts payable on cancellation of shares	**(20,422)**		(6,731)	
		(16,942)		997
Dilution adjustment		**32**		6
Change in net assets attributable to shareholders from investment activities		**(2,205)**		(3,486)
Retained distribution on accumulation shares		**18**		5
Closing net assets attributable to shareholders		**12,376**		31,473

Balance sheet as at 29 February 2024

	Note	29 February 2024 £'000	28 February 2023 £'000
Assets			
Fixed assets			
Investments	10	**12,141**	29,064
Current assets			
Debtors	11	**20**	33
Cash and cash equivalents	12	**267**	2,421
Total current assets		**287**	2,454
Total assets		**12,428**	31,518
Liabilities			
Creditors			
Distribution payable		**16**	25
Other creditors	13	**36**	20
Total creditors		**52**	45
Total liabilities		**52**	45
Net assets attributable to shareholders		**12,376**	31,473

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 ACD believes that the sub-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 sub-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 sub-fund invests in markets that are closed for trading at the sub-fund's valuation point, the ACD 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 sub-fund valuation point, since the last market close), to reflect more accurately the fair value of the sub-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 ACD, 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) 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. Income from US REITs is split between revenue and capital depending on the composition of the distribution from the REIT. 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 sub-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 sub-fund is priced on a single swinging price basis. The ACD has the discretion to charge a dilution adjustment as part of its daily valuation policy. This will mean that in certain circumstances the sub-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 sub-fund is to distribute all available revenue, after deduction of expenses and taxation properly chargeable against revenue. The sub-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. The ACD and the depositary have agreed, for the distribution classes only, that 100% of the annual management charge is to be transferred to capital for the purpose of calculating the distribution, as permitted by COLL. The ACD may from time to time, smooth the distribution payments during the accounting period with the balance of revenue (if any) being paid in respect of the final distribution. Gains and losses on investments and derivatives whether realised or unrealised, if taken to capital are not available for distribution. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised. For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares. Distributions which have remained unclaimed by share for six years are credited to the capital property of the sub-fund.

3. Net capital losses

	29 February 2024 £'000	28 February 2023 £'000
Forward currency contracts	**32**	1
Currency (losses)/gains	**(63)**	20
Non-derivative securities	**(2,156)**	(3,460)
Net capital losses	**(2,187)**	(3,439)

4. Direct transaction costs

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

Year ended 29 February 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	16,280	16	–	16,296	0.10	–
Sales						
Equities	31,070	7	–	31,063	0.02	–
Total		**23**	**–**			
Percentage of sub-fund average net assets		**0.11%**	**0.00%**			

Year ended 28 February 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	16,763	3	12	16,778	0.02	0.07
Sales						
Equities	16,017	3	1	16,013	0.02	0.01
Total		**6**	**13**			
Percentage of sub-fund average net assets		**0.02%**	**0.03%**			

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

Dealing spread

As at the balance sheet date the estimated portfolio dealing spread was 0.09% (2023: 0.12%). 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

	29 February 2024 £'000	28 February 2023 £'000
Overseas dividends	**137**	137
Bank interest	**39**	37
UK dividends	**20**	13
Total revenue	**196**	187

6. Expenses

	29 February 2024 £'000	28 February 2023 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	**95**	141
Administration fees	**30**	48
Total expenses	**125**	189

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

The audit fee (excluding VAT) accrued during the year was £9,450 (2023: £9,000). This fee is paid by the ACD via the administration fee.

7. Interest payable and similar charges

	29 February 2024 £'000	28 February 2023 £'000
Interest payable	**1**	–
Total interest payable and similar charges	**1**	–

8. Taxation

	29 February 2024 £'000	28 February 2023 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	**18**	18
Total taxation (note 8b)	**18**	18
b) Factors affecting the tax charge for the year		
Net revenue/(expense) before taxation	**70**	(2)
Corporation tax of 20% (2023: 20%)	**14**	–
Effects of:		
Irrecoverable overseas tax	**18**	18
Unutilised management expenses	**18**	30
Non-taxable UK dividends	**(4)**	(3)
Non-taxable overseas dividends	**(28)**	(27)
Tax charge for the year (note 8a)	**18**	18

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 sub-fund has not recognised a deferred tax asset of £80,000 (2023: £62,000) arising as a result of having unutilised management expenses of £399,000 (2023: £311,000). It is unlikely that the sub-fund will obtain relief for those in the future so no deferred tax asset has been recognised.

9. Distributions

	29 February 2024 £'000	28 February 2023 £'000
Final dividend distribution	**34**	30
Add: amounts deducted on cancellation of shares	**43**	4
Deduct: amounts added on issue of shares	**(7)**	(7)
Distributions	**70**	27
Movement between net revenue/(expense) and distributions		
Net revenue/(expense) after taxation	**52**	(20)
Annual management charge paid from capital	**15**	27
Deficit transferred to capital	**3**	21
Revenue paid on conversion of shares	**–**	(1)
	70	27

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. Details of the distributions per share are set out in the distribution tables on page 59.

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).

	29 February 2024		28 February 2023	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Level 1	**12,141**	**–**	29,064	–
Total	**12,141**	**–**	29,064	–

11. Debtors

	29 February 2024 £'000	28 February 2023 £'000
Amounts receivable for issue of shares	**15**	32
Accrued revenue	**3**	1
Overseas withholding tax recoverable	**2**	–
Total debtors	**20**	33

12. Cash and cash equivalents

	29 February 2024 £'000	28 February 2023 £'000
Amounts held in liquidity funds	**166**	2,403
Cash and bank balances	**101**	18
Total cash and cash equivalents	**267**	2,421

13. Other creditors

	29 February 2024 £'000	28 February 2023 £'000
Amounts payable for cancellation of shares	**29**	6
Accrued annual management charge	**5**	10
Accrued administration fee payable to the ACD	**2**	4
Total other creditors	**36**	20

14. Contingent liabilities and commitments

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

15. Reconciliation of share movements

	Shares in issue at 28 February 2023	Shares issued	Shares cancelled	**Shares In issue at 29 February 2024**
F distribution GBP	7,122,271	1,086,236	(6,124,526)	**2,083,981**
F accumulation GBP	28,997,640	2,772,696	(22,844,523)	**8,925,813**
I distribution GBP	2,396,374	460,493	(1,143,743)	**1,713,124**
I accumulation GBP	7,344,199	1,002,167	(1,948,713)	**6,397,653**

16. Risk disclosures

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

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-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 sub-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, and other market price 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 sub-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 sub-fund's portfolio statement. The sub-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 and the Prospectus to seek to reduce the risks arising from factors specific to a particular company or sector. The ACD'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 sub-fund as disclosed in the balance sheet.

(i) Interest rate risk

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. As the majority of the sub-fund's financial assets are non-interest bearing, the sub-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 provided.

(ii) Currency risk

A portion of the net assets of the sub-fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the ACD may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the sub-fund's exposure to currency risk is reduced. The gain on forward currency contracts for the period was £32,000 (2023: £1,000).

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

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £'000	Total £'000
29 February 2024				
US Dollar	**8,274**	**1**	**–**	**8,275**
Euro	**1,394**	**1**	**–**	**1,395**
Australian Dollar	**674**	**–**	**–**	**674**
Sterling	**607**	**230**	**–**	**837**
Japanese Yen	**1,029**	**2**	**–**	**1,031**
Norwegian Krone	**–**	**1**	**–**	**1**
Taiwan Dollar	**163**	**–**	**–**	**163**
28 February 2023				
US Dollar	15,242	7	–	15,249
Euro	5,049	3	–	5,052
Australian Dollar	2,845	–	–	2,845
Sterling	2,149	2,399	–	4,548
Japanese Yen	489	–	–	489
Canadian Dollar	542	–	–	542
Swedish Krona	939	–	–	939
Norwegian Krone	1,301	–	–	1,301
Hong Kong Dollar	508	–	–	508

A five per cent increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets by £577,000 (2023: £1,346,000). A five per cent decrease would have an equal and opposite effect.

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The value of equities is dependent on a number of factors, arising from the performance of the company itself and matters arising in the wider market (for example the state of the underlying economy and current government policy). As part of the continuing review of the portfolio, the manager monitors and reviews these factors. A five per cent increase in the value of the sub-fund's portfolio would have the effect of increasing the return and net assets by £607,000 (2023: £1,453,000). A five per cent decrease would have an equal and opposite effect.

(iv) Leverage risk

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

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

As at 29 February 2024 and 28 February 2023 the leverage ratios of the sub-fund were:

	29 February 2024 %	28 February 2023 %
Sum of the notionals	**107.6**	100.0
Commitment	**105.7**	100.0

(b) Credit and counterparty risk

Credit and counterparty risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into with the sub-fund, resulting in a financial loss. From time to time, the sub-fund may be subject to short-term credit risk with counterparties pending settlement of investment transactions. The ACD 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 sub-fund's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of Northern Trust Investor Services Limited may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited. The depositary receives and reviews a semi-annual report on the internal controls in place at Northern Trust Investor Services Limited. The sub-fund is also exposed to counterparty risk through holding specific financial instruments.

The ACD is permitted to use one or more separate counterparties for derivative transactions. The sub-fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the sub-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 sub-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 sub-fund. To minimise such risk the ACD will assess the creditworthiness of any counterparty that it engages. On a daily basis the ACD 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.

(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 sub-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 sub-funds and investor base. This includes but is not limited to what percentage of the sub-fund can be liquidated within certain redemption horizons, whether the largest investors in the sub-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 29 February 2024 or 28 February 2023.

18. Related party transactions

The ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the statement of total return, statement of change in net assets attributable to shareholders and the balance sheet on page 51 and notes 6, 8, 10 and 12 on pages 54 and 55 including all issues and cancellations where the ACD acted as principal. The balance due to the ACD as at 29 February 2024 in respect of these transactions was £21,000 (2023: £12,000 due from the ACD).

19. Share classes

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

F distribution GBP	0.35%
F accumulation GBP	0.35%
I distribution GBP	0.75%
I accumulation GBP	0.75%

The net asset value per share and the number of shares in each class are given in the comparative table on page 60.
The distributions per share class are given in the distribution tables on page 59. 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 sub-fund pays annual dividend distributions. The following table sets out the distribution period.

Annual distribution period	Start	End	Ex-dividend date	Pay date
Final	1 March 2023	29 February 2024	1 March 2024	30 April 2024

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

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

F distribution GBP

Dividend distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Unfranked	2023 Distribution per share (p)
Final	0.2163	0.2122	0.4285	100.00%	0.00%	0.2623

F accumulation GBP

Dividend distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Unfranked	2023 Distribution per share (p)
Final	0.0905	0.1104	0.2009	100.00%	0.00%	0.0187

I distribution GBP

Dividend distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Unfranked	2023 Distribution per share (p)
Final	0.2011	0.2215	0.4226	100.00%	0.00%	0.2610

I accumulation GBP

Dividend distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Unfranked	2023 Distribution per share (p)
Final	0.0000	0.0000	0.0000	0.00%	0.00%	0.0000

ARTEMIS POSITIVE FUTURE FUND

COMPARATIVE TABLES

	F distribution GBP **			F accumulation GBP **		
	2024	2023	2022	2024	2023	2022
Change in net assets per share (p)						
Opening net asset value per share	**68.50**	**76.19**	**100.00**	**68.80**	**76.24**	**100.00**
Return before operating charges *	(3.28)	(7.08)	(23.27)	(3.28)	(7.09)	(23.27)
Operating charges	(0.32)	(0.35)	(0.49)	(0.33)	(0.35)	(0.49)
Return after operating charges *	**(3.60)**	**(7.43)**	**(23.76)**	**(3.61)**	**(7.44)**	**(23.76)**
Distributions	(0.43)	(0.26)	(0.05)	(0.20)	(0.02)	–
Retained distributions on accumulation shares	–	–	–	0.20	0.02	–
Closing net asset value per share	**64.47**	**68.50**	**76.19**	**65.19**	**68.80**	**76.24**
* after direct transaction costs of	(0.03)	(0.03)	(0.05)	(0.03)	(0.03)	(0.05)
Performance						
Return after charges	(5.26)%	(9.75)%	(23.76)%	(5.25)%	(9.76)%	(23.76)%
Other information						
Closing net asset value (£'000)	1,344	4,878	5,113	5,819	19,951	21,806
Closing number of shares	2,083,981	7,122,271	6,711,096	8,925,813	28,997,640	28,603,710
Operating charges	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Direct transaction costs	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Prices						
Highest share price (p)	70.41	84.71	111.45	70.72	84.76	111.45
Lowest share price (p)	56.72	59.60	71.38	56.97	59.64	71.38

	I distribution GBP **			I accumulation GBP **		
	2024	2023	2022	2024	2023	2022
Change in net assets per share (p)						
Opening net asset value per share	**67.98**	**75.92**	**100.00**	**68.29**	**75.97**	**100.00**
Return before operating charges *	(3.25)	(7.06)	(23.25)	(3.27)	(7.06)	(23.16)
Operating charges	(0.58)	(0.62)	(0.78)	(0.58)	(0.62)	(0.87)
Return after operating charges *	**(3.83)**	**(7.68)**	**(24.03)**	**(3.85)**	**(7.68)**	**(24.03)**
Distributions	(0.42)	(0.26)	(0.05)	–	–	–
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	**63.73**	**67.98**	**75.92**	**64.44**	**68.29**	**75.97**
* after direct transaction costs of	(0.03)	(0.03)	(0.04)	(0.03)	(0.03)	(0.05)
Performance						
Return after charges	(5.63)%	(10.12)%	(24.03)%	(5.64)%	(10.11)%	(24.03)%
Other information						
Closing net asset value (£'000)	1,092	1,629	1,052	4,123	5,015	5,980
Closing number of shares	1,713,124	2,396,374	1,385,608	6,397,653	7,344,199	7,871,642
Operating charges	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
Direct transaction costs	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Prices						
Highest share price (p)	69.88	84.38	111.20	70.18	84.43	111.20
Lowest share price (p)	56.15	59.32	71.14	56.39	59.36	71.14

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

** Launched on 6 April 2021.

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	**29 February 2024**
F distribution GBP	0.500%
F accumulation GBP	0.500%
I distribution GBP	0.900%
I accumulation GBP	0.900%

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

Class I accumulation performance

	Since launch *	1 year	6 months
Artemis Positive Future Fund **	(36.0)	(6.4)	(0.9)
Artemis Positive Future Fund ***	(35.5)	(5.5)	(0.2)
MSCI AC World NR GBP	27.1	17.9	11.9
IA Global Average	17.1	12.4	9.8
Position in sector	243/244	268/275	278/283
Quartile	4	4	4

Past performance is not a guide to the future.

* Source: Artemis/Lipper Limited, class I accumulation GBP to 29 February 2024. All figures show total returns with dividends and/or income reinvested, net of all charges and performance fees. 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.
** Value at 12 noon valuation point.
*** Value at close of business.

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

Artemis Short-Duration Strategic Bond (formerly Artemis Target Return Bond Fund)

Objective and investment policy

(prior to 18 March 2024)

Objective	To achieve a positive return of at least 2.5% above the Bank of England (BOE) base rate, after fees, on an annualised basis over rolling three-year periods.	
Investment policy	**What the sub-fund invests in**	• Bonds in any currency, directly or indirectly using derivatives, including: - Government bonds - Corporate bonds - Asset-backed securities - Mortgage-backed securities • The sub-fund may also invest in cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, and money market instruments.
	Use of derivatives	The sub-fund may use derivatives: • for investment purposes to achieve the sub-fund objective, including taking long and short positions in sovereign bonds, credit spreads (via credit default swaps on single issuers or indices), interest rates or inflation expectations • to produce additional income or growth • for efficient portfolio management purposes to reduce risk and manage the sub-fund efficiently.
	Where the sub-fund invests	• Globally • No more than 40% net exposure (longs minus shorts) in emerging market debt securities. • At least 90% of the sub-fund will be denominated in or hedged back to sterling.
	Industries the sub-fund invests in	• Any
	Credit quality of bonds the sub-fund invests in	• Investment grade corporate being: - BBB- or above by Standard & Poor's; or - BBB- or above by Fitch; or - Baa3 or above by Moody's • No more than 40% net exposure (longs minus shorts) in below investment grade securities. • Up to 10% in unrated bonds • The sub-fund will not invest in bonds below B3 by Moody's, B- by S&P or B- by Fitch (the Minimum Bond Rating). Where the sub-fund has exposure to an index the Minimum Bond Rating will apply to the average credit rating of bonds making up the index.
	Other limitations specific to this sub-fund	• The sub-fund's portfolio duration will vary between -2 years and +4 years • No more than 40% net exposure (longs minus shorts) in aggregate in a combination of emerging market debt securities and below investment grade securities. • Up to 5% exposure to any non-government issuer of investment grade securities. • Up to 3% exposure to an individual issuer of below investment grade securities or an issuer listed, headquartered or having significant business in emerging markets. In this context, emerging market countries means countries included in the MSCI Emerging Markets Index and those included in the World Bank definition of developing economies or those countries which are, in the manager's opinion, developing countries.
Investment strategy	• The sub-fund is actively managed. • A combination of three strategies is used: - Carry strategy: a global portfolio of investment grade corporate and government bonds. This aims to generate predictable returns over the medium term. - Credit strategy: aims to generate returns through the manager's highest-conviction ideas on credit assets which are expected to rise or fall in value over a particular period. These ideas may be implemented through trades which are intended to exploit the relative prospects of two assets or indices, for example by taking a long position in one and a short position in the other. - Rates strategy: aims to exploit expected movements in inflation rates, interest rates globally and the value of global government bonds. The manager seeks to generate returns by using derivatives to take long and short positions in global government bonds, inflation rates or interest rates.	
Benchmark	• **Bank of England (BOE) base rate** BOE base rate is a measure of the interest rate at which the BOE, the UK's central bank, lends money to other banks. It is used as a way of estimating the amount of interest which could be earned on cash. It acts as a 'target benchmark' that the sub-fund aims to outperform by at least 2.5%, after fees, on an annualised basis over rolling three-year periods. There is no guarantee that the sub-fund will achieve a positive return over a rolling three- year period or any other time period and your capital is at risk.	

Objective and investment policy

(from 18 March 2024)

Objective	To generate a return that exceeds the Markit iBoxx 1-5 year £ Collateralised & Corporates Index, after fees, over rolling three-year periods, through a combination of income and capital growth, by investing in a portfolio of global debt and debt-related securities whilst maintaining an aggregate portfolio duration of below 4 years (duration is a measure of the sensitivity of the prices of bonds to changes in interest rates).	
Investment policy	**What the sub-fund invests in**	• At least 80% in debt and debt-related securities, directly or indirectly using derivatives, including: - Corporate bonds (investment grade and non-investment grade) - Government bonds, including agency bonds and supranational bonds - Securitisations and collateralised debt, such as asset-backed securities and mortgage-backed securities Other securities, such as floating rate bonds, emerging market debt, convertible bonds (including contingent convertible bonds) and preferred securities would be used where the manager considers these to be attractive or necessary in light of the market conditions. • The sub-fund may also invest in cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, and money market instruments.
	Use of derivatives	The sub-fund may use derivatives such as futures, forwards, swaps and options: • for investment purposes to achieve the sub-fund objective, including taking long and short positions in sovereign bonds, credit spreads (via credit default swaps on single issuers or indices), interest rates or inflation expectations • to produce additional income or growth • for efficient portfolio management purposes to reduce risk and manage the sub-fund efficiently.
	Where the sub-fund invests	• Globally • No more than 40% net exposure (longs minus shorts) in emerging market debt securities. • At least 90% of the sub-fund will be denominated in or hedged back to sterling.
	Industries the sub-fund invests in	• Any
	Credit quality of bonds the sub-fund invests in	• Investment grade corporate being: - BBB- or above by Standard & Poor's; or - BBB- or above by Fitch; or - Baa3 or above by Moody's • No more than 40% net exposure (longs minus shorts) in below investment grade securities. • Up to 10% in unrated bonds • The sub-fund will not purchase bonds rated below B3 by Moody's, B- by S&P or B- by Fitch (the Minimum Bond Rating). Bonds downgraded after initial investment may continue to be held at the manager's discretion. Where the sub-fund has exposure to an index the Minimum Bond Rating will apply to the average credit rating of bonds making up the index.
	Other limitations specific to this sub-fund	• The sub-fund's portfolio duration will vary between -2 years and +4 years • No more than 40% net exposure (longs minus shorts) in aggregate in a combination of emerging market debt securities and below investment grade securities. In this context, emerging market countries means countries included in the MSCI Emerging Markets Index and those included in the World Bank definition of developing economies or those countries which are, in the manager's opinion, developing countries.
Investment strategy	• The sub-fund is actively managed. • A combination of three strategies is used: - Credit strategy: aims to generate returns through the manager's highest-conviction ideas on credit assets which are expected to rise or fall in value over a particular period. These ideas may be implemented through trades which are intended to exploit the relative prospects of two assets or indices, for example by taking a long position in one and a short position in the other. - Rates strategy: aims to exploit expected movements in inflation rates, interest rates globally and the value of global government bonds. The manager seeks to generate returns by using derivatives to take long and short positions in global government bonds, inflation rates or interest rates. • By strategically allocating between different types of bonds as the economic cycle turns and as market conditions change, the manager aims to preserve capital in difficult times and to profit when conditions improve.	
Benchmark	• **Markit iBoxx 1-5 year £ Collateralised & Corporates Index** An indicator of the performance of short-dated sterling denominated corporate investment grade bonds, in which the fund invests. It acts as a 'target benchmark' that the fund aims to outperform. Management of the fund is not restricted by this benchmark. While the fund has the flexibility to strategically invest across fixed income sectors, sterling denominated investment grade corporate bonds are likely to be the main asset class in the portfolio, and the manager believes this index is the closest proxy for the long-term asset allocation of the fund.	

Artemis Short-Duration Strategic Bond (formerly Artemis Target Return Bond Fund)

Risk and reward profile

Potentially lower rewards — Potentially higher rewards

Lower risk — Higher risk

1 2 **3** 4 5 6 7

- The sub-fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the sub-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 sub-fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the sub-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 sub-fund performance:

- **Market volatility risk:** The value of the sub-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 sub-fund's assets may be priced in currencies other than the sub-fund base currency. Changes in currency exchange rates can therefore affect the sub-fund's value.
- **Emerging markets risk:** Compared to more established economies, investments in emerging markets may be subject to greater volatility due to differences in generally accepted accounting principles, less governed standards or from economic or political instability. Under certain market conditions assets may be difficult to sell.
- **Derivatives risk:** The sub-fund may invest extensively in derivatives with the aim of profiting from falling ('shorting') as well as rising prices.
- **Credit risk**: Investments in bonds are affected by interest rates, inflation and credit ratings. It is possible that bond issuers will not pay interest or return the capital. All of these events can reduce the value of bonds held by the sub-fund.
- **Higher-yielding bonds risk:** The sub-fund may invest in higher-yielding bonds, which may increase the risk to capital. Investing in these types of assets (which are also known as sub-investment grade bonds) can produce a higher yield but also brings an increased risk of default, which would affect the capital value of the sub-fund.
- **Bond liquidity risk:** The sub-fund holds bonds which could prove difficult to sell. As a result, the sub-fund may have to lower the selling price, sell other investments or forego more appealing investment opportunities.
- **Counterparty risk:** Investments such as derivatives are made using financial contracts with third parties. Those third parties may fail to meet their obligations to the sub-fund due to events beyond the sub-fund's control. The sub-fund's value could fall because of loss of monies owed by the counterparty and/or the cost of replacement financial contracts.
- **Mortgage- or asset-backed securities risk:** Mortgage- or asset-backed securities may not receive in full the amounts owed to them by underlying borrowers.
- **Charges from capital risk:** Where charges are taken wholly or partly out of a sub-fund's capital, distributable income may be increased at the expense of capital, which may constrain or erode capital growth.
- **Leverage risk:** The sub-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 29 February 2024.

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

Investment Review

- Despite it being another challenging year for bond markets, the fund returned 7.3%*.
- With agreement from its shareholders, the fund's name, comparator benchmark and investment objective have changed.
- The Bank of England seems likely to cut interest rates in 2024, which should offer powerful support to bond markets.

A change of name, benchmark and investment objective

Shortly after the reporting period ended, Artemis confirmed that a proposal to change the name of the Artemis Target Return Bond Fund to the Artemis Short Duration Strategic Bond Fund had been ratified at an EGM (extraordinary general meeting) on 5 March 2024.

Along with the fund's name, its investment objective and benchmark also changed. The fund's comparator benchmark is now the Markit iBoxx 1-5 year £ Collateralised & Corporates Index.

The fund's new objective, meanwhile, is "to generate a return that exceeds the Markit iBoxx 1-5 year £ Collateralised & Corporates Index, after fees, over rolling three-year periods, through a combination of income and capital growth, by investing in a portfolio of global debt and debt-related securities whilst maintaining an aggregate portfolio duration of below four years (duration is a measure of the sensitivity of the prices of bonds to changes in interest rates)."

The fund has always been run with a short 'duration' (a measure of how sensitive a bond or bond fund is to changes in interest rates). Shorter-duration bonds are, in theory, less affected by uncertainty about future interest rates, which should make them less volatile. Artemis believes the fund's new name more clearly represents the managers' strategy: to invest in short-duration bonds across fixed-income sectors with the goal of delivering attractive risk-adjusted returns.

The fund delivered a meaningful positive return this year despite subdued returns from bond markets

The fund generated a positive total return of 7.3% over the year. Our target was to produce a positive return of at least 2.5% above the Bank of England's base rate, after fees, on an annualised basis (over rolling three-year periods). Over the 12 months covered by this report, hitting that target would have meant generating a return of 7.5%.

While modestly failing to hit that target certainly feels disappointing, this must be set into a broader context: this is a fixed-income fund and, in 2023, the asset class we invest in continued to experience pressure (particularly in the summer of 2023). This was a direct result of the profound changes taking place in the global economy and financial system over the past two years.

In November 2021, interest rates in the UK were just 0.5%. The Bank of England, like other central banks around the world, then began pushing interest rates higher to help bring inflation down. A year ago, interest rates were 4%. By the time the year under review ended, they stood at 5.25%. Pushing interest rates higher pushes the capital value of bonds down. The income that bonds generate (their 'yield'[1]) was, in the case of UK government bonds, only able to modestly cover the capital losses caused by the rise in base rates. The FTSE Actuaries UK Conventional Gilts All Stocks Index, a broad measure of the performance of UK government bonds, returned just 0.1% on the year[2].

Similar processes also unfolded in Europe and the US. So, the fund modestly failed to achieve its target this year largely because the fixed income market is still coping with the attempts of the world's central banks to bring inflation under control.

Why we are positive on the fund's prospects for the coming year

The fall in bond prices over the past two years means that yields (which move in the opposite direction to prices) have risen sharply. We believe that makes them attractive, particularly as banks begin to contemplate cutting interest rates. Investors no longer need to take outsize risks to generate positive returns over and above inflation; they can simply buy bonds.

Past performance is not a guide to the future.

* Source: Artemis/ Lipper Limited, class I accumulation GBP. All figures show total returns with income reinvested, net of all charges. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class.

[1] A bond's yield is calculated by dividing the regular coupons it pays (which don't change) by its price (which does).

[2] Source: FTSE Russell as at 29 February 2024.

Artemis Short-Duration Strategic Bond (formerly Artemis Target Return Bond Fund)

1) One of our core hunting grounds – short-maturity, investment-grade corporate bonds – now appears very attractive

At the start of 2022, the yield on short-dated (1-3 year) sterling corporate bonds was 2.5% compared with 5.6% at the end of February 2024[3]. That yield would need to increase to 8.5% to result in this asset class losing money over a one-year holding period. While this is mathematically possible, we believe it is highly unlikely. In our opinion, the balance between risk and reward here is compelling: short-dated corporate bonds have a low degree of sensitivity to changes in interest rates (they are 'short duration' assets) and, as investment-grade debt[4], carry a low risk of default.

2) Inflation has started to fall sharply and interest rates should fall in sympathy

UK CPI inflation was 10.4% in February 2023. By the end of the review period, it had fallen to 3.4%. It is expected to fall even further; the Bank of England's forecast shows it falling back below its target of 2.0% in the first half of 2024[5]. And, as inflation comes back towards its target, base rates should also start to fall.

Just as bond markets fell in response to sharply higher interest rates in 2022 and 2023, we should in turn expect them to benefit from the collapse in inflation and, in time, from a fall in rates. The pathway to normalisation of inflation and interest rates seems unlikely to be smooth. But our fund has the flexibility to invest in short-dated corporate bonds – and in other areas of the fixed income market – in pursuit of the optimum balance between risk and return.

[3] iBoxx £ Corporates 1-3 Year index. This is a broad measure of performance of short-dated corporate bonds – bonds issued by companies where the initial amount of the loan, the 'principal', is due to be repaid within the next three years.

[4] Investment-grade bonds are issued by companies with higher credit ratings – businesses which independent agencies such as S&P and Moody's consider to be at relatively low risk of defaulting on their debts.

[5] Bank rate maintained at 5.25% - March 2024 | Bank of England

Investment information

Ten largest purchases and sales for the year ended 29 February 2024

Purchases	Cost £'000	Sales	Proceeds £'000
UK Treasury 0.13% 22/03/2029	32,825	UK Treasury 0.13% 22/03/2029	35,956
UK Treasury 3.75% 22/10/2053	18,417	UK Treasury 3.75% 22/10/2053	18,313
US Treasury 0.38% 15/07/2027	14,630	US Treasury 0.38% 15/07/2027	15,057
US Treasury Inflation Indexed 0.75% 15/02/2045	10,577	UK Treasury 4.00% 22/10/2063	8,429
UK Treasury 4.00% 22/10/2063	8,516	US Treasury Inflation Indexed 0.75% 15/02/2045	8,408
UK Treasury 1.25% 22/10/2024	7,476	UK Treasury 1.25% 22/10/2041	7,637
New Zealand Government 0.50% 15/05/2026	5,882	US Treasury 2.38% 15/02/2042	6,405
UK Treasury Inflation Indexed 0.63% 22/03/2025	5,770	New Zealand Government 0.50% 15/05/2026	5,795
UK Treasury Inflation Indexed 0.13% 22/03/2051	5,601	UK Treasury Inflation Indexed 0.13% 22/03/2051	5,695
UK Treasury 4.50% 07/06/2028	5,095	UK Treasury Inflation Indexed 0.63% 22/03/2045	5,512

Portfolio statement as at 29 February 2024

Investment	Nominal value	Valuation £'000	% of net assets
Government Bonds 9.35% (9.35%)			
Canada 1.18% (0.00%)			
CPPIB Capital 4.50% 22/07/2027	£3,000,000	2,983	1.18
		2,983	**1.18**
Finland 0.00% (0.88%)			
Italy 0.00% (1.05%)			
Netherlands 0.00% (0.88%)			
New Zealand 2.33% (1.43%)			
New Zealand Government Bond 2.75% 15/04/2037	$6,000,000	2,294	0.91
New Zealand Government Inflation Linked Bond 2.50% 20/09/2035	$6,000,000	3,603	1.42
		5,897	**2.33**
Sweden 1.81% (0.00%)			
Vattenfall 6.88% 17/08/2083	£4,500,000	4,567	1.81
		4,567	**1.81**
United Kingdom 0.80% (3.39%)			
UK Gilt 4.50% 07/06/2028	£2,000,000	2,018	0.80
		2,018	**0.80**
United States of America 3.23% (1.72%)			
US Treasury Inflation Indexed 0.15% 15/02/2051	$2,200,000	1,211	0.48
US Treasury Inflation Indexed 0.97% 15/02/2045	$2,500,000	1,956	0.77
US Treasury Inflation Indexed 1.07% 15/01/2029	$5,500,000	5,021	1.98
		8,188	**3.23**
Government Bonds total		**23,653**	**9.35**
Corporate Bonds 85.49% (86.91%)			
Australia 0.59% (0.28%)			
Mineral Resources 8.00% 01/11/2027	$1,000,000	803	0.31
Perenti Finance 6.50% 07/10/2025	$900,000	702	0.28
		1,505	**0.59**
Austria 0.50% (0.00%)			
ams-OSRAM 05/03/2025	€1,600,000	1,253	0.50
		1,253	**0.50**

Investment	Nominal value	Valuation £'000	% of net assets
Corporate Bonds 85.49% (86.91%) (continued)			
Canada 2.13% (1.21%)			
CPPIB Capital 1.50% 23/06/2028	$2,000,000	906	0.36
CPPIB Capital 4.38% 02/03/2026	£3,000,000	2,967	1.17
GFL Environmental 3.75% 01/08/2025	$2,000,000	1,533	0.60
		5,406	**2.13**
Czech Republic 0.91% (0.00%)			
CPI Property Group 2.75% 22/01/2028	£3,000,000	2,306	0.91
		2,306	**0.91**
Denmark 0.89% (0.87%)			
Danske Bank, FRN 4.63% 13/04/2027	£2,300,000	2,264	0.89
		2,264	**0.89**
Finland 0.99% (0.00%)			
Nordea Bank Abp 6.00% 02/06/2026	£2,500,000	2,510	0.99
		2,510	**0.99**
France 2.53% (5.10%)			
Electricite de France 5.88% Perpetual	£2,000,000	1,887	0.75
Goldstory 6.75% 01/02/2030	€800,000	687	0.27
Westfield America Management, REIT 2.13% 30/03/2025	£4,000,000	3,836	1.51
		6,410	**2.53**
Germany 3.76% (4.30%)			
Bayer, FRN 4.50% 25/03/2082	€5,000,000	3,988	1.57
CT Investment 5.50% 15/04/2026	€2,800,000	2,381	0.94
Deutsche Bank, FRN 4.00% 24/06/2026	£1,500,000	1,456	0.58
Sartorius Finance 4.25% 14/09/2026	€1,000,000	862	0.34
Techem Verwaltungsgesellschaft 675 mbH 2.00% 15/07/2025	€1,000,000	842	0.33
		9,529	**3.76**
Israel 0.92% (0.51%)			
Teva Pharmaceutical Finance Netherlands II 7.38% 15/09/2029	€1,400,000	1,312	0.52
Teva Pharmaceutical Finance Netherlands III 5.13% 09/05/2029	$600,000	445	0.17
Teva Pharmaceutical Finance Netherlands III 6.00% 15/04/2024	$728,000	575	0.23
		2,332	**0.92**
Luxembourg 1.84% (1.35%)			
Blackstone Property Partners Europe Holdings 2.00% 20/10/2025	£5,000,000	4,661	1.84
		4,661	**1.84**
Netherlands 1.57% (1.91%)			
ING Groep, FRN 5.00% 30/08/2026	£2,000,000	1,980	0.78
ING Groep, FRN 6.25% 20/05/2033	£1,300,000	1,285	0.51
Q-Park Holding I 2.00% 01/03/2027	€900,000	719	0.28
		3,984	**1.57**
Slovenia 0.33% (0.00%)			
United Group 3.13% 15/02/2026	€1,000,000	829	0.33
		829	**0.33**
Spain 1.49% (3.38%)			
Abertis Infraestructuras 3.38% 27/11/2026	£4,000,000	3,761	1.49
		3,761	**1.49**
Sweden 0.33% (0.00%)			
Verisure Holdings 3.88% 15/07/2026	€1,000,000	843	0.33
		843	**0.33**

Investment	Nominal value	Valuation £'000	% of net assets
Corporate Bonds 85.49% (86.91%) (continued)			
Switzerland 0.61% (1.73%)			
UBS Group, FRN 7.00% 30/09/2027	£1,500,000	1,551	0.61
		1,551	**0.61**
United Kingdom 53.97% (55.24%)			
AA Bond 5.50% 31/07/2050	£3,000,000	2,881	1.14
Anglian Water Osprey Financing 4.00% 08/03/2026	£3,000,000	2,819	1.11
Arqiva Financing 7.21% 30/06/2045	£4,000,000	4,223	1.67
Aviva, FRN 6.13% 14/11/2036	£3,000,000	3,015	1.19
Barclays, FRN 3.75% 22/11/2030	£5,000,000	4,747	1.87
BP Capital Markets, FRN 4.25% Perpetual	£4,800,000	4,501	1.78
Centrica, FRN 5.25% 10/04/2075	£4,000,000	3,941	1.56
Close Brothers Group 7.75% 14/06/2028	£500,000	495	0.20
CPUK Finance 5.88% 28/08/2027	£3,000,000	2,997	1.18
CPUK Finance 6.50% 28/08/2050	£2,000,000	1,969	0.78
Drax Finco 6.63% 01/11/2025	$3,200,000	2,500	0.99
Grainger 3.38% 24/04/2028	£3,000,000	2,710	1.07
Heathrow Funding 6.45% 10/12/2033	£4,000,000	4,244	1.68
Hiscox, FRN 6.13% 24/11/2045	£1,800,000	1,781	0.70
HSBC Bank Capital Funding Sterling 1 5.84% Perpetual	£4,000,000	4,125	1.63
IG Group Holdings 3.13% 18/11/2028	£3,000,000	2,539	1.00
Inchcape 6.50% 09/06/2028	£3,000,000	3,033	1.20
International Distributions Services 7.38% 14/09/2030	£3,000,000	3,096	1.22
Investec Bank, FRN 1.88% 16/07/2028	£2,800,000	2,379	0.94
Kane Bidco 6.50% 15/02/2027	£2,500,000	2,432	0.96
Kier Group 9.00% 15/02/2029	£1,500,000	1,508	0.60
Land Securities Capital Markets 2.40% 08/02/2031	£200,000	177	0.07
Legal & General Group, FRN 5.38% 27/10/2045	£4,500,000	4,443	1.75
London & Quadrant Housing Trust 2.63% 05/05/2026	£3,000,000	2,822	1.11
Marston's Issuer, FRN 6.57% 15/10/2027	£1,712,352	1,601	0.63
Meadowhall Finance 4.99% 12/07/2037	£2,402,872	1,875	0.74
Mitchells & Butlers Finance 6.03% 15/12/2033	£4,182,650	3,597	1.42
Mobico Group 4.88% 26/09/2031	€3,000,000	2,527	1.00
NatWest Group, FRN 3.62% 14/08/2030	£5,000,000	4,815	1.90
Neptune Energy Bondco 6.63% 15/05/2025	$4,500,000	3,548	1.40
NGG Finance, FRN 5.63% 18/06/2073	£2,100,000	2,071	0.82
Northumbrian Water Finance 1.63% 11/10/2026	£1,500,000	1,356	0.54
Ocado Group 3.88% 08/10/2026	£1,000,000	870	0.34
Pearson Funding 3.75% 04/06/2030	£5,000,000	4,527	1.79
Places For People Treasury 2.88% 17/08/2026	£1,063,000	996	0.39
Premier Foods Finance 3.50% 15/10/2026	£1,500,000	1,431	0.57
RAC Bond 4.87% 06/05/2046	£4,000,000	3,883	1.53
Rothesay Life, FRN 5.50% 17/09/2029	£4,500,000	4,470	1.76
Santander UK Group Holdings, FRN 2.92% 08/05/2026	£5,000,000	4,809	1.90
Skipton Building Society 6.25% 25/04/2029	£3,000,000	2,975	1.17
Telereal Securitisation, FRN 4.08% 10/12/2033	£531,000	470	0.19
Thames Water Utilities Finance 7.13% 30/04/2031	£3,300,000	3,268	1.29
TP ICAP Finance 5.25% 29/05/2026	£2,300,000	2,233	0.88
Unique Pub Finance 5.66% 30/06/2027	£1,478,429	1,456	0.57
Unique Pub Finance 6.46% 30/03/2032	£1,200,000	1,184	0.47
Victoria 3.63% 24/08/2026	€1,000,000	718	0.28
Virgin Money UK 7.63% 23/08/2029	£3,000,000	3,139	1.24

Artemis Short-Duration Strategic Bond (formerly Artemis Target Return Bond Fund)

Investment	Nominal value	Global exposure ^ £'000	Valuation £'000	% of net assets
Corporate Bonds 85.49% (86.91%) (continued)				
United Kingdom 53.97% (55.24%) (continued)				
Virgin Money UK, FRN 4.00% 25/09/2026	£1,500,000		1,446	0.57
Weir Group 6.88% 14/06/2028	£4,000,000		4,111	1.62
Yorkshire Building Society 3.50% 21/04/2026	£2,000,000		1,907	0.75
Yorkshire Building Society 7.38% 12/09/2027	£2,000,000		2,049	0.81
			136,709	**53.97**
United States of America 12.13% (11.03%)				
Adient Global Holdings 3.50% 15/08/2024	€747,266		635	0.25
Adient Global Holdings 7.00% 15/04/2028	$2,000,000		1,612	0.64
Albertsons Cos/ Safeway/ New Albertsons/ Albertsons 3.25% 15/03/2026	$1,600,000		1,201	0.47
Ardagh Metal Packaging Finance 2.00% 01/09/2028	€1,500,000		1,114	0.44
Avis Budget Car Rental/ Avis Budget Finance 4.75% 01/04/2028	$1,100,000		787	0.31
Caterpillar Financial Services 5.72% 17/08/2026	£2,700,000		2,740	1.08
Cloud Software Group 6.5% 31/03/2029	$1,200,000		882	0.35
CTR Partnership, REIT 3.88% 30/06/2028	$2,000,000		1,431	0.57
Encore Capital Group 4.25% 01/06/2028	£1,500,000		1,253	0.50
Ford Motor Credit 2.75% 14/06/2024	£3,000,000		2,973	1.17
Ford Motor Credit 5.63% 09/10/2028	£1,100,000		1,083	0.43
GTCR W-2 Merger Sub 8.50% 15/01/2031	£3,000,000		3,227	1.27
LKQ 5.75% 15/06/2028	$700,000		559	0.22
Metropolitan Life Global Funding I 4.13% 02/09/2025	£4,000,000		3,933	1.55
MPT Operating Partnership, REIT 3.69% 05/06/2028	£5,000,000		3,506	1.38
Penske Automotive Group 3.50% 01/09/2025	$1,668,000		1,280	0.51
PTC 3.63% 15/02/2025	$2,000,000		1,545	0.61
Talos Production 9.00% 01/02/2029	$1,200,000		967	0.38
			30,728	**12.13**
Corporate Bonds total			**216,581**	**85.49**
Supranationals 0.00% (0.43%)				
Swaps (0.02%) (0.06%)				
Credit Default Swap BNP Paribas Buy Deutsche Bank AG 1.00% 20/12/2028	(5,000,000)	(4,282)	29	0.01
Credit Default Swap BNP Paribas Buy Deutsche Bank AG 1.00% 20/12/2028	3,000,000	2,569	120	0.05
Credit Default Swap BNP Paribas Buy Intesa Sanpaolo SPA 1.00% 20/12/2028	(5,000,000)	(4,282)	59	0.02
Credit Default Swap BNP Paribas Buy Intesa Sanpaolo SPA 5.00% 20/12/2028	3,000,000	2,569	(393)	(0.15)
Credit Default Swap Goldman Saches Buy HSBC Holdings 1.00% 20/12/2028	5,000,000	4,282	(3)	–
Credit Default Swap J.P Morgan Buy Pearson Funding 1.00% 20/12/2028	5,000,000	4,282	(104)	(0.04)

Investment	Nominal value	Global exposure ^ £'000	Valuation £'000	% of net assets
Swaps (0.02%) (0.06%) (continued)				
Credit Default Swap J.P. Morgan Buy Koninklijke KPN 1.00% 20/12/2028	5,000,000	4,282	(109)	(0.05)
Inflation Rate Swap J.P. Morgan Pay floating CPTFE Receive fixed 2.17% 1 day 15/02/2034	3,000,000	2,569	(10)	–
Inflation Rate Swap J.P. Morgan Pay floating CPTFE Receive fixed 2.33% 1 day 15/01/2044	1,500,000	1,285	(7)	–
Inflation Rate Swap J.P. Morgan Pay floating CPTFE Receive fixed 2.60% 1 day 15/03/2042	1,500,000	1,285	(35)	(0.01)
Inflation Rate Swap J.P. Morgan Pay floating FPCPX Receive fixed 2.71% 1 day 15/08/2042	1,250,000	1,071	15	–
Inflation Rate Swap J.P. Morgan Pay floating RPI Receive fixed 3.93% 1 day 15/06/2033	5,000,000	5,000	165	0.06
Interest Rate Swap J.P. Morgan Pay fixed 2.07% Receive floating EURIBOR 6 months 01/03/2054	4,100,000	3,511	(3)	–
Interest Rate Swap J.P. Morgan Pay fixed 2.08% Receive floating EURIBOR 6 months 02/08/2053	5,500,000	4,710	9	–
Interest Rate Swap J.P. Morgan Pay fixed 2.10% Receive floating EURIBOR 6 months 16/02/2054	4,900,000	4,197	(12)	–
Interest Rate Swap J.P. Morgan Pay fixed 2.49% Receive floating STBOR 3 months 05/02/2035	92,400,000	7,058	146	0.06
Interest Rate Swap J.P. Morgan Pay fixed 3.22% Receive floating SOFR 1 day 05/01/2059	5,600,000	4,427	159	0.06
Interest Rate Swap J.P. Morgan Pay fixed 3.62% Receive floating SOFR 1 day 22/01/2054	3,200,000	2,530	36	0.01
Interest Rate Swap J.P. Morgan Pay fixed 3.83% Receive floating CORRA 1 day 13/10/2053	6,000,000	3,491	(238)	(0.09)
Interest Rate Swap J.P. Morgan Pay fixed 3.90% Receive floating CORRA 1 day 27/10/2053	3,000,000	1,746	(153)	(0.06)
Interest Rate Swap J.P. Morgan Pay floating BBSW Receive fixed 3.94% 3 months 11/01/2029	26,000,000	13,356	(10)	–
Interest Rate Swap J.P. Morgan Pay floating BBSW Receive fixed 4.01% 3 months 01/02/2029	17,000,000	8,733	2	–
Interest Rate Swap J.P. Morgan Pay floating BBSW Receive fixed 4.05% 3 months 01/03/2029	20,000,000	10,274	6	–
Interest Rate Swap J.P. Morgan Pay floating BBSW Receive fixed 4.16% 3 months 22/01/2029	26,000,000	13,356	39	0.02
Interest Rate Swap J.P. Morgan Pay floating CORRA Receive fixed 4.13% 1 day 13/10/2033	13,000,000	7,565	316	0.12
Interest Rate Swap J.P. Morgan Pay floating EURIBOR Receive fixed 2.57% 6 months 05/02/2035	8,100,000	6,937	(70)	(0.03)
Interest Rate Swap J.P. Morgan Pay floating EURIBOR Receive fixed 2.72% 6 months 01/03/2034	8,600,000	7,365	(2)	–
Interest Rate Swap J.P. Morgan Pay floating EURIBOR Receive fixed 2.88% 6 months 31/07/2033	11,000,000	9,421	73	0.03
Interest Rate Swap J.P. Morgan Pay floating EURIBOR Receive fixed 3.05% 6 months 22/11/2033	8,100,000	6,937	97	0.04

Artemis Short-Duration Strategic Bond (formerly Artemis Target Return Bond Fund)

Investment	Nominal value	Global exposure ^ £'000	Valuation £'000	% of net assets
Swaps (0.02%) (0.06%) (continued)				
Interest Rate Swap J.P. Morgan Pay floating SOFR Receive floating 3.58% 1 day 05/01/2039	12,400,000	9,802	(164)	(0.07)
Swaps total		**146,046**	**(42)**	**(0.02)**
Futures 0.00% (0.12%)				
CBT Ultra 5 Year T-Note 28/06/2024	441	37,205	4	–
CBT Ultra T-Bonds 18/06/2024	(73)	(7,300)	(10)	–
CBT Ultra T-Note 18/06/2024	(80)	(7,189)	(5)	–
CME 3 Month SOFR 18/03/2024	(100)	(18,868)	75	0.03
CME 3 Month SOFR 17/03/2025	100	19,021	(51)	(0.02)
Euro-Buxl 30 Year Bond 07/03/2024	(54)	(6,071)	(6)	–
ICE 3 Month SONIA Index 17/03/2026	255	61,186	(43)	(0.02)
Long Gilt 26/06/2024	42	4,113	(1)	–
OSE 10 Year T-Bond JGB 13/03/2024	(14)	(10,792)	21	0.01
US T-Bonds 18/06/2024	46	4,303	6	–
Futures total		**75,608**	**(10)**	–
Forward Currency Contracts 0.11% ((0.03%))				
Buy Sterling 914,948 Sell Australian Dollar 1,764,989 dated 08/03/2024			8	–
Buy Sterling 19,356,965 Sell Euro 22,609,072 dated 08/03/2024			(12)	–
Buy Sterling 5,956,480 Sell New Zealand Dollar 12,273,464 dated 08/03/2024			56	0.03
Buy Sterling 28,145,607 Sell US Dollar 35,332,432 dated 08/03/2024			217	0.08
Forward Currency Contracts total			**269**	**0.11**
Investment assets (including investment liabilities)			**240,451**	**94.93**
Net other assets			**12,857**	**5.07**
Net assets attributable to shareholders			**253,308**	**100.00**

The comparative percentage figures in brackets are as at 28 February 2023.

^ 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 29 February 2024

	Note	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Income					
Net capital gains/(losses)	2		**5,031**		(13,469)
Revenue	5	**13,619**		11,310	
Expenses	6	**(921)**		(917)	
Interest payable and similar charges	7	**(463)**		(273)	
Net revenue before taxation		**12,235**		10,120	
Taxation	8	**–**		–	
Net revenue after taxation			**12,235**		10,120
Total return before distributions			**17,266**		(3,349)
Distributions	9		**(12,352)**		(10,239)
Change in net assets attributable to shareholders from investment activities			**4,914**		(13,588)

Statement of change in net assets attributable to shareholders for the year ended 29 February 2024

	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Opening net assets attributable to shareholders		**257,608**		259,068
Amounts receivable on issue of shares	**178,442**		113,020	
Amounts payable on cancellation of shares	**(197,348)**		(108,843)	
		(18,906)		4,177
Dilution adjustment		**325**		315
Change in net assets attributable to shareholders from investment activities		**4,914**		(13,588)
Retained distribution on accumulation shares		**9,367**		7,636
Closing net assets attributable to shareholders		**253,308**		257,608

Balance sheet as at 29 February 2024

	Note	29 February 2024 £'000	28 February 2023 £'000
Assets			
Fixed assets			
Investments	10	**241,891**	251,580
Current assets			
Debtors	11	**25,217**	13,472
Cash and cash equivalents	12	**3,730**	10,926
Total current assets		**28,947**	23,860
Total assets		**270,838**	275,440
Liabilities			
Investment liabilities	10	**1,440**	2,120
Creditors			
Bank overdraft	13	**306**	1,208
Distribution payable		**681**	824
Other creditors	14	**15,103**	14,218
Total creditors		**16,090**	15,712
Total liabilities		**17,530**	17,832
Net assets attributable to shareholders		**253,308**	257,608

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 ACD believes that the sub-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 sub-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 12 noon on the last working day of the accounting period. The last valuation point in the period has been used for the purposes of preparing the report and financial statements and in the ACD's opinion there have been no material movements in the sub-fund between the last valuation point and close of business on the balance sheet date. Where a sub-fund invests in markets that are closed for trading at the sub-fund's valuation point, the ACD 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 sub-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 ACD, with reference to the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Guidelines Board. Exchange traded derivatives, including options and futures, are shown in the portfolio statement, and are priced at fair value, which is deemed to be the quoted bid price for long positions and quoted offer price for short positions. 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/(losses). Over-the-counter derivatives, including interest rate swaps and credit default swaps, are shown in the portfolio statement, and are priced at fair value using valuation models or data sourced from market data providers.

(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. Interest from debt securities is recognised on an effective interest rate basis inclusive of any expected changes to future cash flows. Interest from debt securities bought or sold is excluded from the capital cost of such securities, and accounted for as part of revenue. Bank interest and interest on margin accounts held with brokers is recognised as revenue on an accruals basis. Returns on derivative instruments are recognised as either revenue or capital depending on the nature and circumstances of each particular case. Net gains/(losses) are reflected within derivative contracts under net capital gains in the notes to the financial statements. Where futures generate total returns the returns are apportioned between capital and income to reflect the nature of the transaction. Any capital gains/losses are included within net capital gains/(losses) and any revenue or expense is included within revenue or interest payable and similar charges respectively in the statement of total return. The revenue return element in respect of futures is calculated by reference to the quoted yield of the index upon which the future is based. Interest receivable or payable on interest rate swaps and premiums on credit default swaps are recognised as revenue on an accruals basis and included within derivative revenue or interest payable and similar charges respectively in the statement of total return. The dividend equivalent values on contracts for difference are recognised when the underlying security is quoted ex-dividend. For long positions this is included in revenue whereas for short positions this is included in interest payable and similar charges. Premiums received from options, where these have been written for the purpose of generating additional revenue, are accounted for as revenue on an accruals basis. Otherwise these are treated as capital.

(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 sub-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 sub-fund is priced on a single swinging price basis. The ACD has the discretion to charge a dilution adjustment as part of its daily valuation policy. This will mean that in certain circumstances the sub-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 sub-fund is to distribute/accumulate all available revenue, after deduction of expenses and taxation properly chargeable against revenue. The sub-fund satisfied the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 throughout each distribution period and where applicable will pay an interest distribution. The ACD and the depositary have agreed, for the distribution classes only, that 100% of the annual management charge is to be transferred to capital for the purpose of calculating the distribution, as permitted by COLL. The distribution currently payable reflects this treatment. The ACD may from time to time, smooth the distribution payments during the accounting period with the balance of revenue (if any) being paid in respect of the final distribution. Gains and losses on investments and derivatives whether realised or unrealised, if taken to capital are not available for distribution. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised. For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares. Distributions which have remained unclaimed by shareholders for six years are credited to the capital property of the sub-fund.

3. Net capital gains/(losses)

	29 February 2024 £'000	28 February 2023 £'000
Derivative contracts	**2,933**	5,642
Forward currency contracts	**1,730**	(2,509)
Non-derivative securities	**1,036**	(17,471)
Currency (losses)/gains	**(668)**	869
Net capital gains/(losses)	**5,031**	(13,469)

4. Direct transaction costs

There were no commissions or taxes paid in relation to transactions on the portfolio during the current year or previous year.

Dealing spread

As at the balance sheet, date the estimated portfolio dealing spread was 0.54% (2023: 0.59%). 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

	29 February 2024 £'000	28 February 2023 £'000
Interest on debt securities	**13,124**	11,150
Bank interest	**423**	43
Revenue from other derivatives	**72**	117
Total revenue	**13,619**	11,310

6. Expenses

	29 February 2024 £'000	28 February 2023 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	**555**	542
Administration fees	**366**	375
Total expenses	**921**	917

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
The audit fee (excluding VAT) accrued during the year was £12,150 (2023: £11,600). This fee is paid by the ACD via the administration fee.

7. Interest payable and similar charges

	29 February 2024 £'000	28 February 2023 £'000
Dividends payable on short positions	**216**	–
Interest payable on short futures	**160**	230
Interest payable	**87**	43
Total interest payable and similar charges	**463**	273

8. Taxation

	29 February 2024 £'000	28 February 2023 £'000
a) Analysis of the tax charge for the year		
Corporation Tax	**–**	–
Total taxation (note 8b)	**–**	–
b) Factors affecting the tax charge for the year		
Net revenue before taxation	**12,235**	10,120
Corporation tax of 20% (2023: 20%)	**2,447**	2,024
Effects of:		
Tax deductible interest distributions	**(2,447)**	(2,024)
Tax charge for the year (note 8a)	**–**	–

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 sub-fund has not recognised a deferred tax asset (2023: £nil).

9. Distributions

	29 February 2024 £'000	28 February 2023 £'000
Interim gross interest distribution – May 2023	**2,732**	2,141
Interim gross interest distribution – August 2023	**3,341**	2,253
Interim gross interest distribution – November 2023	**3,086**	2,856
Final gross interest distribution – February 2024	**3,160**	3,068
	12,319	10,318
Add: amounts deducted on cancellation of shares	**1,111**	501
Deduct: amounts added on issue of shares	**(1,078)**	580
Distributions	**12,352**	10,239
Movement between net revenue and distributions		
Net revenue after taxation	**12,235**	10,120
Expenses paid from capital	**122**	119
Undistributed revenue carried forward	**(1)**	–
Revenue paid on conversion of shares	**(4)**	–
	12,352	10,239

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. Details of the distributions per share are set out in the distribution tables on page 81.

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).

	29 February 2024		28 February 2023	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Level 1	**23,758**	**329**	633	335
Level 2	**218,133**	**1,111**	250,947	1,785
Total	**241,891**	**1,440**	251,580	2,120

11. Debtors

	29 February 2024 £'000	28 February 2023 £'000
Amounts receivable for issue of shares	**17,585**	9,486
Accrued revenue	**4,080**	3,920
Sales awaiting settlement	**3,552**	–
Amounts receivable on derivative contracts	**–**	66
Total debtors	**25,217**	13,472

12. Cash and cash equivalents

	29 February 2024 £'000	28 February 2023 £'000
Amounts held at brokers	**1,194**	3,209
Collateral held with brokers	**1,421**	320
Amounts held in liquidity funds	**1,108**	–
Cash and bank balances	**7**	7,397
Total cash and cash equivalents	**3,730**	10,926

13. Bank overdraft

	29 February 2024 £'000	28 February 2023 £'000
Collateral pledged with brokers	**300**	670
Amounts held at futures clearing houses and brokers	**6**	368
Bank overdrafts	**–**	59
Total bank overdraft	**306**	1,097

14. Other creditors

	29 February 2024 £'000	28 February 2023 £'000
Purchases awaiting settlement	**13,885**	13,858
Amounts payable for cancellation of shares	**1,109**	293
Accrued annual management charge	**42**	38
Amounts payable on derivative contracts	**39**	–
Accrued administration fee payable to the ACD	**28**	29
Total other creditors	**15,103**	14,218

15. Contingent liabilities and commitments

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

16. Reconciliation of share movements

	Shares in issue at 28 February 2023	Shares issued	Shares cancelled	Shares converted	**Shares In issue at 29 February 2024**
F distribution GBP	39,389,579	10,251,293	(25,580,058)	–	**24,060,814**
F accumulation GBP	63,090,233	13,471,953	(32,478,284)	–	**44,083,902**
I distribution GBP	29,000,511	34,744,564	(21,654,431)	(13,473,901)	**28,616,743**
I accumulation GBP	116,277,382	109,635,830	(106,211,007)	11,955,318	**131,657,523**

17. Risk disclosures

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

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-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 sub-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, and other market price 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 sub-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 sub-fund's investment portfolio. The sub-fund, in order to meet its investment objective and policy, invests predominantly in bonds and maintains an appropriate spread of investments in accordance with COLL and the Prospectus to seek to reduce the risks arising from factors specific to a particular company or sector. The ACD'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 sub-fund disclosed in the balance sheet. The ACD uses a value-at-risk approach to measure the funds exposure to market risk.

Value at risk ("VaR")

The ACD is currently empowered to enter into derivative transactions on behalf of the sub-fund. The use of these strategies is subject to a risk management process and the ACD analyses the overall risk position of the sub-fund on a daily basis, which is then used by the ACD 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 sub-fund in absolute terms. The maximum limit for UCITS funds is 20% of its NAV, in accordance with the Committee of European Securities Regulators ('CESR') guidance. VaR expresses the maximum expected loss by the sub-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.

	29 February 2024 %	28 February 2023 %
At 29 February	**2.23**	2.98
Average utilisation during the year	**2.08**	3.10
Highest utilisation during the year	**3.02**	4.51
Lowest utilisation during the year	**1.58**	1.93

(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 sub-fund, resulting in a financial loss. From time to time, the sub-fund may be subject to short-term credit risk with counterparties pending settlement of investment transactions. The ACD 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 sub-fund's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of Northern Trust Investor Services Limited may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited. The sub-fund is also exposed to counterparty risk through holding specific financial instruments.

The ACD is permitted to use one or more separate counterparties for derivative transactions. The sub-fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the sub-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 sub-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 sub-fund. To minimise such risk the ACD will assess the creditworthiness of any counterparty that it engages. On a daily basis the ACD 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. In order to diversify counterparty risk the sub-fund holds cash with a number of other counterparties other than Northern Trust.

The derivatives are disclosed in the portfolio statement, Northern Trust is the counterparty for forward currency contracts. Aside from the custodian, the derivative counterparties and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 29 February 2024 or 28 February 2023.

Debt Security credit analysis

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

	29 February 2024 £'000	28 February 2023 £'000
Investment grade securities	**180,448**	174,900
Below investment grade securities	**58,963**	69,214
Unrated securities	**1,253**	4,966
Total of debt securities	**240,664**	249,080

Source of credit ratings: Artemis Investment Management LLP.

Counterparty and collateral exposure

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

Currency	Credit Default Swap £'000	Inflation Rate Swaps £'000	Interest Rate Swaps £'000	Forward contracts £'000	Future contracts £'000	Total gross exposure £'000	Net collateral (pledged)/held £'000
29 February 2024							
Goldman Sachs	**(3)**	**–**	**–**	**–**	**–**	**(3)**	**–**
J.P. Morgan	**(213)**	**127**	**231**	**–**	**(10)**	**135**	**1,231**
BNP Paribas	**(184)**	**–**	**–**	**–**	**–**	**(184)**	**190**
Northern Trust	**–**	**–**	**–**	**269**	**–**	**269**	**(300)**
28 February 2023							
Goldman Sachs	474	–	–	(106)	–	368	(520)
J.P. Morgan	–	26	1,212	(164)	663	1,737	320
UBS	–	–	–	194	–	194	(150)

Only cash collateral is pledged or held by the sub-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 sub-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 sub-funds and investor base. This includes but is not limited to what percentage of the sub-fund can be liquidated within certain redemption horizons, whether the largest investors in the sub-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 29 February 2024 or 28 February 2023.

18. Related party transactions

The ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the statement of total return, statement of change in net assets attributable to shareholders and the balance sheet on page 73 and notes 6, 9, 11 and 14 on pages 75 to 77 including all issues and cancellations where the ACD acted as principal. The balance due from the ACD as at 29 February 2024 in respect of these transactions was £16,406,000 (2023: £9,126,000).

19. Share classes

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

F distribution GBP	0.15%
F accumulation GBP	0.15%
I distribution GBP	0.25%
I accumulation GBP	0.25%

The net asset value per share and the number of shares in each class are given in the comparative table on page 82.
The distributions per share class are given in the distribution tables on page 81. 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 sub-fund pays quarterly interest distributions. The following table sets out the distribution periods.

Quarterly distribution periods	Start	End	Ex-dividend date	Pay date
First interim	1 March 2023	31 May 2023	1 June 2023	31 July 2023
Second interim	1 June 2023	31 August 2023	1 September 2023	31 October 2023
Third interim	1 September 2023	30 November 2023	1 December 2023	31 January 2024
Final	1 December 2023	29 February 2024	1 March 2024	30 April 2024

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

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

F distribution GBP

Interest distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	2022 - 2023 Distribution per share (p)
First interim	0.7380	0.3158	1.0538	0.8389
Second interim	0.6319	0.6271	1.2590	0.8571
Third interim	0.6759	0.5696	1.2455	1.0723
Final	0.6734	0.6223	1.2957	1.2058

F accumulation GBP

Interest distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	2022 - 2023 Distribution per share (p)
First interim	0.5867	0.5302	1.1169	0.8515
Second interim	0.7057	0.6538	1.3595	0.8733
Third interim	0.6324	0.7303	1.3627	1.1135
Final	0.7515	0.6846	1.4361	1.2710

I distribution GBP

Interest distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	2022 - 2023 Distribution per share (p)
First interim	0.3858	0.6636	1.0494	0.8382
Second interim	0.6260	0.6285	1.2545	0.8550
Third interim	0.9688	0.2719	1.2407	1.0692
Final	0.5604	0.7300	1.2904	1.2020

I accumulation GBP

Interest distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	2022 – 2023 Distribution per share (p)
First interim	0.5358	0.5507	1.0865	0.8262
Second interim	0.7151	0.6123	1.3274	0.8446
Third interim	0.6937	0.6365	1.3302	1.0847
Final	0.5389	0.8631	1.4020	1.2410

Artemis Short-Duration Strategic Bond (formerly Artemis Target Return Bond Fund)

Comparative tables

	F distribution GBP			F accumulation GBP		
	2024	2023	2022	2024	2023	2022
Change in net assets per share (p)						
Opening net asset value per share	**97.12**	**101.92**	**103.59**	**106.86**	**107.70**	**106.66**
Return before operating charges *	7.31	(0.54)	1.36	8.26	(0.53)	1.37
Operating charges	(0.28)	(0.29)	(0.31)	(0.32)	(0.31)	(0.33)
Return after operating charges *	**7.03**	**(0.83)**	**1.05**	**7.94**	**(0.84)**	**1.04**
Distributions	(4.85)	(3.97)	(2.72)	(5.28)	(4.11)	(2.66)
Retained distributions on accumulation shares	–	–	–	5.28	4.11	2.66
Closing net asset value per shares	**99.30**	**97.12**	**101.92**	**114.80**	**106.86**	**107.70**
* after direct transaction costs of	(0.12)	–	–	(0.14)	–	–
Performance						
Return after charges	7.24%	(0.81)%	1.01%	7.43%	(0.78)%	0.98%
Other information						
Closing net asset value (£'000)	23,892	38,254	42,981	50,610	67,421	84,285
Closing number of shares	24,060,814	39,389,579	42,170,045	44,083,902	63,090,233	78,257,661
Operating charges	0.29%	0.29%	0.30%	0.29%	0.29%	0.30%
Direct transaction costs	(0.13)%	–	–	(0.13)%	–	–
Prices						
Highest share price (p)	101.45	102.39	106.28	115.78	108.45	110.50
Lowest share price (p)	95.03	93.40	102.69	105.71	100.40	107.14

	I distribution GBP			I accumulation GBP		
	2024	2023	2022	2024	2023	2022
Change in net assets per share (p)						
Opening net asset value per share	**96.80**	**101.70**	**103.46**	**106.52**	**107.46**	**106.53**
Return before operating charges *	7.29	(0.56)	1.37	8.23	(0.53)	1.37
Operating charges	(0.38)	(0.38)	(0.42)	(0.43)	(0.41)	(0.44)
Return after operating charges *	**6.91**	**(0.94)**	**0.95**	**7.80**	**(0.94)**	**0.93**
Distributions	(4.84)	(3.96)	(2.71)	(5.15)	(4.00)	(2.55)
Retained distributions on accumulation shares	–	–	–	5.15	4.00	2.55
Closing net asset value per shares	**98.87**	**96.80**	**101.70**	**114.32**	**106.52**	**107.46**
* after direct transaction costs of	(0.12)	–	–	(0.14)	–	–
Performance						
Return after charges	7.14%	(0.92)%	0.92%	7.32%	(0.87)%	0.87%
Other information						
Closing net asset value (£'000)	28,295	28,073	18,530	150,511	123,860	113,272
Closing number of shares	28,616,743	29,000,511	18,220,705	131,657,523	116,277,382	105,405,705
Operating charges	0.39%	0.39%	0.40%	0.39%	0.39%	0.40%
Direct transaction costs	(0.13)%	–	–	(0.13)%	–	–
Prices						
Highest share price (p)	101.02	102.16	106.10	115.30	108.11	110.28
Lowest share price (p)	94.69	93.14	102.46	105.33	100.11	107.00

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

The operating charges are calculated on an ex-post basis. High and low price disclosures are based on quoted share prices. Therefore opening and closing NAV prices may fall outside the high/low price threshold.

Ongoing charges

Class	**29 February 2024**
F distribution GBP	0.290%
F accumulation GBP	0.290%
I distribution GBP	0.390%
I accumulation GBP	0.390%

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

Securities Financing Transactions Regulation ("SFTR")

The Fund may enter into total return swaps. No such transactions have been entered into as at 29 February 2024.

Class I accumulation performance

	Since launch *	3 years	1 year	6 months
Artemis Short-Duration Strategic Bond Fund **	14.6	7.3	7.3	6.2
Artemis Short-Duration Strategic Bond Fund ***	14.8	7.5	7.4	6.3
Bank of England Base Rate +2.5%	19.4	15.4	7.5	3.8
Bank of England Base Rate	7.6	7.3	5.0	2.6

Past performance is not a guide to the future.

* Source: Artemis/ Lipper Limited, class I accumulation GBP from 3 December 2019 to 29 February 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 investor's currency is different to that of the class.
** Value at 12 noon valuation point.
*** Value at close of business.

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

Artemis SmartGARP Global Emerging Markets Equity Fund

Objective and investment policy

Objective	To grow capital over a five year period.	
Investment policy	**What the sub-fund invests in**	• 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	The sub-fund may use derivatives for efficient portfolio management purposes to: • reduce risk • manage the sub-fund efficiently.
	Where the sub-fund invests	• Emerging market countries, including companies in other countries that are headquartered or have a significant part of their activities in emerging market countries. In this context, emerging market countries means countries included in the MSCI Emerging Markets Index and those included in the World Bank definition of developing economies or those countries which are, in the manager's opinion, developing countries.
	Industries the sub-fund invests in	• Any
	Other limitations specific to this sub-fund	• None
Investment strategy	• The sub-fund is actively managed. • A proprietary tool called 'SmartGARP' is used as the foundation of the investment process. It screens the financial characteristics of companies by identifying those that are growing faster than the market but are trading on lower valuations than the market. • The manager selects companies that in aggregate have good 'SmartGARP' characteristics. This tends to mean that the portfolio contains stocks that have lower valuations than the market average, upgrades to profit forecasts, and are under owned by the investment community, while at the same time benefiting from helpful trends in the wider economy.	
Benchmarks	• **MSCI EM (Emerging Markets) NR** A widely-used indicator of the performance of emerging markets stockmarkets, in which the sub-fund invests. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark. • **IA Global Emerging Markets NR** A group of asset managers' sub-funds that invest in similar asset types to the sub-fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark.	

Risk and reward profile

Potentially lower rewards — Potentially higher rewards

Lower risk — Higher risk

1 2 3 4 5 **6** 7

- The sub-fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the sub-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 sub-fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the sub-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 sub-fund performance:

- **Market volatility risk:** The value of the sub-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 sub-fund's assets may be priced in currencies other than the sub-fund base currency. Changes in currency exchange rates can therefore affect the sub-fund's value.
- **Emerging markets risk:** Compared to more established economies, investments in emerging markets may be subject to greater volatility due to differences in generally accepted accounting principles, less governed standards or from economic or political instability. Under certain market conditions assets may be difficult to sell.
- **China risk:** The sub-fund can invest in China A-shares (shares traded on Chinese stock exchanges in Renminbi). There is a risk that the sub-fund may suffer difficulties or delays in enforcing its rights in these shares, including title and assurance of ownership.
- **Charges from capital risk:** Where charges are taken wholly or partly out of a sub-fund's capital, distributable income may be increased at the expense of capital, which may constrain or erode capital growth.

There was no change to the risk indicator in the year to 29 February 2024.

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

Investment Review

- Significant outperformance over the period.
- Stocks on lower valuations have outperformed.
- Long-term investment case remains compelling.

Performance – Fundamental tailwinds drive performance

The Artemis SmartGARP Global Emerging Markets Equity Fund returned 16.9% in the 12 months to 29 February 2024, significantly ahead of its MSCI Emerging Markets benchmark index and IA Global Emerging Markets sector, both of which made 4.1%[1].

This outperformance can be attributed to strong stock selection and favourable tailwinds for value stocks and mid caps, areas where we are overweight.

Attribution – Stock selection contributes across regions and sectors

Despite a stuttering recovery since its post-Covid reopening, China has presented plenty of opportunities to investors. Our bias towards higher-yielding Chinese companies with strong balance sheets provided some protection against a volatile market backdrop. For example, PICC Property and Casualty, a large Chinese insurer, was one of the biggest contributors to performance over the past 12 months.

Elsewhere, holdings in Brazil, Korea and Taiwan also did well. In the former, we were aided by our investments in oil company Petrobras and bank Banco do Brasil. Our preference for financials in Korea, as well as a holding in Kia Motors, also helped out.

Our biggest detractor in the period was Alibaba, with sentiment towards the Chinese ecommerce giant remaining depressed. The improving fundamental outlook was offset by a delay in the flotation of its cloud business and a general malaise in the Chinese economy. South African companies MultiChoice and Absa Group also hindered performance.

Review – Inflation softens as recession fears in the West abate

Inflationary pressures which dominated the market narrative in 2022 began to soften in 2023, leading to optimism that most developed countries would avoid a recession. Emerging market economies are ahead of the cycle and have already started easing: more flexibility around monetary and fiscal policies is causing diverging policy paths with the West and supporting economic growth prospects.

China – Light positioning, depressed valuations with positive catalysts

The Chinese economic recovery has so far underwhelmed, hampered by subdued demand, sluggish exports and continued struggles in the real estate sector. On the positive side, reasonable interest rates and the potential for stimulus measures offer some support. Chinese stocks have made little progress over the past decade, but the risks are more than priced in, while economic reforms and growth initiatives have the potential to positively surprise investors.

Activity – Following the process to find opportunities

We have continued to find plenty of companies that deliver strong growth but trade on low valuations. At the country level, we increased our stakes in Taiwan, Korea and India at the expense of China, Brazil and Mexico. In terms of sectors, we added to industrials, consumer discretionary and utilities and reduced our exposure to consumer staples and financials.

We remain positioned for a rotation into value

The result of these changes is that the sub-fund's holdings continue to offer a combination of extremely low valuations and attractive growth prospects. We remain overweight China, Brazil and Korea and underweight India, Taiwan and Saudi Arabia. At the sector level, energy, financials and consumer discretionary feature as the largest overweights. Materials, media and entertainment and software and services represent the largest underweights.

Our value bias remains substantial, with the sub-fund trading on a P/E ratio of 7.2, compared with 12.2 from the benchmark index (a 41% discount[2]). Alongside the favourable valuation metrics, high free cashflow yields and return on capital as well as low debt-to-operating-profit metrics give the portfolio a quality tilt.

Emerging markets – Cheap and unloved, but pessimism reflected in prices

Chinese equity markets have suffered from weaker sentiment over the past year, but periods of excess pessimism also coincide with the point of maximum financial opportunity. In our experience, these environments create good opportunities for stockpickers.

Past performance is not a guide to the future.

[1] Source: Artemis/ Lipper Limited, class I accumulation GBP. All figures show total returns with dividends and/or income reinvested, net of all charges. Our benchmark is MSCI EM (Emerging Markets) NR. Performance does not take account of any costs incurred when investors buy or sell the sub-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.

[2] Artemis/MSCI 29 February 2024

Positioning in China remains light among global and emerging market funds, whose managers appear to underestimate the potential for significant reforms as well as a change in the domestic mood which could see consumers begin to spend the excess savings they have accumulated.

More broadly, emerging market stocks are trading on multi-decade valuation lows against developed markets across a range of metrics. They remain out of favour and extremely cheap relative to US stocks. With signs of supportive policy measures ahead, and a significant tailwind from shifting supply chains, sentiment could well improve from here.

We remain focused on the fundamentals

For many years, surging share prices encouraged speculative behaviour, which reduced the focus on fundamentals. This pushed some areas of the market on to excessively high valuations which have now started to unwind. It is our view that this trend has further to run, so we see less risk in companies that trade on low valuations, where we have invested most of our capital.

We continue to believe that a focus on companies' fundamentals, such as earnings and cashflow growth, combined with a strict discipline around valuations, offers the best way to navigate markets in the months ahead.

Investment information

Ten largest purchases and sales for the year ended 29 February 2024

Purchases	Cost £'000	Sales	Proceeds £'000
Taiwan Semiconductor Manufacturing	24,071	Alibaba Group Holding	8,076
Alibaba Group Holding	17,292	Grupo Bimbo	7,916
Kia	10,700	Gerdau Preference	7,130
Novatek Microelectronics	9,416	ITC	6,747
Tencent Music Entertainment Group, ADR	9,354	Taiwan Semiconductor Manufacturing	6,512
Petroleo Brasileiro, ADR	9,147	Lenovo Group	4,655
Vipshop Holdings, ADR	8,800	Samsung Electronics	3,885
Emirates NBD Bank	8,745	NetDragon Websoft Holdings	3,704
Hankook Tire & Technology	8,712	Absa Group	3,685
Indus Towers	8,441	Tisco Financial Group	3,619

Portfolio statement as at 29 February 2024

Investment	Holding	Valuation £'000	% of net assets
Equities 99.84% (98.58%)			
Brazil 11.02% (10.91%)			
Banco do Brasil	2,476,500	23,136	3.49
BB Seguridade Participacoes	2,553,200	13,602	2.05
Cia Energetica de Minas Gerais Preference	4,186,000	7,891	1.19
Gerdau Preference	568,710	1,948	0.29
Petroleo Brasileiro, ADR	1,769,157	23,369	3.53
Porto Seguro	663,500	3,080	0.47
		73,026	**11.02**
China 29.72% (38.21%)			
Alibaba Group Holding	1,926,900	14,177	2.14
BAIC Motor	12,313,000	2,910	0.44
Baidu 'A'	194,450	1,954	0.29
Bank of China 'H'	38,290,500	11,911	1.80
China Construction Bank 'H'	26,898,927	13,230	2.00
China Medical System Holdings	3,978,796	5,152	0.78
China Mobile	1,713,500	11,387	1.72
China Petroleum & Chemical 'H'	14,333,000	6,268	0.95
China Resources Land	1,243,698	3,027	0.46
China Suntien Green Energy	13,060,000	3,904	0.59
CNOOC	5,776,000	9,380	1.42
Foxconn Industrial Internet 'A'	897,000	1,837	0.28
Gree Electric Appliances, Inc. of Zhuhai 'A'	1,456,300	6,249	0.94
Hello Group, ADR	471,024	2,506	0.38
Industrial & Commercial Bank of China 'H'	24,428,400	9,967	1.50
Jiangsu Pacific Quartz	366,500	3,219	0.49
Lao Feng Xiang 'A'	1,281,973	9,707	1.46
Li Auto	155,000	2,774	0.42
Midea Group	918,000	6,314	0.95
MINISO Group Holding, ADR	294,085	4,187	0.63
NetEase	293,000	5,214	0.79
PDD Holdings, ADR	47,264	4,670	0.70
PICC Property & Casualty 'H'	13,506,483	14,596	2.20
Ping An Insurance Group Co. of China 'H'	677,500	2,402	0.36

Investment	Holding	Valuation £'000	% of net assets
Equities 99.84% (98.58%) (continued)			
China 29.72% (38.21%) (continued)			
Sinopec Engineering Group 'H'	3,856,000	1,675	0.25
Sinotrans 'H'	36,851,346	12,431	1.88
Tencent Holdings	299,000	8,365	1.26
Tongling Nonferrous Metals	2,740,000	982	0.15
Tongling Nonferrous Metals Group 'A'	2,690,500	967	0.15
Vipshop Holdings, ADR	1,004,391	15,530	2.34
		196,892	**29.72**
Colombia 1.11% (1.74%)			
Bancolombia Preference	1,146,662	7,367	1.11
		7,367	**1.11**
Greece 1.62% (0.37%)			
Star Bulk Carriers	567,911	10,752	1.62
		10,752	**1.62**
Hungary 0.29% (0.00%)			
Richter Gedeon Nyrt	89,000	1,907	0.29
		1,907	**0.29**
India 10.49% (6.94%)			
Amara Raja Batteries	898,000	7,171	1.08
Bharat Electronics	4,558,000	8,915	1.35
Dr Reddy's Laboratories	21,700	1,326	0.20
Eicher Motors	183,127	6,634	1.00
Indus Towers	4,716,000	11,375	1.72
Manappuram Finance	720,711	1,216	0.18
NMDC	5,325,000	11,463	1.73
NTPC	1,930,000	6,174	0.93
Power Grid Corp. of India	4,751,093	12,818	1.94
Redington	1,215,200	2,416	0.36
		69,508	**10.49**
Indonesia 1.40% (2.18%)			
Indofood Sukses Makmur	9,495,800	3,153	0.48
Telkom Indonesia Persero	30,430,000	6,107	0.92
		9,260	**1.40**
Mexico 1.13% (3.17%)			
El Puerto de Liverpool 'C1'	1,313,619	7,480	1.13
		7,480	**1.13**
Panama 0.47% (0.00%)			
Copa Holdings	41,000	3,143	0.47
		3,143	**0.47**
Philippines 0.58% (0.00%)			
Manila Electric Company	711,000	3,809	0.58
		3,809	**0.58**
Poland 2.11% (0.80%)			
Powszechna Kasa Oszczednosci Bank Polski	1,257,774	13,954	2.11
		13,954	**2.11**
Russia 0.00% (0.00%)			
Gazprom, ADR^	963,000	–	–
GlobalTrans Investment^	603,316	–	–

Investment	Holding	Valuation £'000	% of net assets
Equities 99.84% (98.58%) (continued)			
Russia 0.00% (0.00%) (continued)			
LUKOIL, ADR^	90,473	–	–
Novolipetsk Steel^	52,449	–	–
Rosneft Oil, GDR^	425,000	–	–
Sberbank of Russia, GDR^	492,000	–	–
		–	**–**
South Africa 2.84% (4.17%)			
Absa	554,252	3,761	0.57
FirstRand	2,662,000	7,158	1.08
Kumba Iron Ore	219,000	4,879	0.73
Truworths International	1,010,000	3,038	0.46
		18,836	**2.84**
South Korea 15.57% (13.82%)			
DB Insurance	206,916	12,136	1.83
Hana Financial Group	181,235	6,090	0.92
Hankook Tire & Technology	406,900	13,092	1.98
Hyundai Glovis	53,863	6,091	0.92
Hyundai Marine & Fire Insurance	163,700	3,061	0.46
JB Financial Group	1,816,231	14,189	2.14
KEPCO Plant Service & Engineering	166,500	3,677	0.56
Kia	299,088	22,105	3.34
KT	174,000	4,028	0.61
Samsung Electronics	356,862	15,528	2.34
SK Telecom	99,628	3,111	0.47
		103,108	**15.57**
Taiwan 12.54% (9.99%)			
Ennoconn	847,000	6,323	0.96
Evergreen Marine Taiwan	1,096,000	4,522	0.68
Hon Hai Precision Industry	1,241,898	3,199	0.48
Novatek Microelectronics	993,000	14,924	2.25
Radiant Opto-Electronics	472,000	1,741	0.26
Synnex Technology International	850,751	1,651	0.25
Taiwan Semiconductor Manufacturing	2,214,000	38,203	5.77
Wiwynn	215,000	12,528	1.89
		83,091	**12.54**
Thailand 1.36% (0.97%)			
PTT Exploration & Production	1,555,000	5,175	0.78
Tisco Financial Group	1,730,000	3,813	0.58
		8,988	**1.36**
Turkey 3.15% (3.42%)			
Coca-Cola Icecek	837,193	13,681	2.07
Tofas Turk Otomobil Fabrikasi	460,990	3,075	0.46
Turkcell Iletisim Hizmetleri	2,429,411	4,105	0.62
		20,861	**3.15**
Ukraine 0.00% (0.26%)			
United Arab Emirates 3.56% (1.63%)			
Emaar Properties	3,438,785	5,987	0.91
Emirates NBD Bank	4,495,000	17,559	2.65
		23,546	**3.56**

Investment	Holding	Valuation £'000	% of net assets
Equities 99.84% (98.58%) (continued)			
Vietnam 0.88% (0.00%)			
Duc Giang Chemicals	573,000	2,058	0.31
Orient Commercial Joint Stock Bank	7,713,000	3,747	0.57
		5,805	**0.88**
Equities total		**661,333**	**99.84**
Investment assets (Including investment liabilities)		**661,333**	**99.84**
Net other assets		**1,071**	**0.16**
Net assets attributable to shareholders		**662,404**	**100.00**

The comparative percentage figures in brackets are as at 28 February 2023.

^ Security is currently suspended. Indirect Russian holdings currently suspended have been valued at nil by the manager.

Financial statements

Statement of total return for the year ended 29 February 2024

	Note	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Income					
Net capital gains/(losses)	3		**69,839**		(16,727)
Revenue	5	**25,433**		27,855	
Expenses	6	**(4,367)**		(3,213)	
Interest payable and similar charges	7	**(68)**		(4)	
Net revenue before taxation		**20,998**		24,638	
Taxation	8	**(5,474)**		(2,144)	
Net revenue after taxation			**15,524**		22,494
Total return before distributions			**85,363**		5,767
Distributions	9		**(19,038)**		(22,986)
Change in net assets attributable to shareholders from investment activities			**66,325**		(17,219)

Statement of change in net assets attributable to shareholders for the year ended 29 February 2024

	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Opening net assets attributable to shareholders		**361,267**		322,038
Amounts receivable on issue of shares	**340,719**		126,134	
Amounts payable on cancellation of shares	**(124,888)**		(89,350)	
		215,831		36,784
Dilution adjustment		**(262)**		186
Change in net assets attributable to shareholders from investment activities		**66,325**		(17,219)
Retained distribution on accumulation shares		**19,243**		19,478
Closing net assets attributable to shareholders		**662,404**		361,267

Balance sheet as at 29 February 2024

	Note	29 February 2024 £'000	28 February 2023 £'000
Assets			
Fixed assets			
Investments	10	**661,333**	356,144
Current assets			
Debtors	11	**10,553**	4,792
Cash and cash equivalents	12	**4,985**	8,199
Total current assets		**15,538**	12,991
Total assets		**676,871**	369,135
Liabilities			
Creditors			
Bank overdraft	13	**243**	–
Distribution payable		**5,636**	3,794
Other creditors	14	**8,588**	4,074
Total creditors		**14,467**	7,868
Total liabilities		**14,467**	7,868
Net assets attributable to shareholders		**662,404**	361,267

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 ACD believes that the sub-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 sub-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 12 noon on the last working day of the accounting period. The last valuation point in the period has been used for the purposes of preparing the report and financial statements and in the ACD's opinion there have been no material movements in the sub-fund between the last valuation point and close of business on the balance sheet date. Where a sub-fund invests in markets that are closed for trading at the sub-fund's valuation point, the ACD 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 sub-fund valuation point, since the last market close), to reflect more accurately the fair value of the sub-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 ACD, 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/(losses).

(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. Income from US REITs is split between revenue and capital depending on the composition of the distribution from the REIT. 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 sub-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 sub-fund is priced on a single swinging price basis. The ACD has the discretion to charge a dilution adjustment as part of its daily valuation policy. This will mean that in certain circumstances the sub-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 sub-fund is to distribute all available revenue, after deduction of expenses and taxation properly chargeable against revenue. The sub-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. The ACD and the depositary 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 the distribution, as permitted by COLL. The ACD may from time to time, smooth the distribution payments during the accounting period with the balance of revenue (if any) being paid in respect of the final distribution. Gains and losses on investments and derivatives whether realised or unrealised, if taken to capital are not available for distribution. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognized. For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares. Distribution which have remained unclaimed by shareholders for six years are credited to the capital property of the sub-fund.

3. Net capital gains/(losses)

	29 February 2024 £'000	28 February 2023 £'000
Non-derivative securities	**70,250**	(16,665)
Capital transaction charges	**(2)**	–
Forward currency contracts	**(5)**	7
Currency losses	**(404)**	(69)
Net capital gains/(losses)	**69,839**	(16,727)

4. Direct transaction costs

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

						Year ended 29 February 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	372,711	359	–	373,070	0.10	–
Sales						
Equities	138,626	219	1	138,406	(0.16)	–
Total		**578**	**1**			
Percentage of sub-fund average net assets		**0.12%**	**0.00%**			

						Year ended 28 February 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	267,465	107	139	267,711	0.04	0.05
Sales						
Equities	216,827	73	309	216,445	0.03	0.14
Total		**180**	**448**			
Percentage of sub-fund average net assets		**0.05%**	**0.13%**			

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

Dealing spread

As at the balance sheet date the estimated portfolio dealing spread was 0.22% (2023: 0.23%). 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

	29 February 2024 £'000	28 February 2023 £'000
Overseas dividends	**25,261**	27,812
Bank interest	**172**	43
Total revenue	**25,433**	27,855

6. Expenses

	29 February 2024 £'000	28 February 2023 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	**3,468**	2,546
Administration fees	**899**	667
Total expenses	**4,367**	3,213

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
The audit fee (excluding VAT) accrued during the year was £9,450 (2023: £9,000). This fee is paid by the ACD via the administration fee.

7. Interest payable and similar charges

	29 February 2024 £'000	28 February 2023 £'000
Interest payable	**68**	4
Total interest payable and similar charges	**68**	4

8. Taxation

	29 February 2024 £'000	28 February 2023 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	**2,653**	2,193
Indian capital gains tax	**2,821**	120
Prior year adjustments	**–**	(169)
Total taxation (note 8b)	**5,474**	2,144
b) Factors affecting the tax charge for the year		
Net revenue before taxation	**20,998**	24,638
Corporation tax of 20% (2023: 20%)	**4,200**	4,928
Effects of:		
Irrecoverable overseas tax	**2,653**	2,193
Indian capital gains tax	**2,821**	120
Unutilised management expenses	**489**	519
Overseas withholding tax expensed	**–**	(20)
Prior year adjustments	**–**	(169)
FX loss non taxable	**(18)**	–
Double tax relief	**(64)**	–
Revenue taxable in different periods	**(75)**	–
Non-taxable overseas dividends	**(4,532)**	(5,427)
Tax charge for the year (note 8a)	**5,474**	2,144

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 sub-fund has not recognised a deferred tax asset of £2,495,000 (2023: £2,006,000) arising as a result of having unutilised management expenses of £12,458,000 (2023: £10,012,000) and non-trade loan relationship deficits of £15,000 (2023: £15,000). It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognized.

9. Distributions

	29 February 2024 £'000	28 February 2023 £'000
Final dividend distribution	**24,879**	23,271
Add: amounts deducted on cancellation of shares	**3,552**	3,586
Deduct: amounts added on issue of shares	**(9,393)**	(3,871)
Distributions	**19,038**	22,986
Movement between net revenue and distributions		
Net revenue after taxation	**15,524**	22,494
Indian capital gains tax	**2,821**	120
Annual management charge paid from capital	**631**	372
Revenue received on conversion of shares	**62**	–
	19,038	22,986

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. Details of the distributions per share are set out in the distribution tables on page 100.

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).

	29 February 2024		28 February 2023	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Level 1	**661,333**	**–**	356,144	–
Level 3*	**–**	**–**	–	–
Total	**661,333**	**–**	356,144	–

* Russian shares have been valued at nil by the manager due to the impact on trading of these instruments following the invasion of Ukraine.

11. Debtors

	29 February 2024 £'000	28 February 2023 £'000
Amounts receivable for issue of shares	**7,324**	476
Accrued revenue	**3,030**	2,781
Overseas withholding tax recoverable	**199**	555
Sales awaiting settlement	**–**	980
Total debtors	**10,553**	4,792

12. Cash and cash equivalents

	29 February 2024 £'000	28 February 2023 £'000
Amounts held in liquidity funds	**4,542**	6,688
Cash and bank balances	**443**	1,511
Total cash and cash equivalents	**4,985**	8,199

13. Bank overdraft

	29 February 2024 £'000	28 February 2023 £'000
Bank overdrafts	**243**	–
Total bank overdraft	**243**	–

14. Other creditors

	29 February 2024 £'000	28 February 2023 £'000
Amounts payable for cancellation of shares	**2,231**	2,372
Purchases awaiting settlement	**2,910**	1,321
Accrued Indian capital gains tax	**2,986**	120
Accrued annual management charge	**365**	206
Accrued administration fee payable to the ACD	**96**	55
Total other creditors	**8,588**	4,074

15. Contingent liabilities and commitments

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

16. Reconciliation of share movements

	Shares in issue at 28 February 2023	Shares issued	Shares cancelled	Shares converted	Shares In issue at 29 February 2024
E distribution	103,165	50,014,150	(8,715,016)	(42,401)	**41,359,898**
E accumulation	20,155,888	19,519,195	(8,718,097)	42,439,231	**73,396,217**
I distribution	41,101,911	34,597,352	(14,987,811)	287,042	**60,998,494**
I accumulation	177,689,480	134,383,139	(52,425,153)	(26,583,963)	**233,063,503**

17. Risk disclosures

In pursuing its investment objective, the sub-fund may hold a number of financial instruments. These financial instruments comprise equities, bonds, derivatives, cash balances and liquid resources, which include debtors and creditors that arise directly from the sub-funds' operations.

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-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 sub-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 sub-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 sub-fund's investment portfolio. The sub-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 and the Prospectus to seek to reduce the risks arising from factors specific to a particular company or sector. The ACD'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 sub-fund disclosed in the balance sheet.

(i) Interest rate risk

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. As the majority of the sub-fund's financial assets are non-interest bearing, the sub-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 provided.

(ii) Currency risk

A portion of the net assets of the sub-fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the ACD may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the sub-fund's exposure to currency risk is reduced. The loss on forward currency contracts for the year was £5,000 (2023: £7,000 gain on forward currency contracts).

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

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

Currency	Investments £'000	Net other assets £'000	Total £'000
29 February 2024			
Hong Kong Dollar	**140,724**	**–**	**140,724**
South Korean Won	**103,107**	**1,277**	**104,384**
Taiwan Dollar	**83,091**	**157**	**83,248**
Indian Rupee	**69,508**	**(2,411)**	**67,097**
US Dollar	**64,157**	**392**	**64,549**
Brazilian Real	**49,657**	**949**	**50,606**
Chinese Yuan Renminbi	**29,275**	**–**	**29,275**
UAE Dirham	**23,546**	**–**	**23,546**
Turkish Lira	**20,861**	**–**	**20,861**
South African Rand	**18,836**	**–**	**18,836**
Polish Zloty	**13,954**	**42**	**13,996**
Indonesian Rupiah	**9,260**	**–**	**9,260**
Thai Baht	**8,988**	**134**	**9,122**
Mexican Nuevo Peso	**7,481**	**–**	**7,481**
Colombian Peso	**7,367**	**–**	**7,367**
Vietnamese Dong	**5,805**	**–**	**5,805**
Philippine Peso	**3,809**	**–**	**3,809**
Hungarian Forint	**1,907**	**–**	**1,907**
Sterling	**–**	**531**	**531**
28 February 2023			
Hong Kong Dollar	100,553	–	100,553
South Korean Won	49,914	1,922	51,836
Taiwan Dollar	36,109	(35)	36,074
US Dollar	31,356	76	31,432
Brazilian Real	29,618	770	30,388
Indian Rupee	25,073	191	25,264
Chinese Yuan Renminbi	17,254	–	17,254
South African Rand	15,055	–	15,055
Turkish Lira	12,346	–	12,346
Mexican Nuevo Peso	11,472	–	11,472
Indonesian Rupiah	7,894	–	7,894
Colombian Peso	6,283	–	6,283
UAE Dirham	5,892	–	5,892
Polish Zloty	3,820	14	3,834
Thai Baht	3,505	–	3,505
Sterling	–	2,185	2,185

A five percent increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets by £33,094,000 (2023: £17,954,000). A five percent decrease would have an equal and opposite effect.

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The value of equities is dependent on a number of factors, arising from the performance of the company itself and matters arising in the wider market (for example the state of the underlying economy and current government policy). The portfolio is invested in securities domiciled in a number of countries as detailed in the portfolio statement and will be exposed to market movements in the relevant country arising from changes in the local economy and government decisions. As part of the continuing review of the portfolio, the ACD monitors and reviews these factors. A five percent increase in the value of the sub-fund's portfolio would have the effect of increasing the return and net assets by £33,067,000 (2023: £17,807,000). A five percent decrease would have an equal and opposite effect.

(iv) Leverage risk

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

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

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

As at 29 February 2024 and 28 February 2023 the leverage ratios of the sub-fund were:

	2024 **%**	2023 %
Sum of the notionals	**100.0**	101.1
Commitment	**100.0**	100.8

(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 sub-fund, resulting in a financial loss. From time to time, the sub-fund may be subject to short-term credit risk with counterparties pending settlement of investment transactions. The ACD 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 sub-fund's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of Northern Trust Investor Services Limited may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited. The sub-fund is also exposed to counterparty risk through holding specific financial instruments.

The ACD is permitted to use one or more separate counterparties for derivative transactions. The sub-fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the sub-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 sub-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 sub-fund. To minimise such risk the ACD will assess the creditworthiness of any counterparty that it engages. On a daily basis the ACD assesses the level of assets with each counterparty to ensure that the exposure is within the defined limits in accordance with the requirements stipulated in COLL and the Prospectus. Aside from the custodian, the derivative counterparties and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 29 February 2024 or 28 February 2023.

Counterparty and collateral exposure

As at 29 February 2024 and 28 February 2023 no financial derivative instruments were held.

(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 sub-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 sub-funds and investor base. This includes but is not limited to what percentage of the sub-fund can be liquidated within certain redemption horizons, whether the largest investors in the sub-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 29 February 2024 or 28 February 2023.

18. Related party transactions

The ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the statement of total return, statement of change in net assets attributable to shareholders and the balance sheet on page 91 and notes 6, 9, 11 and 14 on pages 94 to 96 including all issues and cancellations where the ACD acted as principal. The balance due from the manager as at 29 February 2024 in respect of these transactions was £4,632,000 (2023: £2,157,000 due to the manager).

19. Share classes

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

E distribution GBP	0.60%
E accumulation GBP	0.60%
I distribution GBP	0.75%
I accumulation GBP	0.75%

The net asset value per share and the number of shares in each class are given in the comparative tables on page 101. The distributions per share class are given in the distribution tables on page 100. 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 sub-fund pays annual dividend distributions. The following table sets out the distribution period.

Annual distribution period	Start	End	Ex-dividend date	Pay date
Final	1 March 2023	29 February 2024	1 March 2024	30 April 2024

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

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

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

E distribution GBP

Dividend distributions for the year ended 29 February 2024	Group 2 Net revenue per share(p)	Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Unfranked	2023 Distribution per share (p)
Final	3.4276	1.5161	4.9437	100.00%	0.00%	2.5265

E accumulation GBP

Dividend distributions for the year ended 29 February 2024	Group 2 Net revenue per share(p)	Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Unfranked	2023 Distribution per share (p)
Final	0.6321	3.7908	4.4229	100.00%	0.00%	2.4072

I distribution GBP

Dividend distributions for the year ended 29 February 2024	Group 2 Net revenue per share(p)	Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Unfranked	2023 Distribution per share (p)
Final	1.6773	4.2095	5.8868	100.00%	0.00%	9.2233

I accumulation GBP

Dividend distributions for the year ended 29 February 2024	Group 2 Net revenue per share(p)	Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Unfranked	2023 Distribution per share (p)
Final	1.9360	4.9275	6.8635	100.00%	0.00%	10.6886

Comparative Tables

	E distribution GBP**		E accumulation GBP**	
	2024	2023	2024	2023
Change in net assets per share (p)				
Opening net asset value per share	**99.51**	**100.00**	**102.07**	**100.00**
Return before operating charges *	17.87	2.56	18.27	2.59
Operating charges	(0.83)	(0.52)	(0.86)	(0.52)
Return after operating charges *	**17.04**	**2.04**	**17.41**	**2.07**
Distributions	(4.94)	(2.53)	(4.42)	(2.41)
Retained distributions on accumulation shares	–	–	4.42	2.41
Closing net asset value per shares	**111.61**	**99.51**	**119.48**	**102.07**
* after direct transaction costs of	(0.19)	(0.18)	(0.19)	(0.18)
Performance				
Return after charges	17.12%	2.04%	17.06%	2.07%
Other information				
Closing net asset value (£'000)	46,163	103	87,696	20,573
Closing number of shares	41,359,898	103,165	73,396,217	20,155,888
Operating charges	0.79%	0.79%	0.79%	0.79%
Direct transaction costs	0.18%	0.18%	0.18%	0.18%
Prices				
Highest share price (p)	116.65	107.12	119.58	107.12
Lowest share price (p)	97.48	92.88	99.93	92.88

	I distribution GBP			I accumulation GBP		
	2024	2023	2022	2024	2023	2022
Change in net assets per share (p)						
Opening net asset value per share	**118.42**	**125.42**	**128.09**	**164.28**	**161.31**	**155.44**
Return before operating charges *	21.42	3.40	6.04	29.37	4.49	7.44
Operating charges	(1.18)	(1.18)	(1.30)	(1.62)	(1.52)	(1.57)
Return after operating charges *	**20.24**	**2.22**	**4.74**	**27.75**	**2.97**	**5.87**
Distributions	(5.89)	(9.22)	(7.41)	(6.86)	(10.69)	(7.93)
Retained distributions on accumulation shares	–	–	–	6.86	10.69	7.93
Closing net asset value per shares	**132.77**	**118.42**	**125.42**	**192.03**	**164.28**	**161.31**
* after direct transaction costs of	(0.22)	(0.22)	(0.34)	(0.31)	(0.29)	(0.42)
Performance						
Return after charges	17.09%	1.77%	3.70%	16.89%	1.84%	3.78%
Other information						
Closing net asset value (£'000)	80,987	48,674	39,395	447,558	291,917	282,643
Closing number of shares	60,998,494	41,101,911	31,409,082	233,063,503	177,689,480	175,215,910
Operating charges	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%
Direct transaction costs	0.18%	0.18%	0.25%	0.18%	0.18%	0.25%
Prices						
Highest share price (p)	138.77	133.99	144.29	192.19	172.42	175.19
Lowest share price (p)	116.13	116.22	128.65	160.82	149.56	156.05

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

** Launched on 15 August 2022.

The operating charges are calculated on an ex-post basis. 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.

Artemis SmartGARP Global Emerging Markets Equity Fund

Ongoing charges

Class	**29 February 2024**
E distribution GBP	0.790%
E accumulation GBP	0.790%
I distribution GBP	0.940%
I accumulation GBP	0.940%

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

Class I accumulation performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis SmartGARP Global Emerging Markets Equity Fund **	92.2	41.7	23.5	16.9	12.9
Artemis SmartGARP Global Emerging Markets Equity Fund ***	92.1	42.1	24.0	16.9	13.3
MSCI EM (Emerging Markets) NR GBP	46.2	15.5	(9.1)	4.1	5.1
Global Emerging Markets Average	53.0	19.7	(7.6)	4.1	4.9
Position in sector	1/43	4/51	1/57	3/63	3/65
Quartile	1	1	1	1	1

Past performance is not a guide to the future.

* Source: Lipper Limited, class I accumulation GBP from 8 April 2015 to 29 February 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 investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.
** Value at 12 noon valuation point.
*** Value at close of business.

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

Artemis US Extended Alpha Fund

Objective and investment policy

Objective	To grow capital over a five year period. There is no guarantee that the sub-fund will achieve a positive return over a five year period or any other time period and your capital is at risk.	
Investment policy	**What the sub-fund invests in**	• At least 80% in shares of US companies, either directly or indirectly through derivatives. • Up to 20% in shares, or derivatives of shares, of companies in other countries, bonds, cash, near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, and money market instruments.
	Use of derivatives	The sub-fund may use derivatives: • for investment purposes to achieve the sub-fund objective, including taking long and short positions • to produce additional income or growth • for efficient portfolio management purposes to reduce risk and manage the sub-fund efficiently • to create leverage.
	Industries the sub-fund invests in	• Any
	Other limitations specific to this sub-fund	• Total derivatives (longs plus shorts) are likely to represent a significant proportion of the sub-fund's gross exposure to companies, which will typically lie in a range of +100% to +200% of net asset value. • Net exposure (longs minus shorts) to companies will typically lie in the range of +85% to +110% depending on market conditions. • A significant proportion of the sub-fund will be held in cash due to the level of derivative use. • To allow the sub-fund to manage counterparty risk, it may also invest its cash in government bonds, generally of less than one year maturity.

Investment strategy	• The sub-fund is actively managed. • The manager uses multiple sources of information, both to generate ideas and to assist in validating and testing candidate companies for investment. This is complemented by techniques such as data mining (examining large databases of information) and financial analysis. • External research is also used in order to tap into knowledge already available and to look for different views. • The manager carries out a significant amount of analysis of wider economic trends is carried out in order to understand cyclical and long-term trends and the outlook. • The manager derives alpha by seeking to exploit market inefficiencies by buying shares in companies believed to be undervalued and by shorting shares believed to be over-valued.
Benchmarks	• **S&P 500 TR** A widely-used indicator of the performance of 500 large publicly-traded US companies, some of which the sub-fund invests in. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark. • **IA North America NR** A group of other asset managers' funds that invest in similar asset types as this sub-fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark.

Risk and reward profile

Potentially lower rewards — Potentially higher rewards

Lower risk — Higher risk

1 2 3 4 **5** 6 7

- The sub-fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the sub-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 sub-fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the sub-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 sub-fund performance:

- **Market volatility risk:** The value of the sub-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.
- **Leverage risk:** The sub-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.
- **Currency risk:** The sub-fund's assets may be priced in currencies other than the sub-fund base currency. Changes in currency exchange rates can therefore affect the sub-fund's value.
- **Derivatives risk:** The sub-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 sub-fund value will reduce.
- **Cash risk**: The sub-fund may hold a large amount of cash. If it does so when markets are rising, the sub-fund's returns could be less that if the cash was fully invested in other types of assets.

There was no change to the risk indicator in the year ended 29 February 2024.

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

INVESTMENT REVIEW

Macroeconomic background

The main theme was the market's expectations of when inflation would begin to ease, and therefore when the Fed would begin to cut rates and by how much. We started the period with interest rates at 4.75% and ended it at 5.5%. Inflation (CPI) declined from 6% to 3.2% over this time. The figures hide the volatility in expectations around the health of the US economy and whether a hard or soft landing would be achieved.

In the latter half of the review period, it became clear that inflation was tracking towards the Fed's target of 2%, underpinned by softening demand and a more balanced employment dynamic. The Fed confirmed the market's expectations when, in December, it signalled a pause in rate hikes, and went further, forecasting three quarter-point rate cuts in 2024.

As the period ended, we started hearing good news from management teams who cited 'green shoots' emerging, with a recovery in activity anticipated for later in the year. Mentions of inflation are becoming less frequent.

This is a 'long/short' sub-fund

It combines a portfolio of 'long' positions (which benefit when share prices rise) with an offsetting portfolio of 'short' positions (which benefit when a given company's share price falls). In our long book, we buy shares in companies where our team-based analysis suggests that the balance between risk and potential reward is attractive. In part, returns from these positions reflect our ability to pick the 'right' stocks. But they also depend on what is happening in the wider US market: it is more likely that the value of our long positions will rise when share prices in general are moving higher – but they will tend to fall when the wider market does.

Offsetting these long positions, we hold 'short' positions, whose value increases when the share price of a given company falls – and vice versa. Here, we look for companies whose share prices we think are too high and so could be vulnerable to a correction. When share prices fall, these can be positive for the sub-fund's returns.

Market and performance

The US stockmarket's performance was particularly concentrated in the technology giants which benefited both from a strong recovery in earnings after the post-pandemic slowdown and optimism over the future for artificial intelligence (AI). Shifting sentiment around the likely path of inflation, and therefore interest rates, supported areas of the market that had for some time suffered. Our housing-related stocks did particularly well in the latter half of the year for this reason. We were encouraged to see that in this turbulent macro environment, the sub-fund's returns of 28.3% were ahead of its two benchmarks, the S&P 500 index, which rose 24.9%[1], and its peer group the IA North America average, which returned 20.7%.

This outperformance was achieved running the sub-fund with a net exposure[2] below 100%, which was a headwind in the aggressive rally that occurred from late October to the end of the review period.

Performance was driven by strong stock selection across a broad range of sectors, although industrials and utilities were the most successful.

Contributors:

Meta

Meta proved to be our top contributor over the period, bolstered by the integration of AI within its advertising business, combined with a greater degree of cost consciousness. Following Apple's adjustment of its privacy settings on its operating system in 2021, Meta's ad revenue significantly declined due to its reduced ability to target users. What few realised was that Meta owned one of the fastest supercomputers ever built (the AI Research SuperCluster[3]) which was perfectly suited to regaining most of its signal and targeting ability through the use of AI. This acted as a significant support to the share price as ad revenue recovered.

Constellation Energy

Constellation is the largest provider of nuclear energy in the US. It runs reliable baseload power and is the largest provider of carbon-free clean electricity in the country. As a result, it is a huge beneficiary of the Inflation Reduction Act which provides downside protection to power prices for at least the next nine years. We like this protection for profits and there are also a number of idiosyncratic drivers which could result in further upside. These include an increase in prices in Illinois which are under a lower-priced legacy contract, continued M&A in nuclear, share buybacks and lastly the potential for expansion into hydrogen production, using its nuclear fleet as a power source. Most importantly however, there are signs that prices may experience sustained tightening due to the strong growth in demand, combined with limited incremental generation growth.

Past performance is not a guide to the future.

[1] Artemis/Lipper Limited, class I accumulation GBP. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if you invest in a different currency class. Our benchmark is the S&P 500 TR GBP Index.

[2] Net exposure is the difference between a sub-fund's short positions and long positions, expressed as a percentage. A lower level of net exposure decreases the risk of the sub-fund's portfolio being affected by market fluctuations.

[3] Introducing Meta's Next-Gen AI Supercomputer | Meta (fb.com)

TopBuild

Our housing-related holdings performed strongly over the year, buoyed by the expectation that interest rates would start to fall. Of particular note was our holding in TopBuild (insulation and building materials) which was one of our best contributors over the period. This theme also included Azek (the decking business), which was a good contributor.

On the negative side

First Republic

We had First Republic Bank as one of our two holdings in the banking sector (alongside Wells Fargo) during the regional banking crisis that took place in March 2023. The failure of Silicon Valley Bank (SVB) at the start of March 2023 led to fears of contagion within the rest of the banking sector and a deposit run on other, smaller banks. First Republic Bank was a geographically diversified wealth management business. However, as it had a wealthy client base, a higher-than-average proportion of its deposits were uninsured (that is, not covered by Federal deposit guarantees). When SVB started to experience problems, the market focused on other banks with uninsured deposits, leading to a run on First Republic. The bank was closed and its assets bought by JP Morgan.

WillScot

The portable storage/mobile offices business lagged the market following results which cited weaker volumes than expected. We see this as a very idiosyncratic business with lots of initiatives to drive up rental rates, so have maintained the position.

Short book

Our short book proved to be the largest detractor during the final quarter of 2023, causing a 1.4% hit to performance in December, having been a positive contributor earlier in the year. The particularly large impact was due to a sharp rotation into lower-quality stocks. Thematically, many of our shorts had higher borrowing and were lower quality and hence rallied particularly strongly in an environment in which investors were looking for higher risks.

Positioning

As markets rose, we took profits in areas that had been strong and reallocated to areas and companies where we saw a more attractive risk/reward profile. Microsoft and Meta were two examples as the share prices performed extremely well, so we reduced our holdings. Areas that we added to include Aon (insurance), McKesson (healthcare equipment) and Baker Hughes (energy). We also reduced Alphabet (media), Merck & Co. (pharmaceuticals) and Oracle (software).

The sectors where we have the biggest positions are utilities, materials and industrials. We have less of a focus on real estate and information technology.

At the time of writing, the sub-fund has net equity exposure of 96%, consisting of 114% on the long book and 18% in shorts. In addition, we have 2% delta-adjusted S&P 500 put options (a financial instrument that acts as a form of insurance against market falls).

Looking ahead

Most of the sub-fund is invested in 'discounted compounders' – stocks that can deliver sustainable long-term growth across different types of economic environments. These operate in areas ranging from food distribution, payments, insurance brokerage, auto insurance, health insurance and financial exchanges. We have short positions in lower-growth companies where we find the fundamentals and valuations to be unattractive. These range from healthcare through to telecoms. On the cyclical (more economically sensitive) side, we have long positions in stocks in transport, housing and life sciences where we see depressed fundamentals and attractive valuations. Set against this we have cyclical shorts against many later-cycle stocks where we see elevated profit levels and high risk of disappointment.

Artemis US Extended Alpha Fund

Investment information

Ten largest purchases and sales for the year ended 29 February 2024

Purchases	Cost £'000	Sales	Proceeds £'000
AON	8,027	Microsoft	8,430
NVIDIA	7,523	Alphabet	7,281
US Treasury 0.00% 26/12/2024	7,039	Meta Platforms 'A'	7,048
US Treasury 0.00% 25/01/2024	6,789	Oracle	6,830
Gilead Sciences	5,751	Jacobs Solutions	6,621
McKesson	5,293	US Treasury 0.00% 25/01/2024	6,564
Amazon.com	4,942	Constellation Energy	6,417
Lam Research	4,082	Mondelez International	6,336
Progressive	4,007	Mastercard 'A'	6,246
Avantor	3,844	Amazon.com	6,102

Portfolio statement as at 29 February 2024

Investment	Holding/ nominal value	Valuation £'000	% of net assets
Equities 96.31% (102.46%)			
Communication Services 7.25% (7.66%)			
Alphabet	49,323	5,392	2.75
Meta Platforms 'A'	22,797	8,819	4.50
		14,211	**7.25**
Consumer Discretionary 13.56% (15.95%)			
Amazon.com	82,748	11,550	5.90
American Eagle Outfitters	89,866	1,685	0.86
Autoliv	30,380	2,784	1.42
Burlington Stores	23,133	3,746	1.91
Ralph Lauren	10,685	1,569	0.80
RH	2,328	504	0.26
Ross Stores	24,862	2,926	1.49
TopBuild	5,658	1,799	0.92
		26,563	**13.56**
Consumer Staples 5.37% (5.83%)			
Lamb Weston Holdings	30,504	2,462	1.26
Mondelez International	23,967	1,384	0.71
Performance Food Group	68,410	4,149	2.12
US Foods	62,298	2,500	1.28
		10,495	**5.37**
Energy 0.96% (0.95%)			
EQT	26,276	771	0.39
Hess	9,708	1,118	0.57
		1,889	**0.96**
Financials 13.08% (10.00%)			
Aon	21,784	5,433	2.77
Blackstone	11,773	1,189	0.61
Fiserv	34,182	4,033	2.06
Intercontinental Exchange	51,899	5,673	2.90
Progressive	30,401	4,553	2.32
Wells Fargo	107,959	4,736	2.42
		25,617	**13.08**

Investment	Holding/ nominal value	Valuation £'000	% of net assets
Equities 96.31% (102.46%) (continued)			
Health Care 12.40% (12.24%)			
Avantor	295,096	5,743	2.93
Elevance Health	14,764	5,847	2.98
Humana	4,169	1,153	0.59
ICON	23,341	5,914	3.02
McKesson	13,695	5,643	2.88
		24,300	**12.40**
Industrials 10.75% (14.80%)			
API Group	35,163	974	0.50
AZEK	35,043	1,332	0.68
Builders FirstSource	22,487	3,465	1.77
Clean Harbors	14,846	2,136	1.09
Copart	49,891	2,096	1.07
Equifax	7,618	1,648	0.84
Saia	6,055	2,754	1.41
TFI International	27,743	3,228	1.65
WillScot Mobile Mini Holding	90,322	3,409	1.74
		21,042	**10.75**
Information Technology 22.10% (22.74%)			
Advanced Micro Devices	10,019	1,524	0.78
Coherent	39,021	1,833	0.94
Gartner	7,683	2,824	1.44
Intuit	5,351	2,801	1.43
Lam Research	1,802	1,337	0.68
Micron Technology	47,032	3,364	1.72
Microsoft	51,116	16,700	8.53
NVIDIA	15,752	9,838	5.02
Western Digital	64,932	3,052	1.56
		43,273	**22.10**
Materials 4.04% (5.80%)			
Eagle Materials	7,363	1,475	0.75
Linde	8,725	3,092	1.58
Vulcan Materials	15,965	3,352	1.71
		7,919	**4.04**
Technology 1.94% (0.00%)			
Fidelity National Information Services	47,481	2,594	1.32
Tower Semiconductor	46,257	1,202	0.62
		3,796	**1.94**
Utilities 4.86% (6.49%)			
Constellation Energy	24,180	3,218	1.64
PG&E	478,132	6,301	3.22
		9,519	**4.86**
Equities total		**188,624**	**96.31**
Government Bonds 2.98% (0.00%)			
US Treasury 0.00% 26/12/2024	$7,701,000	5,842	2.98
		5,842	**2.98**
Government Bonds total		**5,842**	**2.98**

Artemis US Extended Alpha Fund

Investment	Holding/ nominal value	Global exposure ^ £'000	Valuation £'000	% of net assets
Contracts for Difference 0.01% ((0.17%))				
Communication Services 0.00% (0.02%)				
AT&T	(36,654)	(492)	–	–
Rightmove	(70,318)	(400)	(5)	–
		(892)	**(5)**	**–**
Consumer Discretionary 0.01% ((0.04%))				
Abercrombie and Fitch	(2,919)	(290)	1	–
Acushnet	(7,404)	(404)	1	–
Adient	(13,466)	(357)	1	–
Advance Auto Parts	(9,404)	(492)	1	–
Apple Hospitality REIT	(30,520)	(385)	–	–
AutoZone	1,428	3,401	1	–
Ball	(14,088)	(698)	2	–
Birkenstock Holding	(14,413)	(577)	7	0.01
BJ's Wholesale	(3,627)	(211)	–	–
Callaway Golf	(43,720)	(491)	2	–
Canada Goose Holdings	(26,260)	(279)	1	–
Choice Hotels International	(4,360)	(387)	3	–
Columbia Sportswear	(7,743)	(499)	1	–
Costco	(1,042)	(616)	–	–
Deckers Outdoor	(156)	(109)	–	–
Dollar General	(2,743)	(311)	–	–
Five Below	(3,066)	(482)	1	–
Floor & Decor Holdings A	(6,175)	(600)	2	–
G-III Apparel Group	(11,349)	(286)	1	–
Hilton Worldwide Holdings	16,683	2,686	(4)	–
Home Depo	(4,458)	(1,329)	1	–
Lennar	(5,102)	(620)	1	–
Lowe's	10,394	1,960	(2)	–
Mattel	(37,418)	(580)	2	–
Nordstrom	(12,854)	(216)	1	–
Packaging Corp of America	(4,326)	(608)	(5)	–
Penske Automotive Group	(4,063)	(485)	1	–
Pulte Homes	(8,789)	(738)	1	–
RB Global	(3,601)	(217)	–	–
Service	(10,622)	(608)	1	–
TJX	(10,228)	(817)	1	–
Tractor Supply	(2,679)	(534)	1	–
Under Armour	(30,314)	(215)	–	–
United Rentals	(403)	(218)	1	–
Wayfair	(7,337)	(332)	2	–
Williams-sonoma	(1,681)	(309)	1	–
		(7,253)	**28**	**0.01**
Consumer Staples 0.00% ((0.03%))				
Boston Beer	(1,202)	(296)	–	–
Kroger	(10,476)	(402)	–	–
Molson Coors Brewing	(8,872)	(441)	–	–
Sysco	(15,238)	(971)	–	–
		(2,110)	**–**	**–**

Investment	Holding/ nominal value	Global exposure ^ £'000	Valuation £'000	% of net assets
Contracts for Difference 0.01% ((0.17%)) (continued)				
Energy 0.00% ((0.49%))				
Financials 0.00% (0.01%)				
Artisan Partners Asset Management	(11,035)	(365)	1	–
Bank OZK	(14,266)	(484)	2	–
Blackrock	(1,015)	(648)	1	–
Cathay General Bancorp	(9,366)	(285)	1	–
Credit Acceptance	(1,152)	(499)	1	–
Moody's	2,326	697	(1)	–
T. Rowe Price	(7,582)	(672)	1	–
Union First Market Bankshares	(11,062)	(286)	1	–
		(2,542)	**7**	**–**
Health Care 0.00% (0.11%)				
Fortrea Holdings	(14,843)	(438)	1	–
Henry Schein	(6,456)	(390)	–	–
Quest Diagnostics	(1,912)	(190)	–	–
Steris	8,511	1,555	(2)	–
Thermo Fisher Scientific	6,130	2,769	(3)	–
		3,306	**(4)**	**–**
Industrials 0.00% (0.01%)				
Baker Hughes	136,457	3,177	(3)	–
Caterpillar	(1,901)	(494)	1	–
CSX	108,657	3,234	(2)	–
Cummins	(3,915)	(835)	1	–
CVB Financial	(21,246)	(281)	1	–
Deere	(1,014)	(292)	–	–
Ferguson	15,557	2,602	(5)	–
Illinois Tool Works	(3,373)	(699)	1	–
Masco	(16,020)	(969)	3	–
MSC Industrial Direct	(6,967)	(554)	1	–
Newell Rubbermaid	(61,262)	(353)	1	–
Snap-on	(5,900)	(1,282)	2	–
The Toro	(7,835)	(578)	1	–
Transunion	29,145	1,748	(3)	–
Union Pacific	(3,632)	(729)	1	–
W.W. Grainger	(492)	(378)	1	–
		3,317	**1**	**–**
Information Technology 0.00% (0.15%)				
Apple	42,736	6,120	(9)	–
Mastercard 'A'	17,649	6,677	(4)	–
		12,797	**(13)**	**–**
Materials 0.00% (0.04%)				
Lyondellbasell Industries	(7,220)	(563)	1	–
Scotts Miracle-Gro	(8,465)	(420)	1	–
		(983)	**2**	**–**
Real Estate 0.00% (0.03%)				
Host Hotels & Resorts	(40,431)	(658)	1	–
Ryman Hospitalities Properties	(7,093)	(670)	2	–
		(1,328)	**3**	**–**

Investment	Holding/ nominal value	Global exposure ^ £'000	Valuation £'000	% of net assets
Contracts for Difference 0.01% ((0.17%)) (continued)				
Technology 0.00% (0.00%)				
Cognizant Technology Solutions	(10,156)	(629)	1	–
Entegris	(1,888)	(196)	1	–
Fortinet	(8,129)	(445)	1	–
Otis Worldwide	(7,794)	(584)	1	–
		(1,854)	**4**	**–**
Telecommunications 0.00% (0.00%)				
BCE	(21,127)	(620)	(1)	–
Comcast	(5,861)	(195)	–	–
		(815)	**(1)**	**–**
Utilities 0.00% (0.02%)				
American Water Works	(4,608)	(429)	–	–
Kinder Morgan	(44,533)	(604)	–	–
Stericycle	(7,321)	(321)	1	–
		(1,354)	**1**	**–**
Contracts for Difference total		**289**	**23**	**0.01**
Options 0.08% (0.09%)				
Hewlett Packard, Call, 17, 19/04/2024	2,000	158	39	0.02
S&P 500 Index, Put, 4,850, 15/03/2024	38	3	11	0.01
Vistra, Call, 55, 15/03/2024	1,000	79	107	0.05
Options total		**240**	**157**	**0.08**
Forward Currency Contracts (0.02%) (0.04%)				
I accumulation GBP (NAV hedged) (0.02%) (0.04%)				
Buy Sterling 11,830,946 sell US Dollar 15,013,685 dated 28/03/2024			(35)	(0.02)
Forward Currency Contracts total			**(35)**	**(0.02)**
Fair value adjustment at pricing point 0.00% (0.20%) †			–	**–**
Investment assets (including investment liabilities)			**194,611**	**99.36**
Net other assets			**1,250**	**0.64**
Net assets attributable to shareholders			**195,861**	**100.00**

The comparative percentage figures in brackets are as at 28 February 2023.

^ 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.

† Fair value adjustment based on movements of futures in markets closed at the fund valuation point, since the last market close.

Financial statements

Statement of total return for the year ended 29 February 2024

	Note	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Income					
Net capital gains	3		**52,226**		691
Revenue	5	**4,162**		4,344	
Expenses	6	**(1,852)**		(2,999)	
Interest payable and similar charges	7	**(2,950)**		(1,307)	
Net (expense)/revenue before taxation		**(640)**		38	
Taxation	8	**(221)**		(553)	
Net expense after taxation			**(861)**		(515)
Total return before distributions			**51,365**		176
Distributions	9		**(3)**		–
Change in net assets attributable to shareholders from investment activities			**51,362**		176

Statement of change in net assets attributable to shareholders for the year ended 29 February 2024

	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Opening net assets attributable to shareholders		**244,998**		383,822
Amounts receivable on issue of shares	**23,555**		12,406	
Amounts payable on cancellation of shares	**(124,096)**		(151,451)	
		(100,541)		(139,045)
Dilution adjustment		**42**		45
Change in net assets attributable to shareholders from investment activities		**51,362**		176
Closing net assets attributable to shareholders		**195,861**		244,998

Balance sheet as at 29 February 2024

	Note	29 February 2024 £'000	28 February 2023 £'000
Assets			
Fixed assets			
Investments	10	**194,695**	253,307
Current assets			
Debtors	11	**4,584**	876
Cash and cash equivalents	12	**2,487**	9,868
Total current assets		**7,071**	10,744
Total assets		**201,766**	264,051
Liabilities			
Investment liabilities	10	**84**	1,886
Creditors			
Bank overdraft	13	**445**	1,026
Other creditors	14	**5,376**	16,141
Total creditors		**5,821**	17,167
Total liabilities		**5,905**	19,053
Net assets attributable to shareholders		**195,861**	244,998

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 ACD believes that the sub-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 sub-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 sub-fund invests in markets that are closed for trading at the sub-fund's valuation point, the ACD 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 sub-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 ACD, with reference to the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Guidelines Board. Exchange traded derivatives, including options and futures, are shown in the portfolio statement, and are priced at fair value, which is deemed to be the quoted bid price for long positions and quoted offer price for short positions. Open forward currency contracts are shown in the portfolio statement at market value and the net gains are reflected within forward currency contracts under net capital gains. Contracts for difference and equity swaps are valued based on the prices of the underlying equities which will be deemed to be the quoted bid price for long positions and quoted offer price for short positions.

(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. Income from US REITs is split between revenue and capital depending on the composition of the distribution from the REIT. Bank interest and interest on margin accounts held with brokers is recognised as revenue on an accruals basis. Returns on derivative instruments are recognised as either revenue or capital depending on the nature and circumstances of each particular case. Net (losses)/gains are reflected within derivative contracts under net capital gains in the notes to the financial statements. Where futures generate total returns the returns are apportioned between capital and income to reflect the nature of the transaction. Any capital gains/losses are included within net capital gains and any revenue or expense is included within revenue or interest payable and similar charges respectively in the statement of total return. The revenue return element in respect of futures is calculated by reference to the quoted yield of the index upon which the future is based. The dividend equivalent values on contracts for difference are recognised when the underlying security is quoted ex-dividend. For long positions this is included in revenue whereas for short positions this is included in interest payable and similar charges. Premiums received from options, where these have been written for the purpose of generating additional revenue, are accounted for as revenue on an accruals basis. Otherwise these are treated as capital.

(e) Expenses. All expenses (other than the performance fee and those relating to the purchase and sale of investments) are 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 sub-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 sub-fund is priced on a single swinging price basis. The ACD has the discretion to charge a dilution adjustment as part of its daily valuation policy. This will mean that in certain circumstances the sub-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 sub-fund is to distribute all available revenue, after deduction of expenses and taxation properly chargeable against revenue. The sub-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. The ACD may from time to time, smooth the distribution payments during the accounting period with the balance of revenue (if any) being paid in respect of the final distribution. Gains and losses on investments and derivatives whether realised or unrealised, if taken to capital are not available for distribution. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised. For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares. Distributions which have remained unclaimed by shareholders for six years are credited to the capital property of the sub-fund.

3. Net capital gains

	29 February 2024 £'000	28 February 2023 £'000
Non-derivative securities	**55,425**	4,410
Forward currency contracts	**394**	(4,860)
Currency gains/(losses)	**123**	(2,195)
Derivative contracts	**(3,716)**	3,336
Net capital gains	**52,226**	691

4. Direct transaction costs

For purchases and sales of equities, broker commissions, transfer taxes and stamp duty are paid by the sub-fund on each transaction and are summarised below. Bonds have no separately identifiable transaction costs; these costs form part of the dealing price.

Year ended 29 February 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	172,411	28	–	172,439	0.02	–
Bonds	13,828	–	–	13,828	–	–
Sales						
Equities	278,350	41	–	278,309	0.02	–
Bonds	7,740	–	–	7,740	–	–
Derivative purchases and sales	–	26	–	–	–	–
Total		**95**	**–**			
Percentage of sub-fund average net assets		**0.05%**	**0.00%**			

Year ended 28 February 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	743,768	117	–	743,885	0.02	–
Bonds	1,077	–	–	1,077	–	–
Sales						
Equities	855,801	133	13	855,655	0.02	–
Bonds	9,420	–	–	9,420	–	–
Derivative purchases and sales	–	14	7	–	–	–
Total		**264**	**20**			
Percentage of sub-fund average net assets		**0.08%**	**0.00%**			

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

Dealing spread

As at the balance sheet date the estimated portfolio dealing spread was 0.09% (2023: 0.03%). 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

	29 February 2024 £'000	28 February 2023 £'000
Revenue from other derivatives	**2,285**	916
Overseas dividends	**1,584**	3,179
Bank interest	**260**	205
Interest on debt securities	**33**	44
Total revenue	**4,162**	4,344

6. Expenses

	29 February 2024 £'000	28 February 2023 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	**1,548**	2,430
Administration fees	**304**	569
Total expenses	**1,852**	2,999

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
The audit fee (excluding VAT) accrued during the year was £12,150 (2023: £11,600). This fee is paid by the ACD via the administration fee.

7. Interest payable and similar charges

	29 February 2024 £'000	28 February 2023 £'000
Dividends payable on short positions	**2,934**	647
Interest payable	**16**	660
Total interest payable and similar charges	**2,950**	1,307

8. Taxation

	29 February 2024 £'000	28 February 2023 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	**221**	556
Prior year adjustments	**–**	(3)
Total taxation (note 8b)	**221**	553
b) Factors affecting the tax charge for the year		
Net revenue before taxation	**(640)**	38
Corporation tax of 20% (2023: 20%)	**(128)**	8
Effects of:		
Unutilised management expenses	**371**	590
Irrecoverable overseas tax	**221**	556
Unutilised non-trade deficit	**74**	28
Overseas tax expensed	**–**	(2)
Prior year adjustments	**–**	(3)
Non-taxable overseas dividends	**(317)**	(624)
Tax charge for the year (note 8a)	**221**	553

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 sub-fund has not recognised a deferred tax asset of £9,960,000 (2023: £9,515,000) arising as a result of having unutilised management expenses of £47,963,000 (2023: £46,110,000) and non-trade loan relationship deficits of £1,839,000 (2023: £1,467,000). It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognised.

9. Distributions

	29 February 2024 £'000	28 February 2023 £'000
Final dividend distribution	**–**	–
Add: amounts deducted on cancellation of shares	**4**	–
Deduct: amounts added on issue of shares	**(1)**	–
Distributions	**3**	–
Movement between net expense and distributions		
Net expense after taxation	**(861)**	(515)
Deficit transferred to capital	**865**	515
Expenses paid from capital	**(1)**	–
	3	–

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. Details of the distributions per share are set out in the distribution tables on page 121.

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).

	29 February 2024		28 February 2023	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Level 1	**194,623**	**–**	253,197 *	1,886
Level 2	**72**	**84**	110	–
Total	**194,695**	**84**	253,307	1,886

* Level 1 includes fair value adjustment based on movement of futures in markets closed at the sub-fund valuation point, since the last market close.

11. Debtors

	29 February 2024 £'000	28 February 2023 £'000
Sales awaiting settlement	**3,767**	730
Amounts receivable on derivative contracts	**387**	–
Amounts receivable for issue of shares	**351**	–
Accrued revenue	**74**	134
Overseas withholding tax recoverable	**5**	12
Total debtors	**4,584**	876

12. Cash and cash equivalents

	29 February 2024 £'000	28 February 2023 £'000
Amounts held in liquidity funds	**1,935**	4,982
Collateral held with brokers	**364**	1,226
Cash and bank balances	**170**	3,660
Amounts held at brokers	**18**	–
Total cash and cash equivalents	**2,487**	9,868

13. Bank overdraft

	29 February 2024 £'000	28 February 2023 £'000
Collateral pledged with brokers	**435**	1,021
Bank overdraft	**10**	–
Amounts held at futures clearing houses and brokers	**–**	5
Total bank overdraft	**445**	1,026

14. Other creditors

	29 February 2024 £'000	28 February 2023 £'000
Purchases awaiting settlement	**3,461**	1,461
Amounts payable for cancellation of shares	**1,130**	14,357
Amounts payable on derivative contracts	**648**	144
Accrued annual management charge	**114**	149
Accrued administration fee payable to the ACD	**23**	29
Accrued performance fee	**–**	1
Total other creditors	**5,376**	16,141

15. Contingent liabilities and commitments

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

16. Reconciliation of share movements

	Shares in issue at 28 February 2023	Shares issued	Shares cancelled	**Shares in issue at 29 February 2024**
I accumulation GBP	71,845,047	6,177,968	(34,381,790)	**43,641,225**
I accumulation GBP (NAV hedged)	5,841,611	750,768	(1,922,509)	**4,669,870**

17. Risk disclosures

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

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-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 sub-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 value-at-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 sub-fund, reference should be made to the Prospectus.

(a) Market risk

Market risk, which includes value-at-risk arises mainly from uncertainty about future values of financial instruments in the sub-fund's investment portfolio. The sub-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 and the Prospectus to seek to reduce the risks arising from factors specific to a particular company or sector. The ACD'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 sub-fund disclosed in the balance sheet. The ACD uses a value-at-risk approach to measure the sub-funds exposure to market risk.

(i) Value-at-risk ('VaR')

The ACD is currently empowered to enter into derivative transactions on behalf of the sub-fund. The use of these strategies is subject to a risk management process and the ACD analyses the overall risk position of the sub-fund on a daily basis, which is then used by the ACD 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 sub-fund relative to a reference portfolio, the S&P 500 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 sub-fund is estimated to have the same market price risk as the reference portfolio. A negative relative VaR indicates that the sub- fund's market price risk is estimated to be lower than the reference portfolio. VaR expresses the maximum expected loss by the sub-fund in a defined period, at a specified confidence level. The parameters used are: a confidence level of 99%, uses one 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.

	29 February 2024 %	28 February 2023 %
At 29 February	**1.07**	0.94
Average utilisation during the year	**0.99**	0.92
Highest utilisation during the year	**1.10**	1.04
Lowest utilisation during the year	**0.89**	0.71

(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 sub-fund, resulting in a financial loss. From time to time, the sub-fund may be subject to short-term credit risk with counterparties pending settlement of investment transactions. The ACD 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 sub-fund's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of Northern Trust Investor Services Limited may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited. The sub-fund is also exposed to counterparty risk through holding specific financial instruments.

The ACD is permitted to use one or more separate counterparties for derivative transactions. The sub-fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the sub-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 sub-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 sub-fund. To minimise such risk the ACD will assess the creditworthiness of any counterparty that it engages. On a daily basis the ACD 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. In order to diversify counterparty risk the sub-fund holds cash with a number of other counterparties other than Northern Trust.

The derivatives are disclosed in the portfolio statement, Northern Trust is the counterparty for forward currency contracts. Aside from the custodian, the derivative counterparties and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 29 February 2024 or 28 February 2023.

Counterparty and collateral exposure

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

Currency	Contracts for difference £'000	Options £'000	Forward currency contracts £'000	Total gross exposure £'000	Net collateral held/(pledged) £'000
29 February 2024					
J.P. Morgan	**(65)**	**157**	**–**	**92**	**239**
Goldman Sachs	**11,217**	**–**	**–**	**11,217**	**(435)**
Morgan Stanley	**(10,863)**	**–**	**–**	**(10,863)**	**95**
Northern Trust	**–**	**–**	**(35)**	**(35)**	**48**
28 February 2023					
J.P. Morgan	7,562	–	110	7,672	1,226
Goldman Sachs	5,201	–	–	5,201	(684)
Morgan Stanley	(11,502)	226	–	(11,276)	(337)

Only cash collateral is pledged or held by the sub-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 sub-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 sub-funds and investor base. This includes but is not limited to what percentage of the sub-fund can be liquidated within certain redemption horizons, whether the largest investors in the sub-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 29 February 2024 or 28 February 2023.

18. Related party transactions

The ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the statement of total return, statement of change in net assets attributable to shareholders and the balance sheet on page 112 and notes 6, 9, 11 and 14 on pages 115 to 118 including all issues and cancellations where the ACD acted as principal. The balance due to the ACD as at 29 February 2024 in respect of these transactions was £916,000 (2023: £14,535,000).

19. Share classes

The annual management charge on each share class is 0.75%.

The net asset value per share and the number of shares in each class are given in the comparative table on page 122.
The distributions per share class are given in the distribution tables on page 121. 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 sub-fund pays annual dividend distributions. The following table sets out the distribution period.

Annual distribution period	Start	End	Ex-dividend date	Pay date
Final	1 March 2023	29 February 2024	1 March 2024	30 April 2024

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

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

I accumulation GBP

Dividend distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2023 Distribution per share (p)
Final	–	–	–	–	–	–

I accumulation GBP (NAV hedged)

Dividend distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Group 2 Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Corporate streaming Unfranked	2023 Distribution per share (p)
Final	–	–	–	–	–	–

COMPARATIVE TABLES

	I accumulation GBP			I accumulation GBP (NAV Hedged)		
	2024	2023	2022	2024	2023	2022
Change in net assets per share (p)						
Opening net asset value per share	**325.50**	**323.39**	**282.30**	**190.71**	**214.94**	**196.31**
Return before operating charges *	99.01	5.14	43.92	67.69	(22.42)	20.59
Operating charges	(3.16)	(3.03)	(2.83)	(1.92)	(1.81)	(1.96)
Return after operating charges *	**95.85**	**2.11**	**41.09**	**65.77**	**(24.23)**	**18.63**
Distributions	–	–	–	–	–	–
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	**421.35**	**325.50**	**323.39**	**256.48**	**190.71**	**214.94**
* after direct transaction costs of	(0.09)	(0.26)	(0.73)	(0.06)	(0.16)	(0.50)
Performance						
Return after charges	29.45%	0.65%	14.56%	34.49%	(11.27)%	9.49%
Other information						
Closing net asset value (£'000)	183,884	233,858	366,079	11,977	11,140	17,743
Closing number of shares	43,641,225	71,845,047	113,202,329	4,669,870	5,841,611	8,245,658
Operating charges	0.90%	0.89%	0.89%	0.90%	0.89%	0.89%
Direct transaction costs	0.03%	0.08%	0.23%	0.03%	0.08%	0.23%
Prices						
Highest share price (p)	417.38	347.72	352.15	254.10	225.45	235.57
Lowest share price (p)	312.05	298.69	281.42	182.62	172.66	194.04

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

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.

Artemis US Extended Alpha Fund

Ongoing charges

Class	**29 February 2024**
I accumulation GBP	0.900%
I accumulation GBP (NAV Hedged)	0.900%

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

Class I accumulation performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis US Extended Alpha Fund **	317.4	103.7	47.8	28.3	16.5
Artemis US Extended Alpha Fund ***	321.2	105.7	50.3	30.6	17.9
S&P 500 TR	289.7	109.3	54.9	24.9	14.1
North America Average	229.2	88.7	39.3	20.7	13.0
Position in sector	5/60	17/80	32/85	17/92	16/93
Quartile	1	1	2	1	1

Past performance is not a guide to the future.

* Source: Lipper Limited, class I accumulation GBP from 19 September 2014 to 29 February 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 investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.
** Value at 12 noon valuation point.
*** Value at close of business.

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

Artemis US Select Fund

Objective and investment policy

Objective	To grow capital over a five year period.	
Investment policy	**What the sub-fund invests in**	• 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 and money market instruments.
	Use of derivatives	The sub-fund may use derivatives for efficient portfolio management purposes to: • reduce risk • manage the sub-fund efficiently.
	Where the sub-fund invests	United States of America, including companies in other countries that are headquartered or have a significant part of their activities in the USA.
	Industries the sub-fund invests in	• Any
	Other limitations specific to this sub-fund	• None
Investment strategy	• The sub-fund is actively managed. • The manager uses multiple sources of information, both to generate ideas and to assist in validating and testing candidate companies for investment. This is complemented by techniques such as data mining (examining large databases of information) and financial analysis. • External research is also used in order to tap into knowledge already available and to look for different views. • The manager carries out a significant amount of analysis of wider economic trends to understand cyclical and long-term trends and the outlook.	
Benchmarks	• **S&P 500 TR** A widely-used indicator of the performance of 500 large publicly-traded US companies, some of which the sub-fund invests in. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark. • **IA North America NR** A group of other asset managers' funds that invest in similar asset types as this sub-fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark.	

Risk and reward profile

Potentially lower rewards — Potentially higher rewards

Lower risk — Higher risk

1 2 3 4 5 **6** 7

- The sub-fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the sub-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 sub-fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the sub-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 sub-fund performance:

- **Market volatility risk:** The value of the sub-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 sub-fund's assets may be priced in currencies other than the sub-fund base currency. Changes in currency exchange rates can therefore affect the sub-fund's value.
- **Concentration risk:** The sub-fund may have investments concentrated in a limited number of holdings. This can be more risky than holding a wider range of investments.

There was no change to the risk indicator in the year ended 29 February 2024.

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

Investment Review

- The sub-fund returned 34.0%[1] versus a return of 24.9% from its benchmark, the S&P 500 index.
- Our top contributors included Meta, Amazon and Constellation Energy.
- While we expect interest rates to fall in 2024, the strength of the US economy means the Federal Reserve (Fed) is unlikely to be in a hurry.

Macroeconomic background

The main theme of the year was the debate over when inflation would ease and when the Fed would begin to cut rates. When the reporting period began, interest rates were at 4.75%. By the time it ended, they were at 5.5%. Inflation, meanwhile, fell from 6% to 3.2%. These figures, however, mask the swings in sentiment around the health of the US economy and whether a hard or soft landing would be achieved.

In the latter half of the review period, it became clear that inflation was falling back towards the Fed's target of 2%, helped by an easing in demand and a more balanced employment dynamic. The Fed confirmed the market's expectations when, in December, it signalled that it would start cutting interest rates in 2024.

Market

Perhaps the main feature of the US market over the period was the growing dominance of the market's largest companies. Together, the so-called 'Magnificent Seven' stocks (NVIDIA, Meta, Amazon, Microsoft, Alphabet, Apple and Tesla) accounted for around 30% of the market value of the S&P500 index by the end of February 2024[2].

By and large, this was driven by the hype around AI and was typified by the extraordinary rise of NVIDIA. Meta also benefited significantly as it integrated AI into its advertising business.

Performance – on the positive side…

While it was a period of increasing dominance for the market's largest companies, we were encouraged that a diverse range of stocks contributed to our sub-fund's performance. At a sector level, our holdings in technology and communication services performed well. But we would emphasize that the sub-fund's outperformance relative to the index was generated through good stock selection across a broad range of sectors and companies.

Meta was the top contributor to returns over the period, bolstered by its integration of AI into its advertising business, combined with a greater degree of cost consciousness. Following Apple's adjustment of its privacy settings on its operating system in 2021, Meta's ad revenue significantly declined due to its reduced ability to target users. What few realised was that it owned one of the fastest supercomputers ever built (the AI Research SuperCluster[3]) and that the insights it generated would help it to regain most of its ability to target advertising. This provided significant support to the share price as ad revenue recovered.

Another area of note in the portfolio was our position in clean power and nuclear energy company Constellation Energy. This is one of our highest-conviction holdings, so we were pleased to see our investment thesis playing out as we had anticipated. Good news on earnings is being driven by its customers' willingness to pay more for reliable supplies of energy at predictable prices. Not only is Constellation seen as a reliable supplier but it is also an indirect beneficiary of the AI boom, as a number of energy-intensive data centres are being built in the states that it serves.

Other top contributors came from diverse sources. Amazon enjoyed a recovery as inventories normalised and as its cloud-services business, AWS, picked up. Saia, the less-than-truckload shipping business, benefited from industry consolidation due to the collapse of Yellow, a key rival. This allowed Saia to increase shipping volumes and expand its geographical footprint. Finally, Builders FirstSource, the largest building materials supplier in the US, was a beneficiary of the more stable outlook for interest rates and an increase in demand for new homes.

On the negative side…

The biggest detractor from the sub-fund's performance was First Republic Bank. The failure of Silicon Valley Bank (SVB) at the start of March 2023 led to fears of contagion within the rest of the banking sector and sparked a deposit run on other smaller banks. First Republic Bank was a geographically diversified wealth-management business. The issue here was that an above-average proportion of its deposits were uninsured (that is, not covered by federal deposit guarantees). When SVB started to experience problems, the market focused on other banks with uninsured deposits, leading to a run on First Republic. The bank closed and its assets were bought by JP Morgan.

Past performance is not a guide to the future.

[1] Source: Artemis/Lipper Limited, class I accumulation GBP. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the sub-fund. Returns may vary as a result of currency fluctuations if you invest in a different currency class. Benchmark is S&P 500 TR GBP IndexT.

[2] The Magnificent 7 Are Falling Like Dominos; Only 3 Remain (forbes.com)

[3] Introducing Meta's Next-Gen AI Supercomputer | Meta (fb.com)

Artemis US Select Fund

A broader area of weakness were our holdings in healthcare, particularly life sciences. We had anticipated that companies such as Avantor and Thermo Fisher would bounce back after the post-Covid normalisation of inventories but this has yet to materialise. We still see these as high-quality businesses and believe they are trading at attractive valuations.

Transactions

Over the period we took profits in some of our best-performing holdings, reallocating capital to areas where the risk/reward was more attractive. One example was Constellation Energy. Elsewhere, we sold Kraft Heinz, which seems to be losing some of its ability to push the prices of its products higher.

On the purchases side, we added to our holdings in producers of computer memory. We see a significant recovery taking place here brought about by the increase in demand generated by the arrival of AI. We also added to our financial services exposure, buying Moody's, Fiserv and Goldman Sachs.

Looking ahead – we see opportunities in a broad range of companies

We cannot ignore the recent strength of the US economy or its stock market. We are continuing to look for balance in the portfolio, investing across different themes and industries to ensure we are not overly exposed to one potential economic outlook. We still believe that interest rates have peaked and will likely come down during 2024, although we don't believe the Fed is in a hurry to act. While a narrow group of stocks continues to drive the S&P 500 higher, we believe good performers can be found anywhere and not just among the Magnificent Seven. We continue to be optimistic about our healthcare stocks and for those technology companies that are lesser-known beneficiaries of the wave of AI expenditure that is taking place.

Investment information

Ten largest purchases and sales for the year ended 29 February 2024

Purchases	Cost £'000	Sales	Proceeds £'000
NVIDIA	105,050	Meta Platforms 'A'	93,985
Advanced Micro Devices	74,937	Alphabet 'C'	92,067
Meta Platforms 'A'	73,932	NVIDIA	83,473
Thermo Fisher Scientific	58,410	Advanced Micro Devices	82,686
Amazon.com	56,304	Wells Fargo	78,093
Alphabet 'C'	56,155	Constellation Energy	78,092
Wells Fargo	51,707	Apple	63,064
Eagle Materials	47,034	Amazon.com	62,510
Copart	44,857	Thermo Fisher Scientific	61,602
CSX	41,331	Oracle	59,873

Portfolio statement as at 29 February 2024

Investment	Holding	Valuation £'000	% of net assets
Equities 97.80% (98.13%)			
Communication Services 7.74% (6.46%)			
Alphabet 'C'	247,847	27,350	1.79
Meta Platforms 'A'	235,282	91,020	5.95
		118,370	**7.74**
Consumer Discretionary 12.29% (9.33%)			
Amazon.com	789,578	110,212	7.21
AutoZone	6,215	14,753	0.97
Burlington Stores	144,118	23,337	1.53
Hilton Worldwide	185,955	30,006	1.96
Pool	30,236	9,513	0.62
		187,821	**12.29**
Consumer Staples 3.25% (5.24%)			
Constellation Brands	58,363	11,454	0.75
Lamb Weston Holdings	214,763	17,335	1.13
Walmart	451,686	20,923	1.37
		49,712	**3.25**
Energy 0.59% (3.19%)			
Baker Hughes	387,023	9,040	0.59
		9,040	**0.59**
Financials 10.75% (8.18%)			
Allstate	272,344	34,323	2.24
Aon	16,651	4,152	0.27
Blackstone	177,370	17,912	1.17
Fiserv	201,945	23,827	1.56
Goldman Sachs Group	68,856	21,145	1.38
Intercontinental Exchange	136,883	14,962	0.98
Moody's	85,083	25,482	1.67
Wells Fargo	516,076	22,641	1.48
		164,444	**10.75**
Health Care 10.00% (16.24%)			
Avantor	2,638,986	51,359	3.36
Eli Lilly	42,690	25,395	1.66

Artemis US Select Fund

Investment	Holding	Valuation £'000	% of net assets
Equities 97.80% (98.13%) (continued)			
Health Care 10.00% (16.24%) (continued)			
McKesson	89,454	36,859	2.41
STERIS	115,829	21,300	1.39
Zoetis	114,840	18,003	1.18
		152,916	**10.00**
Industrials 12.30% (11.46%)			
Builders FirstSource	197,625	30,449	1.99
Clean Harbors	121,755	17,520	1.15
Copart	967,774	40,653	2.66
Core & Main	631,252	23,802	1.56
Ferguson	94,747	15,828	1.04
Norfolk Southern	141,884	28,375	1.86
Saia	68,416	31,115	2.04
		187,742	**12.30**
Information Technology 29.84% (25.59%)			
Advanced Micro Devices	265,235	40,358	2.64
Apple	229,047	32,723	2.14
Coherent	404,519	19,007	1.24
Datadog	105,030	10,900	0.71
Dynatrace	150,173	5,879	0.38
Gartner	78,678	28,918	1.89
Intuit	31,626	16,553	1.08
Lam Research	15,284	11,339	0.74
Microsoft	398,300	130,124	8.51
NVIDIA	148,003	92,440	6.05
Visa 'A'	127,736	28,523	1.87
Western Digital	843,531	39,654	2.59
		456,418	**29.84**
Materials 6.01% (5.04%)			
Corteva	331,401	14,007	0.92
Eagle Materials	92,089	18,443	1.21
Linde	113,176	40,114	2.62
Vulcan Materials	91,494	19,208	1.26
		91,772	**6.01**
Real Estate 0.60% (0.00%)			
CoStar	133,995	9,215	0.60
		9,215	**0.60**
Utilities 4.43% (7.40%)			
Constellation Energy	179,583	23,903	1.56
PG&E	3,330,150	43,883	2.87
		67,786	**4.43**
Equities total		**1,495,236**	**97.80**

Investment	Holding	Valuation £'000	% of net assets
Forward Currency Contracts 0.00% (0.01%)			
I accumulation GBP (NAV Hedged) 0.00% (0.01%)			
Buy Sterling 19,571,123 sell US Dollar 24,836,123 dated 28/03/2024		(58)	–
Forward Currency Contracts total		**(58)**	**–**
Investment assets (Including investment liabilities)		**1,495,178**	**97.80**
Net other assets		**33,756**	**2.20**
Net assets attributable to shareholders		**1,528,934**	**100.00**

The comparative percentage figures in brackets are as at 28 February 2023.

Artemis US Select Fund

Financial statements

Statement of total return for the year ended 29 February 2024

	Note	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Income					
Net capital gains/(losses)	3		**441,495**		(63,013)
Revenue	5	**12,471**		24,338	
Expenses	6	**(12,911)**		(17,601)	
Interest payable and similar charges	7	**(16)**		(4)	
Net (expense)/revenue before taxation		**(456)**		6,733	
Taxation	8	**(1,507)**		(3,258)	
Net (expense)/revenue after taxation			**(1,963)**		3,475
Total return before distributions			**439,532**		(59,538)
Distributions	9		**(149)**		(3,475)
Change in net assets attributable to shareholders from investment activities			**439,383**		(63,013)

Statement of change in net assets attributable to shareholders for the year ended 29 February 2024

	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Opening net assets attributable to shareholders		**1,804,198**		2,373,147
Amounts receivable on issue of shares	**238,464**		60,869	
Amounts payable on cancellation of shares	**(953,314)**		(569,261)	
		(714,850)		(508,392)
Dilution adjustment		**203**		73
Change in net assets attributable to shareholders from investment activities		**439,383**		(63,013)
Retained distribution on accumulation shares		**–**		2,383
Closing net assets attributable to shareholders		**1,528,934**		1,804,198

Balance sheet as at 29 February 2024

	Note	29 February 2024 £'000	28 February 2023 £'000
Assets			
Fixed assets			
Investments	10	**1,495,236**	1,770,615
Current assets			
Debtors	11	**8,694**	8,371
Cash and cash equivalents	12	**36,232**	50,656
Total current assets		**44,926**	59,027
Total assets		**1,540,162**	1,829,642
Liabilities			
Investment liabilities	10	**58**	–
Creditors			
Distribution payable		**–**	825
Bank overdraft	13	**4**	–
Other creditors	14	**11,166**	24,619
Total creditors		**11,170**	25,444
Total liabilities		**11,228**	25,444
Net assets attributable to shareholders		**1,528,934**	1,804,198

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 ACD believes that the sub-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 sub-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 sub-fund invests in markets that are closed for trading at the sub-fund's valuation point, the ACD 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 sub-fund valuation point, since the last market close), to reflect more accurately the fair value of the sub-fund's investments. Listed investments are valued at fair value which is generally deemed to be the bid price. 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 (losses)/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. Income from US REITs is split between revenue and capital depending on the composition of the distribution from the REIT. Bank interest and interest on margin accounts held with brokers is recognised as revenue on an accruals basis. The dividend equivalent values on contracts for difference are recognised when the underlying security is quoted ex-dividend. For long positions this is included in revenue whereas for short positions this is included in interest payable and similar charges.

(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 sub-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 sub-fund is priced on a single swinging price basis. The ACD has the discretion to charge a dilution adjustment as part of its daily valuation policy. This will mean that in certain circumstances the sub-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 sub-fund is to distribute all available revenue, after deduction of expenses and taxation properly chargeable against revenue. The sub-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. The ACD may from time to time, smooth the distribution payments during the accounting period with the balance of revenue (if any) being paid in respect of the final distribution. Gains and losses on investments and derivatives whether realised or unrealised, if taken to capital are not available for distribution. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised. For accumulation shares this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares. Distributions which have remained unclaimed by share for six years are credited to the capital property of the sub-fund.

3. Net gains/(losses)

	29 February 2024 £'000	28 February 2023 £'000
Non-derivative securities	**441,087**	(66,370)
Currency gains	**377**	10,811
Forward currency contracts	**31**	(7,454)
Net capital gains/(losses)	**441,495**	(63,013)

4. Direct transaction costs

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

Year ended 29 February 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	1,718,118	284	–	1,718,401	0.02	–
Sales						
Equities	2,427,865	433	5	2,427,427	0.02	–
Total		**717**	**5**			
Percentage of sub-fund average net assets		**0.05%**	**0.00%**			

Year ended 28 February 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	2,938,193	513	–	2,938,706	0.02	–
Sales						
Equities	3,413,926	566	60	3,413,300	0.02	–
Total		**1,079**	**60**			
Percentage of sub-fund average net assets		**0.06%**	**0.00%**			

During the year the sub-fund incurred £nil (2023: £nil) in capital transaction charges.

Dealing spread

As at the balance sheet date the estimated portfolio dealing spread was 0.07% (2023: 0.02%). 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

	29 February 2024 £'000	28 February 2023 £'000
Overseas dividends	**10,933**	23,518
Bank interest	**1,234**	820
UK dividends	**304**	–
Total revenue	**12,471**	24,338

6. Expenses

	29 February 2024 £'000	28 February 2023 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	**11,295**	15,530
Administration fees	**1,616**	2,071
Total expenses	**12,911**	17,601

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 ACD via the administration fee.

7. Interest payable and similar charges

	29 February 2024 £'000	28 February 2023 £'000
Interest payable	**16**	4
Total interest payable and similar charges	**16**	4

8. Taxation

	29 February 2024 £'000	28 February 2023 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	**1,507**	3,258
Total taxation (note 8b)	**1,507**	3,258
b) Factors affecting the tax charge for the year		
Net (expense)/revenue before taxation	**(456)**	6,733
Corporation tax of 20% (2023: 20%)	**(91)**	1,347
Effects of:		
Unutilised management expenses	**2,339**	3,315
Irrecoverable overseas tax	**1,507**	3,258
Overseas tax expensed	**(2)**	(7)
Tax on franked dividends	**(61)**	–
Non-taxable overseas dividends	**(2,185)**	(4,655)
Tax charge for the year (note 8a)	**1,507**	3,258

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 sub-fund has not recognized a deferred tax asset of £18,880,000 (2023: £16,541,000) arising as a result of having unutilized management expenses of £94,396,000 (2023: £82,703,000). It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognized.

9. Distributions

	29 February 2024 £'000	28 February 2023 £'000
Final dividend distribution	–	3,208
Add: amounts deducted on cancellation of shares	**168**	338
Deduct: amounts added on issue of shares	**(19)**	(71)
Distributions	**149**	3,475
Movement between net (expense)/revenue and distributions		
Net (expense)/revenue after taxation	**(1,963)**	3,475
Deficit transferred to capital	**2,112**	–
	149	3,475

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. Details of the distributions per share are set out in the distribution tables on page 139.

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).

	29 February 2024 Assets £'000	29 February 2024 Liabilities £'000	28 February 2023 Assets £'000	28 February 2023 Liabilities £'000
Level 1	**1,495,236**	**–**	1,770,368	–
Level 2	**–**	**58**	247	–
Total	**1,495,236**	**58**	1,770,615	–

11. Debtors

	29 February 2024 £'000	28 February 2023 £'000
Amounts receivable for issue of shares	**7,710**	13
Accrued revenue	**942**	1,109
Overseas withholding tax recoverable	**42**	44
Sales awaiting settlement	**–**	7,205
Total debtors	**8,694**	8,371

12. Cash and cash equivalents

	29 February 2024 £'000	28 February 2023 £'000
Amounts held in liquidity funds	**35,897**	49,250
Cash and bank balances	**272**	1,332
Collateral held with brokers	**63**	74
Total cash and cash equivalents	**36,232**	50,656

13. Bank overdraft

	29 February 2024 £'000	28 February 2023 £'000
Bank overdraft	**4**	–
Total bank overdraft	**4**	–

14. Other creditors

	29 February 2024 £'000	28 February 2023 £'000
Amounts payable for cancellation of shares	**10,168**	9,316
Accrued annual management charge	**860**	1,031
Accrued administration fee payable to the ACD	**138**	142
Purchases awaiting settlement	**–**	14,130
Total other creditors	**11,166**	24,619

15. Contingent liabilities and commitments

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

16. Reconciliation of share movements

	Shares in issue at 28 February 2023	Shares issued	Shares cancelled	Shares converted	**Shares In issue at 29 February 2024**
I distribution GBP	183,117,109	5,547,153	(112,009,541)	87,006	**76,741,727**
I accumulation GBP	460,761,125	65,696,532	(204,242,740)	(76,692)	**322,138,225**
I accumulation GBP (NAV Hedged)	13,901,782	2,109,082	(8,107,641)	–	**7,903,223**

17. Risk disclosures

In pursuing its investment objectives, the sub-fund may hold a number of financial instruments. These financial instruments comprise equities, derivatives, cash balances and liquid resources, which include debtors and creditors that arise directly from the sub-fund's operations. The sub-fund only executes derivative contracts where both the derivative instrument and the counterparty have been approved by the ACD.

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-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 sub-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 and other market price 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 sub-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 sub-fund's portfolio statement. The sub-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 and the Prospectus to seek to reduce the risks arising from factors specific to a particular company or sector. The ACD'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 sub-fund disclosed in the balance sheet.

(i) Interest rate risk

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. As the majority of the sub-fund's financial assets are non-interest bearing, the sub-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 provided.

(ii) Currency risk

A portion of the net assets of the sub-fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the ACD may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the sub-fund's exposure to currency risk is reduced. The gain on forward currency contracts for the year was £31,000 (2023: loss of £7,454,000).

Revenue received in foreign currencies is converted into sterling on or near the date of receipt. The exposure to each currency is shown in the table below.

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £'000	Total £'000
29 February 2024				
US Dollar	**1,495,236**	**(1,337)**	**(19,629)**	**1,474,270**
Sterling	**–**	**35,093**	**19,571**	**54,664**
28 February 2023				
US Dollar	1,770,369	44,743	(28,350)	1,786,762
Sterling	–	(11,188)	28,624	17,436

A five per cent increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets by £73,714,000 (2023: £89,338,000). A five percent decrease would have an equal and opposite effect.

I Accumulation GBP (NAV hedged)

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £'000	Total £'000
29 February 2024				
Sterling	**19,394**	**(17)**	**(19,640)**	**(263)**
US Dollar	**–**	**455**	**19,582**	**20,037**
28 February 2023				
Sterling	52,266	614	(28,350)	24,530
US Dollar	(28,231)	(154)	28,624	239

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The value of equities is dependent on a number of factors, arising from the performance of the company itself and matters arising in the wider market (for example the state of the underlying economy and current government policy). The portfolio is invested in securities domiciled in a number of countries and will be exposed to market movements in the relevant country arising from changes in the local economy and government decisions. As part of the continuing review of the portfolio, the ACD monitors and reviews these factors. A five per cent increase in the value of the sub-fund's portfolio would have the effect of increasing the return and net assets by £74,759,000 (2023: £88,531,000). A five per cent decrease would have an equal and opposite effect.

(iv) Leverage risk

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

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

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

As at 29 February 2024 and 28 February 2023 the leverage ratios of the sub-fund were:

	29 February 2024 %	**28 February 2023 %**
Sum of the notionals	**100.17**	101.6
Commitment	**101.03**	100.5

(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 sub-fund, resulting in a financial loss. From time to time, the sub-fund may be subject to short-term credit risk with counterparties pending settlement of investment transactions. The ACD 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 sub-fund's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of Northern Trust Investor Services Limited may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited. The depositary receives and reviews a semi-annual report on the internal controls in place at Northern Trust Investor Services Limited. The sub-fund is also exposed to counterparty risk through holding specific financial instruments.

The ACD is permitted to use one or more separate counterparties for derivative transactions. The sub-fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit worthiness of its counterparties and their ability to satisfy the terms of such contracts. Where the sub-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 sub-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 sub-fund. To minimise such risk the ACD will assess the creditworthiness of any counterparty that it engages with. On a daily basis, the ACD assesses the level of assets with each counterparty to ensure that the exposure is within the defined limits in accordance with the requirements stipulated in COLL and the Prospectus. The derivatives are disclosed in the portfolio statement, Northern Trust is the counterparty for forward currency contracts. Aside from the custodian, and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 29 February 2024 or 28 February 2023.

Counterparty and collateral exposure

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

Currency	Forward currency contracts £'000	Total gross exposure £'000	Net collateral (pledged)/held £'000
29 February 2024			
Northern Trust	**(58)**	**(58)**	**63**
28 February 2023			
J.P. Morgan	247	247	74
UBS AGS	28	28	–

Only cash collateral is pledged or held by the sub-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 occur through maintaining prudent levels of liquidity in each sub-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 sub-funds and investor base. This includes but is not limited to what percentage of the sub-fund can be liquidated within certain redemption horizons, whether the largest investors in the sub-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 29 February 2024 or 28 February 2023.

18. Related party transactions

The ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the statement of total return, statement of change in net assets attributable to shareholders and the balance sheet on page 148 and Notes 6, 9, 11 and 14 on pages 133 to 134 including all issues and cancellations where the ACD acted as principal.

18. Related party transactions

The balance due to the ACD as at 29 February 2024 in respect of these transaction was £3,456,000 (2023: due to the ACD £10,476,000).

19. Share classes

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

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

The net asset value per share and the number of shares in each class are given in the comparative tables on page 140. The distribution per share class are given in the distribution tables on page 139. 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 sub-fund pays annual dividend distributions. The following table sets out the distribution period.

Monthly distribution periods	Start	End	Ex-dividend date	Pay date
Final	1 March 2023	29 February 2024	1 March 2024	30 April 2024

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

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

I distribution GBP

Dividend distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Unfranked	2023 Distribution per share (p)
Final	–	–	–	–	–	0.4503

I accumulation GBP

Dividend distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Unfranked	2023 Distribution per share (p)
Final	–	–	–	–	–	0.5077

I accumulation GBP (NAV Hedged)

Dividend distributions for the year ended 29 February 2024	Group 2 Net revenue per share (p)	Equalisation per share (p)	Group 1 & 2 Distribution per share (p)	Corporate streaming Franked	Unfranked	2023 Distribution per share (p)
Final	–	–	–	–	–	0.3144

Artemis US Select Fund

Comparative tables

	I distribution GBP			I accumulation GBP		
	2024	2023	2022	2024	2023	2022
Change in net assets per share (p)						
Opening net asset value per share	**252.10**	**261.23**	**241.37**	**286.00**	**295.82**	**273.33**
Return before operating charges *	91.54	(6.46)	22.16	103.86	(7.31)	25.09
Operating charges	(2.36)	(2.22)	(2.30)	(2.70)	(2.51)	(2.60)
Return after operating charges *	**89.18**	**(8.68)**	**19.86**	**101.16**	**(9.82)**	**22.49**
Distributions	–	(0.45)	–	–	(0.51)	–
Retained distributions on accumulation shares	–	–	–	–	0.51	–
Closing net asset value per shares	**341.28**	**252.10**	**261.23**	**387.16**	**286.00**	**295.82**
* after direct transaction costs of	(0.10)	(0.16)	(0.11)	(0.11)	(0.18)	(0.12)
Performance						
Return after charges	35.37%	(3.32)%	8.23%	35.37%	(3.32)%	8.23%
Other information						
Closing net asset value (£'000)	261,902	461,631	666,149	1,247,201	1,317,755	1,677,229
Closing number of shares	76,741,727	183,117,109	255,009,434	322,138,225	460,761,125	566,981,068
Operating charges	0.86%	0.85%	0.85%	0.86%	0.85%	0.85%
Direct transaction costs	0.03%	0.06%	0.04%	0.03%	0.06%	0.04%
Prices						
Highest share price (p)	337.87	283.21	296.23	383.31	320.71	335.46
Lowest share price (p)	241.84	237.69	240.03	274.36	269.16	271.82

	I accumulation GBP H		
	2024	2023	2022
Change in net assets per share (p)			
Opening net asset value per share	**178.48**	**209.51**	**202.64**
Return before operating charges *	74.17	(29.44)	8.77
Operating charges	(1.73)	(1.59)	(1.90)
Return after operating charges *	**72.44**	**(31.03)**	**6.87**
Retained distributions on accumulation shares	–	(0.31)	–
Last quoted share price	–	0.31	–
Closing net asset value per shares	**250.92**	**178.48**	**209.51**
* after direct transaction costs of	(0.07)	(0.11)	(0.09)
Performance			
Return after charges	40.59%	(14.81)%	3.39%
Other information			
Closing net asset value (£'000)	19,831	24,812	29,769
Closing number of shares	7,903,223	13,901,782	14,208,534
Operating charges	0.86%	0.85%	0.85%
Direct transaction costs	0.03%	0.06%	0.04%
Prices			
Highest share price (p)	248.43	222.54	239.24
Lowest share price (p)	170.90	168.89	199.57

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

The operating charges are calculated on an ex-post basis. High and low price disclosures are based on quoted share prices. Therefore opening and closing NAV prices may fall outside the high/low price threshold.

Ongoing charges

Class	**29 February 2024**
I distribution GBP	0.860%
I accumulation GBP	0.860%
I accumulation GBP (NAV Hedged)	0.860%

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

Class I accumulation performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis US Select Fund **	283.3	94.9	40.2	34.0	19.5
Artemis US Select Fund ***	287.4	97.1	42.4	36.4	20.8
S&P 500 TR	289.7	109.3	54.9	24.9	14.1
North America Average	229.2	88.7	39.3	20.7	13.0
Position in sector	7/60	37/80	51/85	6/92	4/93
Quartile	2	2	3	1	1

Past performance is not a guide to the future.

* Source: Artemis/Lipper Limited, class I accumulation GBP from 19 September 2014 to 29 February 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 investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.
** Value at 12 noon valuation point.
*** Value at close of business.

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

Artemis US Smaller Companies Fund

Objective and investment policy

Objective	To grow capital over a five year period.	
Investment policy	**What the sub-fund invests in**	• 80% to 100% in shares of smaller companies which, when first acquired, have a market value of less than USD 10 billion. • Up to 20% in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, and money market instruments.
	Use of derivatives	The sub-fund may use derivatives for efficient portfolio management purposes to: • reduce risk • manage the sub-fund efficiently.
	Where the sub-fund invests	• United States of America, including companies in other countries that are headquartered or have a significant part of their activities in the USA.
	Industries the sub-fund invests in	• Any
	Other limitations specific to this sub-fund	• None
Investment strategy	• The sub-fund is actively managed. • The manager uses multiple sources of information, both to generate ideas and to assist in validating and testing candidate companies for investment. This is complemented by techniques such as data mining (examining large databases of information) and financial analysis. • External research is also used in order to tap into knowledge already available and to look for different views. • The manager carries out a significant amount of analysis of wider economic trends to understand cyclical and long-term trends and the outlook.	
Benchmarks	• **Russell 2000 TR** A widely-used indicator of the performance of US smaller companies, in which the sub-fund invests in. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark. • **IA North American Smaller Companies NR** A group of other asset managers' funds that invest in similar asset types as this sub-fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the sub-fund's performance can be compared. Management of the sub-fund is not restricted by this benchmark.	

Risk and reward profile

Potentially lower rewards — Potentially higher rewards

Lower risk — Higher risk

1 2 3 4 5 **6** 7

- The sub-fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the sub-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 sub-fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the sub-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 sub-fund performance:

- **Market volatility risk:** The value of the sub-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 sub-fund's assets may be priced in currencies other than the sub-fund base currency. Changes in currency exchange rates can therefore affect the sub-fund's value.
- **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.

There was no change to the risk indicator in the year to 29 February 2024.

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

Investment Review

- The sub-fund returned 13.6%[1], outperforming its benchmark, the Russell 2000 index, which returned 5.3%.
- The sub-fund's holdings in construction and building materials companies performed particularly well.
- Although interest rates seem likely to begin to move lower in 2024, the robust US economy means we are not expecting the Federal Reserve to cut rates aggressively.

Investors focus on lower inflation and interest rates…

The main theme of the year was the debate over when inflation would ease and when the Fed would begin to cut rates. When the reporting period began, interest rates stood at 4.75%. By the time it ended, they were at 5.5%. Inflation, meanwhile, fell from 6% to 3.2%. These figures, however, disguise the volatility in expectations around the health of the US economy and whether a hard or soft landing would be achieved.

In the latter half of the review period, it became clear that inflation was falling back towards the Fed's target of 2%, helped by an easing in demand and a more balanced employment dynamic. The Fed confirmed the market's expectations when, in December, it signalled that it expected to start cutting interest rates in 2024.

Smaller company stocks recover

While overall returns were positive, stockmarkets were volatile during the year under review. That was particularly the case for smaller companies, which are typically more sensitive to macroeconomic conditions than their larger peers. As worries of recession began to ease, the Russell 2000 index, which tracks the fortunes of US smaller companies, experienced a significant recovery, especially in companies exposed to those areas that would benefit most from lower interest rates, such as housing.

At a sector level, technology was the best performer, closely followed by industrials. The telecommunications and utilities sectors lagged returns from the wider market.

The sub-fund outperforms the market, helped by its holdings in housing-related stocks

The sub-fund returned 13.6%, ahead of the Russell 2000 index's return of 5.3%. Stock selection was the main reason for that strong performance, particularly in the industrials and utilities sectors.

In the industrials sector, the sub-fund's holdings in housing-related stocks made a useful contribution to performance. In late 2022, we identified an opportunity to buy into businesses in this sector that had been negatively impacted by higher interest rates but that were likely to recover once the inflation picture became clearer. Rather than investing directly in housebuilders, we chose to access this theme by investing in producers of building materials. These included:

- Builders FirstSource, the largest supplier of building products, prefabricated components and associated services in the US;
- TopBuild, a leading supplier and installer of insulation products; and
- Eagle Materials, which, while predominantly a cement producer, also supplies plasterboard to housebuilders.

Trucking company SAIA performed well

Another key contributor in the industrials sector was our holding in SAIA, the less-than-truckload (LTL) shipping company. During the third quarter of 2023, there was a major change in its industry as Yellow Corp (formerly a top-five carrier by revenue and volume), filed for bankruptcy following years of financial difficulties. Yellow's freight is now being shipped by other companies. SAIA has benefited substantially from the reallocation of freight volume and it has increased its geographical footprint through the acquisition of distribution terminals.

Constellation Energy

Another contributor of note was clean power and nuclear energy company Constellation Energy. This is one of our highest-conviction holdings, so we were pleased to see our investment thesis playing out as we had anticipated: earnings are being driven higher by its customers' willingness to pay more for reliable supplies of energy at predictable prices. Not only is Constellation seen as a reliable supplier but it is also an indirect beneficiary of the AI boom, as energy-intensive data centres are being built in the states that it serves.

On the negative side

The stocks that detracted from performance were generally companies that were negatively impacted by higher interest rates.

NextEra Energy is a provider of renewable energy. We regarded it as a likely beneficiary of President Biden's Inflation Reduction Act. In the event, however, higher interest rates made financing the development of wind farms more costly. We sold the position in the anticipation that the business could start to struggle.

Past performance is not a guide to the future.

[1] Artemis/Lipper Limited, class I accumulation GBP to 29 February 2024. Our benchmark is the Russell 2000 Index NR. 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 sub-fund. Returns may vary as a result of currency fluctuations if you invest in a different currency class.

Exposure to banks also detracted over the period. This was a product of the collapse of Silicon Valley Bank (SVB) in March. The problems at SVB had their origins in its decision to invest significant amount of its customer deposits in long-dated mortgage-backed securities at very low yields. Once the Federal Reserve raised interest rates, these holdings began to embody losses. The confidence of SVB's depositors crumbled and a bank run ensued. Unfortunately, when SVB started to experience problems, the market immediately focused on other banks with uninsured deposits, that is, those that are not covered by federal deposit guarantees. This affected our holding in Western Alliance, a regional bank that experienced deposit outflows.

Changes in the sub-fund

We added some holdings in industrial stocks including Core & Main, a building maintenance business and supplier of skilled labour. We believe it will benefit from the ongoing 'reshoring' trend (whereby companies bring activities back to the US they had previously outsourced to cheaper markets overseas) as well as the significant capital expenditure required to support the growth of AI, particularly in datacentres.

At the same time, we trimmed positions that had done particularly well, such as Clean Harbors (a waste disposal business) and Constellation Energy.

More recently, we have been increasing the sub-fund's holdings in technology companies as we seek to take advantage of the increase in AI-related capital expenditure. Producers of memory chips, an industry where supplies are tight and where demand is strong, should be among the beneficiaries. We also anticipate an increase in demand for high-speed network cabling. That should be helpful for our holding in Coherent.

Outlook – We stick to high-quality stocks

Despite the sub-fund's strong performance over the last year, we still see a wealth of opportunities that leave us feeling excited about the opportunities to be found among US smaller companies. We believe their valuation multiples - their share prices relative to their underlying profits – remain at attractive levels when compared to those of larger companies.

While we are relatively agnostic about the outlook for the US economy, we see the potential for one of two main scenarios to unfold. One possibility is that the US economy remains in rude health and that the Fed does not rush to cut interest rates. The second possibility is that there is some weakness in the economy and that interest rates are brought down in response. We see the potential for high-quality, profitable smaller companies in the US to flourish under either scenario as 2024 progresses.

Investment information

Ten largest purchases and sales for the year ended 29 February 2024

Purchases	Cost £'000	Sales	Proceeds £'000
nVent Electric	49,012	Hostess Brands	42,372
Avantor	36,409	Clean Harbors	41,503
Lamb Weston Holdings	32,403	WillScot Mobile Mini Holdings	41,362
Eagle Materials	31,828	Qorvo	34,467
elf Beauty	27,744	Jacobs Solutions	32,390
Western Digital	23,914	Ovintiv	31,674
Bellring Brands	23,769	NOV	31,549
Meritage Homes	23,450	Planet Fitness 'A'	29,733
Hyatt Hotels	23,204	LPL Financial Holdings	27,868
AZEK	23,109	Valmont Industries	27,557

Portfolio statement as at 29 February 2024

Investment	Holding	Valuation £'000	% of net assets
Equities 99.87% (98.55%)			
Consumer Discretionary 16.30% (15.20%)			
Burlington Stores	150,425	24,358	2.93
Cava Group	286,602	13,228	1.59
Churchill Downs	151,260	14,560	1.75
Hyatt Hotels	206,327	25,039	3.01
Meritage Homes	127,996	15,926	1.92
Pool	36,151	11,374	1.37
Ralph Lauren	46,734	6,863	0.83
TopBuild	75,890	24,124	2.90
		135,472	**16.30**
Consumer Staples 10.29% (10.66%)			
BellRing Brands	515,525	23,200	2.79
Coty 'A'	1,601,709	15,877	1.91
elf Beauty	101,439	16,695	2.01
Lamb Weston Holdings	368,377	29,734	3.58
		85,506	**10.29**
Energy 1.45% (5.82%)			
Weatherford International	148,573	12,051	1.45
		12,051	**1.45**
Financials 7.58% (12.40%)			
Comerica	286,727	11,188	1.35
Huntington Bancshares	484,033	4,985	0.60
LPL Financial	74,290	15,711	1.89
Pinnacle Financial Partners	347,293	22,660	2.72
Zions Bancorp	273,003	8,503	1.02
		63,047	**7.58**
Health Care 10.05% (7.12%)			
Avantor	1,775,069	34,546	4.15
Enovis	398,181	18,816	2.26
Natera	158,102	10,797	1.30
Repligen	73,113	11,199	1.35

Artemis US Smaller Companies Fund

Investment	Holding	Valuation £'000	% of net assets
Equities 99.87% (98.55%) (continued)			
Health Care 10.05% (7.12%) (continued)			
Shockwave Medical	39,847	8,203	0.99
		83,561	**10.05**
Industrials 30.28% (27.49%)			
Axon Enterprise	65,296	15,844	1.91
AZEK	735,836	27,972	3.36
Builders FirstSource	237,555	36,601	4.40
CBIZ	71,018	4,239	0.51
Clean Harbors	114,214	16,435	1.98
Comfort Systems USA	105,027	25,270	3.04
Core & Main	704,493	26,564	3.19
nVent Electric	616,276	32,756	3.94
Saia	80,549	36,633	4.41
TFI International	153,664	17,948	2.16
TransUnion	66,980	4,104	0.49
WillScot Mobile Mini Holdings	197,018	7,437	0.89
		251,803	**30.28**
Information Technology 9.52% (9.70%)			
Coherent	505,215	23,738	2.85
Dynatrace	383,066	14,995	1.80
Jabil	25,793	2,933	0.35
Lattice Semiconductor	79,424	4,809	0.58
Tenable Holdings	150,681	5,728	0.69
Western Digital	574,412	27,003	3.25
		79,206	**9.52**
Materials 3.71% (1.51%)			
Eagle Materials	154,249	30,892	3.71
		30,892	**3.71**
Real Estate 0.00% (2.93%)			
Technology 6.45% (0.00%)			
Calix	280,138	7,713	0.93
Elastic	38,100	4,025	0.48
HashiCorp	205,045	4,219	0.51
Kulicke & Soffa Industries	198,140	7,448	0.90
MarketAxess Holdings	29,773	5,023	0.60
Monday.com	23,631	4,166	0.50
Seagate Technology Holdings	167,916	12,344	1.48
Zebra Technologies	39,675	8,765	1.05
		53,703	**6.45**
Utilities 4.24% (5.72%)			
Constellation Energy	144,279	19,204	2.31
Vistra	372,859	16,054	1.93
		35,258	**4.24**
Equities total		**830,499**	**99.87**

Investment	Holding	Valuation £'000	% of net assets
Forward Currency Contracts 0.00% (0.01%)			
I accumulation GBP (NAV Hedged) 0.00% (0.01%)			
Buy US Dollar 5,436,000 sell Sterling 6,756,000 dated 28/03/2024		(15)	–
Forward Currency Contracts total		**(15)**	**–**
Investment assets (Including investment liabilities)		**830,484**	**99.87**
Net other assets		**1,103**	**0.13**
Net assets attributable to shareholders		**831,587**	**100.00**

The comparative percentage figures in brackets are as at 28 February 2023.

FINANCIAL STATEMENTS

Statement of total return for the year ended 29 February 2024

	Note	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Income					
Net capital gains/(losses)	3		**88,721**		(68,229)
Revenue	5	**4,983**		10,521	
Expenses	6	**(7,289)**		(9,670)	
Interest payable and similar charges	7	**(16)**		(3)	
Net (expense)/revenue before taxation		**(2,322)**		848	
Taxation	8	**(836)**		(1,308)	
Net expense after taxation			**(3,158)**		(460)
Total return before distributions			**85,563**		(68,689)
Distributions	9		**(3)**		–
Change in net assets attributable to shareholders from investment activities			**85,560**		(68,689)

Statement of change in net assets attributable to shareholders for the year ended 29 February 2024

	29 February 2024 £'000	29 February 2024 £'000	28 February 2023 £'000	28 February 2023 £'000
Opening net assets attributable to shareholders		**1,036,893**		1,290,927
Amounts receivable on issue of shares	**192,704**		68,318	
Amounts payable on cancellation of shares	**(483,585)**		(253,788)	
Amounts payable on cancellation of shares by in specie transfer	**(326)**		–	
		(291,207)		(185,470)
Dilution adjustment		**341**		125
Change in net assets attributable to shareholders from investment activities		**85,560**		(68,689)
Closing net assets attributable to shareholders		**831,587**		1,036,893

Balance sheet as at 29 February 2024

	Note	29 February 2024 £'000	28 February 2023 £'000
Assets			
Fixed assets			
Investments	10	**830,499**	1,021,937
Current assets			
Debtors	11	**49,864**	4,140
Cash and cash equivalents	12	**149**	14,639
Total current assets		**50,013**	18,779
Total assets		**880,512**	1,040,716
Liabilities			
Investment liabilities	10	**15**	–
Creditors			
Bank overdraft	13	**23,591**	–
Other creditors	14	**25,319**	3,823
Total creditors		**48,910**	3,823
Total liabilities		**48,925**	3,823
Net assets attributable to shareholders		**831,587**	1,036,893

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 ACD believes that the sub-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 sub-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. The last valuation point in the period has been used for the purposes of preparing the report and financial statements and in the ACD's opinion there have been no material movements in the sub-fund between the last valuation point and close of business on the balance sheet date. Where a sub-fund invests in markets that are closed for trading at the sub-fund's valuation point, the ACD 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 sub-fund valuation point, since the last market close), to reflect more accurately the fair value of the sub-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 ACD, 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/(losses).

(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 recognized as revenue. Income from US REITs is split between revenue and capital depending on the composition of the distribution from the REIT. Bank interest and interest on margin accounts held with brokers is recognised as revenue on an accruals basis. Returns on derivative instruments are recognised as either revenue or capital depending on the nature and circumstances of each particular case. Net gains/(losses) are reflected within derivative contracts under net capital gains/(losses) in the notes to the financial statements.

(e) Expenses. All expenses (other than the performance fee and those relating to the purchase and sale of investments) are 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 sub-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 sub-fund is priced on a single swinging price basis. The ACD has the discretion to charge a dilution adjustment as part of its daily valuation policy. This will mean that in certain circumstances the sub-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 sub-fund is to distribute all available revenue, after deduction of expenses and taxation properly chargeable against revenue. The sub-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. The ACD may from time to time, smooth the distribution payments during the accounting period with the balance of revenue (if any) being paid in respect of the final distribution. Gains and losses on investments and derivatives whether realised or unrealised, if taken to capital are not available for distribution. With the exception of the ACD's annual management charge, which is directly attributable to each share class, all income and expenses are apportioned to each share class pro-rata to the value of the net assets of the relevant share class on the day that the income or expense is recognised. For accumulation shares, this revenue is not distributed but automatically reinvested in the sub-fund and is reflected in the value of these shares. Distributions which have remained unclaimed by shareholders for six years are credited to the capital property of the sub-fund.

3. Net capital gains/(losses)

	29 February 2024 £'000	28 February 2023 £'000
Non-derivative securities	**89,288**	(72,032)
Forward currency contracts	**670**	(2,108)
Currency (losses)/gains	**(1,237)**	5,911
Net capital gains/(losses)	**88,721**	(68,229)

4. Direct transaction costs

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

Year ended 29 February 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	825,106	138	–	825,244	0.02	–
Sales						
Equities	1,096,570	197	–	1,096,373	0.02	–
Total		**335**	**–**			
Percentage of fund average net assets		**0.04%**	**0.00%**			

Year ended 28 February 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	796,244	146	–	796,390	0.02	–
Sales						
Equities	939,261	158	16	939,087	0.02	–
Total		**304**	**16**			
Percentage of fund average net assets		**0.03%**	**0.00%**			

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

Dealing spread

As at the balance sheet date, the estimated portfolio dealing spread was 0.05% (2023: 0.07%). This spread represents the difference between the bid and offer values of each underlying investment of the sub-fund expressed as a percentage of its offer price.

5. Revenue

	29 February 2024 £'000	28 February 2023 £'000
Overseas dividends	**4,229**	10,048
Bank interest	**754**	473
Total revenue	**4,983**	10,521

6. Expenses

	29 February 2024 £'000	28 February 2023 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	**6,273**	8,336
Administration fees	**1,016**	1,334
Total expenses	**7,289**	9,670

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 ACD via the administration fee.

7. Interest payable and similar charges

	29 February 2024 £'000	28 February 2023 £'000
Interest payable	**16**	3
Total interest payable and similar charges	**16**	3

8. Taxation

	29 February 2024 £'000	28 February 2023 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	**836**	1,308
Total taxation (note 8b)	**836**	1,308
b) Factors affecting the tax charge for the year		
Net revenue before taxation	**(2,322)**	848
Corporation tax of 20% (2023: 20%)	**(464)**	170
Effects of:		
Unutilised management expenses	**1,247**	1,447
Irrecoverable overseas tax	**836**	1,308
Overseas withholding tax expensed	**–**	(69)
Double tax relief	**(11)**	–
Non-taxable overseas dividends	**(772)**	(1,548)
Tax charge for the year (note 8a)	**836**	1,308

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 sub-fund has not recognised a deferred tax asset of £7,220,000 (2023: £5,973,000) arising as a result of having unutilised management expenses of £36,103,000 (2023: £29,865,000). It is unlikely that the sub-fund will obtain relief for these in the future so no deferred tax asset has been recognised.

9. Distributions

	29 February 2024 £'000	28 February 2023 £'000
Add: amounts deducted on cancellation of shares	**5**	–
Deduct: amounts added on issue of shares	**(2)**	–
Distributions	**3**	–
Movement between net expense and distributions		
Net expense after taxation	**(3,158)**	(460)
Deficit transferred to capital	**3,161**	460
	3	–

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. Details of the distributions per share are set out in the distribution tables on page 157.

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).

	29 February 2024		28 February 2023	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Level 1	**830,499**	**–**	1,021,879*	–
Level 2	**–**	**15**	58	–
Total	**830,499**	**15**	1,021,937	–

* Level 1 includes fair value adjustment based on movement of futures in markets closed at the sub-fund valuation point, since the last market close.

11. Debtors

	29 February 2024 £'000	28 February 2023 £'000
Amounts receivable for issue of shares	**30,689**	144
Sales awaiting settlement	**19,090**	3,461
Accrued revenue	**85**	535
Total debtors	**49,864**	4,140

12. Cash and cash equivalents

	29 February 2024 £'000	28 February 2023 £'000
Cash and bank balances	**149**	14,622
Collateral held with broker	**–**	17
Total cash and cash equivalents	**149**	14,639

13. Bank overdraft

	29 February 2024 £'000	28 February 2023 £'000
Bank overdrafts	**23,591**	–
Total bank overdraft	**23,591**	–

14. Other creditors

	29 February 2024 £'000	28 February 2023 £'000
Purchases awaiting settlement	**15,847**	2,187
Amounts payable for cancellation of shares	**8,927**	950
Accrued annual management charge	**463**	588
Accrued administration fee payable to the ACD	**74**	98
Interest payable	**8**	–
Total other creditors	**25,319**	3,823

15. Contingent liabilities and commitments

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

16. Reconciliation of share movements

	Shares in issue at 28 February 2023	Shares issued	Shares cancelled	**Shares in issue at 29 February 2024**
I accumulation GBP	324,730,253	59,490,252	(158,300,245)	**225,920,260**
I accumulation GBP (NAV hedged)	4,844,173	5,623,709	(6,932,234)	**3,535,648**

17. Risk disclosures

In pursuing its investment objectives, the sub-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 sub-fund's operations.

The ACD has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the sub-fund's positions and their contribution to the overall risk profile of the sub-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 sub-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 sub-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 and 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 sub-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 sub-fund's investment portfolio. The sub-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 ACD'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 sub-fund disclosed in the balance sheet.

(i) Interest rate risk

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. As the majority of the sub-fund's financial assets are non-interest bearing, the sub-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 provided.

(ii) Currency risk

A portion of the net assets of the sub-fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the ACD may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the sub-fund's exposure to currency risk is reduced. The gain on forward currency contracts for the year was £670,000 (2023: loss of £2,108,000).

Revenue received in foreign currencies is converted into sterling on or near the date of receipt. The exposure to each currency is shown in the tables below.

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £'000	Total £'000
29 February 2024				
US Dollar	**830,499**	**1,489**	**(5,043)**	**826,945**
Sterling	**–**	**(386)**	**5,028**	**4,642**
28 February 2023				
US Dollar	1,005,527	15,898	220	1,021,645
Canadian Dollar	10,409	–	–	10,409
Sterling	5,943	(942)	(162)	4,839

A five percent increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets by £41,347,000 (2023: £51,603,000). A five percent decrease would have an equal and opposite effect

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The value of equities is dependent on a number of factors, arising from the performance of the company itself and matters arising in the wider market (for example the state of the underlying economy and current government policy). The portfolio is invested in securities domiciled in a number of countries and will be exposed to market movements in the relevant country arising from changes in the local economy and government decisions. As part of the continuing review of the portfolio, the ACD monitors and reviews these factors. A five percent increase in the value of the sub-fund's portfolio would have the effect of increasing the return and net assets by £41,524,000 (2023: £51,097,000). A five percent decrease would have an equal and opposite effect.

(iv) Leverage risk

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

The sub-fund can use cash borrowing (subject to restrictions as set out in its Prospectus and COLL) and financial derivatives as sources of leverage. The maximum level of leverage which the ACD may employ on behalf of the fund is 200% under the commitment method. A result of 100% indicates that no leverage has been used.

As at 29 February 2024 and 28 February 2023 the leverage ratios of the sub-fund were:

	29 February 2024 %	28 February 2023 %
Sum of the notionals	**102.5**	100.3
Commitment	**100.8**	100.1

(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 sub-fund, resulting in a financial loss. From time to time, the sub-fund may be subject to short-term credit risk with counterparties pending settlement of investment transactions. The ACD 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 sub-fund's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of Northern Trust Investor Services Limited may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited. The depositary receives and reviews a semi-annual report on the internal controls in place at Northern Trust Investor Services Limited. The sub-fund is also exposed to counterparty risk through holding specific financial instruments.

The ACD is permitted to use one or more separate counterparties for derivative transactions. The sub-fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit worthiness of its counterparties and their ability to satisfy the terms of such contracts. Where the sub-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 sub-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 sub-fund. To minimise such risk the ACD will assess the creditworthiness of any counterparty that it engages with. On a daily basis, the ACD assesses the level of assets with each counterparty to ensure that the exposure is within the defined limits in accordance with the requirements stipulated in COLL and the Prospectus. The derivatives are disclosed in the portfolio statement, Northern Trust is the counterparty for forward currency contracts. Aside from the custodian, and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 29 February 2024 or 28 February 2023.

Counterparty and collateral exposure

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

Currency	Forward currency contracts £'000	Total gross exposure £'000	Net collateral held £'000
29 February 2024			
Northern Trust	**(15)**	**(15)**	–
28 February 2023			
J.P. Morgan	58	58	17

(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 sub-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 sub-fund can be liquidated within certain redemption horizons, whether the largest investors in the sub-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 29 February 2024 or 28 February 2023.

18. Related party transactions

The ACD is deemed to be a related party. All transactions and balances associated with the ACD are disclosed within the statement of total return, statement of change in net assets attributable to shareholders and the balance sheet on page 148 and notes 6, 9, 11 and 14 on pages 151 to 153 including all issues and cancellations where the ACD acted as principal.

The balance receivable from the ACD as at 29 February 2024 in respect of these transactions was £21,225,000 (2023: due to the ACD £1,492,000).

19. Share classes

The annual management charge on each share class is 0.75%.

The net asset value per share and the number of shares in each class are given in the comparative table on page 158 .
The distributions per share class are given in the distribution tables on page 157. 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 sub-fund pays annual dividend distributions. The following table sets out the distribution period.

Distribution period	Start	End	Ex-dividend date	Pay date
Final	1 March 2023	29 February 2024	1 March 2024	30 April 2024

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

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

I accumulation GBP

Dividend distributions	Group 2		Group 1 & 2	Corporate streaming		2023
for the year ended 29 February 2024	Net revenue per share (p)	Equalisation per share (p)	Distribution per share (p)	Franked	Unfranked	Distribution per share (p)
Final	–	–	–	–	–	–

I accumulation GBP (NAV Hedged)

Dividend distributions	Group 2		Group 1 & 2	Corporate streaming		2023
for the year ended 29 February 2024	Net revenue per share (p)	Equalisation per share (p)	Distribution per share (p)	Franked	Unfranked	Distribution per share (p)
Final	–	–	–	–	–	–

Comparative tables

	I accumulation GBP			I accumulation GBP (NAV Hedged)		
	2024	2023	2022	2024	2023	2022
Change in net assets per share (p)						
Opening net asset value per share	**317.51**	**334.59**	**330.40**	**120.49**	**144.73**	**149.74**
Return before operating charges *	50.96	(14.35)	7.29	24.64	(23.18)	(3.62)
Operating charges	(2.64)	(2.73)	(3.10)	(1.03)	(1.06)	(1.39)
Return after operating charges *	**48.32**	**(17.08)**	**4.19**	**23.61**	**(24.24)**	**(5.01)**
Distributions	–	–	–	–	–	–
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per shares	**365.83**	**317.51**	**334.59**	**144.10**	**120.49**	**144.73**
* after direct transaction costs of	(0.12)	(0.09)	(0.07)	(0.05)	(0.04)	(0.03)
Performance						
Return after charges	15.22%	(5.10)%	1.27%	19.59%	(16.75)%	(3.35)%
Other information						
Closing net asset value (£'000)	826,492	1,031,056	1,277,778	5,095	5,837	13,149
Closing number of shares	225,920,260	324,730,253	381,898,648	3,535,648	4,844,173	9,085,171
Operating charges	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%
Direct transaction costs	0.04%	0.03%	0.02%	0.04%	0.03%	0.02%
Prices						
Highest share price (p)	360.95	350.35	392.80	142.21	148.38	171.05
Lowest share price (p)	272.79	274.18	313.36	103.10	107.81	135.58

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

The operating charges are calculated on an ex-post basis. High and low price disclosures are based on quoted share prices. Therefore opening and closing NAV prices may fall outside the high/low price threshold.

Ongoing charges

Class	**29 February 2024**
I accumulation GBP	0.870%
I accumulation GBP (NAV Hedged)	0.870%

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

Class I accumulation performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis US Smaller Companies Fund **	261.0	62.7	9.2	13.6	16.0
Artemis US Smaller Companies Fund ***	264.7	65.7	10.5	15.5	17.0
Russell 2000 TR	166.4	46.8	7.4	5.3	9.2
North American Smaller Companies Average	197.6	61.0	8.2	5.4	9.2
Position in sector	1/7	4/9	7/9	1/9	1/9
Quartile	1	2	3	1	1

Past performance is not a guide to the future.

* Source: Lipper Limited, class I accumulation GBP from 27 October 2014 to 29 February 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 investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.
** Value at 12 noon valuation point.
*** Value at close of business.

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

General information

Investment in the company

Investments in Artemis Investment Funds ICVC are intended to be medium to long term investments and should not be considered a short term investment.

Investors are reminded that past performance is not a guarantee of performance in the future and that the price of shares and the income from them can fall as well as rise. Please refer to the Key Investor Information Document and Prospectus (which are available from the ACD on request) for a full description of the risks involved when investing in the sub-funds.

Shares may be bought and sold by contacting the ACD by telephone, at the address on this page or via the website artemisfunds.com in the UK. Valuation of the sub-funds takes place each dealing day at 12 noon on a forward pricing basis. The current list of non-dealing days impacting the sub-funds 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 shares and the revenue from them can fall as well as rise.

The information contained within this document should not be construed as a recommendation to purchase or sell stocks.

Publication of prices

The most recent prices are published on the ACD's website artemisfunds.com, which is the primary method of price publication.

For further details and where to find such prices please contact the ACD. Shares are not quoted on any recognised investment exchange.

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General information

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