This document is issued by Artemis Alpha Trust plc (the "Company") solely in order to make certain particular information available to investors in the Company before they invest, in accordance with the requirements of the Financial Conduct Authority's ("FCA") Rules implementing the Alternative Investment Fund Managers Directive ("AIFMD") in the United Kingdom. It is made available to investors in the Company by being made available at artemisalphatrust.co.uk.

Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services & Markets Act 2000 before investing in the Company.

ARTEMIS ALPHA TRUST PLC

INVESTOR DISCLOSURE DOCUMENT

IMPORTANT INFORMATION

Regulatory status of the Company

The Company is an Alternative Investment Fund ("AIF") for the purposes of the AIFMD and the Company is regulated by the FCA in the United Kingdom as an externally-managed AIF for the purposes of that Directive.

The Company's shares are listed on the premium segment of the Official List of the UK Listing Authority and are admitted to trading on the main market of the London Stock Exchange. The Company is subject to its Articles of Association (the "Articles"), the Listing Rules and Disclosure Guidance and Transparency Rules of the FCA, the Companies Act 2006, and complies with the AIC Code of Corporate Governance.

The provisions of the Company's Articles are binding on the Company and its shareholders. The Articles set out the respective rights and restrictions attached to the Company's shares. These rights and restrictions apply equally to all shareholders. All shareholders are entitled to the benefit of and are bound by and are deemed to have notice of the Company's Articles. The Company's Articles are governed by English law and are available at artemisalphatrust.co.uk.

Limited purpose of this document

This document is not being issued for any purpose other than to make certain, required regulatory disclosures to investors and, to the fullest extent permitted under applicable law and regulations, the Company and its Directors will not be responsible to persons other than the Company's shareholders for their use of this document, nor will they be responsible to any person (including the Company's shareholders) for any use which they may make of this document other than to inform a decision to invest in shares in the Company.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to, the Company's shares.

This document is not a prospectus and it is not intended to be an invitation or inducement to any person to engage in any investment activity. This document may not include (and is not intended to include) all the information which investors and their professional advisers may require for the purpose of making an informed decision in relation to an investment in the Company and its shares.

No advice

The Company and its Directors are not advising any person in relation to any investment or other transaction involving shares in the Company. Recipients must not treat the contents of this document or any subsequent communications from the Company, or any of its affiliates, officers, directors, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment in shares.

Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

Overseas investors

The distribution of this document in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about, and to observe, such restrictions. The shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia, New Zealand, South Africa or Japan. Accordingly, the shares may not (unless an exemption from such act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia, New Zealand, South Africa or Japan. The Company is not registered under the United States Investment Company Act of 1940 (as amended) and investors are not entitled to the benefits of such act.

Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of shares.

Exchange of information agreements

To comply with legislation implementing the United Kingdom’s obligations under various intergovernmental exchange of information agreements (often referred to as the Common Reporting Standard), certain information is required to be collected from shareholders and reported to HM Revenue & Customs. This includes information to verify shareholders’ identity, residence and tax status. Where shares are uncertificated, the CREST member or sponsor is responsible for collecting this information, while the Registrar is responsible for collecting information on all other accounts.

If requested to do so, shareholders must provide the required information. Failure to provide this information will result in the shareholder being reported to HM Revenue & Customs. If domestic tax legislation in their country of tax residency does not allow this information to be provided, shareholders should make the CREST member or sponsor, or the Registrar, aware of this.

Shareholders who are unsure how to determine their tax residency should contact their tax advisor.

THE COMPANY

Background

The Company is incorporated in England and its business as an investment trust is to buy and sell investments with the aim of achieving the objective outlined below.

Investment objective and policy

Full details can be found in the Annual Report and Accounts available at artemisalphatrust.co.uk. Set out below is a summary.

Investment objective

To provide long-term capital and income growth by investing predominantly in listed companies and to achieve a net asset value total return greater than the total return of the FTSE All-Share Index.

Investment policy

The Investment Manager follows an unconstrained and opportunistic approach with the aim of generating sustainable outperformance of the FTSE All-Share Index. The Investment Manager will seek to identify and invest in companies with the following characteristics: attractive valuations, strong business models, favourable long-term industry fundamentals and high quality management teams.

As a result of this approach, stock market capitalisations and sector and geographic weightings are of secondary consideration. Accordingly, there are no pre-defined maximum or minimum exposure levels for each individual sector, country or geographic region, but these exposures are reported to, and monitored by, the Board in order to ensure that the Company's portfolio is invested and managed in a manner consistent with spreading investment risk.

Given the Investment Manager's particular focus on the UK market, the majority of the portfolio is expected to be invested in UK listed companies. However, the overall geographical profile of the portfolio will change from time to time depending on where opportunities are found.

The Company's policy is not to invest more than 10 per cent of net assets, at time of purchase, in any one investment. The total number of holdings in the portfolio will vary over time but the top positions will have a proportionally larger weighting.

There is no restriction on the amount of cash or cash equivalent instruments that the Company may hold and there may be times when the Investment Manager considers it appropriate for the Company to have a significant cash or cash equivalent position instead of being fully invested.

The Company may, but normally does not, invest up to 15 per cent of its total assets in other listed closed-ended investment funds.

Unquoted Investments

The Company will not invest more than 10 per cent of its total assets in unquoted companies, excluding follow-on investments that may be made in existing unquoted investments in order to preserve the Company's economic interests in such investments. Any new or follow-on investments in unquoted companies require the prior approval of the Board.

Derivatives and Hedging

The Company may use derivatives and similar instruments for the purpose of capital preservation, hedging currency risk and gearing.

Gearing

The Company may employ gearing of up to 25 per cent of net assets. The effect of gearing may be achieved without borrowing by investing in a range of different types of instruments, including derivatives. The Company currently uses contracts for difference as a means of providing gearing.

General

Limits referred to in the investment policy are measured at the time of investment or, in the case of gearing, at the time of draw-down or/and when derivative transactions are entered into.

Leverage

Leverage is defined in the Alternative Investment Fund Manager Directive ("AIFMD") as any method by which the Company can increase its exposure by borrowing cash or securities, or from leverage that is embedded in derivative positions. The Company has entered into an agreement with Northern Trust to utilise contracts for difference as a form of leverage. A result of 100 per cent indicates that no leverage has been used. The Company is permitted by its Articles to borrow up to 50 per cent; however the Company's investment policy restricts this to 25 per cent. The Company is permitted to have additional leverage of up to 100 per cent of its net assets, which results in permitted total leverage of 225 per cent under both ratios. Artemis as the Alternative Investment Fund Manager ("AIFM"), monitors leverage limits on a daily basis and reviews them annually. No changes have been made to these limits during the period.

The Investment Manager requires prior Board approval to:

(i) enter into any stocklending agreements;

(ii) borrow money against the security of the Company's investments; or

(iii) create any charges over any of the Company's investments.

Where there is a material change in the corporate policy of the Company, the limits would also be subject to review. As this change would require shareholder approval before being implemented, any changes to the leverage limits would be disclosed in any announcements made regarding the change in the corporate policy.

Investment strategy and investment techniques

As a closed-ended investment fund whose shares are admitted to the Official List under Chapter 15 of the FCA's Listing Rules, prior approval is required from shareholders of any material change to the published corporate strategy and policy. Accordingly, the Company will not make any material change to its published corporate policy without the approval of shareholders by ordinary resolution. The Company will announce such changes through a Regulatory Information Service ("RNS") announcement. The Company's published corporate policy is set out in the section entitled 'Corporate policy' above.

Any change in corporate policy which does not amount to a material change to the published corporate policy may be made by the Company without shareholder approval.

ADMINISTRATION AND MANAGEMENT OF THE COMPANY

The Alternative Investment Fund Manager

Artemis Fund Managers Limited ("AFML") has been appointed as the Alternative Investment Fund Manager to the Company and is also the Company Secretary to the Company.

Pursuant to the rules set out in the Investment Funds Sourcebook ("FUND") issued by the FCA, the Alternative Investment Fund Manager is entitled in its discretion to delegate its investment management functions to any third party on and subject to such terms, conditions or regulations as it may in its absolute discretion think fit. AFML has delegated its responsibilities for the portfolio management of the Company to Artemis Investment Management LLP (the "Investment Manager").

As a result of the delegation of functions, it is possible that AFML and the Investment Manager may, in the course of their businesses, have potential conflicts of interest with the Company or that potential conflicts of interest may arise between the Company and other funds managed by the Investment Manager and/or AFML. Each of the Investment Manager and AFML will, however, have regard in such event to its obligations under the Investment Management Agreement and, in particular, to their obligations to act in the best interests of each client in so far as practicable, having regard to their obligations to other clients when undertaking any investment where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the Investment Manager and AFML will ensure that each client it manages is fairly treated.

AFML receives an investment management fee from the Company of 0.75 per cent per annum on the first £250 million of the average monthly market capitalisation of the Company. The balance above £250

million and up to £500 million will be charged at a reduced rate of 0.70 per cent per annum and the balance above £500 million charged at a further reduced rate of 0.65 per cent per annum.
No performance fees are payable. No fees are paid to AFML in respect of its role as Alternative Investment Fund Manager to the Company.

The Depositary

Northern Trust Investor Services Limited has been appointed as the Depositary to the Company. The Depositary has a duty of oversight in relation to the cash flows of, and securities held by, the Company.

The Depositary has delegated the safe-keeping of the assets of the Company to The Northern Trust Company, London Branch, the Custodian of the Company.

The Depositary has not entered into any arrangement contractually to discharge itself of liability in accordance with Article 21(13). Shareholders will be notified of any changes with respect to the discharge by the Depositary of its liability, in accordance with Article 21(13), through an RNS announcement.

The Depositary is entitled to a fee of 0.5 bps per annum of the net assets of the Company, subject to a minimum fee of £6,000 per annum.

The Auditor

The Auditor of the Company is Johnston Carmichael LLP. The Auditor is required to report to shareholders whether the Annual Report and Accounts represent a true and fair view of the state of the Company's affairs at each financial year end, and also to confirm that the Annual Report and Accounts have been prepared in accordance with international accounting standards and the requirements of the Companies Act 2006.

The Directors of the Company are authorised by shareholders at each Annual General Meeting to determine the remuneration of the Auditors. The amounts paid to the Auditors in respect of the last two financial year ends are disclosed in the notes to the financial statements in the Annual Report and Accounts.

The Registrar

The Registrar of the Company is Link Group. The Registrar maintains the share register of the Company, collates shareholder proxy votes and arranges payment of the Company's dividends to shareholders.

The Registrar receives an annual fee based on the number of shareholder accounts and activity on the share register, plus expenses and disbursements.

SHAREHOLDER INFORMATION

Reports and Accounts

Copies of the Company's latest Annual and Half-Yearly Report and Accounts may be accessed at artemisalphatrust.co.uk.

Publication of net asset values

The latest net asset value of the Company, which is calculated and published daily, may be accessed at londonstockexchange.com.

Valuation policy

Investments are designated as fair value through profit or loss upon initial recognition. Listed investments are measured initially at cost and are recognised at trade date. Investments in subsidiary undertakings are stated in the Company's financial statements at fair value, which is deemed to be the net assets of each subsidiary.

For financial assets acquired, the cost is the fair value of the consideration. Subsequent to initial recognition, all listed investments are measured at their quoted bid or Stock Exchange Electronic Trading Service ("SETS") prices without deduction for the estimated future selling costs. Unquoted investments are valued at fair value which is determined by the Board, through discussion with the Investment Manager and with reference to the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Board in December 2018 and the Special Valuation Guidance issued in March 2021. Valuation techniques employed include: calibrated price of recent investment; earnings multiples; net assets; discounted cash flow techniques; industry valuation benchmarks; and available market prices.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as gains/(losses) on investments. Also included within this caption are transaction costs in relation to the purchase or sale of investments.

Assets are derecognised at the trade date of the disposal. Proceeds are measured at fair value which are regarded as the proceeds of sale less any transaction costs.

Historic performance of the Company

Details of the Company's historical financial performance are provided in the Company's Annual and Half-Yearly Report and Accounts and monthly factsheets, which are available at artemisalphatrust.co.uk.

The value of shares in the Company, and any income from them, can fall as well as rise and you may not get back the amount originally invested. Stock market prices, currencies and interest rates can move irrationally and can be affected unpredictably by diverse factors, including political and economic events. How the shares have performed in the past is not a guide to how they will perform in the future.

Purchases and sales of shares by investors

The Company's shares are admitted to the Official List of the UKLA and to trading on the London Stock Exchange. Accordingly, the Company's shares may be purchased and sold on the London Stock Exchange. This is normally done through your own stockbroker.

The Company may make market purchases of shares from time to time, subject to the Company having the necessary authorities in place and having sufficient funds available for this purpose.

The Company may issue shares from time to time subject to having the necessary authorities in place. Shareholders will be notified of any new share issues through an RNS announcement.

Fair treatment of investors

The legal and regulatory regime to which the Company and the Directors are subject to ensures the fair treatment of investors. The Listing Rules require that the Company treats all shareholders of the same class of shares equally and each ordinary share is entitled to one vote in any circumstances. Each ordinary share has equal rights in respect of dividends.

The subscription shares rank equally with each other and do not carry any voting rights or the right to receive any dividends from the Company.

As directors of a company incorporated in the United Kingdom, the Directors have certain statutory duties under the Companies Act 2006 with which they must comply. These include a duty upon each Director to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

No investor has a right to obtain preferential treatment in relation to their investment in the Company and the Company does not give preferential treatment to any investors.

RISK FACTORS

The Company's financial instruments comprise equities, derivatives, cash balances, as well as debtors and creditors that arise from its operations. These are held in accordance with its investment policy. The principal risks the Company faces are: (i) market price risk (comprising currency risk, interest rate risk and other price risk); (ii) liquidity risk; and (iii) credit risk.

(i) Market price risk

Market risk, which includes, currency, interest rate and other price risk, arises mainly from uncertainty about future values of financial instruments held in the Company's investment portfolio. It is the Board's policy that the Company should maintain an appropriate spread of investments in the portfolio to seek to reduce the risks arising from factors specific to a particular company or sector.

The day-to-day management of the portfolio is the responsibility of the Investment Manager, in accordance with the Company's investment policy. This includes ongoing detailed analysis of existing and potential investee companies. No derivatives or hedging instruments are used to manage market risk. The Board monitors the Company's overall market positions on a regular basis.

Currency risk

The portfolio has a number of investments denominated in currencies other than Sterling and the income and capital value of these can be affected by movements in exchange rates. The Company also operates a number of currency bank accounts and exchange gains or losses may arise as a result of the movement in the exchange rate between the date of the transaction and its settlement. Therefore, a proportion of the net assets that are not priced in Sterling may be covered by forward currency contracts, so that the Company's exposure to currency risk is reduced.

Interest rate risk

The majority of the Company's financial assets are non-interest bearing and therefore exposure to fair value interest rate fluctuations is limited.

Floating rate

When the Company has cash balances these are maintained in an interest-bearing account. The benchmark that determines the interest paid on the cash balances is the UK bank base rate.

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 and credit risk), whether caused by factors specific to an investment of wider issues affecting the market generally. The value of equities is dependent on a number of factors arising from the performance of the individual company and also wider macro-economic matters. As part of the ongoing review of the portfolio, the Investment Manager monitors these factors.

(ii) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial commitments. A proportion of the Company's financial instruments include companies that are trading on AIM or are unquoted and these may not be readily realisable. As a result, the Company may not be able to realise some of its investments quickly at their fair value to meet any further liquidity requirements, or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. The Company's investment strategy is to ensure that there are a sufficient number of investments that are readily realisable and can be sold to meet any funding requirements.

(iii) Credit and counterparty risk

This is the risk that a failure of a counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

This risk is managed as follows:

■ Where the Investment Manager makes an investment in a bond or other security with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question.

■ The Company's investments are held on its behalf by The Northern Trust Company, London Branch, the Company's custodian.

■ Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed. The Investment Manager monitors the Company's risk by reviewing the custodian's internal control reports and reporting on its findings to the Board.

■ Investment transactions are carried out with a large number of brokers whose creditworthiness is reviewed by the Investment Manager. Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's custodian bank ensures that the counterparty to any transaction entered into by the Company has delivered on its obligations before any transfer of cash or securities away from the Company is completed.

■ Transactions involving derivatives, and other arrangements wherein the creditworthiness of the entity acting as broker or counterparty to the transaction is likely to be of sustained interest, are subject to rigorous assessment by the Investment Manager of the creditworthiness of that counterparty.

■ Cash is only held at banks that are regularly reviewed by the Investment Manager.

(iv) Other risks faced by the Company include:

■ Strategic risk: investment objective and policy are not appropriate in the current market and not favoured by investors. The investment objective and policy of the Company is set by the Board and is subject to ongoing review and monitoring in conjunction with the Investment Manager. Views expressed by the Company's shareholders are also taken into account.

■ Investment risk: the Company's investments are selected on their individual merits and the performance of the portfolio is not likely to track the wider UK market (FTSE All-Share Index). Whilst the focus is on large cap companies the Company also invests in small cap (listed), AIM traded and unquoted investments which can be subject to a higher degree of risk than that of larger quoted investments. From time to time, the Company may also have significant exposure to particular industry sectors.

The Board considers that this risk is justified by the longer-term nature of the investment objective and the Company's closed-ended structure, and that such investments should be a source of positive returns for shareholders. Risk is diversified through having a range of investments in the portfolio covering various sectors. The Board discusses the investment portfolio with the Investment Manager at each Board meeting, and at each month end between Board meetings, and part of this discussion includes a detailed review of the Company's unquoted investments, their valuations and future prospects together with their portfolio weighting.

The Investment Manager's high conviction approach leads to a concentrated portfolio, typically containing between 25 and 60 stocks, carrying a higher degree of stock-specific risk than a more diversified portfolio. The Board receives management information concerning the geographical sector split of the portfolio. The Company is not materially exposed to foreign currency risk.

The Company's functional and reporting currency is Sterling. However, the investment objective and policy may result in a proportion of the Company's portfolio being invested in overseas equities denominated in currencies other than Sterling. As a result, movements in exchange rates may affect the Sterling value of these investments and their returns.

The Company may borrow money for investment purposes or use derivatives to similarly increase exposure. If the investments fall in value, any borrowings/use of derivatives will magnify the extent of the losses. All borrowing arrangements entered into require the prior approval of the Board and gearing levels, provided by the use of contracts for difference, are regularly discussed and reviewed by the Board and Investment Manager.

■ Legal and regulatory risk: A breach of s1158 Corporation Tax Act 2010 could lead to a loss of investment trust status and the resultant taxation of realised capital gains. The Investment Manager provides investment, company secretarial, administration and accounting services through the use of qualified professionals.

The principal laws and regulations the Company is required to comply with are the Companies Act 2006, the Alternative Investment Fund Managers' Directive, the Market Abuse Regulation, the UK Listing Rules and the Disclosure Guidance and Transparency Rules. The Board receives internal control reports from the Investment Manager confirming compliance with regulations. These reports also highlight any matter that the Compliance team feel should be brought to the Board's attention along with any items discussed during internal audit review.

A breach of the FCA listing rules could lead to suspension of the Company's shares. A breach of the Companies Act 2006 could lead to criminal proceedings and reputational and financial damage. The Board meets each year with the Risk and Compliance team to discuss the areas of risk appropriate to the Company and the control environment.

■ Operational risk: Disruption to, or failure of, the Investment Manager's and/or any other third-party service providers' systems which could result in an inability to report accurately and monitor the Company's financial position.

Both the Investment Manager and the Administrator have established business continuity plans to facilitate continued operation in the event of a major service disruption or disaster. All of the Investment Manager's and Administrator's staff can work from home with no impact to operations.

Northern Trust became administrator, custodian and depositary during the year taking over from JP Morgan Europe. There was a temporary additional risk in relation to this move due to the operational changes required. The move to Northern Trust was planned in detail with contingencies in place as required. The move has now been completed and the risk returned to the prior year level.

■ Cyber risk: Failure or disruption of the Investment Manager's and/ or any other third-party service providers' systems as a result of a cyber-attack, data theft, service disruption, etc. Whilst the risk of a direct financial loss by the Company is low, the risk of reputational damage and the risk of loss of control of sensitive information is more significant.

The Company benefits from the cyber security precautions in place at the Investment Manager and also those in place at the third-party suppliers such as the registrar and depositary. The Board receives regular updates from the Manager and its service providers which describe the protective measures taken to enhance security.

■ Climate change: Globally, climate change effects are already emerging in the form of changing weather patterns. Extreme weather events could potentially impair the operations of individual investee companies, potential investee companies, their supply chains and their customers.

The Investment Manager takes such risks into account, along with the downside risk to any company (whether in the form of its business prospects or market valuation or sustainability of dividends) that is perceived to be making a detrimental contribution to climate change. The Company invests in a broad portfolio of businesses with operations spread geographically, which should limit the impact of location-specific weather events.

■ Geopolitical risk: There is an increasing risk to market stability from geo-political conflicts, such as between Russia and Ukraine.

The Board discusses such risks as they arise and continues to monitor the impact on the Company and its investments through discussion with the Investment Manager as and when required. The Company does not have any direct investments in countries where there is geopolitical conflict. However, the Board is provided with information from the Investment Manager on the measures it takes to assess the potential impact of geopolitical events, both on itself and other service providers, and any action taken.

■ Inflationary risk: Central Bank decisions, the war in Ukraine or any other economic or political factors or global events, may result in increasing levels of inflation directly affecting economic growth and the underlying investment values.

The Board and its Investment Manager have regular discussions to assess the likely impact of inflation rates on the economy, corporate profitability and asset prices.

RISK MANAGEMENT

The Board, in conjunction with the Investment Manager, has developed a risk map which sets out the principal risks faced by the Company and the controls established to mitigate these risks. This is an ongoing process and the risk map, including any emerging risks, is formally reviewed every six months. The Board has given particular attention to those risks that might threaten the long-term viability of the Company. As an investment company the main risks relate to the nature of individual investments and the investment activities generally; these include market price risk, foreign currency risk, interest rate risk, credit risk and liquidity risk.

The Company will periodically disclose the current risk profile of the Company to investors. The Company will include this disclosure in the Annual Report and Accounts which is sent to shareholders and is also available at artemisalphatrust.co.uk.

Risk management systems

The Board recognises its responsibility for the implementation, review and maintenance of effective systems of internal control to manage the risks to which the Company is exposed, as well as ensuring that a sound system of internal control is maintained to safeguard shareholders' interests and the Company's assets. As the majority of the Company's systems are maintained on behalf of the Company by third party service providers under contract, the Board fulfils its obligations by requiring these service providers to report and provide assurances on their systems of internal control, which are designed to manage, rather than eliminate, risks. In light of the Board's reliance on these systems and the reports thereon, the Board can only provide reasonable and not absolute assurance against material misstatement or loss. The Board does, however, ensure that these service providers are employed subject to clearly defined contracts.

Both the Investment Manager and the Administrator have established internal control frameworks to provide reasonable assurances as to the effectiveness of the internal control systems operated on behalf of their clients. The Investment Manager reports to the Board on a regular basis with regard to the operation of its internal controls and risk management within its operations in so far as it impacts the Company. In addition, the Investment Manager reports quarterly to the Board on compliance with the terms of its delegated authorities under the Investment Management Agreement and other restrictions determined by the Board.

The Administrator also reports, on a quarterly basis, any operational errors and any breaches of law and regulation. This enables the Board to address any issues with regard to the management of the

Company as and when they arise and to identify any known internal control failures. The key procedures which have been established to provide effective internal controls are as follows:

■ The Board, through its audit committee, carried out and documented a risk and control assessment, which was reviewed twice during the year and will be kept under ongoing, and at least a six monthly, review.

■ Investment management, accounting and custody of assets are segregated. The procedures of the individual parties carrying out these functions are designed to complement each other.

■ Investment management and company secretarial services are provided by Artemis. The Board is responsible for setting the overall investment policy and monitoring the actions of the Investment Manager. The Board reviews information produced by the Risk and Compliance function of the Investment Manager in detail on a regular basis.

■ Administration services are provided by The Northern Trust Company, London Branch. The Administrator reports to the Board on a quarterly basis and ad hoc as appropriate. In addition, the Board receives the Administrator's reports on internal controls.

■ The Board is aware of the whistleblowing procedures of Artemis and the Administrator, which are considered satisfactory.

■ The Audit Committee receives regular updates of any internal audit reviews conducted on behalf of the Investment Manager which may be considered of relevance to the Company.

■ Safekeeping of the Company's assets is undertaken by The Northern Trust Company, London Branch.

■ Oversight of certain administrative and custodial procedures is undertaken by the Company's Depositary, Northern Trust Investor Services Limited. The Board reviews information provided by the Depositary on a regular basis.

■ The Board clearly defines the duties and responsibilities of its agents and advisers in the terms of their contracts. The appointment of agents and advisers is conducted by the Board after consideration of their capabilities to deliver the required services; their ongoing performance and contractual arrangements are monitored through the Management Engagement Committee to ensure that they remain effective.

■ Mandates for authorisation of investment transactions and expense payments are approved by the Board.

The Company will periodically disclose to investors the risk management systems which it employs to manage the risks which are most relevant to it. The Company will include disclosure in the Annual Report and Accounts which is sent to shareholders and is also available at artemisalphatrust.co.uk.

Liquidity risk management

The AIFM has a liquidity management policy for the Company which is intended to ensure that the Company's investment portfolio maintains an appropriate level of liquidity in view of the Company's expected outflows, including share buy backs, dividends and operational expenses. This policy involves an assessment of the prices or values at which it expects to be able to realise its assets over varying periods in varying market conditions, taking into account the sensitivity of particular assets to particular market risks and other relevant factors. This requires the AIFM to identify and monitor investment in asset classes which are considered to be relatively illiquid. Illiquid assets of the Company are likely to include investments in unquoted companies. The majority of the Company's investment portfolio is invested directly in listed equities and is monitored on an ongoing basis to ensure that it is adequately diversified. The liquidity management policy is reviewed and updated, as required, on at least an annual basis.

Shares in the Company are not redeemable and shareholders do not have the right to require their shares to be purchased by the Company. The liquidity management policy ensures that the Company's investment portfolio is sufficiently liquid to meet the Company’s ongoing cash requirements for the payment of dividends and operating expenses. This requires the Investment Manager to identify and monitor its investment in asset classes which are considered to be relatively illiquid. Illiquid assets of the Company are likely to include investments in unquoted companies. The Company’s investment strategy is to ensure that there are a sufficient number of investments that are readily realisable and can be sold to meet any funding requirements. The Company has an agreed overdraft facility to provide short-term funding flexibility. The liquidity management policy is reviewed and updated, as required, on at least an annual basis. Investors will be notified in the Annual Report and Accounts, which are sent to shareholders and also available at artemisalphatrust.co.uk, in the event of any material changes being made to the liquidity management systems and procedures or where any new arrangements for managing the Company's liquidity are introduced. The Company will also disclose the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature in the Annual Report and Accounts, which is sent to shareholders and is also available at artemisalphatrust.co.uk.
Professional negligence liability risks Directors’ and officers’ liability insurance cover is held by the Company to cover Directors against certain liabilities that may arise in conducting their duties. AFML and the Investment Manager also have professional indemnity cover which is reviewed annually.
Any changes to the information disclosed in this document will be updated as soon as the changes have been approved and are in place.

July 2023