



Artemis High  
Income *Fund*

Half-Yearly Report (unaudited)  
for the six months ended 7 February 2025

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## GENERAL INFORMATION

### Company profile

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

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

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

The firm now manages some £28.5 billion\* across a range of funds 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 28 February 2025

### Fund status

Artemis High Income Fund was constituted by a Trust Deed dated 26 May 1995 as amended by a supplemental Trust Deed dated 6 September 2002 and is an authorised unit trust scheme under the Financial Services and Markets Act 2000. The fund belongs to the category of UK UCITS schemes as defined in the Collective Investment Schemes Sourcebook ('COLL') of the Financial Conduct Authority ('FCA').

### Buying and selling

Units may be bought and sold by contacting the manager by telephone, at the address on page 5 or via the website [artemisfunds.com](http://artemisfunds.com). Valuation of the fund takes place each dealing day at 12 noon on a forward pricing basis. The current list of non-dealing days impacting the fund is published on our website at [www.artemisfunds.com/non-dealing-days](http://www.artemisfunds.com/non-dealing-days). Investors are reminded that past performance is not a guarantee of performance in the future and that the price of units and the revenue from them can fall as well as rise.

## OBJECTIVE AND INVESTMENT POLICY

<b>Objective</b>	To provide a combination of a high level of income and capital growth, before fees, over a rolling five year period. The manager defines a high level of income as equal to, or in excess of, the average yield of the funds in the fund's Investment Association sector, the Strategic Bond sector.	
<b>Investment policy</b>	<b>What the fund invests in</b>	<ul style="list-style-type: none"> <li>• 80% to 100% in bonds (of any credit quality).</li> <li>• Up to 20% in company shares.</li> <li>• The fund may also invest in cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives.</li> </ul>
	<b>Use of derivatives</b>	The fund may use derivatives for efficient portfolio management purposes to: <ul style="list-style-type: none"> <li>• reduce risk</li> <li>• manage the fund efficiently.</li> </ul>
	<b>Where the fund invests</b>	<ul style="list-style-type: none"> <li>• Globally</li> </ul>
	<b>Industries the fund invests in</b>	<ul style="list-style-type: none"> <li>• Any</li> </ul>
	<b>Other limitations specific to this fund</b>	<ul style="list-style-type: none"> <li>• At least 80% of the fund will be invested in assets denominated in sterling, or will be hedged back to sterling.</li> </ul>
<b>Investment strategy</b>	<ul style="list-style-type: none"> <li>• The fund is actively managed.</li> <li>• The manager seeks investments that offer the best value free cashflow available, as cashflow evidenced by an above-average yield on bonds or shares.</li> <li>• On occasion, investments are made on the basis of future dividend growth.</li> <li>• The manager focuses on the ability of a bond issuer to pay the interest on a bond and to repay a bond at its expiry, and the valuation attached to a bond as a result.</li> </ul>	
<b>Benchmark</b>	<b>IA £ Strategic Bond NR</b> A group of other asset managers' funds that invest in similar asset types as this fund, collated by the Investment Association. It acts as a 'target benchmark' that the fund aims to outperform. Management of the fund is not restricted by this benchmark.	

## RISK AND REWARD PROFILE



- The fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the fund may have risen and fallen in the past due to movements in markets, currencies and interest rates). It may not be a reliable indication of the future risk profile of the fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the fund's future risk profile.
- A risk indicator of "1" does not mean that the investment is "risk free".

**The risk indicator may not fully take into account the following risks and the following may affect fund performance:**

- **Market volatility risk:** The value of the fund and any income from it can fall or rise because of movements in stockmarkets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
- **Currency risk:** The fund's assets may be priced in currencies other than the fund base currency. Changes in currency exchange rates can therefore affect the fund's value.
- **Bond liquidity risk:** The fund holds bonds which could prove difficult to sell. As a result, the fund may have to lower the selling price, sell other investments or forego more appealing investment opportunities.
- **Income risk:** The payment of income and its level is not guaranteed.
- **Credit risk:** Investments in bonds are affected by interest rates, inflation and credit ratings. It is possible that bond issuers will not pay interest or return the capital. All of these events can reduce the value of bonds held by the fund.
- **Higher-yielding bonds risk:** The fund may invest in higher-yielding bonds, which may increase the risk to capital. Investing in these types of assets (which are also known as sub-investment grade bonds) can produce a higher yield but also brings an increased risk of default, which would affect the capital value of the fund.
- **Charges from capital risk:** Where charges are taken wholly or partly out of a 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.

There was no change to the risk indicator in the six months ended 7 February 2025. Please refer to the fund's prospectus for full details of these and other risks which are applicable to this fund.

## OTHER INFORMATION

### Prospectus

Copies of the most recent Prospectus are available free of charge from the manager at the address on page 5.

### Tax information reporting

UK tax legislation requires fund managers to provide information to HM Revenue & Customs ('HMRC') on certain investors who purchase units in unit trusts. Accordingly, the fund may have to provide information annually to HMRC on the tax residencies of those unitholders that are tax resident outwith the UK, in those countries that have signed up to the OECD's ('Organisation for Economic Co-operation and Development') Common Reporting Standard for Automatic Exchange of Financial Account Information (the 'Common Reporting Standard'), or the United States (under the Foreign Account Tax Compliance Act, 'FATCA').

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

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

### Value assessment

Artemis Fund Managers Limited (AFML) has conducted a detailed assessment on whether its funds are providing value to unitholders. AFML must publish publicly, on an annual basis, a statement setting out a summary of the outcome of the process and whether or not AFML believes the payments out of the scheme property are justified in the context of the overall value delivered to unitholders. Composite reports on Assessment of Value have been published via the website [artemisfunds.com](https://artemisfunds.com).

### Taskforce for Climate-Related Financial Disclosures ("TCFD")

In accordance with the FCA's requirements under the Environmental, Social and Governance Sourcebook, Artemis is required to publish disclosures consistent with the Taskforce on Climate-Related Financial Disclosures ("TCFD") for the period 1 January 2023 to 31 December 2023. The entity-level TCFD report contains information about how Artemis manages climate-related risks and opportunities in investment portfolios and across its business operations and the product-level TCFD report contains certain climate related metrics required to be published for Artemis High Income Fund. These TCFD reports, which were published on 30 June 2024, can be found here: [www.artemisfunds.com/tcfd](https://www.artemisfunds.com/tcfd).

## Manager

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

### Dealing information:

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

## Investment adviser

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

## Trustee and Depositary

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

## Registrar

Northern Trust UK Global Services SE †  
50 Bank Street  
Canary Wharf  
London  
E14 5NT

## Auditor

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

\*Authorised and regulated by the Financial Conduct Authority.

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

## Report of the manager

We hereby approve the Half-Yearly Report of the Artemis High Income Fund for the six months ended 7 February 2025 on behalf of Artemis Fund Managers Limited in accordance with the requirements of COLL as issued and amended by the FCA.

M J Murray  
Director  
Artemis Fund Managers Limited  
London  
3 April 2025

S Dougall  
Director

# INVESTMENT REVIEW

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## About the fund

The managers of the Artemis High Income Fund search for attractive sources of income across the bond market. They also invest in the shares (equities) of a small number of dividend-paying companies.

**High-yield corporate bonds** – Holdings in high-yield bonds are at the heart of this fund. These are issued by companies that ratings agencies (such as S&P and Moody's) deem to be at greater risk of defaulting on their debts. As their name suggests, they offer a higher 'yield' (rate of interest) to compensate for the higher level of risk.

**Investment-grade corporate bonds** – These are issued by companies with higher credit ratings. These are businesses that ratings agencies consider to be at relatively lower risk of defaulting on their debts.

**Government bonds** – These are widely viewed as being among the safest bonds (governments in developed economies rarely default on their debts). The interest rate, or 'yield', available here is lower than it is on high-yield and investment-grade corporate bonds – but they can provide a useful counterweight to the fund's holdings in more economically sensitive bonds and shares.

## Main changes to the fund

We added a number of high-yield bonds that we believe have the potential to be upgraded to investment-grade status. These included: cruise line operator **Carnival**; perfume and beauty products producer **Coty**; gaming technology company **IGT**; waste management business **GFL Environmental**; and **Shift4 Payments**, a market leader in payment solutions for the hospitality industry.

In addition to these potential 'rising stars', we also added a number of bonds issued by companies whose underlying quality we believed was being fundamentally underappreciated by the market. These included: **Angi**, whose digital platform connects homeowners with trade professionals; **LSB Industries**, a specialty chemicals business focused on the agricultural market; **W&T Offshore**, an oil and gas producer; and **Asmodee**, a producer of table-top board and card games.

On the equity side of the portfolio, we added exposure to **Aviva** following news that its acquisition of Direct Line looked likely to proceed.

To fund these additions, we sold a number of positions, with the focus of our sales being bonds that had performed well and where we saw limited further upside. These included:

**Neinor Homes**, a Spanish residential property developer; **Italmatch**, a specialty chemicals business; and **IMA Industria**, an Italian company whose equipment can be found in production lines for a range of consumables, from dairy products through to pharmaceuticals. As with many of our sales, we will revisit these companies' bonds if their valuation becomes more appealing. Other sales included **Medical Properties Trust**, a hospital real estate company; **Multiversity**, an Italian online university; and **Bertrand Franchise**, a French restaurant group which owns the rights to Burger King in France.

On the equity side, we took some profits in **DS Smith** and reduced the size of our holding in **BASF** to fund the addition of Aviva.

## Performance

Over the six months covered by this report, the Artemis High Income Fund delivered a total return of 5.2%<sup>1</sup>. Over the same timeframe, its target benchmark, IA £ Strategic Bond NR, returned 3.0%.<sup>2</sup>

While the fund's returns over the six months have been good, we believe that it is its longer-term performance record that really sets it apart. It has delivered a 'top quartile' performance (meaning it is in the top 25% of the funds in its peer group) over three years, five years, 10 years and since 2002, when Artemis became its manager.

Over the six months covered by this report, some of the biggest contributions to returns came from the European real estate sector, where we saw a rebound in property prices and a rise in rents. As such, we saw healthy returns from our holdings in bonds from **Heimstaden**, a Swedish residential landlord and **CPI Property**, a Czech landlord.

Elsewhere, bonds issued by **Sotheby's**, the global auction house, responded well after it announced a combined \$1 billion equity injection from its existing owner Patrick Drahi and Abu Dhabi-based sovereign wealth fund ADQ. Most of the funds will be used to repay debt. Among the fund's equities, holdings in **Barclays**, **NatWest**, **Melrose** and **3i** all made useful contributions to performance.

On the negative side, the single biggest detractor was a holding in the shares of **Vistry**, a UK housebuilder. It had been one of the fund's strongest performers in the second quarter of 2024 but disappointments through the second half of the year resulted in a sharp fall in its share price. The most recent warning, which came on Christmas Eve, was a disappointing end to the year. While previous warnings had been focused

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Past performance is not a guide to the future.

<sup>1</sup> Source: Lipper Limited/Artemis, class QI distribution units, in sterling with income reinvested to 7 February 2025, 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 sector benchmark. IA sector is IA £ Strategic Bond NR.

<sup>2</sup> This is a group of other asset managers' funds that invest in similar asset types as this fund, collated by the Investment Association. Management of the fund is not restricted by this benchmark.

on specific sites in Vistry's southern division, this one was due to weaker sales in private markets as well as delays in completion on some of its larger projects.

Over a period that saw government bond prices coming under pressure due to worries about potentially inflationary trade wars and out-of-control government spending, the biggest negatives on the fixed-income side tended to be the fund's holdings in government bonds.

## Outlook

Market pricing indicates a belief that the US central bank, the Fed, won't lower interest rates too much further from here. But given that rates in the US remain significantly above the Fed's projected 'terminal rate', we do not rule out the possibility that it cuts more aggressively than the market currently expects. In that event, we would argue that short-dated corporate bonds, which are particularly sensitive to policy rates, would look very attractive.

We also see scope for rates to be cut by more than the market expects in the UK given that economic growth here remains anaemic. In Europe, meanwhile, any sign that President Trump's rhetoric on tariffs is hurting growth could prompt the European Central Bank to cut rates. Irrespective of whether rates are cut more aggressively than the market expects or not, we believe short-dated high-yield bonds look attractive by virtue of the income they generate. Their yields are comfortably ahead of inflation, are attractive on a historic basis and comparable to yields on longer-maturity bonds.

Our strategy, therefore, is to invest the core of the fund in short-maturity, high-yield bonds supplemented by smaller allocations to dividend-paying (and growing) equities and inflation-linked government bonds. We believe this leaves the fund well placed to deliver an attractive level of income today, to grow that income over time (thanks to the equities) while also affording it a measure of protection against any future economic shocks, be they related to inflation or growth.

**David Ennett, Ed Legget and Jack Holmes**

Fund managers

## INVESTMENT INFORMATION

### Ten largest purchases and sales for the six months ended 7 February 2025

Purchases	Cost £'000	Sales	Proceeds £'000
UK Treasury 3.50% 10/22/2025	19,780	UK Treasury 0.63% 07/06/2025	21,516
US Treasury Inflation Indexed 1.88% 15/7/2034	19,227	UK Treasury Inflation Indexed 0.25% 22/03/2052	21,492
US Treasury Inflation Indexed 0.25% 15/07/2029	18,772	UK Treasury 3.50% 10/22/2025	19,807
UK Treasury 4.25% 07/09/2039	13,949	UK Treasury Inflation Indexed 1.25% 11/22/2054	16,145
US Treasury Inflation Indexed 1.88% 28/2/2029	12,696	UK Treasury 0.50% 31/01/2029	14,595
UK Treasury 3.75% 7/3/2027	9,851	US Treasury Inflation Indexed 0.75% 15/02/2045	12,997
Bayerische Landesbank 5.25% 28/11/2029	7,985	UK Treasury 3.75% 7/3/2027	9,856
Cooperatieve Rabobank 5.25% 14/09/2027	7,024	Catalent Pharma Solutions 2.38% 01/03/2028	7,479
Heathrow Funding 6.45% 10/12/2031	6,454	BNP Paribas 6.00% 18/08/2029	6,681
Aviva	6,398	IMA Industria Macchine Automatiche 3.75% 15/01/2028	6,388

### Portfolio statement as at 7 February 2025

	Holding/ nominal value	Valuation £'000	% of net assets
<b>Equities 16.14% (15.32%)</b>			
<b>France 1.76% (1.99%)</b>			
Sanofi	38,500	3,327	0.38
TotalEnergies	250,000	12,277	1.38
		<b>15,604</b>	<b>1.76</b>
<b>Germany 2.09% (2.12%)</b>			
BASF	68,937	2,749	0.31
Bayerische Motoren Werke	65,589	4,223	0.48
Deutsche Telekom	419,916	11,567	1.30
		<b>18,539</b>	<b>2.09</b>
<b>South Africa 0.25% (0.25%)</b>			
Anglo American	90,000	2,208	0.25
		<b>2,208</b>	<b>0.25</b>
<b>United Kingdom 11.91% (10.96%)</b>			
3i Group	346,774	13,888	1.56
Aviva	1,300,000	6,599	0.74
Barclays	5,775,000	17,495	1.97
British American Tobacco	125,000	4,178	0.47
Entain	829,297	6,061	0.68
Howden Joinery Group	500,000	4,065	0.46
Legal & General Group	3,050,000	7,521	0.85
Melrose Industries	1,525,000	9,461	1.06
National Grid	656,177	6,412	0.72
NatWest Group	3,670,000	16,225	1.83
Tesco	2,240,000	8,671	0.98
Vistry Group	905,000	5,249	0.59
		<b>105,825</b>	<b>11.91</b>
<b>United States of America 0.13% (0.00%)</b>			
International Paper	26,816	1,180	0.13
		<b>1,180</b>	<b>0.13</b>
<b>Equities total</b>		<b>143,356</b>	<b>16.14</b>
<b>Government Bonds 16.29% (19.17%)</b>			
<b>Australia 0.61% (0.00%)</b>			
Australia Government Bond 1.75% 21/06/2051	AUD20,000,000	5,424	0.61
		<b>5,424</b>	<b>0.61</b>



	Holding/ nominal value	Valuation £'000	% of net assets
<b>Government Bonds 16.29% (19.17%) (continued)</b>			
<b>Germany 2.35% (1.09%)</b>			
Bayerische Landesbank 5.25% 28/11/2029	£8,000,000	8,094	0.91
Bundesrepublik Deutschland Bundesanleihe 2.6% 15/08/2034	€15,000,000	12,782	1.44
		<b>20,876</b>	<b>2.35</b>
<b>New Zealand 0.66% (0.61%)</b>			
New Zealand Government Inflation Linked Bond 3.29% 20/09/2035	NZD10,000,000	5,854	0.66
		<b>5,854</b>	<b>0.66</b>
<b>United Kingdom 1.06% (9.15%)</b>			
United Kingdom Gilt 4.25% 07/09/2039	£10,000,000	9,462	1.06
		<b>9,462</b>	<b>1.06</b>
<b>United States of America 11.61% (8.32%)</b>			
United States Treasury Note/Bond 1.88% 28/02/2029	\$18,000,000	13,173	1.48
US Treasury Inflation Indexed 0.31% 15/07/2029	\$75,000,000	69,921	7.87
US Treasury Inflation Indexed, 1.89% 15/07/2034	\$25,000,000	20,025	2.26
		<b>103,119</b>	<b>11.61</b>
<b>Government Bonds total</b>		<b>144,735</b>	<b>16.29</b>
<b>Corporate Bonds 67.04% (65.65%)</b>			
<b>Australia 1.72% (1.96%)</b>			
Mineral Resources 8% 01/11/2027	\$4,000,000	3,293	0.37
Mineral Resources 9.25% 01/10/2028	\$2,950,000	2,506	0.28
Nufarm Australia 5% 27/01/2030	\$7,000,000	5,249	0.59
Perenti Finance 6.5% 07/10/2025	\$689,087	553	0.06
Perenti Finance 7.5% 26/04/2029	\$4,400,000	3,687	0.42
		<b>15,288</b>	<b>1.72</b>
<b>Austria 0.65% (0.73%)</b>			
ams-OSRAM 05/03/2025	€4,000,000	3,301	0.37
AT&S Austria Technologie & Systemtechnik, FRN 5% Perpetual	€3,500,000	2,438	0.28
		<b>5,739</b>	<b>0.65</b>
<b>Belgium 0.48% (0.00%)</b>			
Azelis Finance 4.75% 25/09/2029	€5,000,000	4,300	0.48
		<b>4,300</b>	<b>0.48</b>
<b>Canada 0.96% (0.64%)</b>			
GFL Environmental 3.75% 01/08/2025	\$6,700,000	5,348	0.60
New Red Finance 5.63% 15/09/2029	\$4,000,000	3,197	0.36
		<b>8,545</b>	<b>0.96</b>
<b>Czech Republic 1.11% (1.68%)</b>			
Allwyn Entertainment Financing UK 7.25% 30/04/2030	€4,200,000	3,736	0.42
CPI Property Group 1.75% 14/01/2030	€7,000,000	4,910	0.55
CPI Property Group 6% 27/01/2032	€1,500,000	1,259	0.14
		<b>9,905</b>	<b>1.11</b>
<b>Denmark 0.48% (0.52%)</b>			
Welltec International 8.25% 15/10/2026	\$5,256,000	4,279	0.48
		<b>4,279</b>	<b>0.48</b>
<b>France 3.66% (4.42%)</b>			
Afflelou 6% 25/07/2029	€5,000,000	4,369	0.49
AXA, FRN 4.25% 10/03/2043	€5,000,000	4,325	0.49
Forvia 5.5% 15/06/2031	€5,000,000	4,255	0.48
Goldstory 6.75% 01/02/2030	€2,500,000	2,190	0.25
IM Group 8% 01/03/2028	€5,000,000	2,298	0.26
OVH Groupe SAS 4.75% 05/02/2031	€3,100,000	2,607	0.29
Paprec 3.5% 01/07/2028	€4,100,000	3,372	0.38

	Holding/ nominal value	Valuation £'000	% of net assets
<b>Corporate Bonds 67.04% (65.65%) (continued)</b>			
<b>France 3.66% (4.42%) (continued)</b>			
SNF Group 3.13% 15/03/2027	\$6,400,000	4,905	0.55
Tereos Finance Groupe I 5.75% 30/04/2031	€5,000,000	4,212	0.47
		<b>32,533</b>	<b>3.66</b>
<b>Germany 5.03% (3.93%)</b>			
ASK Chemicals Deutschland 10% 15/11/2029	€4,900,000	4,101	0.46
Cheplapharm Arzneimittel 4.38% 15/01/2028	€2,400,000	1,827	0.20
Cheplapharm Arzneimittel 5.5% 15/01/2028	\$2,600,000	1,874	0.21
CT Investment 6.38% 15/04/2030	€6,500,000	5,650	0.64
Gruenenthal 4.63% 15/11/2031	€4,100,000	3,435	0.39
IHO Verwaltungs 6.75% 15/11/2029	€4,400,000	3,792	0.43
IHO Verwaltungs 8.75% 15/05/2028	€2,300,000	2,019	0.23
Motel One 7.75% 02/04/2031	€4,500,000	4,068	0.46
PCF 4.75% 15/04/2026	€9,090,000	6,290	0.71
Techem Verwaltungsgesellschaft 5.38% 15/07/2029	€6,000,000	5,145	0.58
TUI Cruises 6.25% 15/04/2029	€5,000,000	4,393	0.49
WEPA Hygieneprodukte 2.88% 15/12/2027	€2,500,000	2,059	0.23
		<b>44,653</b>	<b>5.03</b>
<b>Hong Kong 1.05% (1.09%)</b>			
Seaspan 5.5% 01/08/2029	\$12,400,000	9,315	1.05
		<b>9,315</b>	<b>1.05</b>
<b>Italy 0.00% (1.44%)</b>			
<b>Luxembourg 1.25% (2.20%)</b>			
Albion Financing 1 6.13% 15/10/2026	\$7,000,000	5,638	0.63
Blackstone Property Partners Europe Sarl 4.88% 29/04/2032	£3,200,000	3,040	0.34
Prologis International Funding II 4.38% 01/07/2036	€2,800,000	2,470	0.28
		<b>11,148</b>	<b>1.25</b>
<b>Netherlands 1.81% (2.09%)</b>			
Argentum Netherlands for Swiss Re, FRN 5.75% 15/08/2050	\$11,300,000	9,075	1.02
Cooperatieve Rabobank UA 5.25% 14/09/2027	£7,000,000	7,032	0.79
		<b>16,107</b>	<b>1.81</b>
<b>Norway 0.67% (0.69%)</b>			
BlueNord 9.5% 02/07/2029	\$7,000,000	5,909	0.67
		<b>5,909</b>	<b>0.67</b>
<b>Poland 0.55% (0.00%)</b>			
InPost 2.25% 15/07/2027	€6,000,000	4,871	0.55
		<b>4,871</b>	<b>0.55</b>
<b>Slovenia 0.00% (0.52%)</b>			
<b>Sweden 1.83% (1.17%)</b>			
Asmodee Group 5.75% 15/12/2029	€7,000,000	6,015	0.68
Heimstaden 4.38% 06/03/2027	€5,000,000	3,976	0.45
Heimstaden 8.38% 29/01/2030	€2,500,000	2,098	0.24
Verisure Holdings 3.25% 15/02/2027	€5,000,000	4,123	0.46
		<b>16,212</b>	<b>1.83</b>
<b>Switzerland 0.55% (0.60%)</b>			
Zurich Finance Ireland Designated Activity, FRN 5.13% 23/11/2052	£5,000,000	4,873	0.55
		<b>4,873</b>	<b>0.55</b>
<b>United Kingdom 20.40% (22.26%)</b>			
AA Bond 3.25% 31/07/2050	£2,500,000	2,290	0.26
AA Bond 7.38% 31/07/2050	£4,000,000	4,201	0.47
Aviva, FRN 4% 03/06/2055	£5,500,000	4,617	0.52
BCP V Modular Services Finance 6.75% 30/11/2029	€5,500,000	4,196	0.47

	Holding/ nominal value	Valuation £'000	% of net assets
<b>Corporate Bonds 67.04% (65.65%) (continued)</b>			
<b>United Kingdom 20.40% (22.26%) (continued)</b>			
BCP V Modular Services Finance II 6.13% 30/11/2028	£4,500,000	4,333	0.49
Belron UK Finance 4.63% 15/10/2029	€3,000,000	2,576	0.29
Belron UK Finance 5.75% 15/10/2029	\$5,000,000	3,999	0.45
BP Capital Markets, FRN 4.25% Perpetual	£2,300,000	2,245	0.25
Centrica, FRN 6.5% 21/05/2055	£4,500,000	4,605	0.52
Coca-Cola Europacific Partners 3.25% 21/03/2032	€2,800,000	2,350	0.26
Constellation Automotive Financing 4.88% 15/07/2027	£5,800,000	5,727	0.64
CPUK Finance 5.94% 28/02/2047	£3,500,000	3,589	0.40
Deuce Finco 5.5% 15/06/2027	£6,000,000	5,905	0.67
Galaxy Bidco 8.13% 19/12/2029	£3,500,000	3,549	0.40
Great Portland Estates 5.38% 25/09/2031	£4,050,000	4,022	0.45
Greene King Finance 3.59% 15/03/2035	£1,227,630	1,131	0.13
Hammerson 5.88% 08/10/2036	£5,000,000	4,870	0.55
Heathrow Funding 6.45% 10/12/2033	£6,000,000	6,420	0.72
HSBC 5.29% 16/09/2032	£2,300,000	2,303	0.26
INEOS Quattro Finance 2 8.5% 15/03/2029	€7,000,000	6,213	0.70
International Distribution Services 7.38% 14/09/2030	£6,300,000	6,567	0.74
Kier Group 9% 15/02/2029	£5,100,000	5,342	0.60
Maison Finco 6% 31/10/2027	£5,200,000	5,096	0.57
Marston's Issuer, FRN 5.18% 15/07/2032	£9,200,000	8,750	0.99
Meadowhall Finance 4.99% 12/07/2037	£3,183,500	3,051	0.34
Meadowhall Finance 4.99% 12/07/2037	£2,191,954	1,880	0.21
Miller Homes Finco 7% 15/05/2029	£6,300,000	6,042	0.68
Mitchells & Butlers Finance 6.01% 15/12/2028	£3,866,947	3,863	0.44
Mitchells & Butlers Finance 6.47% 15/09/2032	£4,850,000	4,794	0.54
Mobico Group 4.88% 26/09/2031	€5,600,000	4,730	0.53
Pearson Funding 5.38% 12/09/2034	£4,900,000	4,876	0.55
Pension Insurance 8% 13/11/2033	£4,500,000	4,945	0.56
Premier Foods Finance 3.5% 15/10/2026	£5,000,000	4,950	0.56
Quadgas Finance 3.38% 17/09/2029	£4,000,000	3,642	0.41
SIG 9.75% 31/10/2029	€4,000,000	3,244	0.37
Synthomer 7.38% 02/05/2029	€4,900,000	4,264	0.48
Telereal Securitisation 5.63% 10/12/2031	£10,000,000	9,954	1.12
Tesco 4% 24/03/2036	£1,750,000	2,942	0.33
Tesco Property Finance 1 7.62% 13/07/2039	£2,976,539	3,342	0.38
TP ICAP Finance 5.25% 29/05/2026	£1,100,000	1,104	0.12
TP ICAP Finance 7.88% 17/04/2030	£2,700,000	2,906	0.33
Unique Pub Finance 6.46% 30/03/2032	£5,500,000	5,742	0.65
		<b>181,167</b>	<b>20.40</b>
<b>United States of America 24.84% (19.71%)</b>			
180 Medical 3.88% 15/10/2029	\$6,800,000	5,032	0.57
Albertsons 3.25% 15/03/2026	\$8,000,000	6,284	0.71
Alta Equipment 9% 01/06/2029	\$5,500,000	4,271	0.48
Angi Group 3.88% 15/08/2028	\$2,600,000	1,879	0.21
Ardagh Metal Packaging Finance 2% 01/09/2028	€2,000,000	1,526	0.17
Ardagh Metal Packaging Finance 3.25% 01/09/2028	\$6,000,000	4,353	0.49
At Home Group 4.88% 15/07/2028	\$3,000,000	964	0.11
Avis Budget Car Rental 4.75% 01/04/2028	\$900,000	684	0.08
Avis Budget Finance 7% 28/02/2029	€5,100,000	4,449	0.50
Avis Budget Finance 7.25% 31/07/2030	€2,000,000	1,752	0.20
BellRing Brands 7% 15/03/2030	\$5,000,000	4,157	0.47
Capstone Borrower 8% 15/06/2030	\$6,500,000	5,490	0.62
Carnival 5.75% 15/01/2030	€8,800,000	7,970	0.90
Carnival 6.13% 15/02/2033	\$2,000,000	1,620	0.18

	Holding/ nominal value	Valuation £'000	% of net assets
<b>Corporate Bonds 67.04% (65.65%) (continued)</b>			
<b>United States of America 24.84% (19.71%) (continued)</b>			
Central Garden & Pet 4.13% 15/10/2030	\$7,500,000	5,506	0.62
Citigroup 4.5% 03/03/2031	£3,400,000	3,254	0.37
Clarios Global 6.75% 15/02/2030	\$4,100,000	3,346	0.38
Cloud Software 6.5% 31/03/2029	\$6,500,000	5,142	0.58
Crocs 4.13% 15/08/2031	\$6,000,000	4,224	0.47
Dream Finders Homes 8.25% 15/08/2028	\$5,000,000	4,196	0.47
Emerald Borrower 6.63% 15/12/2030	\$8,600,000	6,990	0.79
Encore Capital 4.25% 01/06/2028	£8,000,000	7,483	0.84
Energizer 4.38% 31/03/2029	\$5,400,000	4,058	0.46
Gap 3.63% 01/10/2029	\$7,000,000	5,134	0.58
GFL Environmental 4.75% 15/06/2029	\$7,000,000	5,418	0.61
GTCR W-2 Merger Sub 8.5% 15/01/2031	£5,400,000	5,765	0.65
Herc 6.63% 15/06/2029	\$5,000,000	4,098	0.46
HFC Prestige International 6.63% 15/07/2030	\$7,000,000	5,738	0.65
IGT Lottery 4.25% 15/03/2030	€7,000,000	5,918	0.67
Iron Mountain UK 3.88% 15/11/2025	£8,500,000	8,398	0.94
Live Nation Entertainment 4.75% 15/10/2027	\$4,200,000	3,291	0.37
LSB Industries 6.25% 15/10/2028	\$4,000,000	3,160	0.35
Masterbrand 7% 15/07/2032	\$7,548,000	6,209	0.70
Medline Borrower 3.88% 01/04/2029	\$7,100,000	5,330	0.60
New Home 9.25% 01/10/2029	\$6,000,000	4,922	0.55
Owens & Minor 6.63% 01/04/2030	\$7,808,000	5,715	0.64
Penske Automotive 3.5% 01/09/2025	\$7,900,000	6,291	0.71
PetSmart 4.75% 15/02/2028	\$5,500,000	4,233	0.48
Quikrete 6.75% 01/03/2033	\$5,000,000	4,065	0.46
Realty Income 5.75% 05/12/2031	£5,600,000	5,754	0.65
Sally Capital 6.75% 01/03/2032	\$4,000,000	3,239	0.36
SCIL IV 5.38% 01/11/2026	\$5,000,000	3,992	0.45
Shift4 Payments 6.75% 15/08/2032	\$5,000,000	4,130	0.46
Star 8.75% 01/08/2031	\$4,800,000	3,728	0.42
Victoria's Secret 4.63% 15/07/2029	\$5,000,000	3,699	0.42
W&T Offshore 10.75% 01/02/2029	\$6,000,000	4,819	0.54
Wabash National 4.5% 15/10/2028	\$4,200,000	3,128	0.35
Williams Scotsman 4.63% 15/08/2028	\$5,000,000	3,934	0.44
ZipRecruiter 5% 15/01/2030	\$7,900,000	5,860	0.66
		<b>220,598</b>	<b>24.84</b>
<b>Corporate Bonds total</b>		<b>595,442</b>	<b>67.04</b>
<b>Forward Currency Contracts (0.01)% ((0.31)%)</b>			
Buy Sterling 5,364,381, sell Australian Dollar 10,719,262 dated 10/02/2025		(44)	(0.01)
Buy Sterling 5,431,409, sell Australian Dollar 10,767,892 dated 10/03/2025		(2)	–
Buy Sterling 209,509,989, sell Euro 252,176,960 dated 10/02/2025		(737)	(0.08)
Buy Sterling 211,920,489, sell Euro 253,706,144 dated 10/03/2025		140	0.02
Buy Sterling 5,834,987, sell New Zealand Dollar 12,905,398 dated 10/02/2025		(47)	(0.01)
Buy Sterling 5,907,742, sell New Zealand Dollar 12,963,896 dated 10/03/2025		(3)	–
Buy Sterling 307,128,325, sell US Dollar 382,677,695 dated 10/02/2025		(182)	(0.02)
Buy Sterling 344,717,737, sell US Dollar 428,154,822 dated 10/03/2025		777	0.09
<b>Forward Currency Contracts total</b>		<b>(98)</b>	<b>(0.01)</b>
<b>Investment assets (including investment liabilities)</b>		<b>883,435</b>	<b>99.46</b>
<b>Net other assets</b>		<b>4,791</b>	<b>0.54</b>
<b>Net assets attributable to unitholders</b>		<b>888,226</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 7 August 2024.

## Debt security credit analysis\*

	7 February 2025		7 August 2024	
	Valuation £'000	% of net assets	Valuation £'000	% of net assets
Investment grade securities	278,576	31.36	290,901	36.03
Below investment grade securities	447,836	50.42	382,718	47.38
Unrated securities	13,765	1.55	11,411	1.41
<b>Debt securities total</b>	<b>740,177</b>	<b>83.33</b>	<b>685,030</b>	<b>84.82</b>

\*Source of credit ratings: Artemis Investment Management LLP.

## FINANCIAL STATEMENTS

### Statement of total return for the six months ended 7 February 2025

	7 February 2025 £'000	7 February 2024 £'000
<b>Income</b>		
Net capital gains	30,666	27,716
Revenue	22,476	22,873
Expenses	(3,280)	(3,136)
Interest payable and similar charges	(66)	(26)
Net revenue before taxation	19,130	19,711
Taxation	(23)	70
Net revenue after taxation	19,107	19,781
<b>Total return before distributions</b>	<b>49,773</b>	<b>47,497</b>
Distributions	(22,011)	(22,551)
<b>Change in net assets attributable to unitholders from investment activities</b>	<b>27,762</b>	<b>24,946</b>

### Statement of change in net assets attributable to unitholders for the six months ended 7 February 2025

	7 February 2025 £'000	7 February 2024 £'000
<b>Opening net assets attributable to unitholders</b>	<b>807,595</b>	<b>782,942</b>
Amounts receivable on issue of units	144,353	94,617
Amounts payable on cancellation of units	(94,511)	(97,332)
	49,842	(2,715)
Dilution adjustment	50	(34)
Change in net assets attributable to unitholders from investment activities	27,762	24,946
Retained distribution on accumulation units	2,977	2,073
<b>Closing net assets attributable to unitholders</b>	<b>888,226</b>	<b>807,212</b>

### Balance Sheet as at 7 February 2025

	7 February 2025 £'000	7 August 2024 £'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments	884,450	808,883
<b>Current assets</b>		
Debtors	39,435	17,930
Cash and cash equivalents	2,413	5,803
<b>Total current assets</b>	<b>41,848</b>	<b>23,733</b>
<b>Total assets</b>	<b>926,298</b>	<b>832,616</b>
<b>Liabilities</b>		
Investment liabilities	1,015	2,673
<b>Creditors</b>		
Bank overdraft	17,410	–
Distribution payable	8,464	10,238
Other creditors	11,183	12,110
<b>Total creditors</b>	<b>37,057</b>	<b>22,348</b>
<b>Total liabilities</b>	<b>38,072</b>	<b>25,021</b>
<b>Net assets attributable to unitholders</b>	<b>888,226</b>	<b>807,595</b>

## 1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 August 2024 as set out therein.

## 2. 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).

	7 February 2025		7 August 2024	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	288,091	–	278,527	–
Level 2	596,359	1,015	530,356	2,673
<b>Total</b>	<b>884,450</b>	<b>1,015</b>	<b>808,883</b>	<b>2,673</b>

## 3. Post balance sheet events

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

## DISTRIBUTION TABLES

This fund pays monthly and quarterly interest distributions. The following table sets out the distribution periods.

Monthly distribution periods	Start	End	Ex-dividend date	Pay date
First interim	8 August 2024	7 September 2024	8 September 2024	7 November 2024
Second interim	8 September 2024	7 October 2024	8 October 2024	6 December 2024
Third interim	8 October 2024	7 November 2024	8 November 2024	7 January 2025
Fourth interim	8 November 2024	7 December 2024	8 December 2024	7 February 2025
Fifth interim	8 December 2024	7 January 2025	8 January 2025	7 March 2025
Sixth interim	8 January 2025	7 February 2025	8 February 2025	7 April 2025

Quarterly distribution periods	Start	End	Ex-dividend date	Pay date
First interim	8 August 2024	7 November 2024	8 November 2024	7 January 2025
Second interim	8 November 2024	7 February 2025	8 February 2025	7 April 2025

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

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

### MI distribution

Interest distributions for the six months ended 7 February 2025	Net revenue per unit(p)	Group 2 Equalisation per unit (p)	Group 1 & 2 Interest per unit (p)	2023-24 Distribution per unit (p)
First interim	0.1836	0.1609	0.3445	0.3807
Second interim	0.1576	0.1569	0.3145	0.3496
Third interim	0.1672	0.1538	0.3210	0.3472
Fourth interim	0.1877	0.1588	0.3465	0.3068
Fifth interim	0.1742	0.1613	0.3355	0.3047
Sixth interim	0.0981	0.1622	0.2603	0.2759

### QC distribution

Interest distributions for the six months ended 7 February 2025	Net revenue per unit(p)	Group 2 Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	2023-24 Distribution per unit (p)
First interim	0.4816	0.4210	0.9026	0.9826
Second interim	0.2827	0.5578	0.8405	0.8074

### QI distribution

Interest distributions for the six months ended 7 February 2025	Net revenue per unit(p)	Group 2 Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	2023-24 Distribution per unit (p)
First interim	0.4421	0.5571	0.9992	1.0828
Second interim	0.3712	0.5602	0.9314	0.8909

### QI accumulation

Interest distributions for the six months ended 7 February 2025	Net revenue per unit(p)	Group 2 Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	2023-24 Distribution per unit (p)
First interim	0.8726	0.8052	1.6778	1.7103
Second interim	0.2335	1.3521	1.5856	1.4300



## QR distribution

Interest distributions for the six months ended 7 February 2025	Net revenue per unit(p)	Group 2 Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	2023-24 Distribution per unit (p)
First interim	0.3766	0.5187	0.8953	0.9765
Second interim	0.3490	0.4843	0.8333	0.8019

## Fund sizes & net asset values

Date	Net asset value of fund (£)	Net asset value per unit (p)	Units in issue
<b>7 August 2022</b>	<b>762,454,871</b>		
MI distribution		70.65	254,037,057
QC distribution		64.40	45,889,237
QI distribution		70.61	585,193,460
QI accumulation		104.65	28,818,859
QR distribution		64.12	171,686,803
<b>7 August 2023</b>	<b>782,941,557</b>		
MI distribution		67.74	308,356,168
QC distribution		61.48	45,828,655
QI distribution		67.71	578,196,035
QI accumulation		106.95	67,112,548
QR distribution		61.10	135,194,439
<b>7 August 2024</b>	<b>807,595,167</b>		
MI distribution		71.83	283,586,838
QC distribution		64.91	44,245,492
QI distribution		71.81	572,247,325
QI accumulation		120.60	74,550,487
QR distribution		64.39	115,413,942
<b>7 February 2025</b>	<b>888,226,462</b>		
MI distribution		74.29	315,474,179
QC distribution		66.99	42,067,447
QI distribution		74.29	570,529,219
QI accumulation		128.05	101,964,697
QR distribution		66.40	107,361,991

## Ongoing charges

Class	7 February 2025
MI distribution	0.715%
QC distribution	1.165%
QI distribution	0.715%
QI accumulation	0.715%
QR distribution	1.340%

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

## Class QI distribution performance

	Since launch *	10 years	5 years	3 years	1 year	6 months
Artemis High Income Fund **	286.9	50.3	20.5	14.1	11.9	5.2
IA £ Strategic Bond NR Average	177.3	29.7	8.0	3.3	6.2	3.0
Position in sector	2/10	4/39	9/55	4/62	2/69	4/72
Quartile	1	1	1	1	1	1

Past performance is not a guide to the future.

\* Source: Lipper Limited, data from 9 September 2002, when Artemis took over management of the fund, to 7 March 2008 reflects class QR distribution units and from 7 March 2008 to 7 February 2025 reflects class QI distribution units. All figures show total returns with interest 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 sector benchmark.

\*\* Value at 12 noon valuation point.

Class QI distribution is disclosed as it is the representative unit class.

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