

# Artemis SmartGARP European Equity *Fund*

Manager's Report  
and Financial Statements

for the year ended 31 March 2025

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

## GENERAL INFORMATION

### Company profile

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

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

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

The firm now manages some £30.1 billion\* across a range of funds, an investment trust and both pooled and segregated institutional portfolios.

Our managers invest in their own and their colleagues' funds. This has been a basic tenet of the Artemis approach since the firm started. It means that interests of our fund managers are directly aligned with those of our investors.

\* Source: Artemis as at 31 May 2025

### Fund status

Artemis SmartGARP European Equity Fund was constituted by a Trust Deed dated 28 April and 4 May 2000 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](https://www.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](https://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 grow capital over a five year period.	
<b>Investment policy</b>	<b>What the fund invests in</b>	<ul style="list-style-type: none"> <li>• 80% to 100% in company shares.</li> <li>• 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.</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>• At least 80% in Europe (excluding the United Kingdom)</li> <li>• Up to 20% in other countries.</li> </ul>
	<b>Industries the fund invests in</b>	<ul style="list-style-type: none"> <li>• Any</li> </ul>
<b>Investment strategy</b>	<b>Other limitations specific to this fund</b>	<ul style="list-style-type: none"> <li>• None</li> </ul>
	<ul style="list-style-type: none"> <li>• The fund is actively managed.</li> <li>• 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.</li> <li>• 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.</li> </ul>	
<b>Benchmarks</b>	<ul style="list-style-type: none"> <li>• <b>FTSE World Europe ex UK TR</b> A widely-used indicator of the performance of European stockmarkets, in which the fund invests. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark.</li> <li>• <b>IA Europe Excluding UK 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 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark.</li> </ul>	

### Merger of Artemis European Select Fund into Artemis SmartGARP European Equity Fund

On 10 January 2025, Artemis European Select Fund was merged into Artemis SmartGARP European Equity Fund. The merger was approved at an extraordinary general meeting convened on 4 December 2024.

## 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.
- **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.

There was no change to the risk indicator in the year ended 31 March 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.

### Remuneration

As the Artemis SmartGARP European Equity Fund (the "fund") is a UK 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](https://www.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 functions 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 209 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 fund for the year ended 31 December 2024 is £1,165,543 of which £488,892 is fixed remuneration and £676,651 is variable remuneration.

The aggregate amount of remuneration paid to UCITS Remuneration Code and Identified Staff that is attributable to duties for the fund for the year ended 31 December 2024 is £478,101. 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 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 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 of whether its funds are providing value to unitholders. AFML must publish publicly, on an annual basis, a statement setting out a summary of the outcome of the process and whether or not AFML believes the payments out of the scheme property are justified in the context of the overall value delivered to unitholders. Composite reports on Assessment of Value have been published via the website [artemisfunds.com](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 2024 to 31 December 2024. 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 SmartGARP European Equity Fund. These TCFD reports, which were published on 30 June 2025, 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](https://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.

## STATEMENTS OF RESPONSIBILITIES

### Statement of the Trustee's Responsibilities in respect of the Scheme and Report of the Trustee to the Unitholders of the Artemis SmartGARP European Equity Fund ("the Trust") for the year ended 31 March 2025

The Trustee in its capacity as Trustee of Artemis SmartGARP European Equity Fund must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together 'the Scheme documents') as detailed below.

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

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

The Trustee must ensure that:

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

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

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

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

(ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the regulations and the Scheme documents of the Trust.

Northern Trust Investor Services Limited  
London  
2 July 2025

### Statement of the manager's responsibilities

COLL requires the manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial affairs of the fund and of its revenue and expenditure for the year.

In preparing the financial statements the manager is required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014 ('SORP');
- (iii) follow applicable accounting standards;
- (iv) keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- (v) make judgements and estimates that are reasonable and prudent; and
- (vi) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the fund will continue in operation.

The manager is responsible for the management of the fund in accordance with its Trust Deed, Prospectus and COLL.

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

### Report of the manager

We hereby approve the Manager's Report and Financial Statements of the Artemis SmartGARP European Equity Fund for the year ended 31 March 2025 on behalf of Artemis Fund Managers Limited in accordance with the requirements of COLL as issued and amended by the FCA.

T Johnston  
Director  
Artemis Fund Managers Limited  
London  
2 July 2025

S Dougall  
Director



## AUDITOR'S REPORT

### Independent auditor's report to the unitholders of the Artemis SmartGARP European Equity Fund

#### Opinion

We have audited the financial statements of the Artemis SmartGARP European Equity Fund ("the Fund") for the year ended 31 March 2025, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 31 March 2025 and of the net revenue and the net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

#### Basis for opinion

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

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

#### Conclusions relating to going concern

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

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

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

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

#### Other information

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

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

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

We have nothing to report in this regard.

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

In our opinion:

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

#### Matters on which we are required to report by exception

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

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

#### Responsibilities of the Manager

As explained more fully in the Manager's responsibilities statement set out on page 6, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

Our approach was as follows:

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

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

### **Use of our report**

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

Ernst & Young LLP  
Statutory Auditor  
Edinburgh  
3 July 2025

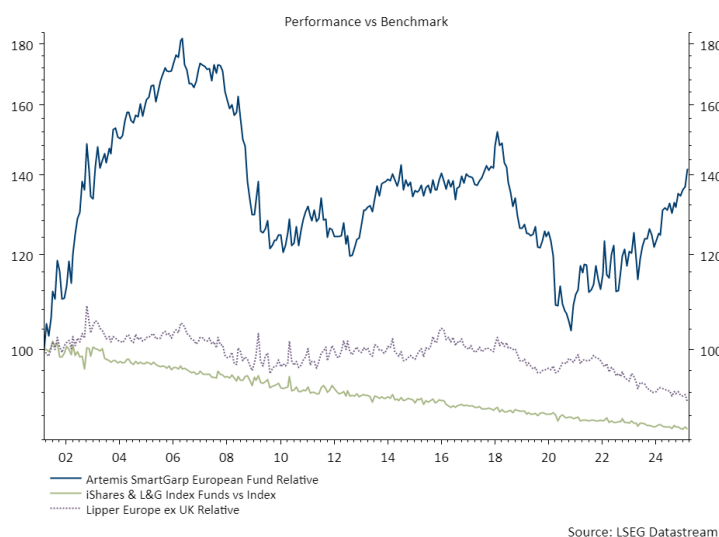


## INVESTMENT REVIEW

The fund had a very good year – up 19.4% whilst the benchmark was up 3.8%\*. All the various relative performance statistics over 3, 5, 10 years and since inception look very good. We have been saying for some time that Europe is undervalued vs. the US and that within Europe, 'value' stocks are underpriced, so it is good to see that these mis-pricings have started to narrow.

Investors typically want to own equities because they tend to give good returns. However, rather than spending their time choosing which ones to own, most choose to own a fund. They can typically choose between active equity funds or passive index funds. The former charge higher prices for what is hopefully better performance. Chart 1 shows the after-fee returns from our fund, equity funds in general, and index funds.

**Chart 1: The fund's performance**



### Value dominates

Over the past 120 years, value stocks have outperformed the market by almost 1.5% per annum, as although growth has behaved similarly in share price terms, the dividend yield on value has been about 1.5% higher.

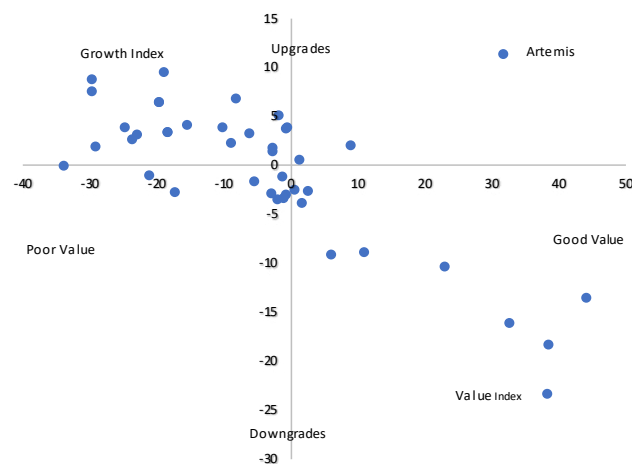
For about 10 years up to 2016, value stocks experienced poor growth and underperformed, while growth investing became the dominant theme. Since then, unloved value companies have delivered similar or better EPS (earnings per share) and DPS (dividends per share) to those experienced by growth stocks, but that did not stop them from becoming cheaper. While most active funds chose to go further underweight in value, we chose to go in the opposite direction, which has paid off handsomely.

According to our estimate, since reaching their nadir in 2021, value stocks are now about halfway through the recovery phase (being up 20% versus the market with another 20% to go, while taking into consideration the normal small annual alpha from the 'value' factor). As such, there is still a decent tailwind behind us.

At the start of the year, we estimated that about 85% of AUM (assets under management) in the IA Europe ex-UK sector had a negative value tilt compared with index funds. Yet a value tracker fund would have beaten the market by almost 7%, so this has been a painful period for most active funds. The more growth-oriented funds tend to have low turnover of positions and so 83% of AUM is nonetheless still anti-value. Again, this suggests we still have a tailwind behind us. It probably won't be the fund managers that change their behaviour: it will be their clients.

### Not a one-trick pony

As we have observed in the past, SmartGARP has several factors that feed into it – the most important being estimate revisions. We tend to buy stocks that are cheap and seeing upgrades. Chart 2 illustrates our best guess of how the largest Europe ex-UK funds are positioned on both value and estimate revisions (vs. index funds).



In general, value funds seem to own stocks that are being downgraded, while growth funds tend to own stocks that are being upgraded. We stick out like a sore thumb – and we suspect that is why the fund is somewhat ahead of the competition.

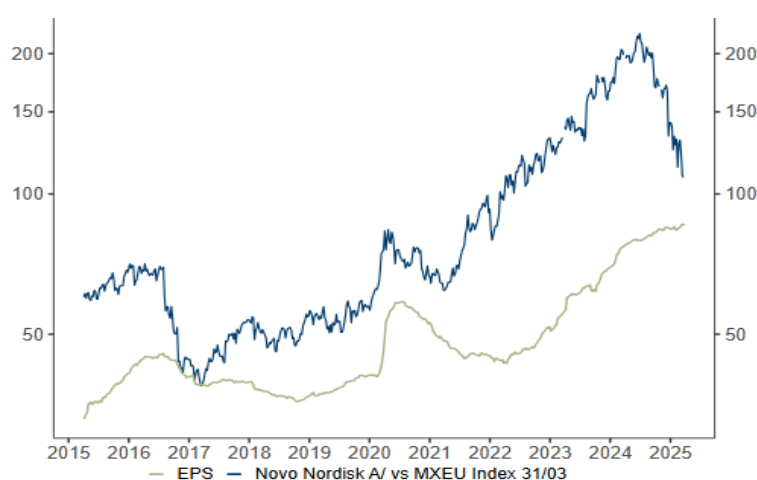
Past performance is not a guide to the future.

\* Source: Artemis/Lipper Limited, I accumulation GBP to 31 March 2025. Data prior to 7 March 2008 reflects class R 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 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.

There will be a temptation for some to think that if the growth funds own upgrade stocks they will be safe, but we suspect not. The reason is that a downgrade for a highly rated stock can be very painful.

Investors in LVMH found this out in 2023/24. Those in Novo Nordisk found it out more recently. Since forecasts peaked in August 2024, EPS estimates for Novo Nordisk have been cut by 7%. The share price has halved because investors were expecting good news, not bad news (in Chart 3 the blue line is return-relative and the green line is rolling 12-month-EPS forecast relative). It may be that our fund moves back into this stock at some point, but we are generally cowards and wait for extremely low valuations or good news – we have seen neither so far.

**Chart 3: Novo Nordisk**



Source: LSEG Datastream

## Performance attribution

During the past year, avoiding owning Novo Nordisk was our most successful decision. However, of our 20 largest contributors, 17 were stocks that we owned rather than avoided. Classic examples were UniCredit, Lottomatica and Betsson. This eclectic bunch (a bank, a lottery company and an online gaming business) shared some common themes. Their valuations were low, upgrades had been coming through for a while and investors had lost some of their concerns about the outlook for their profits. This is not a new feature – it is precisely what we have been doing consistently for the past 24 years.

## Outlook

The outlook for equities in general is highly uncertain. US valuations are high, and the US government appears to want to pick a fight with anyone outside of the US. This is not a helpful backdrop. However, it seems that investors in US equities have the most to lose, whereas valuations outside of the US are generally pretty good. If we stick to our process of finding companies on low valuations which subsequently deliver good growth, then the fund should do well. For 24 years now the fund has delivered good returns throughout all sorts of economic, political and financial backdrops. We see no reason for this to change.

**Philip Wolstencroft**

Fund manager

## INVESTMENT INFORMATION

### Ten largest purchases and sales for the year ended 31 March 2025

Purchases	Cost £'000	Sales	Proceeds £'000
Societe Generale	24,089	UniCredit	8,484
Roche Holding	12,995	CaixaBank	6,566
Equinor	12,777	Stellantis	6,382
Novartis	12,374	Saipem	5,948
Endesa	11,104	Teva Pharmaceutical Industries	5,934
Poste Italiane	10,997	Repsol	5,646
Lottomatica	10,553	Heidelberg Materials	5,292
NN Group	10,495	Renault	5,247
Italgas	10,124	Maire Tecnimont	5,040
Koninklijke Ahold Delhaize	9,558	Henkel	4,464

### Portfolio statement as at 31 March 2025

	Holding	Valuation £'000	% of net assets
<b>Equities 96.69% (98.41%)</b>			
<b>Austria 1.82% (2.71%)</b>			
BAWAG Group	91,000	7,142	1.30
Raiffeisen Bank International	146,896	2,872	0.52
		<b>10,014</b>	<b>1.82</b>
<b>Belgium 3.98% (1.32%)</b>			
Ackermans & van Haaren	8,000	1,333	0.24
Ageas	266,000	12,268	2.23
Bekaert	100,000	2,771	0.50
Ontex Group	180,069	1,272	0.23
Proximus SADP	750,000	4,262	0.78
		<b>21,906</b>	<b>3.98</b>
<b>Bermuda 0.07% (1.45%)</b>			
Conduit Holdings	111,533	366	0.07
		<b>366</b>	<b>0.07</b>
<b>Denmark 0.75% (1.19%)</b>			
H Lundbeck	1,045,268	4,154	0.75
		<b>4,154</b>	<b>0.75</b>
<b>Finland 0.40% (0.34%)</b>			
Kemira	130,000	2,174	0.40
		<b>2,174</b>	<b>0.40</b>
<b>France 12.55% (14.70%)</b>			
Amundi	32,000	1,917	0.35
Carrefour	87,000	955	0.17
Coface	431,329	6,330	1.15
Covivio	100,000	4,265	0.78
Eiffage	11,000	985	0.18
Engie	624,835	9,384	1.70
Gaztransport Et Technigaz	9,000	1,048	0.19
IPSOS	80,000	2,798	0.51
Sanofi	30,000	2,555	0.46
SCOR	117,000	2,614	0.48
Societe BIC	105,000	5,461	0.99
Societe Generale	730,000	24,864	4.51
Vicat	106,048	4,430	0.80
Virbac	2,411	598	0.11

	Holding	Valuation £'000	% of net assets
<b>Equities 96.69% (98.41%) (continued)</b>			
<b>France 12.55% (14.70%) (continued)</b>			
Worldline	200,000	946	0.17
		<b>69,150</b>	<b>12.55</b>
<b>Germany 12.78% (10.19%)</b>			
Aroundtown	1,000,000	2,081	0.38
Bilfinger	171,000	9,309	1.69
DWS GmbH	255,000	10,577	1.92
Evonik Industries	420,000	6,947	1.26
Freenet	325,000	9,556	1.73
Heidelberg Materials	59,517	7,814	1.42
KWS Saat SE	85,000	3,966	0.72
Muenchener Rueckversicherungs-Gesellschaftin Muenchen	7,961	3,870	0.70
Talanx	171,111	13,608	2.47
TeamViewer	270,000	2,692	0.49
		<b>70,420</b>	<b>12.78</b>
<b>Greece 4.46% (6.55%)</b>			
FF Group ^	102,300	–	–
Hellenic Telecommunications Organization	475,000	5,962	1.08
Metlen Energy & Metals	57,552	1,978	0.36
National Bank of Greece	691,329	5,467	0.99
OPAP	250,000	3,828	0.70
Piraeus Financial Holdings	1,704,371	7,346	1.33
		<b>24,581</b>	<b>4.46</b>
<b>Hungary 4.05% (2.51%)</b>			
MOL Hungarian Oil & Gas	500,000	3,044	0.55
OTP Bank	228,000	11,893	2.16
Richter Gedeon	346,000	7,392	1.34
		<b>22,329</b>	<b>4.05</b>
<b>Ireland 1.02% (1.19%)</b>			
Origin Enterprises *	1,255,352	3,234	0.59
Ryanair Holdings	70,560	2,367	0.43
		<b>5,601</b>	<b>1.02</b>
<b>Italy 19.43% (20.25%)</b>			
Anima	1,569,949	9,170	1.66
Banca Monte dei Paschi di Siena	400,000	2,444	0.44
BPER Banca	2,417,272	14,393	2.61
Buzzi	219,357	8,313	1.51
Iren	950,000	1,873	0.34
Italgas	1,630,000	9,030	1.64
Lottomatica	920,000	14,148	2.57
Maire Tecnimont	394,980	2,933	0.53
MFE-MediaForEurope	550,000	2,126	0.39
Poste Italiane	1,232,657	16,869	3.06
UniCredit	337,877	14,594	2.65
Unipol Gruppo	793,461	9,561	1.74
Webuild	600,000	1,583	0.29
		<b>107,037</b>	<b>19.43</b>
<b>Luxembourg 0.00% (0.42%)</b>			
<b>Netherlands 6.78% (7.29%)</b>			
Koninklijke Ahold Delhaize	330,000	9,518	1.73
Koninklijke BAM Groep	970,325	4,134	0.75
Koninklijke KPN	1,000,000	3,283	0.60
NN Group	232,000	9,879	1.79

	Holding	Valuation £'000	% of net assets
<b>Equities 96.69% (98.41%) (continued)</b>			
<b>Netherlands 6.78% (7.29%) (continued)</b>			
Prosus	297,614	10,525	1.91
		<b>37,339</b>	<b>6.78</b>
<b>Norway 3.40% (1.75%)</b>			
Aker Solutions	200,000	489	0.09
DNO	1,300,000	1,301	0.24
Equinor	670,000	13,475	2.44
Mowi	100,000	1,420	0.26
Norsk Hydro	470,000	2,056	0.37
		<b>18,741</b>	<b>3.40</b>
<b>Poland 0.20% (0.00%)</b>			
Powszechny Zaklad Ubezpieczen	100,000	1,120	0.20
		<b>1,120</b>	<b>0.20</b>
<b>Portugal 0.53% (1.46%)</b>			
Banco Comercial Portugues	6,278,589	2,891	0.53
		<b>2,891</b>	<b>0.53</b>
<b>Russia 0.00% (0.00%)</b>			
Gazprom, ADR ^	815,000	–	–
Rosneft Oil, GDR ^	510,000	–	–
Sberbank of Russia, ADR ^	220,000	–	–
		–	–
<b>Spain 12.92% (12.33%)</b>			
ACS Actividades de Construcción y Servicios	156,250	6,918	1.26
Aena	6,834	1,240	0.22
Banco Bilbao Vizcaya Argentaria	1,036,949	10,718	1.95
Banco Santander	1,530,000	7,822	1.42
Logista Integral	140,281	3,456	0.63
Construcciones y Auxiliar de Ferrocarriles	175,000	5,912	1.07
Ebro Foods	255,000	3,553	0.64
Endesa	619,829	12,746	2.31
Grupo Catalana Occidente	100,272	4,113	0.75
Indra Sistemas	355,035	7,874	1.43
Mapfre	2,250,980	5,312	0.96
Repsol	150,000	1,516	0.28
		<b>71,180</b>	<b>12.92</b>
<b>Sweden 5.03% (3.15%)</b>			
Ambea	300,000	2,495	0.45
Betsson	836,853	10,027	1.82
Loomis	220,000	6,820	1.24
Modern Times MTG	470,000	4,083	0.74
Storytel	600,000	4,310	0.78
		<b>27,735</b>	<b>5.03</b>
<b>Switzerland 5.14% (1.03%)</b>			
Novartis	174,618	15,019	2.73
Roche Holding	52,000	13,297	2.41
		<b>28,316</b>	<b>5.14</b>
<b>Turkey 0.00% (5.43%)</b>			
Turkiye Sinai Kalkinma Bankasi	1	–	–
		–	–
<b>United Kingdom 1.38% (3.15%)</b>			
Just Group	950,000	1,377	0.25
Lion Finance Group	90,000	4,878	0.88

	Holding	Valuation £'000	% of net assets
<b>Equities 96.69% (98.41%) (continued)</b>			
<b>United Kingdom 1.38% (3.15%) (continued)</b>			
TBC Bank Group	33,000	1,360	0.25
		<b>7,615</b>	<b>1.38</b>
<b>Equities total</b>		<b>532,669</b>	<b>96.69</b>
<b>Forward Currency Contracts (0.01)% (0.00%)</b>			
<b>I distribution (hedged) 0.00% (0.00%)</b>			
Buy Sterling 23,229, sell Danish Krone 207,484 dated 30/04/2025		–	–
Buy Sterling 2,276,596, sell Euro 2,725,546 dated 30/04/2025		(6)	–
Buy Sterling 119,723, sell Hungarian Forint 57,580,178 dated 30/04/2025		–	–
Buy Sterling 102,035, sell Norwegian Dollar 1,391,089 dated 30/04/2025		–	–
Buy Sterling 6,074, sell Polish Zloty 30,577 dated 30/04/2025		–	–
Buy Sterling 150,757, sell Swedish Krona 1,956,930 dated 30/04/2025		–	–
Buy Sterling 156,849, sell Swiss Franc 178,531 dated 30/04/2025		–	–
Buy Sterling 12,763, sell US Dollar 16,485 dated 30/04/2025		–	–
		<b>(6)</b>	<b>–</b>
<b>I accumulation (hedged) (0.01)% (0.00%)</b>			
Buy Sterling 85,634, sell Danish Krone 764,881 dated 30/04/2025		–	–
Buy Sterling 8,392,684, sell Euro 10,047,607 dated 30/04/2025		(23)	(0.01)
Buy Sterling 441,358, sell Hungarian Forint 212,266,384 dated 30/04/2025		1	–
Buy Sterling 376,151, sell Norwegian Krone 5,128,171 dated 30/04/2025		1	–
Buy Sterling 22,392, sell Polish Zloty 112,722 dated 30/04/2025		–	–
Buy Sterling 555,764, sell Swedish Krona 7,214,158 dated 30/04/2025		(2)	–
Buy Sterling 578,220, sell Swiss Franc 658,145 dated 30/04/2025		(1)	–
Buy Sterling 47,051, sell US Dollar 60,770 dated 30/04/2025		–	–
Buy Turkish Lira 35, sell Sterling 1 dated 30/04/2025		–	–
		<b>(24)</b>	<b>(0.01)</b>
<b>Forward Currency Contracts total</b>		<b>(30)</b>	<b>(0.01)</b>
<b>Investment assets (including investment liabilities)</b>		<b>532,639</b>	<b>96.68</b>
<b>Net other assets</b>		<b>18,275</b>	<b>3.32</b>
<b>Net assets attributable to unitholders</b>		<b>550,914</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31 March 2024.

^ Unlisted, suspended or delisted security. Depositary receipts with underlying exposure to Russian assets have been valued at nil due to the current sanctions in place. The manager continues to monitor and assess the valuation as information becomes available.

# Security traded on the Alternative Investment Market ('AIM').



## FINANCIAL STATEMENTS

### Statement of total return for the year ended 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
<b>Income</b>			
Net capital gains	3	52,372	29,651
Revenue	5	11,157	6,870
Expenses	6	(2,698)	(1,635)
Interest payable and similar charges	7	(205)	(4)
Net revenue before taxation		8,254	5,231
Taxation	8	(882)	(628)
Net revenue after taxation		7,372	4,603
<b>Total return before distributions</b>		59,744	34,254
Distributions	9	(7,375)	(4,603)
<b>Change in net assets attributable to unitholders from investment activities</b>		52,369	29,651

### Statement of change in net assets attributable to unitholders for the year ended 31 March 2025

	31 March 2025 £'000	31 March 2024 £'000
<b>Opening net assets attributable to unitholders</b>	180,881	147,173
Amounts receivable on issue of units	336,583	56,113
Amounts payable on cancellation of units	(78,528)	(56,781)
Amounts receivable on issue of units by in specie transfer *	44,026	–
	302,081	(668)
Dilution adjustment	243	35
Change in net assets attributable to unitholders from investment activities	52,369	29,651
Retained distribution on accumulation units	15,340	4,690
<b>Closing net assets attributable to unitholders</b>	550,914	180,881

\* On 10 January 2025, the Artemis European Select Fund was merged with the Artemis SmartGARP European Equity Fund.

### Balance sheet as at 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments	10	532,671	178,009
<b>Current assets</b>			
Debtors	11	11,738	6,282
Cash and cash equivalents	12	17,267	1,299
<b>Total current assets</b>		29,005	7,581
<b>Total assets</b>		561,676	185,590
<b>Liabilities</b>			
Investment liabilities	10	32	–
<b>Creditors</b>			
Bank overdraft	13	–	1
Distribution payable		31	–
Other creditors	14	10,699	4,708
<b>Total creditors</b>		10,730	4,709
<b>Total liabilities</b>		10,762	4,709
<b>Net assets attributable to unitholders</b>		550,914	180,881

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting policies

**(a) Basis of accounting.** The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, in accordance with FRS 102 and the Statement of Recommended Practice ("SORP") issued by the Investment Management Association in May 2014 and amended in June 2017 and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). The financial statements have been prepared on a going concern basis. The manager believes that the fund has adequate resources to continue in operational existence for the foreseeable future. No material events have been identified that may cast significant doubt about the fund's ability to continue as a going concern for a period of twelve months from the date the financial statements are authorised for issue.

**(b) Valuation of investments.** All investments, including any derivatives, have been valued at 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 manager's opinion there have been no material movements in the fund between the last valuation point and close of business on the balance sheet date. Where a fund invests in markets that are closed for trading at the fund's valuation point, the manager will allow for the net asset value to be adjusted (based on movements of index futures or other suitable proxies in markets closed at the fund valuation point, since the last market close), to reflect more accurately the fair value of the fund's investments. Listed investments are valued at fair value which is generally deemed to be the bid price. Unquoted investments are valued at fair value which is determined by the manager, with reference to the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Guidelines Board. Open forward currency contracts are shown in the portfolio statement at market value and the net losses are reflected within forward currency contracts under net capital gains.

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

**(d) Revenue.** Dividends receivable from equity and non-equity shares, including Real Estate Investment Trusts ("REITs"), are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. Dividends on unquoted stocks are credited to revenue when the right to receive payment is established. Dividends are recognised gross of any overseas tax. Overseas tax is included as part of the tax charge. A provision is made for any overseas tax not considered recoverable at the balance sheet date, whether due to uncertainty as to receipt either due to circumstances or recovery experience in specific jurisdictions, or due to the significant time lag since the receipt of the dividend. Special dividends are reviewed on a case by

case basis when determining if a dividend is to be treated as revenue or capital. It is likely that where a special dividend results in a significant reduction in the capital value of a holding, then the dividend will generally be treated as capital, otherwise this will be recognised as revenue. Bank interest and interest on margin accounts held with brokers is recognised as revenue on an accruals basis.

**(e) Expenses.** All expenses (other than those relating to the purchase and sale of investments) are initially charged against revenue on an accruals basis. Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment and are made up of direct and indirect portfolio transaction costs. Direct portfolio transaction costs include Broker execution commission and taxes. Indirect portfolio transaction costs relate to the 'Dealing spread', which is the difference between the purchase and sale prices of the fund's investments. Some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid.

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

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

## 2. Distribution policy

The distribution policy of the fund is to distribute/accumulate all available revenue, after deduction of expenses and taxation properly chargeable against revenue. The fund did not satisfy the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 and where applicable will pay a dividend distribution. The manager 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. Gains and losses on investments and derivatives whether realised or unrealised, if taken to capital are not available for distribution. With the exception of the manager's annual management charge, which is directly attributable to each unit class, all income and expenses are apportioned to each unit class pro-rata to the value of the net assets of the relevant

unit class on the day that the income or expense is recognised. All available net revenue accounted for in accordance with the above policies is distributed to holders of income units or retained and reinvested for holders of accumulation units. Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital. Distributions which have remained unclaimed by unitholders for six years are credited to the capital property of the fund. Income equalisation applies to the fund. Equalisation applies only to units purchased during the distribution period (group 2 units). It is the average amount of revenue included in the purchase price of group 2 units and is refunded to the 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.

### 3. Net capital gains

	31 March 2025 £'000	31 March 2024 £'000
Non-derivative securities	52,361	29,711
Currency gains/(losses)	41	(57)
Capital transaction charges	–	(3)
Forward currency contracts	(30)	–
<b>Net capital gains</b>	<b>52,372</b>	<b>29,651</b>

### 4. Direct transaction costs

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

Year ended 31 March 2025						
	Principal £'000	Commissions £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
<b>Purchases</b>						
Equities	516,436	145	434	517,015	0.03	0.08
<b>Sales</b>						
Equities	213,379	60	2	213,317	0.03	–
<b>Total</b>		<b>205</b>	<b>436</b>			
<b>Percentage of fund average net assets</b>		<b>0.07%</b>	<b>0.15%</b>			

Year ended 31 March 2024						
	Principal £'000	Commissions £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
<b>Purchases</b>						
Equities	141,931	181	–	142,112	0.13	–
<b>Sales</b>						
Equities	139,810	38	–	139,772	0.03	–
<b>Total</b>		<b>219</b>	<b>–</b>			
<b>Percentage of fund average net assets</b>		<b>0.14%</b>	<b>0.00%</b>			

During the year, the fund incurred £nil (2024: £3,000) in capital transaction charges.

### Dealing spread

As at the balance sheet date, the estimated portfolio dealing spread was 0.11% (2024: 0.15%). This spread represents the difference between the bid and offer prices of each underlying investment expressed as a percentage of the value determined by reference to its offer price.

### 5. Revenue

	31 March 2025 £'000	31 March 2024 £'000
Overseas dividends	10,795	6,427
Bank interest	200	95
UK dividends	162	348
<b>Total revenue</b>	<b>11,157</b>	<b>6,870</b>

## 6. Expenses

	31 March 2025 £'000	31 March 2024 £'000
<b>Payable to the manager, associates of the manager and agents of either of them:</b>		
Annual management charge	2,378	1,446
Administration fees	320	189
<b>Total expenses</b>	<b>2,698</b>	<b>1,635</b>

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

The audit fee (excluding VAT) accrued during the period was £9,730 (2024: £9,450). This fee is paid by the manager via the administration fee.

## 7. Interest payable and similar charges

	31 March 2025 £'000	31 March 2024 £'000
Interest payable	205	4
<b>Total interest payable and similar charges</b>	<b>205</b>	<b>4</b>

## 8. Taxation

	31 March 2025 £'000	31 March 2024 £'000
<b>a) Analysis of the tax charge for the year</b>		
Irrecoverable overseas tax	882	628
<b>Total taxation (note 8b)</b>	<b>882</b>	<b>628</b>
<b>b) Factors affecting the tax charge for the year</b>		
Net revenue before taxation	8,254	5,231
Corporation tax of 20% (2024: 20%)	1,651	1,046
<b>Effects of:</b>		
Irrecoverable overseas tax	876	628
Unutilised management expenses	507	309
Non-taxable UK dividends	(32)	(69)
Non-taxable overseas dividends	(2,120)	(1,286)
<b>Tax charge for the year (note 8a)</b>	<b>882</b>	<b>628</b>
<b>c) Provision for deferred tax</b>		
No provision for deferred tax has been made in the current or prior accounting year.		
<b>d) Factors that may affect future tax charges</b>		
The fund has not recognised a deferred tax asset of £18,807,000 (2024: £18,298,000) arising as a result of having unutilised management expenses of £94,037,000 (2024: £91,494,000). It is unlikely that the fund will obtain relief for these in the future so no deferred tax asset has been recognised.		

## 9. Distributions

	31 March 2025 £'000	31 March 2024 £'000
Final dividend distribution	15,371	4,690
Add: amounts deducted on cancellation of units	2,323	1,417
Deduct: Revenue received on in-specie transactions	(803)	–
Deduct: amounts added on issue of units	(9,516)	(1,504)
<b>Distributions</b>	<b>7,375</b>	<b>4,603</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	7,372	4,603
Revenue received on conversion of units	3	–
	<b>7,375</b>	<b>4,603</b>

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

## 10. Fair value hierarchy

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

The disclosure is split into the following categories:

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

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

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

	31 March 2025		31 March 2024	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	532,669	–	178,009	–
Level 2	2	32	–	–
Level 3 *	–	–	–	–
<b>Total</b>	<b>532,671</b>	<b>32</b>	<b>178,009</b>	<b>–</b>

\* Depositary receipts with underlying exposure to Russian assets have been valued at nil due to the current sanctions in place. The manager continues to monitor and assess the valuation as information becomes available.

## 11. Debtors

	31 March 2025 £'000	31 March 2024 £'000
Amounts receivable for issue of units	10,594	880
Overseas withholding tax recoverable	892	644
Accrued revenue	252	234
Sales awaiting settlement	–	4,524
<b>Total debtors</b>	<b>11,738</b>	<b>6,282</b>

## 12. Cash and cash equivalents

	31 March 2025 £'000	31 March 2024 £'000
Amounts held in liquidity funds	16,541	1,080
Cash and bank balances	616	219
Collateral held with brokers	110	–
<b>Total cash and cash equivalents</b>	<b>17,267</b>	<b>1,299</b>

## 13. Bank overdraft

	31 March 2025 £'000	31 March 2024 £'000
Bank overdrafts	–	1
<b>Total bank overdraft</b>	<b>–</b>	<b>1</b>

## 14. Other creditors

	31 March 2025 £'000	31 March 2024 £'000
Purchases awaiting settlement	7,841	4,019
Amounts payable for cancellation of units	2,464	539
Accrued annual management charge	339	132
Accrued administration fee payable to the manager	46	18
Bank interest payable	9	–
<b>Total other creditors</b>	<b>10,699</b>	<b>4,708</b>

## 15. Contingent liabilities and commitments

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

## 16. Contingent assets

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

Due to uncertainty regarding the likely success of claims made in other countries, it is not possible to estimate the potential amount of overseas tax that may be received by the fund, if any. Therefore, the financial statements presented for the year ended 31 March 2025 do not reflect any further amounts that may be received (2024: nil).

## 17. Reconciliation of unit movements

	Units in issue at 31 March 2024	Units issued	Units cancelled	Units converted	Units in issue at 31 March 2025
C accumulation	3,301,308	94,327	(311,804)	(47,394)	<b>3,036,437</b>
I distribution *	–	16,380,888	(525,190)	10,159	<b>15,865,857</b>
I accumulation	25,278,950	58,529,585	(12,529,048)	95,493	<b>71,374,980</b>
I distribution (hedged) *	–	2,772,700	(195,033)	–	<b>2,577,667</b>
I accumulation (hedged) *	–	10,112,184	(599,227)	(14,104)	<b>9,498,853</b>
R accumulation	4,880,014	718,433	(782,317)	(59,351)	<b>4,756,779</b>

\* Launched on 12 December 2024.

## 18. Risk disclosures

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

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

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

### (a) Market risk

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

### (i) Interest rate risk

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



## (ii) Currency risk

A portion of the net assets of the fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the manager may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the fund's exposure to currency risk is reduced. The loss on forward currency contracts for the year was £30,000 (2024: £nil).

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

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

### All non-hedged classes

Currency	Investments £'000	Net other assets £'000	Total £'000
<b>31 March 2025</b>			
Euro	409,384	907	410,291
Swiss Franc	27,605	–	27,605
Swedish Krona	27,039	65	27,104
Sterling	7,782	16,666	24,448
Hungarian Forint	21,769	–	21,769
Norwegian Krone	18,271	1	18,272
Danish Kroner	4,050	40	4,090
US Dollar	2,308	133	2,441
Polish Zloty	1,092	4	1,096
<b>31 March 2024</b>			
Euro	142,986	550	143,536
Turkish Lira	9,822	–	9,822
Sterling	6,498	2,083	8,581
Swedish Krona	5,696	78	5,774
Norwegian Krone	4,990	1	4,991
Hungarian Forint	4,542	–	4,542
Swiss Franc	1,865	–	1,865
Danish Kroner	1,610	160	1,770

A five percent increase in the value of the non-hedged unit classes foreign currency exposure would have the effect of increasing the return and net assets by £26,856,000 (2024: £8,615,000). A five percent decrease would have an equal and opposite effect.

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

### Class I distribution (hedged)

Currency	Investments £'000	Net other assets £'000	Forward currency contracts £'000	Total £'000
<b>31 March 2025</b>				
Sterling	43	92	2,848	2,983
US Dollar	13	1	(13)	1
Hungarian Forint	119	–	(119)	–
Polish Zloty	6	–	(6)	–
Danish Kroner	22	–	(23)	(1)
Norwegian Krone	100	–	(102)	(2)
Swedish Krona	148	–	(151)	(3)
Swiss Franc	151	–	(157)	(6)
Euro	2,247	5	(2,283)	(31)

## Class I accumulation (hedged)

Currency	Investments £'000	Net other assets £'000	Forward currency contracts £ '000	Total £'000
<b>31 March 2025</b>				
Sterling	158	338	10,499	10,995
US Dollar	47	3	(47)	3
Hungarian Forint	441	–	(440)	1
Polish Zloty	22	–	(23)	(1)
Danish Kroner	82	1	(86)	(3)
Norwegian Krone	370	–	(376)	(6)
Swedish Krona	548	1	(557)	(8)
Swiss Franc	559	–	(579)	(20)
Euro	8,293	18	(8,415)	(104)

A five percent increase in the value of the hedged unit classes foreign currency exposure would have the effect of increasing the return and net assets by £690,000 (2024: £nil). 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 manager monitors and reviews these factors. A five percent increase in the value of the fund's portfolio would have the effect of increasing the return and net assets by £26,632,000 (2024: £8,900,000). A five percent decrease would have an equal and opposite effect.

### (iv) Leverage risk

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

The 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 manager 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 31 March 2025 and 31 March 2024 the leverage ratios of the fund were:

	2025 %	2024 %
Sum of the notionals	100.0	107.0
Commitment	100.0	102.3

### (b) Credit and counterparty risk

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

The derivatives are disclosed in the portfolio statement and 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 31 March 2025 or 31 March 2024.

## Counterparty and collateral exposure

The type of derivatives held at the balance sheet date was 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	Net collateral held £'000
<b>31 March 2025</b>		
Northern Trust	(30)	110
<b>31 March 2024</b>		
Northern Trust	–	–

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

## (c) Liquidity risk

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

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

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

There was no significant concentration of liquidity risk as at 31 March 2025 or 31 March 2024.

## 17. Related party transactions

The manager is deemed to be a related party. All transactions and balances associated with the manager are disclosed within the statement of total return, statement of change in net assets attributable to unitholders and the balance sheet on page 15 and notes 6, 9, 11 and 14 on pages 18 to 19 including all issues and cancellations where the manager acted as principal. The balance due from the manager as at 31 March 2025 in respect of these transactions was £7,745,000 (2024: £191,000).

## 18. Unit classes

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

C accumulation	1.200%
I distribution	0.750%
I accumulation	0.750%
I distribution (hedged)	0.750%
I accumulation (hedged)	0.750%
R accumulation	1.500%

The net asset value per unit and the number of units in each class are given in the comparative tables on pages 25 and 26.

The distributions per unit class are given in the distribution tables on page 24. All classes have the same rights on winding up.

## 19. Post balance sheet event

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

## DISTRIBUTION TABLES

This fund pays annual dividend distributions. The following table sets out the distribution period.

Distribution period	Start	End	Ex-dividend date	Pay date
Final	1 April 2024	31 March 2025	1 April 2025	30 May 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.

### C accumulation

Dividend distributions for the year ended 31 March 2025	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2024 Distribution per unit (p)
	Net revenue per unit (p)	Equalisation per unit (p)		Franked	Unfranked	
Final	1.6000	13.9043	15.5043	100.00%	0.00%	11.5997

### I distribution \*

Dividend distributions for the period ended 31 March 2025	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2024 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	0.1435	0.0270	0.1705	100.00%	0.00%	–

\* Launched on 12 December 2024.

### I accumulation

Dividend distributions for the year ended 31 March 2025	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2024 Distribution per unit (p)
	Net revenue per unit (p)	Equalisation per unit (p)		Franked	Unfranked	
Final	2.1981	17.6949	19.8930	100.00%	0.00%	15.0670

### I distribution (hedged) \*

Dividend distributions for the period ended 31 March 2025	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2024 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	0.1374	0.0222	0.1596	100.00%	0.00%	–

\* Launched on 12 December 2024.

### I accumulation (hedged) \*

Dividend distributions for the period ended 31 March 2025	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2024 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	0.1538	0.0125	0.1663	100.00%	0.00%	–

\* Launched on 12 December 2024.

### R accumulation

Dividend distributions for the year ended 31 March 2025	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2024 Distribution per unit (p)
	Net revenue per unit (p)	Equalisation per unit (p)		Franked	Unfranked	
Final	0.7047	13.0634	13.7681	100.00%	0.00%	10.2131

## COMPARATIVE TABLES

	C accumulation			I distribution **
	2025	2024	2023	2025
<b>Change in net assets per unit (p)</b>				
<b>Opening net asset value per unit</b>	<b>498.54</b>	<b>406.76</b>	<b>366.17</b>	<b>100.00</b>
Return before operating charges *	100.58	97.48	45.42	16.30
Operating charges	(6.88)	(5.70)	(4.83)	(0.29)
<b>Return after operating charges *</b>	<b>93.70</b>	<b>91.78</b>	<b>40.59</b>	<b>16.01</b>
Distributions	(15.50)	(11.60)	(8.65)	(0.17)
Retained distributions on accumulation units	15.50	11.60	8.65	–
<b>Closing net asset value per unit</b>	<b>592.24</b>	<b>498.54</b>	<b>406.76</b>	<b>115.84</b>
* after direct transaction costs of	(0.73)	(0.50)	(0.52)	(0.16)
<b>Performance</b>				
Return after charges	18.79%	22.56%	11.09%	16.01%
<b>Other information</b>				
Closing net asset value (£'000)	17,983	16,458	14,423	18,379
Closing number of units	3,036,437	3,301,308	3,545,805	15,865,857
Operating charges	1.32%	1.32%	1.32%	0.87%
Direct transaction costs	0.14%	0.12%	0.14%	0.14%
<b>Prices</b>				
Highest unit price (p)	612.59	498.76	433.29	119.99
Lowest unit price (p)	484.35	395.26	315.87	98.02

	I accumulation			I distribution (hedged) **
	2025	2024	2023	2025
<b>Change in net assets per unit (p)</b>				
<b>Opening net asset value per unit</b>	<b>555.37</b>	<b>451.08</b>	<b>404.24</b>	<b>100.00</b>
Return before operating charges *	112.46	108.48	50.37	14.53
Operating charges	(5.12)	(4.19)	(3.53)	(0.28)
<b>Return after operating charges *</b>	<b>107.34</b>	<b>104.29</b>	<b>46.84</b>	<b>14.25</b>
Distributions	(19.89)	(15.07)	(11.38)	(0.16)
Retained distributions on accumulation units	19.89	15.07	11.38	–
<b>Closing net asset value per unit</b>	<b>662.71</b>	<b>555.37</b>	<b>451.08</b>	<b>114.09</b>
* after direct transaction costs of	(0.83)	(0.56)	(0.57)	(0.15)
<b>Performance</b>				
Return after charges	19.33%	23.12%	11.59%	14.25%
<b>Other information</b>				
Closing net asset value (£'000)	473,010	140,391	98,406	2,941
Closing number of units	71,374,980	25,278,950	21,815,697	2,577,667
Operating charges	0.87%	0.87%	0.87%	0.87%
Direct transaction costs	0.14%	0.12%	0.14%	0.14%
<b>Prices</b>				
Highest unit price (p)	685.45	555.58	480.35	117.99
Lowest unit price (p)	540.42	438.66	349.16	97.43

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

\*\* Launched on 12 December 2024.

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.

	I accumulation (hedged) **	R accumulation		
	2025	2025	2024	2023
<b>Change in net assets per unit (p)</b>				
<b>Opening net asset value per unit</b>	<b>100.00</b>	<b>492.45</b>	<b>403.01</b>	<b>363.88</b>
Return before operating charges *	14.59	99.12	96.30	45.01
Operating charges	(0.29)	(8.33)	(6.86)	(5.88)
<b>Return after operating charges *</b>	<b>14.30</b>	<b>90.79</b>	<b>89.44</b>	<b>39.13</b>
Distributions	(0.17)	(13.77)	(10.21)	(7.50)
Retained distributions on accumulation units	0.17	13.77	10.21	7.50
<b>Closing net asset value per unit</b>	<b>114.30</b>	<b>583.24</b>	<b>492.45</b>	<b>403.01</b>
* after direct transaction costs of	(0.15)	(0.72)	(0.49)	(0.51)
<b>Performance</b>				
Return after charges	14.30%	18.44%	22.19%	10.75%
<b>Other information</b>				
Closing net asset value (£'000)	10,857	27,744	24,032	34,344
Closing number of units	9,498,853	4,756,779	4,880,014	8,521,867
Operating charges	0.87%	1.62%	1.62%	1.62%
Direct transaction costs	0.14%	0.14%	0.12%	0.14%
<b>Prices</b>				
Highest unit price (p)	118.03	603.32	492.67	429.37
Lowest unit price (p)	97.43	477.92	391.41	313.62

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

\*\* Launched on 12 December 2024.

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	31 March 2025
C accumulation	1.310%
I distribution *	0.860%
I accumulation	0.860%
I distribution (hedged) *	0.860%
I accumulation (hedged) *	0.860%
R accumulation	1.610%

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.

\* Ongoing charges shows the estimated annual operating expenses as a percentage of the average net assets of that class since launch.

## Class I accumulation performance

	Since launch *	10 years	5 years	3 years	1 year	6 months
Artemis SmartGARP European Equity Fund **	597.4	143.4	154.1	64.0	19.4	16.8
Artemis SmartGARP European Equity Fund ***	600.3	145.1	153.9	66.1	20.0	17.9
FTSE World Europe ex UK TR	364.8	122.5	84.4	28.4	3.8	3.5
IA Europe Ex UK NR	323.5	100.4	73.9	19.3	0.9	1.2
Position in sector	4/32	7/59	2/73	1/80	1/81	1/81
Quartile	1	1	1	1	1	1

Past performance is not a guide to the future.

\* Since launch data from 7 March 2001 to 7 March 2008 reflects class R accumulation units, and from 7 March 2008 to 31 March 2025 reflects class I accumulation units, in sterling. 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 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 unit class.

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