

Artemis SmartGARP
Global Equity *Fund*

Manager's Report
and Financial Statements

for the year ended 7 April 2024

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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 £25.0 billion* across a range of funds, an investment trust and both pooled and segregated institutional portfolios.

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

* Source: Artemis as at 31 May 2024

Fund status

Artemis SmartGARP Global Equity Fund was constituted by a Trust Deed dated 1 May 1990 and is an authorised unit trust scheme under the Financial Services and Markets Act 2000. The fund belongs to the category of UCITS schemes as defined in the Collective Investment Schemes Sourcebook ('COLL') of the Financial Conduct Authority ('FCA').

Buying and selling

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

OBJECTIVE AND INVESTMENT POLICY

Objective	To grow capital over a five year period.	
Investment policy	What the fund invests in	<ul style="list-style-type: none"> • 80% to 100% in company shares. • Up to 20% in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives.
	Use of derivatives	The fund may use derivatives for efficient portfolio management purposes to: <ul style="list-style-type: none"> • reduce risk • manage the fund efficiently
	Where the fund invests	<ul style="list-style-type: none"> • Globally
	Industries the fund invests in	<ul style="list-style-type: none"> • Any
	Other limitations specific to this fund	<ul style="list-style-type: none"> • None
Investment strategy	<ul style="list-style-type: none"> • The fund is actively managed. • A proprietary tool called 'SmartGARP' is used as the foundation of the investment process. It screens the financial characteristics of companies by identifying those that are growing faster than the market but are trading on lower valuations than the market. • The manager selects companies that in aggregate have good 'SmartGARP' characteristics. This tends to mean that the portfolio contains stocks that have lower valuations than the market average, upgrades to profit forecasts, and are under-owned by the investment community, while at the same time benefiting from helpful trends in the wider economy. 	
Benchmarks	<ul style="list-style-type: none"> • MSCI AC World NR GBP A widely-used indicator of the performance of global stock markets, in which the fund invests. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark. • IA Global NR A group of other asset managers' funds that invest in similar asset types as this fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark. 	

RISK AND REWARD PROFILE



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

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

- **Market volatility risk:** The value of the fund and any income from it can fall or rise because of movements in stock markets, 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.
- **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 year ended 7 April 2024.

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

OTHER INFORMATION

Prospectus

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

Remuneration

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

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

The remuneration policies which apply to all partners and staff across the group are overseen by the Remuneration Committee. The members of the Remuneration Committee are all non-executive officers. The Remuneration Committee is responsible for setting and overseeing the implementation of Artemis' remuneration policy, including approving the remuneration of partners and other senior staff. The Remuneration Committee will regularly review the remuneration policy to ensure it remains appropriate. The Remuneration Committee considers inputs from Artemis' Risk and Compliance 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 232 Artemis partners and staff in respect of AFML's duties performed for the UCITS schemes based on the number of funds. It has estimated that the total amount of remuneration paid in respect of duties for the funds for the year ended 31 December 2023 is £916,539 of which £422,204 is fixed remuneration and £494,335 is variable remuneration.

The aggregate amount of remuneration paid to UCITS Remuneration Code and Identified Staff that is attributable to duties for the funds for the year ended 31 December 2023 is £331,326. 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.

Value assessment

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

Manager

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

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

Investment adviser

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

Trustee and Depositary

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

Registrar

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

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

Auditor

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

* Authorised and regulated by 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 Global Equity Fund ("the Trust") for the year ended 7 April 2024.

The Trustee in its capacity as Trustee of Artemis SmartGARP Global 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 fund in relation to the investment and borrowing powers applicable to the Trust.

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

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

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

Northern Trust Investor Services Limited
London
7 June 2024

Statement of the manager's responsibilities

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

In preparing the financial statements the manager is required to:

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

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

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

Report of the manager

We hereby approve the Manager's Report and Financial Statements of the Artemis SmartGARP Global Equity Fund for the year ended 7 April 2024 on behalf of Artemis Fund Managers Limited in accordance with the requirements of COLL as issued and amended by the FCA.

M J Murray
Director
Artemis Fund Managers Limited
London
7 June 2024

S Dougall
Director

AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of the Artemis SmartGARP Global Equity Fund ("the Fund") for the year ended 7 April 2024, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 7 April 2024 and of the net revenue and the net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

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

In our opinion:

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Manager

As explained more fully in the Manager's responsibilities statement set out on page 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
7 June 2024

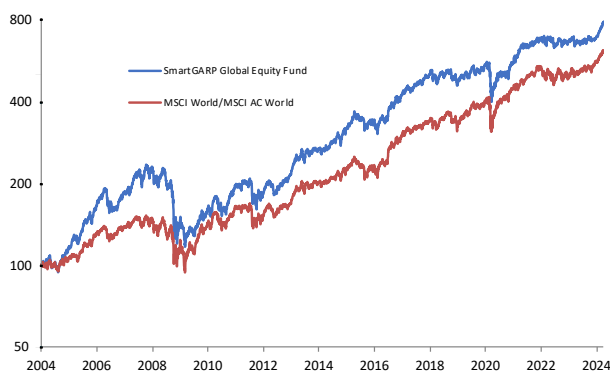
INVESTMENT REVIEW

- Net asset value up 19.0%¹ vs benchmark's 20.4%.
- Strong long-term performance
- Pronounced bias towards cheap shares coupled with low risk profile

Performance – Modestly lagging near term, strong longer term

In the year to 7 April 2024, the fund's net asset value rose by 19.0% compared with a 20.4% increase of its benchmark, the MSCI All Country World Index. Long-term performance is more favourable: it is up 676.3% versus 510.8% for the benchmark since the start of 2004 with the current fund management team (see Chart 1).

Chart 1: Artemis SmartGARP Global Equity Fund and benchmark



Source: Artemis, MSCI as at 7 April 2024

SmartGARP™ – Evidence-based investing ...

The SmartGARP Global Equity fund is one of five Artemis funds that rely heavily on SmartGARP, Artemis' proprietary stock screening tool (a Global Emerging Markets, Global Paris-Aligned, European and UK fund being the other four). SmartGARP screens a universe of 7000 global stocks for those whose valuation appears out of line with its growth prospects and that have a catalyst which might cause investors to re-appraise their views about the company. SmartGARP helps us partly by singling out potentially undervalued stocks, but also by monitoring whether the reasons for investing in our existing holdings are still valid.

Review – Solid performance, held back by low exposure to the 'Magnificent Seven'

While global equities ended the last 12 months up sharply, this hides significant volatility during the period. Markets made little headway in the first six months of the period as evidence of continued economic strength especially in the US economy was offset by fears of the delay of sharply tightened monetary policy in most

Western economies. In the most recent six months, by contrast, markets rose by almost 20% on the back of sharply declining rates of inflation and hopes of an imminent reversal of the US Federal Reserve policy. Long-term bond yields also experienced a roller-coaster ride, surging to their highest level since 2007 in October before declining sharply more recently.

This volatility was mirrored in the relative performance of our fund. After performing roughly in line with its benchmark in the first six months, the last quarter of 2023 saw a period of weakness, which was then mostly offset by strong performance year-to-date.

The biggest contributors to performance during the period were an eclectic bunch. Dell Technologies tops the list, followed by Chinese logistics firm Sinotrans, Japanese industrial Toyota Tsusho, Meta Platforms, Chinese oil producer CNOOC and Spanish bank BBVA.

By contrast, seven of the 10 biggest detractors from performance were mega-cap growth stocks to which the fund had little exposure relative to its benchmark, but which performed very strongly. These include Nvidia, Amazon, Microsoft, Eli Lilly, Alphabet, TSMC and Netflix. The fund's only material unsuccessful investments were Israeli technology firm Perion Network, Chinese internet firm Alibaba and US drug maker Catalyst Pharmaceutical.

Fund turnover, meanwhile, was relatively muted during the year. On the whole, we added somewhat to our exposure to the auto sectors by buying shares in the likes of Toyota, GM and Stellantis. We also increased the fund's exposure to the retail sector, investing in Amazon, Walmart and US pharmaceutical distributor Cencora (formerly AmerisourceBergen). These purchases were funded from sales in the industrials and consumer staples sectors. Selected sales here include Philip Morris International, Sprouts Farmers Markets as well as Siemens and Marubeni.

Taken together, these changes have not changed the aggregate exposures of the fund materially. The fund thus retains its bias toward what we consider lower-risk stocks, that is stocks with less volatile earnings and solid balance sheets. Meanwhile the fund's regional exposures have also not changed dramatically: We continue to be overweight in emerging markets (21% of fund versus 10% benchmark weight) and Europe (24% vs. 16%) and underweight especially in US equities (45% vs. 64%). At the sector level, we still prefer banks, insurance and now energy and remain very underweight technology and, to a lesser extent, financial services (that is, real estate and asset management).

Past performance is not a guide to the future.

¹ Source: Lipper Limited from 1 January 2004 to 7 April 2024. Data prior to 13 March 2020 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.

Last, but not least, the fund's tilt towards value stocks, that is stocks trading on below market valuations, remains very pronounced. At the end of March 2024, the fund was trading on an average price-earnings ratio of 9.4 versus the benchmark at 17.6. This 47% discount to the market remains very low in the context of the 21 years one of the present managers has managed the fund (see Chart 2).

Chart 2: Relative price-earnings ratio of SmartGARP Global Equity Fund vs. Market



Source: Artemis

Outlook: Plenty of optimism priced into parts of the market while pockets of opportunity remain...

The global equity market's strength keeps defying the sceptics who worry about the delayed impact of the tightening of monetary policy. Yet the fact that global equity benchmarks continue to make new all-time highs hides from view how disparate the performance of different segments of the market remains. While the US makes new highs seemingly every other week, valuations in the UK, parts of continental Europe and especially in emerging Asia remain at their lowest relative levels in decades.

Since our fund is heavily exposed to these unpopular parts of the market, we remain sanguine about the outlook for our fund even if we are not particularly optimistic about the outlook for markets in general.

Meanwhile, our approach remains squarely focussed on what companies are telling us regarding their individual business prospects to ensure that the fund's positioning reflects this in a timely manner. Against this backdrop, our fund's bias towards companies with resilient earnings and healthy balance sheets, which, as an additional layer of protection, trade on well below the market's valuation, continues to be warranted, in our view.

INVESTMENT INFORMATION

Ten largest purchases and sales for the year ended 7 April 2024

Purchases	Cost £'000	Sales	Proceeds £'000
Microsoft	27,609	Microsoft	9,711
Johnson & Johnson	14,052	Johnson & Johnson	8,818
Alphabet 'A'	12,931	Cisco Systems	8,745
Exxon Mobil	10,013	Gilead Sciences	8,655
Alibaba Holding	9,009	Broadcom	8,281
Merck	8,400	McDonald's	7,914
McDonald's	8,046	UnitedHealth Group	7,821
Amazon.com	7,927	Microchip Technology	7,506
Petroleo Brasileiro, ADR	7,546	Prosus	7,491
Chevron	7,265	Sekisui House	7,354

Portfolio statement as at 7 April 2024

	Holding	Valuation £'000	% of net assets
Equities 99.66% (100.31%)			
Australia 0.00% (0.76%)			
Brazil 3.46% (1.01%)			
Banco do Brasil	504,200	4,503	0.85
Cia Energetica de Minas Gerais	2,027,600	4,090	0.77
Petroleo Brasileiro, ADR	582,162	7,146	1.35
TIM	893,800	2,593	0.49
		18,332	3.46
Canada 0.31% (0.83%)			
National Bank of Canada	25,120	1,652	0.31
		1,652	0.31
China 14.80% (18.30%)			
Bank of China 'H'	18,653,500	6,092	1.15
Bank of Communications 'H'	11,219,061	5,797	1.09
BOC Hong Kong Holdings	1,113,486	2,521	0.48
CGN Power 'H'	22,420,157	5,282	1.00
China CITIC Bank	17,248,000	7,220	1.36
China Construction Bank 'H'	10,135,536	4,918	0.93
China Mobile	362,500	2,459	0.46
China Suntien Green Energy	13,765,000	4,760	0.90
CNOOC	3,801,000	7,408	1.40
Industrial & Commercial Bank of China 'H'	8,127,725	3,262	0.61
PetroChina	8,510,000	6,115	1.15
PICC Property & Casualty 'H'	7,779,589	7,991	1.51
Sinotrans 'H'	21,849,074	8,371	1.58
Vipshop Holdings, ADR	289,694	3,939	0.74
Zhejiang Expressway 'H'	4,783,866	2,351	0.44
		78,486	14.80
Denmark 1.32% (0.45%)			
Danske Bank	153,195	3,678	0.70
Novo Nordisk	33,238	3,304	0.62
		6,982	1.32
France 3.19% (4.66%)			
AXA	153,430	4,491	0.85
Gaztransport Et Technigaz	46,676	5,664	1.07
Publicis Groupe	18,821	1,617	0.30
Sopra Steria Group	7,745	1,534	0.29

	Holding	Valuation £'000	% of net assets
Equities 99.66% (100.31%) (continued)			
France 3.19% (4.66%) (continued)			
Technip Energies	52,039	1,061	0.20
TotalEnergies	44,072	2,525	0.48
		16,892	3.19
Germany 2.57% (3.12%)			
Bayerische Motoren Werke	22,292	2,147	0.41
E.ON	579,783	6,150	1.16
Muenchener Rueckversicherungs-Gesellschaftin Muenchen	14,625	5,323	1.00
		13,620	2.57
Greece 1.11% (1.27%)			
National Bank of Greece	640,455	3,900	0.74
OPAP	143,423	1,989	0.37
		5,889	1.11
Hong Kong 0.75% (0.00%)			
China Metal Recycling Holdings ^	1,040,800	–	–
United Laboratories International	4,302,000	4,002	0.75
		4,002	0.75
Ireland 1.02% (0.61%)			
AIB Group	1,249,355	5,395	1.02
		5,395	1.02
Israel 0.00% (1.20%)			
Italy 1.90% (0.86%)			
Intesa Sanpaolo	1,851,819	5,287	1.00
Poste Italiane	485,253	4,794	0.90
		10,081	1.90
Japan 6.32% (7.58%)			
Central Japan Railway	82,180	1,577	0.29
ITOCHU	225,000	8,000	1.51
Japan Tobacco	150,700	3,228	0.61
Mitsubishi UFJ Financial Group	547,200	4,364	0.82
Sumitomo Mitsui Financial Group	65,000	2,968	0.56
Toyota Motor	307,200	5,823	1.10
Toyota Tsusho	145,000	7,576	1.43
		33,536	6.32
Netherlands 0.60% (1.48%)			
Stellantis	149,467	3,153	0.60
		3,153	0.60
Norway 0.00% (1.29%)			
Russia 0.00% (0.00%)			
Gazprom, ADR ^	180,460	–	–
LUKOIL, ADR ^	22,953	–	–
		–	–
Singapore 0.00% (2.05%)			
South Korea 1.31% (0.62%)			
Hankook Tire & Technology	131,850	4,220	0.80
Hyundai Motor	20,626	2,725	0.51
		6,945	1.31
Spain 4.96% (1.88%)			
Banco Bilbao Vizcaya Argentaria	769,145	7,256	1.37
Cia de Distribucion Integral Logista Holdings	222,101	4,865	0.92
Iberdrola	246,695	2,379	0.45

	Holding	Valuation £'000	% of net assets
Equities 99.66% (100.31%) (continued)			
Spain 4.96% (1.88%) (continued)			
Indra Sistemas	165,299	2,668	0.50
Repsol	402,321	5,577	1.05
Telefonica	1,035,681	3,532	0.67
		26,277	4.96
Switzerland 0.19% (1.69%)			
Novartis	13,336	1,006	0.19
		1,006	0.19
Taiwan 1.36% (0.69%)			
Taiwan Semiconductor Manufacturing	64,126	7,223	1.36
		7,223	1.36
Thailand 0.46% (0.73%)			
TMBThanachart Bank	64,114,800	2,438	0.46
		2,438	0.46
Turkey 0.00% (0.26%)			
United Arab Emirates 0.84% (0.51%)			
Emirates NBD Bank	1,186,545	4,476	0.84
		4,476	0.84
United Kingdom 6.82% (7.89%)			
Associated British Foods	283,197	6,837	1.29
Aviva	321,304	1,576	0.30
Babcock International Group	557,697	2,869	0.54
BAE Systems	741,151	9,824	1.85
Britvic	279,939	2,199	0.42
Coca-Cola HBC	66,450	1,588	0.30
HSBC Holdings	395,646	2,537	0.48
Imperial Brands	351,651	6,064	1.14
Man Group	404,595	1,106	0.21
QinetiQ Group	429,565	1,536	0.29
		36,136	6.82
United States 46.37% (40.57%)			
AbbVie	52,976	7,129	1.34
Alphabet 'A'	66,451	8,059	1.52
Altria	152,641	5,029	0.95
Amazon.com	64,115	9,441	1.78
American International Group	54,309	3,348	0.63
Broadcom	2,832	3,018	0.57
Cardinal Health	59,969	5,220	0.98
Cencora	40,954	7,880	1.49
Chubb	33,312	6,669	1.26
Comfort Systems USA	18,670	4,796	0.90
Dell Technologies	94,658	9,997	1.89
Exxon Mobil	69,879	6,713	1.27
General Motors	165,022	5,792	1.09
GMS	47,146	3,758	0.71
GSK	406,867	6,630	1.25
Hartford Financial Services Group	102,795	8,411	1.59
Johnson & Johnson	40,668	4,905	0.93
JPMorgan Chase	70,181	10,994	2.07
Matson	43,849	3,880	0.73
McKesson	16,747	7,135	1.35
Merck	84,453	8,558	1.61
Meta Platforms 'A'	25,927	10,875	2.05

	Holding	Valuation £'000	% of net assets
Equities 99.66% (100.31%) (continued)			
United States 46.37% (40.57%) (continued)			
Microsoft	66,645	22,520	4.25
NetApp	19,114	1,594	0.30
NEXTracker	58,333	2,321	0.44
Nucor	28,754	4,589	0.87
PACCAR	56,929	5,517	1.04
Pilgrim's Pride	172,584	4,796	0.90
Procter & Gamble	44,148	5,453	1.03
Qualcomm	54,735	7,471	1.41
Reinsurance of America	43,416	6,671	1.26
Steel Dynamics	47,805	5,595	1.06
Target	30,505	4,155	0.78
Travelers Cos	17,549	3,206	0.60
Unum Group	121,340	5,165	0.97
Verizon Communications	206,636	6,888	1.30
Visa	19,112	4,201	0.79
Vontier	88,465	3,029	0.57
Walmart	93,456	4,427	0.84
		245,835	46.37
Equities total		528,356	99.66
Warrants 0.00% (0.00%)			
Kiatnakin Phatra Bank 31/12/2026	140,992	5	–
Warrants total		5	–
Investment assets		528,361	99.66
Net other assets		1,781	0.34
Net assets attributable to unitholders		530,142	100.00

The comparative percentage figures in brackets are as at 7 April 2023.

^ Unlisted, suspended or delisted security. Indirect Russian holdings currently suspended have been valued at nil by the manager.

FINANCIAL STATEMENTS

Statement of total return for the year ended 7 April 2024

	Note	7 April 2024		7 April 2023	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	3		77,179		(36,805)
Revenue	5	20,939		24,454	
Expenses	6	(5,458)		(6,206)	
Interest payable and similar charges	7	(8)		(20)	
Net revenue before taxation		15,473		18,228	
Taxation	8	(1,940)		(2,444)	
Net revenue after taxation			13,533		15,784
Total return before distributions			90,712		(21,021)
Distributions	9		(13,649)		(15,785)
Change in net assets attributable to unitholders from investment activities			77,063		(36,806)

Statement of change in net assets attributable to unitholders for the year ended 7 April 2024

		7 April 2024		7 April 2023	
		£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders			506,474		586,939
Amounts receivable on issue of units		30,151		17,797	
Amounts payable on cancellation of units		(95,959)		(76,248)	
			(65,808)		(58,451)
Dilution adjustment			–		33
Change in net assets attributable to unitholders from investment activities			77,063		(36,806)
Retained distribution on accumulation units			12,413		14,759
Closing net assets attributable to unitholders			530,142		506,474

Balance Sheet as at 7 April 2024

	Note	7 April 2024	7 April 2023
		£'000	£'000
Assets			
Fixed assets			
Investments	10	528,361	508,058
Current assets			
Debtors	11	6,575	16,586
Cash and cash equivalents	12	992	4,169
Total current assets		7,567	20,755
Total assets		535,928	528,813
Liabilities			
Creditors			
Bank overdraft	13	–	4,168
Distribution payable		14	–
Other creditors	14	5,772	18,171
Total creditors		5,786	22,339
Total liabilities		5,786	22,339
Net assets attributable to unitholders		530,142	506,474

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

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

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

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

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

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

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

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

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

2. Distribution Policy

The distribution policy of the fund is to distribute all available revenue, after deduction of expenses and taxation properly chargeable against revenue. The fund did not satisfy the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 and where applicable will pay a dividend distribution. The manager may from time to time, smooth the distribution payments during the accounting period with the balance of revenue (if any) being paid in respect of the final distribution. Gains and losses on investments and derivatives whether realised or unrealised, if taken to capital are not available for distribution. With the exception of the manager's annual management charge, which is directly attributable to each unit class, all income and expenses are apportioned to each unit class pro-rata to the value of the net assets of the relevant unit class on the day that the income or expense is recognised. For accumulation units this revenue is not distributed but automatically reinvested in the fund and is reflected in the value of these units. Distributions which have remained unclaimed by unitholders for six years are credited to the capital property of the fund.

3. Net capital gains/(losses)

	7 April 2024 £'000	7 April 2023 £'000
Non-derivative securities	77,228	(36,614)
Forward currency contracts	15	(5)
Derivative contracts	5	–
Currency losses	(69)	(186)
Net capital gains/(losses)	77,179	(36,805)

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 7 April 2024						
	Principal £'000	Commissions £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	571,987	–	513	572,500	–	0.09
Sales						
Equities	629,696	1	227	629,468	–	0.04
Total		1	740			
Percentage of fund average net assets		0.00%	0.15%			

Year ended 7 April 2023						
	Principal £'000	Commissions £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	916,665	191	615	917,470	0.02	0.07
Sales						
Equities	980,487	188	273	980,948	0.02	0.03
Total		379	888			
Percentage of fund average net assets		0.07%	0.16%			

During the year, the fund incurred £7,000 (2023: £nil) in capital transaction charges.

Dealing spread

As at the balance sheet date the estimated portfolio dealing spread was 0.10% (2023: 0.12%). This spread represents the difference between the bid and offer prices of each underlying investment expressed as a percentage of the value determined by reference to its offer price.

5. Revenue

	7 April 2024 £'000	7 April 2023 £'000
Overseas dividends	18,908	22,757
UK dividends	1,911	1,640
Bank interest	120	57
Total revenue	20,939	24,454

6. Expenses

	7 April 2024 £'000	7 April 2023 £'000
Payable to the manager, associates of the manager and agents of either of them:		
Annual management charge	4,754	5,445
Administration fees	704	761
Total expenses	5,458	6,206

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

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

7. Interest payable and similar charges

	7 April 2024 £'000	7 April 2023 £'000
Interest payable	8	20
Total interest payable and similar charges	8	20

8. Taxation

	7 April 2024 £'000	7 April 2023 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	1,940	2,444
Total taxation (note 8b)	1,940	2,444
b) Factors affecting the tax charge for the year		
Net revenue before taxation	15,473	18,228
Corporation tax of 20% (2023: 20%)	3,095	3,646
Effects of:		
Irrecoverable overseas tax	1,940	2,444
Unutilised management expenses	1,005	1,228
Double tax relief	(12)	–
Non-taxable UK dividends	(19)	(11)
Tax on franked dividends	(382)	(328)
Non-taxable overseas dividends	(3,687)	(4,535)
Tax charge for the year (note 8a)	1,940	2,444

c) Provision for deferred tax

No provision for deferred tax has been made in the current or prior accounting year.

d) Factors that may affect future tax charges

The fund has not recognised a deferred tax asset of £14,291,000 (2023: £13,286,000) arising as a result of having unutilised management expenses of £71,442,000 (2023: £66,416,000) and non-trade loan relationship deficits of £11,000 (2023: £11,000). It is unlikely that the fund will obtain relief for these in the future so no deferred tax asset has been recognized.

9. Distributions

	7 April 2024 £'000	7 April 2023 £'000
Final dividend distribution	12,427	14,759
Add: amounts deducted on cancellation of units	1,705	1,389
Deduct: amounts added on issue of units	(483)	(363)
Distributions	13,649	15,785
Movement between net revenue and distributions		
Net revenue after taxation	13,533	15,785
Revenue received on conversion of units	116	–
	13,649	15,785

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).

	7 April 2024 Assets £'000	7 April 2023 Assets £'000
Level 1	528,361	508,058
Level 3 *	–	–
Total	528,361	508,058

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

11. Debtors

	7 April 2024 £'000	7 April 2023 £'000
Sales awaiting settlement	2,589	14,043
Accrued revenue	1,835	1,635
Amounts receivable for issue of units	1,362	56
Overseas withholding tax recoverable	789	852
Total debtors	6,575	16,586

12. Cash and cash equivalents

	7 April 2024 £'000	7 April 2023 £'000
Amounts held in liquidity funds	821	4,125
Cash and bank balances	171	44
Total cash and cash equivalents	992	4,169

13. Bank Overdraft

	7 April 2024 £'000	7 April 2023 £'000
Bank overdraft	–	4,168
Total bank overdraft	–	4,168

14. Other creditors

	7 April 2024 £'000	7 April 2023 £'000
Amounts payable for cancellation of units	2,970	1,758
Purchases awaiting settlement	2,229	15,848
Accrued annual management charge	497	493
Accrued administration fee payable to the manager	76	72
Total other creditors	5,772	18,171

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 7 April 2024 do not reflect any further amounts that may be received (2023: nil).

17. Reconciliation of unit movements

	Units in issue at 7 April 2023	Units issued	Units cancelled	Units converted	Units in issue at 7 April 2024
C accumulation	4,580,921	136,751	(504,567)	4,388	4,217,493
I distribution	–	553,193	(87,697)	–	465,496
I accumulation	90,178,053	6,475,197	(19,921,273)	14,043,576	90,775,553
R accumulation	46,394,103	1,163,810	(4,771,777)	(15,759,079)	27,027,057

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 currency risk, interest rate risk, other market price risk and leverage risk), credit and counterparty risk and liquidity risk and the approach to the management of these risks, are set out below and remain unchanged from the previous accounting year. For a detailed explanation of these and further risks involved in investing in the fund, reference should be made to the Prospectus.

(a) Market risk

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

(i) 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 gain on forward currency contracts for the year was £15,000 (2023: loss of £5,000).

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

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

Currency	Investments £'000	Net other assets £'000	Total £'000
7 April 2024			
US Dollar	257,514	753	258,267
Euro	81,306	860	82,166
Hong Kong Dollar	78,549	–	78,549
Sterling	42,767	(917)	41,850
Japanese Yen	33,536	434	33,970
Brazilian Real	11,185	311	11,496
South Korean Won	6,945	126	7,071
Danish Kroner	6,982	47	7,029
UAE Dirham	4,476	–	4,476
Thai Baht	2,443	–	2,443
Canadian Dollar	1,652	–	1,652
Swiss Franc	1,006	–	1,006
Swedish Krona	–	157	157
Taiwan Dollar	–	10	10
7 April 2023			
US Dollar	214,117	552	214,669
Hong Kong Dollar	82,732	165	82,897
Euro	70,291	675	70,966
Japanese Yen	38,367	633	39,000
Sterling	39,979	(5,962)	34,017
Singapore Dollar	10,401	–	10,401
Swiss Franc	8,582	–	8,582
Chinese Yuan Renminbi	7,373	–	7,373
Brazilian Real	5,114	1,499	6,613
Norwegian Krone	6,527	3	6,530
Canadian Dollar	4,184	19	4,203
Australian Dollar	3,864	–	3,864
South-Korean Won	3,160	575	3,735
Thai Baht	3,689	–	3,689
Taiwan Dollar	3,516	55	3,571
UAE Dirham	2,558	–	2,558
Danish Kroner	2,274	42	2,316
Turkish Lira	1,330	–	1,330
Swedish Krona	–	160	160

A five percent increase in the value of the fund's foreign currency exposure would have the effect of increasing the return and net assets by £24,415,000 (2023: £23,623,000). A five percent decrease would have an equal and opposite effect.

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The value of equities is dependent on a number of factors, arising from the performance of the company itself and matters arising in the wider market (for example the state of the underlying economy and current government policy). The portfolio is invested in securities domiciled in a number of countries as detailed in the portfolio statement

and will be exposed to market movements in the relevant country arising from changes in the local economy and government decisions. As part of the continuing review of the portfolio, the manager monitors and reviews these factors.

A five per cent increase in the value of the fund's portfolio would have the effect of increasing the return and net assets by £26,418,000 (2023: £25,403,000). A five per cent decrease would have an equal and opposite effect.

(iv) Leverage risk

Leverage is defined as any method by which the 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 7 April 2024 and 7 April 2023 the leverage ratios of the fund were:

	2024 %	2023 %
Sum of the notionals	103.6	113.7
Commitment	100.2	102.5

(b) Credit and counterparty risk

Credit and counterparty risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into with the 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 manager is permitted to use one or more separate counterparties for derivative transactions. The fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the fund enters into derivative contracts, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy or insolvency of a counterparty, the fund could experience delays in liquidating the position and may incur significant losses. There may be a risk that a counterparty will be unable to meet its obligations with regard to the return of the collateral and may not meet other payments due to the fund. To minimise such risk the manager will assess the creditworthiness of any counterparty that it engages. On a daily basis the manager assesses the level of assets with each counterparty to ensure that the exposure is within the defined limits in accordance with the requirement stipulated in COLL and the Prospectus.

Aside from the custodian and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 7 April 2024 or 7 April 2023.

(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 7 April 2024 or 7 April 2023.

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 13 on pages 18 to 19 including all issues and cancellations where the manager acted as principal. The balance due to the manager as at 7 April 2024 in respect of these transactions was £2,181,000 (2023: £2,267,000).

18. Unit classes

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

C accumulation	1.20%
I distribution	0.75%
I accumulation	0.75%
R accumulation	1.50%

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

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

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.

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

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

Distribution period	Start	End	Ex-dividend date	Pay date
Final	8 April 2023	7 April 2024	8 April 2024	7 June 2024

C accumulation

Dividend distributions for the year ended 7 April 2024	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2023 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	4.2680	4.1436	8.4116	100.00%	0.00%	9.1092

I distribution

Dividend distributions for the year ended 7 April 2024	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2023 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	1.6077	1.5055	3.1132	100.00%	0.00%	–

I accumulation

Dividend distributions for the year ended 7 April 2024	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2023 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	5.0561	6.0634	11.1195	100.00%	0.00%	11.7795

R accumulation

Dividend distributions for the year ended 7 April 2024	Group 2		Group 1 & 2 Distribution per unit (p)	Corporate streaming		2023 Distribution per unit (p)
	Net revenue per unit(p)	Equalisation per unit (p)		Franked	Unfranked	
Final	2.9039	4.3658	7.2697	100.00%	0.00%	8.0165

COMPARATIVE TABLES

	C accumulation		I distribution **	
	2024	2023	2022	2024
Change in net assets per unit (p)				
Opening net asset value per unit	336.44	349.91	329.06	100.00
Return before operating charges *	69.42	(8.87)	25.44	21.27
Operating charges	(4.75)	(4.60)	(4.59)	(0.83)
Return after operating charges *	64.67	(13.47)	20.85	20.44
Distributions	(8.41)	(9.11)	(7.18)	(3.11)
Retained distributions on accumulation units	8.41	9.11	7.18	–
Closing net asset value per units	401.11	336.44	349.91	117.33
* after direct transaction costs of	(0.52)	(0.78)	(0.58)	(0.16)
Performance				
Return after charges	19.22%	(3.85)%	6.34%	20.44%
Other information				
Closing net asset value (£'000)	16,917	15,412	16,228	546
Closing number of units	4,217,493	4,580,921	4,637,864	465,496
Operating charges	1.34%	1.34%	1.34%	0.89%
Direct transaction costs	0.15%	0.23%	0.17%	0.15%
Prices				
Highest unit price (p)	403.02	358.64	361.20	121.01
Lowest unit price (p)	331.53	325.48	325.22	99.16

	I accumulation			R accumulation		
	2024	2023	2022	2024	2023	2022
Change in net assets per unit (p)						
Opening net asset value per unit	373.07	386.27	361.62	333.31	347.70	327.97
Return before operating charges *	77.27	(9.82)	28.01	68.60	(8.80)	25.31
Operating charges	(3.52)	(3.38)	(3.36)	(5.73)	(5.59)	(5.58)
Return after operating charges *	73.75	(13.20)	24.65	62.87	(14.39)	19.73
Distributions	(11.12)	(11.78)	(9.59)	(7.27)	(8.02)	(6.12)
Retained distributions on accumulation units	11.12	11.78	9.59	7.27	8.02	6.12
Closing net asset value per units	446.82	373.07	386.27	396.18	333.31	347.70
* after direct transaction costs of	(0.58)	(0.87)	(0.64)	(0.51)	(0.78)	(0.58)
Performance						
Return after charges	19.77%	(3.42)%	6.82%	18.86%	(4.14)%	6.02%
Other information						
Closing net asset value (£'000)	405,604	336,429	361,780	107,075	154,633	208,931
Closing number of units	90,775,553	90,178,053	93,660,058	27,027,057	46,394,103	60,089,463
Operating charges	0.89%	0.89%	0.89%	1.64%	1.64%	1.64%
Direct transaction costs	0.15%	0.23%	0.17%	0.15%	0.23%	0.17%
Prices						
Highest unit price (p)	448.93	396.82	398.45	398.07	356.29	359.08
Lowest unit price (p)	367.89	359.65	357.56	328.28	323.22	324.05

** Launched 31 May 2023.

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	7 April 2024
C accumulation	1.340%
I distribution *	0.890%
I accumulation	0.890%
R accumulation	1.640%

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 acquired *	10 years	5 years	3 years	1 year	6 months
Artemis SmartGARP Global Equity Fund	694.8	184.4	53.8	22.8	19.0	15.6
MSCI AC World NR GBP	594.9	201.4	68.1	29.5	20.4	15.5
IA Global NR	550.5	161.8	57.5	18.6	16.0	14.9
Position in sector	15/52	54/145	113/205	105/244	96/281	121/286
Quartile	2	2	3	2	2	2

Past performance is not a guide to the future.

* Source: Lipper Limited from 9 September 2002 (when Artemis took over management of the fund) to 7 April 2024. 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.

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