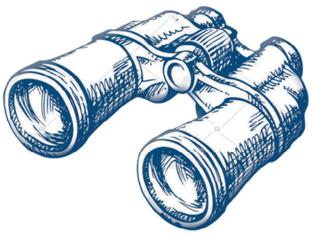
ARTEMIS
The PROFIT Hunter



Artemis Alpha Trust *plc*

Annual Report

for the year ended 30 April 2023

Contents

Group Summary

Investment Objective & Policy

Investment objective

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

Investment policy

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

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

Given the Investment Manager's particular focus on the UK market, the majority of the portfolio is expected to be invested in UK listed companies. However, the overall geographical profile of the portfolio will change from time to time depending on where opportunities are found. The Company's policy is not to invest more than 10 per cent of net assets, at time of purchase, in any one investment. The total number of holdings in the portfolio will vary over time but the top positions will have a proportionally larger weighting.

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

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

Unquoted investments

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

Derivatives and hedging

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

Gearing

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

General

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

Dividend policy

The Company will seek to grow dividends paid in respect of each financial year at a rate greater than inflation, as defined by the UK Consumer Prices Index, in respect of the immediately preceding financial year of the Company.

Triennial tender offers/liquidity events

On 11 November 2021, the Company's shareholders voted in favour of the Company undertaking a more sustainable share buyback policy, with the target of maintaining a narrow discount, similar to the tender price. This revised approach to managing the discount and liquidity of the Company replaced the tender offer due to take place after the 2021 AGM. The next tender offer will be due in 2024. Each tender offer will be for up to 25 per cent of the issued ordinary shares and will be subject to shareholder approval at the relevant AGM. The Board may, at its sole discretion, decide not to proceed with a tender offer if the ordinary shares are trading at a premium to the estimated tender price. The tender price will be the prevailing NAV (cum-income) per ordinary share (or, if the Board elects to use a tender realisation pool, the net proceeds of realising the assets in that pool) less the tender offer costs and less a discount of 3 per cent.

Capital structure

The capital structure of the Company as at 30 April 2023 consisted of 37,260,474 ordinary shares of 1p each in issue, of which 4,525,566 ordinary shares were held in treasury. Therefore, the Company's total voting rights were 32,734,908 ordinary shares.

Financial Highlights

Returns for the year ended 30 April 2023

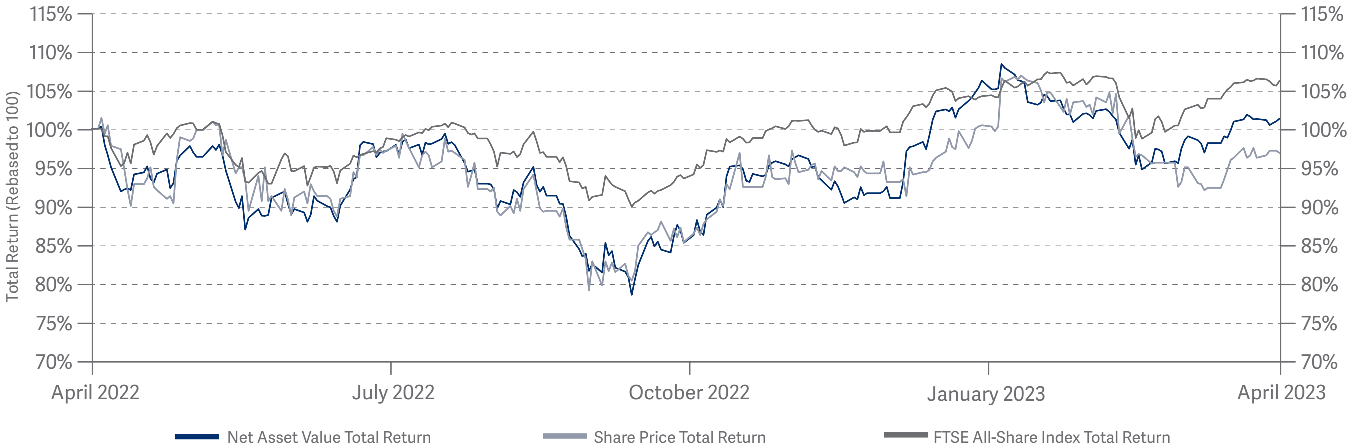
	Year ended 30 April 2023	Year ended 30 April 2022
Total returns		
Net asset value per ordinary share*	**1.3%**	(21.9)%
Ordinary share price*	**(1.2)%**	(24.8)%
FTSE All-Share Index	**6.0%**	8.7%
Revenue and dividends		
Revenue earnings per ordinary share	**6.74p**	6.29p
Dividends per ordinary share	**6.20p**	5.60p
Ongoing charges*	**1.08%**	1.01%

	As at 30 April 2023	As at 30 April 2022
Capital		
Net Assets (£'000)	**119,817**	124,101
Net asset value per ordinary share	**366.02p**	367.65p
Ordinary share price	**319.00p**	329.00p
Net gearing*	**13.4%**	9.4%

Source: Artemis/Datastream

* Alternative Performance Measure (see Glossary on page 74)

Performance for the year ended 30 April 2023



Source: Artemis/Datastream

Discount during the year ended 30 April 2023

Source: Artemis/Datastream

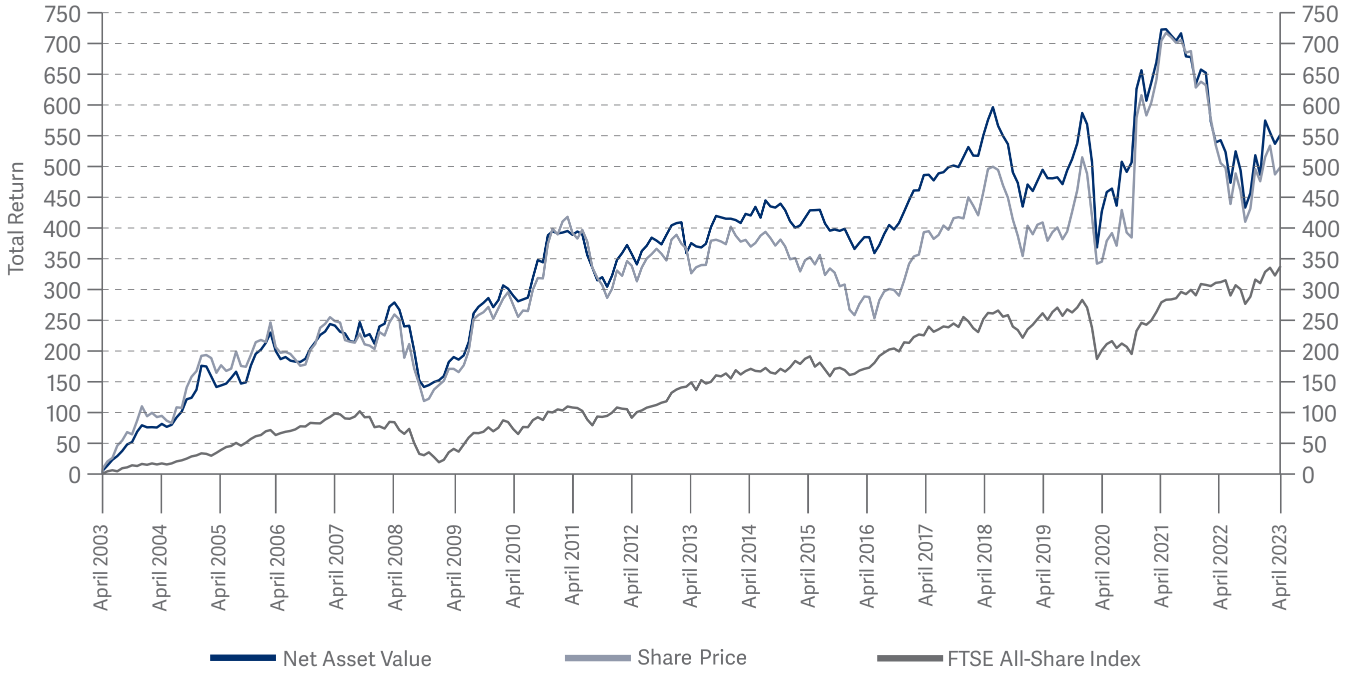
Total returns to 30 April 2023	3 years	5 years	10 years	Since 1 June 2003**
Net asset value per ordinary share*	23.5%	0.1%	41.8%	553.4%
Ordinary share price*	34.4%	7.2%	28.3%	500.5%
FTSE All-Share Index	45.2%	24.1%	80.7%	338.3%

** The date when Artemis was appointed as Investment Adviser

* Alternative Performance Measure (see Glossary on page 74)

Source: Artemis/Datastream

Performance from 1 June 2003 to 30 April 2023



Source: Artemis/Datastream

Dividends paid/payable to shareholders

This chart shows the Company's dividend history since Artemis was appointed as Investment Manager.

Strategic Report

Chairman's Statement

Performance

During the year ended 30 April 2023, your Company's net asset value per share rose by 1.3% and its share price fell 1.2% (on a total return basis). In comparison the benchmark FTSE All-Share Index rose by 6.0%. The second half of the year showed a stronger relative performance than the first half.

Although the FTSE All-Share Index is your Company's formal benchmark, a significant proportion of the companies in the portfolio are relatively small and form part of the FTSE 250 Index which declined by 3.3% over the year. As we have reminded shareholders in the past, the portfolio bears little relationship to the FTSE All-Share and the stock-selection is not constrained by it. As the last two years have shown, short-term performance is likely to bear very little resemblance to the benchmark; our aim remains to out-perform it over the long term.

During the year global markets were dominated by Russia's invasion of Ukraine and the resulting sharp increase in energy prices, inflation and interest rates. The uncertainty caused by Brexit was exacerbated by the mishandling of the economy by the Truss government, resulting in weakened sentiment towards the UK market and, in particular, the consumer-orientated stocks which feature strongly in our portfolio.

However, the Manager remains confident in the prospects for individual stocks and convinced of the under-valuation of many UK companies. Although the portfolio remains dominated by exposure to UK companies such as retailers, banks and housebuilders, the Manager has also initiated positions in some non-UK companies including out-of-favour digital companies such as Nintendo, Alphabet and Meta.

A detailed review of the portfolio appears on pages 13 to 14.

Revenue earnings and dividends

We are pleased to be able to deliver growth in dividends at a rate in excess of inflation, in line with our policy.

The Board has declared a final dividend of 3.87p (2022: 3.46p) per share, which will be subject to approval by shareholders at the Company's Annual General Meeting. The final dividend, if approved by shareholders, will be paid on 29 September 2023 to those shareholders on the register at 25 August 2023, with an ex-dividend date of 24 August 2023.

Total dividends declared for the year will therefore amount to 6.20p per share (2022: 5.60p), an increase of 10.7% on the previous year and ahead of the increase in the Consumer Prices Index (9.0% as at April 2022), in line with our target.

Investment income from our investee companies fell during the year by 1.5%. The subsidiary company continues to have healthy reserves with which to support the Company's earnings and dividends, if required.

Revenue earnings per share stand at 6.74p for the year to 30 April 2023, an increase of 7.2% on the 6.29p of the prior year.

Share buy backs/discount

The discount to underlying asset value averaged 10.1% over the course of the year, ranging from 4% to 14%, and at the year end stood at 12.8%. In general, discounts of investment trusts, including our own peer group, have widened over the last few months as a result of adverse market conditions.

During the year, the Company bought back a total of 1,019,766 ordinary shares at a total cost of £3.1 million and an average discount of 11.1%, adding approximately 1.19p to the net asset value per share. The policy of buying back shares when in the best interests of our shareholders will continue. We aim to do so in a pragmatic fashion, taking into account both market conditions and the discounts prevailing amongst our peer group; we believe this to be the most effective way of addressing any imbalance in the supply and demand for our shares.

Board Succession

As noted last year, Blathnaid Bergin, having joined the Board in July 2015, retired at the Annual General Meeting in October 2022. Blathnaid had served as Chair of the Audit Committee and Senior Independent Director throughout that time. I am pleased that Victoria Stewart has agreed to take on the role of Senior Independent Director.

The Board spent a significant amount of time with its external advisers in choosing the right candidate to replace Blathnaid Bergin as Chair of the Audit Committee. The Board recognises the importance of achieving a balance of skills and experience whilst paying close attention to the tenure of directors and the level of diversity. Details of these discussions and the process followed can be found on page 34. This process resulted in Tom Smethers joining the Board in March of this year; he brings outstanding and relevant experience and I welcome him to the Board.

Annual General Meeting

Your Company's Annual General Meeting ("AGM") will take place on Thursday, 21 September 2023 at 10.00 a.m. at the London offices of Artemis Fund Managers, Cassini House, 57 St. James's Street, London, SW1A 1LD. The Directors look forward to welcoming shareholders.

The Investment Manager will make a presentation and answer any questions on the portfolio performance and strategy.

I would encourage you to make use of your proxy votes by completing and returning the form of proxy enclosed with this report.

Outlook

Despite continued uncertainty and volatility in markets, our policy remains one of picking individual stocks in pursuit of returns over the long term. Our Investment Manager is confident in the prospects for these companies and the opportunities arising from the current market dislocation.

Contact us

Shareholders can keep up to date with Company performance by visiting artemisalphatrust.co.uk where you will find information on the Company, a monthly factsheet and detailed quarterly updates from the Investment Manager.

The Board is always keen to hear from shareholders. Should you wish to, I can be contacted by email on alpha.chairman@artemisfunds.com.

Duncan Budge
Chairman

11 July 2023

Investment Manager's Review

Annual Report

In the year ended April 2023, the Company's NAV increased by 1.3% compared to a 6.0% increase in the FTSE All-Share Index. In the last 6-month period since our interim report, performance improved with NAV rising by 17.0%, compared to a 12.5% increase in its benchmark.

Key factors which influenced equity markets and our portfolio in the period included:

- **Energy prices** rose sharply in response to the impact of the Russia/Ukraine war on European gas supply, increasing the cost pressures affecting consumers and corporates, before falling more recently.
- **UK politics** faced a crisis of confidence in September following the Liz Truss budget. This caused extreme volatility in UK government bond yields and forced an abrupt U-turn from the new government under Rishi Sunak.
- **Inflation** remained higher than expected in the United Kingdom, Europe and the US, although economic activity proved more resilient to interest rate increases than first expected.
- **Interest rates** rose sharply as a result, and a high degree of uncertainty remains over their future path.

This series of events has damaged consumer, corporate and investor confidence. Confusingly, despite this, employment trends have remained robust and corporate profitability has been better than expected.

Idiosyncratic events in the UK hurt sentiment that was already fragile since Brexit. Markets are now pricing an idiosyncratic inflation problem in the UK, leaving the UK with higher long-term bond yields than Greece or Italy.

We continue to anticipate attractive prospective returns from our portfolio owing to a combination of macroeconomic and bottom-up factors:

- Inflation is likely to fall markedly to the benefit of consumers and businesses worldwide.
- Discounted UK asset valuations should lead to higher future returns.
- Durable equity franchises are attractively valued and provide a long-term hedge against inflation.
- Capital cycles are leading to increased profitability in capital intensive and cyclical sectors.
- The impact of share buybacks at a time of low valuations should be very positive.

The current portfolio is characterised by exposures to capital cycle beneficiaries, structural growth opportunities, and discounted UK assets.

Airlines (easyJet/Ryanair) and retailers (Frasers/Currys) stand to see higher returns from limited capacity / consolidation. Financials (Lloyds/Natwest, Plus500, Hargreaves Lansdown) should be beneficiaries of interest rates remaining higher than they have been in recent years whilst the UK housebuilders should benefit if interest rates ease from current levels. Out-of-favour digital winners (Nintendo, Delivery Hero, and Alphabet) continue to benefit from structural trends that should improve their business economics.

Another reason we are confident in the prospective returns of the portfolio is the result of the diversification in the sources of excess return that we have identified. The portfolio also retains considerable liquidity, with over 80% of the Company able to be sold within one day, which enables us to take advantage of movements in the market.

We judge the greatest visible risks to our outlook to reside in energy markets and geopolitics. Energy markets are fundamentally tight due to underinvestment following the 2014/15 downturn and disruptions to European gas supply provoked by the war. Higher demand or an unforeseen reduction in supply would be damaging to economies with limited domestic supply. Both the UK and US will have elections next year and US-China relations remain strained.

Inflationary pressures likely to ease

UK inflation markets suggest that inflation will be 4% over the next 3 years and 3.6% over the next 10 years. Our view is more sanguine.

Energy prices have fallen markedly in recent months. Luck has played its part as Europe experienced an unusually warm winter. Russian oil production has also proven more resilient than many feared. Following the re-opening of China, the last pandemic-induced distortions to supply chains have eased. These factors suggest downward pressure on goods inflation, when mathematically, inflation should decline from its peak level, as the high rates of inflation seen in the second half of 2023 cease to form part of calculations.

UK labour market tightness has showed signs of easing. In 2022, net migration reached a record net 603,000 against many predictions of a fall following Brexit. The widespread decline in real spending power caused by inflation is providing incentives to seek employment and so the ratio of vacancies to job seekers is falling.

Monetarists were amongst the few correctly to predict higher inflation following the abnormal increase in money supply in response to the pandemic. They are now highlighting marked contractions in money supply growth in both the US and Europe resulting from the increase in interest rates and note that current levels of interest rates would be consistent with the inflation rates seen in the 2010s.

The importance of inflation targeting when making historic comparisons is a factor that is seemingly overlooked. Inflation targeting was introduced in 1992, ahead of the Bank of England becoming independent in 1997. The average annual increase in CPI in the 28 years to 2020 was exactly 2.0%. In the prior 20-year period, the average was 9%.

This illustrates the effectiveness of central banks that have the intent and authority to target inflation over the long-term. Whilst a profound policy mistake was made during the pandemic, central banks remain determined to reassert credibility and have the authority to do what it takes to bring inflation back down to target levels. We are sceptical, consequently, both about expectations of inflation remaining above target and are wary of falling prey to the excessive pessimism currently on display in financial markets as a result of recent difficulties.

A decline in inflation and interest rate expectations should be supportive of risk assets by lowering discount rates and by enabling debt markets to function effectively, even if the cost in the short term is higher interest rates and recession. A re-opening of debt and capital markets would be likely to lead to a pick-up in corporate and private equity activity.

Low valuations in the UK should lead to higher returns

The equity risk premium is a measure of the premium you receive in return for accepting the uncertainty of investing in equities and demonstrates the cheapness of the UK market. At current levels, the earnings yield on the FTSE All-Share is 11%. UK 10-year index linked government bonds yield 0.5%. This implies an equity risk premium of over 10%.

Using the same methodology, the current US and European equity market risk premia are 4% and 7%, respectively. In our judgement, this difference is not justified by the long-term fundamental prospects for corporate profit growth but reflects weak sentiment towards UK markets. Whilst this point might have been made at any point in the last five years, it remains valid.

Our holdings in **Natwest** and **Lloyds** illustrate the significant value on offer. Both banks trade on earnings yields in excess of 15% (equating to PE ratios of less than 7x) and at a discount to their book value. This is despite being large and enduring franchises that are also beneficiaries of a normalisation in interest rates. Their combined net interest income in 2023 is forecast to be 40% (>£7bn) more than in 2019.

All of our holdings across the UK housebuilders, with the exception of **Berkeley Group**, trade below book value. This is attractive for businesses that have consistently achieved returns on capital of over 15%. The UK faces an accumulated supply deficit of over 1 million homes, which has worsened owing to an increasingly difficult environment for planning permissions.

Higher interest rates have reduced demand in the short-term, but this does not impact household formation, which continues every year. Demand for housing is deferred, not eliminated, when it is not fulfilled immediately, and so it is logical to expect industry volumes to recover, as and when mortgage rates stabilise.

The takeover of **Dignity** highlights the neglected value in UK equities. We have written extensively about the company's irreplicable position within the end-of-life industry as the only vertically integrated provider of funerals (725 branches, #2 share), cremations (46 crematoria, #1 share) and pre-need plans (£1.2bn assets, #1 share).

The Board recommended an offer for the business at an enterprise value of £789m (550p). We have historically noted that the crematoria assets alone generate £48m of EBITDA, implying a value of £820m-£960m based on the comparable multiples of European infrastructure (17-20x). As the bidder offered an opportunity to roll existing shareholdings into a new private vehicle, the Takeover Panel required Morgan Stanley to provide an independent valuation. This was publicly available and indicated a range of 660-990p, 20-80% above the offer price.

We reduced our holding into the cash offer, but we have retained a considerable exposure to the publicly quoted equity roll-over vehicle ("**Castelnau**") as we see significant value in the business.

Durable equity franchises are attractively valued long-term hedges against inflation

Equity valuation multiples initially contracted sharply in response to higher interest rates, reflecting the fact that higher discount rates reduce equity values. However, higher inflation also acts favourably for equities which display durable pricing power. In our view, this is the primary explanation for the resilience of equity markets that many have found surprising.

The Company has a number of holdings in durable equity franchises such as **Nintendo**, **GSK** and **EssilorLuxottica** each of which enjoys significant pricing power.

Nintendo made considerable progress in the year in its strategy to become a broad entertainment business, allowing it to improve monetisation of its uniquely popular intellectual property. This was evident in the success of the Super Mario Brothers movie, which has become the second most popular animated movie of all time with global box office receipts of over $1.3bn.

GSK has successfully strengthened its balance sheet with the spin-off of its consumer staples business Haleon. The company had a major pipeline success with its RSV (Respiratory Syncytial Virus) vaccine, which has more than 90% efficacy in adults over the age of 50, the cohort at the greatest risk of hospitalisation with the disease.

EssilorLuxottica is the largest global eyewear business, operating in a structurally growing industry and with an R&D budget larger than their four closest competitors combined. This enables the group to provide innovative essential eye care solutions to an ageing global population.

The share prices of **Just Eat Takeaway** and **Delivery Hero** have been weak as their growth trends were impacted by consumer confidence and pandemic-related distortions. Both companies have stemmed their losses far more quickly than the market expected, despite declining order volumes. Ultimately, we believe the industry remains in the early stages of long-term adoption and will be able to achieve levels of profitability higher than are anticipated by investors.

The Company's principal focus in the year was to take advantage of volatility to add new holdings in businesses characterised by the long duration of their earnings potential.

In July, the Company initiated a holding in global infrastructure operator **Vinci**. The company has a portfolio of world-class infrastructure assets (toll roads and airports) with inflation-linked revenues. Vinci has funded these investments from its cash generative contracting business that is benefitting from significant tailwinds from the energy transition.

In August, the Company initiated a holding in **Berkeley Group**, a company with a unique 16-year land bank and strong record of operational excellence including a counter cyclical approach to buying land. London is a structurally under-supplied market in the <£1m price range. The government estimates demand for London housing to be c.90,000 units per annum, and in the last 3 years deliveries have been less than 30,000 per annum.

The Company received shares in **Haleon** when the global personal care business was spun out of GSK. The Company doubled its holding in August as we judged concerns over the potential impact of Zantac litigation to be exaggerated. Haleon owns a number of market-leading brands in oral care (Sensodyne), pain relief (Panadol/Advil) and vitamins (Centrum) that have the potential to grow reliably above GDP owing to trends such as ageing populations, self-medication, and premiumisation.

In the second half of the year, the Company repurchased a holding in **Meta** and initiated a position in **Alphabet** as we felt that investor pessimism was excessive in the light of the stability of, respectively, their globally dominant franchises in social media and internet search. The digital advertising market has grown rapidly in recent years but remains underpenetrated in many geographies and industry verticals. Meta and Alphabet are amongst the global leaders in the field of artificial intelligence and stand to benefit from the opportunities its development presents.

A new position was started in **Hargreaves Lansdown** in January as the stock was de-rated sharply in response to slowing industry growth. The company retains an attractive position with a >40% share of the UK direct-to-consumer (D2C) investment market. The entire D2C market has total assets of £300bn, which is only 5% of total UK household wealth of £15tn. We expect the market to grow as costs fall and ageing populations move towards greater personal involvement in their financial planning.

Capital cycles are leading to increased profitability in capital intensive and cyclical sectors

Disruption from the pandemic and volatile demand patterns have created tough conditions in many industries meaning a lack of capital investment is leading to higher returns for those that survive.

In our view, this is most evident in the aviation industry, which was one of the hardest hit sectors through the pandemic as demand evaporated and government support was limited.

Boeing and Airbus combined produced almost 2,000 fewer planes than expected during the pandemic and have full order books to the end of the decade. Demand has rebounded strongly, resulting in a strong pricing environment where it is hard to see how supply can respond.

Our holdings in low-cost airlines **easyJet** and **Ryanair** have been strong performers as earnings expectations have been revised upwards owing to their ability to increase fares significantly without loss of volume. Our judgement is that valuations fail to capture the new environment of higher profitability and the operational gearing of their business models to higher prices.

Retail is another sector that has seen dramatic changes owing to the shift to online retail, forced store closures during the pandemic and unpredictable demand. **Frasers Group** has outshone its peers through prudent cost management and retaining a strong value proposition for customers.

The company has used its strong cash generation to take advantage of commercial distress to acquire several businesses such as Studio Retail, Gieves & Hawkes, Missguided, and Sportsmaster. The company's efficient infrastructure and distribution platforms, combined with its frugal approach to cost, allow it to extract value from businesses which previously struggled. The current environment continues to create new opportunities for the business.

Impact of share buybacks underestimated

Share repurchases are an alternative way of returning cash to shareholders whose value is theoretically equivalent to a reinvestment of dividends. In practice, share buybacks can offer a number of advantages:

- Corporates can use share repurchases to distribute excess capital they might not otherwise pay out as dividends.
- Capital gains taxes are lower than income tax in the UK.
- The resulting growth in earnings per share may be valued more highly by the market than capital returns.

To illustrate the last point, consider a company that trades on 10x earnings and grows earnings by 5% per annum over 10 years. Assuming a constant multiple, if 35% of net income is used to repurchase shares, the company's growth in earnings per share doubles from 5% to 10%.

This highlights how lower valuations increases the compounding effect of share repurchases, which in our view is relevant to the UK equity market and our portfolio today and why Charlie Munger once said, *"Pay close attention to the cannibals – the businesses that are eating themselves by buying back their stock."*

Plus500 is one such example within the portfolio. The company's business model allows it to grow earnings with limited capital required. Since our investment in 2016, it has invested £330m in repurchasing its own shares and this has helped it reduce its share count by 21% and grow its grown earnings by 17% per annum. Plus500 continues to expand into new geographies and business areas, including the US market, which has exciting potential.

Portfolio companies which account for 45% of NAV, are repurchasing shares. This segment of the portfolio trades on a weighted average multiple of 10x earnings. Whilst the running dividend yield of the portfolio is 2%, including pro-rata share repurchases, the aggregate distribution yield is close to 5%. We believe that such characteristics offer a sound body for future returns to shareholders.

John Dodd and Kartik Kumar
Fund Managers
Artemis Fund Managers Limited

11 July 2023

April 2023 – Key Sector Exposures

Sector	2023	2022	Companies
General retail	14.8%	16.0%	Currys, Frasers
Housebuilding	13.2%	11.5%	Barratt, Bellway, Berkeley, Redrow, Springfield
Airlines	12.8%	12.7%	easyJet, Ryanair
Video games & hobbies	9.1%	10.5%	Nintendo, Hornby
Banking	7.7%	5.9%	Lloyds, NatWest
Funerals	6.8%	10.1%	Dignity
Food delivery	6.2%	8.0%	Delivery Hero, Just Eat Takeaway.com
Financial services	6.1%	3.5%	Singer Capital Markets
Technology	5.9%	–	Alphabet, Darktrace, Meta
Aerospace & defence	5.4%	5.2%	Reaction Engines
Trading platform	5.0%	5.2%	Plus500
Consumer staples	4.1%	2.0%	EssilorLuxottica, Haleon
Pharmaceuticals	4.1%	5.6%	GSK
China technology	3.0%	4.9%	Prosus
Industrials	2.1%	1.4%	Vinci
Energy	0.9%	–	BP, Shell
Basic materials	0.9%	–	Anglo American
Property	0.7%	0.7%	Claremont Alpha
Serviced offices	–	3.1%	IWG
Leisure	–	2.7%	Flutter Entertainment, J D Wetherspoon

Source: Artemis

ESG & Stewardship at Artemis

Introduction

Artemis believes stewardship activities contribute to improvement in company performance and to consequently higher returns for our clients.

Stewardship is a fundamental element of our approach across all investment strategies. Whilst individual strategies are distinctive, views and ideas are shared across investment teams. The Stewardship team supports fund managers by providing insight, research and analysis, discussion, and challenge on ESG and stewardship matters.

In 2022 Artemis set goals for the Net Zero Asset Managers initiative, covering 80% of AuM. Additionally, we published our first Corporate Social Responsibility report and achieved signatory status from the FRC. We have developed extensive internal tools to inform and guide our Stewardship focuses and continue to strengthen our controls, processes, and actions.

Approach to Stewardship

Our stewardship team is specifically dedicated to supporting our fund managers by providing insight, research and analysis, discussion, and challenge on ESG and stewardship matters including:

- Identifying and incorporating a wider set of risks and opportunities into investment processes including ESG factors
- Monitoring and escalating issues with companies and exercising shareholder rights at company meetings, and
- Working collaboratively to develop and promote best practice internally and across the industry.

Artemis Alpha Stewardship approach

The Company employs a long-term value investing strategy to pick stocks. The framework is based on valuing companies using fundamental analysis and sizing positions according to the attractiveness of share prices relative to our view of their value. The Company's strategy is underpinned by a core principle that the key driver of long-term value is achieving a high and sustainable return on capital employed.

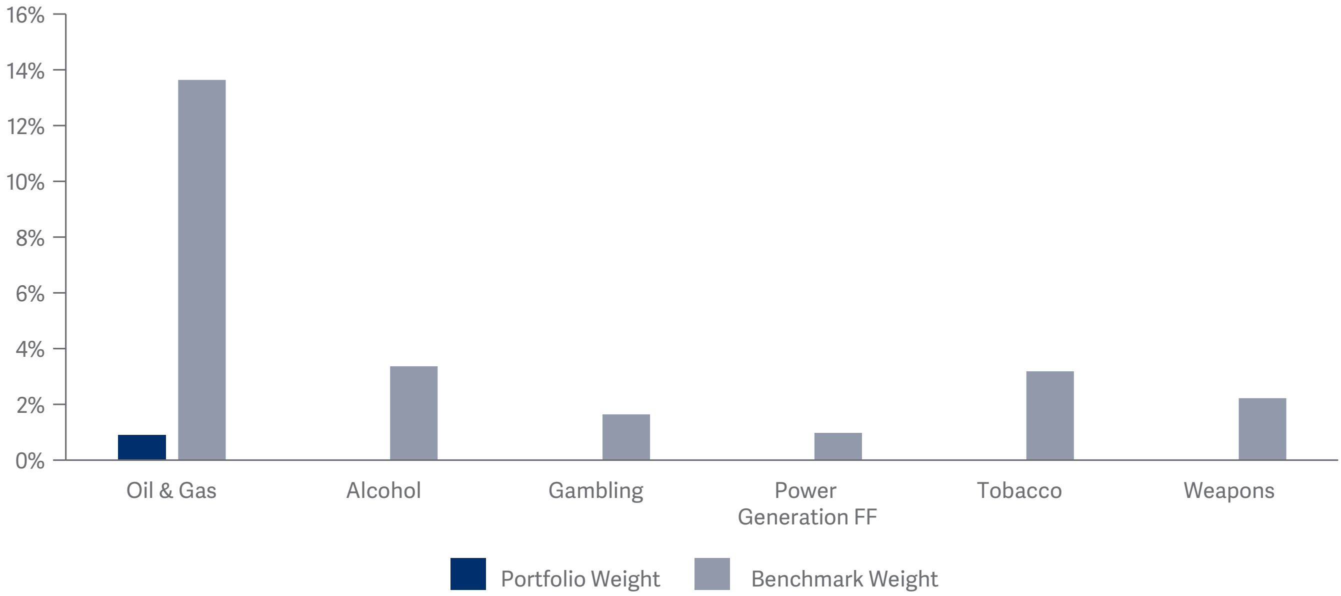
Investee companies that do not adhere to strong governance, look after their employees, or fail to recognise environmental and societal harm risk inhibiting their long-term potential. The investment process requires a focus on the ESG risks and opportunities present in each business and industry.

Risk mitigation

Our view is that ESG factors are most pertinent in their contribution when creating the risk of a permanent loss of capital, usually through obsolescence, excessive leverage, misjudged investment value, misallocations of capital, and regulation.

This is evident in the portfolio where we are significantly underweight controversial sectors (as defined by ESG data providers), and therefore are less exposed to key ESG risks that may affect the prospects of these businesses.

ATS exposure to at-risk sectors



We actively monitor ESG risks and opportunities primarily through our fundamental and bottom-up driven research process for monitoring existing and evaluating prospective investments. We frequently engage with management teams on strategy, capital allocation, incentive alignment and communication.

Engagement and voting

The Fund Manager has expanded his engagement with current and potential holdings, ensuring appropriate monitoring and due diligence for the portfolio. During the year, the Fund Manager conducted 220 (vs 114 last year) company meetings, 127 with existing and 93 with prospective investments.

During the year we met with the investor forum to improve the engagement and disclosure of easyJet, and to represent our views on the company's capital allocation. Additionally we raised concerns about the Board's oversight and responded to concerns about remuneration and share issuance. As a result of this initiative the company's chair agreed to meet with investors more regularly.

The team used its voting powers to express its dissatisfaction with company/management policy. The number of votes that were not in line with management guidance grew over the year 6x to 33, with the proportion of votes not in line with recommendations rising from 2% to 8%. Votes against were focussed on compensation, directors, and non-routine business.

Voting activity – Artemis Alpha Trust (year to 30 April 2023)

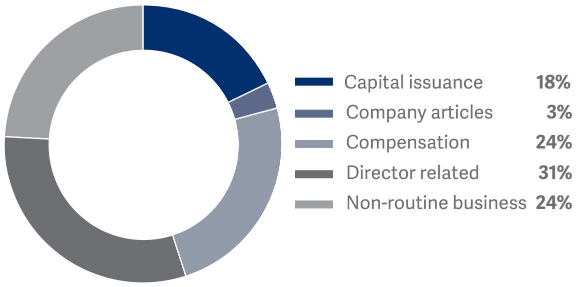
Meeting overview

Category	Number	Percentage
Votable meetings	26	
Meetings votes	25	96.2%
Meetings with at least 1 vote against management	10	40.0%

Proposal overview

Category	Number	Percentage
Votable items	419	
Items voted	416	99.3%
Items against management	33	7.9%

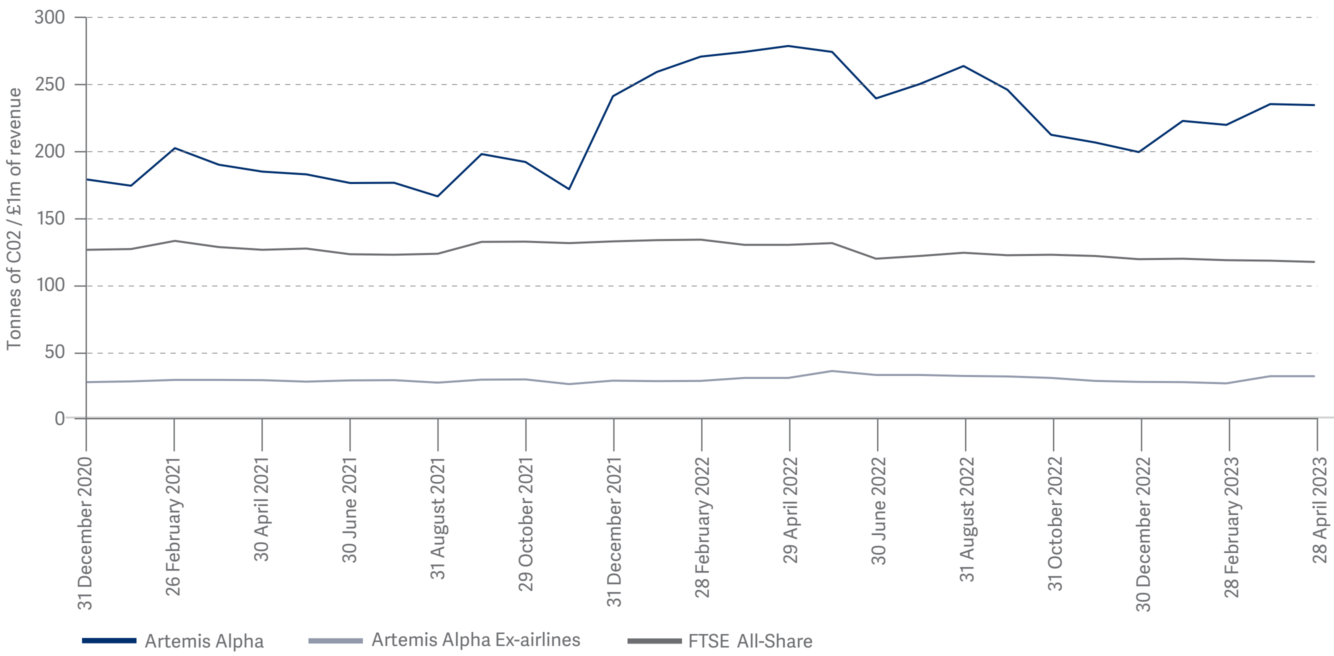
Breakdown of votes against management



Portfolio carbon emissions

The portfolio's carbon emissions relative to its benchmark, the FTSE All-Share Index, have remained elevated since the onset of COVID-19 in early 2020. This is because our airline holdings are still recovering from depressed revenues that penalised their carbon intensity statistics based on emissions per revenue. Furthermore, expectations of a strong recovery in revenue have resulted in increases in their share prices, leading to an increased weighting in the portfolio of their temporarily inflated carbon intensity figures. We expect this measure to normalise somewhat as airline revenues fully recover in 2023. The chart below shows that the Company's carbon intensity excluding its airlines weighting is significantly below that of the benchmark.

Artemis Alpha carbon intensity



Source = Factset & MSCI 31-May-23

Portfolio of Investments as at 30 April 2023

Investment	Business activity	Country of incorporation	Global exposure* £'000	% of NAV	Market value £'000
Consumer Discretionary					
Anglo American	Basic materials	UK	1,101	0.9	1,101
Barratt Developments	UK housebuilder	UK	2,465	2.1	2,465
Bellway (long CFD)[1]	UK housebuilder	UK	4,700	3.9	720
Berkeley Group Holdings (long CFD)[1]	UK housebuilder	UK	2,335	1.9	192
Claremont Alpha[2]	Taiwan land	Isle of Man	780	0.7	780
Currys	European electricals retailer	UK	2,420	2.0	2,420
Delivery Hero	Online food delivery company	Germany	4,443	3.7	4,443
Dignity	UK funeral services	UK	8,113	6.8	8,113
easyJet	European low-cost airline	UK	8,955	7.5	8,955
Frasers Group	Sports and general apparel retailer	UK	15,370	12.8	15,370
Hardlyever[2]	Apparel e-commerce platform	UK	569	0.5	569
Hornby[3]	Hobby and toy products	UK	3,552	3.0	3,552
Just Eat Takeaway.com	Online food delivery company	Netherlands	3,047	2.5	3,047
Nintendo, ADR	Video games	Japan	7,351	6.1	7,351
Redrow	UK housebuilder	UK	5,175	4.3	5,175
Rok Entertainment Group[4]	Global mobile entertainment	USA	–	–	–
ROK Global[4]	Global mobile entertainment	UK	–	–	–
Ryanair Holdings	European low-cost airline	Ireland	6,385	5.3	6,385
Springfield Properties[3]	UK housebuilder	UK	1,189	1.0	1,189
Total Consumer Discretionary			**77,950**	**65.0**	**71,827**
Financials					
Hargreaves Lansdown	Investment services	UK	3,493	2.9	3,493
Lloyds Banking Group	UK retail bank	UK	5,423	4.5	5,423
NatWest Group	UK retail bank	UK	3,863	3.2	3,863
Plus500	Global online financial trading platform	Israel	5,994	5.0	5,994
Singer Capital Markets[2]	UK investment bank	UK	3,811	3.2	3,811
Total Financials			**22,584**	**18.8**	**22,584**
Industrials					
MBA Polymers[2]	Plastics recycling	USA	–	–	–
Rated People[2]	UK home maintenance services platform	UK	589	0.5	589
Reaction Engines[2]	Rocket propulsion systems	UK	6,433	5.4	6,433
Vinci (long CFD)[1]	French concessions and construction company	France	2,574	2.1	217
Total Industrials			**9,596**	**8.0**	**7,239**
Health Care					
EssilorLuxottica (long CFD)[1]	Global eyewear manufacturer	France	1,812	1.5	210
GlaxoSmithKline	Global healthcare company	UK	4,899	4.1	4,899
Haleon	Multinational consumer healthcare company	UK	3,159	2.6	3,159
Total Health Care			**9,870**	**8.2**	**8,268**

1 CFDs are disclosed in Derivative assets/liabilities at market value in the Statement of Financial Position on page 51. Also see Glossary on page 74.

2 Unquoted investment.

3 AIM quoted investment.

4 Delisted, suspended or investments in administration or liquidation.

* Global exposure has been calculated in line with the guidelines issued by the European Securities and Markets Authority ('ESMA') and represents the market value of an equivalent position in the underlying investment of each derivative contract. For all other asset types the percentage of net assets has been calculated based on the valuation of each holding.

Investment	Business activity	Country of incorporation	Global exposure* £'000	% of NAV	Market value £'000
Technology					
Alphabet Inc (long CFD)[1]	Multinational technology conglomerate	USA	4,090	3.4	260
Darktrace	Cybersecurity	UK	1,400	1.2	1,400
Meta Platforms Inc (long CFD)[1]	Social networking website	USA	1,529	1.3	252
Prosus (long CFD)[1]	China-focussed technology investment company	Netherlands	3,576	3.0	(106)
Total Technology			**10,595**	**8.9**	**1,806**
Energy					
BP (long CFD)[1]	Global integrated oil & gas company	UK	534	0.4	27
Energy Equity Resources (Norway)[4]	African oil and gas exploration	UK	–	–	–
Leed Resources[4]	Oil and gas exploration and production company	UK	–	–	–
PetroHunter Energy[4]	Oil and gas exploration and production company	USA	–	–	–
Shell (long CFD)[1]	Global integrated oil and gas company	UK	613	0.5	47
Total Energy			**1,147**	**0.9**	**74**
Total investments (excluding CFDs)[1]			**109,979**	**91.8**	**109,979**
Total CFDs[1]			**21,763**	**18.0**	**1,819**
Total investments (including CFDs)[1]			**131,742**	**109.8**	**111,798**
Forward Currency Contracts					
Buy GBP 4,978,952 Sell USD 6,000,000 03/06/2023					207
Buy GBP 6,206,451 Sell EUR 7,000,000 03/06/2023					55
Forward Currency Contracts total					**262**
Portfolio fair value					112,060
Net other assets					7,757
Net assets					**119,817**

1 CFDs are disclosed in Derivative assets/liabilities at market value in the Statement of Financial Position on page 51. Also see Glossary on page 74.

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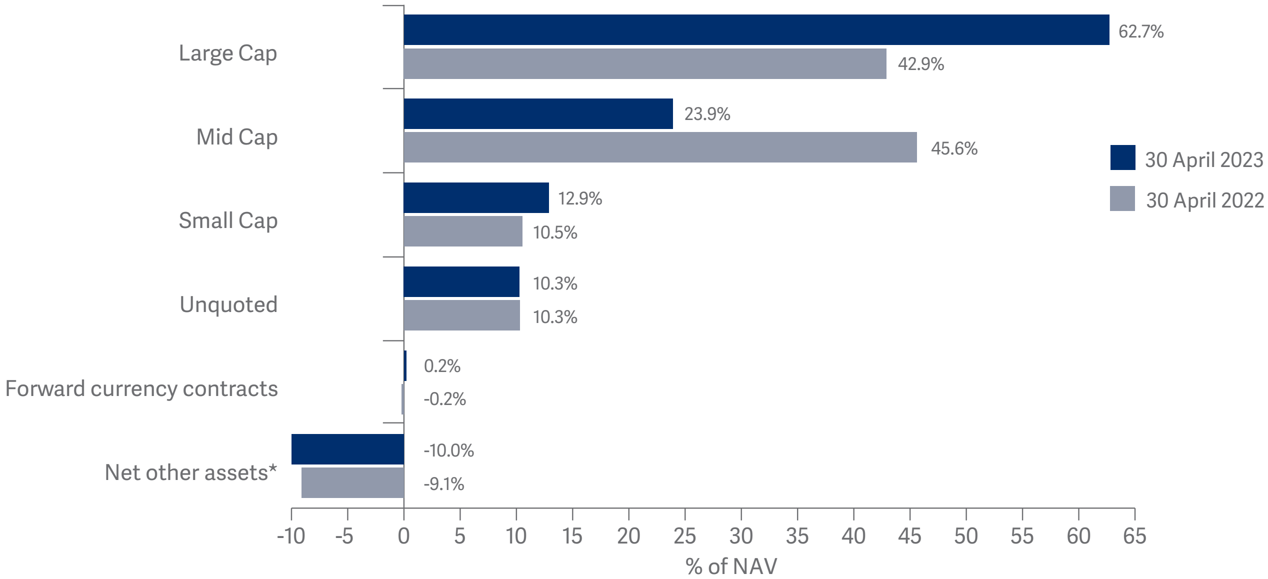
Portfolio has been analysed using ICB industry classifications.

Market cap analysis



Large cap – market cap equivalent to FTSE 100 companies

Mid cap – market cap equivalent to FTSE 250 companies

Small cap – market cap equivalent to companies below FTSE 250

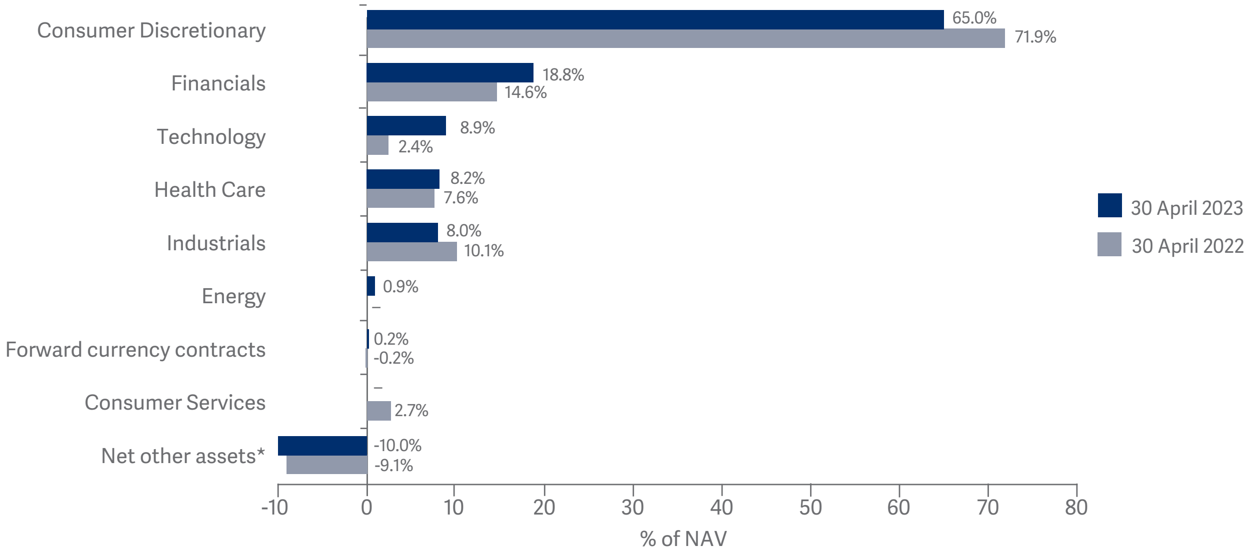
* adjusted to show the gross economic exposure of the CFD positions, with net other assets adjusted accordingly.

Geographical analysis

Country of incorporation	2023 % of NAV	2022 % of NAV
UK	75.2	73.0
Japan	6.1	5.9
Netherlands	5.5	6.6
Ireland	5.3	6.6
Israel	5.0	5.2
USA	4.7	–
Germany	3.7	3.7
France	3.6	2.0
Isle of Man	0.7	0.7
Forward currency contracts	0.2	(0.2)
Jersey	–	3.1
Cayman Islands	–	2.5
Net other assets*	(10.0)	(9.1)
	100.0	**100.0**

* adjusted to show the gross economic exposure of the CFD positions, with net other assets adjusted accordingly.

Industry analysis



* adjusted to show the gross economic exposure of the CFD positions, with net other assets adjusted accordingly.

Portfolio has been analysed using ICB industry classifications.

Strategy and Business Review

Culture, Purpose & Values

The Directors drive the culture, purpose and values of Artemis Alpha Trust plc ("the Company") and by doing so seek to ensure that these three elements underpin the delivery of strategy.

Culture

The Company is an externally managed investment trust and as such its culture is created by the Board of Directors and the Investment Manager, Artemis Fund Managers Limited.

Purpose

Our purpose is to provide our shareholders, large or small, with a diversified and cost-effective investment opportunity to achieve long-term growth.

Values

The Company provides access to a portfolio of investments which the Board expects to be managed with integrity, transparency and accountability and with appropriate due diligence to environmental, social and governance matters. The constructive and openly discursive nature of the relationship between the Board and the Investment Manager helps ensure their respective values are aligned and focused on delivering the strategy for our shareholders.

The core values that contribute to the Board culture include:

- **Integrity:** the Board seeks to comply with all applicable laws and regulations, both to the letter and in spirit.
- **Accountability:** the Board recognises the need to explain the Company's performance to investors and to highlight the risks in a clear and open manner. The Board has a key role to encourage and challenge the performance of its Investment Manager and its other service providers to help ensure the Company continues to provide shareholder value.
- **Respect & Transparency:** the Board seeks to communicate clearly and openly with shareholders and service providers respecting individual opinions and expectations. Contact by shareholders via the Chairman's email address is welcomed.
- **Environmental, Social and Governance ("ESG") issues:** We are stewards of our shareholders' capital; both the Board and Investment Manager recognise that this comes with responsibilities. ESG considerations are integrated within the investment process.

An overview of the Investment Manager's culture, values and stewardship activities can be found on the website at www.artemisfunds.com.

Corporate strategy & policy

The Company is incorporated in England as a public company limited by shares. Its business as an investment trust is to buy and sell investments with the aim of achieving the investment objective and in accordance with the policy set out on page 2.

Gearing

The Company uses gearing (i.e. borrowing) as part of its investment strategy. The Company's Articles of Association limit borrowing to 50 per cent of the Company's net assets. However, the investment policy limits this to 25 per cent of net assets. Subject to compliance with this restriction, the level of borrowing is a matter for the Board, whilst the utilisation of borrowings is delegated to the Investment Manager. This utilisation may be subject to specific guidelines established by the Board from time to time. The current guidelines permit the Investment Manager to employ borrowings of up to 20 per cent of net assets. The Company had no borrowing facility as at 30 April 2023 or the prior year. The use of gearing by the Investment Manager will vary from time to time, reflecting its views on the potential returns from stock markets. The Company's gearing is reviewed by the Board and Investment Manager on an ongoing basis. At the year end, net gearing was created through the use of contracts for difference and stood at 13.4 per cent (9.4 per cent as at 30 April 2022).

Leverage

Leverage is defined in the Alternative Investment Fund Manager Directive ("AIFMD") as any method by which the Company can increase its exposure by borrowing cash or securities, or from leverage that is embedded in derivative positions. The Company has an agreement with Northern Trust to utilise contracts for difference as a form of leverage. A result of 100 per cent indicates that no leverage has been used. The Company is permitted by its Articles to borrow up to 50 per cent; however the Company's investment policy restricts this to 25 per cent. The Company is permitted to have additional leverage of up to 100 per cent of its net assets, which results in permitted total leverage of 225 per cent under both ratios. Artemis as the Alternative Investment Fund Manager ("AIFM"), monitors leverage limits on a daily basis and reviews them annually. No changes have been made to these limits during the year. At 30 April 2023, the Company's leverage was 134.2 per cent as determined using the gross method and 115.7 per cent under the commitment method (refer to the Glossary on page 74 for details).

The Investment Manager requires prior Board approval to:

(i) enter into any stocklending agreements;

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

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

Operating environment

The Company operates as an investment trust company and is an investment company within the meaning of section 833 of the Companies Act 2006 (the "Act").

The Company has been approved as an investment trust in accordance with the requirements of section 1158 of the Corporation Taxes Act 2010 which remains subject to the Company continuing to meet the eligibility conditions and ongoing requirements of the regulations. The Board will manage the Company so as to continue to meet these conditions.

The Company has no employees and delegates most of its operational functions to service providers.

Current & future developments

A summary of the Company's developments during the year ended 30 April 2023, together with its prospects for the future, is set out in the Chairman's Statement on page 5 and the Investment Manager's Review on pages 7 to 10. The Board's principal focus is the delivery of positive long-term returns for shareholders and this will be dependent on the success of the investment strategy. The investment strategy, and factors that may have an influence on it, such as economic and stock market conditions, are discussed regularly by the Board and the Investment Manager. The Board regularly considers the ongoing development and strategic direction of the Company, including its promotion and the effectiveness of communication with shareholders.

Key Performance Indicators ("KPIs")

The performance of the Company is reviewed regularly by the Board and it uses a number of KPIs to assess the Company's success in meeting its objective. The KPIs which have been established for this purpose and remain unchanged from the prior year are:

- Discrete annual total returns

Year ended 30 April	Net asset value*	Share price*	FTSE All-Share Index
2018	11.0%	13.2%	8.2%
2019	(8.6)%	(8.9)%	2.6%
2020	(11.3)%	(12.5)%	(16.7)%
2021	56.0%	80.8%	26.0%
2022	(21.9)%	(24.8)%	8.7%
2023	1.3%	(1.2)%	6.0%

Source: Artemis/Datastream

* Alternative Performance Measure (see Glossary on page 74)

- Dividends per ordinary share

Year ended 30 April	Ordinary	Special	Total pence per ordinary share	Ordinary increase	Total increase/ (decrease)
2018	4.75p	1.60p	6.35p	10.4%	0.8%
2019	5.00p	0.50p	5.50p	5.3%	(13.4)%
2020	5.20p	–	5.20p	4.0%	(5.5)%
2021	5.30p	–	5.30p	1.9%	1.9%
2022	5.60p	–	5.60p	5.6%	5.6%
2023	6.20p	–	6.20p	10.7%	10.7%

- Ongoing charges as a proportion of shareholders' funds

As at 30 April	Ongoing charges*
2018	0.90%
2019	0.93%
2020	0.95%
2021	0.93%
2022	1.01%
2023	1.08%

* Alternative Performance Measure (see Glossary on page 74)

- Discount management

In addition to the above KPIs, the Board monitors the discount to the underlying net asset value at which the shares trade. The discount levels throughout the financial year are shown within the Financial Highlights on page 3. No specific discount target has been set, but the Board sets the share buyback policy and has given the Investment Manager discretion to exercise the Company's authority to buyback its own shares from time to time to address any imbalances between the supply and demand in the Company's shares or at times where it is believed this is the best use of available capital to increase NAV per share. This is reviewed regularly by the Board. The Board will also use its authority to issue new ordinary shares from time to time should there be excess demand for the Company's shares. The Company will also provide tender offers every three years. The first tender offer was due in 2021, for 25 per cent of the ordinary shares then in issue. However, following a shareholder vote, this did not take place. The next proposal for a tender offer will be in 2024.

Principal risks and risk management

As required by the 2018 UK Code of Corporate Governance, the Board has carried out a robust assessment of the principal and emerging risks facing the Company. Following consideration of the investment, regulatory and operational risks, the Board has concluded that there are no emerging risks facing the Company that require to be added to the principal risks.

The Board, in conjunction with the Investment Manager, has developed a risk map which sets out the principal risks faced by the Company and the controls established to mitigate these risks. This is an ongoing process and the risk map, including any emerging risks, is formally reviewed every six months. The Board has given particular attention to those risks that might threaten the long-term viability of the Company. Further information on the Company's internal controls is set out in the corporate governance section on page 36. As an investment company the main risks relate to the nature of the individual investments and the investment activities generally; these include market price risk, foreign currency risk, interest rate risk, credit risk and liquidity risk.

A summary of the key areas of risk, their movement during the year and their mitigation is set out below:

Movement during the year:

No change

Decreased risk

Increased risk

Emerging / new risk included during the year

Movement	Principal risk	Mitigation/control
	Strategic risk Investment objective and policy are not appropriate in the current market and not favoured by investors.	The investment objective and policy of the Company is set by the Board and is subject to ongoing review and monitoring in conjunction with the Investment Manager. Views expressed by the Company's shareholders are also taken into account.
	Investment risk The Company's investments are selected on their individual merits and the performance of the portfolio is not likely to track the wider UK market (FTSE All-Share Index). Whilst the focus is on large cap companies the Company also invests in small cap (listed), AIM traded and unquoted investments which can be subject to a higher degree of risk than that of larger quoted investments. From time to time, the Company may also have significant exposure to particular industry sectors. The Investment Manager's high conviction approach leads to a concentrated portfolio, typically containing between 25 and 60 stocks, carrying a higher degree of stock-specific risk than a more diversified portfolio. The Company's functional and reporting currency is Sterling. However, the investment objective and policy may result in a proportion of the Company's portfolio being invested in overseas equities denominated in currencies other than Sterling. As a result, movements in exchange rates may affect the Sterling value of these investments and their returns. The Company may borrow money for investment purposes or use derivatives to similarly increase exposure. If the investments fall in value, any borrowings/use of derivatives will magnify the extent of the losses.	The Board considers that this risk is justified by the longer-term nature of the investment objective and the Company's closed-ended structure, and that such investments should be a source of positive returns for shareholders. Risks are diversified through having a range of investments in the portfolio covering various sectors. The Board discusses the investment portfolio with the Investment Manager at each Board meeting, and at each month end between Board meetings, and part of this discussion includes a detailed review of the Company's unquoted investments, their valuations and future prospects together with their portfolio weighting. The Board receives management information concerning the geographical sector split of the portfolio. The Company is not materially exposed to foreign currency risk. All borrowing arrangements entered into require the prior approval of the Board and gearing levels, provided by the use of contracts for difference, are regularly discussed and reviewed by the Board and Investment Manager.

Movement	Principal risk	Mitigation/control
⇔	**Legal and regulatory risk** A breach of s1158 Corporation Tax Act 2010 could lead to a loss of investment trust status and the resultant taxation of realised capital gains. The principal laws and regulations the Company is required to comply with are the Companies Act 2006, the Alternative Investment Fund Managers' Directive, the Market Abuse Regulation, the UK Listing Rules and the Disclosure Guidance and Transparency Rules. A breach of the FCA listing rules could lead to suspension of the Company's shares. A breach of the Companies Act 2006 could lead to criminal proceedings and reputational and financial damage.	The Investment Manager provides investment, company secretarial, administration and accounting services through the use of qualified professionals. The Board receives internal control reports from the Investment Manager confirming compliance with regulations. These reports also highlight any matter that the Compliance team feel should be brought to the Board's attention along with any items discussed during internal audit review. The Board meets each year with the Risk and Compliance team to discuss the areas of risk appropriate to the Company and the control environment.
⇔	**Operational risk** Disruption to, or failure of, the Investment Manager's and/or any other third-party service providers' systems which could result in an inability to report accurately and monitor the Company's financial position. Northern Trust became administrator, custodian and depositary during the year taking over from JP Morgan Europe. There was a temporary additional risk in relation to this move due to the operational changes required.	Both the Investment Manager and the Administrator have established business continuity plans to facilitate continued operation in the event of a major service disruption or disaster. All of the Investment Manager's and Administrator's staff can work from home with no impact to operations. The move to Northern Trust was planned in detail with contingencies in place as required. The move has now been completed and the risk returned to the prior year level.
⇔	**Cyber risk** Failure or disruption of the Investment Manager's and/or any other third-party service providers' systems as a result of a cyber-attack, data theft, service disruption, etc. Whilst the risk of a direct financial loss by the Company is low, the risk of reputational damage and the risk of loss of control of sensitive information is more significant.	The Company benefits from the cyber security precautions in place at the Investment Manager and also those in place at the third party suppliers such as the registrar and depositary. The Board receives regular updates from the Investment Manager and its service providers which describe the protective measures taken to enhance security.
⇔	**Climate change** Globally, climate change effects are already emerging in the form of changing weather patterns. Extreme weather events could potentially impair the operations of individual investee companies, potential investee companies, their supply chains and their customers.	The Investment Manager takes such risks into account, along with the downside risk to any company (whether in the form of its business prospects or market valuation or sustainability of dividends) that is perceived to be making a detrimental contribution to climate change. The Company invests in a broad portfolio of businesses with operations spread geographically, which should limit the impact of location- specific weather events.

Movement	Principal risk	Mitigation/control
↑	**Geopolitical risk** There is an increasing risk to market stability from geo-political conflicts, such as between Russia and Ukraine.	The Board discusses such risks as they arise and continues to monitor the impact on the Company and its investments through discussion with the Investment Manager as and when required. The Company does not have any direct investments in countries where there is geopolitical conflict. However, the Board is provided with information from the Investment Manager on the measures it takes to assess the potential impact of geopolitical events, both on itself and other service providers, and any action taken.
↑	**Inflationary risk** Central Bank decisions, the war in Ukraine or any other economic or political factors or global events, may result in increasing levels of inflation directly affecting economic growth and the underlying investment values.	The Board and its Investment Manager have regular discussions to assess the likely impact of inflation rates on the economy, corporate profitability and asset prices.

The Pandemic risk noted in the 2022 Annual Report is no longer considered an emerging or principal risk.

Further information on risks and the management of them are set out in the notes to the financial statements on pages 63 to 66.

Long-term Viability

Viability statement

In accordance with the Association of Investment Companies (the "AIC") Code of Corporate Governance, the Board has considered the longer-term prospects for the Company beyond the twelve months required by the going concern basis of accounting. The period assessed is for five years to 30 April 2028. The Board has concluded that this period is appropriate, carefully taking into account the inherent risk with equities and the long-term investor outlook.

As part of its assessment of the viability of the Company, the Board has discussed and considered each of the principal risks, including matters relating to geopolitical events and inflationary pressures, as stated on page 19, and their impact on the Company. Although the damage to the economy through the total impact of inflation and the geopolitical effect of Russia/Ukraine cannot be known with certainty, the Board has considered these risks and does not believe they affect the long-term viability of the Company and its portfolio. The Investment Manager carried out stress testing scenarios in connection with a longer-lasting damage to the economy, of the withdrawal of liquidity by the financial authorities and of a significant and sustained fall in markets. The Board has also considered the liquidity of the Company's portfolio to ensure that it will be able to meet its liabilities, as they fall due. The results demonstrated the impact on the Company's NAV throughout the five year period and on its expenses and liabilities. The Board have concluded, given the realisable nature of the majority of the investments, the level of ongoing expenses and the availability of gearing that the Company will continue to be in a position to cover its liabilities.

The Board also made the below assumptions when considering the viability of the Company:

- Investors will continue to wish to have exposure to UK listed companies
- There will be continued demand for investment trusts
- Regulation will not increase to such an extent as to hinder operational efficiency

The Directors do not expect there to be any significant change in the current principal risks and the associated mitigating controls other than the decreased risk in relation to Covid-19. The Directors also do not envisage any change in strategy or objectives that would prevent the Company from continuing to operate over the five-year period. The Company's assets are liquid, its commitments limited, and it intends to continue as an investment trust.

The 2024 tender offer of up to 25% of the share capital has been considered by the Board when assessing the continuing viability of the Company.

Taking into account the results of the above review, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 30 April 2028.

Life of the Company

The Company operates a triennial liquidity event for shareholders. The tender offers may be made every three years, with the next event proposed in 2024, subject to shareholder approval. Each tender offer will be for up to 25 per cent of the ordinary shares then in issue (excluding Treasury Shares), save that the Board may, at its sole discretion, decide not to proceed with a tender offer if the ordinary shares are trading at a premium to the estimated tender price.

Share capital

Shareholders authorised the Company to buyback up to 14.99 per cent of the shares in issue at the 2022 AGM.

During the year the Company bought back 1,019,766 ordinary shares. As at 30 April 2023, 4,525,566 ordinary shares bought back during the year are held in treasury.

A resolution to renew the Company's buyback authority will be put to shareholders at the AGM on 21 September 2023.

No ordinary shares were issued during the year.

Duty to Promote the Success of the Company

How the Directors discharge their duties under s172 of the Companies Act

Under section 172 of the Companies Act 2006, the Directors have a duty to act in a way they consider, in good faith, would be likely to promote the success of the Company for the benefit of its shareholders as a whole, and in doing so have regard to:

a) the likely consequences of any decision in the long term;

b) the interests of the Company's employees;

c) the need to foster the Company's business relationships with suppliers, customers and others;

d) the impact of the Company's operations on the community and the environment;

e) the desirability of the Company maintaining a reputation for high standards of business conduct; and

f) the need to act fairly as between members of the Company.

As an externally managed investment trust, the Company has no employees or physical assets, our stakeholders include our shareholders and service providers, such as the Investment Manager.

The below tables describe the impact of engagement with our stakeholders that has taken place during the year:

Engagement with key stakeholders

Stakeholders	Engagement	Impact
Shareholders and potential investors	The Board is responsible for promoting the long-term sustainable success and strategic direction of the Company for the benefit of the Company's shareholders. Whilst certain responsibilities are delegated, Directors' responsibilities are set out in the schedule of matters reserved for the Board and the terms of reference of its committees, which are reviewed regularly by the Board. To help the Board in its aim to act fairly as between the Company's members, it encourages communications with all shareholders. The Annual and Half-Yearly reports are issued to shareholders and are available on the Investment Manager's website together with other relevant information including monthly factsheets. The Board receives regular feedback on shareholder meetings from the Company's broker and any shareholder communications are reviewed and discussed by the Board to ensure that shareholder views are taken into consideration as part of any decisions taken by the Board. The Chairman is available to contact via email: alpha.chairman@artemisfunds.com. The Board considers communication with shareholders an important function and Directors are always available to respond to shareholder queries. For further information see 'Relations with shareholders' on page 35.	Through the publication of the Annual Report and the Half-Yearly Report, monthly factsheets and Fund Manager updates to the Company's website, shareholders are kept informed of Company performance and portfolio activities. Shareholders are encouraged to raise questions and communicate with the Chairman and the Fund Manager.

Stakeholders	Engagement	Impact
Artemis as Investment Manager ■ Fund management ■ Company secretarial ■ Financial reporting ■ Sales & marketing ■ Compliance and internal control functions ■ Internal audit ■ Investment administration (outsourced to Northern Trust)	The Board has set the parameters within which the Investment Manager operates and these are set out in the Investment Management Agreement and agreed by the Board. The Board receives regular updates from the Investment Manager and other service providers and ensures that information pertaining to its stakeholders is provided, as required, as part of the information presented in regular Board meetings. During the year, additional monthly performance updates were held between the Board and Investment Manager to discuss the continuing impact of geopolitical, inflationary and market movements events on the Company and its portfolio. The Board, with the support of its Management Engagement Committee, regularly reviews the performance of the Investment Manager and other service providers to ensure that services provided to the Company are managed efficiently and effectively for the benefit of the Company's shareholders. The Board has reviewed and discussed plans for the future marketing and development of the Company with the Investment Manager during the year.	During the year the performance of the Company fell against its benchmark. Buybacks were performed during the year to help maintain and narrow the discount. The liquidity in the market for the Company's shares continued to increase on the prior year, further detail can be found within the Chairman's Statement and Investment Manager's Review. The Fund Manager worked on a number of initiatives to raise the profile of the Company and generate interest with new investors; taking part in various shareholder in-person events and webinars during the year. During the year, the investment administrator changed from JP Morgan to Northern Trust. This was discussed in advance by the Board and approval was given.
Other third-party service providers ■ Northern Trust as Depositary and Custodian ■ Singer Capital Markets as Broker ■ Link Group as Registrar ■ Johnston Carmichael LLP as Auditor	As an investment company, all services are outsourced to third-party service providers. The Board considers the Depositary, the Custodian, the Broker, the Registrar and Auditor to be key stakeholders. The Board relies on the Investment Manager to work alongside these key stakeholders to meet the requirements of the Company. The Management Engagement Committee reviews the performance of these service providers, along with their fee levels, and provides recommendations to the Board as required. The Investment Manager has constant interaction with the service providers and provides feedback to and from the Board as required. Annual assurance reports are received to assist the review of the internal control environments of the Depositary and Custodian. The FRC performs and publishes audit quality reviews on a sample of audit firms and audits each year.	The performance of the third-party service providers is continually monitored throughout the year. As and when appropriate, third-party providers present to the Board. Following formal review by the Management Engagement Committee and Board at the year end, it was concluded that the service providers were operating effectively and provided a good level of service. Following the move of administration services, Depositary and Custodian services are now provided by Northern Trust.

Stakeholders	Engagement	Impact
Investee companies (see pages 13 to 14)	The Board sets the investment objective and discusses stock selection, asset allocation, and the ESG qualities of investee companies with the Fund Manager at each Board meeting. The Fund Manager engages with the investee companies, prior to investment and on an on-going basis. The Fund Manager has a dedicated Stewardship Team which supports the Fund Manager in the investment process.	The engagement of the Fund Manager with the investee companies aids awareness and understanding of the ESG environment in operation as well as the valuation and prospects of their businesses.
The Association of Investment Companies ("AIC")	The Company is a member of the AIC which is an organisation that represents the interests of investment trusts, VCTs and other closed-end funds.	The Board chooses to report under the AIC Code of Corporate Governance. This Code better reflects the nature of an investment trust in the context of good corporate governance.

Board discussions and decisions

The following are the key discussions and decisions made by the Board during the year ended 30 April 2023:

Topic	Background & discussion	Decision
Share buyback policy	The level of buybacks and their effect on the discount is discussed at each Board meeting. The strategy in relation to buybacks and investor feedback thereon is discussed and monitored by the Board. The economic environment had worsened over the period from when the initial extended buyback programme had been put in place.	The Board weighs up the effectiveness of the buyback policy in helping to maintain/reduce the discount to NAV against its impact on the Company and the liquidity in its shares. In light of market developments, buybacks were conducted at a reduced pace in the period. For further information, see "Discount management" on page 18. The Board decided to reduce the monetary amount of buybacks and continue to monitor the rate in line with discount and liquidity requirements.
Environmental, social and governance matters ('ESG')	The Board discussed its responsibilities for ESG and how Artemis, as Investment Manager, undertook the required steps to ensure ESG was incorporated within the investment process. The Board made enquiries of the Investment Manager as to the ESG credentials of the underlying portfolio. The Investment Manager confirmed engagement with investee boards helped gain an understanding of the governance in place.	The Board received reporting on ESG, sustainability and voting records quarterly. A representative of the Risk team presents as required to the Board. It was decided that ESG was appropriately incorporated within the Artemis investment process and the Board would continue to discuss and monitor on an on-going basis.
Administration, Depositary and Custodian arrangements	The Board considered and discussed the progress of the change of administrator, depositary and custodian to Northern Trust.	The Board confirmed satisfaction with the progress on the migration of third parties and the change of responsibilities was completed on 6 March 2023.
Gearing	The Board discussed the current policy of providing gearing through Contracts for Difference.	The Board decided that this policy continues to provide gearing at a reduced cost compared to a conventional bank loan.
Internal audit	The Audit Committee discussed the possibility of the Company having its own internal audit function.	The Audit committee and Board decided the Company should continue to place reliance on the internal audit function performed by the Investment Manager.
Director succession	The Board discussed the succession of Directors taking into account the number of years served, the mix of skills required to perform the role and the diversity requirements of the new legislation. The recruitment process to replace Ms Bergin was discussed. A comprehensive list of applicants for the role of Chairman of the Audit Committee was received from Nurole. These were reviewed and discussed at length to ensure the right candidates were chosen for interview. The Board were keen to see candidates with commercial financial and audit skills as well as those from a more conventional investment trust background.	It was agreed to enlist the services of Nurole as an external, independent recruitment consultant to assist with the replacement of Ms Bergin. Mrs Stewart became interim Chairman of the Audit Committee in October 2022 and became Senior Independent Director on 28 June 2023. Mr Smethers offered the sought after financial and audit skills and was agreed to be an excellent addition to the skills already present on the Board. The Board approved the recruitment of Mr Smethers and his role as Chairman of the Audit Committee. While the Board acknowledges that it has not been compliant with the gender diversity guidelines during the second half of the year, its firm intention is to return to a position of compliance.

The Board's primary focus is to promote the long-term success of the Company for the benefit of the Company's shareholders. In doing so, the Board has regard to the impact of its actions on other stakeholders as described above.

Directors & Diversity

The Directors of the Company and their biographical details are set out on page 29.

No Director has a contract of service with the Company.

The Board supports the recommendations of the Hampton-Alexander Review on gender diversity and the Parker Review on ethnic representation on Boards.

The Board recognises the principles of diversity in the boardroom and acknowledges the benefits of having greater diversity, including gender, social and ethnic backgrounds, and cognitive and personal strengths. When setting a new appointment brief, the Nomination Committee considers diversity alongside seeking to ensure that the overall balance of skills and knowledge that the Board has remains appropriate, so that it can continue to operate effectively. The Board's Director selection policy will, first and foremost, seek to identify the person best qualified to become a Director of the Company, based on merit and objective criteria.

The Board is currently comprised of four male Directors and one female Director.

The FCA announced a new policy statement on diversity and inclusion on company boards in April 2022. Companies are required to comply with the targets or explain the reasons for non-compliance. Outlined below is an overview of the targets and the Company's compliance as at 30 April 2023 in accordance with Listing Rule 9.8.6R(9):

- **40% of the Board is represented by women:** 40% of the individuals on the Board were women up to 13 October 2022, the date of Ms Bergin's retirement. From that point to 15 March 2023, 25% of the Board were women and from 15 March 2023 to 30 April 2023, 20% of the Board were women. As at 30 April 2023, the Company does not meet this diversity target and a further explanation is given on page 34.
- **One woman in a senior position:** as at 30 April 2023 no woman was in a senior position. In the absence of Executive roles, the Company also considers the role of Chairman of the Audit Committee, along with the role of Senior Independent Director, to qualify as a senior position. Ms Bergin held these roles throughout the year until retirement on 13 October 2022 at which point Mrs Stewart became interim Chairman of the Audit Committee until 15 March 2023 and the appointment of Mr Smethers to the role. The Company therefore does not meet this diversity target as at 30 April 2023. Mrs Stewart subsequently became Senior Independent Director on 28 June 2023.
- **One individual from a minority ethnic background:** as at 30 April 2023, no individuals on the Board are from a minority ethnic background. The Company does not therefore meet this diversity target.

The following tables set out the data on the diversity of the Directors on the Company's Board in accordance with Listing Rule 9.8.6R(10) as at 30 April 2023. This data has been collected through consultation with the Board. Subsequent to the record date of 30 April 2023, Mrs Stewart became the Senior Independent Director.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board	Number in executive management[2]	Percentage of executive management[2]
Men	4	80%	2[1]	N/A	N/A
Women	1	20%	0	N/A	N/A
Not specified/prefer not to say	N/A	N/A	N/A	N/A	N/A

[1] Duncan Budge is the Chairman of the Board, a senior position as defined by the Listing Rules and Mr Smethers is Chairman of the Audit Committee.

[2] Not applicable as the Company does not have an executive management team.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board	Number in executive management[1]	Percentage of executive management[1]
White British or other White	5	100%	2	N/A	N/A
Mixed/Multiple ethnic groups	0	0%	0	N/A	N/A
Asian/Asian British	0	0%	0	N/A	N/A
Black/African/Caribbean/Black British	0	0%	0	N/A	N/A
Other ethnic group, including Arab	0	0%	0	N/A	N/A
Not specified/prefer not to say	N/A	N/A	N/A	N/A	N/A

[1] Not applicable as the Company does not have an executive management team.

Modern Slavery Act 2015

The Company does not fall within the scope of the Modern Slavery Act 2015 as its turnover is less than £36m. Therefore, no slavery and human trafficking statement is included in the Annual Report.

Sustainability and Environmental, social and governance ('ESG') matters

The Board recognises that the most material way in which the Company can have an impact on ESG is through responsible ownership of its investments. The Board has appointed Artemis as Investment Manager, who engages actively with investee companies undertaking extensive evaluation and engagement on a variety of matters such as strategy, performance, risk, dividend policy, governance and remuneration. All risks and opportunities are considered as part of the investment process in the context of enhancing the long-term value of shareholders' investments. This will include matters relating to material environmental, human rights and social considerations that will ultimately impact the profitability of a company or its stock market rating and hence these matters are an integral part of Artemis' thinking as investors. The ESG and stewardship engagement of Artemis is detailed on page 11.

Financial Statements

The financial statements of the Company are included on pages 50 to 66 of this report.

For and on behalf of the Board,

Duncan Budge
Chairman

11 July 2023

Directors and Corporate Governance

Board of Directors

The Directors of the Company who were in office during the year and up to the date of signing of the financial statements were:

Duncan Budge (Chairman)

Duncan Budge, was an Executive Director and Chief Operating Officer of RIT Capital Partners plc between 1995 and 2011. He is chairman of Dunedin Enterprise Investment Trust plc and a director of Lowland Investment Company plc, BioPharma Credit plc and Asset Value Investors Limited. He retired as a director of Menhaden Resource Efficiency plc in June 2023, subsequent to the Company's year end.

Appointed as an independent non-executive Director on 19 November 2013 and Chairman on 2 October 2014, Mr Budge was also appointed Chairman of the Nomination and Management Engagement Committees on 2 October 2014.

John Ayton MBE

John Ayton, practised as a corporate lawyer in Hong Kong and the City of London before founding Links of London, a global jewellery brand. After selling the company in 2007, Mr Ayton has been an investor in, and chairman of, a number of emerging luxury brands (including Bremont Watch Company and Orlebar Brown (subsequently sold to Chanel)), as well as launching the jewellery brand Announshka. He is director of a number of private companies. He was awarded an MBE for his services to the UK jewellery industry in 2012.

Appointed as an independent non-executive Director on 25 June 2015.

Jamie Korner

Jamie Korner, is a retired partner of Stanhope Capital LLP. A Cambridge graduate, he joined Inchcape in 1978 and worked both overseas and in the UK, following a period in farming. After working at stockbroker Fielding Newson Smith and as a manager of institutional funds at M&G, he moved to Newton Investment Management in 1995. He led the charity and smaller institutional business of Newton until his retirement in 2011. He is a trustee of the Foyle Foundation and other charities as well as an adviser to other institutions in the arts and education fields.

Appointed as an independent non-executive Director on 6 April 2017.

Tom Smethers

Tom Smethers has held a number of senior finance positions in the retail, aviation, travel and hospitality sectors. From 2007 to 2013 Mr Smethers was Group Financial Controller at easyJet plc, from 2013 to 2015 Vice President Finance at Jumeirah Hotels & Resorts in Dubai, from 2015 to 2019 Finance Director for TUI Airways in the UK and Nordic region and more recently from 2019 to 2021 Global Finance Director for Costa Coffee, part of the Coca-Cola Company. He joined Britvic in March 2021 as Group Finance Director responsible for Finance Shared Services, Group Financial Control, Reporting, Planning and Analysis.

Mr Smethers qualified as a Chartered Accountant with Deloitte and worked in the Audit and Advisory practice in London and Auckland, New Zealand.

Appointed as an independent non-executive Director and Chairman of the Audit Committee on 15 March 2023.

Victoria Stewart

Victoria Stewart spent 22 years as a Fund Manager, joining Chiswell Investment Management in 1994 before moving to Royal London Asset Management in 1998. Mrs Stewart was the sole manager of the Royal London UK Smaller Companies Fund from its inception in 2007, leaving in 2016 and taking up a non-executive director role with Secure Trust Bank plc where Mrs Stewart is also chairman of the remuneration committee. Mrs Stewart is also a non-executive director of Aberforth Smaller Companies Trust plc and JPMorgan Claverhouse Investment Trust plc. Mrs Stewart has considerable experience of managing and investing in various investment vehicles, specifically mid and small-cap listed companies and has a strong working knowledge of performance analysis and corporate governance.

Appointed as an independent non-executive Director on 31 May 2019 and interim Chairman of the Audit Committee on 13 October 2022.

All non-executive Directors were considered independent of the Investment Manager throughout the year ended 30 April 2023 and up to the date of this report. They were all members of the Audit, Nomination and Management Engagement Committees throughout the year.

Directors' Report

The Directors have pleasure in presenting their report, together with the audited financial statements of the Company for the year ended 30 April 2023.

Results and dividends

The results for the year are set out in the Statement of Comprehensive Income on page 50. The Board has declared dividends for the year totalling 6.20 pence per ordinary share. This is made up of a first interim dividend of 2.33 pence and a proposed final dividend of 3.87 pence. The final dividend, subject to shareholder approval, will be paid on 29 September 2023 to shareholders who are on the register at the close of business on 25 August 2023, with an ex-dividend date of 24 August 2023.

References to Future Development and Financial Risk Management are included in the Strategic Report on pages 18 and 19 to 21 respectively.

Management and management fees

The Company's investments are managed by Artemis Fund Managers Limited ("Artemis"), subject to an Investment Management Agreement dated 15 July 2014 (the "Agreement") (as amended on 7 June 2018). Pursuant to the Agreement, Artemis is entitled to a management fee of 0.75 per cent per annum on the first £250 million of the average monthly market capitalisation of the Company. The balance above £250 million and up to £500 million would be charged at a reduced rate of 0.70 per cent per annum and the balance above £500 million at a further reduced rate of 0.65 per cent per annum. No performance fees are payable.

The Agreement may be terminated by either party on twelve months' written notice. In the event of the Company terminating the Agreement by giving less than twelve months' notice, Artemis is entitled to an amount in lieu of notice equivalent to 0.75 per cent of the market capitalisation of the Company on the date of termination in accordance with the Agreement.

During the year, the Company's portfolio was managed by Kartik Kumar and John Dodd.

Portfolio ideas may also be generated by the other members of the Artemis investment team from time to time, but all investment decisions are the responsibility of the Fund Managers.

Artemis is also the Alternative Investment Fund Manager ("AIFM") to the Company. The Agreement sets out Artemis' duties to the Company in respect of the AIFMD. No fees are paid to Artemis in respect of its role as the AIFM to the Company. Artemis has delegated responsibility for the day-to-day portfolio management of the Company's portfolio to Artemis Investment Management LLP.

Both Artemis entities are authorised and regulated by the Financial Conduct Authority and at 30 April 2023 had £24.4 billion, in aggregate, of assets under management.

Continuing appointment of the Investment Manager

The Board has reviewed the Investment Manager's engagement, including its management processes, risk controls and the quality of support provided to the Board and believes that its continuing appointment remains in the interests of shareholders at this time. Such a review is carried out on an annual basis, supported by the Management Engagement Committee.

Elections of Directors

The Board has adopted a policy that all Directors should stand for re-election on an annual basis at each AGM. The Board recommends the re-election of Mr Budge, Mr Ayton, Mr Korner and Mrs Stewart. The contribution of each individual Director has been reviewed and considered by the Board, with the support of the Nomination Committee, and the re-election of each of the Directors is recommended on the basis of their industry knowledge, experience and their individual contributions to the operation of the Company.

The Board recommends the election of Mr Smethers, who was appointed by the Board on 15 March 2023.

Directors' insurance and indemnification

Directors' and officers' liability insurance cover is held by the Company to cover Directors against certain liabilities that may arise in conducting their duties.

The Company's Articles provide the Directors, subject to the provisions of UK law, with an indemnity in respect of liabilities which they may sustain or incur in connection with their appointment. The Company has also prepared deeds of indemnity in favour of each of its Directors. The deeds cover any liabilities that may arise to a third party, other than the Company, for negligence, default or breach of trust or duty. The Directors are not indemnified in respect of liabilities to the Company, any regulatory or criminal fines, any costs incurred in connection with criminal proceedings in which the Director is convicted or civil proceedings brought by the Company in which judgement is given against him/her. In addition, the indemnity does not apply to any liability to the extent that it is recovered from another person.

Capital structure and voting rights

At 30 April 2023, the Company had 37,260,474 ordinary shares (2022: 37,260,474) in issue.

During the year the Company repurchased a total of 1,019,766 ordinary shares for an aggregate consideration of £3,166,770 representing 3.02 per cent of the issued share capital as at 30 April 2022 with the shares bought at an average discount of 11.18 per cent (2022: 6.12) adding approximately 1.19p to the net asset value per share.

There were 4,525,566 shares held in treasury as at 30 April 2023 (2022: 3,505,800). No treasury shares were cancelled during the year (2022: nil). The Company's total voting rights as at 30 April 2023 were 32,734,908.

Since the year end, 21,756 ordinary shares have been purchased into treasury, and nil ordinary shares held in treasury have been cancelled. As at 11 July 2023, the Company had 37,260,474 ordinary shares in issue. Of these, 4,547,322 ordinary shares are held in treasury and therefore the Company's total voting rights are 32,713,152.

At any general meeting of the Company, every ordinary shareholder attending in person or by proxy (or by corporate representative) is entitled to one vote on a show of hands and, where a poll is called, every ordinary shareholder attending in person or by proxy is entitled to have one vote for every ordinary share of which he is the holder. There are no restrictions concerning the voting rights of the Company's ordinary shares or the holding or transfer of the Company's shares and there are no special rights attached to any of the ordinary shares. The Company's ordinary shareholders may approve dividends by ordinary resolution, provided such dividends are not in excess of any dividends recommended by the Directors. The Directors may also pay interim dividends. The Company is not aware of any agreements between shareholders which may result in any restriction on the transfer of shares or on the voting rights.

The table below sets out those shareholders as at 30 April 2023, who have notified the Company that they hold more than 3 percent of the voting rights attaching to the ordinary shares in issue.

Shareholder	Ordinary shares held at 30 April 2023	% of Total voting rights at 30 April 2023
1607 Capital Partners	4,288,036	13.10
John Dodd	2,796,742	8.54
Rossie House Investment Management Nominees	2,223,597	6.79
Adrian Paterson	2,134,001	6.52
Mark Tyndall	1,750,379	5.35
Derek Stuart	991,531	3.03

Since 30 April 2023 the Company has received notification from 1607 Capital Partners that it holds 4,629,580 ordinary shares, representing 14.15 percent of the total voting rights. There have been no other changes notified to the Company in respect of the above holdings, and no other new holdings notified, since the year end.

Additional shareholder information

The requirements relating to the appointment and replacement of Directors are contained in the Articles of the Company, a copy of which can be found on the Company's website at artemisalphatrust.co.uk. Amendments to the Articles, and the giving of powers to issue or buyback the Company's shares, require appropriate resolutions to be passed by shareholders. The current authorities to buyback and issue shares will expire at the AGM and proposals for their renewal are set out in the Notice of Meeting on page 67. There are no agreements to which the Company is party that might affect its control following a takeover bid; and there are no agreements between the Company and its Directors concerning compensation for loss of office.

Going concern

The Directors have considered the likely cash flows and operational costs of the Company for the twelve months from the date of approval of this Annual Report. As part of the assessment of going concern the Directors have reviewed the stress testing performed by the Investment Manager which models the impact of adverse economic and market conditions through various increasingly severe scenarios on the Company's portfolio as well as the triennial tender offers and buyback policy. The Company has no borrowing arrangements.

The Directors, having taken in to account the Principal Risks and Uncertainties as disclosed in the Strategic Report on page 19, believe the Company has adequate financial resources to continue in operational existence for a period of not less than 12 months from the date of this Annual Report. The Company has a diversified and liquid portfolio to fund any short-term operational expenses as required. The Directors have reviewed the revenue and expense forecasts and cash flows and have concluded the Company should continue to adopt the going concern basis in the preparation of the financial statements.

Annual General Meeting ('AGM')

The Company's AGM will be held at 10.00 a.m. on Thursday, 21 September 2023. The Board invites shareholders to attend the meeting at the offices of Artemis Fund Managers Limited, Cassini House, 57 St. James's Street, London SW1A 1LD. The Fund Manager will present his review of the portfolio and will be pleased to answer your questions, as will the Board. Details of the 2023 AGM are set out in the Chairman's Statement on page 5 and the Notice of Meeting on pages 67 to 71.

Voting recommendation

Resolutions to be put to the AGM are included in the Notice of AGM sent with this Annual Report. The Board considers that passing the resolutions to be proposed at the AGM will be in the best interests of the Company and shareholders as a whole and unanimously recommends that shareholders vote in favour of each of these resolutions, as the Directors intend to do in respect of their own holdings.

Post balance sheet events

The Directors confirm that there have been no post balance sheet events up to 11 July 2023 other than those included in note 21 on page 66.

Greenhouse Gas Emissions

As the Company has delegated the investment management and administration of the Company to third party service providers, and has no fixed premises, there are no greenhouse gas emissions to report from its operations. The Company has no employees and all of its Directors are non-executive, with all day-to-day activities being carried out by third parties. The Company considers itself to be a low energy user as defined in the Streamlined Energy and Carbon Reporting Regulations and therefore is not required to disclose energy and carbon information.

Corporate Governance Report

The Board is committed to high standards of corporate governance and is pleased to report to shareholders on the Company's governance arrangements and the application of the principles of the codes during the year.

Applicable governance codes

The Board has considered the principles and provisions of the AIC Code of Corporate Governance 2019 (the "AIC Code").

The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional Provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council ("the FRC") provides more relevant information to shareholders.

The AIC Code is available on the AIC website (theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

Statement of compliance

The Board considers that during the course of the year, and up to the date of this report, the Company has complied with the Principles and Provisions of the AIC Code, in so far as they apply to the Company's business, and the relevant provisions of the UK code, except as noted below:

The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function as explained on page 41.

For reasons explained in the AIC Guide and the UK Code, the Board considers these provisions are not relevant to the Company, being an externally management investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

Board leadership and purpose

The Board is responsible for promoting the long-term sustainable success and strategic direction of the Company and for providing leadership in terms of the Company's culture, purpose and values (see page 17). The Board appoints all third-party service providers and monitors their performance throughout the year. The Board, assisted by the Management Engagement Committee, formally evaluates the quality of the service provided by third parties and considers their terms of engagement. The Board, assisted by the Audit Committee, reviews the risks faced by the Company and assesses the effectiveness of internal controls in place to mitigate these risks.

The Board also provides independent oversight of the operations, particularly those of the Investment Manager, and challenges investment and operational decisions taken.

The Board meets formally four times a year to review the performance of the Company's investments, the financial position of the Company, its performance in relation to the investment objective and all other important issues to ensure that the Company's affairs are managed within a framework of prudent and effective controls. The Investment Manager also provides a monthly update to the Board via a written report and video-conference.

Division of responsibilities

Responsibilities are clearly defined and allocated between the Chairman, the Board, the Investment Manager and a number of third-party service providers. The performance of the Investment Manager and third-party service providers are reviewed by the Board on a regular basis, supported by the Management Engagement Committee.

No one individual has unfettered powers of decision. The Chairman, Mr Budge, was at the time of his appointment, and remains, independent of the Investment Manager. The Chairman leads the Board and ensures its effectiveness on all aspects of its operation ensuring that each Director receives accurate, timely and clear information enabling them to perform effectively as a Board.

The Company Secretary liaises with the Chairman prior to each meeting to agree agenda content and papers to be submitted to Board and Committee meetings. In addition, the Chairman is responsible for ensuring there is effective communication with shareholders.

The Board has set the parameters within which the Investment Manager operates and these are set out in the Investment Management Agreement and in Board minutes. The Board sets the scope of the Investment Manager's responsibilities, including principal operating issues such as unquoted investments, gearing, derivatives, share buybacks and share issuance. The Board regularly reviews the investment restrictions set out in the Investment Management Agreement and any other restrictions set by the Board from time to time to confirm their continuing appropriateness. The Board retains authority to approve any changes to investment policy, including such material changes as may require approval of the shareholders and may review and amend the investment policy guidelines laid down for the Investment Manager as it deems appropriate.

Representatives of the Investment Manager attend each Board meeting enabling the Directors to seek clarification on its activities in managing the Company. The Investment Manager also provides the Board with monthly updates and the opportunity to meet and discuss the Company performance.

The Board has formalised arrangements under which Directors, in furtherance of their duties, may take independent professional advice at the Company's expense. The Directors have access to the advice and services of the Company Secretary, through its appointed representatives, who are responsible to the Board for ensuring that proper procedures are followed, and that applicable rules and regulations are complied with.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

Board composition

The Board currently comprises five Directors, comprising four male and one female, all of whom are non-executive. The names of the Directors, together with their biographical details, are set out on page 29 of this Report.

The Board considers that all the Directors are independent of the Investment Manager and comply with the criteria for independence as set out in the AIC Code. The Nomination Committee meets annually to consider the performance of the Board and consider matters of independence. The Directors are not aware of any issues that have been raised directly by shareholders in respect of Board composition during the year.

Following the departure of Ms Bergin, Chairman of the Audit Committee and Senior Independent Director, in October 2022, the Board appointed Mrs Stewart as interim Chairman of the Audit Committee. Following a detailed and thorough recruitment process, as described on page 34, Mr Smethers was appointed a Director of the Board and Chairman of the Audit Committee on 15 March 2023.

Diversity policy

The Board recognises the importance of having skilled and experienced Directors represented on the Board to allow it to fulfil its obligations. The Board also recognises the benefits of diversity and gives regard to this during its recruitment of new Board members; by doing so the Board will not display bias for age, gender, race, sexual orientation, socio-economic background, religion, ethnic or national origins or disability in considering the appointment of Directors. The Board seeks to meet the targets of the FCA's Listing rule 9.8.6R (9)(a) and will continue to plan for this during its succession discussions whilst also ensuring that all appointments are made on the basis of merit against the requirements of the role.

Appointments to the Board

Directors are appointed subject to the provisions of the Act and the Company's Articles. Any Directors appointed by the Board are subject to election by shareholders at the first AGM following their appointment and to annual re-election thereafter.

The contribution of each individual Director has been reviewed and considered by the Board, with the support of the Nomination Committee, and the re-election of each of the Directors is recommended on the basis of their industry knowledge, experience and their individual contributions to the operation of the Company.

The Directors of the Company have not been appointed subject to a service contract. The terms and conditions of their appointments are set out in letters of appointment, which are available for inspection at the registered office of the Company and at the AGM.

Board committees

In order to enable the Directors to discharge their duties, three Board committees, each with written terms of reference, have been established. Committee membership is set out on page 29 of this Report. Attendance at meetings of the committees is restricted to members and persons expressly invited to attend. Copies of the terms of reference for the Board committees are available from the Company Secretary or on the Company's website artemisalphatrust.co.uk. The Chairman of the Board acts as Chairman for the committees, with the exception of the Audit Committee, which is currently chaired by Mr Smethers.

The Company Secretary acts as the Secretary to each committee.

Audit Committee

The responsibilities of the Audit Committee are disclosed in the Report of the Audit Committee on page 39 of this Report.

Management Engagement Committee

The Management Engagement Committee, which meets at least annually, reviews the terms of appointment and the performance of each of the Company's third-party service providers, including the Investment Manager but excluding the Auditor, which is reviewed by the Audit Committee. The Committee makes recommendations to the Board for improvement or change as appropriate.

The outcome of this review is as below.

Management agreement: The Investment Manager gives a full and detailed report on performance and the portfolio at each Board meeting and on monthly telephone calls. The Board has scrutinised the performance of the portfolio at each Board meeting and has concluded that the continuing appointment of the Investment Manager is in the best interests of the Company. In coming to this conclusion, the Board has taken into account the turbulent market conditions and the beneficial effect on the discount resulting from the new buyback policy.

Third party agreements: Northern Trust was appointed as the Company's administrator, custodian and depositary during the year. Following a review of the registrar services, it was concluded that Link Group continued to provide the required level of service and support to the Company.

Nomination Committee

The Nomination Committee meets at least annually. It is responsible for ensuring that the Board has an appropriate balance of skills and experience to carry out its duties, for identifying and nominating to the Board new Directors and for proposing that existing Directors be re-elected. The Committee is also responsible for reviewing and making recommendations to the Board with respect to succession planning, governance policies; including those policies relevant to the tenure of the chair and diversity and inclusion.

The Committee undertakes an annual performance evaluation of the Board and individual Directors, led by the Chairman. On those occasions when the Committee is reviewing the Chairman, or considering his successor, the Nomination Committee will normally be chaired by the Senior Independent Director. The Committee annually considers the appointment of an external evaluator. An external evaluator was not engaged during the financial year.

As detailed in the Strategic Report on page 27, the Board supports the principles of diversity in the boardroom and considers this when seeking to ensure that the overall balance of skills and knowledge of the Directors remains appropriate to enable the Board to operate effectively.

Board evaluation and effectiveness review

The Board, led by the Nomination Committee, conducted an annual review of its performance and that of its Committees, the Chairman and individual Directors. The review addressed Board and committee composition including knowledge, skills, experience, diversity, independence as well as the time commitment of the Directors to allow them to discharge their responsibilities effectively. This review was based on a process of appraisal by interview, with the evaluation of the performance of the Chairman being undertaken by the other Directors, led by the Senior Independent Director.

The Board concluded that the Board has effective oversight of the management of the Company and has the appropriate diversity of skills and experience to safeguard shareholders' interests. The review did not identify any areas of concern.

Board succession

Board appointments are subject to a formal and transparent procedure, The Nomination Committee considers the skill set needs of the Company and seeks to ensure that any vacancies are filled with highly qualified individuals that will bring the required knowledge and experience to the Board. The Nomination Committee considers diversity of gender, social and ethnic backgrounds alongside the individual experience and knowledge.

During the year, a rigorous recruitment process was undertaken by an independent and external recruitment consultant, Nurole, resulting in the appointment of Mr Smethers to the Board on 15 March 2023. This process included consideration of a long list of potential candidates and first stage interviews conducted by the Chairman of the Nomination Committee and the interim Chairman of the Audit Committee, Mrs Stewart. A shortlist of candidates was selected for final stage interviews with the other Committee members. Diversity of gender, ethnicity and background, along with merit and skillset, were considered in selecting the shortlist of candidates. The key component to the candidate specification was that the individual selected had significant financial experience, including within the audit environment. Following due regard to the requirements for Board skillset and on completion of a thorough due diligence process, the Nomination Committee unanimously recommended the appointment of Mr Smethers to the Board.

Directors' & Chairman's tenure

The Board has adopted a policy of annual re-election by shareholders. The Board does not consider length of service itself to affect independence or the contribution of Directors where experience and continuity can be an advantage to an investment trust board. The Board notes that the AIC Code does not impose a nine year limit on the tenure of an investment trust company chairman. Through the evaluation work of the Nomination Committee, the tenure of individual Directors and the Chairman will be assessed against their continuing contribution to the Board alongside the need to ensure ongoing diversity and a strong line of succession. Individual director skills and expertise are considered when debating the Board structure; noting that continuity and experience can strengthen the Board during times of market volatility. The Board has agreed a procedure for the appointment of new Directors. Formal consideration of the skills and experience of the Board is undertaken to help identify the capabilities of a new Director when a vacancy arises.

Induction and training

New Directors appointed to the Board are provided with an induction which is tailored to the particular circumstances of the appointee. Regular updates are provided on changes in regulatory requirements that could affect the Company. The Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trusts and receive other training as necessary.

Board and Committee Meetings

The following table sets out the Directors' attendance at the Board and Committee meetings held during the year to 30 April 2023.

	Board Meetings	Audit Committee Meetings
Number of meetings held	**4**	**3**
Mr Ayton	4/4	3/3
Ms B Bergin[1]	2/2	1/1
Mr Budge	4/4	3/3
Mr Korner	4/4	3/3
Mr Smethers[2]	1/1	–
Mrs Stewart	4/4	3/3

	Management Engagement Committee Meetings	Nomination Committee Meetings
Number of meetings held	**1**	**1**
Mr Ayton	1/1	2/2
Ms B Bergin[1]	1/1	1/1
Mr Budge	1/1	2/2
Mr Korner	1/1	2/2
Mr Smethers[2]	–	–
Mrs Stewart	1/1	2/2

[1] Resigned 13 October 2022.

[2] Appointed 15 March 2023.

In addition to the above meetings, the Board and Investment Manager held informal meetings each month end, in months when there had not previously been a Board meeting. There were also two instances on which sub-committees of the Board met, the attendance at which was delegated to certain Directors.

Relations with shareholders

The Board considers communication with shareholders an important function and Directors are always available to respond to shareholder queries. The Board aims to ensure that shareholders are kept fully informed of developments in the Company's business through the Annual and Half-Yearly Financial Reports, as well as the daily announcement of the net asset values of the Company's ordinary shares to the London Stock Exchange. The Investment Manager produces a monthly factsheet and a detailed quarterly commentary on the portfolio and Company performance which can be found on the Company's website at artemisalphatrust.co.uk, along with other information on the Company. The Investment Manager meets with the Company's major shareholders on a periodic basis.

Shareholders are encouraged to attend and vote at the AGM, during which the Board and Investment Manager are available to discuss issues affecting the Company. Details of shareholder voting are declared at every AGM and are available on the website as soon as practicable following the close of the meeting. Should 20 per cent or more of votes be cast against a Board recommendation for a resolution, an explanation of what actions the Company intends to take in order to consult shareholders will be provided when announcing voting results. An update on views received from shareholders and actions taken will also be published no later than six months after the AGM together with a final summary in the next Annual Report.

All Directors intend to attend this year's AGM, details of which are set out in the Notice of Meeting on pages 67 to 71 of this Report.

Engagement with Stakeholders

More information about how the Board fosters the relationships with its shareholders and other stakeholders, and how the Board considers the impact that any material decision will have on relevant stakeholders, can be found in the section 172 statement in the Strategic Report on pages 23 to 25.

UK Stewardship Code

Artemis is a signatory to the UK Stewardship Code. The Artemis Stewardship Report 2022 has now been submitted to the FRC with the intention that Artemis will once again be included as a signatory. The Board has given the Investment Manager discretion to exercise the Company's voting rights and therefore does not intend to apply to become a signatory to the new code itself. A copy of Artemis' stewardship policy and report can be found on the Investment Manager's website at artemisfunds.com.

Voting policy

The Board has given the Investment Manager discretion to exercise the Company's voting rights and the Investment Manager, so far as is practicable, will exercise them in respect of resolutions proposed by investee companies. The Investment Manager's voting record is summarised on its website at artemisfunds.com.

Bribery Act 2010

The Company is committed to carrying out business fairly, honestly and openly and policies and procedures have been established to prevent bribery.

Conflicts of interest

The Board has put in place procedures to deal with conflicts and potential conflicts of interest and considers that these have operated effectively throughout the year. The Board also confirms that its procedures for the approval of conflicts and potential conflicts of interest have been followed by the Directors during the year under review.

Mr Ayton is a shareholder in Hardlyever, an unquoted investment within the Company's portfolio. Mr Ayton holds 2.4% of the investee company. Mr Ayton also has the right to appoint a director to the Board so long as he and his investor group hold at least 5% of the issued share capital of the company. Following discussion, the Board, excluding Mr Ayton, agreed the potential conflicts in relation to this matter could be managed and have implemented control measures to mitigate any conflicts that may arise.

Internal controls and management of risk

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

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

The Administrator also reports, on a quarterly basis, any operational errors and any breaches of law and regulation. This enables the Board to address any issues with regard to the management of the Company as and when they arise and to identify any known internal control failures. The key procedures which have been established to provide effective internal controls are as follows:

- The Board, through its audit committee, carried out and documented a risk and control assessment, which was reviewed twice during the year and will be kept under ongoing, and at least a six monthly, review.
- Investment management, accounting and custody of assets are segregated. The procedures of the individual parties carrying out these functions are designed to complement each other.
- Investment management and company secretarial services are provided by Artemis. The Board is responsible for setting the overall investment policy and monitoring the actions of the Investment Manager. The Board reviews information produced by the Risk and Compliance function of the Investment Manager in detail on a regular basis.
- Administration services are provided by The Northern Trust Company, London Branch. The Administrator reports to the Board on a quarterly basis and ad hoc as appropriate. In addition, the Board receives the Administrator's reports on internal controls.
- The Board is aware of the whistleblowing procedures of Artemis and the Administrator, which are considered satisfactory.
- The Audit Committee receives regular updates of any internal audit reviews conducted on behalf of the Investment Manager which may be considered of relevance to the Company.
- Safekeeping of the Company's assets is undertaken by The Northern Trust Company, London Branch.
- Oversight of certain administrative and custodial procedures is undertaken by the Company's Depositary, Northern Trust Investor Services Limited. The Board reviews information provided by the Depositary on a regular basis.
- The Board clearly defines the duties and responsibilities of its agents and advisers in the terms of their contracts. The appointment of agents and advisers is conducted by the Board after consideration of their capabilities to deliver the required services; their ongoing performance and contractual arrangements are monitored through the Management Engagement Committee to ensure that they remain effective.
- Mandates for authorisation of investment transactions and expense payments are approved by the Board.

By the procedures set out above, the Directors have reviewed the effectiveness of the Company's internal controls throughout the year under review and up to the date of this Report.

Information on the risks and the management of them is set out in the Strategic Report on page 19 and in note 19 of the notes to the financial statements.

The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and the information provided to shareholders is sufficient to allow them to assess the Company's position, performance, business model and strategy.

By order of the Board

Artemis Fund Managers Limited
Company Secretary

11 July 2023

Directors’ Remuneration Policy and Report

The remuneration policy of the Company was approved by shareholders at the Annual General Meeting held on 8 October 2020 when 99.68% of votes received were in favour, 0.26% were against and votes withheld were 0.06%. The policy will apply until the 2023 AGM (being three years from the date of shareholder approval of the policy). A resolution to approve the remuneration policy for a further three years is therefore included in the Notice of Annual General Meeting for 21 September 2023.

Fees payable to Directors are commensurate with the amount of time Directors are expected to spend on the Company’s affairs, whilst seeking to ensure that fees are set at an appropriate level so as to enable candidates of a sufficient calibre to be recruited. The Company’s Articles state the maximum aggregate amount of fees that can be paid to Directors in any year. This is currently set at £200,000 per annum and shareholder approval is required for any changes to this. The Board reviews and sets the level of Directors’ fees annually, or at the time of the appointment of a new Director, taking into account a range of external information, including peer group comparisons and relevant independent research. The Board did not engage the services of a remuneration consultant during the financial year.

Each Director is entitled to a base fee. The Chairman of the Board is paid a higher fee than the other Directors to reflect the additional work required to be carried out in this role. The Chairman of the Audit Committee also receives an additional fee to reflect the additional responsibilities and work associated with the role.

No Director is entitled to any benefits in kind, share options, annual bonuses, long-term incentives, pensions or other retirement benefits or compensation for loss of office.

Directors are appointed with no fixed notice periods and are not entitled to any extra payments on resignation. It is also considered appropriate that no aspect of Directors’ remuneration is performance-related in light of the Directors’ non-executive status.

Directors are able to claim expenses that are incurred in respect of duties undertaken in connection with the management of the Company.

New Directors will be remunerated in accordance with this policy and will not be entitled to any payments from the Company in respect of remuneration arrangements in place with any other employers which are terminated upon appointment as a Director of the Company.

To date no comments have been received from shareholders in respect of the Remuneration Policy.

Directors’ Remuneration Report

The Directors are pleased to present the Company’s remuneration report for the year ended 30 April 2023. The Company’s Auditor is required to audit certain information contained within this report and, where information set out below has been audited, it is clearly indicated. The Auditor’s opinion is included in the Independent Auditor’s Report which can be found on pages 43 to 49.

The remuneration report will be submitted to shareholders for approval at the AGM to be held on 21 September 2023. A Notice of the AGM accompanies this Annual Report. In accordance with the matters reserved for the Board’s decision, the Board is responsible for:

(i) Determining the remuneration of the Directors, subject to compliance with the Articles and the Remuneration Policy, as approved by shareholders.

(ii) Approving the remuneration report and policy for inclusion in the Annual Report.

(iii) Approving the remuneration policy at least every three years and monitoring the policy to ensure compliance.

The Board

During the year ended 30 April 2023, the Board consisted solely of non-executive Directors who determine their remuneration as a whole. Accordingly, a separate Remuneration Committee has not been established. Following a review of Directors' fees by the Board on 28 June 2023, it was agreed that the fees should remain at current levels. Director’s fees were last changed on 23 June 2022. The Board has not relied upon the advice or services of any person to assist in making its remuneration decisions, although the Directors carry out reviews from time to time of the fees paid to directors of other comparable investment trusts.

Directors’ fees (audited)

The Directors who served during the years ended 30 April 2023 and 30 April 2022 received the following annual fees. The Company does not award any other remuneration or taxable benefits to the Directors.

Director[1]	2023	2022
Mr Ayton	£28,000	£26,000
Ms Bergin[2,3]	£15,000	£30,000
Mr Budge[2]	£40,000	£36,000
Mr Korner	£28,000	£26,000
Mr Smethers[4]	£4,158	–
Mrs Stewart[2]	£30,725	£26,000
	£145,883	**£144,000**

1 None of the Directors who are Directors of the Company’s wholly owned subsidiary received any remuneration from this company.

2 Ms Bergin, Mrs Stewart, Mr Smethers and Mr Budge received higher fees owing to their role as Chairman of the Audit Committee, Nomination Committee and Chairman of the Board.

3 Ms Bergin resigned from the Board 13 October 2022.

4 Mr Smethers was appointed to the Board on 15 March 2023.

Annual Percentage Change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' fees for the past four years from 1 May 2019 to 30 April 2023

Director	2023 Fees %	2022 Fees %	2021 Fees %	2020 Fees %
Mr Ayton	7.7	8.3	0.0	0.0
Ms Bergin[1]	–	11	0.0	0.0
Mr Budge	11.1	9.1	0.0	0.0
Mr Korner	7.7	8.3	0.0	0.0
Mr Smethers[2]	–	–	–	–
Mrs Stewart[3]	18.2	8.3	0.0	–

1 Ms Bergin resigned from the Board 13 October 2022.

2 Mr Smethers was appointed to the Board on 15 March 2023.

3 Mrs Stewart received additional salary in relation to her role as Interim Chairman of the Audit Committee,

Expenditure by the Company as remuneration and distributions to shareholders

The table below compares the remuneration paid to Directors with distributions made to shareholders during the year under review and the prior financial review.

	2023	2022
Directors' fees	£145,883	£144,000
Distributions to shareholders		
– dividends	£1,906,000	£1,932,000
– share buybacks	£3,167,000	£18,774,000

Directors' interests

The Directors' interests in the capital of the Company who held office at 30 April 2023 were as follows:

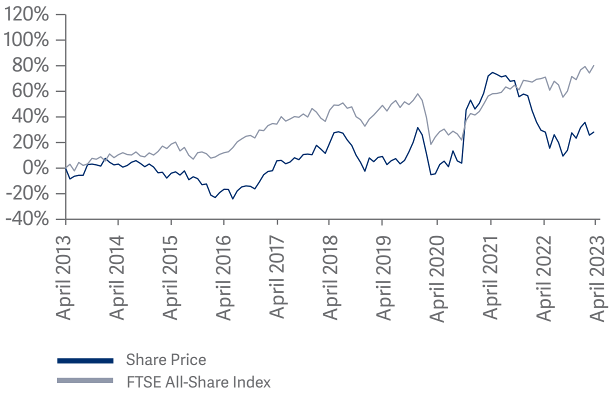
Ordinary shares

	30 April 2023		30 April 2022	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Mr Ayton	13,241	–	13,241	–
Mr Budge	15,000	–	15,000	–
Mr Smethers	–	–	–	–
Mr Korner	30,000	–	30,000	–
Mrs Stewart	–	–	–	–

There have been no changes in the Directors' interests up to the date of signing.

At no time during the year did any Director hold a material interest in any contract, arrangement or transaction with the Company or its subsidiary undertaking.

Performance graph



Source: Artemis/Datastream

The performance graph above sets out the Company's ordinary share price total return (assuming re-investment of dividends) from 30 April 2012 to 30 April 2023 compared with the total return of a notional investment in the FTSE All Share Index. As investments are selected on their individual merits, the portfolio will not track any comparative index, and there is likely to be a divergence in performance between the Company and the index.

Statement of voting at the last annual general meeting

The following table sets out the votes received at the last AGM of shareholders, held on 13 October 2022, in respect of the approval of the Directors' Remuneration Report:

Votes cast for		Votes cast against		Total votes cast	Number of votes withheld
Number	%	Number	%		
11,022,553	99.89	11,930	0.11	11,034.483	14,090

On behalf of the Board and in accordance with the Regulations, I confirm that the Directors' Remuneration Report summarises, for the year ended 30 April 2023, the review undertaken and the decisions made, regarding the fees paid to the Board.

Duncan Budge
Chairman

11 July 2023

Report of the Audit Committee

The Audit Committee (the "Committee") is chaired by Mr Smethers, an experienced chartered accountant. All other Directors are members of the Committee and although the members of the Committee are not accountants by profession, it is considered that they have relevant and recent financial and investment experience as a result of their employment in financial services and other industries.

With reference to the AIC Code, Mr Budge, Chairman of the Board, remains a member of the Audit Committee. The Board considers this is appropriate given the experience of Mr Budge and the contribution he brings.

Meetings

The Committee meets at least twice each year and representatives from the Investment Manager and the Administrator may be invited to attend the meetings of the Audit Committee to report on issues as required.

The Audit Committee meets with representatives of the Company's Auditor at least twice each year to plan for and discuss any matters arising from the audit.

Roles and responsibilities

The main responsibilities of the Audit Committee include:

- monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, and reviewing significant financial reporting judgements contained in them;
- providing a challenge to areas of judgement such an unquoted valuations;
- providing advice (where requested by the Board) on whether the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- reviewing the Company's internal financial controls and internal control and risk management systems;
- conducting the audit tender process and making recommendations to the Board, about the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity;
- reviewing the effectiveness and quality of the external audit process, taking into consideration relevant UK professional and regulatory requirements;
- developing and implementing policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, considering the impact this may have on independence, taking into account the relevant regulations and ethical guidance in this regard, and reporting to the Board on any improvement or action required; and
- reporting to the Board on how it has discharged its responsibilities.

The Audit Committee provides a forum through which the Company's auditor reports to the Board.

Activities during the year

The Audit Committee met three times during the year. At these meetings, the Committee considered the Annual Report, the Half-Yearly Report, reviewed the Company's compliance with s1158 of the Corporation Taxes Act 2010 and discussed the valuation of unquoted securities with the Investment Manager. The Committee also discussed, updated and approved the Company's risk register. The Committee considered the following significant matters in respect of this Annual Report:

Significant issue	How the issue was addressed
Valuation and ownership of the Company's investments, particularly the unquoted investments	The Company's investments are valued in accordance with the accounting policies, and the listed investments are valued by the Company's administrator. These prices are reviewed and overseen by the Company's Investment Manager. The Depositary is responsible for holding the Company's assets in custody and verifying the ownership of these assets. The Company receives regular reports from the Depositary, including at the year end. The Audit Committee also reviewed the valuation of unquoted investments, as approved by the Artemis Fair Value Pricing Committee, included in the Annual Report and discussed and challenged these in detail with the Investment Manager.
Allocation of expenses	The Committee reviews the allocation of expenses between income and capital on an annual basis. Following this review, no change was recommended to the current 20% income/80% capital split.
Compliance with Section 1158 of the Corporation Tax Act 2010	The Board and Audit Committee receives regular reporting from the Investment Manager including as at the year end date.

Significant issue	How the issue was addressed
Maintaining Internal controls	As part of the Board's review of internal controls, the Audit Committee carries out and documents a risk and control assessment, which is kept under ongoing, and at least a six monthly, review. The Audit Committee reports its findings and recommendations to the Board. Both the Investment Manager and the Administrator have established internal control frameworks to provide reasonable assurance as to the effectiveness of the internal controls operated on behalf of their clients. Both third parties report to the Board, on a quarterly basis, any operational errors or breaches of law or regulation.
Recognition of investment income	The recognition of investment income is undertaken in accordance with accounting policy note 1(e) to the financial statements on page 54. The Board and Audit Committee review the revenue forecast at each meeting.
Going concern & viability	The Committee considered the Company's investment objective, risk management policies, capital management policies and procedures, the nature of the portfolio and expenditure and cash flow projections. As a result, they have determined that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for at least twelve months from the date of approval of these financial statements and made this recommendation to the Board. The Committee also assessed the viability of the Company, reviewing a series of stress tests on the Company's net assets and the impact of negative market movements and the triennial tender offer. The Committee discussed the buyback programme and the effect decreasing the market capitalisation may have on the Company. Following this assessment, the Committee recommended the Viability Statement to the Board.

Appointment and remuneration of the external Auditor

Regulations in place require the Company to rotate audit firms after a period of ten years, which may be extended where audit tenders are carried out or where more than one audit firm is appointed to perform the audit. The audit firm is required to rotate the partner every five years.

Johnston Carmichael LLP were appointed as external Auditor in December 2020. During the year to 30 April 2023, the lead partner Mr David Holmes partially retired and is no longer involved in the audit of the Company and is replaced by Mr Richard Sutherland.

The fees paid to Johnston Carmichael LLP in respect of audit services are disclosed in note 3 of the notes to the financial statements.

Audit for the year ended 30 April 2023

As part of the planning for the annual audit, the Audit Committee met with Johnston Carmichael LLP and reviewed their audit strategy document, which highlighted the level of materiality to be applied by the Auditor, the key perceived audit risks, and the scope of the audit.

The key areas of audit focus undertaken by the external auditor and agreed by the Committee were:

- Valuation and ownership of quoted investments;
- Valuation and ownership of unquoted investments; and
- Revenue recognition, including allocation of special dividends as revenue or capital returns.

The auditor also considered the going concern and viability of the Company, the maintenance of its investment trust status, the investment in the subsidiary, the transition of service providers and the Company's compliance with all relevant regulations.

The Audit Committee met with representatives of the Company's Auditor at the Audit Committee meeting held on 28 June 2023 to discuss any matters arising from the annual audit and to assess the independence and effectiveness of the external audit process.

Effectiveness and independence of the external auditor

The Committee monitors the auditor's independence through assurances provided by the auditor on its compliance with the relevant ethical standards; through approval of, and compliance with, the non-audit services policy, and by assessing the appropriateness of the fees paid to the auditor for work undertaken during the annual external audit.

During the audit planning, Johnston Carmichael confirmed its independence to the Committee and its willingness to continue in office as independent auditor.

The effectiveness of the audit was evaluated through discussion of the services received from the auditor between the Committee and those at the Investment Manager closely involved in the audit process. The Committee also assessed the level and robustness of questioning performed by the auditor; the timeliness of performing the audit tasks; the responsiveness of the audit team to queries and the quality of review of the Annual Report. The Committee also met privately with the Audit Partner to discuss the efficiency of response and accuracy of information provided from the Investment Manager during the audit.

After careful consideration of the services provided since appointment and the above review of its effectiveness, the Audit Committee recommended to the Board that Johnston Carmichael should be re-appointed as Auditor for the Company. Accordingly, resolutions will be proposed at the forthcoming AGM for the auditor's appointment and to authorise the Directors to agree the Auditor's remuneration.

Non-audit services

The Audit Committee has established a policy for the provision of non-audit services to the Company which prohibits the provision of certain services by the Auditor which the Audit Committee believes would compromise auditor independence. Non-audit services are permitted subject to the Audit Committee being satisfied that the engagement would not compromise independence, where the total fees for non-audit services is less than 70 per cent of the average audit fees for the last three years and where knowledge would be advantageous in carrying out the service.

There were no non-audit services provided by Johnston Carmichael LLP during the year ended 30 April 2023.

Internal audit function

Systems and controls are in place to maintain a safe environment for the Company's assets and shareholders' investments; helping to ensure the maintenance of proper accounting records and the provision of accurate financial information.

The Company is an investment company, has no employees and delegates all operational and investment activities to third-party service providers, including the Investment Manager. The Board places reliance on the Company's framework of internal control. The Investment Manager has an internal audit function on which the Investment Manager's Risk team reports quarterly to the Board and annually to the Audit Committee. It is concluded therefore that it is not necessary for the Company to have its own internal audit function; this conclusion is however reviewed annually.

Audited information

The Audit Committee considers that the Annual Report, taken as a whole, is fair, balanced and understandable and the information provided to shareholders is sufficient to allow them to assess the Company's performance, business model and strategy.

On behalf of the Board

Tom Smethers
Chairman of the Audit Committee

11 July 2023

Statement of Directors' Responsibilities in respect of the Annual Report

Management Report

Listed companies are required by the Financial Conduct Authority's Disclosure Guidance and Transparency Rules (the "Rules") to include a management report in their annual financial statements. The information required to be in the management report for the purpose of the Rules is included in the Strategic Report (pages 5 to 28). Therefore no separate management report has been included.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK-adopted international accounting standards.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of their profit or loss for that period. In preparing each of the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The financial statements are published on a website, artemisalphatrust.co.uk, maintained by the Company's Investment Manager, Artemis. Responsibility for the maintenance and integrity of the corporate and financial information relating to the Company on this website has been delegated to the Investment Manager by the Directors. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the Directors listed on page 29 confirm that, to the best of their knowledge:

(a) the financial statements, prepared in accordance with the applicable set of UK-adopted international accounting standards, give a true and fair view of the assets, liabilities and financial position of the Company as at 30 April 2023, and of the profit or loss of the Company for the year then ended;

(b) the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and

(c) the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

In the case of each Director in office at the date the Directors' Report is approved:

(a) so far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and

(b) they have taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

For and on behalf of the Board

Duncan Budge
Chairman

11 July 2023

Opinion

We have audited the financial statements of Artemis Alpha Trust plc ("the Company"), for the year ended 30 April 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 30 April 2023 and of its profit for the year then ended;
- Have been properly prepared in accordance with UK-adopted international accounting standards; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, as applied to listed public interest entities, 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.

Our approach to the audit

We planned our audit by first obtaining an understanding of the Company and its environment, including its key activities delegated by the Board to relevant approved third-party service providers and the controls over provision of those services.

We conducted our audit using information maintained and provided by The Northern Trust Company, London Branch (the "Administrator"), Artemis Fund Managers Limited ("the "Company Secretary", "Investment Manager" and "AIFM") and The Northern Trust Company, London Branch (the "Custodian"), to whom the Company's directors have delegated the provision of services. For the period pre-transition of service providers we also conducted our audit using information maintained and provided by JPMorgan Europe Ltd (the "Administrator") and JPMorgan Chase Bank N.A (the "Custodian") and we audited the migration of data from pre-transition service providers to post-transition service providers.

We tailored the scope of our audit to reflect our risk assessment, taking into account such factors as the types of investments within the Company, the involvement of the Administrator, the accounting processes and controls, and the industry in which the Company operates.

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in the evaluation of the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We summarise below the key audit matters in arriving at our audit opinion above, together with how our audit addressed these matters and the results of our audit work in relation to these matters.

Key audit matter	How our audit addressed the key audit matter and our conclusions
Valuation and ownership of unquoted investments (as described on page 39 in the Report of the Audit Committee and as per the accounting policy on page 54 and Note 8). At 30 April 2023 the valuation of the unquoted investments within the investment portfolio was £12.2m (2022: £12.8m). The Company determines the fair value of unquoted investments in accordance with the revised International Private Equity and Venture Capital (IPEV) valuation guidelines. Management are required to estimate the valuation of unquoted investments, which requires them to select an appropriate valuation method and appropriate inputs. There is significant estimation required, therefore this has been designated as a key audit matter, being one of the most significant assessed risks of material misstatements due to fraud or error. Additionally, there is a risk that the Company does not have proper legal title to the investments recorded as held at year end (ownership).	We performed a walkthrough of the unquoted investment valuation process to evaluate the design of the process and implementation of key controls. We assessed management's estimate of the fair value of 100% of the unquoted investments with reference to IPEV valuation guidelines and by developing our own auditor's range for the estimate and confirming that management's estimate fell appropriately within that range. For key judgements, including for example, earnings multiples applied and associated discounts, we assessed these against available third-party market data. We assessed whether the disclosures in relation to valuation estimates within the financial statements were in accordance with the AIC SORP and UK adopted international accounting standards requirements. We agreed 100% of unquoted investments held to the independently received custodian report. From our completion of these procedures, we identified no material misstatements in relation to the valuation and ownership of the unquoted investments.
Valuation and ownership of quoted investments (as described on page 39 in the Report of the Audit Committee and as per the accounting policy on page 54 and Note 8). At 30 April 2023 the valuation of the level 1, listed investment portfolio was £97.8m (2022: £106.8m) and the valuation of the level 2, Contracts for Difference (CFD), was £2.1m (2022: £0.2m). As this is the largest component of the Company's Statement of Financial Position, and a key driver of the Company's net assets and total return, this has been designated as a key audit matter, being one of the most significant assessed risks of material misstatement due to fraud or error. There is a further risk that the investments held at fair value may not be actively traded and the quoted prices may not be reflective of their fair value (valuation). Additionally, there is a risk that the Company does not have proper legal title to the investments recorded as held at year end (ownership).	We obtained and assessed controls reports provided by JPMorgan Europe Ltd and The Northern Trust Company, London Branch (as administrators) and JPMorgan Chase Bank, N.A. and The Northern Trust Company, London Branch (as custodians) to evaluate the design of the process and implementation of key controls. We compared market prices and exchange rates applied to all level 1 listed investments and all level 2 CFDs held as at 30 April 2023 to an independent third-party source and recalculated the investment valuations. We obtained average trading volumes or price data for all quoted investments from an independent third-party source to support the Board's active market and liquidity assessment and noted no significant illiquid holdings. We agreed the ownership of all listed investments and CFDs held at year end to the independently received custodian report. From our completion of these procedures, we identified no material misstatements in relation to the valuation and ownership of the quoted investments.
Revenue recognition, including allocation of special dividends as revenue or capital returns (as described on page 40 in the Report of the Audit Committee and as per the accounting policy on page 54 and Note 2). Investment income recognised in the year to 30 April 2023 was £3.1m (2022: £3.1m), consisting primarily of dividend income from listed investments and income from CFDs. Revenue-based performance metrics are often one of the key performance indicators for stakeholders. The investment income received by the Company during the year directly impacts these metrics and the minimum dividend required to be paid by the Company.	We obtained and assessed controls reports provided by JPMorgan Europe Ltd and The Northern Trust Company, London Branch (as administrators) and JPMorgan Chase Bank, N.A. and The Northern Trust Company, London Branch (as custodians) to evaluate the design of the process and implementation of key controls. We confirmed that income was recognised and disclosed in accordance with the AIC SORP by assessing the accounting policies. We recalculated 100% of dividends due to the Company based on investment holdings throughout the year and announcements made by investee companies.

Key audit matter	How our audit addressed the key audit matter and our conclusions
There is a risk that revenue is incomplete or inaccurate through failure to recognise income entitlements or failure to appropriately account for their treatment. It has therefore been designated as a key audit matter being one of the most significant assessed risks of material misstatement due to fraud or error. Additionally, there is a risk of incorrect allocation of special dividends as revenue or capital returns as judgement is required in determining their allocation within the Statement of Comprehensive Income.	We recalculated the expected income for a sample of CFDs using independent third-party data. We agreed a sample of dividends received to bank statements. We assessed the completeness of the special dividend population with reference to third party market data and determined whether special dividends recognised were revenue or capital in nature with reference to the underlying commercial circumstances of the dividend payments. From our completion of these procedures, we identified no material misstatements in relation to revenue recognition, including allocation of special dividends as revenue or capital returns.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature and extent of our work and in evaluating the results of that work.

Materiality measure	Value
Materiality for the financial statements as a whole – we have set materiality as 1% of net assets as we believe that net assets is the primary performance measure used by investors and is the key driver of shareholder value. It is also the standard industry benchmark for materiality for investment trusts and we determined the measurement percentage to be commensurate with the risk and complexity of the audit and the Company's listed status.	£1,198,000 (2022: £1,241,000)
Performance materiality – performance materiality represents amounts set by the auditor at less than materiality for the financial statements as a whole, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. In setting this we consider the Company's overall control environment and any experience of the audit that indicates a lower risk of material misstatements. Based on our judgement of these factors, we have set performance materiality at 75% of our overall financial statement materiality.	£898,000 (2022: £930,750)
Specific materiality – recognising that there are transactions and balances of a lesser amount which could influence the understanding of users of the financial statements we calculate a lower level of materiality for testing such areas. Specifically, given the importance of the distinction between revenue and capital for the Company, we also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income, set at the higher of 5% of the net return before taxation and our Audit Committee Reporting Threshold. We have also set a separate specific materiality in respect of related party transactions and Directors' remuneration. We used our judgement in setting these thresholds and considered our experience and industry benchmarks for specific materiality.	£116,000 (2022: £118,000)
Audit Committee reporting threshold – we agreed with the Audit Committee that we would report to them all differences in excess of 5% of overall materiality in addition to other identified misstatements that warranted reporting on qualitative grounds, in our view. For example, an immaterial misstatement as a result of fraud.	£60,000 (2022: £62,000)

During the course of the audit, we reassessed initial materiality and found no reason to alter the basis of calculation used at year-end.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating management's method of assessing going concern, including consideration of loan covenants and market conditions and uncertainties;
- Assessing and challenging the forecast cashflows and associated sensitivity modelling used by the Directors in support of their going concern assessment;
- Obtaining and recalculating management's assessment of the Company's ongoing maintenance of investment trust status;
- Evaluating management's assessment of the business continuity plans of the Company's main service providers; and
- Assessing the adequacy of the Company's going concern disclosures included in the Annual Report.

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 Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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 Directors are 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 our 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 course of 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- A corporate governance statement has not been prepared by the Company.

Corporate governance statement

We have reviewed the Directors' Statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the entity's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 31;
- The Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 22;
- The Directors' statement on fair, balanced and understandable set out on page 36;
- The Directors' statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 22;
- The Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 19;
- The section of the annual report that describes the review of the effectiveness of risk management and internal control systems set out on page 36; and
- The section describing the work of the Audit Committee set out on pages 39 to 41.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 42, the Directors are 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 Directors determine 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 Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

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

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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- Companies Act 2006;
- FCA listing and DTR rules;
- The principles of the UK Corporate Governance Code applied by the AIC Code of Corporate Governance (the "AIC Code");
- Industry practice represented by the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") issued in July 2022;
- UK-adopted international accounting standards; and
- The Company's qualification as an investment trust under section 1158 of the Corporation Tax Act 2010.

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to the completeness and allocation of special dividends and the valuation and ownership of unlisted investments (audit procedures performed in response to these risks are set out in the section on key audit matters above) and management override (procedures in response to this risk are included below).

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, recalculation of the management fee, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006 and the Listing Rules; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that 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 intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

Other matters which we are required to address

Following the recommendation of the Audit Committee, we were appointed by the Board on 22 December 2020 to audit the financial statements for the year ended 30 April 2021 and subsequent financial periods. The period of our total uninterrupted engagement is three years, covering the years ended 30 April 2021 to 30 April 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Sutherland (Senior Statutory Auditor)
For and behalf of Johnston Carmichael LLP
Statutory Auditor
Edinburgh, United Kingdom

11 July 2023

Financial Statements

Statement of Comprehensive Income
For the year ended 30 April 2023

	Note	Year ended 30 April 2023 Revenue £'000	Year ended 30 April 2023 Capital £'000	Year ended 30 April 2023 Total £'000	Year ended 30 April 2022 Revenue £'000	Year ended 30 April 2022 Capital £'000	Year ended 30 April 2022 Total £'000
Investment income	2	3,052	–	3,052	3,099	–	3,099
Total revenue		**3,052**	**–**	**3,052**	**3,099**	**–**	**3,099**
Losses on investments		–	(4,609)	(4,609)	–	(30,511)	(30,511)
Net gains/(losses) on derivatives		–	4,134	4,134	–	(7,770)	(7,770)
Currency gains/(losses)		–	140	140	–	(16)	(16)
Total income/(loss)		**3,052**	**(335)**	**2,717**	**3,099**	**(38,297)**	**(35,198)**
Expenses							
Investment management fee		(154)	(615)	(769)	(219)	(875)	(1,094)
Other expenses	3	(456)	(8)	(464)	(492)	(74)	(566)
Profit/(loss) before finance costs and tax		**2,442**	**(958)**	**1,484**	**2,388**	**(39,246)**	**(36,858)**
Finance costs	4	(115)	(461)	(576)	(9)	(36)	(45)
Profit/(loss) before tax		**2,327**	**(1,419)**	**908**	**2,379**	**(39,282)**	**(36,903)**
Tax	5	(101)	–	(101)	(118)	–	(118)
Profit/(loss) and total comprehensive income/(expense) for the year		**2,226**	**(1,419)**	**807**	**2,261**	**(39,282)**	**(37,021)**
Earnings/(loss) per ordinary share	**7**	**6.74p**	**(4.30p)**	**2.44p**	**6.29p**	**(109.28p)**	**(102.99p)**

The total column of this statement represents the Statement of Comprehensive Income of the Company, prepared in accordance with International Financial Reporting Standards. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations.

All income is attributable to the equity shareholders of Artemis Alpha Trust plc. There are no minority interests.

The notes on pages 54 to 66 form part of these financial statements.

Statement of Financial Position
As at 30 April 2023

	Note	2023 £'000	2022 £'000
Non-current assets			
Investments	8	109,979	119,612
Investments in subsidiary undertaking	10	4,264	4,231
		114,243	**123,843**
Current assets			
Derivative assets	9	2,187	492
Other receivables	12	2,208	781
Collateral held		-	1,970
Cash and cash equivalents	13	7,653	2,389
Total assets		**126,291**	**129,475**
Current liabilities			
Derivative liabilities	9	(106)	(308)
Collateral pledged		(1,930)	–
Other payables	14	(4,438)	(5,066)
Total liabilities		(6,474)	(5,374)
Net assets		**119,817**	**124,101**
Equity attributable to equity holders			
Share capital	15	373	373
Share premium		676	676
Special reserve		18,779	21,964
Capital redemption reserve		217	217
Retained earnings – revenue		3,437	3,117
Retained earnings – capital	16	96,335	97,754
Total equity		**119,817**	**124,101**
Net asset value per ordinary share	17	**366.02p**	**367.65p**

These financial statements on pages 50 to 53 were approved by the Board of Directors and signed on its behalf on 11 July 2023:

Duncan Budge
Chairman

The notes on pages 54 to 66 form part of these financial statements.

Company No: 253644

Statement of Changes in Equity
For the year ended 30 April 2023

	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Retained earnings Revenue £'000	Retained earnings Capital £'000	Total £'000
For the year ended 30 April 2023							
At 1 May 2022	373	676	21,964	217	3,117	97,754	124,101
Total comprehensive income:							
Profit/(loss) for the year	–	–	–	–	2,226	(1,419)	807
Transactions with owners recorded directly to equity:							
Repurchase of ordinary shares into treasury	–	–	(3,185)	–	–	–	(3,185)
Dividends paid	–	–	–	–	(1,906)	–	(1,906)
At 30 April 2023	**373**	**676**	**18,779**	**217**	**3,437**	**96,335**	**119,817**
For the year ended 30 April 2022							
At 1 May 2021	382	676	40,738	208	2,788	137,036	181,828
Total comprehensive income:							
Profit/(loss) for the year	–	–	–	–	2,261	(39,282)	(37,021)
Transactions with owners recorded directly to equity:							
Repurchase of ordinary shares into treasury	–	–	(14,683)	–	–	–	(14,683)
Repurchase and cancellation of ordinary shares	(9)	–	(4,091)	9	–	–	(4,091)
Dividends paid	–	–	–	–	(1,932)	–	(1,932)
At 30 April 2022	**373**	**676**	**21,964**	**217**	**3,117**	**97,754**	**124,101**

The notes on pages 54 to 66 form part of these financial statements.

Statement of Cash Flows
For the year ended 30 April 2023

	2023 £'000	2022 £'000
Operating activities		
Profit/(loss) before tax	908	(36,903)
Interest payable	576	45
Losses on investments	4,609	30,511
Net (gains)/losses on derivatives	(4,134)	7,770
Currency (gains)/losses	(140)	16
Increase in other receivables	(6)	(56)
Decrease in accrued expenses	(12)	(96)
Net cash inflow from operating activities before interest and tax	**1,801**	**1,287**
Interest paid	(576)	(45)
Irrecoverable overseas tax suffered	(101)	(118)
Net cash inflow from operating activities	**1,124**	**1,124**
Investing activities		
Purchase of investments	(24,601)	(25,087)
Sale of investments	28,584	49,583
Sale/(purchase) of derivatives	583	(6,656)
Collateral pledged/(held)	3,900	(2,800)
Net cash inflow from investing activities	**8,466**	**15,040**
Financing activities		
Repurchase of ordinary shares into treasury	(3,251)	(14,617)
Repurchase and cancellation of ordinary shares	–	(4,091)
Dividends paid	(1,906)	(1,932)
Increase in intercompany loan	691	404
Net cash outflow from financing activities	**(4,466)**	**(20,236)**
Net decrease/(increase) in net funds	**5,124**	**(4,072)**
Net funds at the start of the year	**2,389**	**6,477**
Effect of foreign exchange rate changes	140	(16)
Net funds at the end of the year	**7,653**	**2,389**
Cash and cash equivalents	**7,653**	**2,389**

The notes on pages 54 to 66 form part of these financial statements.

1. Accounting policies

(a) Basis of preparation. The financial statements have been prepared on a going concern basis under the historical cost convention modified by the revaluation of financial assets and liabilities held at fair value through profit or loss, in accordance with UK-adopted international accounting standards ("IFRSs") which comprise standards and interpretations issued by the International Accounting Standards Board ("IASB"), as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the Company are set out below.

Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trusts and venture capital trusts issued by the Association of Investment Companies ("AIC") in July 2022 is consistent with the requirements of IFRS, the financial statements have been prepared in accordance with the SORP.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 April 2023 have been applied consistently, other than where new policies have been adopted.

The financial statements are presented in Sterling, which is the currency of the primary environment in which the Company operates. All values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

(b) Segmental reporting. The Company has only one material segment of business being that of an investment trust company.

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

For financial assets acquired, the cost is the fair value of the consideration. Subsequent to initial recognition, all listed investments are measured at their quoted bid or Stock Exchange Electronic Trading Service ("SETS") prices without deduction for the estimated future selling costs. Unquoted investments are valued at fair value which is determined by the Board, through discussion with the Investment Manager and with reference to the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Board in December 2022 and the Special Valuation Guidance issued in March 2021. Valuation techniques employed may include: calibrated price of recent investment; earnings multiples; net assets; discounted cash flow techniques; industry valuation benchmarks; and available market prices.

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

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

(d) Derivatives. The contracts for difference ('CFD') held in the portfolio are valued based on the price of the underlying security or index which they are purchased to reflect. The nature and intended use of these derivatives is to synthetically allow the Company to go long or short on an underlying asset without the need to trade the physical securities. They are valued at the quoted bid price of the underlying security when held long. There are revenue and capital returns to be derived from these instruments. Dividends on contracts for difference are recognised when the securities are quoted ex-dividend. Cash held at CFD brokers as margin is reflected separately within cash and cash equivalents balances. Interest on margin accounts held with brokers is included in the revenue return. All other gains/losses and cash flows from derivatives are included in the capital return.

Open forward foreign exchange contracts are held at market value and the net gains/(losses) are reflected within net gains/(losses) on derivatives in the Statement of Comprehensive Income.

(e) Revenue. Dividends receivable on equity shares (and any associated withholding tax) are recognised as revenue on an ex-dividend basis. Provision is made for any dividends not expected to be received. Income from fixed interest securities is recognised on an effective interest rate basis. Interest receivable from cash and short-term deposits is recognised on an accruals basis. Special dividends are treated as repayment of capital or as revenue depending on the facts of each particular case. The dividend equivalent values on contracts for difference are recognised when the underlying security is quoted ex-dividend.

(f) Expenses and finance costs. All expenses and interest payable are recognised on an accruals basis. Expenses are charged through the revenue column in the Statement of Comprehensive Income except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are treated as capital; and
- expenses are treated as capital where they are made in connection with the maintenance or enhancement of the value of investments. As a result, investment management fees and finance costs are allocated on the basis of 20 per cent to revenue and 80 per cent to capital.

(g) Taxation. Taxation represents the sum of taxation payable, any withholding tax suffered and any deferred tax. Taxation is charged or credited in the Statement of Comprehensive Income. Any taxation payable is based on the Company's profit for the year, calculated using tax rates in force at the balance sheet date. Deferred taxation is recognised in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Due to the Company's status as an investment trust, and the intention to meet the conditions required to obtain approval under section 1158 of the Corporation Tax Act 2010 in the foreseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

(h) Amounts held at futures clearing houses and brokers. These are amounts held in segregated accounts as collateral on behalf of brokers and carried at amortised cost.

(i) Cash and cash equivalents. Cash and cash equivalents include cash in hand, deposits held at call and overdrafts with banks, and other short-term highly liquid investments with original maturities of three months or less.

Bank borrowings are used on a periodic basis to meet the Company's cash requirements and are reviewed regularly by the Investment Manager. Loan draw downs are normally of short durations which are subject to an insignificant risk of change in valuation.

(j) Dividends. Dividends are recognised from the date on which they are irrevocably committed to payment.

(k) Foreign currency translation. Transactions involving foreign currencies are converted at the rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated into Sterling at the rates ruling on the date of the Statement of Financial Position. Foreign exchange differences arising on investment transactions are recognised through capital.

(l) Other receivables and payables. Other receivables do not carry any interest and are short-term in nature and are accordingly stated at their nominal value. Other payables are non-interest bearing and are stated at their nominal value.

There are no material impact of expected credit losses on financial assets or liabilities.

(m) Reserves.

Retained earnings – capital

Retained earnings – capital is made up of Capital Reserve – realised and Capital Reserve – unrealised.

Capital Reserve – realised

This reserve is available for distribution of dividends and includes:

- gains and losses on the realisation of investments and changes in the fair value of investments which are readily convertible to cash; and
- expenses, together with any related taxation effect, in accordance with the above policies.

Capital Reserve – unrealised

This reserve includes: changes in the fair value of investments that are not readily convertible to cash and amounts by which other assets and liabilities valued at market value differ from their book value. This reserve is not distributable.

Special Reserve

This reserve is treated as distributable profits for all purposes, excluding the payment of dividends. The cost of share buy-backs is accounted for through this reserve.

Capital Redemption Reserve

This reserve includes the nominal value of all shares bought back and cancelled by the Company. This reserve is not distributable.

Retained earnings – revenue

The revenue profit or loss for the year is taken to or from this reserve, and any dividends declared by the Company are distributed from this reserve.

(n) Accounting developments. At the date of authorisation of the financial statements, the following amendment to the IFRS Standards and Interpretations was assessed to be relevant and is effective for annual periods beginning on or after 1 January 2022:

- **Reference to the Conceptual Framework** – Amendments to IFRS 3 'Business Combinations' - update of outdated reference in IFRS 3 without significantly changing its requirements.

Standards issued but not yet effective

At the date of authorisation of the financial statements, the following standards and interpretations were assessed to be relevant:

- Classification of Liabilities as Current or Noncurrent – Amendments to IAS 1. Effective for annual reporting periods beginning on or after 1 January 2024.
- Definition of Accounting Estimates – Amendments to IAS 8. Effective for annual reporting periods beginning on or after 1 January 2023.
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2. Effective for annual reporting periods for annual reporting periods beginning on or after beginning on or after 1 January 2023.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12. Effective for annual reporting periods beginning on or after 1 January 2023.

There are no accounting standards, or interpretations effective in the year and issued but not effective, that have or will have material impact on these financial statements. Furthermore, the company has not early adopted any such standards, amendments, and interpretations to existing standards prior to their effective date.

o) Estimates and judgements. A number of estimates, judgements and assumptions are required in the preparation of the Company's financial statements. The most significant judgement relates to the valuation of the unquoted investments.

The valuations are determined by the Investment Manager with reference to the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Board. These valuations are considered, reviewed and approved by the Board. The valuations of the unquoted investments are based on a number of different methodologies, the most common being calibrated price of recent investment, net assets and earnings multiples.

Where the calibrated price of recent investment has been used, consideration has also been given to the current facts and circumstances to take into account changes in the market or performance of the underlying company.

The methodology selected will be based on the circumstances relevant to each individual investment and the valuation and methodology are regularly reviewed to ensure they remain appropriate.

The key assumption relating to valuing an unquoted investment based on the calibrated price of recent investment is that it is considered as a reasonable approximation of fair value for a limited period following the relevant transaction. It is mainly used on early stage investments where there are no current or short term future earnings or positive cash flows. The valuation is regularly reviewed to ensure that this basis remains appropriate, considering such factors as progress of the investee company against plan and changes in the observable performance of comparable companies.

The key assumption relating to valuing an unquoted investment based on net assets is that the value of the business is derived from the underlying value of its assets, for example where an investment has a significant property holding and therefore the assets of the business equate to the fair value of the investment.

The key assumption when an earnings multiples based approach is used is that valuations of a selection of comparable companies should provide a reasonable basis for valuing an unquoted investment, subject to appropriate discounts for liquidity. This is used where a business is more mature, and is considered to have sustainable earnings. Where this valuation approach has been used, an alternative methodology will be utilised to crosscheck for reasonableness. In this case, the valuation is based on a selection of comparable companies with either historic or forecast revenues. The selection of companies and any discount applied for liquidity are kept under review to ensure that these remain appropriate.

(p) Consolidation. IFRS 10 provides a consolidation exemption to companies that qualify as an "Investment Entity", whereby, instead of consolidating subsidiaries, investment entities are permitted to measure the investment in subsidiaries at fair value through profit or loss.

The Company qualifies as an "Investment Entity" as:

a) the Company obtains funds from investors for the purpose of providing the investors with investment management services;

b) the Company commits to investors that its business purpose is to invest funds solely for returns for capital appreciation, investment income, or both; and

c) the Company confirms that it measures and evaluates the performance of substantially all of its investments on a fair value basis.

Other characteristics of the Company supporting this classification is that there are multiple investments and many underlying investors. Additionally investors are not exclusively related parties and the underlying investment positions taken are commonly in the form of equity.

2. Income

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Investment income*		
UK dividend income	1,812	1,920
Overseas dividend income	662	860
	2,474	**2,780**
Other income		
Bank interest	62	25
Derivative income	507	294
Liquidity fund income	9	–
	578	**319**
Total income	**3,052**	**3,099**

* All investments are designated at fair value through profit or loss on initial recognition, therefore all investment income arises on investments at fair value through profit or loss.

A number of UK quoted investments are domiciled in other countries for tax purposes.

3. Other expenses

	Year ended 30 April 2023			Year ended 30 April 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Directors' remuneration (excluding NIC)	146	–	146	144	–	144
Auditor's remuneration (excluding VAT):						
– Fee for the audit of the Company's Annual Report	40	–	40	39	–	39
Other expenses*	270	8	278	309	74	383
	456	**8**	**464**	**492**	**74**	**566**

* Other expenses include stock exchange listing fees, Directors' insurance, AIC membership fees, administration fees, registrar's fees, corporate broker fee, depositary fees, professional fees, and printing/postage.

4. Finance costs

	Year ended 30 April 2023			Year ended 30 April 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
CFD finance costs	96	385	481	9	36	45
Intercompany loan finance cost*	18	72	90	–	–	–
Bank overdraft interest*	1	4	5	–	–	–
Finance costs	**115**	**461**	**576**	**9**	**36**	**45**

* Interest on financial liabilities that are not held at fair value through profit or loss.

5. Tax

a) Tax charge for the year

	Year ended 30 April 2023			Year ended 30 April 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Irrecoverable overseas tax	101	–	101	118	–	118
	101	**–**	**101**	**118**	**–**	**118**

b) Factors affecting the tax charge for the year

The tax charge for the year is lower than (2022: higher) the Company's applicable rate of corporation tax of 19.50% (2022: 19.00%).

The difference is explained below:

	Year ended 30 April 2023			Year ended 30 April 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) before tax	2,327	(1,419)	908	2,379	(39,282)	(36,903)
Profit/(loss) on ordinary activities multiplied by the standard rate of UK corporation tax of 19.50% (2022: 19.00%)	454	(277)	177	452	(7,464)	(7,012)
Non-taxable capital losses	–	65	65	–	7,277	7,277
Non-taxable UK dividends	(353)	–	(353)	(365)	–	(365)
Non-taxable overseas dividends	(129)	–	(129)	(163)	–	(163)
Unutilised management expenses	28	212	240	76	187	263
Irrecoverable overseas tax	101	–	101	118	–	118
	101	**–**	**101**	**118**	**–**	**118**

Starting 1 April 2023, corporation tax increased from 19% to 25%. The applicable tax rate for the year of 19.5% is the effective rate of tax for the year.

c) Factors that may affect future tax charges

The Company has excess management expenses and surplus loan relationship deficits of £19,918,000 (2022: £19,771,000) that may be available to offset future taxable revenue. No deferred tax asset has been recognised in respect of these amounts as it is unlikely to be utilised in the foreseeable future.

6. Dividends paid and proposed

Set out below are the total dividends recognised in respect of the financial year ended 30 April 2023.

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
2022 final dividend of 3.46p per ordinary share (2021: 3.19p)	1,140	1,189
2023 interim dividend of 2.33p per ordinary share (2022: 2.14p)	766	743
	1,906	**1,932**

Dividends are recognised in the period in which they are due to be paid and are shown through the Statement of Changes in Equity. Therefore, the Statement of Changes in Equity for the year ended 30 April 2023 reflects the final dividend for the year ended 30 April 2022 which was paid on 21 October 2022. For the year ended 30 April 2023, a first interim dividend of 2.33p has been paid on 26 January 2023 and a final dividend of 3.87p has been proposed for payment on 29 September 2023. The final dividend is proposed for approval by the shareholders at the forthcoming AGM.

Set out below are the total dividends paid/proposed in respect of the financial year ended 30 April 2023.

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
First interim dividend of 2.33p per ordinary share (2022: 2.14p)	766	743
Final dividend of 3.87p per ordinary share (2022: 3.46p)	1,267	1,140
	2,033	**1,883**

7. Earnings/(loss) per share

The revenue earnings per ordinary share is based on the revenue profit for the year of £2,226,000 (2022: £2,261,000) and on 33,033,940 (2022: 35,994,478) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The capital loss per ordinary share is based on the capital loss for the year of £1,419,000 (2022: £39,282,000) and on 33,033,940 (2022: 35,944,478) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

8. Non-current assets – Investments

	2023 £'000	2022 £'000
Opening book cost	119,956	138,555
Opening fair value adjustment	(344)	37,436
Opening valuation	**119,612**	**175,991**
Movements in year:		
Purchases at cost	24,959	24,598
Sales – proceeds	(29,950)	(49,465)
Losses on investments (excluding subsidiaries)	(4,642)	(31,512)
Closing valuation	**109,979**	**119,612**
Closing book cost	113,070	119,956
Closing fair value adjustment	(3,091)	(344)
	109,979	**119,612**

Losses on investments recognised in the Statement of Comprehensive Income (on page 50) totalling £4,609,000 (2022: £30,511,000) is comprised of net realised losses on investments of £1,895,000 (2022: gains of £6,268,000), decreases in fair value losses on investments of £2,747,000 (2022: £37,780,000) and increases in fair value gains on subsidiaries of £33,000 (2022: £1,001,000).

The Company received £29,950,000 (2022: £49,465,000) from investments sold in the year. The book cost of these investments when they were purchased was £31,845,000 (2022: £43,197,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

For level 3 investments held within the investment portfolio, the market risk sensitivity disclosures in note 19 on page 65 provide the disclosures required by IFRS 13, where alternative fair values can be derived from the application of reasonable alternative inputs.

Transaction costs

Included in purchases at cost and proceeds from sales are the following transaction costs:

	2023 £'000	2022 £'000
Purchases	107	58
Sales	8	10
	115	**68**

9. Derivatives

(a) Valuation of derivatives

	2023			2022		
	Fair value current assets £'000	Fair value current liabilities £'000	Gross exposure £'000	Fair value current assets £'000	Fair value current liabilities £'000	Gross exposure £'000
Contracts for difference	1,925	(106)	21,763	492	(26)	16,068
Forward currency contracts	262	–	262	–	(282)	(282)
	2,187	**(106)**	**22,025**	**492**	**(308)**	**15,786**

(b) Movements in derivatives

	2023			2022		
	Contracts for difference £'000	Forward currency contracts £'000	Total £'000	Contracts for difference £'000	Forward currency contracts £'000	Total £'000
Opening fair value	466	(282)	184	(168)	(148)	(316)
Opening valuation	466	(282)	184	(168)	(148)	(316)
Movements in year:						
Closed contracts – proceeds (receivable)/payable	(3,071)	834	(2,237)	8,331	(52)	8,279
– realised gains/(losses)	3,071	(834)	2,237	(8,331)	52	(8,279)
Increase/(decrease) in fair value	1,353	544	1,897	634	(134)	500
Closing valuation	**1,819**	**262**	**2,081**	**466**	**(282)**	**184**
Closing fair value	**1,819**	**262**	**2,081**	**466**	**(282)**	**184**

CFD transaction costs on positions opened and closed during the year amounted to £3,000 (2022: £6,000).

10. Investment in subsidiary undertakings

	% of ordinary share capital held	Principal activity	Registered Office	Country of incorporation and operation
Alpha Securities Trading Limited	100	Investment dealing	57-59 St James's Street, London, SW1A 1LD	England and Wales

Investment in the subsidiary undertaking is held at fair value, which is deemed to be its net assets. It holds a portfolio of listed investments for short term appreciation which are measured at their quoted bid prices.

	2023 £'000	2022 £'000
Historic book cost of investment in subsidiary undertaking	–	–
Opening fair value adjustment	4,231	3,230
Opening valuation	4,231	3,230
Increase in fair value adjustment	33	1,001
Closing valuation	**4,264**	**4,231**

The Company controls another investee company by virtue of its voting rights.

	% of ordinary share capital held	Principal activity	Country of incorporation and operation
Claremont Alpha Limited	100	Holding company	Isle of Man

See note 1(p) for further details on consolidation.

11. Significant interests

At 30 April 2023, the Company held shares amounting to 3% or more of the nominal value of any class of share capital of the following companies, not being participating interests.

	Class Held	% of class held
Hardlyever	A Ordinary	65.21%
Hardlyever	Ordinary	9.84%
Hornby	Ordinary	9.51%
Singer Capital Markets	Ordinary	6.35%

These investments are held by the Company at fair value through profit or loss as part of a portfolio of investments rather than as a medium through which the Company carries out its business. The Company is not considered to have significant influence through its voting rights nor does it hold any board representatives and therefore these investments are not considered associated nor related undertakings of the Company.

12. Other receivables

	2023 £'000	2022 £'000
Amounts due from brokers	1,512	146
Prepayments and accrued income	628	622
Taxation recoverable	13	13
Variation margin receivable	55	–
	2,208	**781**

13. Cash and cash equivalents

	2023 £'000	2022 £'000
Amounts held at futures clearing houses and brokers	37	22
Cash and bank balances	587	2,367
Northern Trust Global Liquidity Fund	7,029	–
	7,653	**2,389**

14. Other payables

	2023 £'000	2022 £'000
Amounts due to brokers	475	117
Accrued investment management fee	261	300
Accrued other expenses	146	119
Amounts payable in respect of share buybacks	–	66
Variation margin payable	10	1,609
Amounts due to subsidiary undertakings	3,546	2,855
	4,438	**5,066**

15. Share capital

(a) Share capital

	2023 Shares	2023 £'000	2022 Shares	2022 £'000
Allotted, called up and fully paid:				
Ordinary shares of 1p each	32,734,908	327	33,754,674	338
Ordinary shares of 1p each held in treasury	4,525,566	45	3,505,800	35
	37,260,474	**373**	**37,260,474**	**373**

(b) Ordinary shares

	Shares	£'000
Movements in ordinary shares during the year:		
Ordinary shares in issue on 1 May 2022	33,754,674	373
Repurchase of ordinary shares into treasury	(1,019,766)	(45)
Ordinary shares in issue on 30 April 2023	**32,734,908**	**327**

The movements in ordinary shares held in treasury during the year are as follows:

	2023 Shares	2023 £'000	2022 Shares	2022 £'000
Balance brought forward	3,505,800	35	–	–
Repurchases of ordinary shares	1,019,766	10	3,505,800	35
Balance carried forward	**4,525,566**	**45**	**3,505,800**	**35**

During the year ended 30 April 2023, the Company repurchased 1,019,766 shares into treasury (2022: 3,505,800).

There were no subscription shares in issue at 30 April 2023 (2022: nil).

16. Retained earnings – Capital

	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Total capital reserve £'000
Balance at 1 May 2022	**95,149**	**2,605**	**97,754**
Decrease in fair value adjustment	–	(817)	(817)
Net gain on realisation of investments and derivatives	342	–	342
Currency gains on capital items	140	–	140
Costs charged to capital (net of tax relief)	(1,084)	–	(1,084)
Transfer between reserves	15,500	(15,500)	–
Balance at 30 April 2023	**110,047**	**(13,712)**	**96,335**
Balance at 1 May 2021	**125,155**	**11,881**	**137,036**
Decrease in fair value adjustment	–	(36,271)	(36,271)
Net loss on realisation of investments and derivatives	(2,010)	–	(2,010)
Currency losses on capital items	(16)	–	(16)
Costs charged to capital (net of tax relief)	(985)	–	(985)
Transfer between reserves	(26,995)	26,995	–
Balance at 30 April 2022	**95,149**	**2,605**	**97,754**

All investments are designated as fair value through profit or loss at initial recognition and all gains and losses arise on investments designated as fair value through profit or loss. Where investments are considered to be readily realisable for cash, the fair value gains and losses, recognised in these financial statements are treated as realised. All other fair value gains and losses are treated as unrealised.

17. Net asset value per ordinary share

The net asset value per share is based on the net assets of £119,817,000 (2022: £124,101,000) and on 32,734,908 (2022: 33,754,674) ordinary shares, being the number of ordinary shares in issue at the year end.

18. Financial commitments

At 30 April 2023, the Company did not have any financial commitments which had not been accrued (2022: nil).

19. Financial instruments

As detailed on page 2, the principal investment objective of the Company is to provide long-term capital and income growth over the longer term and to achieve a growing dividend stream.

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

(i) Market price risk

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

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

Details of the investments at 30 April 2023 are disclosed in the investment portfolio set out on pages 13 to 14.

Currency risk

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

An analysis of the Company's currency exposure is detailed below:

	Investments at 30 April 2023 £'000	Net monetary (liabilities)/ assets at 30 April 2023 £'000	Total at 30 April 2023 £'000	Investments at 30 April 2022 £'000	Net monetary (liabilities)/ assets at 30 April 2022 £'000	Total at 30 April 2022 £'000
US Dollar	7,351	(4,121)	3,230	7,261	(4,208)	3,053
Euro	13,875	(5,792)	8,083	4,540	(5,600)	(1,060)
Australian Dollar	–	–	–	59	–	59
Total	**21,226**	**(9,913)**	**11,313**	**11,860**	**(9,808)**	**2,052**

Currency sensitivity

A 5 per cent increase in Sterling against the relevant foreign currencies would have the effect of reducing the profit or loss and the net assets by £566,000 (2022: £103,000). A 5 per cent decrease in Sterling would have an equal and opposite effect.

Interest rate risk

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

Floating rate

When the Company has cash balances these are maintained in an interest bearing account. The benchmark that determines the interest paid on the cash balances is the UK bank base rate, which was 4.25 per cent at 30 April 2023 (2022: 0.75 per cent).

Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate and credit risk), whether caused by factors specific to an investment of wider issues affecting the market generally. The value of equities is dependent on a number of factors arising from the performance of the individual company and also wider macro-economic matters. As part of the ongoing review of the portfolio, the Investment Manager monitors these factors. A 5 per cent increase in the value of the Company's investments would have the effect of increasing the net assets by £5,712,000 (2022: £6,192,000). A 5 per cent decrease would have an equal and opposite effect.

(ii) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial commitments.

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

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

There were no material changes to the liquidity management policy during the year ended 30 April 2023. In addition, none of the Company's assets are subject to any special arrangements linked to their liquidity.

(iii) Credit and counterparty risk

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

This risk is managed as follows:

- Where the Investment Manager makes an investment in a bond or other security with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question.
- The Company's investments are held on its behalf by The Northern Trust Company, London Branch, the Company's custodian.
- Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed. The Investment Manager monitors the Company's risk by reviewing the custodian's internal control reports and reporting on its findings to the Board.
- Investment transactions are carried out with a large number of brokers whose creditworthiness is reviewed by the Investment Manager. Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's custodian bank ensures that the counterparty to any transaction entered into by the Company has delivered on its obligations before any transfer of cash or securities away from the Company is completed.
- Transactions involving derivatives, and other arrangements wherein the creditworthiness of the entity acting as broker or counterparty to the transaction is likely to be of sustained interest, are subject to rigorous assessment by the Investment Manager of the creditworthiness of that counterparty.
- Cash is only held at banks that are regularly reviewed by the Investment Manager.

The Company is permitted to use one or more separate counterparties for derivative transactions. The Company 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 Company 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 Company 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 Company. To minimise such risk, the Investment Manager will assess the creditworthiness of any counterparty that it engages. On a daily basis, the Investment Manager assesses the level of assets with each counterparty to ensure that the exposure is within the defined limits.

The derivatives are disclosed in the Portfolio of Investments and J.P. Morgan Securities Plc is the counterparty for forward currency contracts and contracts for difference. 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 30 April 2023 or 30 April 2022.

Counterparty exposure

The types of derivatives held at the Statement of Financial Position date were contracts for difference and forward currency contracts.

Details of the individual contracts are disclosed separately in the Portfolio of Investments and the total position by counterparty and the collateral pledged, at the year end, were as follows:

2023	Contracts for difference £'000	Forward currency contracts £'000	Total net exposure £'000	Net collateral held/(pledged) £'000
Northern Trust	21,763	262	2,081	(1,893)

2022	Contracts for difference £'000	Forward currency contracts £'000	Total net exposure £'000	Net collateral held/(pledged) £'000
J.P. Morgan	16,068	(282)	184	1,992

Fair value hierarchy

IFRS 7 'Financial Instruments: Disclosures' requires an entity to provide an analysis of investments held at fair value through profit and loss using a fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value. The hierarchy used to analyse the fair values of financial assets is set out below.

Level 1 – investments with quoted prices in an active market;

Level 2 – investments whose fair value are based directly on observable current market prices or are indirectly derived from market prices; and

Level 3 – investments whose fair value are determined using a valuation technique based on assumptions that are not supported by observable current market prices or are not based on observable market data.

The investments held at the Statement of Financial Position date fell in to the categories, Level 1, Level 2 and Level 3. The values in these categories are summarised as part of this note. Any investments that are delisted or suspended from a listed stock exchange are transferred from Level 1 to Level 3.

	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	97,797	–	106,844	–
Level 2	2,187	(106)	492	(308)
Level 3	12,182	–	12,768	–
	112,166	**(106)**	**120,104**	**(308)**

Market risk sensitivity

For Level 3 investments, IFRS 7 requires that if the effect of changing one or more of the inputs to reasonably possible alternative assumptions would be to change the fair value significantly, it should be disclosed. The information used in determination of the fair value of Level 3 investments is specific to each investee company and is in accordance with the methodologies set out in the accounting policies in note 1(c).

The key sensitivities of the fair value of Level 3 investments is the earnings multiple when using the earnings based approach, the premium/discount adjustment when using the recent price of a transaction approach and the value of the underlying assets when using the net assets approach. The valuation assumptions have been reviewed, and these have been subject to scenario testing to identify possible alternate outcomes. The impact of adjusting the earnings multiple, the net assets and the calibrated price of recent investment bases would be as follows:

30 April 2023	Fair value of investments £'000	Variable input sensitivity (%)	Impact £'000	% of NAV
Earnings multiple	1,158	+63, -48	+866, -658	+0.7, -0.5
Net assets	4,591	+18, -12	+1,795, -1,261	+1.5, -1.1
Calibrated price of recent investment	6,433	+25, -20	+1,608, -1287	+1.3, -1.1

30 April 2022	Fair value of investments £'000	Variable input sensitivity (%)	Impact £'000	% of NAV
Earnings multiple	1,123	+55, -54	+799, -785	+0.6, -0.6
Net assets	5,210	+19, -13	+2,033, -1,430	+1.6, -1.2
Calibrated price of recent investment	6,433	+25, -20	+1,608, -1,287	+1.3, -1.0

During the year, the following Level 3 investments were written down and reduced in value: Claremont Alpha (£125,000) and Singer Capital Markets (£494,000).

20. Capital risk management

The capital of the Company is its share capital and reserves as set out in notes 15 and 16.

The objective of the Company is to achieve long-term capital and income growth by investing predominantly in listed companies. The Company's investment policy is set out in page 2. The Company's objectives, policies and procedures for managing capital are unchanged from the prior year.

In pursuit of the Company's objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern and details of the related risks and how they are managed are set out on pages 19 to 21. The Company has the ability to issue and buy back its shares (see page 22) and changes to the share capital during the year are set out in note 15. The Company does not have any externally imposed capital requirements.

The Company's gearing policy allows gearing of up to 25 per cent of assets and this level stood at 13.4% as at the year end (see page 17).

The Board, with the assistance of the Investment Manager, monitors and reviews the structure of the Company's capital on an ongoing basis. Such reviews include:

- the need to buy back equity shares, either for cancellation or to hold in treasury to assist discount management;
- the level of dividend distributions; and
- the level of gearing.

21. Events after the reporting period

As at 11 July 2023, a further 21,756 shares had been bought back at a cost of £69,000.

22. Transactions with the Investment Manager and related parties

The amounts paid to the Investment Manager and amounts outstanding at the year end are disclosed on page 50 and in note 14, respectively.

However, the existence of an independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore, under IAS 24: Related Party Disclosures, the Investment Manager is not considered to be a related party.

Fees payable during the year to the Directors and their interest in shares of the Company are considered to be related party transactions and are disclosed within the Directors Remuneration Report on pages 37 to 38.

All transactions with subsidiary undertakings were on an arm's length basis. During the year, transactions in securities between the Company and its subsidiary undertakings amounted to £nil (2022: £nil). The subsidiary did not pay a dividend to Artemis Alpha Trust plc during the year to 30 April 2023 (2022: £nil). Following the increase in lending rates over the year, interest payable by Artemis Alpha Trust to Alpha Securities Trading in respect of the intercompany loan over the period is recognized.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Artemis Alpha Trust plc (the "Company") will be held at the offices of Artemis Fund Managers Limited, Cassini House, 57 St. James's Street, London SW1A 1LD at 10.00 a.m. on Thursday, 21 September 2023 for the purpose of transacting the following business:

Ordinary Business

To consider and, if thought fit, to pass the following as ordinary resolutions:

Resolution 1. To receive the Report of the Directors and audited Financial Statements for the year ended 30 April 2023.

Resolution 2. To approve the Directors' Remuneration Policy.

Resolution 3. To approve the Directors' Remuneration Report for the year ended 30 April 2023.

Resolution 4. To approve a final dividend of 3.87 pence per ordinary share for the year ended 30 April 2023.

Resolution 5. To re-elect Mr Duncan Budge as a Director of the Company.

Resolution 6. To re-elect Mr John Ayton as a Director of the Company.

Resolution 7. To re-elect Mr Jamie Korner as a Director of the Company.

Resolution 8. To re-elect Mrs Victoria Stewart as a Director of the Company.

Resolution 9. To elect Mr Tom Smethers as a Director of the Company

Resolution 10. To re-appoint Johnston Carmichael LLP as independent auditor of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting at which financial statements are laid.

Resolution 11. To authorise the Directors to determine the remuneration of Johnston Carmichael LLP.

Resolution 12. That, in substitution for any existing authorities, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot:

(i) up to an aggregate nominal value of £32,713 (approximately 10% of the aggregate nominal amount of the issued ordinary share capital as at 11 July 2023;

provided that this authority shall expire at the conclusion of the next annual general meeting of the Company to be held in 2024, unless previously revoked, varied or extended by the Company at a general meeting, save that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry as if the authority conferred by this Resolution had not expired.

To consider and, if thought fit, to pass the following as special resolutions:

Resolution 13. That, the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693 of the Act) of its issued ordinary shares for cancellation or to be held in treasury, provided that:

(a) the maximum aggregate number of ordinary shares hereby authorised to be purchased shall not exceed 4,903,701 or, if less, that number of ordinary shares which is equal to 14.99% of the issued ordinary share capital of the Company (excluding treasury shares) as at the date of this Resolution;

(b) the minimum price which may be paid for an ordinary share shall be 1 pence per share, being the nominal value thereof;

(c) the maximum price which may be paid for both an ordinary share and shall not exceed the higher of:

(i) 5% above the average of the middle market quotation (as derived from the Daily Official List of the London Stock Exchange) for the five business days immediately preceding the date on which the purchase is made; and

(ii) the higher of the price quoted for (a) the last independent trade of; and (b) the highest current independent bid for any number of shares on the trading venue where the purchase is carried out;

(d) the authority hereby conferred shall expire at the conclusion of the Company's annual general meeting to be held in 2024 unless previously revoked, varied or extended by the Company at a general meeting; and

(e) the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of shares pursuant to any such contract notwithstanding such expiry.

Special Business

Resolution 14. That, subject to the passing of Resolution 12 set out above, the Directors be and they are hereby authorised, pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in Section 560 of the Act) (including the grant of rights to subscribe for, or to convert any securities into, ordinary shares in the capital of the Company and the sale of any ordinary shares held by the Company in treasury) wholly for cash as if section 561(1) of the Act did not apply to any such allotment, grant or sale provided that this power shall:

(a) expire at the conclusion of the next annual general meeting of the Company to be held in 2024 unless previously revoked, varied or extended by the Company at a general meeting, save that the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require equity securities to be allotted after such expiry and the Directors may allot such equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired; and

(b) be limited to the allotment of equity securities and the sale or transfer of treasury shares:

(i) in connection with an offer of such securities by way of rights to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion (as nearly as may be practicable) to their respective holdings of ordinary shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems arising under the laws of, or the requirements of, any territory or any regulatory or governmental body or authority or stock exchange; and

(ii) otherwise than pursuant to paragraph (i) above up to an aggregate nominal value of £32,713 representing approximately 10% of the aggregate nominal amount of the issued ordinary share capital as at 11 July 2023.

Resolution 15. That, a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice provided that this authority shall expire at the conclusion of the next annual general meeting of the Company.

By order of the Board:

Artemis Fund Managers Limited
Company Secretary

11 July 2023

Registered Office:
Artemis Investment Management LLP
Cassini House
57-59 St James's Street
London SW1A 1LD

Notes:

1. Website Giving Information Regarding the AGM

Information regarding the AGM, including the information required by section 311A of the Companies Act 2006, can be found at artemisalphatrust.co.uk.

Any electronic address provided either in this notice of AGM or any related documents (including the Form of Proxy) to communicate with the Company may not be used for any purposes other than those expressly stated.

2. Entitlement to Attend and Vote

2.1 If you wish to attend the AGM in person, you should arrive at the venue for the meeting in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity prior to being admitted to the AGM. The Board may direct that persons wishing to attend any general meeting should submit to such searches or other security arrangements as the Board consider appropriate in the circumstances.

2.2 Shareholders are requested to exercise their proxy online or using the personalised paper proxy, as set out below.

2.3 To be entitled to vote at the AGM (and for the purpose of determining the votes that may be cast), members must be registered in the Company's register of members by close of business on Tuesday, 19 September 2023 (or if the meeting is adjourned, 48 hours prior to the adjourned meeting). No member shall, unless the Board otherwise decides, be entitled to vote in respect of any share held by him (either personally or by proxy) at any general meeting of the Company unless all calls or other sums presently payable in respect of those shares have been paid.

3. Forms of Proxy

A personalised form of proxy will be sent to each registered member with the Annual Report and instructions on how to vote will be contained therein.

4. Appointment and Revocation of Proxies

4.1 Subject to any special terms as to voting upon which any shares may be issued, every member is entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the AGM. A proxy does not need to be a member of the Company. A proxy may only be appointed using the procedures set out in these notes and the notes on the Form of Proxy.

4.2 A member may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares. A member cannot appoint more than one proxy to exercise rights attached to the same shares. If a member wishes to appoint more than one proxy, they should contact the Company's registrar, Link Group ('the Registrar'), by email at shareholderenquiries@linkgroup.co.uk or call on 0371 664 0300 (calls are charged at the standard geographic rate and will vary by provider). Calls outside the United Kingdom will be charged at the applicable international rate. The Registrar is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

4.3 If a member wishes a proxy to appoint their own choice of proxy (not the chairman of the AGM) and give their instructions directly to them, such an appointment can be made using the Form of Proxy or through CREST.

4.4 A member may instruct their proxy to abstain from voting on a particular resolution to be considered at the AGM by marking the "Vote Withheld" option in relation to that particular resolution when appointing their proxy. It should be noted that a vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of the proportion of votes "For" or "Against" that particular resolution.

4.5 A member who wishes to change their proxy instruction must submit a new appointment of proxy in accordance with these notes. If a member requires another hard copy Form of Proxy to enable them to change their proxy instruction, they should contact the Registrar on either of the telephone numbers set out in note 4.2 above.

4.6 In order to revoke a proxy instruction, a member must inform the Company by sending a hard copy notice clearly stating their revocation of their proxy instruction to Link Group, PSX 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, or by hand during normal business hours only at the same address. In the case of a member that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer, attorney or other person authorised to sign it. The revocation notice must be received by the Registrar not later than 10.00 a.m. on 19 September 2023.

4.7 A person who is not a member but has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 8 below.

5 Appointment of Proxy

5.1 You may appoint a proxy via the internet by going to www.signalshares.com and logging into your share portal account or registering for the share portal if you have not already done so (to register for the share portal, you will need your investor code as set out on your share certificate or alternatively contact the Registrar as set out in note 4.2). Appointment of a proxy via the share portal must be submitted by not later than 10.00 a.m. on 19 September 2023.

5.2 If you wish to complete a Form of Proxy by hand, this must be completed and delivered to Link Group, PSX 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL as soon as possible and in any event so as to be received by the Registrar by not later than 10.00 a.m. on 19 September 2023. In the case of a member which is a corporation, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer, attorney or other person authorised to sign it. Any authority under which the Form of Proxy is signed (or a copy of such authority certified notarily or in some other way approved by the Board) must be included with the Form of Proxy.

5.3 If you have any queries in relation to the Form of Proxy or appointing a proxy via the internet please contact the Registrar.

5.4 Submission of a Proxy vote shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment thereof.

5.5 Unless otherwise indicated on the Form of Proxy, CREST, or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion or withhold from voting.

6. Appointment of Proxy through CREST

6.1 CREST members who wish to appoint a proxy or proxies for the AGM by utilising the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and Euroclear UK & International Limited's specifications to ensure a valid proxy appointment and/or instructions are submitted through the CREST service.

6.2 In order for a proxy appointment made via CREST to be valid, the proxy message must be:

(i) properly authenticated in accordance with Euroclear UK & International Limited's specifications;

(ii) contain the information required for such instruction, as described in the CREST Manual;

(iii) Be received by the Registrar (ID RA10) by not later than 10.00 a.m. on 19 September 2023 (or if the meeting is adjourned, within 48 hours of the adjourned meeting or such other time as is specified by the Company in a notice of meeting).

For this purpose, the time of receipt will be taken to be the time from which the Registrar is able to retrieve the message by enquiry to CREST. Members and/or voting service providers using the CREST service should refer to the CREST manual for guidance on the practical limitations of CREST service and timings. The Board may treat as invalid a CREST proxy appointment or instruction in the circumstances set out in Regulations 35 (5) (a) of the Uncertificated Securities Regulations 2001.

7. Appointment of Proxy by Joint Members

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. The first-named holder is considered the most senior for this purpose.

8. Corporate Representatives

Any corporation which is a member can, by a resolution of its board of directors or other governing body, authorise such person or persons as it thinks fit to act as its representative or representatives at the AGM.

9. Nominated Persons

Any person who receives this Notice as a person nominated under section 146 of the Companies Act to enjoy information rights (a Nominated Person) may, under an agreement with him/her and the registered member by whom they have been nominated, be entitled to be appointed (or have someone else appointed) as proxy to vote at the AGM. If a Nominated Person does not have such a right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the registered member as to the exercise of voting rights. Any queries with respect to your rights as a Nominated Person should be directed to the registered member.

10. Questions at the AGM

The Board considers the AGM as an opportunity for shareholder engagement. Shareholders are also invited to submit any questions in advance of the AGM to alpha.chairman@artemisfunds.com. The Board will answer any question relating to the business being dealt with at the AGM unless it would be undesirable in the interests of the Company or if an answer to the question is already provided on the Company's website in the form of an answer to a question.

11. Publication of AGM Results

The results of voting will be made available on the Company's website as soon as possible following the AGM.

Should 20 per cent or more of votes be cast against a board recommendation for a resolution, an explanation of what actions the Company intends to take to consult shareholders will be provided when announcing voting results. An update on views received from shareholders and actions taken will also be published no later than six months after the AGM together with a final summary in the next Annual Report.

12. Issued Shares and Total Voting Rights

At 11 July 2023, the Company's issued share capital comprised 37,260,474 shares, of which 4,547,322 were held in treasury. Therefore, the total number of voting rights in the Company at 11 July 2023 was 32,713,152.

13. Voter Disclosure Obligations

Any person holding 3 per cent or more of the total voting rights of the Company who appoints a person as their proxy will need to ensure that both they and their proxy complies with their respective disclosure obligations under the FCA's Disclosure Guidance and Transparency Rules. Should the members grant the chairman or any Director voting authority representing 3 per cent or more of the total voting rights of the Company, an appropriate disclosure will be released to the London Stock Exchange in accordance with the FCA's Disclosure Guidance and Transparency Rules.

14. Members' right to require circulation of resolution to be proposed at the meeting

Members meeting the threshold requirements set out in the Act have the right to: (a) require the Company to give notice of any resolution which can properly be, and is to be, moved at the meeting pursuant to section 338 of the Act; and/or (b) include a matter in the business to be dealt with at the meeting, pursuant to section 338A of the Act.

Information for Shareholders

Buying shares in the Company

The Company's ordinary shares are traded on the London Stock Exchange and can be bought or sold through a stockbroker. The Company is also a qualifying investment trust for ISA purposes.

Company numbers:

London Stock Exchange (SEDOL) number: 0435594

ISIN number: GB0004355946

Reuters code: ATS.L

Bloomberg code: ATS:LN

LEI: 549300MQXY2QXEIL3756

GIIN: PIK2NS.00002.SF.826

Shareholder enquiries

All administrative enquiries relating to shareholder queries concerning holdings, dividend payments, notification of change of address, loss of certificate or to be placed on a mailing list should be addressed to the Company's registrars at: Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL or by calling 0371 664 0300 calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Registrar is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales).

If you would like to receive dividend payments directly into your bank account, please contact the Company's registrar at the address above.

Dividend Reinvestment Plan (the "Plan")

Shareholders are able to re-invest their cash dividends using the Plan operated by Link Asset Services. To find out more about the Plan, please contact Link Group at: Shareholder Enquiries, Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL or by calling 0371 664 0300 calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Registrar is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales).

Financial advisers

The Company currently conducts its affairs so that the shares in issue can be recommended by financial advisers to ordinary retail investors in accordance with the Financial Conduct Authority's ("FCA's") rules in relation to non-mainstream investment products and intends to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Further information on the Company

The Company's net asset value is calculated daily and released to the London Stock Exchange. The share prices are listed in the Financial Times and also on the TrustNet website (trustnet.com). Up-to-date information can be found on the website (artemisalphatrust.co.uk), including a factsheet which is updated monthly. Shareholders can also contact the Chairman to express any views on the Company or to raise any questions they have using the email address alpha.chairman@artemisfunds.com.

Taxation

For capital gains purposes, the cost of the Company's ordinary shares at 31 March 1982 was 13.22 pence per share.

AIC

The Company is a member of The Association of Investment Companies ("AIC") which publishes monthly statistics on the majority of investment trusts. Further details can be obtained by contacting the AIC on 020 7282 5555 or at its website theaic.co.uk.

AIFMD disclosures

A number of disclosures are required to be made under the AIFMD as follows:

- Information in relation to the leverage of the Company is provided in the Strategic Report on page 17.
- Details of the Company's principal risks and their management are provided in the Strategic Report on pages 19 to 21.
- Details of the monitoring undertaken of the liquidity of the portfolio is provided in note 19 in the notes to the financial statements.
- The Investment Manager requires prior Board approval to:

  (i) enter into any stocklending agreements;

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

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

- Details of the Company's strategy and policies, administration arrangements and risk management and monitoring, required to be made available to investors in the Company before they invest, are available at artemisalphatrust.co.uk.

Any material changes to this information is required to be reported in the Company's Annual Report. There have been no material changes from the prior year to the information above which requires disclosure to shareholders.

Remuneration

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 nonexecutive officers. The Remuneration Committee is responsible for setting and overseeing the implementation of Artemis' remuneration policy, including approving the remuneration of partners and other senior staff. The Remuneration Committee will regularly review the remuneration policy to ensure it remains appropriate. The Remuneration Committee considers inputs from Artemis' Risk and Compliance function when reviewing remuneration issues, including any risk adjustments or controls considered necessary.

The Artemis remuneration period runs from 1 January to 31 December. Certain partners and staff are classified as 'Identified Staff' as their professional activities have a material impact on the risk profile of the firm. The payment of some of their variable remuneration (which may include profit share for partners) is deferred. Further, Artemis has the ability to reduce all or part of deferred variable remuneration that has been previously allocated to identified staff before the end of the vesting period 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 but are employed and paid by other entities of Artemis. Artemis has apportioned the total amount of remuneration paid to all 224 Artemis partners and staff in respect of AFML's duties performed based on the number of funds. It has estimated that the total amount of remuneration paid in respect of duties for the Company for the year ended 31 December 2022 is £887,387 of which £388,396 is fixed remuneration and £498,991 is variable remuneration.

The aggregate amount of remuneration paid to Identified Staff that is attributable to duties for the Company for the year ended 31 December 2022 is £315,886. 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. This includes 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.

Common Reporting Standard

The Organisation for Economic Co-operation and Development's Common Reporting Standard for Automatic Exchange of Financial Account Information (the 'Common Reporting Standard') requires the Company to provide information annually to HM Revenue & Customs ("HMRC") on the tax residencies of those certificated shareholders that are tax resident in countries outwith the UK that have signed up to the Common Reporting Standard.

All new shareholders, excluding those whose shares are held in CREST, will be sent a certification form by the Registrar to complete. Existing shareholders may also be contacted by the Registrar should any extra information be needed to correctly determine their tax residence.

Failure to provide this information may result in the holding being reported to HMRC.

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

Data Protection

The Company is committed to ensuring the protection of any personal data provided to them. Further details of the Company's privacy policy can be found on the Company's website at artemisalphatrust.co.uk.

Reporting Calendar

Year End

30 April

Results Announced

Interim: December
Annual: July/August

Dividends Payable

January and September/October

Annual General Meeting

September/October

Securities Financing Transactions Regulation ("SFTR")

The Company has not entered into securities financing transactions or total return swaps as defined by the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the "SFT Regulation").

Glossary

Administrator

Is an entity that provides certain services to support the operation of an investment fund or investment company. These services include, amongst other things, settling investment transactions, maintaining accounting books and records and calculating daily net asset values. For the Company, Northern Trust is the administrator.

Alternative Investment Fund Managers Directive (AIFMD)

Is a European Union directive that applies to certain types of investment funds, including investment companies.

Alternative Investment Fund Manager (AIFM)

Is an entity that provides certain investment services, including portfolio and risk management services. For the Company, Artemis Fund Managers Limited is the AIFM.

Alternative Performance Measure ('APM')

An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Banker and Custodian

Is a bank that is responsible for holding an investment fund's or investment company's assets and securities and maintaining their bank accounts. For the Company, Northern Trust is the banker and custodian.

Contracts for Difference ("CFDs")

CFDs are derivative instruments which provide exposure to underlying equities.

CFDs provide investors with the benefits and risks of owning a security without actually owning it. There is no delivery of physical goods or securities, which means that CFDs are generally regarded as an easier method of settlement because losses and gains are paid in cash.

Depositary

Is a financial institution that provides certain fiduciary services to investment funds or investment companies. The AIFMD requires that investment funds and investment companies have a depositary appointed to safe-keep their assets and oversee their affairs to ensure that they comply with obligations in relevant laws and constitutional documents. For the Company, Northern Trust is the depositary.

Discount/Premium

If the share price of an investment trust is lower than the net asset value per share, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage of the net asset value per share. If the share price is higher than the net asset value per share, the shares are said to be trading at a premium.

Gearing

Gearing is the process whereby changes in the total assets of a company have an exaggerated effect on the net assets of that company's ordinary shares due to the use of borrowings.

The Company's position is set out below:

	2023 £'000	2022 £'000
Net assets	119,817	124,101
Gross exposure of CFDs	21,763	16,068
Net cash and cash equivalents	(5,723)	(4,359)
	135,857	135,810
Net assets	119,817	124,101
Net gearing	**13.4%**	**9.4%**
Net cash	**0.0%**	**0.0%**

Leverage

Leverage is defined in the AIFMD as any method by which an AIFM increases the exposure of an Alternative Investment Fund it manages, whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

There are two measures of calculating leverage:

- the gross method, which does not reduce exposure for hedging; and
- the commitment method, which reduces exposure for hedging.

Net asset value

Net asset value represents the total value of the Company's assets less the total value of its liabilities, and is normally expressed on a per share basis.

Ongoing charges

Total expenses (excluding finance costs and taxation) incurred by the Company as a percentage of average net asset values.

	2023 £'000	2022 £'000
Investment management fee	769	1,094
Other expenses	464	566
Total expenses	1,233	1,660
Average net assets	**114,340**	**157,781**
Ongoing charges	**1.08%**	**1.01%**

Ongoing charges are based on expenses over the prior twelve month period and so may be slightly different to the arithmetic calculation.

Ongoing charges are calculated using the methodology recommended by the AIC.

Total return

The total return on an investment is made up of capital appreciation (or depreciation) and any income paid out (which is deemed to be reinvested) by the investment. Measured over a set period, it is expressed as a percentage of the value of the investment at the start of the period.

Net asset value total return for the year ended

	2023	2022
Opening net asset value	367.65p	476.17p
Closing net asset value	366.02p	367.65p
Dividends paid	5.79p	5.33p
	1.3%	**(21.9)%**

Share price total return for the year ended

	2023	2022
Opening share price	329.00p	442.50p
Closing share price	319.00p	329.00p
Dividends paid	5.79p	5.33p
	(1.2)%	**(24.8)%**

The total returns percentages assumes that dividends paid out by the Company are re-invested into shares at the value on the ex-dividend date and so the figure will be slightly different to the arithmetic calculation.

Investment Manager, Company Secretary and Advisers

Registered Office

Artemis Alpha Trust plc
Artemis Investment Management LLP
Cassini House
57-59 St James's Street
London SW1A 1LD

An investment company as defined under Section 883 of the Companies Act 2006.

Registered in England Number: 253644

Website: artemisalphatrust.co.uk

Email: alpha.chairman@artemisfunds.com

Investment Manager, Alternative Investment Fund Manager and Company Secretary

Artemis Fund Managers Limited
Cassini House
57-59 St James's Street
London SW1A 1LD

The Investment Manager is authorised and regulated by the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN.

Tel: 0800 092 2051
Email: investor.support@artemisfunds.com

Registrar

Link Group
Central Square
29 Wellington Street
Leeds LS1 4DL

Shareholder enquiries: 0371 664 0300 calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Registrar is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales).

Administrator

The Northern Trust Company, London Branch
50 Bank Street
Canary Wharf
London E14 5NT

Banker & Custodian

The Northern Trust Company, London Branch
50 Bank Street
Canary Wharf
London E14 5NT

Depositary

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

Independent Auditor

Johnston Carmichael LLP
7-11 Melville Street
Edinburgh EH3 7PE

Tax adviser

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

Solicitors

Dickson Minto W.S.
Broadgate Tower
Primrose Street
London EC2A 2EW

Broker

Singer Capital Markets Advisory LLP
One Bartholomew Lane
London EC2N 2AX

An investment company as defined under section 833 of the Companies Act 2006.

Registered in England No. 253644

Artemis Fund Managers Limited
Cassini House, 57 St James's Street, London SW1A 1LD
6th floor, Exchange Plaza, 50 Lothian Road, Edinburgh EH3 9BY

Sales Support 0800 092 2090
Facsimile 020 7399 6498

Client Services 0800 092 2051
Facsimile 0845 076 2290

Website www.artemisfunds.com

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