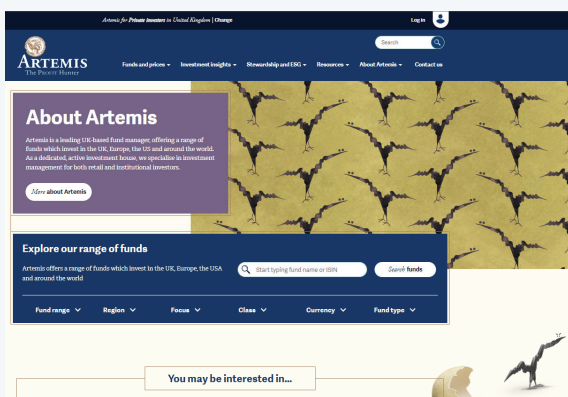


Artemis Strategic
Assets Fund

Half-Yearly Report (unaudited)
for the six months ended 29 February 2024

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GENERAL INFORMATION

Company profile

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

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

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

The firm now manages some £24.6 billion* across a range of funds, an investment trust and both pooled and segregated institutional portfolios.

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

* Source: Artemis as at 31 March 2024

Fund status

Artemis Strategic Assets Fund was constituted by a Trust Deed dated 7 April 2009 and is an authorised unit trust scheme under the Financial Services and Markets Act 2000. The fund belongs to the category of UCITS schemes as defined in the Collective Investment Schemes Sourcebook ('COLL') of the Financial Conduct Authority ('FCA').

Buying and selling

Units may be bought and sold by contacting the manager by telephone, at the address on page 6 or via the website **artemisfunds.com**. Valuation of the fund takes place each dealing day at 12 noon on a forward pricing basis. The current list of non-dealing days impacting the fund is published on our website at www.artemisfunds.com/non-dealing-days. Investors are reminded that past performance is not a guarantee of performance in the future and that the price of units and the revenue from them can fall as well as rise.

OBJECTIVE AND INVESTMENT POLICY

Objective	To grow the value of your investment by greater than 3% above the Consumer Price Index (CPI) per annum after fees over a minimum five year period, by strategically allocating the fund's assets within a diversified range of asset classes in markets around the world. There is no guarantee that the objective will be achieved over this or any other time period, and your capital is at risk.		Investment strategy	<ul style="list-style-type: none"> • The fund is actively managed. • The manager will use its discretion to actively manage the portfolio and the proportion of the fund's assets which are invested in each asset class in response to the manager's view of market conditions and its analysis of macro-economic factors. • The fund allocates to, and selects investments in, different asset classes, geographies, industries and individual companies and issuers with the aim of performing well when markets are favourable and preserving capital when markets are poor. For example, if the manager believes that bond market conditions are less favourable then the fund's net bond exposure can be reduced by short-selling bonds or by investing a higher proportion of the fund's assets in asset classes other than bonds.
Investment policy	What the fund invests in	<p>The fund may invest directly, or indirectly via derivatives, in the following instruments:</p> <ul style="list-style-type: none"> • Exchange traded funds and notes • Company shares • Fixed interest securities (also known as bonds), whether issued by a company, a government or another entity • Other funds managed by Artemis • Money market instruments, cash and near cash. 	Benchmarks	<ul style="list-style-type: none"> • UK Consumer Price Index (UK CPI) +3% UK CPI is a widely-used indicator of UK inflation. It acts as a 'target benchmark' that the fund aims to outperform by at least 3% over at least five years. • IA Flexible Investment NR A group of asset managers' funds that invest in similar asset types as this fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark.
	Use of derivatives	<p>The fund may use derivatives:</p> <ul style="list-style-type: none"> • For investment purposes to take both long and short positions. This may include: futures, options, forwards and total return swaps on both exchange traded and over the counter (i) equity and fixed interest securities (whether individual securities or baskets or indices to obtain wider market exposure); and (ii) currencies other than Pound Sterling • to produce additional income or growth • to reduce risk • to manage the fund efficiently • to create leverage. 		
	Where the fund invests	<ul style="list-style-type: none"> • The fund may invest within the UK and internationally and the Manager will not be restricted in the choice of investments either by industry or the geographical spread of the portfolio 		
	Industries the fund invests in	<ul style="list-style-type: none"> • Any 		
	Other limitations specific to this fund	<ul style="list-style-type: none"> • The fund may gain exposure of up to 100% of the fund's Net Asset Value (calculated on a net exposure basis) in any combination of equities, bonds, property or commodities (indirectly). • Investments in money market instruments, cash and near cash will lie in a range of 0%-100% of the fund's Net Asset Value. • The fund will not typically be net short equities. However, in volatile market conditions the fund may be net short equities, but never exceeding 50% of the fund's Net Asset Value. • The fund may have a net short exposure (up to 100%) to bonds. • Total gross exposure to currencies other than Pound Sterling (long and short) via FX forwards, FX futures, exchange traded funds, and cash or cash equivalents, shall lie in the range of 0% - 200% of the fund's Net Asset Value. 		

RISK AND REWARD PROFILE



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

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

- **Market volatility risk:** The value of the fund and any income from it can fall or rise because of movements in stockmarkets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
- **Currency risk:** The fund's assets may be priced in currencies other than the fund base currency. Changes in currency exchange rates can therefore affect the fund's value.
- **Derivatives risk:** The fund may invest extensively in derivatives with the aim of profiting from falling ('shorting') as well as rising prices. Should the asset's value vary in an unexpected way, the fund value will reduce. Refer to the investment policy in fund's prospectus for further details on how derivatives may be used.
- **Leverage risk:** The fund may operate with a significant amount of leverage. Leverage occurs when the economic exposure created by the use of derivatives is greater than the amount invested. A leveraged portfolio may result in large fluctuations in its value and therefore entails a high degree of risk including the risk that losses may be substantial.
- **Cash risk:** The fund may hold a large amount of cash. If it does so when markets are rising, the fund's returns could be less than if the cash was fully invested in other types of assets.
- **Government and public securities risk:** The fund may invest more than 35% of its value in transferable securities and money market instruments issued or guaranteed by the United Kingdom, United States or Germany. Refer to the investment policy in the fund's prospectus for further details on how large exposures to government and public securities may be held.

The risk indicator changed from 6 to 5 in the six months to 29 February 2024.

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

OTHER INFORMATION

Prospectus

Copies of the most recent Prospectus are available free of charge from the manager at the address on page 6.

Tax information reporting

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

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

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

Value assessment

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

Manager

Artemis Fund Managers Limited *
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Dealing information:

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Trustee and Depositary

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

Registrar

Northern Trust UK Global Services SE †
50 Bank Street
Canary Wharf
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Auditor

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Atria One
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Edinburgh
EH3 8EX

*Authorised and regulated by the FCA,
12 Endeavour Square, London E20 1JN.

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

Report of the manager

We hereby approve the Half-Yearly Report of the Artemis Strategic Assets Fund for the six months ended 29 February 2024 on behalf of Artemis Fund Managers Limited in accordance with the requirements of COLL as issued and amended by the FCA.

M J Murray
Director
Artemis Fund Managers Limited
London
25 April 2024

S Dougall
Director

INVESTMENT REVIEW

The wider context: Equity and bond markets supported by expectations of lower interest rates

We believe we are moving into a period when inflation in developed markets is falling towards central banks' targets, and this gives them greater flexibility to reduce interest rates in response to any signs of weaker growth. Once rates start to be cut, then equities and bonds typically respond well. Companies have also reported strong earnings, particularly in the technology sector, which will provide further support to equity markets.

The picture for European equities is less clear. They should benefit from the European Central Bank cutting rates, which we think could be ahead of the US Federal Reserve given Europe's relative economic weakness. But the economy has structural problems in the automotive and manufacturing sectors. As one of Germany's largest trading partners, the continued slowdown in Chinese demand is likely to persist in depressing activity in the European manufacturing sector, and the region's energy costs remain highly susceptible to unpredictable geopolitical events.

Main changes to the fund

A new management team took over the strategy in June 2023 and has since been implementing a new investment approach. This combines Market Driver Models (MDM), which are high-conviction trade ideas, with currency (FX) mispricing and other Price Based Signals (PBS) to provide additional sources of uncorrelated return and diversification.

The highest-conviction positions at the end of the reporting period were:

- **Long European and US equities.** Within the MDM portfolio we have a broadly pro-risk positioning with outright longs in European and US equities plus a long in European equities vs. German government bonds.
- **Short emerging market equities vs. US equities.** The MDM reflects high conviction in the underperformance of emerging markets vs. US equities over the short term. This position has performed well and we believe it can continue to deliver.
- **Long Swedish and Norwegian Krone, and short Czech Koruna.** Our FX models are positive on the Swedish and Norwegian currencies versus sterling and negative on the Czech currency relative to sterling.

Explaining the fund's performance

The fund returned 0.9%¹ over the reporting period. In so doing, it lagged its performance target of CPI +3%, which returned 1.5%.

Past performance is not a guide to the future.

¹ Source: Artemis/Lipper Limited, class I accumulation units, in sterling with dividends and/or income reinvested to 29 February 2024, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the sector benchmark. Sector is IA Flexible Investment.

A standout trade over the period has been the short emerging markets vs. US equity position. The MDM continues to reflect a high conviction in the underperformance of emerging markets vs. US equities over the shorter term. This position has performed well but we believe it can continue to deliver.

Positive equity market performance supported both investment-grade and high-yield bond markets, which helped our position in credit spreads (the difference in yield between corporate bonds and government bonds, reflecting their higher risk).

Elsewhere, our materials equity sector trade and a position in two-year US government bonds were the top contributors.

Our FX positions made a negative contribution over the period. Positive contributions from our short Czech Koruna and Australian Dollar exposures were unable to offset the negative contribution from the long Yen position and short Polish Zloty positions.

Low correlations to traditional asset classes

The fund continues to demonstrate low correlation to traditional assets, a key objective of the strategy. Since the change in fund manager in June 2023, the fund has shown a low correlation to equities, bonds, and commodities:

	Artemis Strategic Assets Fund	Commodities	Global Credit	UK Equities	UK Gov Bonds	US Equities	US Gov Bonds
Artemis Strategic Assets Fund	1.00	0.09	0.16	0.17	0.20	0.19	0.14
Commodities	0.09	1.00	0.30	0.46	0.16	0.23	0.20
Global Credit	0.16	0.30	1.00	0.47	0.79	0.58	0.95
UK Equities	0.17	0.46	0.47	1.00	0.55	0.53	0.42
UK Gov Bonds	0.20	0.16	0.79	0.55	1.00	0.38	0.81
US Equities	0.19	0.23	0.58	0.53	0.38	1.00	0.49
US Gov Bonds	0.14	0.20	0.95	0.42	0.81	0.49	1.00

Source: Bloomberg, Artemis 29 February 2024

INVESTMENT INFORMATION

Ten largest purchases and sales for the six months ended 29 February 2024

Purchases	Cost £'000	Sales	Proceeds £'000
UK Treasury 0.00% 15/04/2024	28,268	UK Treasury 0.00% 29/01/2024	29,325
UK Treasury 0.00% 13/05/2024	28,044	UK Treasury 0.00% 02/10/2023	28,750
UK Treasury 0.00% 15/07/2024	27,349	UK Treasury 0.00% 23/10/2023	28,750
UK Treasury 0.00% 20/11/2023	24,824	UK Treasury 0.00% 22/01/2024	25,279
UK Treasury 0.00% 28/05/2024	23,406	UK Treasury 0.00% 20/11/2023	25,000
UK Treasury 0.00% 24/06/2024	21,529	UK Treasury 0.00% 15/01/2024	23,850
UK Treasury 0.00% 07/05/2024	10,229	UK Treasury 0.00% 30/10/2023	8,000
UK Treasury 0.00% 04/04/2024	7,793	UK Treasury 0.00% 06/11/2023	8,000
UK Treasury 0.00% 10/06/2024	4,021	UK Treasury 0.00% 27/11/2023	3,750
UK Treasury 0.00% 27/11/2023	3,720	UK Treasury 0.00% 13/11/2023	2,500

Portfolio statement as at 29 February 2024

	Holding/ nominal value	Global exposure [^] £'000	Valuation £'000	% of net assets
Equities 0.00% (0.84%)				
United Kingdom 0.00% (0.84%)				
Government Bonds 93.92% (89.08%)				
United Kingdom 93.92% (89.08%)				
UK Treasury 0.00% 15/04/2024	£29,000,000		28,815	14.31
UK Treasury 0.00% 29/04/2024	£8,000,000		7,933	3.94
UK Treasury 0.00% 07/05/2024	£10,500,000		10,400	5.16
UK Treasury 0.00% 13/05/2024	£28,750,000		28,452	14.13
UK Treasury 0.00% 28/05/2024	£23,850,000		23,553	11.70
UK Treasury 0.00% 10/06/2024	£4,100,000		4,041	2.01
UK Treasury 0.00% 24/06/2024	£22,000,000		21,643	10.75
UK Treasury 0.00% 15/07/2024	£28,000,000		27,464	13.64
United Kingdom Gilt 1.00% 22/04/2024	£37,032,000		36,818	18.28
			189,119	93.92
Government Bonds total				
			189,119	93.92
Futures 0.45% ((0.03%))				
CME Emini Financials 15/03/2024	(127)	(12,490)	(1,050)	(0.52)
Emini S&P 500 15/03/2024	171	34,273	1,780	0.88
Euro-BTP 15/03/2024	177	17,753	20	0.01
Euro-Bund 11/03/2024	(192)	(21,678)	282	0.14
Euro-STOXX 15/03/2024	837	17,749	355	0.18
ICUS MSCI 15/03/2024	(355)	(14,302)	(463)	(0.23)
Long Gilt 26/06/2024	34	3,295	(10)	(0.01)
Futures total		24,600	914	0.45
Swaps 0.85% (0.30%)				
Credit Default Swap J.P. Morgan Buy CDX North American High Yield 5.00% 20/12/2028	40,500,000	32,014	1,976	0.98
Credit Default Swap J.P. Morgan Buy iTraxx Crossover 5.00% 20/12/2028	14,000,000	11,990	(920)	(0.45)
Credit Default Swap J.P. Morgan Buy iTraxx Europe 1.00% 20/12/2028	81,600,000	69,886	1,371	0.68
Interest Rate Swap J.P. Morgan Pay fixed 3.76% Receive floating SOFR 1 day 07/02/2034	35,000,000	27,667	353	0.18
Interest Rate Swap J.P. Morgan Pay fixed 3.91% Receive floating SOFR 1 day 06/12/2033	20,000,000	15,810	38	0.02
Interest Rate Swap J.P. Morgan Pay floating SOFR Receive fixed 4.29% 1 day 07/02/2026	151,000,000	119,363	(724)	(0.36)

	Holding/ nominal value	Global exposure [^] £'000	Valuation £'000	% of net assets
Swaps 0.85% (0.00%) (continued)				
Interest Rate Swap J.P. Morgan Pay floating SOFR Receive fixed 4.45% 1 day 06/12/2025	86,000,000	67,981	(394)	(0.20)
Swaps total		344,711	1,700	0.85
Forward Currency Contracts (0.18%) (0.00%)				
Buy Euro 3,000,000, sell Sterling 2,564,901 dated 05/03/2024			4	–
Buy Japanese Yen 3,422,000,000, sell Sterling 18,494,071 dated 05/03/2024			(455)	(0.22)
Buy New Zealand Dollar 34,000,000, sell Sterling 16,363,028 dated 05/03/2024			(16)	(0.01)
Buy Norwegian Krone 61,000,000, sell Sterling 4,592,640 dated 05/03/2024			(49)	(0.02)
Buy Sterling 10,809,331, sell Australian Dollar 21,000,000 dated 05/03/2024			21	0.01
Buy Sterling 16,774,985, sell Czech Koruna 490,000,000 dated 05/03/2024			226	0.11
Buy Sterling 16,331,404, sell Polish Zloty 83,000,000 dated 05/03/2024			(140)	(0.07)
Buy Swedish Krona 26,000,000, sell Sterling 1,964,386 dated 05/03/2024			22	0.01
Buy US Dollar 6,502,974, sell Chinese Yuan Renminbi 46,700,000 dated 05/03/2024			21	0.01
Forward Currency Contracts total			(366)	(0.18)
Investment assets (including investment liabilities)			191,367	95.04
Net other assets			10,004	4.96
Net assets attributable to unitholders			201,371	100.00

The comparative percentage figures in brackets are as at 31 August 2023.

[^] 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.

FINANCIAL STATEMENTS

Statement of total return for the six months ended 29 February 2024

	29 February 2024		28 February 2023	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(2,442)		26,966
Revenue	5,577		2,451	
Expenses	(767)		(1,396)	
Interest payable and similar charges	(245)		(767)	
Net revenue before taxation	4,565		288	
Taxation	–		(80)	
Net revenue after taxation		4,565		208
Total return before distributions		2,123		27,174
Distributions		(154)		(39)
Change in net assets attributable to unitholders from investment activities		1,969		27,135

Statement of change in net assets attributable to unitholders for the six months ended 29 February 2024

	29 February 2024		28 February 2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		211,406		217,483
Amounts receivable on issue of units	4,484		3,255	
Amounts payable on cancellation of units	(16,488)		(28,711)	
		(12,004)		(25,456)
Dilution adjustment		–		28
Change in net assets attributable to unitholders from investment activities		1,969		27,135
Closing net assets attributable to unitholders		201,371		219,190

Balance Sheet as at 29 February 2024

	29 February 2024	31 August 2023
	£'000	£'000
Assets		
Fixed assets		
Investments	195,588	191,530
Current assets		
Debtors	561	424
Cash and cash equivalents	12,701	21,587
Total current assets	13,262	22,011
Total assets	208,850	213,541
Liabilities		
Investment liabilities	4,221	849
Creditors		
Bank overdraft	2,697	625
Other creditors	561	661
Total creditors	3,258	1,286
Total liabilities	7,479	2,135
Net assets attributable to unitholders	201,371	211,406

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014 and amended in June 2017.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 August 2023 as set out therein.

2. Post balance sheet event

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

Fund sizes & net asset values

Date	Net asset value of fund (£)	Net asset value per unit (p)	Units in issue
31 August 2021	246,151,918		
C accumulation		80.10	3,345,167
I accumulation		87.47	159,230,422
R accumulation		79.74	130,661,061
31 August 2022	217,482,792		
C accumulation		80.38	2,918,293
I accumulation		88.17	138,766,332
R accumulation		79.78	116,295,038
31 August 2023	211,406,399		
C accumulation		90.62	2,778,846
I accumulation		99.85	204,581,653
R accumulation		89.67	5,138,395
29 February 2024	201,370,549		
C accumulation		91.38	2,534,960
I accumulation		100.91	193,036,300
R accumulation		90.28	4,723,396

Ongoing charges

Class	29 February 2024
C accumulation	1.174%
I accumulation	0.724%
R accumulation	1.474%

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

Securities Financing Transactions Regulations (“SFTR”)

The fund may enter into total return swaps. No such transactions have been entered into as at 29 February 2024.

Class I accumulation performance

	Since launch*	10 years	5 years	3 years	1 year	6 months
Artemis Strategic Assets Fund**	112.2	28.5	18.4	20.1	1.0	0.9
Artemis Strategic Assets Fund***	112.3	28.7	19.4	21.1	1.2	0.9
UK CPI +3%	132.5	76.2	41.9	31.0	5.8	1.5
IA Flexible Investment Average	180.2	75.3	31.2	10.5	6.6	6.7
Position in sector	41/44	66/69	81/96	20/112	115/131	129/133
Quartile	4	4	4	1	4	4

Past performance is not a guide to the future.

* Data from 26 May 2009. Source: Lipper Limited, class I accumulation units, in sterling to 29 February 2024. All performance figures show total returns with dividends and/or income reinvested, net of all charges. Sector is IA Flexible Investment. This class may have charges or a hedging approach different from those in the IA sector benchmark.

** Value at 12 noon valuation point.

*** Value at close of business.

Class I accumulation is disclosed as it is the primary unit class.

Artemis Fund Managers Limited

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