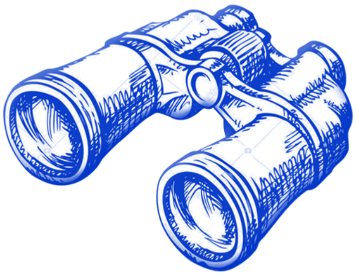
ARTEMIS
The PROFIT Hunter



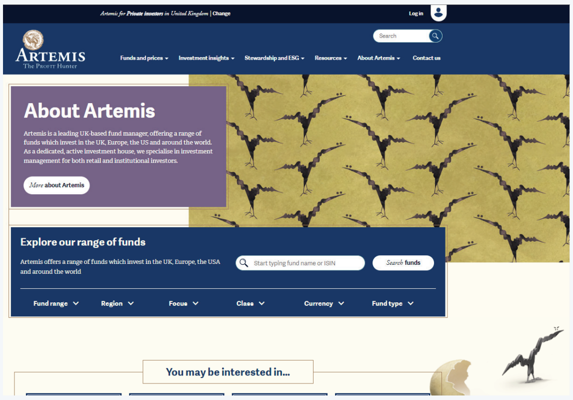
Artemis Global Income *Fund*

Manager's Report
and Financial Statements

for the year ended 31 July 2024

Keep up to date …

… with the performance of this and other Artemis funds throughout the year on Artemis' website



- Monthly fund commentaries and factsheets
- Market and fund insights
- Fund briefings and research articles
- Daily fund prices
- Fund literature

artemisfunds.com

General information

Company profile

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

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

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

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

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

* Source: Artemis as at 31 August 2024

Fund status

Artemis Global Income Fund was constituted by a Trust Deed dated 1 June 2010 and is an authorised unit trust scheme under the Financial Services and Markets Act 2000. The fund belongs to the category of UK UCITS schemes as defined in the Collective Investment Schemes Sourcebook ('COLL') of the Financial Conduct Authority ('FCA').

Buying and selling

Units may be bought and sold by contacting the manager by telephone, at the address on page 5 or via the website **artemisfunds.com**. 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 both income and capital over a five year period.	
Investment policy	**What the fund invests in**	• 80% to 100% in company shares. • Up to 20% in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives.
	Use of derivatives	The fund may use derivatives for efficient portfolio management purposes to: • reduce risk • manage the fund efficiently.
	Where the fund invests	• Globally
	Industries the fund invests in	• Any
	Other limitations specific to this fund	• None
Investment strategy	• The fund is actively managed. • The manager favours companies which exhibit strong levels of free cashflow generation (cash that is left over after a company pays for its operating and capital expenditures which can be returned to investors through dividends and share buybacks) relative to other companies in the market, dividend distribution and dividend growth. • Detailed financial review of companies and wider economic analysis is also undertaken.	
Benchmarks	• **MSCI AC World NR GBP** A widely-used indicator of the performance of global stockmarkets, in which the fund invests. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark. • **IA Global Equity Income NR** A group of other asset managers' funds that invest in similar asset types as this fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark.	

Risk and reward profile

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

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

- **Market volatility risk:** The value of the fund and any income from it can fall or rise because of movements in 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.
- **Income risk:** The payment of income and its level is not guaranteed.
- **Emerging markets risk:** Compared to more established economies, investments in emerging markets may be subject to greater volatility due to differences in generally accepted accounting principles, less governed standards or from economic or political instability. Under certain market conditions assets may be difficult to sell.
- **Charges from capital risk:** Where charges are taken wholly or partly out of a fund's capital, distributable income may be increased at the expense of capital, which may constrain or erode capital growth.

There was no change to the risk indicator in the year to 31 July 2024.

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

Other information

Prospectus

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

Remuneration

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

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

The remuneration policies which apply to all partners and staff across the group are overseen by the Remuneration Committee. The members of the Remuneration Committee are all non-executive officers. The Remuneration Committee is responsible for setting and overseeing the implementation of Artemis' remuneration policy, including approving the remuneration of partners and other senior staff. The Remuneration Committee will regularly review the remuneration policy to ensure it remains appropriate. The Remuneration Committee considers inputs from Artemis' Risk and Compliance functions when reviewing remuneration issues, including any risk adjustments or controls considered necessary.

The Artemis remuneration period runs from 1 January to 31 December. Certain partners and staff are classified as 'Identified Staff' as their professional activities have a material impact on the risk profile of the firm. The payment of some of their variable remuneration (which may include profit share for partners) is deferred. Further, Artemis has the ability to reduce all or part of deferred variable remuneration that has been previously allocated to identified staff both (a) before the end of the vesting period and (b) within two years following the payment of any elements of variable remuneration.

No staff are employed by AFML directly. Staff are employed and paid by other entities of Artemis. Artemis has apportioned the total amount of remuneration paid to all 232 Artemis partners and staff in respect of AFML's duties performed for the UCITS schemes based on the number of funds. It has estimated that the total amount of remuneration paid in respect of duties for the funds for the year ended 31 December 2023 is £916,539 of which £422,204 is fixed remuneration and £494,335 is variable remuneration.

The aggregate amount of remuneration paid to UCITS Remuneration Code and Identified Staff that is attributable to duties for the funds for the year ended 31 December 2023 is £331,326. Code and Identified Staff are those senior individuals whose managerial responsibilities or professional activities could influence, and have a material impact on, the overall risk profile of each regulated entity and the funds it manages.

For the purposes of UCITS Remuneration Code, the AFML Code staff are the members of Artemis' Management and Executive Committees, certain fund managers and others in specified roles. This includes certain individuals who are partners in Artemis Investment Management LLP.

Tax information reporting

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

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

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

Value assessment

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

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

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

Manager

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

Dealing information:
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Sunderland SR43 4BH
Telephone: 0800 092 2051
Website: artemisfunds.com

Investment adviser

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

Trustee and Depositary

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

Registrar

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

Auditor

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

*Authorised and regulated by the Financial Conduct Authority.

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

Statements of responsibilities

Statement of the Trustee's Responsibilities in respect of the Scheme and Report of the Trustee to the Unitholders of the Artemis Global Income Fund ("the Trust") for the year ended 31 July 2024.

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

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

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

The Trustee must ensure that:

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

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

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

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

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

Northern Trust Investor Services Limited
London
1 October 2024

Statement of the manager's responsibilities

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

In preparing the financial statements the manager is required to:

(i) select suitable accounting policies and then apply them consistently;

(ii) comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014 ('SORP');

(iii) follow applicable accounting standards;

(iv) keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;

(v) make judgements and estimates that are reasonable and prudent; and

(vi) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the fund will continue in operation.

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

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

Report of the manager

We hereby approve the Manager's Report and Financial Statements of the Artemis Global Income Fund for the year ended 31 July 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
1 October 2024

S Dougall
Director

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

Opinion

We have audited the financial statements of the Artemis Global Income Fund ("the Fund") for the year ended 31 July 2024, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which includes a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 31 July 2024 and of the net revenue and the net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

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

In our opinion:

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Manager

As explained more fully in the Manager's responsibilities statement set out on page 6, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our approach was as follows:

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

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

Use of our report

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

Ernst & Young LLP
Statutory Auditor
Edinburgh
1 October 2024

Investment Review

Performance: ahead of the index and our peers

Over the 12 months covered by this report, the Artemis Global Income Fund returned 30.5%, significantly ahead of both the MSCI AC World Index, which returned 17.2%, and its peer group, the IA's Global Equity Income sector, where the average return was 12.6%[1].

Major contributors: defence contractors and gold miners

Regrettably, we live in an increasingly turbulent world. Its defining features include war in Ukraine, bitter conflict in the Middle East and simmering geopolitical tensions in Asia. This is one of the reasons why the fund's investments in Mitsubishi Heavy Industries, Rheinmetall and BAE Systems have performed so well, returning 159%, 93% and 43% respectively over the course of the year. After a long period of underinvestment in military hardware, Rheinmetall's CEO recently suggested that Europe will not be in a position to fully defend itself against an aggressor for another decade[2]. The investment that will be needed to address this shortfall – and to replenish Europe's depleted stockpiles of ammunition – should keep defence companies busy for years to come.

Semiconductor and software group Broadcom (up 71%) has been a beneficiary of the rush to build AI-related infrastructure, including datacentres. Unusually for a technology company, it pays dividends to its shareholders, making it one of the few companies that we find attractive in this part of the market. Growth in its dividend has been strong, with its quarterly payouts to its shareholders having trebled from $1.75 per share in 2018 to $5.25 today.

Elsewhere, our holding in building materials group CRH returned 49% over the year. This is one of several companies in the fund that has benefited from the recent US manufacturing boom. In a presentation accompanying its results, the company noted "robust infrastructure activity underpinned by a historic increase in government funding" and looked ahead to what it describes as "a golden age for construction".

A number of financial stocks also made a useful contribution to the fund's returns over the year, with Spanish bank BBVA being the standout performer. Its shares returned 43% over the year as the rapid growth of its business in Latin America continued[3].

Main detractors: not owning Nvidia, Amazon or Meta

In what was an overwhelmingly positive year for the fund, its lack of exposure to large US technology stocks weighed on its performance relative to the benchmark index. Given their modest (or non-existent) dividends, companies such as Nvidia (up 151%), Amazon (up 40%) and Meta (up 50%) are not natural investments for a fund designed to deliver income.

Set against that, the main negative among the stocks the fund does hold was US food producer Archer Daniels Midland (ADM), whose shares fell by 26%. That reflected two main factors. First, its decision to delay an earnings release due to a probe into accounting practices in its nutrition division. While the company subsequently revealed that the overstatement of profits had been relatively minor, this hurt sentiment. Second, recent trends in the commodity markets in which ADM operates have not been helpful. The price of foodstuffs spiked higher following Russia's invasion of Ukraine, providing a temporary boost to ADM's profits. More recently, however, food prices have normalised. Despite this, for a number of reasons – including the impact of climate change on crop yields – we view a long-term downtrend in food prices as unlikely.

Main changes to the fund: adding gold miners and taking profits on this year's best performers

We have added two gold mining companies to the portfolio. While the gold price recently hit new all-time highs[4], the rise in the share prices of companies that produce it, such as Newmont and Kinross Gold, have been more modest. In part, this has been due to cost pressures and problems in their supply chains. We believe these pressures are now easing. The fiscal stimulus taps in the US, meanwhile, remain firmly jammed in the 'on' position, with the national debt forecast to expand by around US$1 trillion every 100 days. This may, in time, begin to call into question the dollar's status as a store of value and so provide long-term support to the gold price.

We added to our holding in French infrastructure giant Vinci when share prices across the French market fell in reaction to a surge in popularity for the far right in European elections. The sell-off in Vinci was particularly pronounced due to concerns around what a hypothetical government led by Marine Le Pen might mean for its toll-road monopoly. Her party, National Rally, floated the prospect of nationalisation in its 2022 manifesto. Our interpretation of the first round of the French election was that National Rally would be unlikely

Past performance is not a guide to the future.

[1] Source: Artemis/Lipper Limited, class I distribution units to 31 July 2024. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.

[2] Europe needs a decade to build up arms stocks, says defence firm boss - BBC News

[3] https://www.bbva.com/wp-content/uploads/2024/01/BBVA-Quarterly-Report-4Q23.pdf

[4] Reuters - Gold surges as Middle East tensions spur safe-haven rush

to secure a majority, so we viewed the sell-off as a buying opportunity. Although France now likely faces a long and unhelpful period of political gridlock, the good news is that the threat of radical policies (such as the nationalisation of Vinci) has receded for now.

We sold Spanish bank BBVA, which had performed well since we invested in it towards the end of 2022. We recycled the capital into two smaller European banks: Banco BPM and Caixabank. In effect, we sold a bank that is looking to acquire one of its peers (BBVA recently made an approach for Sabadell) and shifted into two banks that may have the potential to become bid targets.

As the year under review came to an end, we began to sell some of the year's biggest winners, locking in profits by reducing the fund's holdings in Mitsubishi Heavy Industries and Rheinmetall and selling out of Broadcom. Meanwhile, in response to signs that the US economy is slowing, we sold a number of the fund's more economically sensitive 'cyclical' stocks such as Daimler Truck and Hess. Set against that, we increased its exposure to companies with predictable and somewhat recession-proof earnings, by adding to an existing holding in AbbVie and initiating a new position in Roche.

Looking ahead

Equity markets look to be in a tricky position. Some areas of the stockmarket – particularly technology stocks in the US – look somewhat expensive relative to their long-term average. Meanwhile, the odds of recession in the US have increased, with cracks in the economy and labour market beginning to show. There is also political uncertainty in the US, with Trump and Harris almost level pegging in the race for the White House. Equity markets abhor uncertainty, so it is reasonable to expect volatility to remain elevated until the outcome of the election becomes clear.

Longer term, we still believe that we are in a radically different economic and market regime to the one that prevailed prior to the pandemic. It seems clear that inflation and interest rates will be structurally higher going forward than they were in the decade between 2010 and 2020. Nevertheless, the emergence of some mixed signals on the health of the US economy offers a reminder that there will be times when inflation and interest rates move lower. We do not believe, however, that we are returning to a world of zero rates, deflationary worries and quantitative easing.

For a number of years, we have talked about the challenges faced by some of the sectors of the stockmarket that have traditionally been viewed as reliable sources of dividends. These are companies in areas such as consumer staples (food, beverages and tobacco), real estate and pharmaceuticals. However, if a recession is around the corner and interest rates are cut meaningfully, it could be that some of these stocks start to look interesting again given share prices have fallen substantially in recent years. This is something we are actively monitoring.

Jacob de Tusch-Lec and James Davidson
Fund managers

Investment information

Ten largest purchases and sales for the year ended 31 July 2024

Purchases	Cost £'000	Sales	Proceeds £'000
Taiwan Semiconductor Manufacturing, ADR	52,007	Broadcom	91,722
Verizon Communications	50,245	HSBC Holdings	51,846
BlackRock	35,963	Taiwan Semiconductor Manufacturing, ADR	50,490
Ferguson	35,229	Rheinmetall	50,116
AXA	31,339	Banco Bilbao Vizcaya Argentaria	48,264
CRH	31,006	Wells Fargo	45,824
Hess	30,570	BNP Paribas	41,945
Hanwha Aerospace	30,089	Mitsubishi Heavy Industries	41,331
Newmont	29,517	Hess	39,777
Broadcom	29,466	BlackRock	39,138

Portfolio statement as at 31 July 2024

	Holding	Valuation £'000	% of net assets
Equities 98.73% (100.14%)			
Australia 1.89% (0.98%)			
BHP Group	1,251,680	26,711	1.89
		26,711	**1.89**
Austria 1.62% (0.00%)			
Erste Group Bank	563,572	22,920	1.62
		22,920	**1.62**
Brazil 1.26% (3.93%)			
Embraer, ADR	750,609	17,799	1.26
		17,799	**1.26**
Canada 4.12% (1.08%)			
Bank of Nova Scotia	194,063	7,011	0.50
Cameco	461,231	15,904	1.12
Kinross Gold	5,205,160	35,427	2.50
		58,342	**4.12**
France 4.90% (5.33%)			
Accor	586,839	17,777	1.26
AXA	785,809	21,737	1.53
Vinci	332,734	29,866	2.11
		69,380	**4.90**
Germany 6.95% (7.32%)			
Commerzbank	2,428,283	30,840	2.18
Daimler Truck Holding	897,057	27,182	1.92
Rheinmetall	64,830	27,252	1.92
Siemens Energy	595,261	13,167	0.93
		98,441	**6.95**
Greece 1.51% (0.00%)			
National Bank of Greece	3,112,334	21,309	1.51
		21,309	**1.51**
Italy 3.99% (3.82%)			
Banco BPM	4,737,661	25,714	1.82
Intesa Sanpaolo	1,739,271	5,561	0.39
Prysmian	470,168	25,202	1.78
		56,477	**3.99**

	Holding	Valuation £'000	% of net assets
Equities 98.73% (100.14%) (continued)			
Japan 13.93% (12.77%)			
Daiwa Securities Group	1,126,700	7,322	0.52
Japan Post Holdings	1,765,700	14,648	1.03
Kinden	311,100	5,117	0.36
Komatsu	971,300	21,850	1.54
Mitsubishi Heavy Industries	5,784,900	54,681	3.86
Mitsubishi UFJ Financial Group	3,683,000	33,346	2.36
Nikon	845,100	7,564	0.53
Nippon Television Holdings	1,294,000	16,235	1.15
Sompo Holdings	1,440,010	25,770	1.82
Toho	472,255	10,717	0.76
		197,250	**13.93**
Macau 0.00% (1.54%)			
Mexico 0.26% (0.00%)			
Ternium, ADR	130,665	3,604	0.26
		3,604	**0.26**
Netherlands 4.95% (1.51%)			
Aegon	3,804,389	19,301	1.36
ING Groep	1,506,380	21,337	1.51
NN Group	751,562	29,437	2.08
		70,075	**4.95**
Norway 2.32% (1.93%)			
Elopak	3,053,077	8,562	0.60
Var Energi	9,784,293	24,334	1.72
		32,896	**2.32**
Russia 0.00% (0.00%)			
Sberbank of Russia, ADR ^	2,972,186	–	–
		–	**–**
Singapore 0.00% (3.69%)			
South Korea 10.14% (2.72%)			
Hanwha Aerospace	235,857	38,421	2.72
Hyundai Motor	157,883	22,236	1.57
KB Financial Group	515,059	25,608	1.81
Samsung Electronics	904,925	42,893	3.03
Samsung Fire & Marine Insurance	68,307	14,334	1.01
		143,492	**10.14**
Spain 0.71% (4.50%)			
CaixaBank	2,285,387	10,087	0.71
		10,087	**0.71**
Taiwan 0.79% (0.00%)			
Taiwan Semiconductor Manufacturing, ADR	88,308	11,240	0.79
		11,240	**0.79**
United Arab Emirates 1.08% (1.04%)			
Abu Dhabi Commercial Bank	8,147,493	15,235	1.08
		15,235	**1.08**
United Kingdom 9.53% (11.19%)			
Aviva	2,945,829	14,847	1.05
BAE Systems	3,828,937	49,489	3.49
HSBC Holdings	3,164,000	22,062	1.56
Standard Chartered	386,272	2,978	0.21
Tesco	13,685,199	45,585	3.22
		134,961	**9.53**

	Holding	Valuation £'000	% of net assets
Equities 98.73% (100.14%) (continued)			
United States of America 28.78% (36.79%)			
AbbVie	256,632	37,311	2.64
Air Lease	413,750	15,720	1.11
American Express	75,059	14,760	1.04
Archer-Daniels-Midland	145,577	7,084	0.50
Baker Hughes	528,478	15,733	1.11
Corebridge Financial	1,223,279	28,311	2.00
CRH	454,085	29,731	2.10
Equitable Holdings	425,748	14,316	1.01
Ferguson	44,326	7,549	0.53
Fluor	1,098,531	40,147	2.84
General Motors	452,565	15,581	1.10
Hess Midstream	480,637	14,118	1.00
Intel	518,153	12,149	0.86
Lockheed Martin	35,109	14,693	1.04
Marsh & McLennan Cos	33,394	5,785	0.41
Motorola Solutions	45,184	13,906	0.98
Newmont	998,422	36,853	2.60
Oracle	147,541	15,585	1.10
Roche	58,457	14,751	1.04
Ryanair Holdings, ADR	272,421	21,600	1.53
Tenaris	1,162,930	14,554	1.03
Verizon Communications	455,974	14,217	1.00
Zions Bancorp	73,294	2,963	0.21
		407,417	**28.78**
Equities total		**1,397,636**	**98.73**
Forward Currency Contracts (0.03%) ((0.04%))			
Buy US Dollar 305,175,000, sell Euro 281,990,000 dated 16/08/2024		(402)	(0.03)
Forward currency contracts total		**(402)**	**(0.03)**
Investment assets (including investment liabilities)		**1,397,234**	**98.70**
Net other assets		**18,392**	**1.30**
Net assets attributable to unitholders		**1,415,626**	**100.00**

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

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

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Statement of total return for the year ended 31 July 2024

	Note	31 July 2024 £'000	31 July 2024 £'000	31 July 2023 £'000	31 July 2023 £'000
Income					
Net capital gains	3		**286,428**		11,022
Revenue	5	**51,831**		48,955	
Expenses	6	**(10,837)**		(10,767)	
Interest payable and similar charges	7	**(78)**		(43)	
Net revenue before taxation		**40,916**		38,145	
Taxation	8	**(3,998)**		(5,348)	
Net revenue after taxation			**36,918**		32,797
Total return before distributions			**323,346**		43,819
Distributions	9		**(46,293)**		(42,116)
Change in net assets attributable to unitholders from investment activities			**277,053**		1,703

Statement of change in net assets attributable to unitholders for the year ended 31 July 2024

	31 July 2024 £'000	31 July 2024 £'000	31 July 2023 £'000	31 July 2023 £'000
Opening net assets attributable to unitholders		**1,112,118**		1,214,968
Amounts receivable on issue of units	**285,774**		79,485	
Amounts payable on cancellation of units	**(285,093)**		(206,418)	
		681		(126,933)
Dilution adjustment		**21**		25
Change in net assets attributable to unitholders from investment activities		**277,053**		1,703
Retained distribution on accumulation units		**25,753**		22,355
Closing net assets attributable to unitholders		**1,415,626**		1,112,118

Balance Sheet as at 31 July 2024

	Note	31 July 2024 £'000	31 July 2023 £'000
Assets			
Fixed assets			
Investments	10	**1,397,636**	1,113,649
Current assets			
Debtors	11	**25,038**	50,472
Cash and cash equivalents	12	**43,525**	420
Total current assets		**68,563**	50,892
Total assets		**1,466,199**	1,164,541
Liabilities			
Investment liabilities	10	**402**	439
Creditors			
Bank overdraft	13	**210**	17,764
Distribution payable		**13,248**	11,273
Other creditors	14	**36,713**	22,947
Total creditors		**50,171**	51,984
Total liabilities		**50,573**	52,423
Net assets attributable to unitholders		**1,415,626**	1,112,118

Notes to the financial statements

1. Accounting policies

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

(b) Valuation of investments. All investments, including any derivatives, have been valued at 12 noon on the last working day of the accounting period. The last valuation point in the period has been used for the purposes of preparing the report and financial statements and in the manager's opinion there have been no material movements in the fund between the last valuation point and close of business on the balance sheet date. Where a fund invests in markets that are closed for trading at the fund's valuation point, the manager will allow for the net asset value to be adjusted (based on movements of index futures or other suitable proxies in markets closed at the fund valuation point, since the last market close), to reflect more accurately the fair value of the fund's investments. Listed investments are valued at fair value which is generally deemed to be the bid price. Unquoted investments are valued at fair value which is determined by the manager, with reference to the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Guidelines Board. Open forward currency contracts are shown in the portfolio statement at market value and the net losses are reflected within forward currency contracts under net capital gains.

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

(d) Revenue. Dividends receivable from equity and non-equity shares, including Real Estate Investment Trusts ("REITs"), are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. Dividends on unquoted stocks are credited to revenue when the right to receive payment is established. Dividends are recognised gross of any overseas tax. Overseas tax is included as part of the tax charge. A provision is made for any overseas tax not considered recoverable at the balance sheet date, whether due to uncertainty as to receipt either due to circumstances or recovery experience in specific jurisdictions, or due to the significant time lag since the receipt of the dividend. Special dividends are reviewed on a case by case basis when determining if a dividend is to be treated as revenue or capital. It is likely that where a special dividend results in a significant reduction in the capital value of a holding, then the dividend will generally be treated as capital, otherwise this will be recognised as revenue. Income from US REITs is split between revenue and capital depending on the composition of the distribution from the REIT. Bank interest and interest on margin accounts held with brokers is recognised as revenue on an accruals basis.

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

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

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

2. Distribution policy

The distribution policy of the fund is to distribute all available revenue, after deduction of expenses and taxation properly chargeable against revenue. The fund did not satisfy the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 and where applicable will pay a dividend distribution. The manager and the trustee have agreed that 100% of the annual management charge is to be transferred to capital for the purpose of calculating the distribution, as permitted by COLL. The distribution currently payable reflects this treatment. The manager may from time to time, smooth the distribution payments during the accounting period with the balance of revenue (if any) being paid in respect of the final distribution. Gains and losses on investments and derivatives whether realised or unrealised, if taken to capital are not available for distribution. With the exception of the manager's annual management charge, which is directly attributable to each unit class, all income and expenses are apportioned to each unit class pro-rata to the value of the net assets of the relevant unit class on the day that the income or expense is recognised. All available net revenue accounted for in accordance with the above policies is distributed to holders of income units or retained and reinvested for holders of accumulation units. Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.

Distributions which have remained unclaimed by unitholders for six years are credited to the capital property of the fund. Income equalisation applies to the fund. Equalisation applies only to units purchased during the distribution period (group 2 units). It is the average amount of revenue included in the purchase price of group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

3. Net capital gains

	31 July 2024 £'000	31 July 2023 £'000
Non-derivative securities	**286,478**	14,131
Currency gains/(losses)	**3,906**	(1,799)
Capital transaction charges	**–**	9
Forward currency contracts	**(3,956)**	(1,319)
Net capital gains	**286,428**	11,022

4. Direct transaction costs

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

Year ended 31 July 2024

	Principal £'000	Commissions £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	1,555,519	226	793	1,556,538	0.01	0.05
Sales						
Equities	1,558,933	233	346	1,558,354	0.01	0.02
Total		**459**	**1,139**			
Percentage of fund average net assets		**0.04%**	**0.09%**			

Year ended 31 July 2023

	Principal £'000	Commissions £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	1,638,287	226	1,035	1,639,548	0.01	0.06
Sales						
Equities	1,744,434	264	225	1,743,944	0.02	0.01
Total		**490**	**1,260**			
Percentage of fund average net assets		**0.04%**	**0.11%**			

During the year, the fund incurred £nil (2023: £9,000) in capital transaction charges.

Dealing spread

As at the balance sheet date the estimated portfolio dealing spread was 0.11% (2023: 0.08%). This spread represents the difference between the bid and offer prices of each underlying investment expressed as a percentage of the value determined by reference to its offer price.

5. Revenue

	31 July 2024 £'000	31 July 2023 £'000
Overseas dividends	**46,466**	44,044
UK dividends	**4,792**	3,783
Bank interest	**573**	223
Interest on debt securities	**–**	905
Total revenue	**51,831**	48,955

6. Expenses

	31 July 2024 £'000	31 July 2023 £'000
Payable to the manager, associates of the manager and agents of either of them:		
Annual management charge	**9,375**	9,319
Administration fees	**1,462**	1,448
Total expenses	**10,837**	10,767

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

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

7. Interest payable and similar charges

	31 July 2024 £'000	31 July 2023 £'000
Interest payable	**78**	43
Total interest payable and similar charges	**78**	43

8. Taxation

	31 July 2024 £'000	31 July 2023 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	**3,998**	5,348
Total taxation (note 8b)	**3,998**	5,348
b) Factors affecting the tax charge for the year		
Net revenue before taxation	**40,916**	38,145
Corporation tax of 20% (2023: 20%)	**8,183**	7,629
Effects of:		
Irrecoverable overseas tax	**3,998**	5,348
Unutilised management expenses	**1,737**	1,683
Revenue taxable in different periods	**23**	(67)
Overseas withholding tax expensed	**(59)**	(43)
Non-taxable UK dividends	**(958)**	(756)
Non-taxable overseas dividends	**(8,926)**	(8,446)
Tax charge for the year (note 8a)	**3,998**	5,348

c) Provision for deferred tax

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

d) Factors that may affect future tax charges

The fund has not recognised a deferred tax asset of £17,015,000 (2023: £15,278,000) arising as a result of having unutilized management expenses of £84,304,000 (2023: £75,618,000) and non-trade loan relationship deficits of £774,000 (2023: £774,000). It is unlikely that the fund will obtain relief for these in the future so no deferred tax asset has been recognised.

9. Distributions

	31 July 2024 £'000	31 July 2023 £'000
Interim dividend distribution	**16,865**	14,155
Final dividend distribution	**29,634**	25,866
	46,499	40,021
Add: amounts deducted on cancellation of units	**2,851**	3,401
Deduct: amounts added on issue of units	**(3,057)**	(1,306)
Distributions	**46,293**	42,116
Movement between net revenue and distributions		
Net revenue after taxation	**36,918**	32,797
Expenses paid from capital	**9,375**	9,319
	46,293	42,116

The distributions take account of amounts added on the issue of units and amounts deducted on the cancellation of units. Details of the distributions per unit are set out in the distribution tables on page 23.

10. Fair value hierarchy

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

The disclosure is split into the following categories:

Level 1 – Investments with unadjusted quoted prices in an active market;
Level 2 – Investments whose fair value is based on inputs other than quoted prices that are either directly or indirectly observable;
Level 3 – Investments whose fair value is based on inputs that are unobservable (i.e. for which market data is unavailable).

	31 July 2024 Assets £'000	31 July 2024 Liabilities £'000	31 July 2023 Assets £'000	31 July 2023 Liabilities £'000
Level 1	**1,397,636**	**–**	1,113,649	–
Level 2	**–**	**402**	–	439
Level 3*	**–**	**–**	–	–
Total	**1,397,636**	**402**	1,113,649	439

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

11. Debtors

	31 July 2024 £'000	31 July 2023 £'000
Sales awaiting settlement	**12,557**	45,709
Amounts receivable for issue of units	**7,167**	1,689
Accrued revenue	**2,798**	1,402
Overseas withholding tax recoverable	**2,516**	1,672
Total debtors	**25,038**	50,472

12. Cash and cash equivalents

	31 July 2024 £'000	31 July 2023 £'000
Amounts held in liquidity funds	**42,849**	–
Cash and bank balances	**676**	47
Collateral held with brokers	**–**	373
Total cash and cash equivalents	**43,525**	420

13. Bank overdraft

	31 July 2024 £'000	31 July 2023 £'000
Collateral pledged with brokers	**210**	–
Bank overdrafts	**–**	17,764
Total bank overdraft	**210**	17,764

14. Other creditors

	31 July 2024 £'000	31 July 2023 £'000
Purchases awaiting settlement	**32,207**	18,288
Amounts payable for cancellation of units	**3,383**	3,822
Accrued annual management charge	**971**	725
Accrued administration fee payable to the manager	**152**	112
Total other creditors	**36,713**	22,947

15. Contingent liabilities and commitments

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

16. Reconciliation of unit movements

	Units in issue at 31 July 2023	Units issued	Units cancelled	Units converted	Units in issue at 31 July 2024
C distribution	6,306,448	503,249	(607,259)	73,331	**6,275,769**
C accumulation	4,109,127	212,963	(363,696)	63,771	**4,022,165**
I distribution	439,821,397	99,880,854	(90,977,693)	799,288	**449,523,846**
I accumulation	341,930,408	77,720,186	(85,710,451)	(158,205)	**333,781,938**
R distribution	6,922,836	360,957	(1,682,395)	(265,797)	**5,335,601**
R accumulation	11,323,786	399,708	(3,108,616)	(315,886)	**8,298,992**

17. Risk disclosures

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

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

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

(a) Market risk

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

(i) Interest rate risk

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

(ii) Currency risk

A portion of the net assets of the fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the manager may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the fund's exposure to currency risk is reduced. The loss on forward currency contracts for the year was £3,956,000 (2023: £1,319,000).

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

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

Currency	Investments £'000	Net other assets £'000	Forward currency contracts £ '000	Total £'000
31 July 2024				
US Dollar	**462,086**	**5,950**	**237,614**	**705,650**
Japanese Yen	**197,250**	**204**	**–**	**197,454**
Sterling	**139,611**	**7,525**	**–**	**147,136**
South Korean Won	**143,492**	**436**	**–**	**143,928**
Euro	**363,242**	**2,287**	**(238,016)**	**127,513**
Norwegian Krone	**32,896**	**783**	**–**	**33,679**
Hong Kong Dollar	**22,062**	**–**	**–**	**22,062**
UAE Dirham	**15,235**	**–**	**–**	**15,235**
Swiss Franc	**14,751**	**–**	**–**	**14,751**
Canadian Dollar	**7,011**	**–**	**–**	**7,011**
Danish Kroner	**–**	**728**	**–**	**728**
Taiwan Dollar	**–**	**346**	**–**	**346**
Swedish Krona	**–**	**114**	**–**	**114**
Israeli New Shekel	**–**	**19**	**–**	**19**
31 July 2023				
US Dollar	431,688	(9,181)	–	422,507
Euro	232,988	720	–	233,708
Japanese Yen	142,008	4,584	–	146,592
Sterling	89,530	1,698	–	91,228
Hong Kong Dollar	62,964	–	–	62,964
Singapore Dollar	41,028	–	–	41,028
South Korean Won	30,234	98	–	30,332
Swiss Franc	29,561	–	–	29,561
Norwegian Krone	21,492	86	–	21,578
Brazilian Real	20,128	–	–	20,128
UAE Dirham	11,589	–	–	11,589
Danish Kroner	–	686	–	686
Swedish Krona	–	116	–	116
Israeli New Shekel	–	56	–	56
Taiwan Dollar	–	45	–	45

A five percent increase in the value of the fund's foreign currency exposure would have the effect of increasing the return and net assets by £63,425,000 (2023: £51,045,000). A five percent decrease would have an equal and opposite effect.

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The value of equities is dependent on a number of factors, arising from the performance of the company itself and matters arising in the wider market (for example the state of the underlying economy and current government policy). The portfolio is invested in securities domiciled in a number of countries and will be exposed to market movements in the relevant country arising from changes in the local economy and government decisions. As part of the continuing review of the portfolio, the manager monitors and reviews these factors. A five percent increase in the value of the fund's portfolio would have the effect of increasing the return and net assets by £69,882,000 (2023: £55,661,000). A five percent decrease would have an equal and opposite effect.

(iv) Leverage risk

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

The fund can use cash borrowing and financial derivatives (subject to restrictions as set out in its Prospectus and COLL) as sources of leverage.

The maximum level of leverage which the manager may employ on behalf of the fund is 200% under the commitment method. A result of 100% indicates that no leverage has been used.

As at 31 July 2024 and 31 July 2023 the leverage ratios of the fund were:

	2024 **%**	2023 %
Sum of the notionals	**131.6**	119.4
Commitment	**115.0**	101.7

(b) Credit and counterparty risk

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

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

The derivatives are disclosed in the portfolio statement and UBS is the counterparty for forward currency contracts. Aside from the custodian and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 31 July 2024 or 31 July 2023.

Counterparty and collateral exposure

The type of derivatives held at the balance sheet date was forward currency contracts. Details of the individual contracts are disclosed separately in the portfolio statement and the total position by counterparty at the balance sheet date was as follows:

Currency	Foreign currency contracts £'000	Total gross exposure £'000	Net collateral (pledged)/held £'000
31 July 2024			
UBS	**(402)**	**(402)**	**(210)**
31 July 2023			
Goldman Sachs	(439)	(439)	373

Only cash collateral is pledged or held by the fund.

(c) Liquidity risk

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

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

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

There was no significant concentration of liquidity risk as at 31 July 2024 or 31 July 2023.

18. Related party transactions

The manager is deemed to be a related party. All transactions and balances associated with the manager are disclosed within the statement of total return, statement of change in net assets attributable to unitholders and the balance sheet on page 14 and notes 6, 9, 11 and 14 on pages 17 to 19 including all issues and cancellations where the manager acted as principal. The balance due from the manager as at 31 July 2024 in respect of these transactions was £2,661,000 (2023: due to the manager £2,970,000).

19. Unit classes

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

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

The net asset value per unit and the number of units in each class are given in the comparative tables on page 24.
The distributions per unit class are given in the distribution tables on page 23. All classes have the same rights on winding up.

20. Post balance sheet event

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

Distribution tables

This fund pays semi-annual dividend distributions. The following table sets out the distribution periods.

Semi-annual distribution periods	Start	End	Ex-dividend date	Pay date
Interim	1 August 2023	31 January 2024	1 February 2024	28 March 2024
Final	1 February 2024	31 July 2024	1 August 2024	30 September 2024

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

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

C distribution

Dividend distributions for the year ended 31 July 2024	Group 2 Net revenue per unit (p)	Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	Corporate streaming Franked	Unfranked	2023 Distribution per unit (p)
Interim	0.5905	1.0059	1.5964	100.00%	0.00%	1.2549
Final	1.0296	1.5991	2.6287	100.00%	0.00%	2.2781

C accumulation

Dividend distributions for the year ended 31 July 2024	Group 2 Net revenue per unit (p)	Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	Corporate streaming Franked	Unfranked	2023 Distribution per unit (p)
Interim	0.6781	1.9192	2.5973	100.00%	0.00%	1.8416
Final	1.1413	3.1995	4.3408	100.00%	0.00%	3.7490

I distribution

Dividend distributions for the year ended 31 July 2024	Group 2 Net revenue per unit (p)	Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	Corporate streaming Franked	Unfranked	2023 Distribution per unit (p)
Interim	0.6043	1.1399	1.7442	100.00%	0.00%	1.3526
Final	1.7323	1.1472	2.8795	100.00%	0.00%	2.4958

I accumulation

Dividend distributions for the year ended 31 July 2024	Group 2 Net revenue per unit (p)	Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	Corporate streaming Franked	Unfranked	2023 Distribution per unit (p)
Interim	0.9841	1.8512	2.8353	100.00%	0.00%	1.9836
Final	2.1275	2.6227	4.7502	100.00%	0.00%	4.1002

R distribution

Dividend distributions for the year ended 31 July 2024	Group 2 Net revenue per unit (p)	Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	Corporate streaming Franked	Unfranked	2023 Distribution per unit (p)
Interim	0.5286	1.0510	1.5796	100.00%	0.00%	1.2525
Final	1.4731	1.1237	2.5968	100.00%	0.00%	2.2005

R accumulation

Dividend distributions for the year ended 31 July 2024	Group 2 Net revenue per unit (p)	Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	Corporate streaming Franked	Unfranked	2023 Distribution per unit (p)
Interim	0.5791	1.9899	2.5690	100.00%	0.00%	1.8382
Final	1.6744	2.6122	4.2866	100.00%	0.00%	3.7033

COMPARATIVE TABLES

	C distribution			C accumulation		
	2024	2023	2022	2024	2023	2022
Change in net assets per unit (p)						
Opening net asset value per unit	**98.85**	**98.85**	**98.46**	**160.84**	**155.34**	**148.29**
Return before operating charges *	30.82	4.85	6.10	50.63	7.59	9.11
Operating charges	(1.46)	(1.32)	(1.36)	(2.40)	(2.09)	(2.06)
Return after operating charges *	**29.36**	**3.53**	**4.74**	**48.23**	**5.50**	**7.05**
Distributions	(4.23)	(3.53)	(4.35)	(6.94)	(5.59)	(6.59)
Retained distributions on accumulation units	–	–	–	6.94	5.59	6.59
Closing net asset value per unit	**123.98**	**98.85**	**98.85**	**209.07**	**160.84**	**155.34**
* after direct transaction costs of	(0.15)	(0.14)	(0.26)	(0.24)	(0.23)	(0.39)
Performance						
Return after charges	29.70%	3.57%	4.81%	29.99%	3.54%	4.75%
Other information						
Closing net asset value (£'000)	7,781	6,234	5,959	8,409	6,609	6,517
Closing number of units	6,275,769	6,306,448	6,028,235	4,022,165	4,109,127	4,195,155
Operating charges	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%
Direct transaction costs	0.13%	0.14%	0.25%	0.13%	0.14%	0.25%
Prices						
Highest unit price (p)	126.81	105.48	110.46	209.40	167.16	166.35
Lowest unit price (p)	95.51	93.56	97.53	155.40	148.80	147.83

	I distribution			I accumulation		
	2024	2023	2022	2024	2023	2022
Change in net assets per unit (p)						
Opening net asset value per unit	**107.92**	**107.42**	**106.51**	**175.42**	**168.65**	**160.29**
Return before operating charges *	33.73	5.30	6.60	55.37	8.27	9.84
Operating charges	(1.06)	(0.95)	(0.98)	(1.73)	(1.50)	(1.48)
Return after operating charges *	**32.67**	**4.35**	**5.62**	**53.64**	**6.77**	**8.36**
Distributions	(4.62)	(3.85)	(4.71)	(7.59)	(6.08)	(7.14)
Retained distributions on accumulation units	–	–	–	7.59	6.08	7.14
Closing net asset value per unit	**135.97**	**107.92**	**107.42**	**229.06**	**175.42**	**168.65**
* after direct transaction costs of	(0.16)	(0.16)	(0.28)	(0.26)	(0.25)	(0.42)
Performance						
Return after charges	30.27%	4.05%	5.28%	30.58%	4.01%	5.22%
Other information						
Closing net asset value (£'000)	611,221	474,647	485,244	764,564	599,826	676,434
Closing number of units	449,523,846	439,821,397	451,740,320	333,781,938	341,930,408	401,080,885
Operating charges	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%
Direct transaction costs	0.13%	0.14%	0.25%	0.13%	0.14%	0.25%
Prices						
Highest unit price (p)	139.07	114.93	119.72	229.42	182.59	180.15
Lowest unit price (p)	104.29	101.98	105.94	169.52	162.02	159.88

High and low price disclosures are based on quoted unit prices. Therefore opening and closing NAV prices may fall outside the high/low price threshold.

Comparative Tables

	R distribution			R accumulation		
	2024	2023	2022	2024	2023	2022
Change in net assets per unit (p)						
Opening net asset value per unit	**97.88**	**98.12**	**98.04**	**159.19**	**154.21**	**147.66**
Return before operating charges *	30.45	4.82	6.07	50.00	7.52	9.07
Operating charges	(1.77)	(1.61)	(1.67)	(2.89)	(2.54)	(2.52)
Return after operating charges *	**28.68**	**3.21**	**4.40**	**47.11**	**4.98**	**6.55**
Distributions	(4.18)	(3.45)	(4.32)	(6.86)	(5.54)	(6.55)
Retained distributions on accumulation units	–	–	–	6.86	5.54	6.55
Closing net asset value per unit	**122.38**	**97.88**	**98.12**	**206.30**	**159.19**	**154.21**
* after direct transaction costs of	(0.14)	(0.14)	(0.26)	(0.24)	(0.23)	(0.39)
Performance						
Return after charges	29.30%	3.27%	4.49%	29.59%	3.23%	4.44%
Other information						
Closing net asset value (£'000)	6,530	6,776	13,134	17,121	18,026	27,680
Closing number of units	5,335,601	6,922,836	13,385,681	8,298,992	11,323,786	17,950,148
Operating charges	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%
Direct transaction costs	0.13%	0.14%	0.25%	0.13%	0.14%	0.25%
Prices						
Highest unit price (p)	125.18	104.52	109.83	206.63	166.26	165.42
Lowest unit price (p)	94.55	92.68	96.84	153.78	147.43	147.13

High and low price disclosures are based on quoted unit prices. Therefore opening and closing NAV prices may fall outside the high/low price threshold.

Ongoing charges

Class	**31 July 2024**
C distribution	1.320%
C accumulation	1.320%
I distribution	0.870%
I accumulation	0.870%
R distribution	1.620%
R accumulation	1.620%

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

Class I distribution performance

	Since launch *	10 years	5 years	3 years	1 year	6 months
Artemis Global Income Fund **	382.6	156.3	62.5	43.0	30.5	19.0
Artemis Global Income Fund ***	384.4	159.1	64.9	43.5	30.8	20.1
MSCI AC World NR GBP	351.6	203.9	61.0	28.0	17.2	11.5
IA Global Equity Income NR	256.7	139.4	45.2	26.3	12.6	7.3
Position in sector	1/12	13/21	4/33	4/35	1/37	1/38
Quartile	1	3	1	1	1	1

Past performance is not a guide to the future.

* Source: Lipper Limited/Artemis from 19 July 2010 to 31 July 2024, in sterling. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.
** Value at 12 noon valuation point.
*** Value at close of business.

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

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