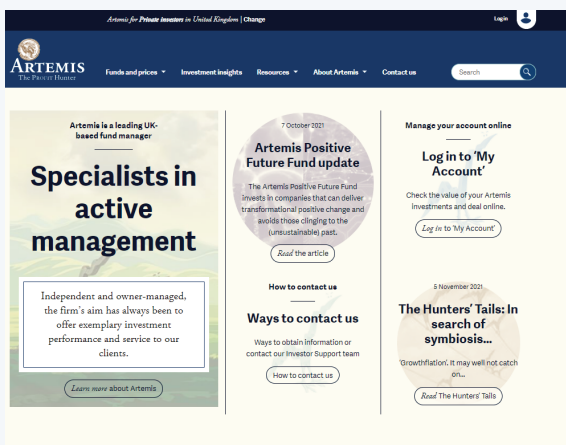


Artemis SmartGARP
UK Equity *Fund*

Half-Yearly Report (unaudited)
for the six months ended 7 October 2023

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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 £22.1 billion* across a range of funds, an investment trust and both pooled and segregated institutional portfolios.

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

* Source: Artemis as at 31 October 2023

Fund status

Artemis SmartGARP UK Equity Fund was constituted by a Trust Deed dated 20 November 1986 and is an authorised unit trust scheme under the Financial Services and Markets Act 2000. The fund belongs to the category of UCITS schemes as defined in the Collective Investment Schemes Sourcebook ('COLL') of the Financial Conduct Authority ('FCA').

Buying and selling

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

OBJECTIVE AND INVESTMENT POLICY

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

RISK AND REWARD PROFILE



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

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

- **Market volatility risk:** The value of the fund and any income from it can fall or rise because of movements in stock markets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
- **Currency risk:** The fund's assets may be priced in currencies other than the fund base currency. Changes in currency exchange rates can therefore affect the fund's value.

There was no change to the risk indicator in the six months ended 7 October 2023.

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.

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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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
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London SW1A 1LD

Trustee and Depositary

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

Registrar

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(prior to 2 May 2023)
SS&C House
St Nicholas Lane
Basildon
Essex SS15 5FS

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

Auditor

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

*Authorised and regulated by the 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 SmartGARP UK Equity Fund for the six months ended 7 October 2023 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
4 December 2023

L E Cairney
Director

INVESTMENT REVIEW

Explaining the fund's performance

The fund performed well relative to its benchmark index over the reporting period. It fell by 1.0%, a smaller decline than the FTSE All-Share index (which fell by 1.5%) and the average fund in its peer group, which fell by 2.4%¹.

We could list our winners and losers over the last six months but, in reality, the contribution from each individual holding was modest. The real reason for our outperformance was that our holdings are, on aggregate, more profitable, are cheaper and pay higher dividends than the average company in the UK market.

1) Our companies are more profitable than the average company in the UK market

Their return on equity is 16.9% versus 14.6% for the UK market². (Return on equity tells us how much net income a company generates for every pound of invested capital. It shows how efficiently a firm generates its profits.)

2) The valuations of our holdings are lower than the UK market average

Our portfolio trades on a price-to-earnings ratio of 6.3x versus 10.3x for the UK market (Price-to-earnings ratios are calculated by dividing a company's share price by its earnings (profits) per share; the lower the p/e, the 'cheaper' the share.)

3) The dividends from the companies we invest in are higher than the UK market average

Analysts expect the companies our fund invests in to make significantly higher dividend payments than the average company in the UK market. (Dividends are regular payments through which companies directly share a portion of their profits with their shareholders).

What makes our companies really exciting to us, however, are rising earnings forecasts

Our companies have been seeing their profit forecasts increasing. Earnings revisions – the changes analysts make to their earnings forecasts – are typically a good predictor of future returns. Over the last six months, earnings per share forecasts for the UK market in 2024 have fallen by about 3%. Forecasts for our companies' earnings per share, however, have risen by around 1%. This gives us confidence that our companies will, in fact, outgrow the market.

Changes to the fund

A year ago, we had a lot invested in oil companies and miners. Today, we have less. As commodity prices have fallen, we trimmed or sold those holdings in natural resource companies. The long-term prospects for these companies may still be good, but in the meantime, profit forecasts have been lowered and we have responded. Three of our biggest sales were in the energy sector: BP, Shell and TotalEnergies. We also sold Rio Tinto, a miner.

We reinvested the proceeds in other parts of the market where earnings forecasts are more robust. One example is the banking sector, where profit forecasts are rising sharply. We added Standard Chartered, AIB Group and UniCredit. We also initiated positions in GlaxoSmithKline (pharmaceuticals), Associated British Foods (the owner of Primark) and Ashted (an equipment-hire company). We sold DS Smith (packaging materials), WPP (advertising and media) and Investec (banking and wealth management).

Looking ahead with confidence

None of us know what the future holds. The fund's outperformance will only last if we can continue to find companies that outgrow the market. But what we can say with confidence is that we have a process that has worked for more than two decades. We think that process gives us an edge because it is objective – it rewards actual growth, rather than the promise of growth. Investors are not automatons, but emotional human beings. That means they have a habit of chasing dreams rather than doing simple things well, year in, year out. I believe that if we stick to our process – and stick to doing simple things well – then our fund has a good future ahead of it.

Past performance is not a guide to the future.

¹ Source: Lipper Limited, reflects class I accumulation units, in sterling, with dividends reinvested to 7 October 2023. 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. Our benchmark index is the FTSE All-Share. Our peer group is the IA UK All Companies sector.

² Source: Artemis, Bloomberg as at 30 September 2023.

INVESTMENT INFORMATION

Ten largest purchases and sales for the six months ended 7 October 2023

Purchases	Cost £'000	Sales	Proceeds £'000
Repsol	7,157	NatWest Group	13,711
GSK	6,246	BP	12,310
Unicredit	5,795	Shell	9,012
Associated British Foods	4,273	DS Smith	8,237
AIB	4,040	Rio Tinto	5,901
Shell	3,940	WPP	5,056
Stellantis	3,639	Commerzbank	4,792
Eni	3,612	Investec	4,198
Ashtead	3,567	SThree	4,061
Var Energi	3,534	TotalEnergies	3,855

Portfolio statement as at 7 October 2023

	Holding	Valuation £'000	% of net assets
Equities 98.90% (98.89%)			
Basic Materials 1.64% (4.96%)			
Evraz ^	780,000	–	–
Heidelberg Materials	40,000	2,550	0.68
Kenmare Resources	900,000	3,623	0.96
		6,173	1.64
Consumer Discretionary 3.73% (1.57%)			
Cairn Homes	2,000,000	1,876	0.50
Card Factory	2,000,000	1,900	0.51
Inchcape	150,000	1,084	0.29
Mercedes-Benz Group	20,000	1,106	0.29
Mitchells & Butlers	500,000	1,035	0.28
Renault	100,000	3,073	0.82
Stellantis	250,000	3,886	1.04
		13,960	3.73
Consumer Staples 13.58% (10.91%)			
Associated British Foods	460,000	9,140	2.44
B&M European Value Retail	800,000	4,562	1.22
British American Tobacco	260,000	6,465	1.72
Coca-Cola HBC	420,000	8,858	2.36
Imperial Brands	1,170,000	19,539	5.21
Suedzucker	200,000	2,349	0.63
		50,913	13.58
Energy 14.38% (15.95%)			
Aker Solutions	300,000	904	0.24
BP	3,000,000	15,096	4.03
Energean	190,000	1,986	0.53
Eni	300,000	3,773	1.01
Gazprom, ADR ^	1,460,000	–	–
Gulf Keystone Petroleum	1,050,000	1,219	0.32
Hunting	319,508	907	0.24
Repsol	600,000	7,361	1.96
Rosneft Oil, GDR ^	1,380,000	–	–
Shell	346,257	8,869	2.36
TotalEnergies	200,000	10,386	2.77

	Holding	Valuation £'000	% of net assets
Equities 98.90% (98.89%) (continued)			
Energy 14.38% (15.95%) (continued)			
Var Energi	1,500,000	3,452	0.92
		53,953	14.38
Financials 41.69% (41.73%)			
AIB Group	1,100,000	3,856	1.03
Aviva	2,400,000	10,080	2.69
Banco Bilbao Vizcaya Argentaria	200,000	1,327	0.36
Bank of Georgia Group	450,500	15,813	4.22
Beazley	2,229,217	12,105	3.23
Conduit	500,000	2,245	0.60
Hargreaves Lansdown	600,000	4,615	1.23
Hiscox	700,000	6,863	1.83
HSBC Holdings	4,930,000	32,020	8.54
IG Group Holdings	770,000	4,882	1.30
Investec	400,000	1,837	0.49
Just Group	8,000,000	5,640	1.50
Lancashire Holdings	1,900,000	11,001	2.93
Legal & General Group	1,430,000	3,115	0.83
Man Group	2,700,000	6,237	1.66
Paragon Banking Group	500,000	2,395	0.64
Plus500	480,000	6,547	1.75
Speedy Hire	2,000,000	630	0.17
Standard Chartered	1,800,000	13,590	3.63
TBC Bank Group	130,000	3,750	1.00
TP ICAP Group	1,200,000	1,925	0.51
UniCredit	300,000	5,809	1.55
		156,282	41.69
Health Care 6.93% (5.79%)			
GSK	1,746,000	25,970	6.93
		25,970	6.93
Industrials 8.90% (7.65%)			
Ashtead Group	70,000	3,392	0.91
Costain Group	2,000,000	1,100	0.29
Deutsche Lufthansa	550,000	3,548	0.94
easyJet	400,000	1,793	0.48
International Consolidated Airlines Group	7,250,000	11,372	3.03
JET2	230,000	2,486	0.66
Keller Group	100,000	706	0.19
Mitie Group	3,500,000	3,378	0.90
Morgan Sindall Group	40,000	767	0.21
Redde Northgate	700,000	2,261	0.60
SThree	104,982	372	0.10
Traton	70,000	1,188	0.32
Vesuvius	250,000	1,012	0.27
		33,375	8.90
Technology 5.73% (7.21%)			
4imprint Group	165,000	8,283	2.21
Computacenter	50,000	1,281	0.34
Playtech	1,850,000	7,385	1.97
Serco Group	3,200,000	4,522	1.21
		21,471	5.73

	Holding	Valuation £'000	% of net assets
Equities 98.90% (98.89%) (continued)			
Telecommunications 0.00% (0.88%)			
Utilities 2.32% (2.24%)			
Centrica	4,000,000	5,962	1.59
Drax Group	336,609	1,354	0.36
Mytilineos	50,000	1,384	0.37
		8,700	2.32
Investment assets		370,797	98.90
Net other assets		4,108	1.10
Net assets attributable to unitholders		374,905	100.00

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

^Security is currently suspended. Indirect Russian holdings currently suspended have been valued at nil by the manager.

FINANCIAL STATEMENTS

Statement of total return for the six months ended 7 October 2023

	7 October 2023		7 October 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(13,517)		(14,963)
Revenue	10,101		10,099	
Expenses	(2,236)		(1,926)	
Interest payable and similar charges	(4)		(22)	
Net revenue before taxation	7,861		8,151	
Taxation	(103)		(108)	
Net revenue after taxation		7,758		8,043
Total return before distributions		(5,759)		(6,920)
Distributions		(231)		404
Change in net assets attributable to unitholders from investment activities		(5,990)		(6,516)

Statement of change in net assets attributable to unitholders for the six months ended 7 October 2023

	7 October 2023		7 October 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		400,625		313,968
Amounts receivable on issue of units	29,952		26,485	
Amounts payable on cancellation of units	(49,682)		(9,465)	
		(19,730)		17,020
Dilution adjustment		-		15
Change in net assets attributable to unitholders from investment activities		(5,990)		(6,516)
Closing net assets attributable to unitholders		374,905		324,487

Balance sheet as at 7 October 2023

	7 October 2023	7 April 2023
	£'000	£'000
Assets		
Fixed assets		
Investments	370,797	396,196
Current assets		
Debtors	3,616	4,722
Cash and cash equivalents	2,674	406
Total current assets	6,290	5,128
Total assets	377,087	401,324
Liabilities		
Creditors		
Other creditors	2,182	699
Total creditors	2,182	699
Total liabilities	2,182	699
Net assets attributable to unitholders	374,905	400,625

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.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 April 2023 as set out therein.

2. Post balance sheet events

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
7 April 2021	280,693,474		
C accumulation		1,809.51	3,750,930
I accumulation		1,951.89	4,829,036
R accumulation		1,803.40	6,574,400
7 April 2022	313,967,860		
C accumulation		2,050.17	5,254,825
I accumulation		2,221.41	5,261,629
R accumulation		2,037.00	4,386,489
7 April 2023	400,625,284		
C accumulation		2,186.92	5,271,028
I accumulation		2,380.27	8,318,351
R accumulation		2,166.34	4,032,266
7 October 2023	374,905,020		
C accumulation		2,153.22	5,131,924
I accumulation		2,348.84	8,518,847
R accumulation		2,129.37	3,020,130

Ongoing charges

Class	7 October 2023
C accumulation	1.31%
I accumulation	0.86%
R accumulation	1.61%

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 accumulation performance

	Since launch *	10 years	5 years	3 years	1 year	6 months
Artemis SmartGARP UK Equity Fund **	428.5	114.6	38.5	61.1	7.9	(1.0)
FTSE All-Share Index TR	334.2	69.6	20.5	35.0	10.4	(1.5)
IA UK All Companies NR	295.3	55.8	8.5	19.8	7.2	(2.4)
Position in sector	19/89	7/157	4/188	4/200	114/204	61/205
Quartile	1	1	1	1	3	2

Past performance is not a guide to the future.

* Source: Lipper Limited from 9 September 2002, when Artemis took over management of the fund, to 7 October 2023. Data prior to 1 September 2010 reflects class R accumulation GBP. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark.

** Value at 12 noon valuation point.

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

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