

PROFIT *hunters*

ARTEMIS
Investment *Funds*
ICVC

Half-Yearly Report (unaudited)
for the six months ended 31 August 2019

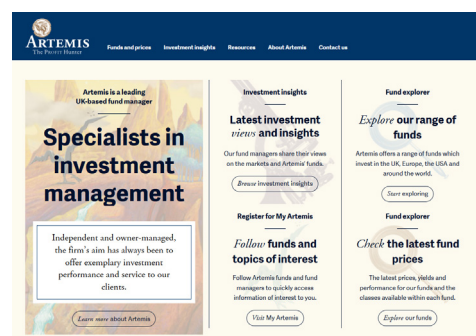


ARTEMIS
The PROFIT Hunter

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* These items comprise the authorised corporate director's report for the purposes of the rules contained in the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL').

Company information

About Artemis...

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 £27.5 billion* across a range of funds, two investment trusts, a venture capital 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 30 September 2019.

The company

Artemis Investment Funds ICVC ('the company') is an investment company with variable capital incorporated under the Open-Ended Investment Companies Regulations 2001 ('the Regulations') in England and Wales under registered number IC001014 and authorised and regulated by the Financial Conduct Authority ('FCA') with effect from 20 June 2014. The company has been certified by the FCA as complying with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive. The company has an unlimited duration. Each sub-fund is treated as a segregated portfolio of assets, and those assets can only be used to meet the liabilities of that sub-fund. Shareholders are not liable for the debts of the company or any other sub-fund. The base currency of the company is Sterling.

The company has an umbrella structure and currently has eight sub-funds, each with a different investment objective. In the financial statements you will find an investment review for each sub-fund which includes details of the investment objectives.

Prospectus

Copies of the most recent Prospectus are available free of charge from the authorised corporate director ('ACD') at the address on page 98.

Half-Yearly Report

We are pleased to present the Half-Yearly Report of the company for the six months ended 31 August 2019. As required by the Regulations, information for each of the sub-funds has been included in this report. On the following pages we present the performance of each of those sub-funds during the period.

Sub-fund cross holdings

At the period end none of the shares in any of the sub-funds were held by any other sub-funds of the company.

Significant events during the period

Transfer of shareholders' assets

The assets of 14 share classes (the "Existing Share Classes") in the following Artemis ICVC funds were transferred to corresponding share classes (the "New Share Classes") within sub-funds of Artemis Funds (Lux), our Luxembourg-domiciled SICAV, on 22 March 2019, by way of Schemes of Arrangement (the "Mergers"): Artemis US Absolute Return Fund, Artemis US Extended Alpha Fund, Artemis US Select Fund and Artemis US Smaller Companies Fund. The Mergers were approved in advance at EGMs of shareholders. The Existing Share Classes were closed as part of the Mergers. Post Merger confirmations, including Merger details, have been sent to shareholders.

Share class closures

The following share classes were closed during the period:

Artemis US Absolute Return Fund	
I accumulation EUR Hedged	22/03/2019
I accumulation USD	22/03/2019
R accumulation EUR Hedged	22/03/2019
I accumulation CHF Hedged	29/03/2019
R accumulation CHF Hedged	29/03/2019
Artemis US Equity Fund	
I accumulation USD	29/03/2019
Artemis US Extended Alpha Fund	
I accumulation CHF Hedged	22/03/2019
I accumulation EUR	22/03/2019
I accumulation EUR Hedged	22/03/2019
I accumulation USD	22/03/2019
R accumulation EUR	22/03/2019
R accumulation USD	22/03/2019
R accumulation EUR Hedged	22/03/2019
Artemis US Select Fund	
I accumulation EUR	22/03/2019
I accumulation USD	22/03/2019
I accumulation CHF Hedged	29/03/2019
R accumulation CHF Hedged	29/03/2019
R accumulation EUR	07/06/2019
R accumulation EUR Hedged	07/06/2019
Artemis US Smaller Companies Fund	
I accumulation EUR	22/03/2019
I accumulation USD	22/03/2019

Share class launch

The following share class was launched during the period:

Artemis US Smaller Companies Fund	
I accumulation GBP Hedged	14/05/2019

Subsequent Events

Share class closures

The following share classes were closed subsequent to the period-end date:

Artemis Global Emerging Markets Fund	
I accumulation EUR	27/09/2019
I accumulation USD	27/09/2019
Artemis Global Equity Income Fund	
I accumulation EUR	27/09/2019
I accumulation USD	27/09/2019
I distribution EUR	27/09/2019
I distribution USD	27/09/2019
R accumulation EUR	27/09/2019
R accumulation USD	27/09/2019
Artemis Pan-European Absolute Return Fund	
I accumulation USD Hedged	23/09/2019
I accumulation EUR Hedged	27/09/2019
R accumulation EUR Hedged	27/09/2019
Artemis US Absolute Return Fund	
R accumulation USD	27/09/2019

Artemis US Equity Fund	
I accumulation EUR	27/09/2019
Artemis US Extended Alpha Fund	
R accumulation CHF	27/09/2019
R accumulation CHF Hedged	27/09/2019
Artemis US Select Fund	
I accumulation EUR Hedged	27/09/2019
R accumulation USD	27/09/2019

Report of the authorised corporate director

We hereby approve the Half-Yearly Report of Artemis Investment Funds ICVC for the six months ended 31 August 2019 on behalf of Artemis Fund Managers Limited in accordance with the requirements of Collective Investment Schemes Sourcebook ('COLL') as issued and amended by the FCA.

M J Murray
Director

J L Berens
Director

Artemis Fund Managers Limited
London
29 October 2019

Artemis Global Emerging Markets Fund

Investment objective and policy

The objective of the Artemis Global Emerging Markets Fund (the 'sub-fund') is to achieve positive long-term returns through a combination of capital growth and income. The sub-fund invests principally in companies listed, quoted and/or traded in emerging market countries and in companies which are headquartered or have a significant part of their activities in emerging markets which are quoted on a regulated market in developed countries.

The ACD actively manages the portfolio in order to achieve the objective. The ACD will not be restricted in respect of choice of investments either by company size, industry, or the geographical split of the portfolio.

The sub-fund may also invest in other transferable securities, fixed interest securities, derivative instruments, units of collective investment schemes, money market instruments, warrants, cash and near cash. The sub-fund may also use derivatives and other techniques for efficient portfolio management.

Fund benchmarks:

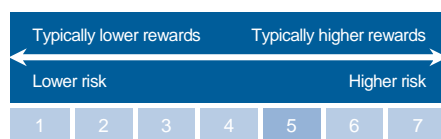
- MSCI EM (Emerging Markets) NR GBP

A widely-used indicator of the performance of emerging markets stock markets, in which the fund invests. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark.

- IA Global Emerging Markets 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 sub-fund is in the category shown due to its historic volatility (how much and how quickly the value of shares in the sub-fund have risen and fallen in the past). It may not be a reliable indication of the future risk profile of the sub-fund.

- The risk category shown is not guaranteed and may change over time.

- 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 sub-fund performance:

- The value of the sub-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.

- Some or all of the sub-fund's assets may be invested in a currency other than the sub-fund's accounting currency. The value of the assets, and the income from them, may decrease if the currency falls in relation to the accounting currency.

- Investments in fixed interest securities are subject to market and credit risk and will be impacted by movements in interest rates. Interest rate movements are determined by a number of economic factors, in particular market expectations of future inflation.

- The sub-fund may invest in derivatives with the aim of profiting from falling as well as rising prices ('shorting'). If the related assets' value moves in the opposite direction the sub-fund will lose money. In addition, a derivative may not perform as expected, and may create losses for the sub-fund greater than the cost of the derivative.

- Investment in emerging markets can involve greater risk than that usually associated with more established markets. As a result, the sub-fund may be subject to greater swings in value.

- The sub-fund can invest in China A-shares (shares traded on Chinese stock exchanges in Renminbi). There is a risk that the sub-fund may suffer difficulties or delays in enforcing its rights in these shares, including title and assurance of ownership.

Artemis Global Emerging Markets Fund – Investment review

- The fund returns 4.0%* versus 4.1%* from the MSCI Emerging Markets Index.
- A fall in the pound enhances returns to sterling-based investors.
- Southeast Asia and Russia are bright spots.

Performance – A lacklustre six months for emerging markets ...

Although the last six months represented a challenging environment for emerging markets, returns to sterling-based investors were boosted by a sharp fall in the pound. The fund, meanwhile, returned 4.0% over the six-month period, only marginally behind the 4.1% return from the MSCI Emerging Markets Index but slightly further behind the 6.0% average return from its peer group, the IA's Global Emerging Markets sector.

In the longer term, an annualised return of 8.1% per annum since the fund's launch puts it ahead of both the MSCI Emerging Markets Index (which has produced a 6.5% annualised return) and the peer group (an annualised 7.1%).

SmartGARP® – Evidence-based investing...

The Artemis Global Emerging Markets Fund is one of the Artemis funds that rely heavily on SmartGARP, Artemis' proprietary stock-screening tool.

SmartGARP screens 2300 stocks across emerging and frontier markets, looking for those whose valuation appears out of line with their growth prospects and where there is a catalyst that might cause investors to re-appraise their views about the company. And while SmartGARP helps partly by singling out potentially undervalued stocks, it also monitors whether the reasons for investing in our existing holdings are still valid.

Review – Amid trade ward and rising tariffs...

Tensions over trade and tariffs have been the chief reason for weaker sentiment towards emerging markets over the last six months.

Yet even in a generally uninspiring period, there were bright spots. Buoyant oil prices contributed to Russian stocks rising by over 20%. State-controlled Gazprom, the world's largest gas distributor, surged after announcing plans to pay out 50% of its net income in dividends. Russia's Finance Ministry has been pushing for state-owned enterprises to pay out at least half of their profits as dividends. This is a welcome sign of a more shareholder-friendly approach.

Markets in Southeast Asia were also strong, with both Thailand and Philippines rising by over 10%. Taiwan benefited from a strong rebound in semiconductor stocks and improved sentiment towards technology, reversing its poor performance in 2018.

On the negative side, Argentinian stocks lost almost half their value. President Macri unexpectedly lost a primary election to a populist left-wing candidate, causing the value of the peso to plunge. South Korea suffered collateral damage in the trade war between the US and China as well as becoming embroiled in its own trade dispute with Japan. The Korean won has been one of the weakest emerging market currencies this year as a result. Elsewhere, Turkey, Poland and Chile were also weak.

By sector, consumer and technology stocks were the leaders, whereas materials, industrials and financials underperformed. Finally, aside from a brief reversal in May, cheaper 'value' stocks continued to lag more expensive 'growth' names during the period.

In the fund, the last six months have been no different to our experience over the last 16 years: we have once again found the unemotional and objective yardstick provided by

SmartGARP to be an extremely useful tool.

Having less exposure to technology, consumer discretionary and consumer staples stocks than the index proved a headwind to our relative performance. Set against that, however, good stockpicking offset the impact of these unhelpful sector tilts.

Winners in the period included Taiwanese communications equipment producer Accton Technology and electric battery producer Simplo Technology. Both reported strong revenue growth with improving margins.

Past performance is not a guide to the future.

* Source: Lipper Limited, class I 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.

Artemis Global Emerging Markets Fund – Investment review (continued)

Our holdings in Chinese A-shares also contributed positively, with air-conditioner company Gree Electric Appliances and industrial machinery producer Sany Heavy prominent among the winners. Telecom operators proved safe havens in the period, with our positions in Philippine Globe Telecom and Poland's Play Communications performing well when markets fell.

On the negative side, heightened tensions trade created a difficult environment for Chinese Lenovo and Yangtze Optical. The lack of any meaningful stimulus from the Chinese government meant that China Railway and Bank of Communications also underperformed.

In activity, signs of improving fundamentals at Kia Motors prompted us to establish a position. It announced net profits that were much better than market expectations, leading to substantial upgrades to profit forecasts. In Taiwan, Hon Hai Precision's net income and margins were higher than forecast, underpinning improved guidance on earnings from company management. Despite this evidence of a turnaround, its shares continued to trade on an extremely modest multiple of their earnings – so we added it to the portfolio. Elsewhere, we increased our exposure to Asian financials, adding to Ping An (China) and Shinhan Financial Group (South Korea).

As economic and political risks emerged, some action was warranted – particularly where it compromised the growth prospects for the companies we held. In acceptance of these risks and deteriorating corporate news, we sold out of Tech Mahindra, TCI, Indorama Ventures and Charoen Pokphand.

Our largest overweight positions remain in China and Russia. Our largest underweights are in India and in the technology-heavy markets of South Korea and Taiwan.

By sector, our preference is for utilities, construction and financials. We have less exposure to more widely owned segments of the market, such as technology and consumer goods.

One thing that hasn't changed is the fund's bias towards modestly valued stocks. Our portfolio trades on a forward price-to-earnings multiple of just 7.5x – a 36% discount to the index. Morningstar's analysis indicates that it also trades at a significant discount to its peer group.¹

Value stocks are now trading at unusually depressed levels compared to the market. Predicting when this anomaly will be corrected is impossible – but history suggests the discount will unwind at some point.

Outlook – Diversity and opportunity ...

Over the last decade, emerging markets have been a significant laggard in global terms. The US has been the standout winner. While the S&P 500 Index has more than tripled, most other market regions have lagged by a significant margin. And, among that group of laggards, emerging markets have been the worst performers.

Chart 1 – A poor decade for emerging markets



Source: Bloomberg as at 31 August 2019

In terms of their relative valuations, emerging-market equities now look far more attractive than they did a decade ago. In 2009, emerging-market equities were – in valuation terms – trading in line with the S&P 500 Index. Since then, their valuation relative to US equities have steadily eroded with the result that they are now close to their lows in relative valuation terms.

In our view, bouts of negative sentiment present a good opportunity to build exposure to emerging markets. Investors should pay heed to veteran investor Peter Lynch:

“Far more money has been lost by investors preparing for corrections, or trying to anticipate corrections, than has been lost in corrections themselves.”

Global investors are now significantly underweight in emerging-market equities – but there are reasons to suspect their relative performance will improve over the next 10 years. In the shorter term, monetary and fiscal stimulus have the potential to stimulate economic growth, particularly given that inflation in major developing economies is fairly benign. In the longer term, the steps that economies – particularly in Asia – have taken to protect themselves against demand shocks from the West should see them becoming more self-sufficient.

¹ As at 30 June, Morningstar's analysis showed the price/prospective earnings of the fund was a multiple of 0.65x the Global Emerging Markets category.

Their favourable demographics and faster growth led by demand from local (rather than Western) consumers should underpin longer-term growth.

Undoubtedly, some developing economies will be hurt by slower growth, trade tensions and by the strong US dollar. Clearly, there is no shortage of headlines to trouble investors. But treating companies operating in different industries – and in countries with entirely contrasting economic regimes – as a homogeneous asset class would be a mistake. We continue to find investment opportunities and remain mindful today's bad news might be providing tomorrow's opportunity.

Our fund, meanwhile, offers something different to many of its peers, due to our preference for companies with strong growth prospects that also trade on discounted valuations.

Since its launch in April 2015, the fund's performance has proved resilient in challenging times, outperforming in falling markets while also participating fully in the gains when times have been better. This outcome has largely been down to following a disciplined approach to stockpicking. We therefore remain confident that the fund is well positioned to deliver.

Peter Saacke & Raheel Altaf

Fund managers

Artemis Global Emerging Markets Fund – Investment information

Ten largest purchases and sales for the six months ended 31 August 2019

Purchases	Cost £'000	Sales	Proceeds £'000
Hon Hai Precision Industry	4,506	Gree Electric Appliances, Inc. of Zhuhai A shares	3,561
Kia Motors	3,771	Tech Mahindra	2,896
Taiwan Semiconductor Manufacturing	3,174	Great Wall Motor H shares	2,148
Gree Electric Appliances, Inc. of Zhuhai A shares	2,972	Dongfeng Motor Group H shares	2,109
Naspers N shares	2,867	Cosco Shipping Ports	1,932
VEON, ADR	2,794	Indorama Ventures	1,904
Shinhan Financial Group	2,582	Charoen Pokphand Indonesia	1,871
Ping An Insurance Group Co. of China H shares	2,576	TCl	1,853
YiChang HEC ChangJiang Pharmaceutical H shares	2,291	Soda Sanayii	1,707
Country Garden Holdings	2,130	Samsung Electro-Mechanics	1,694

Portfolio statement as at 31 August 2019

Investment	Holding	Valuation £'000	% of net assets
Equities 97.25% (98.38%)			
Brazil 5.43% (6.19%)			
Banco do Brasil	572,400	5,079	1.84
Engie Brasil Energia	407,750	3,534	1.28
Itausa - Investimentos Itau Preference shares	920,699	2,223	0.81
Tupy	415,000	1,408	0.51
Vale	308,905	2,744	0.99
		14,988	5.43
Chile 0.99% (0.94%)			
Enel Chile	39,744,000	2,739	0.99
		2,739	0.99
China 37.06% (37.21%)			
Alibaba Group Holding, ADR	9,300	1,320	0.48
Anhui Conch Cement H shares	1,228,000	5,671	2.05
Bank of China H shares	9,989,000	3,117	1.13
Bank of Communications H shares	8,111,000	4,349	1.58
China Construction Bank H shares	6,974,000	4,243	1.54
China Railway Construction H shares	2,044,000	1,811	0.66
China Railway Group H shares	4,408,000	2,363	0.86
China Railway Signal & Communication H shares	3,044,572	1,495	0.54
China Resources Land	1,802,000	6,010	2.18
China Resources Pharmaceutical Group	2,020,000	1,713	0.62
China Suntien Green Energy H shares	10,070,000	2,120	0.77
Country Garden Holdings	7,016,000	7,163	2.59
Daqin Railway A shares	4,626,900	4,114	1.49
Dongfeng Motor Group H shares	2,224,957	1,694	0.61
ENN Energy Holdings	710,300	6,639	2.40
Gree Electric Appliances, Inc. of Zhuhai A shares	712,710	4,543	1.65
Guangzhou R&F Properties H shares	2,632,500	3,479	1.26
Haier Smart Home A shares	450,000	822	0.30
HLA A shares	849,992	819	0.30
Huadian Fuxin Energy H shares	12,240,000	1,679	0.61
Huishang Bank H shares	1,649,120	501	0.18
Industrial & Commercial Bank of China H shares	9,540,000	4,935	1.79
Lenovo Group	6,939,082	3,742	1.36
Ping An Insurance Group Co. of China H shares	607,500	5,719	2.07
Qudian, ADR	406,394	2,657	0.96
Sany Heavy Industry A shares	3,008,846	4,652	1.68

Investment	Holding	Valuation £'000	% of net assets
Equities 97.25% (98.38%) (continued)			
China 37.06% (37.21%) (continued)			
Shenzhen Expressway H shares	3,176,000	3,190	1.16
Shenzhen Overseas Chinese Town A shares	2,019,865	1,580	0.57
Weichai Power H shares	2,060,172	2,589	0.94
YiChang HEC ChangJiang Pharmaceutical H shares	1,075,000	4,210	1.52
Youzu Interactive A shares	782,893	1,220	0.44
Yum China Holdings	57,000	2,121	0.77
		102,280	37.06
Colombia 1.10% (0.62%)			
Bancolombia Preference shares	299,000	3,036	1.10
		3,036	1.10
Greece 0.00% (0.22%)			
Hong Kong 0.00% (0.46%)			
Hungary 0.74% (0.91%)			
MOL Hungarian Oil & Gas	255,600	2,049	0.74
		2,049	0.74
India 3.43% (4.38%)			
HCL Technologies	337,868	4,275	1.55
Oil & Natural Gas	1,639,000	2,282	0.83
Power Grid Corp. of India	1,256,000	2,903	1.05
		9,460	3.43
Indonesia 0.80% (1.69%)			
Indofood Sukses Makmur	2,100,000	961	0.35
Media Nusantara Citra	17,544,417	1,256	0.45
		2,217	0.80
Kenya 0.78% (1.20%)			
Safaricom	9,650,000	2,143	0.78
		2,143	0.78
Malaysia 0.29% (0.60%)			
Astro Malaysia Holdings	3,096,208	792	0.29
		792	0.29
Mexico 3.74% (3.91%)			
Bolsa Mexicana de Valores	928,000	1,380	0.50
Grupo Aeroportuario del Centro Norte	568,000	2,669	0.97
Grupo Financiero Banorte O shares	464,000	1,998	0.72
Megacable Holdings	600,000	1,888	0.68
Regional	651,500	2,396	0.87
		10,331	3.74
Philippines 3.57% (3.58%)			
Globe Telecom	159,000	5,009	1.82
LT Group	7,499,350	1,745	0.63
Manila Electric	537,000	3,093	1.12
		9,847	3.57
Poland 1.91% (1.36%)			
Play Communications	567,730	3,992	1.45
Tauron Polska Energia	4,130,000	1,285	0.46
		5,277	1.91
Russia 8.40% (6.65%)			
Gazprom, ADR	721,000	4,123	1.49
Globaltrans Investment, GDR	373,000	2,659	0.96
Lukoil, ADR	73,950	4,912	1.78
MMC Norilsk Nickel, ADR	230,600	4,479	1.62
Sberbank of Russia, ADR	72,000	813	0.30
Surgutneftegas, ADR	431,000	1,409	0.51

Artemis Global Emerging Markets Fund – Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Equities 97.25% (98.38%) (continued)			
Russia 8.40% (6.65%) (continued)			
Tatneft, ADR	36,000	1,952	0.71
VEON, ADR	1,346,000	2,841	1.03
		23,188	8.40
Saudi Arabia 0.00% (0.57%)			
Singapore 0.00% (0.59%)			
South Africa 5.73% (3.81%)			
FirstRand	403,000	1,290	0.47
Foschini Group	87,000	708	0.26
Kumba Iron Ore	241,783	5,046	1.83
Naspers N shares	26,400	4,947	1.79
Vodacom Group	435,000	2,703	0.98
Woolworths Holdings	369,000	1,114	0.40
		15,808	5.73
South Korea 7.73% (8.51%)			
Daelim Industrial	17,200	1,137	0.41
Hansol Chemical	41,600	2,222	0.81
JB Financial Group	625,000	2,324	0.84
Kia Motors	130,000	3,857	1.40
Samsung Fire & Marine Insurance	5,200	809	0.29
Shinhan Financial Group	208,800	5,769	2.09
SK Telecom	18,700	3,038	1.10
Woori Financial Group	121,000	975	0.35
Youngone	50,400	1,206	0.44
		21,337	7.73
Taiwan 9.12% (6.94%)			
Accton Technology	1,512,000	6,537	2.37
Chailease Holding	1,781,900	5,790	2.10
Hon Hai Precision Industry	2,090,000	4,058	1.47
Simplo Technology	430,000	2,958	1.07
Taiwan Cement	2,587,523	2,603	0.94
Taiwan Semiconductor Manufacturing	475,000	3,217	1.17
		25,163	9.12
Thailand 3.47% (3.44%)			
Thanachart Capital	3,950,200	5,990	2.17
Tisco Financial Group	1,322,000	3,602	1.30
		9,592	3.47
Turkey 2.83% (3.96%)			
KOC Holding	1,291,000	3,178	1.15
Soda Sanayii	1,016,760	789	0.29
Tofas Turk Otomobil Fabrikasi	827,605	2,052	0.74
Ulker Biskuvi Sanayi	708,000	1,788	0.65
		7,807	2.83
United Arab Emirates 0.00% (0.30%)			
Vietnam 0.13% (0.34%)			
Hoa Phat Group	469,194	369	0.13
		369	0.13
Investment assets		268,423	97.25
Net other assets		7,598	2.75
Net assets attributable to shareholders		276,021	100.00

The comparative percentage figures in brackets are as at 28 February 2019.

Artemis Global Emerging Markets Fund – Financial statements

Statement of total return for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		2,288		(10,930)
Revenue	9,605		4,553	
Expenses	(1,318)		(715)	
Interest payable and similar charges	(12)		-	
Net revenue before taxation	8,275		3,838	
Taxation	(955)		(489)	
Net revenue after taxation		7,320		3,349
Total return before distributions		9,608		(7,581)
Distributions		290		201
Change in net assets attributable to shareholders from investment activities		9,898		(7,380)

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		235,959		135,651
Amounts receivable on issue of shares	78,635		39,759	
Amounts payable on cancellation of shares	(48,633)		(8,823)	
		30,002		30,936
Dilution adjustment		162		29
Change in net assets attributable to shareholders from investment activities		9,898		(7,380)
Closing net assets attributable to shareholders		276,021		159,236

Balance sheet as at 31 August 2019

	31 August 2019	28 February 2019
	£'000	£'000
Assets		
Fixed assets		
Investments	268,423	232,133
Current assets		
Debtors	3,958	4,159
Cash and cash equivalents	3,859	3,243
Total current assets	7,817	7,402
Total assets	276,240	239,535
Liabilities		
Creditors		
Distribution payable	-	1,501
Other creditors	219	2,075
Total creditors	219	3,576
Total liabilities	219	3,576
Net assets attributable to shareholders	276,021	235,959

Artemis Global Emerging Markets Fund – Notes to the financial statements

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK 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 28 February 2019 as set out therein.

2. Post balance sheet events

Share class closures

Artemis Global Emerging Markets Fund I accumulation EUR was closed on 27 September 2019.
Artemis Global Emerging Markets Fund I accumulation USD was closed on 27 September 2019.

Artemis Global Emerging Markets Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
28 February 2017	67,729,192		
I accumulation EUR		101.72c	10,000
I distribution GBP		113.40p	22,910,371
I accumulation GBP		119.39p	34,956,178
I accumulation USD		99.20c	10,000
28 February 2018	135,651,178		
I accumulation EUR		118.37c	27,033
I distribution GBP		133.12p	31,025,992
I accumulation GBP		143.91p	64,941,156
I accumulation USD		133.04c	897,246
28 February 2019	235,959,019		
I accumulation EUR		114.50c	7,102,690
I distribution GBP		120.83p	34,787,526
I accumulation GBP		135.41p	131,409,820
I accumulation USD		120.25c	9,957,365
31 August 2019	276,021,233		
I accumulation EUR		113.24c	348,224
I distribution GBP		125.61p	50,418,008
I accumulation GBP		140.87p	150,603,933
I accumulation USD		114.68c	191,337

Ongoing charges

Class	31 August 2019
I accumulation EUR	0.99%
I distribution GBP	0.99%
I accumulation GBP	0.99%
I accumulation USD	0.99%

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

Fund performance

	Since launch *	3 years	1 year	6 months
Artemis Global Emerging Markets Fund	41.0	35.1	3.4	4.0
MSCI Emerging Markets Index	31.8	27.2	2.1	4.1
Sector average	35.4	26.9	5.4	6.0
Position in sector	17/53	11/56	42/62	41/62
Quartile	2	1	3	3

Past performance is not a guide to the future.

*Source: Lipper Limited, class I accumulation GBP from 8 April 2015 to 31 August 2019.

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.

Sector is IA Global Emerging Markets

Artemis Global Equity Income Fund

Investment objective and policy

The Artemis Global Equity Income Fund (the 'sub-fund') aims to achieve income combined with long-term capital growth.

The sub-fund invests principally in a portfolio of equities selected on a global basis.

The ACD actively manages the portfolio in order to achieve the objective. The ACD will not be restricted in respect of choice of investments either by company size, industry, or the geographical split of the portfolio.

The sub-fund may also invest in other transferable securities, fixed interest securities, derivative instruments, units of collective investment schemes, money market instruments, warrants, cash and near cash. The sub-fund may also use derivatives and other techniques for efficient portfolio management.

Fund benchmarks:

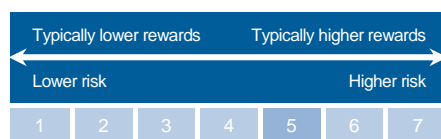
- MSCI AC World NR GBP

A widely-used indicator of the performance of global stock markets, in which the fund invests. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark.

- IA Global 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



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the sub-fund.

- The sub-fund is in the category shown because it invests in the shares of a wide range of companies in emerging markets.

- The risk category shown is not guaranteed and may change over time.

- 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 sub-fund performance:

- The value of the sub-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.

- Some or all of the sub-fund's assets may be invested in a currency other than the fund's accounting currency. The value of the assets, and the income from them, may decrease if the currency falls in relation to the accounting currency.

- The sub-fund can invest in higher-yielding bonds (also known as sub-investment grade bonds), which have a greater risk of default by the issuer. The value of these bonds is more sensitive to changes in market conditions and interest rates. As a result, the fund may be subject to greater swings in value.

- Investments in fixed interest securities are subject to market and credit risk and will be impacted by movements in interest rates. Interest rate movements are determined by a number of economic factors, in particular market expectations of future inflation.

- The sub-fund may invest in derivatives with the aim of profiting from falling as well as rising prices ('shorting'). If the related assets' value moves in the opposite direction the fund will lose money. In addition, a derivative may not perform as expected, and may create losses for the fund greater than the cost of the derivative.

- Investment in emerging markets can involve greater risk than that usually associated with more established markets. As a result, the sub-fund may be subject to greater swings in value.

- The sub-fund can invest in China A-shares (shares traded on Chinese stock exchanges in Renminbi). There is a risk that the fund may suffer difficulties or delays in enforcing its rights in these shares, including title and assurance of ownership.

- Investing in small and mediumsized companies can involve more risk than investing in larger, more established companies. Shares in smaller companies may not be as easy to sell, which can cause difficulty in valuing those shares.

Artemis Global Equity Income Fund – Investment review

- The fund returns 4.0%* versus the MSCI All Country World Index 12.2%*
- Growth and low volatility stocks lead the market higher.
- Although we retain our bias to value stocks, we have broadened the portfolio.

Performance – Swimming against the tide

Over the six months covered by this report, the fund returned 4.0% in sterling terms versus 12.2% from the MSCI All Country World Index. Clearly, we were unhappy with this relative performance – particularly given that it followed a period of weak performance in late 2018.

That the fund lagged the index was partly due to a number of stock-specific disappointments and, more importantly, to the intensification of market trends that run directly counter to our positioning.

On the one hand, share prices of high quality companies – those with the most reliable, predictable and defensive earnings such as utilities or consumer staples stocks – were bid higher. At the same time, monetary easing in the US and Europe – and the resulting near-zero cost of long-term capital – again supported ‘secular’ growth¹ stocks, often in the technology sector.

In contrast, stocks that don’t fall into these groups lack buyers. These included modestly valued companies that pay attractive dividends but which might prove vulnerable in the event of a recession. Overlapping that was antipathy towards companies with high pay-out ratios. In the US, the higher a stock’s yield, the worse its performance has been this year.

So for valuation-conscious investors like us, who seek yield and avoid the most popular ‘crowded’ stocks, the last six months have therefore been a difficult period. We have, in effect, been swimming against the tide (although we fully appreciate that we chose to swim in this particular direction).

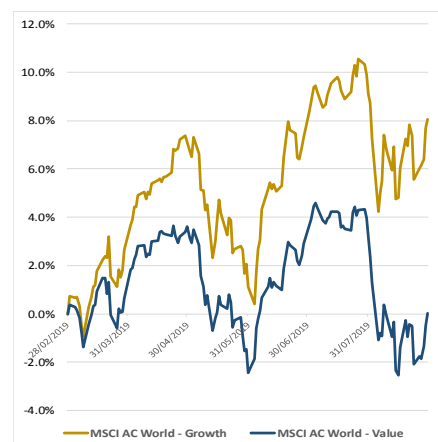
Review – Monetary easing and the equity markets...

As 2019 progressed, the bond market began to indicate a belief that the US Fed would cut interest rates two or even three times this year. And although that did little to boost optimism about the economy, the prospect of additional liquidity being injected into the financial system left its mark on equity markets.

Not only did benchmark indices move higher over the period, but there were changes within the market. At one extreme, investors crowded into the safest, lowest-risk equities whose earnings are both predictable and insensitive to the economic cycle. Utility stocks in the US are now trading on historically unprecedented multiples of earnings while their dividend yields are at their lowest levels in a decade.

At the other extreme, because the cost of capital – the discount rate – is approaching zero, long-term secular growth companies are being inundated with capital. Investors are willing to forgo any hope of financial return in the short-term in the hope of seeing returns at some unspecified point in the future.

The underperformance of ‘value’ versus ‘growth’ has intensified



Source: Refinitiv Datastream as at 31 August 2019

For now, these trends – which are unhelpful for our relative performance – are self-perpetuating. The longer that ‘low vol’ or ‘momentum’ succeed as investment styles, the more money is sucked into the funds and strategies that simultaneously benefit from – and fuel – their success.

Our underperformance over the last six months was not solely a matter of being exposed to the wrong styles – of ‘swimming against the tide’ by not holding low vol or momentum stocks. Although our value bias was unhelpful, we also encountered a number of idiosyncratic, stock-specific problems.

The most notable of these was Danske Bank, which has been shrouded by fears of extraordinarily large fines from the US Department of Justice for laundering money in Estonia.

Past performance is not a guide to the future.

* Source: Lipper Limited, class I distribution 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.

¹ For brief explanations of terms you may not be familiar with – such as ‘growth’ stocks – please see the Glossary of investment terms on our website (typing “Artemis investment glossary” into your search engine should take you there).

Artemis Global Equity Income Fund – Investment review (continued)

Worries about trade wars, the chance of the Fed making a policy mistake and the threat of recession intensified pressure on problem stocks such as Danske, which already had question marks against their names. With the market's time horizon contracting, long-term turnaround ideas held little appeal. Accepting that uncertainty and leverage represent a toxic combination in this market environment, we exited Danske Bank and Nordea, another Nordic bank. It is always painful to sell at a loss. Yet because we recognised that we wouldn't be buyers in current market conditions, we were obliged to sell.

On a sector level, our energy stocks also weighed on returns. In addition to the wider turmoil, the market continued to digest past overproduction by the energy sector and remained sceptical that the cuts promised by Opec would actually materialise.

In our view, a prolonged period of underinvestment means the medium to long-term outlook for oil supplies is rather fragile. The large, integrated oil companies have not invested in production capacity since the financial crisis. Instead, they have focused on paying dividends and repairing their balance sheets. Existing wells are being drained and aren't being replaced.

On the demand side, meanwhile, we accept per capita consumption in the West might reasonably be expected to decline (although we do note gasoline consumption in the US recently hit a record high – Americans still drive gas guzzlers). Populations are still growing and emerging markets have not turned against oil in the way that some Western economies are beginning to.

At some point, there will be a new wave of investment in the oil and gas industries. Spending will resume. So we have tended to own the beneficiaries of increasing capex or energy companies with genuine growth – stocks such as Tenaris, Aker BP, Subsea 7 and Hess.

For now, however, we must balance our longer-term view that supply constraints will eventually underpin the oil price against our acceptance that, at least in the short term, our energy stocks don't 'fit' with what the equity market wants. That should result in a mispricing that will be corrected given time. But we can't afford to own too many stocks with the same, unfashionable characteristics in our portfolio at once.

Even in a difficult period, there were pockets of good news within our portfolio. The case of infrastructure and construction company Shikun & Binui is instructive. A little-known Israeli mid-cap, it had been facing questions about its future strategy. Our calculations had indicated that its shares were trading on around half of its net asset value (NAV). The announcement of a new chief executive and a new strategy prompted its share price to move sharply higher (a 90.7% return in sterling terms).

This underlined the potential gains that can result from holding a cheap stock surrounded by uncertainty when (or if) some of that doubt is removed.

Clearly 'value + uncertainty' is not a winning combination. But add some certainty to that equation and a dramatic re-rating can sometimes result... Although this won't happen for all of our holdings, this opportunity for a re-rating is one of the things we will continue to seek on a bottom-up level.

Two of our largest positions, Infrastrutture Wireless Italiane (INWIT) and Rai Way, continued to do well. INWIT is, in effect, Telecom Italia's infrastructure arm, owning the backbone of its network, base stations on rooftops and masts on hilltops in rural Italy. Telecom Italia has announced a network-sharing partnership with Vodafone. The initial focus will be on collaborating to build a credible 5G network and passive sharing of sites. This should be accretive to earnings and lead to the creation of a combined entity with a strong market position as the supplier to two large mobile network operators.

Rai Way, meanwhile, continues to execute well, posting strong results in May. We have long argued for consolidation of Italian broadcasting assets and the company continues to trade at a material discount to past transactions. Public speculation has once again picked up over a tie up between EI Towers and Rai Way which would be positive for both companies.

Outlook – What comes next?

1) 2016 again?

In some ways, it feels as though we have been here before. In the summer of 2016, rates fell and panic in the equity market ensued. And, as we have been this year, we were more pro-cyclically positioned than the MSCI All Country World Index (and many of our peers). That was also a difficult period for the fund's relative performance.

Three years ago, sticking to cyclicals – including banks – proved to be the right call. Equity markets rallied and our relative performance snapped back in late 2016. We are not convinced, however, that the same thing is about to happen again. Policymakers don't have much 'dry powder' – they weren't able to raise rates far enough during the recovery to have room to cut them now. Moreover, policy stimulus is less effective than it was – each cut in rates seems to have a smaller effect than the one before.

We are aware that if economic growth gets back on track without too much inflation it could be a potent cocktail for risk assets and cyclical stocks as it was in late 2016.

But that is no longer our central case. So we aren't 'doubling down' on pro-cyclical positions in the hope of recouping lost ground.

We haven't raised cash balances or moved entirely into defensives, but we acknowledge that being contrarian at this stage – by increasing exposure to beaten up cyclical value names, for example – would be too risky.

2) 'Japanification'?

If a reflationary rally seems less likely today than it did in late 2016, what are the alternative scenarios?

Market movements over the summer implied that the West is about to suffer its own process of Japanification; monetary stimulus propelling bond yields lower even as debt burdens balloon and growth stagnates. Price movements indicated that investors were positioning themselves in those areas of the equity market that worked best in Japan's long post-bubble stagnation: asset-backed high quality stocks and secular growth names.

Admittedly, 10 years on from the financial crisis, central banks seem unable to create inflation despite running ultra-loose monetary policy.

While we understand this, we're reluctant to assume that the West's fate is written in stone. The economic outlook may be getting worse (the ISM for August dipped below 50, implying a contraction in the US manufacturing sector) but we think much of the deterioration is already in the price.

And we can see as many points of difference between the West and Japan (the rise of political populism and loud calls for wealth distribution) as we can of similarity (debts, slowing growth, quantitative easing). So Japanification is not our central scenario either.

3) Muddling through?

Far from being in recession, the US economy is still growing by around 2% per annum – around its average rate since the global financial crisis. Jobs, meanwhile are still being created. At the same time, however, these are far from boom times in the wider global economy; there are real signs of weakness.

While it is easy to see a scenario in which the long, slow deterioration in the outlook bottoms out, that will depend on the fitful trade war between the US and China not developing into something more serious. It also rests on stimulus in Europe and Asia having the desired effect.

If all that comes to pass, the global economy could well muddle through.

Moving the fund forward – Adding new names ...

Clearly, these have been difficult conditions for our fund. A liquidity-fuelled rally has created imbalances and blown bubbles across multiple asset classes. Capital is being misallocated: some parts of the market remain horrendously expensive while other areas are trading at historically low multiples.

The market's increasingly extreme deviations from its long-term norms may eventually prove to be an opportunity to buy historically 'mispriced' assets. The global economy might muddle through.

So we don't want to entirely sacrifice the potential upside from holding cheap value stocks, particularly where we feel sentiment is too negative or where the investment story has yet to be fully understood. We still want to hold stocks that are reasonably valued and that pay us a yield and, potentially, also a return in the form of share buybacks (General Motors, Siemens, Airbus, Citigroup).

We have, however, reduced our exposure to the most out-of-favour stocks and are broadening the portfolio. There simply isn't enough policy certainty to back a narrowly pro-cyclical portfolio. The fund remains distinctive and still has little in common with many global income funds. But its positioning is less extreme than it was.

We are managing our positioning risk (not being completely out of the areas where the action is) while not wanting to overpay for growth.

We want to see evidence that the stocks we like also have the characteristics that the 'market' might also recognise and value. We have, therefore, established a holding in Microsoft, the largest company in the world by market cap. On a price-to-earnings multiple of 27x (and with a free cashflow yield of just short of 5%) Microsoft is among the most expensive names in our portfolio.

But viewed against a wider investment landscape, the situation looks different. Microsoft is one of just two triple-A rated bond issuers in the world (the other is Johnson & Johnson, which we also hold). While some \$17 trillion of government bonds are now trading on a negative yield, Microsoft has a dividend yield of 1.4%. But this is not just a story about yield: we are also seeing a reacceleration in top-line growth. The real danger resides in those stocks that will fail to grow into their above-market earnings multiples.

We have also added to names such as Iberdrola, Sanofi, Swiss Re and AvalonBay Communities. These meet our criteria (for valuation and dividend yields) as well as being names that are 'working' in an environment of lower government bond yields and a slower economy. Their sales are growing and earnings should hold up even if we get a global recession in 2020 (although this is still not our base-case scenario).

Artemis Global Equity Income Fund – Investment review (continued)

In conclusion – a pragmatic approach...

Our fund remains distinctive and still has little in common with many global income funds. But its positioning is less extreme than it was. We are pragmatists seeking income rather than value investors in the abstract. Our portfolio reflects that.

Jacob de Tusch-Lec
Fund manager

Artemis Global Equity Income Fund – Investment information

Ten largest purchases and sales for the six months ended 31 August 2019

Purchases	Cost £'000	Sales	Proceeds £'000
Microsoft	1,660	General Motors	2,325
Sanofi	1,464	Tokai Carbon	1,994
Iberdrola	1,303	Micron Technology	1,516
Vonovia	898	Zions Bancorporation	1,451
Airbus	850	Infrastrutture Wireless Italiane	1,228
AvalonBay Communities, REIT	753	RAI Way	1,212
Home Depot	737	Bank of America	1,122
General Motors	726	AGNC Investment, REIT	1,096
Verizon Communications	665	Citigroup	997
Ping An Insurance Group Co. of China H shares	627	Verizon Communications	982

Portfolio statement as at 31 August 2019

Investment	Holding	Valuation £'000	% of net assets
Equities 100.28% (103.81%)			
Australia 2.35% (1.41%)			
Aurizon Holdings	285,980	932	1.94
Coronado Global Resources, CDI	134,273	198	0.41
		1,130	2.35
Austria 1.53% (0.86%)			
Verbund	14,913	736	1.53
		736	1.53
Brazil 0.83% (1.16%)			
Banco do Brasil	19,338	172	0.36
CCR	70,425	227	0.47
		399	0.83
Canada 2.35% (2.29%)			
Dream Global Real Estate Investment Trust	9,875	88	0.18
Franco-Nevada	7,931	633	1.32
Nutrien	2,980	122	0.25
Pembina Pipeline	9,701	290	0.60
		1,133	2.35
China 7.38% (7.42%)			
Anhui Conch Cement H shares	128,971	596	1.24
China Conch Venture Holdings	251,132	686	1.42
China Resources Cement Holdings	982,000	715	1.49
China Tower H shares	3,182,000	593	1.23
Guangdong Investment	206,000	356	0.74
Ping An Insurance Group Companies of China H shares	64,500	607	1.26
		3,553	7.38
Czech Republic 0.79% (0.89%)			
Moneta Money Bank	142,158	380	0.79
		380	0.79
Denmark 0.35% (2.21%)			
DFDS	6,053	169	0.35
		169	0.35
Finland 1.07% (1.70%)			
Fortum	28,451	515	1.07
		515	1.07

Artemis Global Equity Income Fund – Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Equities 100.28% (103.81%) (continued)			
France 6.26% (0.95%)			
Airbus	5,624	643	1.33
Amundi	2,418	128	0.27
Axa	14,516	277	0.58
Sanofi	17,507	1,247	2.59
Unibail-Rodamco-Westfield, REIT	1,763	191	0.40
Vinci	5,831	527	1.09
		3,013	6.26
Germany 3.26% (3.73%)			
Infineon Technologies	26,142	373	0.78
Rheinmetall	8,843	866	1.80
Siemens	2,161	178	0.37
Volkswagen Preference shares	1,129	151	0.31
		1,568	3.26
Hong Kong 0.65% (0.40%)			
Kerry Properties	34,973	97	0.20
New World Development	76,081	78	0.16
Sun Hung Kai Properties	12,000	139	0.29
		314	0.65
Iceland 0.05% (0.08%)			
Arion Banki, SDR	44,283	22	0.05
		22	0.05
Ireland 0.26% (0.00%)			
CRH	4,518	125	0.26
		125	0.26
Israel 6.26% (8.24%)			
Bank Hapoalim	120,212	725	1.50
Bank Leumi Le-Israel	197,015	1,104	2.29
Bezeq The Israeli Telecommunication	221,932	115	0.24
Mizrahi Tefahot Bank	20,330	384	0.80
Shikun & Binui	260,844	688	1.43
		3,016	6.26
Italy 7.68% (8.22%)			
Atlantia	16,159	332	0.69
Infrastrutture Wireless Italiane	199,117	1,664	3.45
Rai Way	371,589	1,705	3.54
		3,701	7.68
Japan 0.73% (6.00%)			
Idemitsu Kosan	6,900	152	0.32
Tokai Carbon	25,500	200	0.41
		352	0.73
Luxembourg 0.96% (2.01%)			
Tenaris	51,044	464	0.96
		464	0.96
Netherlands 0.69% (0.39%)			
BE Semiconductor Industries	13,613	332	0.69
		332	0.69
New Zealand 1.17% (0.60%)			
Metlifecare	71,606	160	0.33
Spark New Zealand	177,446	402	0.84
		562	1.17

Investment	Holding	Valuation £'000	% of net assets
Equities 100.28% (103.81%) (continued)			
Norway 2.69% (2.52%)			
Aker BP	14,477	314	0.65
Mowi	27,967	560	1.16
Ocean Yield	58,625	271	0.56
Yara International	4,304	152	0.32
		1,297	2.69
Portugal 0.21% (0.32%)			
Galp Energia	8,457	100	0.21
		100	0.21
Russia 1.49% (0.20%)			
Novatek, GDR	2,858	457	0.95
Sberbank of Russia Preference shares	108,483	262	0.54
		719	1.49
South Africa 0.94% (0.83%)			
Anglo American	25,728	453	0.94
		453	0.94
South Korea 2.05% (4.09%)			
Posco Chemical	27,605	987	2.05
		987	2.05
Spain 5.06% (2.20%)			
Euskaltel	92,125	618	1.28
Ferrovial	25,820	608	1.26
Iberdrola	130,300	1,112	2.31
Repsol	8,294	100	0.21
		2,438	5.06
Switzerland 1.70% (0.54%)			
Glencore	159,693	375	0.78
Swiss Re	5,545	443	0.92
		818	1.70
Taiwan 0.65% (1.33%)			
Nanya Technology	169,910	313	0.65
		313	0.65
United Arab Emirates 1.74% (2.54%)			
Abu Dhabi National Oil Company for Distribution	566,575	333	0.69
Borr Drilling	113,124	507	1.05
		840	1.74
United Kingdom 1.78% (2.24%)			
Aviva	41,111	147	0.30
Subsea 7	18,593	148	0.31
Zegona Communications	547,621	564	1.17
		859	1.78
United States of America 37.35% (38.44%)			
AbbVie	8,952	487	1.01
AvalonBay Communities, REIT	3,204	558	1.16
Best Buy	5,895	307	0.64
Blackstone Group A shares	29,255	1,190	2.47
Broadcom	5,315	1,237	2.57
Carlyle Group	28,880	544	1.13
Cigna	2,384	299	0.62
Citigroup	23,149	1,215	2.52
CVS Health	8,907	440	0.91
Delta Air Lines	7,617	362	0.75
General Motors	57,348	1,738	3.61
GEO Group, REIT	60,012	844	1.75

Artemis Global Equity Income Fund – Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Equities 100.28% (103.81%) (continued)			
United States of America 37.35% (38.44%) (continued)			
Hess	13,158	672	1.39
Home Depot	4,224	789	1.64
Huntington Ingalls Industries	5,505	938	1.95
Juniper Networks	10,049	191	0.40
Las Vegas Sands	5,492	249	0.52
Marsh & McLennan	6,719	547	1.14
Micron Technology	19,751	725	1.51
Microsoft	10,845	1,230	2.55
Moelis A shares	3,986	110	0.23
NextEra Energy Partners	3,592	151	0.31
Qualcomm	4,910	308	0.64
Synchrony Financial	27,265	722	1.50
Targa Resources	12,259	357	0.74
Verizon Communications	26,443	1,258	2.61
Western Digital	11,503	520	1.08
		17,988	37.35
Equities total		48,296	100.28
Forward currency contracts 0.41% (0.08%)			
Buy US Dollar 9,138,229 sell Euro 8,052,750 dated 11/09/2019		199	0.41
Forward currency contracts total		199	0.41
Fair value adjustment at pricing point 0.00% ((0.06%))[†]		-	-
Investment assets		48,495	100.69
Net other assets		(333)	(0.69)
Net assets attributable to shareholders		48,162	100.00

The comparative percentage figures in brackets are as at 28 February 2019.

[†] Fair value adjustment based on movements of futures in markets closed at the fund valuation point, since the last market close.

Artemis Global Equity Income Fund – Financial statements

Statement of total return for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		831		5,689
Revenue	1,347		3,446	
Expenses	(241)		(661)	
Interest payable and similar charges	(1)		(12)	
Net revenue before taxation	1,105		2,773	
Taxation	(79)		(268)	
Net revenue after taxation		1,026		2,505
Total return before distributions		1,857		8,194
Distributions		(1,148)		(2,627)
Change in net assets attributable to shareholders from investment activities		709		5,567

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		68,581		143,275
Amounts receivable on issue of shares	2,107		35,833	
Amounts payable on cancellation of shares	(23,601)		(34,097)	
		(21,494)		1,736
Dilution adjustment		23		17
Change in net assets attributable to shareholders from investment activities		709		5,567
Retained distribution on accumulation shares		343		1,955
Closing net assets attributable to shareholders		48,162		152,550

Balance sheet as at 31 August 2019

	31 August 2019	28 February 2019
	£'000	£'000
Assets		
Fixed assets		
Investments	48,495	71,213
Current assets		
Debtors	548	2,846
Cash and cash equivalents	337	1,212
Total current assets	885	4,058
Total assets	49,380	75,271
Liabilities		
Investment liabilities	-	4
Creditors		
Distribution payable	719	295
Other creditors	499	6,391
Total creditors	1,218	6,686
Total liabilities	1,218	6,690
Net assets attributable to shareholders	48,162	68,581

Artemis Global Equity Income Fund – Notes to the financial statements

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK 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 28 February 2019 as set out therein.

2. Post balance sheet events

Share class closures

Artemis Global Equity Income Fund I accumulation EUR was closed on 27 September 2019.

Artemis Global Equity Income Fund I accumulation USD was closed on 27 September 2019.

Artemis Global Equity Income Fund I distribution EUR was closed on 27 September 2019.

Artemis Global Equity Income Fund I distribution USD was closed on 27 September 2019.

Artemis Global Equity Income Fund R accumulation EUR was closed on 27 September 2019.

Artemis Global Equity Income Fund R accumulation USD was closed on 27 September 2019.

Artemis Global Equity Income Fund – Distribution tables

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

Semi-annual distribution period	Start	End	Ex-dividend date	Pay date
Interim	1 March 2019	31 August 2019	1 September 2019	31 October 2019

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

Group 2 shares 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 shares purchased during the period. It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

I distribution EUR

Dividend distributions for the six months ended 31 August 2019	Group 2		Group 1 & 2 Distribution per share (c)	Corporate Streaming		2018 Distribution per shares (p)
	Net revenue per shares (c)	Equalisation per shares (c)		Franked	Unfranked	
Interim	0.5860	1.4275	2.0135	100.00%	0.00%	2.0080

I accumulation EUR

Dividend distributions for the six months ended 31 August 2019	Group 2		Group 1 & 2 Distribution per shares (c)	Corporate Streaming		2018 Distribution per shares (p)
	Net revenue per shares (c)	Equalisation per shares (c)		Franked	Unfranked	
Interim	2.0599	0.6563	2.7162	100.00%	0.00%	1.8338

I distribution GBP

Dividend distributions for the six months ended 31 August 2019	Group 2		Group 1 & 2 Distribution per shares (p)	Corporate Streaming		2018 Distribution per shares (p)
	Net revenue per shares (p)	Equalisation per shares (p)		Franked	Unfranked	
Interim	1.4215	1.0910	2.5125	100.00%	0.00%	2.4793

I accumulation GBP

Dividend distributions for the six months ended 31 August 2019	Group 2		Group 1 & 2 Distribution per shares (p)	Corporate Streaming		2018 Distribution per shares (p)
	Net revenue per shares (p)	Equalisation per shares (p)		Franked	Unfranked	
Interim	1.5341	0.9647	2.4988	100.00%	0.00%	2.2613

I distribution USD

Dividend distributions for the six months ended 31 August 2019	Group 2		Group 1 & 2 Distribution per shares (c)	Corporate Streaming		2018 Distribution per shares (p)
	Net revenue per shares (c)	Equalisation per shares (c)		Franked	Unfranked	
Interim	1.4793	0.5229	2.0022	100.00%	0.00%	2.1101

I accumulation USD

Dividend distributions for the six months ended 31 August 2019	Group 2		Group 1 & 2 Distribution per shares (c)	Corporate Streaming		2018 Distribution per shares (p)
	Net revenue per shares (c)	Equalisation per shares (c)		Franked	Unfranked	
Interim	0.5872	1.4667	2.0539	100.00%	0.00%	1.9193

R accumulation EUR

Dividend distributions for the six months ended 31 August 2019	Group 2		Group 1 & 2 Distribution per shares (c)	Corporate Streaming		2018 Distribution per shares (p)
	Net revenue per shares (c)	Equalisation per shares (c)		Franked	Unfranked	
Interim	1.8235	-	1.8235	100.00%	0.00%	1.4515

R accumulation USD

Dividend distributions for the six months ended 31 August 2019	Group 2		Group 1 & 2 Distribution per shares (c)	Corporate Streaming		2018 Distribution per shares (p)
	Net revenue per shares (c)	Equalisation per shares (c)		Franked	Unfranked	
Interim	1.7115	-	1.7115	100.00%	0.00%	1.5397

Artemis Global Equity Income Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
28 February 2017	126,294,830		
I distribution EUR		97.81c	511,931
I accumulation EUR		102.83c	56,126,664
I distribution GBP		114.70p	21,089,688
I accumulation GBP		120.42p	27,086,443
I distribution USD		93.40c	836,725
I accumulation USD		98.03c	19,438,800
R accumulation EUR		104.10c	3,015,988
R accumulation USD		100.72c	1,555,882
28 February 2018	143,275,268		
I distribution EUR		97.10c	1,802,869
I accumulation EUR		105.48c	60,685,824
I distribution GBP		117.93p	23,334,298
I accumulation GBP		127.92p	21,525,720
I distribution USD		106.86c	1,283,584
I accumulation USD		115.87c	30,250,874
R accumulation EUR		105.99c	2,712,979
R accumulation USD		118.17c	1,575,044
28 February 2019	68,580,608		
I distribution EUR		91.38c	1,300,406
I accumulation EUR		102.28c	18,886,925
I distribution GBP		107.93p	27,513,988
I accumulation GBP		120.61p	9,262,765
I distribution USD		93.97c	1,516,759
I accumulation USD		105.00c	8,239,364
R accumulation EUR		102.02c	2,023,411
R accumulation USD		106.29c	964,790
31 August 2019	48,162,000		
I distribution EUR		87.69c	1,236,824
I accumulation EUR		101.23c	1,015,540
I distribution GBP		109.43p	27,049,537
I accumulation GBP		125.24p	10,016,161
I distribution USD		87.20c	1,038,087
I accumulation USD		99.86c	3,398,781
R accumulation EUR		100.08c	457,680
R accumulation USD		100.72c	188,407

Ongoing charges

Class	31 August 2019
I distribution EUR	0.95%
I accumulation EUR	0.95%
I distribution GBP	0.95%
I accumulation GBP	0.95%
I distribution USD	0.95%
I accumulation USD	0.95%
R accumulation EUR	1.70%
R accumulation USD	1.70%

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

Fund performance

	Since launch *	3 years	1 year	6 months
Artemis Global Equity Income	25.3	19.9	(7.5)	4.0
MSCI All Country World Index	60.4	39.9	6.4	12.2
Sector average	45.4	28.6	5.9	9.9
Position in sector	29/33	34/38	42/44	39/46
Quartile	4	4	4	4

Past performance is not a guide to the future.

*Source: Lipper Limited, class I distribution GBP from 3 June 2015 to 31 August 2019.

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.

Sector is IA Global Equity Income.

Artemis Pan-European Absolute Return Fund

Investment objective and policy

The objective of the Artemis Pan-European Absolute Return Fund (the 'sub-fund') is to achieve a positive return over a rolling three-year period, notwithstanding changing market conditions. The emphasis of the sub-fund is investment in companies listed, quoted and/or traded in Europe and in companies which are headquartered or have a significant part of their activities in Europe which are quoted on a regulated market outside Europe.

There is no guarantee that the sub-fund will achieve a positive return over the longer term or any other time period and your capital is at risk.

The ACD actively manages the portfolio in order to achieve the objective with exposures to company shares, fixed interest securities and derivative instruments as appropriate. The ACD will not be restricted in respect of choice of investments either by company size or industry, or in terms of the geographical split of the portfolio. The sub-fund will use derivatives for investment purposes, including taking long and short positions, and may use leverage from time to time. When market conditions are less favourable, a higher proportion of the sub-fund may be invested in cash and near cash.

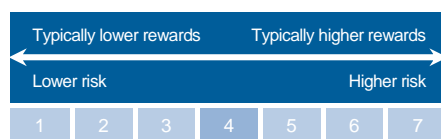
The sub-fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash. The sub-fund may also use derivatives and other techniques for efficient portfolio management.

Fund benchmarks:

- LIBOR (London Interbank Offered Rate) 3 Month GBP

A widely-used measure of the average interest rate at which banks lend to each other, used to estimate the amount of interest which could be earned on cash. It acts as a 'target benchmark' that the fund aims to outperform. Artemis is paid a performance fee if the fund's performance exceeds the benchmark.

Risk and reward profile



■ The sub-fund is in the category shown due to its historic volatility (how much and how quickly the value of shares in the sub-fund have risen and fallen in the past). It may not be a reliable indication of the future risk profile of the sub-fund.

■ The risk category shown is not guaranteed and may change over time.

■ 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 sub-fund performance:

■ 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.

■ Some or all of the sub-fund's assets may be invested in a currency other than the fund's accounting currency. The value of the assets, and the income from them, may decrease if the currency falls in relation to the accounting currency.

■ The sub-fund's exposure to asset classes and currencies, long and short, is guided by the manager's expectation of the future direction of equity markets. There is no guarantee that the fund will be positioned correctly to benefit from the direction of markets.

■ Investments in fixed interest securities are subject to market and credit risk and will be impacted by movements in interest rates. Interest rate movements are determined by a number of economic factors, in particular market expectations of future inflation.

■ The sub-fund may invest in derivatives with the aim of profiting from falling as well as rising prices ('shorting'). If the related assets' value moves in the opposite direction the sub-fund will lose money. In addition, a derivative may not perform as expected, and may create losses for the fund greater than the cost of the derivative.

■ The sub-fund may hold a large amount of cash. If it does so when markets are rising, the fund's returns could be less than if the cash was fully invested in other types of assets.

■ The sub-fund issues hedged classes which use hedging with the aim of protecting against unwanted changes in foreign exchange rates. Hedged classes are still subject to market risks, may not be completely protected from all currency fluctuations and may not be fully hedged at all times. The transaction costs of hedging may also negatively impact the fund's returns.

Artemis Pan-European Absolute Return Fund – Investment review (continued)

- The fund falls by 5.4%*.
- Our short positions in ‘quality’ and ‘momentum’ stocks hurt.
- Some value stocks now trade on valuation multiples not seen since the financial crisis.

Performance – A bubble in ‘quality’ and ‘momentum’ stock hurts...

With their fortunes proving hostage to political events and the extraordinary developments in the government bond market, the past six months have been an extremely volatile period for equity markets.

In just one example of how extraordinary things in the bond market have become, the yield on the German 10-year bund fell by 88 basis points to minus 70 basis points. To be clear: investors are now obliged to pay for the privilege of lending money to the German government for a decade. This is not an isolated example. As we write, some \$17 trillion of outstanding debt has a negative yield. That investors seem to have welcomed this indicates there is a huge amount of fear at work. We will return to this later.

In this environment, bond proxies and stocks exhibiting factors such as ‘quality’ and ‘momentum’ rose to higher valuations far more rapidly than their underlying earnings revisions merited. We believe that valuations in these parts of the market are now firmly in bubble territory, leaving stocks vulnerable to anything that might cause the dominant trends to change or reverse. In the short term, however, our short positions in these increasingly expensive stocks have been painful for the fund: they account for a significant chunk of the 5.4% fall in its net asset value (NAV) over the last six months.

The obverse of this is that valuations of cyclical stocks exhibiting value factors are pricing in a degree of earnings destruction that has little corroborating evidence in the real world.

Indeed, the outcome of this battle of valuation extremities will probably be the most significant determinant of returns over the months to come. We elaborate on this in the Outlook section.

Review – As a central banks reverse course...

Central banks have capitulated to the market. Just a few months ago, it looked as if we were in a ‘normal’ monetary cycle, in which interest rates would rise in response to stronger growth and nascent inflationary pressures. But falling stockmarkets encouraged the US Federal Reserve to reverse course, cutting interest rates instead of raising them. They are doubling down on policies designed to counter the global financial crisis but which have proven to be wholly inadequate to the task of solving the problems economies currently face.

This abrupt change of direction in monetary policy has scared investors and influenced trends within the equity market. The majority of investors now seem to simultaneously believe that they require nothing but safety in their portfolios (and are prepared to pay almost any multiple of earnings for it) while also assuming that the Federal Reserve will ride to the rescue whatever happens. This is not a logical combination. But it is one in which the valuation ‘gap’ between perceived winners and perceived losers in equities has widened even further. For investors like us, to whom valuations matter when measuring the prospect of future returns from a stock, this poses a (temporary) challenge.

Our short book contains a number of different stocks and themes. The first group of our short positions are in companies with poor accounting practices and too much debt. These positions have generally done quite well for the fund and continued to do so over the last six months.

A second group of shorts are in stocks with challenged business models whose apparent cheapness eventually gives way to the realisation that earnings expectations have been completely wrong. In general, these have also made positive contributions to returns.

However, a third cohort of stocks, companies whose valuation multiples have moved far in excess of any reasonable earnings growth that is likely to be achieved, have been a difficult area to short successfully. The share prices of these stocks have tended to be supported by their inclusion in the successful factors of quality and momentum. In our portfolio, most of these types of short position can be found in the consumer discretionary and industrial sectors, which have been the two worst performing areas for the short book over the last six months.

Paying a higher-than-average market multiple for excess growth in earnings makes perfect sense. What does not make sense is for that premium to expand at a faster pace than the earnings growth the company can produce or, in some cases, where the multiple is expanding even as earnings have begun to fall. Here, we are getting into the territory of the ‘greater fool’ theory of investing, where investments are made not with respect to the intrinsic fundamentals of a stock but in the hope that someone else – the greater fool – will be prepared to pay more for it. Assisted by negative sovereign-bond yields, safety has prevailed over sanity.

We have seen reversions to this pattern a few times since 2016. As we saw in the final quarter of 2018, such reversions can come quickly and violently. So our approach has been to take the opportunity to go short when the gap between valuations and earnings becomes too wide. At the same time, we have been more active in booking profits at an earlier stage, recognising that reversals in these trends have been temporary rather than permanent.

Past performance is not a guide to the future.

* Source: Lipper Limited, class I accumulation GBP (Hedged). 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.

For brief explanations of terms you may not be familiar with, please see the Glossary of investment terms on our website (typing “Artemis investment glossary” into your search engine should take you there).

At times, this can be frustrating. Ultimately, however, we believe we are on the right track, particularly as slowing economic growth adds to the pressure on companies of every type.

Towards the end of the period, our short positions in some of these highly valued stocks began to pay off as they experienced sharp falls in their share prices following their result statements. This is encouraging. It suggests that when overly positive sentiment finally makes contact with the real world the reaction can be as it 'should' be.

The fund's most significant net long positions are in the energy, communications and financial sectors. Of these, communications made a strongly positive contribution over the reporting period while returns from energy and financials were negative. The communications sector was created when MSCI reclassified the market and combined the telecoms and media sectors. In our fund, it was the telecoms stocks that did best.

We have a longstanding long position in Deutsche Telekom, which is waiting to find out if the merger of its US mobile division with Sprint will be allowed to proceed. The decision is getting closer and the current balance of opinion is that the merger will be waved through. This, in addition to a solid set of results, allowed the share price to make strong gains.

The story at Vodafone is slightly different. Having engaged in serial restructuring of the business over a period of years, the pressure on its balance sheet finally began to show with its acquisition of Liberty Global's assets in Europe. A reset of the dividend was required and new management bit the bullet. This put further downward pressure on the share price despite the fact that it had been a poor performer for quite some time.

Poorly performing companies tend to try to fix things rather than simply sitting still. Vodafone has stabilised the more difficult regions (such as Spain) and has begun to sell assets in non-core markets (such as New Zealand). The main development, however, was an announcement that it was looking for ways to monetise its substantial portfolio of telecoms towers.

Given that specialist, listed tower companies trade at far higher valuation multiples than Vodafone, this is good news. The share price duly responded – and we think there is more to come.

At first glance, it may seem that the weakness in our energy stocks was caused by the falling oil price. In reality, however, the fall was fairly modest and the price of Brent crude generally hovered above \$60 per barrel. This is a pretty 'comfortable' level for oil companies. Our main problem was stock-specific: Borr Drilling accounted for all of our losses in the sector. This is a company formed to consolidate the market for premium 'jack-up' drilling rigs at the bottom of the cycle with the intention of capitalising on this position when things improve. Such deep value situations are always volatile. So while the market has lost patience with drilling companies in the past few months, Borr included, we haven't.

We knew patience would be required with Borr and we are indeed seeing the company sign new contracts. Rates for its rigs are improving. There is plenty of scope for its share price to move much higher as this process continues. Elsewhere in the sector the best returns came from companies where self-help is in evidence. TechnipFMC is planning to split itself into two more specialist companies. To pay down debt, Premier Oil aims to sell some very attractive assets. CGG is proving successful in executing a wide-ranging restructuring plan and is now expected to produce positive cash-flows for the year. The story at Vallourec is similar: it is also enjoying some large contract wins as the offshore business ramps up activity with clients again.

In the financial sector, our holdings in two mainstream banks fell. This was a direct response to lower government bonds yields and to the flattening of the yield curve. There were also concerns that the ECB would push official interest rates even further into negative territory. If negative rates inhibit the financial transmission function it will not be helpful either for commercial banks or for the economy at large. Although we had already cut the size of our holdings in Commerzbank and AIB, the remaining positions still hurt performance.

A much better performer was Cembra Money Bank, a Swiss consumer lender. Net interest margins in this segment of the market are much better and bad debts are not a concern due to the nature of Swiss law. Since Cembra is gaining market share, it is able to thrive despite slow growth in the economy. Its share price has risen materially. Amundi, one of our asset-management holdings, is also doing well as it leverages the benefits of scale from past acquisitions. Our short position in a Dutch life insurer and pensions company, meanwhile, was profitable as the market focused on the damage changing conditions in the credit market would inflict on its capital position.

The shape of the fund reflects our ability to find 'beaten up' stocks for the long book as well as more defensive names that trade on reasonable – although not outright cheap – valuations. We believe such a combination balances stability against opportunity. Nonetheless, a consequence of hunting for ideas in unpopular parts of the market means the fund's short-term performance will be volatile at times.

Artemis Pan-European Absolute Return Fund – Investment review (continued)

On the short side, we have a significant number of special situations where we would expect to make money irrespective of the market backdrop. These are stocks where the challenges are simply too great to support current share prices. Alongside this, our more contrarian short positions in crowded trades should pay off in the event that the momentum-driven market stalls and marginal buyers become marginal sellers.

Activity –Preparing for challenging economic times...

For some time now, we have been readying the portfolio for an environment in which corporate earnings face greater challenges. Our transactions over the past six months built on that. Indeed, the market has witnessed a steady stream of downgrades to earnings forecasts – so the process we had anticipated seems to have begun.

This change is most apparent in some of the industrial companies in which we have short positions. Their disappointing earnings announcements have often been compounded by lowered expectations for future earnings. While some investors had hoped for recovery in earnings in the second half of this year, prospects instead seem to have deteriorated even further.

Although we have taken profits in many of our successful short positions and reduced our outstanding position sizes, we have been reluctant to cut them entirely. We believe there will be more bad news to come in the third-quarter results season.

One sector provides an exception to this expectation of bad news – it may even offer a clue as to what comes next in other sectors. In our experience, the semiconductor sector leads the broader industrial sector by approximately six-to-nine months. This was evident in 2018 and we have earned good profits on our semiconductor shorts as bad news from the sector continued to materialise. We have now closed these short positions. In keeping with the rapid nature of change in this sector we are now seeing signs that demand has bottomed out and begun to recover and that inventory levels have fallen from elevated levels. Prices for memory chips are showing indications of recovery. This typically marks the start of a new cycle and, as a response, we have added a meaningful long position in Infineon Technologies. If the pattern repeats in this cycle, in six-to-nine months we might be writing about closing short positions in industrial stocks – and adding longs. But we are not there yet.

Elsewhere on the long side, we trimmed a number of larger holdings that had done well in order to keep our position sizes in check. These included Sanofi, Danone, Deutsche Telekom and Amundi. All of these still look attractive to us so it is simply a question of prudent portfolio management.

Fresenius is worthy of particular mention. This stock can be described as a fallen angel. For years it was a member of the 'quality growth' set, enjoying a premium valuation for premium growth in earnings. But then came a number of missteps and its valuation multiple collapsed.

Our view is that the setbacks Fresenius faces are in the process of being resolved. This gives us a temporary window of opportunity to bag a bargain and we have taken advantage. There is a wider lesson here too: growth stocks that falter in delivering earnings growth will be punished severely. We have a number of potential candidates for 'fallen angel' status in our short book and look forward to seeing the market reaction should fashionable stocks disappoint.

Additions to the short book included positions in the retail, support services and insurance sectors. These are a mixture of, on the one hand, business models under pressure and, on the other, partly cyclical businesses masquerading as pure growth stocks – with the attendant inflated valuation that brings. We have already had some success in the insurance sector as investors begin to appreciate the damaging impact of negative bond yields. This is a popular hiding place for those afraid to invest in banks, yet we doubt the safety on offer will match what is desired.

Outlook –Wary of 'style bubbles'...

A battle is raging within European equity markets. For popular stocks with growth and momentum as tailwinds, there currently seems to be no upper limit to the valuation investors are prepared to pay. For unpopular ones – particularly value stocks – there seems to be no lower boundary. We call this a style bubble.

In this bubble, the winning stocks trade on high valuation multiples. By definition, the higher the multiple, the better the implied forecasting ability of the person buying the stock – or the higher the growth rate of earnings needed to justify the multiple. Or sometimes both.

This means a stock trading on, say, 30x earnings implies a high degree of confidence that that it will grow rapidly over the next few years. It is priced for a lot of success. So things need to go well for the share price merely to stay still.

There is a scene in Lewis Carroll's *Through the Looking-Glass* in which Alice and the Red Queen are running hard while remaining in the same place. Alice finds this strange. In response to her comments the Red Queen replies 'Now, here, you see, it takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!' This neatly summarises the predicament facing growth stocks. Expectations are such that delivering high rates of earnings growth is only good enough for them to stand still. Beating those high rates of growth gets ever harder. And if those growth rates are missed, then the fate of Fresenius may await...

Contrast this with today's losers, which are often cheap 'value' stocks. Some are now trading back at levels that prevailed during the global financial crisis. Others are seeing analysts raising their earnings forecasts – but this is roundly ignored. Many offer well-supported dividend yields which should be attractive in a world starved of income – but their share prices imply that it isn't. Others are in cyclical industries where being in the down part of the cycle has been interpreted as structural failure. Only time will tell if this is correct.

These are the various cohorts of the style factor 'losers'. In all cases we believe there are bargains to be had – if investors are willing to take them. Yet it's hard to hold onto these stocks and dissenters have been battered into submission by overwhelming market trends. Trends always seem overwhelming in the final stages of a bubble. When it finally bursts, the maximum number of investors have been drawn in, ensuring pain is inflicted on the widest number of people.

We aren't the only ones who think factor investing may be a source of risk for equity markets. Mike Burry, the investor who shorted tech stocks just as the Technology, Media & Telecom bubble burst, who spotted the dangers in subprime early and shorted collateralized debt obligations – and who was later made famous by *The Big Short* – is now concerned about the crowding of 'factors' in exchange-traded funds. His view is that investors chasing performance have rushed into these vehicles and so helped inflate a bubble in certain factors. No matter how safe a strategy purports to be, if it is crowded it is risky. Nobody listened to Mr Burry about the asset-backed CDO market until the bubble burst. But burst it did.

Paul Casson
Fund manager

Artemis Pan-European Absolute Return Fund – Investment information

Ten largest purchases and sales for the six months ended 31 August 2019

Purchases	Cost £'000	Sales	Proceeds £'000
UK Treasury 3.75% 07/09/2019	909	UK Treasury 3.75% 07/09/2019	8,244
Fresenius	571	Royal Dutch Shell B shares	4,177
Danone	526	Vodafone Group	3,934
Premier Oil	295	Danone	3,875
Anima Holding	289	Sanofi	3,789
Indivior	245	Mediaset Espana Comunicacion	3,563
Mediaset Espana Comunicacion	209	Amundi	3,451
Drilling Company of 1972	206	Imperial Brands	3,322
Adecco Group	91	Adecco Group	3,268
Commerzbank	91	Deutsche Telekom	3,172

Portfolio statement as at 31 August 2019

Investment	Holding	Valuation £'000	% of net assets
Equities 80.38% (77.08%)			
Denmark 0.61% (1.03%)			
Drilling Company of 1972	3,622	163	0.61
OW Bunker & Trading ^	29,538	-	-
		163	0.61
France 14.09% (13.44%)			
Amundi	17,242	914	3.42
CGG	174,643	293	1.09
Danone	15,374	1,141	4.26
Sanofi	16,935	1,206	4.51
Vallourec	95,894	218	0.81
		3,772	14.09
Germany 12.58% (7.29%)			
Akasol	13,538	503	1.88
Bayerische Motoren Werke	14,502	802	3.00
Commerzbank	117,225	553	2.07
Deutsche Telekom	70,534	973	3.63
Fresenius	13,335	535	2.00
		3,366	12.58
Ghana 1.93% (1.47%)			
Tullow Oil	255,604	516	1.93
		516	1.93
Ireland 7.68% (8.58%)			
AIB Group	174,440	365	1.37
Cairn Homes	377,950	351	1.31
CRH	25,263	701	2.62
Ryanair Holdings	77,017	637	2.38
		2,054	7.68
Italy 2.97% (5.13%)			
Anima Holding	172,816	522	1.95
Saipem	68,372	272	1.02
		794	2.97
Netherlands 1.91% (3.84%)			
Royal Dutch Shell B shares	22,415	511	1.91
		511	1.91

Investment	Holding or nominal value	Global exposure* £'000	Valuation £'000	% of Net Assets
Equities 80.38% (77.08%) (continued)				
Norway 5.07% (3.93%)				
Equinor	37,447		527	1.97
Mowi	41,475		831	3.10
			1,358	5.07
Spain 3.76% (3.62%)				
Mediaset Espana Comunicacion	193,819		1,006	3.76
			1,006	3.76
Switzerland 6.01% (5.74%)				
Adecco Group	17,804		775	2.89
Cembra Money Bank	9,962		834	3.12
			1,609	6.01
United Arab Emirates 1.35% (2.28%)				
Borr Drilling	80,390		360	1.35
			360	1.35
United Kingdom 22.42% (20.73%)				
DCC	7,282		510	1.90
GlaxoSmithKline	38,161		656	2.45
Greggs	27,521		578	2.16
Imperial Brands	47,096		995	3.72
ITV	921,099		1,083	4.05
Premier Oil	727,872		583	2.18
Subsea 7	31,543		251	0.94
TechnipFMC	11,861		244	0.91
Vodafone Group	707,161		1,101	4.11
			6,001	22.42
Equities total			21,510	80.38
Government bonds 8.26% (7.91%)				
United Kingdom 8.26% (7.91%)				
UK Treasury 3.75% 07/09/2019	£2,210,433		2,211	8.26
			2,211	8.26
Government bonds total			2,211	8.26
Contracts for difference (1.42)% ((2.88)%)				
Australia (0.09)% ((0.14)%)				
Rio Tinto	(15,730)	(651)	(24)	(0.09)
		(651)	(24)	(0.09)
Denmark (0.06)% ((0.36)%)				
GN Store Nord	(19,998)	(692)	(3)	(0.01)
ISS	(18,599)	(388)	(14)	(0.05)
		(1,080)	(17)	(0.06)
France (0.31)% ((1.12)%)				
Airbus	(4,536)	(519)	(18)	(0.07)
Axa	(20,310)	(388)	(6)	(0.02)
Kering	(969)	(390)	(13)	(0.05)
Pernod Ricard	(3,806)	(598)	(23)	(0.09)
Schneider Electric	(7,838)	(543)	(22)	(0.08)
		(2,438)	(82)	(0.31)
Germany (0.14)% (0.02%)				
Adidas	(1,914)	(468)	(8)	(0.03)
Allianz	(3,541)	(646)	(14)	(0.05)

Artemis Pan-European Absolute Return Fund – Investment information (continued)

Investment	Holding	Global exposure* £'000	Valuation £'000	% of Net Assets
Contracts for difference (1.42)% ((2.88)% (continued))				
Germany (0.14)% (0.02)% (continued)				
Beiersdorf	(7,054)	(732)	(6)	(0.02)
Infineon Technologies	44,723	638	31	0.11
Siemens	(3,249)	(268)	(6)	(0.02)
Wirecard	(5,029)	(666)	(16)	(0.06)
Zalando	(15,832)	(644)	(18)	(0.07)
		(2,786)	(37)	(0.14)
Netherlands (0.05)% ((0.33)%)				
Heineken	(7,457)	(658)	(14)	(0.05)
		(658)	(14)	(0.05)
Norway 0.00% (0.02%)				
Spain (0.04)% ((0.14)%)				
Amadeus IT Group	(13,873)	(849)	(11)	(0.04)
		(849)	(11)	(0.04)
Sweden (0.22)% ((0.19)%)				
Atlas Copco A shares	(25,000)	(613)	(38)	(0.14)
Sandvik	(33,782)	(398)	(14)	(0.05)
Securitas B shares	(30,652)	(379)	(6)	(0.03)
		(1,390)	(58)	(0.22)
United Kingdom (0.51)% ((0.64)%)				
AA	(750,719)	(412)	(11)	(0.04)
AO World	(319,889)	(223)	(3)	(0.01)
B&M European Value Retail	(146,962)	(529)	(8)	(0.03)
Berkeley Group Holdings	(15,453)	(604)	(21)	(0.08)
Compass Group	(26,545)	(554)	(1)	-
Experian	(18,607)	(470)	(3)	(0.01)
Fevertree Drinks #	(13,801)	(313)	3	0.01
Marks & Spencer Group	(210,678)	(405)	(7)	(0.03)
Pearson	(75,552)	(631)	(10)	(0.04)
Pets at Home Group	(259,275)	(599)	(7)	(0.03)
Relx	(27,731)	(551)	(8)	(0.03)
Rentokil Initial	(126,496)	(573)	(10)	(0.04)
Royal Mail	(197,570)	(413)	(10)	(0.04)
Scottish Mortgage Investment Trust	(127,006)	(669)	(17)	(0.06)
SSE	(46,337)	(533)	(15)	(0.05)
Unilever	(10,707)	(559)	(9)	(0.03)
		(8,038)	(137)	(0.51)
Contracts for difference total		(17,890)	(380)	(1.42)
Forward currency contracts 0.14% ((0.06)%)				
I accumulation EUR (Hedged) 0.00% ((0.02)%)				
Buy Euro 70,414 sell Danish Krone 525,029 dated 30/09/2019			-	-
Buy Euro 382,802 sell Norwegian Krone 3,836,866 dated 30/09/2019			1	0.01
Buy Euro 2,196,205 sell Sterling 1,998,034 dated 30/09/2019			(5)	(0.02)
Buy Euro 314,875 sell Swiss Franc 342,329 dated 30/09/2019			1	0.01
			(3)	-

Investment	Valuation £'000	% of Net Asset
Forward currency contracts 0.14% ((0.06)%) (continued)		
I accumulation GBP (Hedged) 0.14% ((0.02)%)		
Buy Sterling 291,402 sell Danish Krone 2,388,471 dated 30/09/2019	1	-
Buy Sterling 9,188,833 sell Euro 10,100,091 dated 30/09/2019	22	0.08
Buy Sterling 1,584,190 sell Norwegian Krone 17,463,711 dated 30/09/2019	7	0.03
Buy Sterling 1,303,083 sell Swiss Franc 1,521,207 dated 30/09/2019	9	0.03
	39	0.14
I accumulation USD (Hedged) 0.00% ((0.02)%)		
Buy US Dollars 4,172 sell Danish Krone 27,990 dated 30/09/2019	-	-
Buy US Dollars 131,578 sell Euro 118,348 dated 30/09/2019	1	-
Buy US Dollars 22,683 sell Norwegian Krone 204,514 dated 30/09/2019	-	-
Buy US Dollars 130,121 sell Sterling 106,452 dated 30/09/2019	-	-
Buy US Dollars 18,659 sell Swiss Franc 18,243 dated 30/09/2019	-	-
	1	-
R accumulation EUR (Hedged) 0.00% (0.00%)		
Buy Euro 514 sell Danish Krone 3,831 dated 30/09/2019	-	-
Buy Euro 2,793 sell Norwegian Krone 27,998 dated 30/09/2019	-	-
Buy Euro 16,026 sell Sterling 14,580 dated 30/09/2019	-	-
Buy Euro 2,298 sell Swiss Franc 2,498 dated 30/09/2019	-	-
	-	-
Forward currency contracts total	37	0.14
Investment assets (including investment liabilities)	23,378	87.36
Net other assets	3,384	12.64
Net assets attributable to shareholders	26,762	100.00

The comparative percentage figures in brackets are as at 28 February 2019.

^ Unlisted, suspended or delisted security.

Security listed on the Alternative Investment Market (AIM).

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

Artemis Pan-European Absolute Return Fund – Financial statements

Statement of total return for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)		(1,870)		(1,249)
Revenue	1,089		4,308	
Expenses	(220)		(971)	
Interest payable and similar charges	(695)		(2,154)	
Net revenue before taxation	174		1,183	
Taxation	(41)		(257)	
Net revenue after taxation		133		926
Total return before distributions		(1,737)		(323)
Distributions		(84)		(174)
Change in net assets attributable to shareholders from investment activities		(1,821)		(497)

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		121,394		216,557
Amounts receivable on issue of shares	1,897		30,804	
Amounts payable on cancellation of shares	(94,802)		(54,467)	
		(92,905)		(23,663)
Dilution adjustment		94		31
Change in net assets attributable to shareholders from investment activities		(1,821)		(497)
Closing net assets attributable to shareholders		26,762		192,428

Balance sheet as at 31 August 2019

	31 August 2019	28 February 2019
	£'000	£'000
Assets		
Fixed assets		
Investments	23,797	104,032
Current assets		
Debtors	216	543
Cash and cash equivalents	3,627	25,227
Total current assets	3,843	25,770
Total assets	27,640	129,802
Liabilities		
Investment liabilities	419	4,429
Creditors		
Distribution payable	88	406
Other creditors	371	3,573
Total creditors	459	3,979
Total liabilities	878	8,408
Net assets attributable to shareholders	26,762	121,394

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK 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 28 February 2019 as set out therein.

2. Post balance sheet events

Share class closures

Artemis Pan-European Absolute Return Fund I accumulation USD Hedged was closed on 23 September 2019.
Artemis Pan-European Absolute Return Fund I accumulation EUR Hedged was closed on 27 September 2019.
Artemis Pan-European Absolute Return Fund R accumulation EUR Hedged was closed on 27 September 2019.

Artemis Pan-European Absolute Return Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
28 February 2017	97,170,996		
I accumulation EUR (Hedged)		117.36c	50,015,907
I accumulation GBP(Hedged)		118.23p	39,057,256
I accumulation USD (Hedged)		119.72c	1,006,245
R accumulation EUR (Hedged) *		103.80c	10,000
28 February 2018	216,556,738		
I accumulation EUR (Hedged)		121.84c	128,901,514
I accumulation GBP(Hedged)		123.48p	55,857,065
I accumulation USD (Hedged)		127.22c	9,409,431
R accumulation EUR (Hedged)		107.23c	365,326
28 February 2019	121,394,378		
I accumulation EUR (Hedged)		113.88c	68,922,526
I accumulation GBP (Hedged)		116.78p	42,096,639
I accumulation USD (Hedged)		122.21c	5,139,297
R accumulation EUR (Hedged)		99.48c	183,702
31 August 2019	26,761,808		
I accumulation EUR (Hedged)		106.87c	4,867,162
I accumulation GBP (Hedged)		110.50p	19,687,113
I accumulation USD (Hedged)		117.02c	266,523
R accumulation EUR (Hedged)		92.89c	41,342

* Launched on 31 October 2016.

Ongoing charges

Class	31 August 2019
I accumulation EUR (Hedged)	0.93%
I accumulation GBP (Hedged)	0.93%
I accumulation USD (Hedged)	0.93%
R accumulation EUR (Hedged)	1.68%

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

Fund performance

	Since launch *	3 years	1 year	6 months
Artemis Pan European Absolute Return	10.7	(2.2)	(9.6)	(5.4)
LIBOR GBP 3 Months	3.0	1.7	0.9	0.4

Past performance is not a guide to the future.

* Source: Lipper Limited, class I accumulation GBP (Hedged) from 14 July 2014 to 31 August 2019.

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.

Artemis US Absolute Return Fund

Investment objective and policy

The objective of the Artemis US Absolute Return Fund (the 'sub-fund') is to achieve a positive return over a rolling three-year period, notwithstanding changing market conditions. The emphasis of the sub-fund is investment in companies listed, quoted and/or traded in the United States of America ('USA') and in companies which are headquartered or have a significant part of their activities in the USA which are quoted on a regulated market outside the USA.

There is no guarantee that the sub-fund will achieve a positive return over the longer term or any other time period and your capital is at risk.

The ACD actively manages the portfolio in order to achieve the objective with exposures to company shares, fixed interest securities and derivative instruments as appropriate. The ACD will not be restricted in respect of choice of investments either by company or by industry. The sub-fund will use derivatives for investment purposes, including taking long and short positions, and may use leverage from time to time. When market conditions are less favourable, a higher proportion of the sub-fund may be invested in cash and near cash.

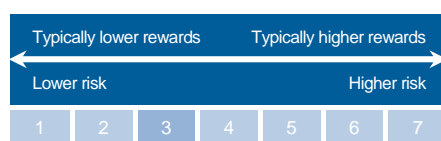
The sub-fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash. The sub-fund may also use derivatives and other techniques for efficient portfolio management.

Fund benchmarks:

- LIBOR (London Interbank Offered Rate) 3 Month GBP

A widely-used measure of the average interest rate at which banks lend to each other, used to estimate the amount of interest which could be earned on cash. It acts as a 'target benchmark' that the fund aims to outperform. Artemis is paid a performance fee if the fund's performance exceeds the benchmark.

Risk and reward profile



- The sub-fund is in the category shown due to its historic volatility (how much and how quickly the value of shares in the sub-fund have risen and fallen in the past). It may not be a reliable indication of the future risk profile of the sub-fund.

- The risk category shown is not guaranteed and may change over time.

- 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 sub-fund performance:

- The value of the sub-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.

- Some or all of the sub-fund's assets may be invested in a currency other than the sub-fund's accounting currency. The value of the assets, and the income from them, may decrease if the currency falls in relation to the accounting currency.

- The sub-fund's exposure to asset classes and currencies, long and short, is guided by the manager's expectation of the future direction of equity markets. There is no guarantee that the sub-fund will be positioned correctly to benefit from the direction of markets.

- The sub-fund may invest in derivatives with the aim of profiting from falling as well as rising prices ('shorting'). If the related assets' value moves in the opposite direction the sub-fund will lose money. In addition, a derivative may not perform as expected, and may create losses for the sub-fund greater than the cost of the derivative.

- The sub-fund may hold a large amount of cash. If it does so when markets are rising, the sub-fund's returns could be less than if the cash was fully invested in other types of assets.

- The sub-fund issues hedged classes which use hedging with the aim of protecting against unwanted changes in foreign exchange rates. Hedged classes are still subject to market risks, may not be completely protected from all currency fluctuations and may not be fully hedged at all times. The transaction costs of hedging may also negatively impact the sub-fund's returns.

- The sub-fund can invest in China A-shares (shares traded on Chinese stock exchanges in Renminbi). There is a risk that the sub-fund may suffer difficulties or delays in enforcing its rights in these shares, including title and assurance of ownership.

Artemis US Absolute Return Fund – Investment review

- The fund returns 2.3%*.
- Our long positions in software & services stocks generate strong returns.
- With valuations in some areas looking stretched, we are cautiously positioned.

Performance – Helped by monetary easing and stockpicking...

Supported initially by a dovish shift in tone from the Federal Reserve and then by a 25 basis point cut to interest rates, the US market has risen over the last six months. The fund, meanwhile, returned 2.3%.

The Fed's decision to cut rates was, in part, a response to periodic bouts of volatility triggered by President Trump's conflicting messages in his ongoing trade dispute with China. Data on the economy, meanwhile, started to weaken, further supporting the case for monetary stimulus. August brought a sharp drop in business confidence (20% down from its high in 2018). That could herald a reduction in capital expenditure and so have a negative effect on the US jobs market.

On a corporate level, earnings growth across the market has slowed, with earnings in the second quarter of this year just 1% higher compared to the same period last year. In part, this lacklustre growth was due to the trade tensions – but also recall that last year's numbers were boosted by tax cuts so making them harder to beat. At the same time, a number of companies are indicating that they are seeing cost pressures from the tariffs imposed on Chinese imports. Others are reporting that their margins are coming under pressure from rising wage costs.

Review – Led by software and services...

Our positions in the software and services sector – both long and short – proved fruitful. Our long position in Booz Allen Hamilton, a government IT contractor and software company, was the top contributor to returns. The leader in its sector, it is delivering solid results, offering growth and predictability in earnings. We also have a long position in Microsoft. It continues to deliver and also performed well over the period.

Visa may be a card payment company – but it is classified as software and services stock. Its growth is being driven by steady increase in the volume of transactions taking place online. At the same time, the introduction of contactless card payments in the US should see an acceleration in the pace at which card payments are supplanting cash transactions. The fund also benefited from a short position in a smaller company that sells software solutions to insurance companies.

We have initiated a long position in Franco-Nevada, a gold producer. Its defensive qualities combined with the rally in precious metal prices saw its shares returning 40% in sterling terms over the period.

Crown Castle International, which operates mobile telecoms towers, also featured in the top contributors to performance. It is benefiting from a wave of investment in 5G telecoms and, amid economic uncertainty, investors rewarded it for the predictability of its revenues. In general, holdings in defensive stocks with higher predictability of earnings and strong balance sheets generally fared better than more cyclical or highly geared stocks.

As the various candidates for the Democratic ticket in the 2020 election jockey for favour, their rhetoric is taking its toll on the healthcare sector. Long positions in Pfizer (pharmaceuticals) and health insurer Anthem therefore detracted from returns over the period. There are still concerns about the outlook for drug pricing in the US and the share prices of health insurers are under particular pressure as a number of Democratic candidates advocate a change towards a 'single payer' healthcare system, a shift that would endanger their business model. Although we don't believe the US will adopt a universal healthcare system, we do expect political noise to weigh on performance of these stocks. So we are cautious towards health insurers and haven't responded to their share-price falls by topping up our holdings in them.

Elsewhere in the healthcare area, a long position in animal health company Zoetis was more helpful. Its established core products continue to deliver good growth in sales while a number of new treatments in its pipeline offer upside potential. It is also deriving synergies from its recent acquisition of Abaxis.

A long position in Boeing weighed on returns. Two fatal crashes resulted in Boeing's new 737 Max being grounded worldwide. We retain our holding, believing that the underlying investment thesis still holds and that the current valuation multiple is discounting far too negative a scenario.

Past performance is not a guide to the future.

* Source: Lipper Limited, class I accumulation GBP (NAV hedged).

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.

Outlook - Preparing for a more challenging environment...

We remain cautious on the outlook for the US economy and for the stockmarket as a whole. Although we don't anticipate outright recession, economic data is showing signs of weakening. We also believe that the trade war between the US and China is a long way from being resolved. This will continue to weigh on the market, particularly given that valuations in some areas appear stretched.

At the same time, political noise is likely to grow louder as the next election approaches. Some sectors (healthcare in particular) will remain under the spotlight.

The positioning of the fund has remained relatively unchanged since the spring.

At the sector level, we have reduced the fund's exposure to technology. If long positions in stocks such as card payment firm Visa and government service contractor Booz Allen Hamilton are excluded then our exposure to tech companies is net short. We also have short positions in some industrial stocks. Within communication services, we have exposure on the long side to cable companies, whose earnings have a degree of predictability.

The fund's net exposure to the market remained low (below 10%) over the period (the net exposure of a 'conventional', fully invested, long-only fund would be 100%). By the end of August, net exposure was 5.4%. We don't expect this to change dramatically in the near future. We feel that this cautious positioning leaves the fund well placed to endure what could prove to be a challenging economic – and market – backdrop.

Stephen Moore and William Warren *
Fund managers

* Following departure of Stephen Moore, William Warren has been sole manager of the fund since October 2019.

Artemis US Absolute Return Fund – Investment information

Ten largest purchases and sales for the six months ended 31 August 2019

Purchases*	Cost £'000	Sales*	Proceeds £'000
Boeing	7,240	Xilinx	11,824
Qualcomm	6,593	Qualcomm	10,960
PayPal Holdings	4,545	Raytheon	10,748
Omnicom Group	3,485	Zoetis	9,577
McDonald's	3,303	Microsoft	9,152
Progressive	3,195	MSCI	8,595
International Business Machines	3,124	Berkshire Hathaway B shares	7,574
Citrix Systems	2,962	Alphabet C shares	7,561
Dollar Tree	2,676	Boeing	7,281
Spirit AeroSystems Holdings A shares	2,660	Comcast A shares	7,062

* Excluding US Treasury Bills traded for liquidity management purposes.

Portfolio statement as at 31 August 2019

Investment	Holding	Valuation £'000	% of net assets
Equities 38.14% (48.19%)			
Communication Services 5.33% (5.39%)			
Activision Blizzard	32,922	1,377	0.27
Alphabet C shares	3,648	3,573	0.71
Comcast A shares	206,192	7,478	1.49
Electronic Arts	20,286	1,549	0.31
IAC/InterActiveCorp	4,262	889	0.18
Liberty Broadband C shares	47,681	4,098	0.81
Omnicom Group	52,997	3,289	0.65
T-Mobile US	71,135	4,556	0.91
		26,809	5.33
Consumer Discretionary 5.56% (4.91%)			
Best Buy	31,582	1,646	0.33
Booking Holdings	727	1,168	0.23
Bright Horizons Family Solutions	8,389	1,139	0.23
Burlington Stores	14,397	2,428	0.48
Churchill Downs	41,050	4,214	0.84
Dollar Tree	19,323	1,549	0.31
eBay	50,329	1,675	0.33
Lowe's	47,275	4,370	0.87
McDonald's	20,954	3,793	0.75
Nike B shares	11,852	831	0.16
Planet Fitness A shares	44,798	2,659	0.53
PulteGroup	68,369	1,891	0.38
Strategic Education	4,217	591	0.12
		27,954	5.56
Consumer Staples 0.11% (0.42%)			
Sanderson Farms	4,595	557	0.11
		557	0.11
Energy 0.29% (1.29%)			
ConocoPhillips	34,191	1,468	0.29
		1,468	0.29
Financials 4.97% (5.70%)			
Aflac	30,266	1,233	0.25
American Express	31,148	3,089	0.61

Investment	Holding	Valuation £'000	% of net assets
Equities 38.14% (48.19%) (continued)			
Financials 4.97% (5.70%) (continued)			
Berkshire Hathaway B shares	30,994	5,171	1.03
Discover Financial Services	53,226	3,497	0.70
MSCI	5,456	1,056	0.21
Nasdaq	9,680	793	0.16
Progressive	46,218	2,877	0.57
Reinsurance Group of America	12,236	1,525	0.30
S&P Global	11,952	2,558	0.51
Synchrony Financial	45,671	1,210	0.24
US Bancorp	45,660	1,964	0.39
		24,973	4.97
Health Care 4.64% (8.55%)			
AmerisourceBergen	8,783	591	0.12
Amgen	16,648	2,829	0.56
Anthem	23,670	5,049	1.01
Biogen	3,547	641	0.13
Bioxcel Therapeutics	14,808	120	0.02
Celgene	13,780	1,099	0.22
Gilead Sciences	23,992	1,256	0.25
Green Organic Dutchman Holdings Warrant 19/04/2021 [^]	40,696	-	-
IQVIA Holdings	4,849	621	0.12
Pfizer	120,260	3,489	0.69
Zoetis	73,312	7,625	1.52
		23,320	4.64
Industrials 3.36% (6.42%)			
Boeing	24,867	7,406	1.47
Fortune Brands Home & Security	29,445	1,230	0.24
Lockheed Martin	4,146	1,308	0.26
Masco	108,373	3,656	0.73
Spirit AeroSystems Holdings A shares	38,743	2,557	0.51
United Continental Holdings	10,715	746	0.15
		16,903	3.36
Information Technology 8.67% (11.67%)			
Advanced Energy Industries	6,223	257	0.05
Alliance Data Systems	343	35	0.01
Booz Allen Hamilton Holding	125,218	7,737	1.54
Broadcom	4,590	1,068	0.21
Carbon Black	60,234	1,291	0.26
Citrix Systems	6,791	517	0.10
F5 Networks	6,834	719	0.14
Fiserv	30,635	2,707	0.54
International Business Machines	25,846	2,864	0.57
Intuit	9,916	2,336	0.46
KLA	30,654	3,684	0.73
Micron Technology	47,887	1,757	0.35
Microsoft	72,651	8,240	1.64
Oracle	12,145	520	0.10
PayPal Holdings	46,355	4,158	0.83
Visa A shares	38,420	5,715	1.14
		43,605	8.67

Artemis US Absolute Return Fund – Investment information (continued)

Investment	Holding or nominal value	Global exposure* £'000	Valuation £'000	% of net assets
Equities 38.14% (48.19%) (continued)				
Materials 2.66% (1.08%)				
Barrick Gold	93,125		1,474	0.29
Celanese	8,605		789	0.16
Franco-Nevada	74,845		5,978	1.19
Kirkland Lake Gold	43,093		1,701	0.34
Linde	16,719		2,576	0.51
Pan American Silver	57,028		851	0.17
			13,369	2.66
Real Estate 1.79% (1.63%)				
Crown Castle International, REIT	47,161		5,652	1.13
Prologis, REIT	48,462		3,332	0.66
			8,984	1.79
Utilities 0.76% (1.13%)				
Evergy	11,053		588	0.12
NextEra Energy	6,463		1,174	0.23
NRG Energy	45,537		1,334	0.27
Vistra Energy	36,264		726	0.14
			3,822	0.76
Equities total			191,764	38.14
Government bonds 35.78% (31.00%)				
US Treasury Bill 0.00% 10/10/2019	\$13,256,200		10,862	2.16
US Treasury Bill 0.00% 07/11/2019	\$13,256,200		10,846	2.16
US Treasury Bill 0.00% 27/02/2020	\$5,000,000		4,068	0.81
US Treasury Bill 0.00% 26/03/2020	\$5,000,000		4,064	0.81
US Treasury Bill 0.00% 23/04/2020	\$69,500,000		56,420	11.22
US Treasury Bill 0.00% 16/07/2020	\$115,781,500		93,615	18.62
Government bonds total			179,875	35.78
Contracts for difference (0.45%) ((1.94)%)				
Communication Services (0.03%) ((0.21)%)				
ANGI Homeservices A shares	(81,198)	(523)	-	-
AT&T	(111,198)	(3,209)	(17)	-
Charter Communications A shares	(6,422)	(2,148)	(35)	(0.01)
Discovery A shares	(32,031)	(730)	(21)	(0.01)
Netflix	(2,808)	(684)	(12)	-
News A shares	(167,995)	(1,905)	(12)	-
Snap A shares	(60,114)	(779)	(12)	-
SoftBank Group, ADR	(117,348)	(2,149)	(27)	(0.01)
Spotify Technology	(4,910)	(550)	(15)	-
Verizon Communications	(40,068)	(1,906)	-	-
		(14,583)	(151)	(0.03)
Consumer Discretionary 0.03% ((0.21)%)				
Acushnet Holdings	(20,331)	(433)	(15)	-
Aramark	(39,171)	(1,307)	(19)	-
Canada Goose Holdings	(30,903)	(936)	(10)	-
Domino's Pizza	(8,481)	(1,570)	3	-
Farfetch A shares	(40,246)	(319)	(8)	-
Gap	(46,350)	(606)	(2)	-
Hanesbrands	(81,045)	(909)	(7)	-
Kohl's	(26,927)	(1,044)	(4)	-

Investment	Holding	Global exposure* £'000	Valuation £'000	% of net assets
Contracts for difference (0.45)% ((1.94)% (continued))				
Consumer Discretionary 0.03% ((0.21)% (continued))				
MakeMyTrip	(30,865)	(576)	(4)	-
Mohawk Industries	(7,533)	(722)	(22)	(0.01)
Newell Brands	(56,489)	(764)	(10)	-
Ollie's Bargain Outlet Holdings	(18,638)	(863)	328	0.06
Papa John's International	(15,999)	(663)	(2)	-
Restaurant Brands International	(17,283)	(1,114)	(14)	-
Tesla	(7,529)	(1,371)	(38)	(0.01)
Under Armour C shares	(114,573)	(1,595)	(43)	(0.01)
Wayfair A shares	(4,819)	(451)	(1)	-
		(15,243)	132	0.03
Consumer Staples (0.02)% ((0.01)%)				
Anheuser-Busch InBev, ADR	(11,579)	(906)	(16)	-
Boston Beer A shares	(2,529)	(906)	4	-
Colgate-Palmolive	22,608	1,378	3	-
Hain Celestial Group	(68,578)	(1,072)	(38)	(0.01)
Hormel Foods	(32,907)	(1,147)	(4)	-
Kellogg	(19,870)	(1,028)	(8)	-
Kraft Heinz	(30,971)	(644)	(4)	-
Molson Coors Brewing B shares	(19,720)	(827)	2	-
Monster Beverage	(20,979)	(993)	8	-
Walmart	(60,368)	(5,654)	(67)	(0.01)
		(11,799)	(120)	(0.02)
Energy 0.00% (0.00%)				
Exxon Mobil	(15,935)	(895)	(10)	-
		(895)	(10)	-
Financials (0.07)% ((0.12)%)				
Banco Bilbao Vizcaya Argentaria, ADR	(245,123)	(959)	(12)	-
Banco Santander	(322,643)	(1,020)	(5)	-
China Merchants Bank H shares	(165,371)	(618)	(6)	-
Credit Suisse Group, ADR	(113,940)	(1,079)	(17)	-
Deutsche Bank	(191,496)	(1,136)	(11)	-
Eaton Vance	(44,320)	(1,546)	(42)	(0.01)
Federated Investors B shares	(28,515)	(745)	(9)	-
Home Capital Group	(42,947)	(666)	(19)	(0.01)
HSBC Holdings, ADR	(52,669)	(1,555)	(19)	-
JPMorgan Chase	(69,564)	(6,239)	(138)	(0.03)
MarketAxess Holdings	(4,225)	(1,361)	42	0.01
Sberbank of Russia, ADR	(140,609)	(1,588)	(53)	(0.01)
Societe Generale	(57,256)	(1,208)	(44)	(0.01)
Waddell & Reed Financial A shares	(48,721)	(643)	(20)	(0.01)
Westpac Banking, ADR	(116,332)	(1,793)	(14)	-
		(22,156)	(367)	(0.07)
Health Care (0.01)% ((0.01)%)				
Henry Schein	(20,980)	(1,057)	(14)	-
Inogen	(10,107)	(381)	-	-
Insulet	(9,068)	(1,136)	(17)	-
Thermo Fisher Scientific	(3,652)	(857)	(29)	(0.01)
Zimmer Biomet Holdings	(7,882)	(894)	(7)	-
		(4,325)	(67)	(0.01)
Industrials (0.15)% ((0.33)%)				
3M	(10,910)	(1,436)	(25)	-
Acuity Brands	(9,346)	(962)	(34)	(0.01)

Artemis US Absolute Return Fund – Investment information (continued)

Investment	Holding	Global exposure* £'000	Valuation £'000	% of net assets
Contracts for difference (0.45)% ((1.94)% (continued))				
Industrials (0.15)% ((0.33)% (continued))				
American Airlines Group	(42,062)	(909)	(34)	(0.01)
Colfax	(63,558)	(1,393)	(72)	(0.01)
Fastenal	(79,697)	(1,999)	(44)	(0.01)
GATX	(13,979)	(848)	(13)	-
General Dynamics	(24,804)	(3,858)	(81)	(0.02)
General Electric	(442,404)	(2,945)	(62)	(0.01)
IHS Markit	(24,229)	(1,306)	(17)	-
JB Hunt Transport Services	(8,547)	(750)	(21)	-
Kennametal	(36,821)	(900)	(34)	(0.01)
MSC Industrial Direct A shares	(15,658)	(864)	(12)	-
PACCAR	(33,469)	(1,797)	(41)	(0.01)
Ritchie Bros Auctioneers	(17,731)	(577)	(5)	-
Rockwell Automation	(12,600)	(1,565)	(35)	(0.01)
Rollins	(24,914)	(668)	(13)	-
Snap-on	(21,308)	(2,599)	(39)	(0.01)
Terex	(49,351)	(998)	(45)	(0.01)
TriNet Group	(14,816)	(825)	(14)	-
Wabtec	(28,586)	(1,586)	(31)	(0.01)
Watsco	(14,376)	(1,912)	(35)	(0.01)
XPO Logistics	(19,228)	(1,103)	(35)	(0.01)
		(31,800)	(742)	(0.15)
Information Technology (0.16)% ((0.88)%)				
Analog Devices	(20,461)	(1,832)	(17)	-
Apple	(17,729)	(3,044)	(52)	(0.01)
ASML Holding	(5,837)	(1,067)	(40)	(0.01)
ASML Holding, NYRS	(12,574)	(2,270)	(43)	(0.01)
AU Optronics, ADR	(491,445)	(995)	(44)	(0.01)
Corning	(27,015)	(615)	(8)	-
Ebix	(131,186)	(3,812)	(95)	(0.02)
Finisar	(38,290)	(708)	(5)	-
Gartner	(17,834)	(1,933)	(18)	-
Infineon Technologies	(35,133)	(501)	(24)	(0.01)
Largan Precision	(9,605)	(978)	(13)	-
LG Display, ADR	(152,517)	(687)	(28)	(0.01)
Marvell Technology Group	(42,278)	(840)	(22)	(0.01)
Mellanox Technologies	(15,729)	(1,393)	(15)	-
Microchip Technology	(37,587)	(2,672)	(52)	(0.01)
Qorvo	(10,915)	(641)	(17)	-
Samsung Electronics, GDR	(1,705)	(1,276)	(9)	-
SAP, ADR	(51,876)	(5,106)	(62)	(0.01)
Shopify A shares	(3,630)	(1,169)	8	-
SK Hynix	(14,656)	(771)	(45)	(0.01)
Square A shares	(11,879)	(613)	(7)	-
Sunny Optical Technology Group	(105,709)	(1,204)	(71)	(0.01)
Taiwan Semiconductor Manufacturing, ADR	(57,218)	(1,987)	(30)	(0.01)
Trade Desk A shares	(4,398)	(903)	(6)	-
United Microelectronics, ADR	(239,837)	(411)	(10)	-
United Microelectronics	(3,384,959)	(1,190)	(28)	(0.01)
Western Digital	(33,590)	(1,519)	(45)	(0.01)
Wix.com	(10,599)	(1,216)	(6)	-
Workday A shares	(4,688)	(723)	(10)	-

Investment	Holding	Global exposure* £'000	Valuation £'000	% of net assets
Contracts for difference (0.45)% ((1.94)% (continued))				
Information Technology (0.16)% ((0.88)% (continued))				
Xiaomi B shares	(823,870)	(736)	25	-
Zendesk	(12,671)	(847)	(14)	-
		(43,659)	(803)	(0.16)
Investment Funds (0.02)% ((0.03)%)				
Scottish Mortgage Investment Trust	(553,580)	(2,915)	(75)	(0.02)
		(2,915)	(75)	(0.02)
Materials (0.01)% ((0.13)%)				
Air Products & Chemicals	(7,928)	(1,461)	9	-
Ecolab	(9,795)	(1,665)	(18)	(0.01)
GCP Applied Technologies	(38,533)	(538)	(6)	-
International Flavors & Fragrances	(13,109)	(1,171)	(4)	-
Southern Copper	(21,580)	(552)	(14)	-
		(5,387)	(33)	(0.01)
Real Estate (0.01)% ((0.01)%)				
Kimco Realty, REIT	(52,491)	(795)	(7)	-
Regency Centers, REIT	(23,936)	(1,266)	(22)	(0.01)
		(2,061)	(29)	(0.01)
Contracts for difference total		(154,823)	(2,265)	(0.45)
Forward currency contracts (0.28)% (0.36%)				
I accumulation CHF (NAV hedged) 0.00% (0.00%)				
I accumulation EUR (NAV hedged) 0.00% (0.12%)				
I accumulation GBP (NAV hedged) (0.28)% (0.23%)				
Buy Sterling 499,029,519 sell US Dollar 610,086,205 dated 30/09/2019			(1,404)	(0.28)
			(1,404)	(0.28)
R accumulation CHF (NAV hedged) 0.00% (0.00%)				
R accumulation EUR (NAV hedged) 0.00% (0.01%)				
Forward currency contracts total			(1,404)	(0.28)
Futures (0.02)% (0.00%)				
S&P 500 Emini Index 20/09/2019	(44)	(5,322)	(116)	(0.02)
Futures total		(5,322)	(116)	(0.02)
Fair value adjustment at pricing point 0.00% ((0.02)%)[†]			-	-
Investment assets (including investment liabilities)			367,854	73.17
Net other assets			134,893	26.83
Net assets attributable to shareholders			502,747	100.00

The comparative percentage figures in brackets are as at 28 February 2019.

[^] Unlisted, suspended or delisted security.

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

[†] Fair value adjustment based on movements of futures in markets closed at the fund valuation point, since the last market close.

Artemis US Absolute Return Fund – Financial statements

Statement of total return for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		11,810		10,470
Revenue	6,958		5,521	
Expenses	(4,667)		(3,012)	
Interest payable and similar charges	(2,320)		(3,330)	
Net revenue before taxation	(29)		(821)	
Taxation	(252)		(304)	
Net revenue after taxation		(281)		(1,125)
Total return before distributions		11,529		9,345
Distributions		(440)		-
Change in net assets attributable to shareholders from investment activities		11,089		9,345

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		727,267		585,440
Amounts receivable on issue of shares	68,207		243,807	
Amounts payable on cancellation of shares	(57,076)		(122,044)	
In specie transfer to Artemis Funds (Lux) SICAV	(246,957)		-	
		(235,826)		121,763
Dilution adjustment		2		8
Change in net assets attributable to shareholders from investment activities		11,089		9,345
Retained distribution on accumulation shares		215		-
Closing net assets attributable to shareholders		502,747		716,556

Balance sheet as at 31 August 2019

	31 August 2019	28 February 2019
	£'000	£'000
Assets		
Fixed assets		
Investments	372,072	581,359
Current assets		
Debtors	1,418	28,974
Cash and cash equivalents	139,017	159,767
Total current assets	140,435	188,741
Total assets	512,507	770,100
Liabilities		
Investment liabilities	4,218	17,103
Creditors		
Bank overdraft	958	-
Other creditors	4,584	25,730
Total creditors	5,542	25,730
Total liabilities	9,760	42,833
Net assets attributable to shareholders	502,747	727,267

Artemis US Absolute Return Fund – Notes to the financial statements

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK 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 28 February 2019 as set out therein.

2. Post balance sheet events

Share class closures

Artemis US Absolute Return Fund R accumulation USD was closed on 27 September 2019.

Artemis US Absolute Return Fund – Distribution tables

This fund pays annual dividend distributions. The following share classes paid a distribution as part of a fund merger. The following table sets out the details of the distribution.

Distribution period	Start	End	Ex-dividend date	Pay date
Interim	1 March 2019	22 March 2019	25 March 2019	22 May 2019

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

Group 2 shares 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 shares purchased during the period. It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

I accumulation CHF (NAV Hedged)

Dividend distribution for the period from 1 March 2019 to 22 March 2019	Group 2		Group 1 & 2 Distribution per share (c)	Corporate streaming		2018 Distribution per share (c)
	Net revenue per share (c)	Equalisation per share (c)		Franked	Unfranked	
Interim	0.0168	0.0825	0.0993	100.00%	0.00%	-

I accumulation EUR

Dividend distribution for the period from 1 March 2019 to 22 March 2019	Group 2		Group 1 & 2 Distribution per share (c)	Corporate streaming		2018 Distribution per share (c)
	Net revenue per share (c)	Equalisation per share (c)		Franked	Unfranked	
Interim	0.0838	0.0224	0.1062	100.00%	0.00%	-

I accumulation EUR (NAV Hedged)

Dividend distribution for the period from 1 March 2019 to 22 March 2019	Group 2		Group 1 & 2 Distribution per share (c)	Corporate streaming		2018 Distribution per share (c)
	Net revenue per share (c)	Equalisation per share (c)		Franked	Unfranked	
Interim	0.0000	0.0433	0.0433	100.00%	0.00%	-

Artemis US Absolute Return Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
28 February 2017	320,414,751		
I accumulation CHF (NAV Hedged)		100.73c	10,000
I accumulation EUR (NAV Hedged)		107.32c	177,169,279
I accumulation GBP (NAV Hedged)		109.04p	111,314,526
I accumulation USD		109.30c	14,738,987
R accumulation CHF (NAV Hedged)*		100.21c	27,200
R accumulation EUR (NAV Hedged)		100.44c	28,005,644
R accumulation USD*		101.60c	108,618
28 February 2018	585,440,373		
I accumulation CHF (NAV Hedged)		103.20c	10,000
I accumulation EUR (NAV Hedged)		110.33c	311,877,092
I accumulation GBP (NAV Hedged)		112.96p	204,198,754
I accumulation USD		114.71c	15,771,871
R accumulation CHF (NAV Hedged)		102.01c	10,000
R accumulation EUR (NAV Hedged)		102.63c	41,933,108
R accumulation USD		105.90c	108,618
28 February 2019	727,266,912		
I accumulation CHF (NAV Hedged)		102.67c	10,000
I accumulation EUR (NAV Hedged)		110.41c	245,794,625
I accumulation GBP (NAV Hedged)		114.34p	408,480,013
I accumulation USD		118.09c	12,181,866
R accumulation CHF (NAV Hedged)		100.70c	10,000
R accumulation EUR (NAV Hedged)		101.92c	18,314,179
R accumulation USD		108.28c	620,555
31 August 2019	502,746,527		
I accumulation CHF (NAV Hedged)**		-	-
I accumulation EUR (NAV Hedged)***		-	-
I accumulation GBP (NAV Hedged)		116.86p	429,815,674
I accumulation USD***		-	-
R accumulation CHF (NAV Hedged)**		-	-
R accumulation EUR (NAV Hedged)***		-	-
R accumulation USD		111.49c	524,875

* Launched on 1 April 2016.

** Closed on 29 March 2019

*** Closed on 22 March 2019.

Ongoing charges

Class	31 August 2019
I accumulation GBP (NAV hedged)	0.84%
R accumulation USD	1.59%

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

Fund performance

	Since launch *	3 years	1 year	6 months
Artemis US Absolute Return	16.9	8.9	2.8	2.3
LIBOR GBP 3 Months	2.8	1.7	0.9	0.4

Past performance is not a guide to the future.

*Source: Lipper Limited, class I accumulation GBP (NAV hedged) from 27 October 2015 to 31 August 2019.

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.

Artemis US Equity Fund

Investment objective and policy

The objective of the Artemis US Equity Fund (the 'sub-fund') is to achieve long-term capital growth. The sub-fund invests principally in companies listed, quoted and/or traded in the United States of America ('USA') and in companies which are headquartered or have a significant part of their activities in the USA which are quoted on a regulated market outside the USA.

The ACD actively manages the portfolio in order to achieve the objective. The sub-fund will primarily invest in medium and large companies. The ACD will not be restricted in respect of choice of investments either by company size or industry.

The sub-fund may also invest in other transferable securities, fixed interest securities, units of collective investment schemes, money market instruments, warrants, cash and near cash. The sub-fund may also use derivatives and other techniques for efficient portfolio management.

Fund benchmarks:

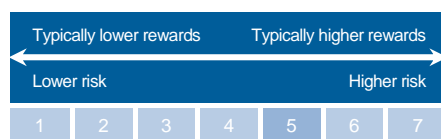
- S&P 500 TR GBP

A widely-used indicator of the performance of 500 large publicly-traded US companies, some of which the fund invests in. 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 North America 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 sub-fund is in the category shown due to its historic volatility (how much and how quickly the value of shares in the sub-fund have risen and fallen in the past). It may not be a reliable indication of the future risk profile of the sub-fund.

- The risk category shown is not guaranteed and may change over time.

- 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 sub-fund performance:

- 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.

- Some or all of the sub-fund's assets may be invested in a currency other than the fund's accounting currency. The value of the assets, and the income from them, may decrease if the currency falls in relation to the accounting currency.

Artemis US Equity Fund – Investment review

- The fund returns 19.9%* versus 15.9%* from the S&P 500 Index (GBP).
- Strong stock selection helps performance.
- We are cautious on the prospects for cyclical stocks.

Performance – Supported by stock selection...

Supported initially by a dovish shift in messaging from the Federal Reserve ('Fed') and then by a 25 basis point cut to interest rates, US markets have traced an upward line since January.

That line, however, has rarely been smooth. The Fed's dovish shift was, in part, a response to periodic bouts of volatility in the market arising from President Trump's conflicting messages – placatory one day; bellicose the next – in his ongoing wrangling with China over trade. Data on the economy, meanwhile, started to weaken, further supporting the Fed's dovish turn.

Amid these positive – if volatile – market conditions, good stock selection saw the fund outperforming. It returned 19.9% in sterling terms versus the S&P 500 Index 15.9% (returns from both the fund and the index were enhanced by a further significant depreciation in the pound).

Review – Reducing the portfolio's economic sensitivity...

The biggest contribution to the fund's outperformance came from our holding in Fidelity National Information Services (FIS), which provides solutions that allow banks to upgrade their legacy systems and reduce back office costs while simultaneously becoming more customer friendly. Spending in this area has increased rapidly and FIS has been a prime beneficiary.

In addition, FIS recently acquired WorldPay, a company whose technology allows retailers (both online and offline) to process card payments. As such, it has also built strong relationships with banks. Our analysis suggests the combined business will be able to grow its revenues at a mid-single digit percentage rate (perhaps even higher initially). We think it also has the stability to withstand a period of slower economic growth. On a related theme, our holding in Visa performed well.

The fund also benefited from its exposure to higher quality, more defensive stocks such as Booz Allen Hamilton, a government services contractor, and Crown Castle, a real estate company on telecoms towers. Both companies continue to deliver strong results while also – due to the nature of their businesses – offering a degree of predictability on earnings over the medium term.

The fund's longstanding holding in animal healthcare group Zoetis also contributed. It continues to deliver faster growth in sales driven by its established core products with potential upside coming from a number of new treatments in its pipeline. It is also deriving synergies from its recent acquisition of Abaxis.

On the negative side, our holding in Boeing detracted. Its share price came under pressure when the 737 Max suffered two fatal crashes within a six-month period, triggering the grounding of that model worldwide. We remain positive on the long-term outlook for the company, which remains supported by a strong order book (it still has a backlog of orders).

The net result of our activity over the period has been to reduce the portfolio's economic sensitivity. In general terms, we are tending to favour companies with greater predictability of earnings and stronger balance sheets. We have reduced our exposure to the technology sector, an area we had added to at the beginning of the year.

We also have reduced our exposure to healthcare stocks. The sector has been under pressure from political noise. Candidates for the Democratic nomination for the 2020 election are talking about a potential reform of the healthcare system, including a move towards a 'single payer' system (universal healthcare funded through taxation). Although we don't expect such a system to materialise in the US, the threat of it could continue to put share prices under pressure ahead of the elections.

We have reduced our underweight position in consumer staples through the purchase of global snack company Mondelez. This is one of the few food companies that present a positive organic growth in sales through its exposure to emerging markets and a number of strong categories of the snack market.

Outlook – As business confidence drops...

Recent surveys of CEOs show that confidence levels have dropped sharply – down almost 20% from the peak in 2018. This matters because business confidence tends to drive capital expenditure (capex), influences the jobs market and so dictates economic activity. The clear slowdown in manufacturing employment is showing that declining business confidence risks weakening job gains and, in turn, consumer spending. We are now watching for any sign of weakening in employment data and are looking closely at weekly jobless claims.

Past performance is not a guide to the future.

* Source: Lipper Limited, class I 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

Artemis US Equity Fund – Investment review (continued)

At the corporate level, meanwhile, it has been difficult for the market to deliver earnings growth because last year's numbers were boosted by tax cuts, giving companies a higher benchmark to beat. At the same time, the tight labour market, rising commodity costs and a stronger dollar are all putting margins under further pressures. Companies are also obliged to take steps to reduce the impact of the trade tensions between the US and China.

Furthermore, the US market's overall valuation level now looks relatively stretched. That makes careful stock selection essential. In our view, the recent decline in business confidence makes it hard to justify buying cyclical companies at this stage.

There are, however, two areas in which our general caution towards cyclical industries is less pronounced: housing and semiconductors. Within housing, we own Lowe's, a home improvement retailer, which is undergoing a turnaround under new management.

The housing market will benefit as lower interest rates feed through to lower mortgage costs. The semiconductor industry, meanwhile, follows a cycle of its own.

Our view is that the conflict between the US and China over trade is unlikely to be resolved in the short term or, indeed, before the election in 2020. Overall, we continue to have a bias away from companies that directly benefit from economic growth and towards stocks whose prospects are less dependent on wider economic conditions.

Cormac Weldon
Fund manager

Artemis US Equity Fund – Investment information

Ten largest purchases and sales for the six months ended 31 August 2019

Purchases	Cost £'000	Sales	Proceeds £'000
Comcast A shares	1,040	Xilinx	1,003
Mondelez International A shares	1,023	Raytheon	901
Boeing	908	Johnson & Johnson	826
T-Mobile US	831	Huntington Ingalls Industries	759
Prologis, REIT	792	Huntington Bancshares	559
Linde	722	Alphabet C shares	513
TransUnion	659	SVB Financial Group	399
Dollar Tree	634	Bank of America	364
International Business Machines	612	Take-Two Interactive Software	357
Qualcomm	525	Amgen	345

Portfolio statement as at 31 August 2019

Investment	Holding	Valuation £'000	% of net assets
Equities 97.52% (97.39%)			
Communication Services 8.17% (6.64%)			
Alphabet C shares	1,692	1,657	3.11
Comcast A shares	29,858	1,083	2.04
Facebook A shares	3,763	574	1.08
T-Mobile US	16,147	1,034	1.94
		4,348	8.17
Consumer Discretionary 14.03% (11.66%)			
Amazon.com	639	937	1.76
Booking Holdings	236	379	0.71
Burlington Stores	5,576	941	1.77
Churchill Downs	4,932	506	0.95
Dollar Tree	7,492	601	1.13
Grand Canyon Education	5,074	533	1.00
Home Depot	2,170	405	0.76
Lowe's	13,190	1,219	2.29
McDonald's	4,545	823	1.55
Planet Fitness A shares	10,055	597	1.12
Pool	3,250	529	0.99
		7,470	14.03
Consumer Staples 5.22% (2.10%)			
Lamb Weston Holdings	6,357	365	0.69
Mondelez International A shares	23,864	1,083	2.03
PepsiCo	6,544	731	1.37
Philip Morris International	5,133	306	0.58
Walmart	3,108	291	0.55
		2,776	5.22
Energy 2.32% (4.28%)			
Chevron	9,112	879	1.65
EOG Resources	5,838	357	0.67
		1,236	2.32
Financials 9.54% (13.26%)			
Bank of America	21,944	493	0.93
Citigroup	9,040	474	0.89
Discover Financial Services	10,618	698	1.31
Intercontinental Exchange	5,979	456	0.86

Artemis US Equity Fund – Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Equities 97.52% (97.39%) (continued)			
Financials 9.54% (13.26%) (continued)			
MSCI	3,543	685	1.29
Progressive	16,453	1,024	1.92
S&P Global	2,717	582	1.09
Voya Financial	16,396	666	1.25
		5,078	9.54
Health Care 16.60% (21.41%)			
Abbott Laboratories	16,202	1,129	2.12
Anthem	6,254	1,334	2.51
Becton Dickinson	3,769	789	1.48
Centene	9,084	345	0.65
Humana	1,921	441	0.83
Intuitive Surgical	705	294	0.55
IQVIA Holdings	4,268	547	1.03
Medtronic	12,850	1,138	2.14
Pfizer	35,984	1,044	1.96
UnitedHealth Group	4,458	844	1.58
Zoetis	8,944	930	1.75
		8,835	16.60
Industrials 6.89% (8.59%)			
Boeing	5,582	1,662	3.12
Cintas	1,949	423	0.80
Lockheed Martin	2,822	891	1.67
TransUnion	10,097	693	1.30
		3,669	6.89
Information Technology 22.59% (21.56%)			
Apple	4,803	825	1.55
Booz Allen Hamilton Holding	14,952	924	1.74
Fidelity National Information Services	14,368	1,621	3.04
Fiserv	5,885	520	0.98
International Business Machines	5,111	566	1.06
Intuit	1,643	387	0.73
Micron Technology	17,211	631	1.19
Microsoft	27,470	3,116	5.85
PayPal Holdings	7,326	657	1.23
Qualcomm	12,340	774	1.45
salesforce.com	2,899	371	0.70
Visa A shares	10,985	1,634	3.07
		12,026	22.59
Materials 3.21% (1.18%)			
Barrick Gold	37,738	598	1.12
Franco-Nevada	4,522	361	0.68
Linde	4,859	749	1.41
		1,708	3.21
Real Estate 4.65% (2.53%)			
Crown Castle International, REIT	13,839	1,659	3.12
Prologis, REIT	11,887	817	1.53
		2,476	4.65
Utilities 4.30% (4.18%)			
Evergy	20,310	1,080	2.03

Investment	Holding	Valuation £'000	% of net assets
Equities 97.52% (97.39%) (continued)			
Utilities 4.30% (4.18%) (continued)			
NextEra Energy	6,646	1,207	2.27
		2,287	4.30
Equities total		51,909	97.52
Fair value adjustment at pricing point[†] 0.65% (0.00%)		348	0.65
Investment assets		52,257	98.17
Net other assets		974	1.83
Net assets attributable to shareholders		53,231	100.00

The comparative percentage figures in brackets are as at 28 February 2019.

[†] Fair value adjustment based on movements of futures in markets closed at the fund valuation point, since the last market close.

Artemis US Equity Fund – Financial statements

Statement of total return for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		8,389		4,820
Revenue	357		263	
Expenses	(212)		(197)	
Net revenue before taxation	145		66	
Taxation	(45)		(33)	
Net revenue after taxation		100		33
Total return before distributions		8,489		4,853
Distributions		5		2
Change in net assets attributable to shareholders from investment activities		8,494		4,855

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		39,163		31,575
Amounts receivable on issue of shares	8,317		6,438	
Amounts payable on cancellation of shares	(2,744)		(893)	
		5,573		5,545
Dilution adjustment		1		1
Change in net assets attributable to shareholders from investment activities		8,494		4,855
Closing net assets attributable to shareholders		53,231		41,976

Balance sheet as at 31 August 2019

	31 August 2019	28 February 2019
	£'000	£'000
Assets		
Fixed assets		
Investments	52,257	38,140
Current assets		
Debtors	543	125
Cash and cash equivalents	490	994
Total current assets	1,033	1,119
Total assets	53,290	39,259
Liabilities		
Creditors		
Other creditors	59	96
Total creditors	59	96
Total liabilities	59	96
Net assets attributable to shareholders	53,231	39,163

Artemis US Equity Fund – Notes to the financial statements

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK 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 28 February 2019 as set out therein.

2. Post balance sheet events

Share class closure

Artemis US Equity Fund I accumulation EUR was closed on 27 September 2019.

Artemis US Equity Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
28 February 2017	25,799,719		
I accumulation EUR		146.56c	10,000
I accumulation GBP		157.84p	16,292,500
I accumulation USD		122.58c	71,510
28 February 2018	31,575,341		
I accumulation EUR		156.96c	43,112
I accumulation GBP		175.08p	17,994,295
I accumulation USD		151.26c	10,000
28 February 2019	39,162,694		
I accumulation EUR		174.83c	61,042
I accumulation GBP		189.68p	20,592,179
I accumulation USD		157.45c	10,000
31 August 2019	53,230,688		
I accumulation EUR		198.39c	61,042
I accumulation GBP		227.42p	23,358,110
I accumulation USD*		-	-

* Closed on 29 March 2019.

Ongoing charges

Class	31 August 2019
I accumulation EUR	0.94%
I accumulation GBP	0.94%

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

Fund performance

	Since launch *	3 years	1 year	6 months
Artemis US Equity Fund	127.5	66.3	13.6	19.9
S&P 500 Index	115.8	53.9	9.8	15.9
Sector average	98.9	48.5	7.4	14.0
Position in sector	10/80	11/88	12/101	9/102
Quartile	1	1	1	1

Past performance is not a guide to the future.

* Source: Lipper Limited, class I accumulation GBP from 19 September 2014 to 31 August 2019.

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.

Sector is IA North America.

Artemis US Extended Alpha Fund

Investment objective and policy

The objective of the Artemis US Extended Alpha Fund (the 'sub-fund') is to achieve long-term capital growth. The emphasis of the sub-fund is investment in companies listed, quoted and/or traded in the United States of America ('USA') and in companies which are headquartered or have a significant part of their activities in the USA which are quoted on a regulated market outside the USA.

The ACD actively manages the portfolio in order to achieve the objective with exposures to company shares, fixed interest securities and derivative instruments as appropriate. The ACD will not be restricted in respect of choice of investments either by company size or by industry. The sub-fund will use derivatives for investment purposes, including taking long and short positions, and may use leverage from time to time.

The sub-fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash. The sub-fund may also use derivatives and other techniques for efficient portfolio management.

Fund benchmarks:

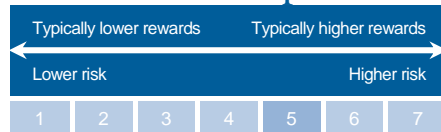
■ S&P 500 TR GBP

A widely-used indicator of the performance of 500 large publicly-traded US companies, some of which the fund invests in. It acts as a 'target benchmark' that the fund aims to outperform. Artemis is paid a performance fee if the fund's performance exceeds the benchmark.

■ IA North America 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 sub-fund is in the category shown due to its historic volatility (how much and how quickly the value of shares in the fund have risen and fallen in the past). It may not be a reliable indication of the future risk profile of the sub-fund

■ The risk category shown is not guaranteed and may change over time.

■ 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 sub-fund performance:

■ 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.

■ Some or all of the sub-fund's assets may be invested in a currency other than the fund's accounting currency. The value of the assets, and the income from them, may decrease if the currency falls in relation to the accounting currency.

■ The sub-fund's exposure to asset classes and currencies, long and short, is guided by the manager's expectation of the future direction of equity markets. There is no guarantee that the fund will be positioned correctly to benefit from the direction of markets.

■ The sub-fund may invest in derivatives with the aim of profiting from falling as well as rising prices ('shorting'). If the related assets' value moves in the opposite direction the fund will lose money. In addition, a derivative may not perform as expected, and may create losses for the fund greater than the cost of the derivative.

■ The fund can invest in China A-shares (shares traded on Chinese stock exchanges in Renminbi). There is a risk that the fund may suffer difficulties or delays in enforcing its rights in these shares, including title and assurance of ownership.

Artemis US Extended Alpha Fund – Investment review

- The fund returns 19.5%* versus 15.9%* from the S&P 500 Index (GBP).
- Our long positions in software & services stocks generate strong returns.
- With valuations in some areas looking stretched, we are cautiously positioned

Performance – Helped by monetary easing and stockpicking...

Supported initially by a dovish shift in tone from the Federal Reserve and then by a 25 basis point cut to interest rates, the US market has risen over the last six months. Good stock selection saw the fund outperforming, with a return of 19.5% versus the S&P 500's 15.9% (returns in sterling terms from fund and index alike were enhanced by another fall in the pound).

The Fed's decision to cut rates was, in part, a response to periodic bouts of volatility triggered by President Trump's conflicting messages in his ongoing trade dispute with China. Data on the economy, meanwhile, started to weaken, further supporting the case for monetary stimulus. August brought a sharp drop in business confidence (20% down from its high in 2018). That could herald a reduction in capital expenditure and so have a negative effect on the US jobs market.

On a corporate level, earnings growth across the market has slowed, with earnings in the second quarter of this year just 1% higher compared to the same period last year. In part, this lacklustre growth was due to the trade tensions – but also recall that last year's numbers were boosted by tax cuts so making them harder to beat. At the same time, a number of companies are indicating that they are seeing cost pressures from the tariffs imposed on Chinese imports.

Others are reporting that their margins are coming under pressure from rising wage costs.

Review – As central banks reverse course...

Our overweight exposure to software and services proved particularly fruitful. Our holding in Booz Allen Hamilton, a government IT contractor and software company, was the top contributor to performance. The leader in its sector, it is delivering solid results, offering growth and predictability in earnings. Microsoft continues to deliver and also performed well over the period.

Other contributors in the software and services sector included payment-related stocks Visa and Fiserv. Visa's growth is being driven by steady increase in the volume of transactions taking place online. At the same time, the introduction of contactless card payments in the US should see an acceleration in the pace at which card payments are supplanting cash transactions. A provider of technology to the banking sector, Fiserv is benefiting from the increased technological needs of US banks.

The fund also benefited from a short position in a smaller company that sells software solutions to insurance companies.

We have increased the fund's exposure to the materials sector, buying Franco-Nevada, a gold producer. Its defensive qualities combined with the rally in precious metal prices saw its shares returning 40% in sterling terms over the period.

Crown Castle International, which operates mobile telecoms towers, also featured in the top contributors to performance. It is benefiting from a wave of investment in 5G telecoms and, amid economic uncertainty, investors rewarded it for the predictability of its revenues. In general,

holdings in defensive stocks with higher predictability of earnings and strong balance sheets generally fared better than more cyclical or highly geared stocks.

As the various candidates for the Democratic ticket in the 2020 election jockey for favour, their rhetoric is taking its toll on the healthcare sector. Our exposure to Pfizer (pharmaceuticals) and to health insurer Anthem therefore detracted from returns over the period. There are still concerns about the outlook for drug pricing in the US and the share prices of health insurers are under particular pressure as a number of Democratic candidates advocate a change towards a 'single payer' healthcare system, a shift that would endanger their business model. Although we don't believe the US will adopt a universal healthcare system, we do expect political noise to weigh on performance of these stocks. So we are cautious towards health insurers and haven't responded to their share-price falls by topping up our exposure to them.

Elsewhere in the healthcare area, our exposure to animal health company Zoetis was more helpful. Its established core products continue to deliver good growth in sales while a number of new treatments in its pipeline offer upside potential. It is also deriving synergies from its recent acquisition of Abaxis.

Our holdings in Boeing and Spirit Aerosystems, one of its suppliers, weighed on returns. Two fatal crashes resulted in Boeing's new 737 Max being grounded worldwide. We retain our positions in both stocks, believing that the underlying investment thesis still holds and that the current valuation multiples of both stocks are discounting far too negative a scenario.

Past performance is not a guide to the future.

* Source: Lipper Limited, class I 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.

Outlook – Wary of ‘style bubbles’...

We remain cautious on the outlook for the US economy and for the stockmarket as a whole. Although we don't anticipate outright recession, economic data is showing signs of weakening. We also believe that the trade war between the US and China is a long way from being resolved. This will continue to weigh on the market, particularly given that valuations in some areas appear stretched.

At the same time, political noise is likely to grow louder as the next election approaches. Some sectors (healthcare in particular) will remain under the spotlight.

The positioning of the fund has remained relatively unchanged since the spring. We have a relatively cautious stance with a net exposure of close to 85% (the net exposure of a 'conventional', fully invested, long-only fund would be 100%). This is towards the lower end of our range.

At sector level, we have reduced the fund's exposure to technology and are now underweight in this area relative to the market (if you exclude stocks such as card payment firm Visa and government service contractor Booz Allen Hamilton then our exposure to 'proper' tech companies is even lower than it appears). We remain underweight in industrials, with short positions in some stocks. Within communication services, we remain exposed to cable companies, whose earnings have a degree of predictability.

We feel that this positioning leaves the fund well placed to endure what could prove to be a challenging economic – and market – backdrop.

Stephen Moore and William Warren*
Fund managers

* Following departure of Stephen Moore, William Warren has been sole manager of the fund since October 2019.

Artemis US Extended Alpha Fund – Investment information

Ten largest purchases and sales for the six months ended 31 August 2019

Purchases*	Cost £'000	Sales*	Proceeds £'000
Boeing	16,606	Alphabet C shares	52,482
PayPal Holdings	12,996	Berkshire Hathaway B shares	41,636
Qualcomm	10,279	Xilinx	39,991
Citrix Systems	10,030	Pfizer	38,080
Progressive	9,766	Zoetis	36,666
Amazon.com	9,320	Boeing	31,072
Dollar Tree	8,204	Visa A shares	30,575
International Business Machines	7,630	Qualcomm	27,661
F5 Networks	7,173	Amazon.com	27,654
Electronic Arts	7,154	UnitedHealth Group	24,756

* Excluding US Treasury Bills traded for liquidity management purposes.

Portfolio statement as at 31 August 2019

Investment	Holding	Valuation £'000	% of net assets
Equities 88.09% (94.34%)			
Communication Services 10.48% (9.42%)			
Activision Blizzard	73,560	3,077	0.53
Alphabet C shares	19,652	19,248	3.33
Comcast A shares	34,022	1,234	0.21
Dish Network A shares	52,668	1,459	0.25
Electronic Arts	58,071	4,435	0.77
Facebook A shares	43,696	6,659	1.15
Fox A shares	41,779	1,123	0.20
IAC/InterActiveCorp	8,278	1,727	0.30
Liberty Broadband C shares	107,511	9,240	1.60
Match Group	9,904	696	0.12
Omnicom Group	107,689	6,683	1.16
T-Mobile US	38,381	2,458	0.43
Twitter	51,397	1,793	0.31
Vivendi, ADR	28,439	658	0.12
		60,490	10.48
Consumer Discretionary 13.58% (10.73%)			
Amazon.com	11,339	16,631	2.88
Best Buy	60,681	3,163	0.55
Booking Holdings	1,331	2,138	0.37
Bright Horizons Family Solutions	19,384	2,633	0.45
Burlington Stores	32,274	5,443	0.94
Churchill Downs	65,575	6,732	1.17
Dollar Tree	46,592	3,735	0.65
eBay	119,695	3,983	0.69
Las Vegas Sands	12,149	550	0.09
Lowe's	110,668	10,229	1.77
McDonald's	41,418	7,498	1.30
MGM Resorts International	66,685	1,542	0.27
Nike B shares	37,269	2,613	0.45
Planet Fitness A shares	100,818	5,984	1.04
PulteGroup	153,202	4,236	0.73
Strategic Education	9,389	1,315	0.23
		78,425	13.58

Investment	Holding	Valuation £'000	% of net assets
Equities 88.09% (94.34%) (continued)			
Consumer Staples 1.70% (1.97%)			
Alimentation Couche-Tard B shares	42,735	2,195	0.38
Colgate-Palmolive	11,691	712	0.12
Kroger	57,776	1,123	0.19
Lamb Weston Holdings	23,956	1,376	0.24
PepsiCo	17,341	1,937	0.34
Philip Morris International	14,301	854	0.15
Sanderson Farms	13,373	1,621	0.28
		9,818	1.70
Energy 1.09% (3.53%)			
ConocoPhillips	146,413	6,285	1.09
		6,285	1.09
Financials 11.60% (11.24%)			
Aflac	73,990	3,014	0.52
American Express	68,154	6,759	1.17
Athene Holding A shares	18,570	585	0.10
Bank of America	74,277	1,668	0.29
Berkshire Hathaway B shares	96,591	16,115	2.79
Capital One Financial	20,051	1,420	0.24
Chubb	10,565	1,365	0.24
Fairfax Financial Holdings	1,578	580	0.10
MSCI	21,222	4,106	0.71
Nasdaq	26,103	2,138	0.37
Progressive	109,067	6,790	1.18
Reinsurance Group of America	27,242	3,395	0.59
S&P Global	37,193	7,962	1.38
Synchrony Financial	141,256	3,741	0.65
US Bancorp	125,891	5,415	0.94
Wells Fargo	50,154	1,902	0.33
		66,955	11.60
Health Care 9.19% (15.45%)			
AmerisourceBergen	24,433	1,643	0.29
Amgen	38,185	6,488	1.12
Biogen	13,342	2,412	0.42
Bioxcel Therapeutics	35,196	287	0.05
Celgene	41,158	3,282	0.57
Edwards Lifesciences	15,246	2,756	0.48
Gilead Sciences	46,615	2,440	0.42
Green Organic Dutchman Holdings Warrant 19/04/2021 ^	97,587	–	–
IQVIA Holdings	17,242	2,208	0.38
Johnson & Johnson	11,420	1,202	0.21
Medtronic	19,862	1,758	0.30
Pfizer	386,710	11,220	1.94
Zoetis	166,921	17,362	3.01
		53,058	9.19
Industrials 8.81% (11.95%)			
Boeing	59,671	17,771	3.08
Caterpillar	14,416	1,394	0.24
Cintas	13,311	2,891	0.50
Fortune Brands Home & Security	67,202	2,808	0.49
Huntington Ingalls Industries	6,775	1,154	0.20
Lockheed Martin	13,065	4,123	0.71
Masco	259,370	8,750	1.52
Raytheon	19,211	2,882	0.50

Artemis US Extended Alpha Fund – Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Equities 88.09% (94.34%) (continued)			
Industrials 8.81% (11.95%) (continued)			
Spirit AeroSystems Holdings A shares	70,047	4,623	0.80
United Continental Holdings	45,724	3,181	0.55
United Parcel Service B shares	13,224	1,286	0.22
		50,863	8.81
Information Technology 20.76% (22.44%)			
Advanced Energy Industries	28,994	1,197	0.21
Alliance Data Systems	1,143	115	0.02
Apple	47,203	8,105	1.40
Booz Allen Hamilton Holding	247,950	15,321	2.65
Broadcom	10,777	2,508	0.43
CACI International A shares	3,252	590	0.10
Carbon Black	121,268	2,599	0.45
Cisco Systems	19,518	758	0.13
Citrix Systems	50,213	3,825	0.66
F5 Networks	31,305	3,294	0.57
Fiserv	110,312	9,745	1.69
GoDaddy A shares	21,429	1,120	0.19
International Business Machines	63,223	7,006	1.21
Intuit	27,092	6,383	1.11
Juniper Networks	57,924	1,102	0.19
KLA	63,178	7,593	1.32
Lam Research	7,137	1,217	0.21
Mastercard A shares	23,919	5,525	0.96
Micron Technology	122,101	4,479	0.78
NXP Semiconductors	15,178	1,266	0.22
Oracle	95,456	4,088	0.71
PayPal Holdings	113,655	10,195	1.77
Visa A shares	141,258	21,010	3.64
VMware A shares	7,099	792	0.14
		119,833	20.76
Materials 4.77% (2.08%)			
Barrick Gold	236,222	3,738	0.65
Celanese	26,171	2,401	0.41
Franco-Nevada	137,970	11,020	1.91
Kirkland Lake Gold	71,158	2,809	0.48
Linde	34,459	5,309	0.92
Pan American Silver	153,426	2,290	0.40
		27,567	4.77
Real Estate 4.12% (3.25%)			
Crown Castle International, REIT	116,257	13,933	2.41
Prologis, REIT	143,655	9,877	1.71
		23,810	4.12
Utilities 1.99% (2.28%)			
Evergy	49,924	2,655	0.46
NextEra Energy	21,175	3,845	0.67
NRG Energy	92,940	2,723	0.47
Vistra Energy	113,686	2,276	0.39
		11,499	1.99
Equities total		508,603	88.09

Investment	Holding or nominal value	Global exposure* £'000	Valuation £'000	% of net assets
Government bonds 5.04% (2.49%)				
US Treasury Bill 0.00% 16/07/2020	\$36,000,000		29,108	5.04
Government bonds total			29,108	5.04
Contracts for difference (0.04)% ((0.39)%)				
Communication Services 0.02% (0.09%)				
ANGI Homeservices A shares	(66,753)	(430)	-	-
AT&T	(64,107)	(1,850)	(10)	-
Charter Communications A shares	(9,078)	(3,036)	(50)	(0.01)
Comcast A shares	464,466	16,846	149	0.02
Discovery A shares	(24,452)	(557)	(16)	-
Netflix	(2,329)	(568)	(10)	-
News A shares	(136,858)	(1,552)	(10)	-
Snap A shares	(55,190)	(715)	(11)	-
SoftBank Group, ADR	(97,846)	(1,792)	(22)	(0.01)
Spotify Technology	(3,863)	(432)	(12)	-
T-Mobile US	180,595	11,569	138	0.02
Verizon Communications	(26,400)	(1,256)	-	-
		16,227	146	0.02
Consumer Discretionary 0.03% ((0.17)%)				
Acushnet Holdings	(11,448)	(244)	(8)	-
Aramark	(34,678)	(1,158)	(17)	-
Canada Goose Holdings	(22,769)	(689)	(7)	-
Domino's Pizza	(8,358)	(1,547)	3	-
Farfetch A shares	(29,424)	(233)	(6)	-
Gap	(36,039)	(471)	(2)	-
Hanesbrands	(79,085)	(887)	(6)	-
Kohl's	(21,127)	(819)	(3)	-
MakeMyTrip	(22,524)	(420)	(3)	-
Mohawk Industries	(5,316)	(510)	(16)	-
Newell Brands	(27,139)	(367)	(5)	-
Ollie's Bargain Outlet Holdings	(17,216)	(797)	303	0.05
Papa John's International	(15,738)	(653)	(2)	-
Pool	10,899	1,776	7	-
Restaurant Brands International	(14,949)	(964)	(12)	-
Tesla	(6,027)	(1,097)	(30)	(0.01)
Under Armour C shares	(82,523)	(1,149)	(31)	(0.01)
Wayfair A shares	(3,429)	(321)	(1)	-
		(10,550)	164	0.03
Consumer Staples (0.01)% (0.00%)				
Anheuser-Busch InBev, ADR	(10,631)	(832)	(14)	-
Boston Beer A shares	(2,028)	(726)	3	-
Colgate-Palmolive	81,339	4,956	13	-
Hain Celestial Group	(57,240)	(894)	(32)	-
Hormel Foods	(31,443)	(1,096)	(4)	-
Kellogg	(17,182)	(889)	(7)	-
Kraft Heinz	(11,617)	(242)	(2)	-
Monster Beverage	(17,705)	(838)	7	-
Walmart	(31,945)	(2,992)	(35)	(0.01)
		(3,553)	(71)	(0.01)
Energy 0.00% (0.00%)				
Exxon Mobil	(1,192)	(67)	(1)	-
		(67)	(1)	-

Artemis US Extended Alpha Fund – Investment information (continued)

Investment	Holding	Global exposure* £'000	Valuation £'000	% of net assets
Contracts for difference (0.04)% ((0.39)% (continued))				
Financials (0.03)% ((0.04)%)				
Banco Bilbao Vizcaya Argentaria, ADR	(253,007)	(990)	(12)	-
Banco Santander	(307,696)	(972)	(5)	-
China Merchants Bank H shares	(107,759)	(403)	(4)	-
Credit Suisse Group, ADR	(111,946)	(1,060)	(17)	-
Deutsche Bank	(176,632)	(1,048)	(10)	-
Discover Financial Services	133,771	8,790	114	0.02
Eaton Vance	(41,980)	(1,465)	(39)	(0.01)
Federated Investors B shares	(22,872)	(598)	(7)	-
Home Capital Group	(24,183)	(375)	(11)	-
HSBC Holdings, ADR	(40,026)	(1,182)	(14)	-
JPMorgan Chase	(52,200)	(4,682)	(104)	(0.02)
MarketAxess Holdings	(2,728)	(878)	27	-
Sberbank of Russia, ADR	(116,225)	(1,313)	(44)	(0.01)
Societe Generale	(59,995)	(1,265)	(47)	(0.01)
Waddell & Reed Financial A shares	(32,086)	(423)	(13)	-
Westpac Banking, ADR	(117,577)	(1,812)	(14)	-
		(9,676)	(200)	(0.03)
Health Care 0.05% (0.23%)				
Anthem	69,899	14,911	340	0.06
Becton Dickinson	9,875	2,068	16	-
Henry Schein	(15,288)	(770)	(11)	-
Inogen	(6,110)	(230)	-	-
Insulet	(8,409)	(1,054)	(16)	-
Thermo Fisher Scientific	(2,939)	(689)	(23)	(0.01)
Zimmer Biomet Holdings	(6,322)	(717)	(5)	-
		13,519	301	0.05
Industrials (0.10)% ((0.16)%)				
3M	(9,641)	(1,269)	(22)	-
Acuity Brands	(8,388)	(864)	(30)	(0.01)
American Airlines Group	(27,648)	(597)	(22)	-
Colfax	(43,347)	(950)	(49)	(0.01)
Fastenal	(63,019)	(1,580)	(35)	(0.01)
GATX	(11,886)	(721)	(11)	-
General Dynamics	(24,529)	(3,816)	(80)	(0.01)
General Electric	(311,163)	(2,071)	(43)	(0.01)
IHS Markit	(21,092)	(1,137)	(15)	-
JB Hunt Transport Services	(6,868)	(603)	(17)	-
Kennametal	(35,447)	(866)	(33)	(0.01)
MSC Industrial Direct A shares	(13,726)	(758)	(11)	-
Paccar	(26,743)	(1,436)	(33)	(0.01)
Ritchie Bros Auctioneers	(11,751)	(382)	(3)	-
Rockwell Automation	(9,296)	(1,155)	(26)	-
Rollins	(21,330)	(572)	(11)	-
Snap-on	(18,750)	(2,287)	(35)	(0.01)
Terex	(36,215)	(732)	(33)	(0.01)
TriNet Group	(11,856)	(660)	(11)	-
Wabtec	(21,922)	(1,216)	(24)	-
Watsco	(11,722)	(1,559)	(28)	(0.01)
XPO Logistics	(14,137)	(811)	(26)	-
		(26,042)	(598)	(0.10)

Investment	Holding	Global exposure* £'000	Valuation £'000	% of net assets
Contracts for difference (0.04)% ((0.39)% (continued))				
Information Technology 0.02% ((0.21)%)				
Analog Devices	(14,207)	(1,272)	(12)	-
ASML Holding	(3,474)	(635)	(24)	-
ASML Holding, NYRS	(9,444)	(1,705)	(32)	(0.01)
AU Optronics, ADR	(454,133)	(920)	(41)	(0.01)
Corning	(18,881)	(430)	(6)	-
Ebix	(105,979)	(3,079)	(77)	(0.01)
Finisar	(34,644)	(640)	(4)	-
Gartner	(13,465)	(1,459)	(14)	-
Infineon Technologies	(39,189)	(559)	(27)	(0.01)
Largan Precision	(10,083)	(1,027)	(13)	-
LG Display, ADR	(110,353)	(497)	(20)	-
Marvell Technology Group	(38,502)	(765)	(20)	-
Mellanox Technologies	(14,102)	(1,249)	(14)	-
Microchip Technology	(29,630)	(2,106)	(41)	(0.01)
Microsoft	346,651	39,327	726	0.12
Qorvo	(9,993)	(587)	(16)	-
Samsung Electronics, GDR	(1,513)	(1,132)	(8)	-
SAP, ADR	(29,380)	(2,892)	(35)	(0.01)
Shopify A shares	(3,600)	(1,159)	8	-
SK Hynix	(11,733)	(618)	(36)	(0.01)
Square A shares	(9,133)	(472)	(5)	-
Sunny Optical Technology Group	(79,845)	(909)	(53)	(0.01)
Taiwan Semiconductor Manufacturing, ADR	(44,094)	(1,531)	(23)	-
Trade Desk A shares	(3,300)	(678)	(5)	-
United Microelectronics, ADR	(175,326)	(300)	(7)	-
United Microelectronics	(3,373,513)	(1,187)	(28)	(0.01)
Western Digital	(33,317)	(1,507)	(45)	(0.01)
Wix.com	(7,333)	(841)	(4)	-
Workday A shares	(2,900)	(447)	(6)	-
Xiaomi B shares	(753,012)	(672)	23	-
Zendesk	(8,548)	(571)	(10)	-
		7,481	131	0.02
Investment Funds (0.01)% ((0.03)%)				
Scottish Mortgage Investment Trust	(593,311)	(3,124)	(80)	(0.01)
		(3,124)	(80)	(0.01)
Materials (0.01)% ((0.09)%)				
Air Products & Chemicals	(6,110)	(1,126)	7	-
Ecolab	(8,785)	(1,493)	(16)	(0.01)
GCP Applied Technologies	(39,714)	(555)	(6)	-
International Flavors & Fragrances	(12,010)	(1,073)	(4)	-
Southern Copper	(13,876)	(355)	(9)	-
		(4,602)	(28)	(0.01)
Real Estate 0.00% ((0.01)%)				
Kimco Realty	(33,618)	(509)	(5)	-
Regency Centers	(23,409)	(1,239)	(21)	-
		(1,748)	(26)	-
Contracts for difference total				
		(22,135)	(262)	(0.04)

Artemis US Extended Alpha Fund – Investment information (continued)

Investment	Holding or nominal value	Global exposure* £'000	Valuation £'000	% of net assets
Forward currency contracts (0.06)% (0.07%)				
I accumulation CHF (NAV hedged) 0.00% (0.01%)				
I accumulation EUR (NAV hedged) 0.00% (0.01%)				
I accumulation GBP (NAV hedged) (0.06)% (0.05%)				
Buy Sterling 118,959,482 sell US Dollars 145,432,805 dated 30/09/2019			(334)	(0.06)
			(334)	(0.06)
R accumulation CHF (NAV hedged) 0.00% (0.00%)				
Buy Swiss Franc 211,176 sell US Dollar 215,944 dated 30/09/2019			(2)	-
R accumulation EUR (NAV hedged) 0.00% (0.01%)			(2)	-
Forward currency contracts total			(336)	(0.06)
Futures 0.03% (0.08%)				
S&P 500 Emini Index 20/09/2019	144	17,416	145	0.03
Futures total		17,416	145	0.03
Fair value adjustment at pricing point 0.56% ((0.16)%)[†]			3,276	0.56
Investment assets			540,534	93.62
Net other assets			36,814	6.38
Net assets attributable to shareholders			577,348	100.00

The comparative percentage figures in brackets are as at 28 February 2019.

[^] Unlisted, suspended or delisted security.

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

[†] Fair value adjustment based on movements of futures in markets closed at the fund valuation point, since the last market close.

Artemis US Extended Alpha Fund – Financial statements

Statement of total return for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		118,127		159,647
Revenue	6,906		10,039	
Expenses	(6,471)		(5,893)	
Interest payable and similar charges	(2,142)		(4,216)	
Net revenue before taxation	(1,707)		(70)	
Taxation	(883)		(1,493)	
Net revenue after taxation		(2,590)		(1,563)
Total return before distributions		115,537		158,084
Distributions		(721)		2
Change in net assets attributable to shareholders from investment activities		114,816		158,086

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,523,859		1,203,410
Amounts receivable on issue of shares	147,156		396,072	
Amounts payable on cancellation of shares	(317,656)		(148,380)	
In specie transfer to Artemis Funds (Lux) SICAV	(891,212)		-	
		(1,061,712)		247,692
Dilution adjustment		47		-
Change in net assets attributable to shareholders from investment activities		114,816		158,086
Retained distribution on accumulation shares		338		-
Closing net assets attributable to shareholders		577,348		1,609,188

Balance sheet as at 31 August 2019

	31 August 2019	28 February 2019
	£'000	£'000
Assets		
Fixed assets		
Investments	543,016	1,493,780
Current assets		
Debtors	5,020	22,491
Cash and cash equivalents	39,573	63,649
Total current assets	44,593	86,140
Total assets	587,609	1,579,920
Liabilities		
Investment liabilities	2,482	24,247
Creditors		
Bank overdraft	209	8
Other creditors	7,570	31,806
Total creditors	7,779	31,814
Total liabilities	10,261	56,061
Net assets attributable to shareholders	577,348	1,523,859

Artemis US Extended Alpha Fund – Notes to the financial statements

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK 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 28 February 2019 as set out therein.

2. Post balance sheet events

Share class closures

Artemis US Extended Alpha Fund R accumulation CHF was closed on 27 September 2019.

Artemis US Extended Alpha Fund R accumulation CHF Hedged was closed on 27 September 2019.

Artemis US Extended Alpha Fund – Distribution tables

This fund pays annual dividend distributions. The following share classes paid a distribution as part of a fund merger. The following table sets out the details of the distribution.

Distribution period	Start	End	Ex-dividend date	Pay date
Interim	1 March 2019	22 March 2019	25 March 2019	22 May 2019

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

Group 2 shares 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 shares purchased during the period. It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

I accumulation CHF (NAV Hedged)

Dividend distribution for the period from 1 March 2019 to 22 March 2019	Group 2		Group 1 & 2 Distribution per share (c)	Corporate streaming		2018 Distribution per share (c)
	Net revenue per share (c)	Equalisation per shares (c)		Franked	Unfranked	
Interim	0.0259	0.0410	0.0669	100.00%	0.00%	-

I accumulation EUR

Dividend distribution for the period from 1 March 2019 to 22 March 2019	Group 2		Group 1 & 2 Distribution per share (c)	Corporate streaming		2018 Distribution per share (c)
	Net revenue per share (c)	Equalisation per share (c)		Franked	Net revenue per share (c)	
Interim	0.0070	0.0846	0.0916	100.00%	0.00%	-

I accumulation EUR (NAV Hedged)

Dividend distribution for the period from 1 March 2019 to 22 March 2019	Group 2		Group 1 & 2 Distribution per share (c)	Corporate streaming		2018 Distribution per share (c)
	Net revenue per share (c)	Equalisation per share (c)		Franked	Net revenue Per share (c)	
Interim	0.0260	0.0283	0.0543	100.00%	0.00%	-

I accumulation USD

Dividend distribution for the period from 1 March 2019 to 22 March 2019	Group 2		Group 1 & 2 Distribution per share (c)	Corporate streaming		2018 Distribution per share (c)
	Net revenue per share (c)	Equalisation per share (c)		Franked	Net revenue per share (c)	
Interim	0.0206	0.0629	0.0835	100.00%	0.00%	-

R accumulation EUR

Dividend distribution for the period from 1 March 2019 to 22 March 2019	Group 2		Group 1 & 2 Distribution per share (c)	Corporate streaming		2018 Distribution per share (c)
	Net revenue per share (c)	Equalisation per share (c)		Franked	Unfranked	
Interim	0.0000	0.0026	0.0026	100.00%	0.00%	-

R accumulation EUR (NAV Hedged)

Dividend distribution for the period from 1 March 2019 to 22 March 2019	Group 2		Group 1 & 2 Distribution per share (c)	Corporate streaming		2018 Distribution per share (c)
	Net revenue per share (c)	Equalisation per share (c)		Franked	Unfranked	
Interim	0.0010	0.0002	0.0012	100.00%	0.00%	-

R accumulation USD

Dividend distribution for the period from 1 March 2019 to 22 March 2019	Group 2		Group 1 & 2 Distribution per share (c)	Corporate streaming		2018 Distribution per share (c)
	Net revenue per share (c)	Equalisation per share (c)		Franked	Unfranked	
Interim	0.0000	0.0024	0.0024	100.00%	0.00%	-

Artemis US Extended Alpha Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
28 February 2017	623,447,810		
I accumulation CHF (NAV Hedged)*		116.22c	361,650
I accumulation EUR		162.15c	25,777,712
I accumulation GBP		174.88p	140,611,130
I accumulation GBP (NAV Hedged)*		117.16p	1,015,748
I accumulation USD		135.78c	294,748,645
R accumulation CHF*		122.94c	10,000
R accumulation CHF (NAV Hedged)**		115.50c	10,000
R accumulation EUR*		126.26c	12,323
R accumulation EUR (NAV Hedged)**		109.88c	19,203,956
R accumulation USD*		117.17c	778,599
28 February 2018	1,203,409,742		
I accumulation CHF (NAV Hedged)		137.36c	4,323,616
I accumulation EUR		170.93c	77,680,589
I accumulation EUR (NAV Hedged)***		111.46c	29,185,813
I accumulation GBP		190.72p	173,984,626
I accumulation GBP (NAV Hedged)		139.97p	153,859,274
I accumulation USD		164.81c	335,802,130
R accumulation CHF		138.71c	171,225
R accumulation CHF (NAV Hedged)		135.81c	64,441
R accumulation EUR		131.88c	43,567,278
R accumulation EUR (NAV Hedged)		129.34c	24,576,446
R accumulation USD		141.15c	26,532,851
28 February 2019	1,523,859,281		
I accumulation CHF (NAV Hedged)		136.84c	5,553,426
I accumulation EUR		188.83c	97,347,459
I accumulation EUR (NAV Hedged)		111.56c	21,224,072
I accumulation GBP		204.92p	196,054,131
I accumulation GBP (NAV Hedged)		141.79p	146,532,061
I accumulation USD		170.18c	411,127,079
R accumulation CHF		149.70c	314,511
R accumulation CHF (NAV Hedged)		134.40c	358,300
R accumulation EUR		144.66c	99,738,494
R accumulation EUR (NAV Hedged)		128.51c	34,941,580
R accumulation USD		144.64c	38,212,960

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
31 August 2019	577,348,470		
I accumulation CHF (NAV Hedged)****		-	-
I accumulation EUR****		-	-
I accumulation EUR (NAV Hedged)****		-	-
I accumulation GBP		244.81p	186,251,077
I accumulation GBP (NAV Hedged)		153.35p	78,800,645
I accumulation USD****		-	-
R accumulation CHF		162.83c	274,315
R accumulation CHF (NAV Hedged)		144.08c	147,700
R accumulation EUR****		-	-
R accumulation EUR (NAV Hedged)****		-	-
R accumulation USD****		-	-

* Launched on 1 April 2016.

** Launched on 15 August 2016.

*** Launched on 2 August 2017.

**** Closed on 22 March 2019.

Ongoing charges

Class	31 August 2019
I accumulation GBP	0.81%
I accumulation GBP (NAV Hedged)	0.81%
R accumulation CHF	1.56%
R accumulation CHF (NAV Hedged)	1.56%

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

Fund performance

	Since launch *	3 years	1 year	6 months
US Extended Alpha	144.9	64.4	13.2	19.5
S&P 500 Index	115.8	53.9	9.8	15.9
Sector average	98.9	48.5	7.4	14.0
Position in sector	7/80	14/88	13/101	10/102
Quartile	1	1	1	1

Past performance is not a guide to the future.

* Source: Lipper Limited, class I accumulation GBP from 19 September 2014 to 31 August 2019.

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.

Sector is IA North America.

Investment objective and policy

The objective of the Artemis US Select Fund (the 'sub-fund') is to achieve long-term capital growth. The sub-fund invests principally in companies listed, quoted and/or traded in the United States of America ('USA') and in companies which are headquartered or have a significant part of their activities in the USA which are quoted on a regulated market outside the USA.

The ACD actively manages the portfolio in order to achieve the objective. To achieve the objective, the sub-fund will include investments in smaller companies and may seek to include special situations. The ACD will not be restricted in respect of choice of investments either by company size or industry. It is expected that the portfolio of the sub-fund will be invested in the shares of between 35 and 65 companies.

The sub-fund may also invest in other transferable securities, fixed interest securities, units of collective investment schemes, money market instruments, warrants, cash and near cash. The sub-fund may also use derivatives and other techniques for efficient portfolio management.

Fund benchmarks:

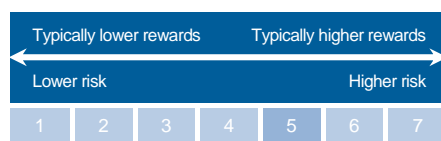
- S&P 500 TR GBP

A widely-used indicator of the performance of 500 large publicly-traded US companies, some of which the fund invests in. 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 North America 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 sub-fund is in the category shown due to its historic volatility (how much and how quickly the value of shares in the sub-fund have risen and fallen in the past). It may not be a reliable indication of the future risk profile of the sub-fund.

- The risk category shown is not guaranteed and may change over time.

- 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 sub-fund performance:

- 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.

- Some or all of the sub-fund's assets may be invested in a currency other than the fund's accounting currency. The value of the assets, and the income from them, may decrease if the currency falls in relation to the accounting currency.

- The sub-fund may invest in a small number of companies, industries, sectors and/or asset classes. As a result, the fund may be subject to greater swings in value.

- The sub-fund may invest in derivatives with the aim of profiting from falling as well as rising prices ('shorting'). If the related assets' value moves in the opposite direction the fund will lose money. In addition, a derivative may not perform as expected, and may create losses for the fund greater than the cost of the derivative.

- Investing in small and medium-sized companies can involve more risk than investing in larger, more established companies. Shares in smaller companies may not be as easy to sell, which can cause difficulty in valuing those shares.

Artemis US Select Fund – Investment review

- The fund returns 22.4%* versus 15.9%* from the S&P 500 Index (GBP).
- Strong stock selection helps performance.
- We are cautious on the prospects for cyclical stocks.

Performance – Supported by stock selection...

Supported initially by a dovish shift in messaging from the Federal Reserve and then by a 25 basis point cut to interest rates, US markets have traced an upward line since January.

That line, however, has rarely been smooth. The Fed's dovish shift was, in part, a response to periodic bouts of volatility in the market arising from President Trump's conflicting messages – placatory one day; bellicose the next – in his ongoing wrangling with China over trade. Data on the economy, meanwhile, started to weaken, further supporting the Fed's dovish turn.

Amid these positive – if volatile – market conditions, good stock selection saw the fund outperforming. It returned 22.4% in sterling terms versus the S&P 500 Index 15.9% (returns from both the fund and the index were enhanced by a further significant depreciation in the pound).

Review – Reducing the portfolio's economic sensitivity...

The biggest contribution to the fund's outperformance came from our holding in Fidelity National Information Services (FIS), which provides solutions that allow banks to upgrade their legacy systems and reduce back office costs while simultaneously becoming more customer friendly. Spending in this area has increased rapidly and FIS has been a prime beneficiary.

In addition, FIS recently acquired WorldPay, a company whose technology allows retailers (both online and offline) to process card payments. As such, it has also built strong relationships with banks. Our analysis suggests the combined business will be able to grow its revenues at a mid-single digit percentage rate (perhaps even higher initially). We think it also has the stability to withstand a period of slower economic growth. Elsewhere in the financials sector, our holdings in S&P Global and MSCI also performed well.

The fund also benefited from its exposure to higher quality, more defensive stocks such as Booz Allen Hamilton, a government services contractor, and Crown Castle International, a real estate company on telecoms towers. Both companies continue to deliver strong results while also – due to the nature of their businesses – offering a degree of predictability on earnings over the medium term.

Carbon Black, one of our smaller software and services companies, was a strong contributor to performance over the period. It was acquired for a modest premium by VMware, a much larger software company.

The fund's longstanding holding in animal healthcare group Zoetis also contributed. It continues to deliver faster growth in sales driven by its established core products with potential upside coming from a number of new treatments in its pipeline. It is also deriving synergies from its recent acquisition of Abaxis.

On the negative side, our holding in Boeing detracted. Its share price came under pressure when the 737 Max suffered two fatal crashes within a six-month period, triggering the grounding of that model worldwide. We remain positive on the long-term outlook for the company, which remains supported by a strong order book (it still has a backlog of orders).

The net result of our activity over the period has been to reduce the portfolio's economic sensitivity. In general terms, we are tending to favour companies with greater predictability of earnings and stronger balance sheets. We have reduced our exposure to the technology sector, an area we had added to at the beginning of the year. And although we continue to be positive on payment services, we have reduced our exposure to PayPal and Worldpay (following its acquisition by FIS).

We also have reduced our exposure to healthcare stocks and, more specifically, to health insurers. The sector has been under pressure from political noise. Candidates for the Democratic nomination for the 2020 election are talking about a potential reform of the healthcare system, including a move towards a 'single payer' system (universal healthcare funded through taxation). Such a reform would put the current health insurers' business model at risk. Although we don't expect such a system to materialise in the US, the threat of it could continue to put share prices under pressure ahead of the elections.

We have reduced our underweight in consumer staples through the purchase of global snack company Mondelez International. This is one of the few food companies that present a positive organic growth in sales through its exposure to emerging markets and a number of strong categories of the snack market.

Past performance is not a guide to the future.

* Source: Lipper Limited, class I 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.

Outlook - As business confidence drops...

Recent surveys of CEOs show that confidence levels have dropped sharply – down almost 20% from the peak in 2018. This matters because business confidence tends to drive capital expenditure (capex), influences the jobs market and so dictates economic activity. The clear slowdown in manufacturing employment is showing that declining business confidence risks weakening job gains and, in turn, consumer spending. We are now watching for any sign of weakening in employment data and are looking closely at weekly jobless claims.

At the corporate level, meanwhile, it has been difficult for the market to deliver earnings growth because last year's numbers were boosted by tax cuts, giving companies a higher benchmark to beat. At the same time, the tight labour market, rising commodity costs and a stronger dollar are all putting margins under further pressures. Companies are also obliged to take steps to reduce the impact of the trade tensions between the US and China.

Furthermore, the US market's overall valuation level now looks relatively stretched. That makes careful stock selection essential. In our view, the recent decline in business confidence makes it hard to justify buying cyclical companies at this stage.

There are, however, two areas in which our general caution towards cyclical industries is less pronounced: housing and semiconductors. The first will benefit as lower interest rates feed through to lower mortgage costs. The semiconductor industry, meanwhile, follows a cycle of its own.

Within housing, we continue to like Masco. It sells paint and plumbing equipment so it aims more at those seeking to repair and remodel their houses than at new build housing. We also own Lowes, a home improvement retailer, which is undergoing a turnaround under new management.

Our view is that the conflict between the US and China over trade is unlikely to be resolved in the short term or, indeed, before the election in 2020. Overall, we continue to have a bias away from companies that directly benefit from economic growth and towards stocks whose prospects are less dependent on wider economic conditions.

Cormac Weldon
Fund manager

Artemis US Select Fund – Investment information

Ten largest purchases and sales for the six months ended 31 August 2019

Purchases	Cost £'000	Sales	Proceeds £'000
Qualcomm	44,628	Qualcomm	47,544
Boeing	42,536	Raytheon	34,270
Bank of America	42,353	Discover Financial Services	27,495
Amazon.com	39,592	Boeing	27,260
Mondelez International A shares	31,514	Bank of America	27,112
Microsoft	27,731	Xilinx	22,658
Comcast A shares	27,364	Amazon.com	21,433
TransUnion	26,272	EOG Resources	21,377
Humana	25,302	Micron Technology	21,019
Linde	25,262	First Data A shares	20,348

Portfolio statement as at 31 August 2019

Investment	Holding	Valuation £'000	% of net assets
Equities 98.35% (97.45%)			
Communication Services 12.80% (7.08%)			
Activision Blizzard	279,081	11,675	0.84
Altice USA A shares	1,201,322	28,473	2.04
Comcast A shares	1,140,453	41,360	2.96
Facebook A shares	165,266	25,185	1.81
Match Group	68,148	4,790	0.34
T-Mobile US	569,807	36,496	2.62
Walt Disney	269,880	30,547	2.19
		178,526	12.80
Consumer Discretionary 15.41% (10.75%)			
Amazon.com	30,954	45,400	3.26
Booking Holdings	12,822	20,598	1.48
Burlington Stores	102,840	17,344	1.24
Churchill Downs	136,116	13,974	1.00
Dollar Tree	282,053	22,610	1.62
Grand Canyon Education	128,424	13,491	0.97
Lowe's	350,228	32,372	2.32
McDonald's	73,772	13,356	0.96
Planet Fitness A shares	310,608	18,435	1.32
Pool	106,268	17,307	1.24
		214,887	15.41
Consumer Staples 4.05% (0.48%)			
Lamb Weston Holdings	153,314	8,803	0.63
Mondelez International A shares	751,262	34,094	2.44
Sanderson Farms	50,088	6,072	0.44
Walmart	81,022	7,588	0.54
		56,557	4.05
Energy 0.00% (2.12%)			
Financials 9.70% (13.49%)			
Bank of America	576,209	12,938	0.93
Citigroup	123,659	6,489	0.46
Discover Financial Services	97,229	6,388	0.46
Intercontinental Exchange	356,419	27,161	1.95
MSCI	71,951	13,922	1.00
Progressive	346,812	21,592	1.55
S&P Global	124,423	26,634	1.91
Voya Financial	495,303	20,135	1.44
		135,259	9.70

Investment	Holding	Valuation £'000	% of net assets
Equities 98.35% (97.45%) (continued)			
Health Care 13.98% (16.23%)			
Abbott Laboratories	372,952	25,976	1.86
Anthem	188,536	40,216	2.88
Becton Dickinson	97,177	20,348	1.46
Bioxcel Therapeutics	387,071	3,153	0.23
Centene	313,579	11,924	0.85
Exact Sciences	76,180	7,653	0.55
Humana	109,535	25,137	1.80
Intuitive Surgical	9,066	3,781	0.27
IQVIA Holdings	195,642	25,055	1.80
Zoetis	305,297	31,755	2.28
		194,998	13.98
Industrials 8.30% (10.99%)			
Boeing	145,509	43,335	3.11
Lockheed Martin	70,378	22,209	1.59
Masco	679,899	22,938	1.64
TransUnion	397,953	27,293	1.96
		115,775	8.30
Information Technology 21.47% (27.53%)			
Booz Allen Hamilton Holding	547,869	33,853	2.43
Carbon Black	630,920	13,524	0.97
Fidelity National Information Services	475,281	53,607	3.84
International Business Machines	111,678	12,375	0.89
Intuit	58,763	13,845	0.99
Jack Henry & Associates	100,795	12,000	0.86
Micron Technology	529,259	19,416	1.39
Microsoft	822,348	93,274	6.69
PayPal Holdings	150,705	13,518	0.97
Visa A shares	228,960	34,055	2.44
		299,467	21.47
Materials 3.45% (0.00%)			
Barrick Gold	1,432,054	22,686	1.62
Linde	165,414	25,485	1.83
		48,171	3.45
Real Estate 5.15% (4.84%)			
Crown Castle International, REIT	322,831	38,690	2.77
Prologis, REIT	482,444	33,170	2.38
		71,860	5.15
Utilities 4.04% (3.94%)			
Evergy	523,237	27,824	1.99
NextEra Energy	157,422	28,587	2.05
		56,411	4.04
Equities total		1,371,911	98.35
Forward currency contracts (0.01)% (0.00%)			
I accumulation CHF (NAV hedged) 0.00% (0.00%)			
I accumulation EUR (NAV hedged) 0.00% (0.00%)			
Buy Euro 478,201 sell US Dollar 531,718 dated 30/09/2019		(2)	-
		(2)	-
I accumulation GBP (NAV hedged) (0.01)% (0.00%)			
Buy Sterling 60,844,801 sell US Dollar 74,385,444 dated 30/09/2019		(171)	(0.01)
		(171)	(0.01)

Artemis US Select Fund – Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Forward currency contracts Fund Level 0.00% (0.00%)			
Buy US Dollar 959,661 sell Sterling 782,795 dated 03/09/2019		5	-
Buy US Dollar 4,913,660 sell Sterling 4,018,565 dated 04/09/2019		17	-
		22	-
Forward currency contracts total		(151)	(0.01)
Fair value adjustment at pricing point[†] 0.66% (0.00%)		9,279	0.66
Investment assets		1,381,039	99.00
Net other assets		13,855	1.00
Net assets attributable to shareholders		1,394,894	100.00

The comparative percentage figures in brackets are as at 28 February 2019.

[†] Fair value adjustment based on movements of futures in markets closed at the fund valuation point, since the last market close.

Artemis US Select Fund – Financial statements

Statement of total return for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		239,183		148,601
Revenue	7,838		5,091	
Expenses	(5,270)		(3,900)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	2,568		1,190	
Taxation	(1,064)		(677)	
Net revenue after taxation		1,504		513
Total return before distributions		240,687		149,114
Distributions		39		34
Change in net assets attributable to shareholders from investment activities		240,726		149,148

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,102,427		848,746
Amounts receivable on issue of shares	226,046		187,303	
Amounts payable on cancellation of shares	(116,839)		(44,625)	
In specie transfer to Artemis Funds (Lux) SICAV	(57,529)		-	
		51,678		142,678
Dilution adjustment		41		1
Change in net assets attributable to shareholders from investment activities		240,726		149,148
Retained distribution on accumulation shares		22		-
Closing net assets attributable to shareholders		1,394,894		1,140,573

Balance sheet as at 31 August 2019

	31 August 2019	28 February 2019
	£'000	£'000
Assets		
Fixed assets		
Investments	1,381,212	1,074,313
Current assets		
Debtors	11,407	6,626
Cash and cash equivalents	3,550	25,337
Total current assets	14,957	31,963
Total assets	1,396,169	1,106,276
Liabilities		
Investment liabilities	173	-
Creditors		
Bank overdraft	-	12
Distribution payable	-	476
Other creditors	1,102	3,361
Total creditors	1,102	3,849
Total liabilities	1,275	3,849
Net assets attributable to shareholders	1,394,894	1,102,427

Artemis US Select Fund – Notes to the financial statements

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK 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 28 February 2019 as set out therein.

2. Post balance sheet events

Share class closures

Artemis US Select Fund I accumulation EUR Hedged was closed on 27 September 2019.

Artemis US Select Fund R accumulation USD was closed on 27 September 2019.

Artemis US Select Fund – Distribution tables

This fund pays annual dividend distributions. The following share classes paid a distribution as part of a fund merger. The following table sets out the details of the distribution.

Distribution period	Start	End	Ex-dividend date	Pay date
Interim	1 March 2019	22 March 2019	25 March 2019	22 May 2019

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

Group 2 shares 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 shares purchased during the period. It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

I accumulation EUR

Dividend distribution for the period from 1 March 2019 to 22 March 2019	Group 2		Group 1 & 2 Distribution per shares (c)	Corporate streaming		2018 Distribution per shares (c)
	Net revenue per shares (c)	Net revenue per shares (c)		Franked	Unfranked	
Interim	0.0702	-	0.0702	100.00%	0.00%	-

I accumulation USD

Dividend distribution for the period from 1 March 2019 to 22 March 2019	Group 2		Group 1 & 2 Distribution per shares (c)	Corporate streaming		2018 Distribution per shares (c)
	Net revenue per shares (c)	Net revenue per shares (c)		Franked	Unfranked	
Interim	0.0000	0.0625	0.0625	100.00%	0.00%	-

Artemis US Select Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
28 February 2017	558,652,055		
I accumulation CHF (NAV Hedged)*		111.93c	10,000
I accumulation EUR		147.13c	10,253,188
I accumulation EUR (NAV Hedged)*		112.26c	11,133
I distribution GBP		140.44p	58,091,049
I accumulation GBP		158.06p	264,181,909
I accumulation GBP (NAV Hedged)*		113.09p	134,877
I accumulation USD		123.06c	46,395,241
R accumulation CHF (NAV Hedged)*		111.22c	10,000
R accumulation EUR*		121.62c	8,732
R accumulation EUR (NAV Hedged)*		111.59c	582,743
R accumulation USD*		113.00c	9,093
28 February 2018	848,746,258		
I accumulation CHF (NAV Hedged)		138.30c	51,000
I accumulation EUR		161.69c	192,255
I accumulation EUR (NAV Hedged)		138.93c	1,048,816
I distribution GBP		159.74p	70,902,592
I accumulation GBP		179.92p	380,784,959
I accumulation GBP (NAV Hedged)		141.17p	935,718
I accumulation USD		155.88c	41,653,832
R accumulation CHF (NAV Hedged)		136.49c	10,000
R accumulation EUR		132.66c	8,732
R accumulation EUR (NAV Hedged)		140.76c	402,499
R accumulation USD		142.04c	9,093
28 February 2019	1,102,426,767		
I accumulation CHF (NAV Hedged)		139.73c	10,000
I accumulation EUR		181.73c	2,274,487
I accumulation EUR (NAV Hedged)		141.48c	3,462,427
I distribution GBP		174.10p	94,246,029
I accumulation GBP		196.69p	442,927,307
I accumulation GBP (NAV Hedged)		145.49p	3,007,954
I accumulation USD		163.73c	43,869,876
R accumulation CHF (NAV Hedged)		137.25c	10,000
R accumulation EUR		148.00c	26,969
R accumulation EUR (NAV Hedged)		142.20c	667,216
R accumulation USD		148.09c	156,143

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
31 August 2019	1,394,893,769		
I accumulation CHF (NAV Hedged)**		-	-
I accumulation EUR***		-	-
I accumulation EUR (NAV Hedged)		155.84c	309,546
I distribution GBP		213.16p	80,700,217
I accumulation GBP		240.81p	481,857,005
I accumulation GBP (NAV Hedged)		161.38p	38,398,735
I accumulation USD***		-	-
R accumulation CHF (NAV Hedged)**		-	-
R accumulation EUR****		-	-
R accumulation EUR (NAV Hedged)****		-	-
R accumulation USD		165.30c	77,658

* Launched 1 April 2016.

** Closed on 29 March 2019.

*** Closed on 22 March 2019.

**** Closed on 7 June 2019.

Ongoing charges

Class	31 August 2019
I accumulation EUR (NAV Hedged)	0.85%
I distribution GBP	0.85%
I accumulation GBP	0.85%
I accumulation GBP (NAV Hedged)	0.85%
R accumulation USD	1.60%

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

Fund performance

	Since launch *	3 years	1 year	6 months
Artemis US Select Fund	140.9	77.6	15.2	22.4
S&P 500 Index	115.8	53.9	9.8	15.9
Sector average	98.9	48.5	7.4	14.0
Position in sector	8/80	6/88	9/101	3/102
Quartile	1	1	1	1

Past performance is not a guide to the future.

* Source: Lipper Limited, class I accumulation GBP from 19 September 2014 to 31 August 2019.

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.

Sector is IA North America.

Artemis US Smaller Companies Fund

Investment objective and policy

The objective of the Artemis US Smaller Companies Fund (the 'sub-fund') is to achieve long-term capital growth. The sub-fund invests principally in smaller companies listed, quoted and/or traded in the United States of America ('USA') and in companies which are headquartered or have a significant part of their activities in the USA which are quoted on a regulated market outside the USA.

The ACD actively manages the portfolio in order to achieve the objective. The ACD will not be restricted in respect of choice of investments by industrial sector. As the sub-fund invests in smaller companies, the ACD will mainly invest in shares of companies that have a market value of less than US\$10 billion.

The sub-fund may also invest in other transferable securities, fixed interest securities, units of collective investment schemes, money market instruments, warrants, cash and near cash. The sub-fund may also use derivatives and other techniques for efficient portfolio management.

Fund benchmarks:

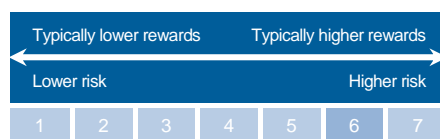
- Russell 2000 TR GBP

A widely-used indicator of the performance of US smaller companies, 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 North American Smaller 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 sub-fund is in the category shown due to its historic volatility (how much and how quickly the value of shares in the fund have risen and fallen in the past). It may not be a reliable indication of the future risk profile of the sub-fund.

- The risk category shown is not guaranteed and may change over time.

- 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 sub-fund performance:

- The value of the sub-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

- Some or all of the sub-fund's assets may be invested in a currency other than the fund's accounting currency. The value of the assets, and the income from them, may decrease if the currency falls in relation to the accounting currency.

- The sub-fund may invest in derivatives with the aim of profiting from falling as well as rising prices ('shorting'). If the related assets' value moves in the opposite direction the fund will lose money. In addition, a derivative may not perform as expected, and may create losses for the fund greater than the cost of the derivative.

- Investing in small and medium-sized companies can involve more risk than investing in larger, more established companies. Shares in smaller companies may not be as easy to sell, which can cause difficulty in valuing those shares.

Artemis US Smaller Companies Fund – Investment review

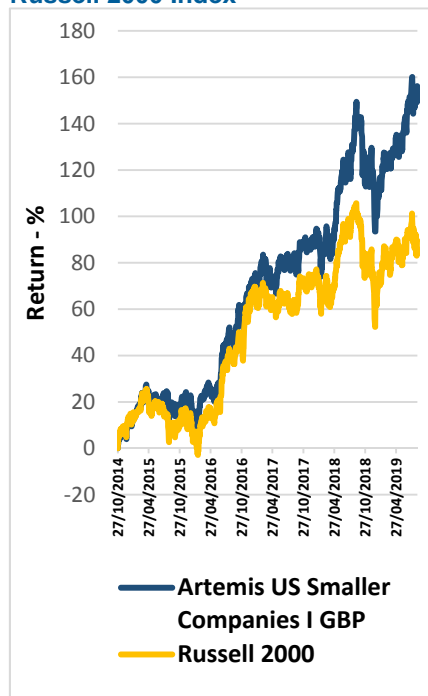
- In sterling terms, the fund returns 15.5%* versus the Russell 2000 Index (GBP) 4.4%*.
- Favouring stocks with strong balance sheets worked well.
- We remain cautious on prospects for the US economy.

Performance – A fertile area of the market for stockpickers...

Although US smaller companies have made gains over the last six months, their returns have lagged those from their larger peers. In sterling terms, the Russell 2000 Index returned 4.4% – some way behind a return of 15.9% from the large-cap S&P 500 Index. (Returns to sterling-based investors from both large and small-caps alike were significantly boosted by the pound's latest bout of Brexit-induced weakness.)

A dovish shift in both tone and policy by the Federal Reserve supported equity markets: a well-trailed 25 basis point cut to interest rates came in July. Meanwhile, the trade tensions between the US and China continued to grab the headlines, with President Trump's mixed messages provoking bouts of volatility. Despite the Fed's change of course, the resulting uncertainty saw economic data weakening. This weighed on investors' sentiment and on the market's performance, particularly towards the end of the six months reviewed here.

Chart 1 - Artemis US Smaller Companies Fund: return since launch versus the benchmark Russell 2000 Index



Data from 27 October 2014. Source: Lipper Limited, mid to mid in sterling to 31 August 2019. All figures show total returns with dividends reinvested

The fund returned 15.5%, outperforming the Russell 2000 Index by some margin. Stock selection continues to be good and remains the largest driver of returns. Our sector allocation was also positive, contributing to another strong period of performance for the fund, which is the top performer in the IA's North American Smaller Companies sector since its launch in October 2014.

Review – A cautious approach pays...

For some time now, we have been assembling a portfolio of companies that we hope can continue to grow their revenues and earnings even as the global economy weakens. We also have a preference for companies with stronger balance sheets, such as Booz Allen Hamilton or Pool. Recent returns suggest this has been the right approach.

Government defence contractor Booz Allen Hamilton was the largest contributor to performance over the last six months. It continues to generate solid results and the long-term nature of its government contracts means the outlook for growth also remains robust.

Pool also did well. It distributes the chemicals and parts used to maintain domestic swimming pools. Having been one of the main consolidators in its industry, it has become the go-to distributor and created a strong competitive position. Pool maintenance is often done by 'pool guys' who are, in effect, the distributors to whom Pool is the wholesaler. The result is that end consumers (the pool owners) have a low awareness of – and sensitivity to – the price being paid for filters and so on. In addition, the company's management shrewdly stockpiled a significant number of pumps and other materials that it imports from China to avoid the higher tariffs introduced as part of Trump's trade war.

Software services provider Carbon Black was the second largest contributor to performance. It was acquired for a premium by VMware, a much larger software company. Elsewhere, consumer exposed companies such as horse-racing and casino company Churchill Downs and low-cost gym chain Planet Fitness were strong contributors. Both continue to deliver solid results.

Past performance is not a guide to the future.

* Source: Lipper Limited, class I 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.

Artemis US Smaller Companies Fund – Investment review (continued)

On the negative side, our holding in Spirit Aerosystems suffered because it supplies parts used in the Boeing 737 Max. Two fatal crashes resulted in the 737 Max being grounded worldwide, calling future orders into question. Meanwhile, our holdings in mobile gaming stock Glu Mobile and in cloud computing company Nutanix gave back some of their gains after their strong performances last year.

In activity, we have established a position in food delivery company Grubhub. While there are a number of companies competing in this market, we are encouraged by recent signs of consolidation. This should boost economic returns. That competitors such as Uber (through Uber Eats) have become listed businesses should start to change their behaviour: shareholders will discourage excessive cash burn and so reduce the white-hot intensity of competition in this market. Our belief is that Grubhub will prove to be one of the long-term winners in what will – eventually – be a profitable industry. Elsewhere, we reduced the fund's holdings in Planet Fitness.

Outlook – In anticipation of slower growth...

The way we have positioned the fund reflects our view that economic growth will continue to decline moderately and that the market will continue to prefer 'growth' companies and those with a high degree of predictability to their earnings.

In addition, we are selectively adding to some value names where we believe the drivers of their businesses are being misunderstood by the market. So, for instance, we added to our housing exposure by buying Masco earlier in the year. The vast majority of its revenue comes from people buying plumbing equipment and paint to renovate their homes.

The recent decline in interest rates (and so in mortgage costs) should help the new housing market. While this will only modestly boost Masco's financial results it could also help to improve the market's perception of the company.

Another stock with exposure to the housing market is Fortune Brands Home & Security. It manufactures a wide range of products for the home, including kitchen and bathroom cabinets, plumbing equipment, doors and windows. The majority of its revenue is derived from sales to people who are renovating their existing home rather than to builders of new houses.

We remain cautious on the outlook. Shortly after the reporting period ended, the Institute of Supply Management's (ISM's) manufacturing index showed a reading below 50. That signifies contraction in the manufacturing economy. We believe this is the impact of the trade war being felt and are not confident this will change in the short term. For that reason, we continue to have a bias away from companies that simply benefit from economic growth and towards those whose prospects are not wholly dependent on the economy.

Cormac Weldon
Fund manager

Artemis US Smaller Companies Fund – Investment information

Ten largest purchases and sales for the six months ended 31 August 2019

Purchases	Cost £'000	Sales	Proceeds £'000
Spirit AeroSystems Holdings A shares	14,386	Spirit AeroSystems Holdings A shares	14,382
Sanderson Farms	12,072	Planet Fitness A shares	11,466
Aqua America	10,105	Booz Allen Hamilton Holding	10,406
LPL Financial Holdings	9,176	Dolby Laboratories A shares	9,523
Fortune Brands Home & Security	8,592	Kemper	8,000
Bio-Rad Laboratories A shares	7,642	Pinnacle West Capital	7,687
Advanced Energy Industries	7,562	Santander Consumer USA Holdings	7,571
Yamana Gold	6,767	Nutanix A shares	7,461
NRG Energy	5,875	Glu Mobile	7,298
ASGN	5,650	Voya Financial	7,026

Portfolio statement as at 31 August 2019

Investment	Holding	Valuation £'000	% of net assets
Equities 95.59% (97.47%)			
Communication Services 2.33% (6.34%)			
Live Nation Entertainment	152,084	8,594	1.86
QuinStreet	231,566	2,197	0.47
		10,791	2.33
Consumer Discretionary 21.13% (21.64%)			
Bright Horizons Family Solutions	87,668	11,907	2.58
Chegg	156,421	5,196	1.12
Churchill Downs	147,997	15,194	3.29
Five Below	39,327	4,057	0.88
Grand Canyon Education	112,402	11,807	2.56
GrubHub	149,651	7,224	1.56
Planet Fitness A shares	178,914	10,619	2.30
Pool	115,638	18,833	4.07
Strategic Education	22,784	3,191	0.69
Wingstop	113,270	9,615	2.08
		97,643	21.13
Consumer Staples 6.00% (4.38%)			
Lamb Weston Holdings	124,464	7,146	1.54
Nomad Foods	309,696	5,125	1.11
Post Holdings	76,732	6,201	1.34
Sanderson Farms	76,561	9,281	2.01
		27,753	6.00
Financials 9.30% (10.11%)			
Kemper	71,134	4,121	0.89
LPL Financial Holdings	135,498	8,276	1.79
Santander Consumer USA Holdings	233,817	5,021	1.09
Voya Financial	240,446	9,775	2.11
Webster Financial	213,679	7,762	1.68
Western Alliance Bancorp	226,662	8,041	1.74
		42,996	9.30

Artemis US Smaller Companies Fund – Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Equities 95.59% (97.47%) (continued)			
Health Care 12.15% (17.99%)			
Bio-Rad Laboratories A shares	52,803	14,610	3.16
Bioxcel Therapeutics	228,809	1,864	0.40
Exact Sciences	93,957	9,439	2.04
Green Organic Dutchman Holdings Warrant 19/04/2021 ^	303,333	–	–
Molina Healthcare	56,540	6,031	1.31
PerkinElmer	57,251	3,906	0.85
PRA Health Sciences	135,173	10,839	2.35
Tabula Rasa HealthCare	108,502	5,134	1.11
Teladoc Health	91,381	4,315	0.93
		56,138	12.15
Industrials 13.01% (9.57%)			
ASGN	112,497	5,738	1.24
Fortune Brands Home & Security	210,484	8,793	1.90
Kornit Digital	184,946	4,388	0.95
Masco	402,224	13,570	2.94
Mobile Mini	80,675	2,073	0.45
Spirit AeroSystems Holdings A shares	332,716	21,961	4.75
Vicor	143,833	3,600	0.78
		60,123	13.01
Information Technology 16.86% (17.60%)			
Advanced Energy Industries	181,070	7,472	1.62
Anaplan	98,107	4,395	0.95
Booz Allen Hamilton Holding	373,215	23,061	4.99
Carbon Black	646,041	13,848	2.99
DocuSign	157,138	5,991	1.30
Evertec	257,498	7,228	1.56
Jack Henry & Associates	79,850	9,506	2.06
Lumentum Holdings	139,598	6,439	1.39
		77,940	16.86
Materials 2.16% (1.33%)			
Stelco Holdings	402,219	2,702	0.58
Yamana Gold	2,469,155	7,280	1.58
		9,982	2.16
Real Estate 2.75% (1.45%)			
Rexford Industrial Realty, REIT	90,214	3,259	0.71
Terreno Realty, REIT	227,699	9,449	2.04
		12,708	2.75
Utilities 9.90% (7.06%)			
Aqua America	326,669	11,904	2.57
NextEra Energy Partners	293,921	12,342	2.67
NiSource	282,972	6,839	1.48
NRG Energy	199,699	5,850	1.27
OGE Energy	251,320	8,840	1.91
		45,775	9.90
Equities total		441,849	95.59

Investment	Holding	Valuation £'000	% of net assets
Forward currency contracts 0.00% (0.00%)			
I accumulation GBP (NAV hedged) 0.00% (0.00%)			
Buy Sterling 1,115,811 sell US Dollar 1,364,110 dated 30/09/2019		(3)	-
Forward currency contracts total		(3)	-
Fair value adjustment at pricing point † 0.65% (0.00%)		2,983	0.65
Investment assets		444,829	96.24
Net other assets		17,389	3.76
Net assets attributable to shareholders		462,218	100.00

The comparative percentage figures in brackets are as at 28 February 2019.

^ Unlisted, suspended or delisted security.

† Fair value adjustment based on movements of futures in markets closed at the fund valuation point, since the last market close.

Artemis US Smaller Companies Fund – Financial statements

Statement of total return for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		55,893		94,184
Revenue	2,334		1,685	
Expenses	(1,777)		(1,413)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	557		271	
Taxation	(243)		(191)	
Net revenue after taxation		314		80
Total return before distributions		56,207		94,264
Distributions		(142)		15
Change in net assets attributable to shareholders from investment activities		56,065		94,279

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		483,117		232,603
Amounts receivable on issue of shares	137,013		207,744	
Amounts payable on cancellation of shares	(55,167)		(35,955)	
In specie transfer to Artemis Funds (Lux) SICAV	(158,894)		-	
		(77,048)		171,789
Dilution adjustment		-		19
Change in net assets attributable to shareholders from investment activities		56,065		94,279
Retained distribution on accumulation shares		84		-
Closing net assets attributable to shareholders		462,218		498,690

Balance sheet as at 31 August 2019

	31 August 2019	28 February 2019
	£'000	£'000
Assets		
Fixed assets		
Investments	444,832	470,906
Current assets		
Debtors	4,140	3,119
Cash and cash equivalents	13,574	9,601
Total current assets	17,714	12,720
Total assets	462,546	483,626
Liabilities		
Investment liabilities	3	-
Creditors		
Other creditors	325	509
Total creditors	325	509
Total liabilities	328	509
Net assets attributable to shareholders	462,218	483,117

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK 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 28 February 2019 as set out therein.

2. Post balance sheet events

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

Artemis US Smaller Companies Fund – Distribution tables

This fund pays annual dividend distributions. The following share classes paid a distribution as part of a fund merger. The following table sets out the details of the distribution.

Distribution period	Start	End	Ex-dividend date	Pay date
Interim	1 March 2019	22 March 2019	25 March 2019	22 May 2019

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

Group 2 shares 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 shares purchased during the period. It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

I accumulation EUR

Dividend distribution for the period from 1 March 2019 to 22 March 2019	Group 2		Group 1 & 2 Distribution per shares (c)	Corporate streaming		2018 Distribution per shares (c)
	Net revenue per shares (c)	Equalisation per shares (c)		Franked	Unfranked	
Interim	0.0149	0.0938	0.1087	100.00%	0.00%	-

I accumulation USD

Dividend distribution for the period from 1 March 2019 to 22 March 2019	Group 2		Group 1 & 2 Distribution per shares (c)	Corporate streaming		2018 Distribution per shares (c)
	Net revenue per shares (c)	Equalisation per shares (c)		Franked	Unfranked	
Interim	0.0849	0.0110	0.0959	100.00%	0.00%	-

Artemis US Smaller Companies Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
28 February 2017	163,530,800		
I accumulation EUR		165.87c	6,700,000
I accumulation GBP		179.50p	34,887,983
I accumulation USD		138.74c	81,998,902
28 February 2018	232,603,369		
I accumulation EUR		166.71c	7,115,556
I accumulation GBP		186.86p	58,321,530
I accumulation USD		160.71c	97,479,460
28 February 2019	483,117,454		
I accumulation EUR		203.42c	8,030,183
I accumulation GBP		221.73p	134,040,331
I accumulation USD		183.25c	124,797,371
31 August 2019	462,218,316		
I accumulation EUR*		-	-
I accumulation GBP		256.07p	180,062,904
I accumulation GBP (NAV Hedged)**		106.12p	1,059,893
I accumulation USD*		-	-

* Closed on 22 March 2019.

** Launched on 14 May 2019.

Ongoing charges

Class	31 August 2019
I accumulation GBP	0.85%
I accumulation GBP (NAV Hedged)	0.85%

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

Fund performance

	Since launch *	3 years	1 year	6 months
Artemis US Smaller Companies Fund	156.2	73.3	5.4	15.5
Russell 2000 Index (GBP)	89.5	35.0	(7.0)	4.4
Sector average	103.2	48.9	1.3	9.9
Position in sector	1/7	2/7	2/9	2/9
Quartile	1	1	1	1

Past performance is not a guide to the future.

* Source: Lipper Limited, class I accumulation GBP from 27 October 2014 to 31 August 2019.

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.

Sector is IA North American Smaller Companies.

Information for Swiss Investors

Performance information

The performance returns below have been calculated in accordance with the guidelines issued by the Swiss Funds Association and are provided for each share class within the sub-funds.

	Launch date	Since launch	1 year	6 months
Artemis Global Emerging Markets Fund				
I accumulation EUR	8 April 2015	13.4	2.8	(1.1)
MSCI Emerging Markets Index (EUR)		5.4	1.0	(1.4)
I distribution GBP	8 April 2015	40.5	3.3	3.9
I accumulation GBP	8 April 2015	41.0	3.4	4.0
MSCI Emerging Markets Index (GBP)		31.8	2.1	4.1
I accumulation USD	8 April 2015	14.8	(3.0)	(4.7)
MSCI Emerging Markets Index (USD)		7.6	(4.4)	(4.7)
Artemis Global Equity Income Fund				
I accumulation EUR	3 June 2015	1.3	(7.8)	(0.9)
I distribution EUR	3 June 2015	0.1	(8.6)	(1.7)
MSCI All Country World Index (EUR)		30.3	5.4	6.2
I accumulation GBP	3 June 2015	25.3	(7.5)	4.0
I distribution GBP	3 June 2015	24.9	(7.6)	3.8
MSCI All Country World Index (GBP)		60.4	6.4	12.2
I accumulation USD	3 June 2015	(0.1)	(13.3)	(4.8)
I distribution USD	3 June 2015	(0.5)	(13.5)	(5.0)
MSCI All Country World Index (USD)		27.4	(0.3)	2.7
R accumulation EUR	30 July 2015	0.2	(9.0)	(1.8)
MSCI All Country World Index (EUR)		29.4	5.4	6.2
R accumulation USD	30 July 2015	0.8	(13.9)	(5.1)
MSCI All Country World Index (USD)		30.5	(0.3)	2.7
Artemis Pan European Absolute Return Fund				
I accumulation GBP (Hedged)	14 July 2014	10.7	(9.6)	(5.4)
LIBOR GBP 3 Months		3.0	0.9	0.4
I accumulation EUR (Hedged)	27 October 2014	7.0	(10.9)	(6.2)
LIBOR EUR 3 Month		(1.0)	(0.3)	(0.1)
I accumulation USD (Hedged)	27 October 2014	17.1	(7.8)	(4.2)
LIBOR USD 3 Month		6.1	2.6	1.4
R accumulation EUR (Hedged)	31 August 2016	(7.0)	(11.6)	(6.6)
LIBOR EUR 3 Month		(0.9)	(0.3)	(0.1)
Artemis US Absolute Return Fund				
I accumulation GBP (NAV Hedged)	27 October 2014	16.9	2.8	2.3
LIBOR GBP 3 Months		2.8	0.9	0.4
R accumulation USD	1 April 2016	11.5	4.1	3.0
LIBOR USD 3 Month		5.7	2.6	1.4
Artemis US Equity Fund				
I accumulation GBP	19 September 2014	127.5	13.6	19.9
S&P 500 Index (GBP)		115.8	9.8	15.9
I accumulation EUR	27 October 2014	98.4	12.4	13.5
S&P 500 Index (EUR)		90.4	8.7	9.8
Artemis US Extended Alpha Fund				
I accumulation GBP	19 September 2014	144.9	13.2	19.5
S&P 500 Index (GBP)		115.8	9.8	15.9
I accumulation GBP (NAV hedged)	1 April 2016	53.4	3.8	8.2
S&P 500 Index (GBP)		43.2	0.4	5.0
R accumulation CHF	1 April 2016	62.9	8.0	8.8
S&P 500 Index (CHF)		55.6	5.3	5.4
R accumulation CHF (NAV hedged)	1 April 2016	44.1	1.8	7.3
S&P 500 Index (CHF Hedged)		37.4	(0.6)	4.4

	Launch date	Since launch	1 year	6 months
Artemis US Select Fund				
I accumulation GBP	19 September 2014	140.9	15.2	22.4
S&P 500 Index (GBP)		115.8	9.8	15.9
I distribution GBP	6 May 2015	115.1	15.2	22.4
S&P 500 Index (GBP)		92.7	9.8	15.9
I accumulation EUR (NAV hedged)	1 April 2016	55.9	4.3	10.2
S&P 500 Index (Hedged to EUR)		39.5	(0.4)	4.4
I accumulation GBP (NAV hedged)	1 April 2016	61.4	5.7	10.9
S&P 500 Index (Hedged to GBP)		43.2	0.4	5.0
R accumulation USD	1 April 2016	65.3	7.0	11.6
S&P 500 Index (USD)		51.3	2.9	6.2
Artemis US Smaller Companies Fund				
I accumulation GBP	27 October 2014	156.2	5.4	15.5
Russell 2000 Index (GBP)		89.5	(7.0)	4.4
I accumulation GBP (NAV Hedged)	14 May 2019	6.2	-	-
Russell 2000 (Hedged GBP)		(3.5)	-	-

Source: Lipper Limited, mid to mid in share class currency to 31 August 2019. All performance figures show total returns with dividends reinvested.

Information for Swiss Investors (continued)

Total expense ratio

The total expense ratio shows the current operating expenses of each share class as a percentage of the net assets of that class. The total expense ratios below have been calculated as at 31 August 2019 in accordance with the guidelines issued by the Swiss Funds Association and are provided for each share class within the sub-funds.

	Operating expenses	Performance fees	31 August 2019 Total expense ratio
Artemis Global Emerging Markets Fund			
I accumulation EUR	0.99%	-	0.99%
I distribution GBP	0.99%	-	0.99%
I accumulation GBP	0.99%	-	0.99%
I accumulation USD	0.99%	-	0.99%
Artemis Global Equity Income Fund			
I distribution EUR	0.95%	-	0.95%
I distribution GBP	0.95%	-	0.95%
I distribution USD	0.95%	-	0.95%
I accumulation EUR	0.95%	-	0.95%
I accumulation GBP	0.95%	-	0.95%
I accumulation USD	0.95%	-	0.95%
R accumulation EUR	1.70%	-	1.70%
R accumulation USD	1.70%	-	1.70%
Artemis Pan European Absolute Return Fund			
I accumulation EUR (Hedged)	0.93%	0.14%	1.07%
I accumulation GBP (Hedged)	0.93%	0.02%	0.95%
I accumulation USD (Hedged)	0.93%	0.03%	0.96%
R accumulation EUR (Hedged)	1.68%	0.06%	1.74%
Artemis US Absolute Return Fund			
I accumulation GBP (NAV Hedged)	0.84%	0.00%	0.84%
R accumulation USD	1.59%	0.01%	1.60%
Artemis US Equity Fund			
I accumulation EUR	0.94%	-	0.94%
I accumulation GBP	0.94%	-	0.94%
Artemis US Extended Alpha Fund			
I accumulation GBP	0.81%	0.00%	0.81%
I accumulation GBP (NAV hedged)	0.81%	0.01%	0.82%
R accumulation CHF	1.56%	0.00%	1.56%
R accumulation CHF (NAV hedged)	1.56%	0.00%	1.56%
Artemis US Select Fund			
I accumulation EUR (NAV hedged)	0.85%	-	0.85%
I distribution GBP	0.85%	-	0.85%
I accumulation GBP (NAV hedged)	0.85%	-	0.85%
I accumulation GBP	0.85%	-	0.85%
R accumulation USD	1.60%	-	1.60%
Artemis US Smaller Companies Fund			
I accumulation GBP	0.85%	-	0.85%
I accumulation GBP (NAV Hedged)	0.85%	-	0.85%

The total expense ratio shows the current operating expenses of each share class as a percentage of the net assets of that class.

General information

Investment in the company

Investments in Artemis Investment Funds ICVC are intended to be medium to long term investments and should not be considered a short term investment.

Investors are reminded that past performance is not a guarantee of performance in the future and that the price of shares and the income from them can fall as well as rise. Please refer to the Key Investor Information Document and Prospectus (which are available from the ACD on request) for a full description of the risks involved when investing in the sub-funds.

Shares may be bought and sold by contacting the ACD by telephone, at the address on this page or via the website artemisfunds.com in the UK. Valuation of the sub-funds takes place each business day at 12 noon UK time on a forward pricing basis.

The information contained within this document should not be construed as a recommendation to purchase or sell stocks.

Publication of prices

The most recent prices are published on the ACD's website artemisfunds.com, which is the primary method of price publication.

For further details and where to find such prices please contact the ACD. Shares are not quoted on any recognised investment exchange.

Tax information reporting

UK tax legislation requires authorised corporate directors to provide information to HMRC on certain investors who purchase shares in ICVC sub-funds.

Accordingly, the company may have to provide information annually to HMRC on the tax residencies of those shareholders 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 shareholders that invest in the fund must complete a certification form as part of the application form. Existing shareholders may also be contacted by the Registrar should any extra information be needed to correctly determine their tax residence. Failure to provide this information may result in the 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-informationaccount-holders.

Registered office

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

Authorised corporate director (the "ACD")

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

Directors of the authorised corporate director

J L Berens
J E Dodd
J R Loukes
L E Cairney
M J Murray
P A E-A Saacke
A A Laing (appointed on 30 August 2019)
C E C Finn (appointed on 30 August 2019)

Dealing information

Artemis Fund Managers Limited
PO Box 9688
Chelmsford CM99 2AE
Telephone: 0800 092 2051
Website: artemisfunds.com
International
Telephone: +44(0)1268 445401

Investment adviser

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

Depositary

J.P. Morgan Europe Limited †
25 Bank Street
Canary Wharf
London E14 5JP

Registrar

DST Financial Services International Limited *
DST House
St Nicholas Lane
Essex SS15 5FS

Auditor

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

* Authorised and regulated by the Financial Conduct Authority, 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.

Austrian paying & information agent

Erste Bank der Osterreichischen Sparkassen AG
Graben 21
1010 Vienna
Austria

Channel Islands paying & information agent

Mourant Ozannes
Royal Chambers
St Julian's Avenue
St Peter Port
GY1 4HP Guernsey

French paying & information agent

CACEIS Bank France SA
1-3 Place Valhubert
75013 Paris
France

German paying & information agent

Zeidler Legal Services
Bettinastrasse 48
60325 Frankfurt am Main
Germany

Swiss representative & paying agent

RBC Investor Services Bank S.A.
Esch-sur-Alzette Zweigniederlassung
Zürich Bleicherweg 7, 8027 Zurich
Switzerland

Isle of Man distributor

1st Floor, IOMA House,
Hope St, Douglas,
IM1 1AP, Isle of Man

Irish paying & information agent

Bridge Consulting Limited
33 Sir John Rogerson's Quay
Dublin 2
Ireland

Luxembourg paying & information agent

CACEIS Bank Luxembourg
5 Allée Scheffer
L-2520 Luxembourg

Spanish paying & information agent

Allfunds Bank SA Estafeta 6
La Moraleja
Complejo Plaza de la Fuente
Alcobendas
28109 Madrid
Spain

Swedish paying & information agent

MFEX Mutual Funds Exchange AB
Grev Turegatan 19
Box 5378 SE-102 49
Stockholm
Sweden

General information (continued)

Deregistration of classes

With the effect from the 8 October 2019 the following share classes have been deregistered for sale in Austria:

Artemis Pan-European Absolute Return Fund	I accumulation GBP hedged
Artemis US Equity Fund	I accumulation GBP
Artemis Global Emerging Markets Fund	I accumulation GBP
Artemis Global Emerging Markets Fund	I distribution GBP
Artemis Global Equity Income Fund	I accumulation GBP
Artemis Global Equity Income Fund	I distribution GBP

With the effect from the 8 October 2019 the following share classes have been deregistered for sale in Ireland:

Artemis Pan-European Absolute Return Fund	I accumulation GBP hedged
Artemis US Equity Fund	I accumulation GBP
Artemis US Extended Alpha Fund	I accumulation GBP hedged
Artemis US Select Fund	I distribution GBP
Artemis Global Emerging Markets Fund	I accumulation GBP
Artemis Global Emerging Markets Fund	I distribution GBP
Artemis Global Equity Income Fund	I distribution GBP

With the effect from the 8 October 2019 the following share classes have been deregistered for sale in Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Spain and Sweden:

Artemis Pan-European Absolute Return Fund	I accumulation GBP hedged
Artemis US Absolute Return Fund	I accumulation GBP hedged
Artemis US Equity Fund	I accumulation GBP
Artemis US Extended Alpha Fund	I accumulation GBP hedged
Artemis US Extended Alpha Fund	I accumulation GBP
Artemis US Select Fund	I accumulation GBP
Artemis US Select Fund	I distribution GBP
Artemis US Select Fund	I accumulation GBP hedged
Artemis US Smaller Companies Fund	I accumulation GBP
Artemis Global Emerging Markets Fund	I accumulation GBP
Artemis Global Emerging Markets Fund	I distribution GBP
Artemis Global Equity Income Fund	I accumulation GBP
Artemis Global Equity Income Fund	I distribution GBP



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