PROFIT *hunters*

ARTEMIS Global Select *Fund*

Manager's Report
and Financial Statements
for the year ended 30 April 2019

ARTEMIS
The PROFIT Hunter

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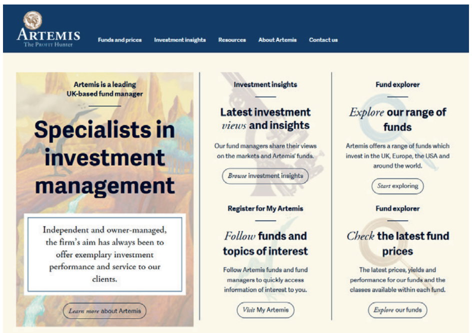

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artemisfunds.com

General 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 £27.4 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 31 May 2019.

Fund status

Artemis Global Select Fund was constituted by a Trust Deed dated 9 June 2011 and is an authorised unit trust scheme under the Financial Services and Markets Act 2000. The fund belongs to the category of UCITS schemes as defined in the Collective Investment Schemes Sourcebook ('COLL') of the Financial Conduct Authority ('FCA').

Investment objective

The objective of the fund is to achieve long term capital growth primarily from a portfolio of global equities that the managers consider to demonstrate leading positions in their sector.

Investment policy

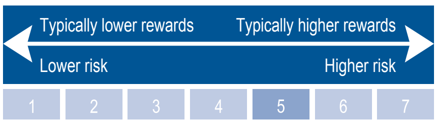
The manager actively manages the portfolio in order to achieve the objective. The manager will seek to identify long-term trends that provide growth opportunities for particular geographic regions, industry sectors or individual companies. The manager will select individual companies based on their financial characteristics and growth potential. Emphasis will be placed on selecting companies with leading positions in their industry sector or geographic region, whether this is achieved by brand strength, market share, product innovation, technological advance, operating in sectors with high barriers to entry, or other relevant factors. The fund may have exposures to company shares, fixed interest securities and derivative instruments on a global scale, as appropriate. The manager 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 fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, cash and near cash, derivatives and forward transactions for investment purposes. The fund may hold up to 20% of its net assets in cash.

Buying and selling

Units may be bought and sold by contacting the manager by telephone, at the address on page 3 or via the website **artemisfunds.com**. Valuation of the fund takes place on each business day at 12 noon on a forward pricing basis. Investors are reminded that past performance is not a guarantee of performance in the future and that the price of units and the revenue from them can fall as well as rise.

Risk and reward profile



- The 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 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 fund performance:

- The value of the fund and any income from it can fall or rise because of movements in stockmarkets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
- Some or all of the 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 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.
- 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.
- Investment in emerging markets can involve greater risk than that usually associated with more established markets. As a result, the fund may be subject to greater swings in value.
- 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.

Prospectus

Copies of the most recent Prospectus are available free of charge from the manager at the address on page 3.

Remuneration

Following an amendment to the UCITS Directive in the UK on 18 March 2016, all UCITS schemes are required to comply with the UCITS Remuneration Code. This includes a requirement to disclose in the annual report of each scheme, details of the total amount of remuneration paid by the manager to its

General information (continued)

partners and staff for its financial year.

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

The remuneration policies which apply to all partners and staff across the group are overseen by the Remuneration Committee. The members of the Remuneration Committee are all non-executive officers. The Remuneration Committee is responsible for setting and overseeing the implementation of Artemis' remuneration policy, including approving the remuneration of partners and other senior staff. The Remuneration Committee will regularly review the remuneration policy to ensure it remains appropriate. The Remuneration Committee considers inputs from Artemis' Compliance and Risk functions when reviewing remuneration issues, including any risk adjustments or controls considered necessary. The Artemis remuneration period runs from 1 January to 31 December. As a consequence, for certain partners and staff who are classified as 'Identified Staff' as their professional activities have a material impact on the risk profile of the firm, the payment of some of the variable remuneration (which may include profit share for partners) is deferred. Further, Artemis has the ability to reduce all or part of deferred variable remuneration that has been previously allocated to identified staff, before the end of the vesting period.

No staff are employed by AFML directly but are employed and paid by other entities of Artemis. Artemis has apportioned the total amount of remuneration paid to all 197 Artemis partners and staff in respect of AFML's duties performed for the UCITS schemes based on the number of funds. It has estimated that the total amount of remuneration paid in respect of duties for the fund within the fund for the year ended 31 December 2018 is £1,109,357 of which £289,903 is fixed remuneration and £819,454 is variable remuneration. No amount of remuneration, including any performance fees was paid directly by the fund.

The aggregate amount of remuneration paid to UCITS Remuneration Code and Identified Staff that is attributable to duties for the fund for the year ended 31 December 2018 is £271,698. Code and Identified Staff are those senior individuals whose managerial responsibilities or professional activities could influence, and have a material impact on, the overall risk profile of each regulated entity and the funds it manages. For the purposes of UCITS Remuneration Code the AFML Code staff are the members of Artemis's Management and Executive Committees, certain fund managers, the General Counsel, the Head of Compliance and the Head of Risk. This includes certain individuals who are partners in Artemis Investment Management LLP.

Tax information reporting

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

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

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

Removal of initial charge

The fund's prospectus includes the ability for Artemis to apply an initial charge on investments into the fund. The prospectus previously set out the maximum amount of this charge for different unit classes in the fund, although in almost all cases the initial charge has been waived in its entirety for a number of years. The prospectus was updated on 6 June 2018 to make it clear that no initial charge will be levied in respect of the existing unit classes. For further information please contact our client services team on 0800 092 2051.

Changes to Artemis' funds from February 2019

With effect from 1 February 2019, Artemis made changes to how its funds operate:

- the way in which fund charges are calculated, moving from variable expenses to an administration fee with a discount applied based on fund size.
- how our unit trust funds are priced, changing from 'bid price' and 'offer price' to a 'single price'.

The prospectus was updated on 4 February 2019 as a result of the changes.

Manager

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

Dealing information:
Artemis Fund Managers Limited
PO Box 9688
Chelmsford CM99 2AE
Telephone: 0800 092 2051
Website: artemisfunds.com

Investment adviser

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

Trustee and Depositary

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

Registrar

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

Auditor

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

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

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

Statement of the trustee's responsibilities in respect of the scheme and report of the trustee to the unitholders of the Artemis Global Select Fund ('the Trust') for the year ended 30 April 2019

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

The trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors. The trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The trustee must ensure that:

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

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

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

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

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

J.P. Morgan Europe Limited
London
26 June 2019

General information (continued)

Statement of the manager's responsibilities

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

In preparing the financial statements the manager is required to:

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

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

(iii) follow applicable accounting standards;

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

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

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

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

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

Report of the manager

We hereby approve the Manager's Report and Financial Statements of the Artemis Global Select Fund for the year ended 30 April 2019 on behalf of Artemis Fund Managers Limited in accordance with the requirements of COLL as issued and amended by the FCA.

M J Murray	J L Berens
Director	Director

Artemis Fund Managers Limited
London
26 June 2019

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

Opinion

We have audited the financial statements of the Artemis Global Select Fund ('the Fund') for the year ended 30 April 2019 which comprise the statement of total return, statement of change in net assets attributable to unitholders, balance sheet, distribution tables and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 30 April 2019 and of the net revenue and the net gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

Basis for opinion

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

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The manager is responsible for the other information.

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

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

We have nothing to report in this regard.

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

In our opinion:

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

Matters on which we are required to report by exception

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

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

Responsibilities of the manager

As explained more fully in the manager's responsibilities statement set out on page 4, the manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

General information (continued)

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Ernst & Young LLP
Statutory Auditor
Edinburgh
26 June 2019

Notes:
1. The maintenance and integrity of the artemisfunds.com web site is the responsibility of the manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

- The fund performed well at the start of the year, fell amid market turbulence in the autumn but rebounded in early 2019.
- Overall, the fund returned 10.3%* versus a rise of 11.0%* in the benchmark.
- Outside the most fashionable areas of the market we still find high-quality companies with good growth prospects and reasonable valuations.

Performance – Growth slows but corporate cashflows increase…

The last 12 months have seen growth in many economies slowing. That was exacerbated by President Trump's initiation of a trade dispute with China. Although the focus on trade surpluses may seem somewhat arcane, markets have come to regard some of the root causes of the dispute, especially those surrounding intellectual property, as legitimate.

While growth in the US economy has held up quite well, the slowdown seemed to catch the Chinese economy at a weak moment. Unfortunately, German exports to China have been a key engine for economic growth in Europe. With this having gone into reverse, Germany has been less able to offset weakness elsewhere in the EU.

In equity markets, valuations in most of our investment themes continued to be supported by underlying growth in cashflows. At the same time, the market has in our view become too narrowly focused on leading technology companies, particularly the 'FANGs' – Facebook, Amazon, Netflix and Google. We no longer find sufficient value in these stocks to merit their inclusion in our portfolio.

Over the last year, we have paid increasingly close attention to the governance of our companies as well as to their environmental and social impact. Enhanced ESG reporting by companies means this element of our risk assessment is becoming increasingly well informed. We use this data to help us understand risks that our companies face – and to give us a better idea of the way these businesses are being managed.

As we embark on our ninth year of managing the fund, we are still finding high-quality growth investments at more reasonable valuations. We believe these will lead to strong returns in the years to come. In fact, while many shares have shown fabulous returns over the last eight years, the valuation multiples (p/e ratios) we are being asked to pay for them have not risen anywhere near as far as their stock prices because they have delivered underlying growth in cashflows. For the bulk of the portfolio we continue to expect more of the same in the year to come.

Review – Our themes and stocks …

Online services (15% of assets)

Having sold Amazon in 2017, this year we revisited the investment cases for Netflix and Facebook. In the former, we realised a modest profit mid-year, selling ahead of recent subscription price rises which seem to have slowed its subscriber growth. In Facebook, we believed the company had improved its governance, but further leaked information challenged that belief and we sold the position (without incurring a loss). Amazon has continued to perform well so not owning it has been a drag on performance relative to the index. We still find the stock very expensive compared with any underlying cash profits we are able to identify. Our other investments in this theme – such as Microsoft and MasterCard – led performance for the fund over the year. Digital payment services now account for a significant part of this theme.

Automation (15% of assets)

Toward the end of 2018, our investments were hurt by the threat of a trade war between the US and China. Some Japanese automation stocks fell by more than 30% in the middle of the year as customers delayed their orders. Yet the longer-term investment case still holds – and may even have strengthened if businesses turn to automation to reduce costs in parts of their supply chain that may be affected by tariffs. Markets increasingly adopted this longer-term perspective with the result that share prices bounced strongly in the new year. These holdings therefore gave us a good overall return, helped by our decision to add to them at the market's lows in December.

Healthcare costs (15% of assets)

While holdings in this theme enjoyed a good start to the year, they ran into some profit-taking in the autumn. More recently, some of the suggestions for reforming healthcare in the US by Democratic presidential candidates have hurt the sector. In the early part of the year, we took some profits in the private health insurers, fearing they would be the most challenged by the prospect of 'Medicare-for-all'. While we believe creating an equivalent to the NHS in the US is unfeasible and unaffordable, it could continue to attract political attention.

We have balanced the portfolio with a number of investments in pharmaceutical companies that are leading the development of cancer immunotherapies. These treatments are the result of breakthroughs in understanding the human genome over the last few decades. They can represent a superior treatment option for those patients whose illnesses are suited to them. And by avoiding the need for costly aftercare following chemotherapy, they can represent an affordable option for healthcare providers. We believe the leading companies in this area will continue to produce further innovations and treatments in the years to come.

Screen time (8% of assets)

Our former Media content theme has

* Source: Lipper Limited, class I accumulation units, mid to mid, in sterling with dividends reinvested to 30 April 2019. Benchmark is the MSCI All Countries World Index. Sector is IA Global.

Investment review (continued)

evolved into a new theme – Screen time. Here we invest in companies that enjoy reliable and modestly growing demand for broadband services, the vital underpinnings that enable all of us to spend more time looking at screens. Stocks such as Nippon Telegraph and Telephone trade on very modest valuations compared with other investments in our portfolio, while also having very high barriers to entry, little exposure to the economic cycle and high cash profitability. In an equity market obsessed with growth, such investments are rather out of favour – but the richly valued FANGs can't operate without these companies.

High quality assets (11% of assets)

We have continued to try to find companies on modest valuations which balance the 'growth' part of the portfolio. The US railroad investments we made last year performed very well. Taking freight off the road and putting it onto rails is one of the clearest ways for the US to reduce its carbon emissions. One recent addition to this part of the portfolio is Ørsted**, the world's largest operator of windfarms and a leader in building larger windfarms further offshore – in the North Sea and Dogger Bank.

With Thermo Fisher and PerkinElmer producing strong revenue growth yet again, our **Scientific equipment** (7% of assets) theme performed well. Although we have been cautious on the prospects for our **Emerging market consumer** theme (around 16% of fund assets) we again saw excellent growth from LVMH. On the other hand, our **Tourism** (6% of assets) had a more difficult year. We have reduced our investment in Beijing Airport as the vast new airport at Daxing opened and some large carriers were asked to relocate. We also sold Samsonite following concerns about its corporate governance.

During the year we retired our longstanding retiree spending theme. Many of the investments had worked well. Some did so well that they had become expensive and were sold. In other cases, there was an unhelpful tendency whereby older people seem more inclined to save and less inclined to spend. Our remaining savings investments, focused on the ageing population of China, have joined our emerging market consumer theme.

Outlook – Finding value in less familiar names …

While economic growth in some regions has weakened, inflation fears have moderated. Equities need to be carefully selected as valuations have become stretched in some instances. At the same time, we have all of the world's stockmarkets to choose from and are happy investing in medium-sized businesses that have hitherto been 'off the radar'. So we believe there are still attractively valued stocks capable of producing good returns.

The tenth anniversary of the low point for equities after the 2008 financial crisis has passed. Brave investors who bought global equities in March 2009 would have nearly trebled their money by March 2019 in sterling terms. So it seems a good time to review whether this long bull market still has legs.

Bull markets end for different reasons. Some, such as the 2000 telecoms, media and technology (TMT) bubble, ended because valuations are too high. There are signs of this in some areas and we are moving the portfolio away from them. Other bull markets, such as the one that peaked in 2007, end because of excess financial debt. Selectively, quoted equities have seldom had such strong balance sheets as they do today (note that we avoid the banks, which do seem to be lending excessively to private companies).

Lastly, some bull markets end due to political incompetence – such as Nixon's decision to take the dollar off gold convertibility in 1973, triggering the 1970s inflationary bear market. Political incompetence seems to be the highest risk today (and may well be highest on our unitholders' list of concerns). Remember, however, that well-managed public companies last much longer than politicians. Indeed, their shares can deliver real returns as long as investors can hold them through difficult market conditions.

We continue to find such companies in growth areas around the world trading on reasonable valuations, although they may perhaps be in less familiar names. New investments such as Ørsted (windfarms), Hitachi Hi-Tec (which makes electron microscopes) or Fiserv (which makes software for banks) fit our threshold for quality, are protected by barriers to entry and have profitable business models in sectors that should continue to grow even when economies slow. They also trade on reasonable valuations that may not reflect the investments they have made in building the new products that will drive further growth in their cashflows and profits.

Over the last year, we have rebalanced the fund, moving it away from areas which, in our opinion, had become too expensive. We now have a portfolio which seems better balanced were markets to become more turbulent or if politicians were to stumble. While we have lowered the average price-to-earnings multiple of our portfolio we have done this without reducing the quality of the companies we hold. We believe the current portfolio offers the opportunity to produce further real returns while being sufficiently well-balanced to reduce capital risk in more difficult times.

Simon Edelsten,
Alex Illingworth and
Rosanna Burcheri
Fund managers

** Purchased after the year end.

Five largest purchases and sales for the year ended 30 April 2019

Purchases	Cost £'000	Sales	Proceeds £'000
Alphabet A shares	4,162	Prudential	3,824
Charles Schwab	3,567	Mitsubishi UFJ Financial Group	2,995
Microsoft	3,184	Alphabet A shares	2,991
Novartis	3,113	China Life Insurance H shares	2,917
US Treasury Bill 18/07/2019	2,803	AT&T	2,472

Portfolio statement as at 30 April 2019

Investment	Holding	Valuation £'000	% of net assets
Equities 92.70% (92.12%)			
Australia 0.00% (1.06%)			
Brazil 0.00% (1.15%)			
China 3.92% (6.31%)			
Beijing Capital International Airport H shares	1,120,000	766	0.58
China Merchants Port Holdings	942,000	1,462	1.11
China Tower H shares	6,894,000	1,432	1.08
Ping An Insurance Group H shares	165,000	1,527	1.15
		5,187	**3.92**
France 6.75% (9.64%)			
Aeroports de Paris	9,656	1,510	1.14
ICADE, REIT	29,321	1,932	1.46
LVMH Moet Hennessy Louis Vuitton	10,397	3,108	2.35
Unibail-Rodamco-Westfield, REIT	18,074	2,387	1.80
		8,937	**6.75**
Germany 1.69% (4.63%)			
Fresenius Medical Care	34,911	2,244	1.69
		2,244	**1.69**
Hong Kong 0.00% (1.10%)			
India 0.00% (0.77%)			
Japan 11.81% (9.05%)			
Daifuku	62,327	2,914	2.20
Harmonic Drive Systems	45,600	1,376	1.04
Hitachi High-Technologies	56,800	1,939	1.47
Hoya	32,700	1,763	1.33
Japan Airport Terminal	49,700	1,606	1.21
Keyence	3,400	1,623	1.23
Nippon Telegraph & Telephone	80,900	2,577	1.95
Omron	44,700	1,833	1.38
		15,631	**11.81**
Netherlands 0.00% (1.24%)			
Singapore 2.12% (1.00%)			
CapitaLand Mall Trust, REIT	429,200	584	0.44
Singapore Telecommunications	1,247,400	2,227	1.68
		2,811	**2.12**
South Korea 0.79% (2.07%)			
Amorepacific	7,611	1,043	0.79
		1,043	**0.79**

Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Spain 2.72% (3.01%)			
Aena SME	11,133	1,581	1.19
Amadeus IT Group	33,113	2,018	1.53
		3,599	**2.72**
Sweden 1.22% (1.65%)			
Hexagon B shares	38,289	1,614	1.22
		1,614	**1.22**
Switzerland 5.31% (0.00%)			
Nestle	39,136	2,885	2.18
Novartis	45,380	2,852	2.16
Roche Holding	6,346	1,285	0.97
		7,022	**5.31**
Thailand 0.86% (1.09%)			
Thai Beverage	2,408,700	1,136	0.86
		1,136	**0.86**
United Arab Emirates 0.69% (0.00%)			
Network International Holdings	175,423	914	0.69
		914	**0.69**
United Kingdom 4.53% (6.28%)			
Bunzl	60,321	1,394	1.05
Diageo	75,135	2,411	1.82
Segro, REIT	322,715	2,189	1.66
		5,994	**4.53**
United States of America 50.29% (42.07%)			
Accenture A shares	19,121	2,663	2.01
Agilent Technologies	39,027	2,321	1.75
Alphabet A shares	1,286	1,281	0.97
Anthem	11,459	2,344	1.77
Avery Dennison	33,256	2,802	2.12
Boston Scientific	85,889	2,424	1.83
Cadence Design Systems	39,483	2,069	1.56
Charles Schwab	62,488	2,204	1.66
Cognex	17,324	715	0.54
Colgate-Palmolive	49,226	2,701	2.04
Comcast A shares	91,120	3,042	2.30
Equinix, REIT	7,531	2,597	1.96
Estee Lauder A shares	16,629	2,205	1.67
Fiserv	27,250	1,782	1.35
Humana	11,004	2,172	1.64
IPG Photonics	11,614	1,544	1.17
Live Nation Entertainment	29,586	1,500	1.13
Mastercard A shares	12,542	2,384	1.80
Merck	31,133	1,837	1.39
Microsoft	32,701	3,261	2.46
Norfolk Southern	19,074	2,973	2.25
PerkinElmer	31,215	2,278	1.72
Premier A shares	67,477	1,741	1.31
Prologis, REIT	22,356	1,295	0.98

Investment	Holding	Valuation £'000	% of net assets
Synopsys	25,101	2,313	1.75
Thermo Fisher Scientific	12,741	2,669	2.02
Union Pacific	19,301	2,617	1.98
UnitedHealth Group	14,705	2,683	2.03
Visa A shares	19,000	2,397	1.81
Weyerhaeuser, REIT	85,852	1,746	1.32
		66,560	**50.29**
Equities total		**122,692**	**92.70**
Government bonds 2.16% (0.00%)			
United States of America 2.16% (0.00%)			
US Treasury Bill 0.00% 18/07/2019	$3,738,900	2,859	2.16
		2,859	**2.16**
Government bonds total		**2,859**	**2.16**
Forward currency contracts 0.00% (0.00%)			
Buy US Dollar 397,613 sell Japanese Yen 44,412,289 dated 09/05/2019		(1)	–
Forward currency contracts total		**(1)**	**–**
Investment assets (including investment liabilities)		125,550	94.86
Net other assets		6,800	5.14
Net assets attributable to shareholders		132,350	100.00

The comparative percentage figures in brackets are as at 30 April 2018.

Financial statements

Statement of total return for the year ended 30 April 2019

	Note	30 April 2019 £'000	30 April 2019 £'000	30 April 2018 £'000	30 April 2018 £'000
Income					
Net capital gains	3		10,554		7,416
Revenue	5	2,045		1,356	
Expenses	6	(1,000)		(713)	
Interest payable and similar charges	7	(3)		(2)	
Net revenue before taxation		1,042		641	
Taxation	8	(186)		(111)	
Net revenue after taxation			856		530
Total return before distributions			**11,410**		**7,946**
Distributions	9		(856)		(531)
Change in net assets attributable to unitholders from investment activities			10,554		7,415

Statement of change in net assets attributable to unitholders for the year ended 30 April 2019

	30 April 2019 £'000	30 April 2019 £'000	30 April 2018 £'000	30 April 2018 £'000
Opening net assets attributable to unitholders		86,890		67,908
Amounts receivable on issue of units	40,685		19,609	
Amounts payable on cancellation of units	(6,740)		(8,621)	
		33,945		10,988
Dilution adjustment		2		-
Change in net assets attributable to unitholders from investment activities		10,554		7,415
Retained distribution on accumulation units		959		579
Closing net assets attributable to unitholders		132,350		86,890

Balance sheet as at 30 April 2019

	Note	30 April 2019 £'000	30 April 2018 £'000
Assets			
Fixed assets			
Investments	10	125,551	80,044
Current assets			
Debtors	11	1,038	1,600
Cash and cash equivalents	12	5,878	5,823
Total current assets		**6,916**	**7,423**
Total assets		**132,467**	**87,467**
Liabilities			
Investment liabilities	10	1	-
Creditors			
Other creditors	13	116	577
Total creditors		**116**	**577**
Total liabilities		**117**	**577**
Net assets attributable to unitholders		132,350	86,890

1. Accounting policies

(a) Basis of accounting. The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, in accordance with Financial Reporting Standard ('FRS') 102, the SORP and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). The financial statements have been prepared on a going concern basis.

(b) Valuation of investments. All investments have been valued at 12 noon on the last working day of the accounting period. Listed investments are valued at fair value which is deemed to be the bid or SETS price. The last valuation point in the year has been used for the purposes of preparing the report and financial statements and in the Manager's opinion there have been no material movements in the fund between the last dealing point and close of business on the balance sheet date. Open forward foreign exchange contracts are shown in the Portfolio Statement at market value and the net gains/(losses) are reflected within forward currency contracts under net capital gains/(losses) in the notes to the financial statements.

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

(d) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward foreign currency contracts are used for efficient portfolio management and investment purposes. Derivatives are valued at 12 noon on the last working day of the accounting period. Exchange traded derivatives are priced at fair value, which is deemed to be the bid price. Over-the-counter derivatives are priced at fair values using valuation models or data sourced from market data providers. Any positions on such transactions open at the year end are reflected in the balance sheet at their marked to market value.

(e) Revenue. Dividends receivable from equity and non-equity shares, including Real Estate Investment Trusts ('REIT'), are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. Special dividends are reviewed on a case by case basis when determining if the dividend is to be treated as revenue or capital. It is likely that where a special dividend results in a significant reduction in the capital value of a holding, then the dividend will generally be treated as capital, otherwise this will be recognised as revenue. Interest from debt securities is recognised on an effective interest rate basis inclusive of any expected changes to future cash flows. Returns on derivative instruments are recognised as either revenue or capital depending on the nature and circumstances of each particular case. Bank interest is recognised on an accruals basis.

(f) Expenses. All expenses (other than those relating to the purchase and sale of investments) are charged against revenue on an accruals basis.

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

(h) Dilution adjustment. The fund is priced on a single price basis and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions and redemptions in and out of the fund. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing unitholders' interest in the fund. In order to counter this and to protect unitholders' interests, the manager will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. In the usual course of business the application of a dilution adjustment will be applied systematically and on a consistent basis.

2. Distribution policy

The fund shall distribute all available revenue, after deduction of expenses properly chargeable against revenue and taxation. Gains and losses on non-derivative securities, derivatives and currencies, whether realised or unrealised, if taken to capital are not available for distribution. The fund is not more than 60% invested in qualifying investments (as defined in Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19) and where applicable will pay a dividend distribution. With the exception of the manager's annual management charge, which is directly attributable to each unit class, all income and expenses are apportioned to each unit class pro-rata to the value of the net assets of the relevant unit class on the day that the income or expense is recognised.

For accumulation units this revenue is not distributed but automatically reinvested in the fund and is reflected in the value of these units.

Distributions which have remained unclaimed by unitholders for six years are credited to the capital property of the fund.

Notes to the financial statements (continued)

3. Net capital gains

	30 April 2019 £'000	30 April 2018 £'000
Non-derivative securities	10,391	7,459
Currency gains/(losses)	188	(67)
Compensation	-	28
Capital transaction charges	(7)	(4)
Forward currency contracts	(18)	-
Net capital gains	10,554	7,416

4. Direct transaction costs

For purchases and sales of equities, broker commissions, transfer taxes and stamp duty are paid by the fund on each transaction and are summarised below. Bonds have no separately identifiable transaction costs; these costs form part of the dealing price.

	Year ended 30 April 2019					
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	143,415	41	87	143,543	0.03	0.06
Bonds	2,802	-	-	2,802	-	-
Sales						
Equities	111,338	33	25	111,280	0.03	0.02
Total		74	112			
Percentage of fund average net assets		0.07%	0.10%			

	Year ended 30 April 2018					
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	85,057	36	40	85,133	0.04	0.05
Sales						
Equities	76,352	31	5	76,316	0.04	0.01
Total		67	45			
Percentage of fund average net assets		0.08%	0.06%			

During the year the fund incurred £7,000 (2018: £4,000) in capital transaction charges.

Dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.08% (2018: 0.07%). This spread represents the difference between the bid and offer prices of each underlying investment expressed as a percentage of the value determined by reference to its offer price.

5. Revenue

	30 April 2019 £'000	30 April 2018 £'000
Overseas dividends	1,678	1,242
UK dividends	191	75
Bank interest	66	39
Revenue from overseas REITs	58	-
Interest on debt securities	52	-
Total revenue	2,045	1,356

6. Expenses

	30 April 2019 £'000	30 April 2018 £'000
Payable to the manager, associates of the manager and agents of either of them:		
Annual management charge	836	605
Administration fees*	46	-
Other expenses:		
Registration fees	42	36
Administration fees	31	33
Auditor's remuneration: non-audit fees (taxation)	10	3
Safe custody fees	8	7
Trustee fees	8	8
Auditor's remuneration: audit fees**	7	7
Professional fees	7	6
Operational fees	4	7
Price publication fees	1	1
Total expenses	1,000	713

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
* The amount disclosed above reflects the change from variable expenses to a fixed administration fee effective from 1 February 2019.
** The amount disclosed above includes VAT at the rate of 20%. The audit fee (excluding VAT) accrued during the year was £7,250 (2018: £7,000).

7. Interest payable and similar charges

	30 April 2019 £'000	30 April 2018 £'000
Interest payable	3	2
Total interest payable and similar charges	3	2

8. Taxation

	30 April 2019 £'000	30 April 2018 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	186	111
Total taxation (note 8b)	186	111
b) Factors affecting the tax charge for the year		
Net revenue before taxation	1,042	641
Corporation tax at 20% (2018: 20%)	208	128
Effects of:		
Irrecoverable overseas tax	186	111
Unutilised management expenses	134	115
Revenue taxable in different periods	2	(1)
Overseas withholding tax expensed	(4)	(2)
Non-taxable UK dividends	(38)	(15)
Non-taxable overseas dividends	(302)	(225)
Tax charge for the year (note 8a)	186	111

c) Provision for deferred tax
No provision for deferred tax has been made in the current or prior accounting year.
d) Factors that may affect future tax charges
The fund has not recognised a deferred tax asset of £706,000 (2018: £572,000) arising as a result of having unutilised management expenses of £3,534,000 (2018: £2,862,000). It is unlikely that the fund will obtain relief for these in the future so no deferred tax asset has been recognised.

Notes to the financial statements (continued)

9. Distributions

	30 April 2019 £'000	30 April 2018 £'000
Final dividend distribution	959	579
Add: amounts deducted on cancellation of units	32	31
Deduct: amounts added on issue of units	(135)	(79)
Distributions	856	531
Movement between net revenue and distributions		
Net revenue after taxation	856	530
Revenue deficit funded from capital	-	1
	856	531

The distributions take account of amounts added on the issue of units and amounts deducted on the cancellation of units. Details of the distribution per unit are set out in the distribution tables on page 20.

10. Fair value hierarchy

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

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

	30 April 2019		30 April 2018	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	122,692	-	80,044	-
Level 2	2,859	1	-	-
Total	125,551	1	80,044	-

11. Debtors

	30 April 2019 £'000	30 April 2018 £'000
Amounts receivable for issue of units	428	399
Sales awaiting settlement	307	1,015
Accrued revenue	253	161
Overseas withholding tax recoverable	50	24
Prepaid expenses	-	1
Total debtors	1,038	1,600

12. Cash and cash equivalents

	30 April 2019 £'000	30 April 2018 £'000
Amounts held in JPMorgan Liquidity Funds – US Dollar Liquidity Fund (Institutional dist.)	3,745	4,349
Amounts held in JPMorgan Liquidity Funds – Sterling Liquidity Fund (Institutional dist.)	1,150	1,363
Cash and bank balances	983	111
Total cash and cash equivalents	5,878	5,823

13. Other creditors

	30 April 2019 £'000	30 April 2018 £'000
Accrued annual management charge	80	52
Accrued other expenses	20	42
Accrued administration fee payable to the manager	16	-
Purchases awaiting settlement	-	483
Total other creditors	116	577

14. Contingent liabilities and commitments

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

15. Reconciliation of unit movements

Class	Units in issue at 30 April 2018	Units issued	Units cancelled	Units converted	Units in issue at 30 April 2019
I distribution	-	5,000	-	-	5,000
I accumulation	77,252,669	35,240,763	(5,656,632)	42,475	106,879,275
R accumulation	2,440,067	1,058,545	(294,073)	(45,012)	3,159,527

16. Risk disclosures

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

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

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

(a) Market risk

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

(i) Interest rate risk

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

(ii) Currency risk

A portion of the net assets of the fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the manager may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the fund's exposure to

Notes to the financial statements (continued)

currency risk is reduced. The loss on forward currency contracts for the year was £18,000 (2018: nil).

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

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

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £'000	Total £'000
30 April 2019				
US Dollar	69,419	3,732	306	73,457
Japanese Yen	15,631	433	(307)	15,757
Euro	14,780	70	-	14,850
Sterling	6,908	2,549	-	9,457
Swiss Franc	7,022	11	-	7,033
Hong Kong Dollar	5,187	2	-	5,189
Singapore Dollar	3,947	-	-	3,947
Swedish Krona	1,614	-	-	1,614
Korean Won	1,043	-	-	1,043
Norwegian Krone	-	3	-	3
30 April 2018				
US Dollar	35,440	4,951	-	40,391
Euro	17,890	76	-	17,966
Japanese Yen	7,860	77	-	7,937
Hong Kong Dollar	7,551	-	-	7,551
Sterling	3,658	1,716	-	5,374
Korean Won	1,802	5	-	1,807
Swedish Krona	1,438	-	-	1,438
Brazilian Real	999	3	-	1,002
Thai Baht	945	-	-	945
Australian Dollar	924	-	-	924
Singapore Dollar	872	12	-	884
Indian Rupee	665	-	-	665
Norwegian Krone	-	3	-	3
Swiss Franc	-	3	-	3

A five per cent increase in the value of the fund's foreign currency exposure would have the effect of increasing the return and net assets by £6,145,000 (2018: £4,076,000). A five percent decrease would have an equal and opposite effect.

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The value of equities is dependent on a number of factors, arising from the performance of the company itself and matters arising in the wider market (for example the state of the underlying economy and current government policy). The portfolio is invested in securities domiciled in a number of countries and will be exposed to market movements in the relevant country arising from changes in the local economy and government decisions. As part of the continuing review of the portfolio, the manager monitors and reviews these factors. A five per cent increase in the value of the fund's portfolio would have the effect of increasing the return and net assets by £6,278,000 (2018: £4,002,000). A five per cent decrease would have an equal and opposite effect.

(iv) Leverage risk

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

The fund can use cash borrowing (subject to the restrictions as set out in its Prospectus and COLL) and financial derivatives as sources of leverage. The maximum level of leverage which the manager may employ on behalf of the fund is 200% under the commitment method. A result of 100% indicates that no leverage has been used.

As at 30 April 2019 and 30 April 2018 the leverage ratios of the fund were:

	30 April 2019 %	30 April 2018 %
Sum of the notionals	106.5	111.7
Commitment	100.0	100.0

(b) Credit and counterparty risk

Credit and counterparty risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into with the fund, resulting in a financial loss. From time to time, the fund may be subject to short-term credit risk with counterparties pending settlement of investment transactions. The manager has a pre-approved list of counterparties it uses for investment transactions, which is reviewed on a regular basis. The largest counterparty risk is with J.P. Morgan Chase Bank N.A. ('JPMorgan'), the fund's custodian and banker, who holds the fund's investments and maintains the bank accounts. Bankruptcy or insolvency of JPMorgan may cause the fund's rights with respect to securities and cash held by the custodian to be delayed or limited. The trustee receives and reviews a semi-annual report on the internal controls in place at JPMorgan. The fund is also exposed to counterparty risk through holding specific financial instruments. Aside from the custodian and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 30 April 2019 or 30 April 2018.

(c) Liquidity risk

Some of the fund's financial instruments can include securities that are not listed on a recognised stock exchange and which may not always be readily realisable. However, from time to time, liquidity in any market or in a specific security can be affected by economic events. As a result, the fund may not be able to realise these investments quickly at their fair value to respond to any further liquidity requirements, or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. In order to manage liquidity requirements, the fund seeks to maintain sufficient cash to pay creditors. Liquidity risk limits are set by reference to two key metrics: market liquidity and investor concentration. These measures will, in combination, identify instances where the fund may be unable to meet investor redemptions. Market liquidity considers a fund's liquidity compared against the daily average liquidity over the previous twelve months. Investor concentration considers the proportion of the fund that is realisable within a redemption cycle measured against the largest unitholder.

17. Related party transactions

The manager is deemed to be a related party. All transactions and balances associated with the manager are disclosed within the statement of total return, statement of change in net assets attributable to unitholders and the balance sheet on page 12 and notes 6, 9, 11 and 13 on pages 15 to 17 including all issues and cancellations where the manager acted as principal. The balance due from the manager as at 30 April 2019 in respect of these transactions was £332,000 (2018: £347,000).

18. Unit classes

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

I distribution: 0.75%
I accumulation: 0.75%
R accumulation: 1.50%

The net asset value per unit and the number of units in each class are given in the comparative tables on page 21.
The distribution per unit class is given in the distribution tables on page 20. All classes have the same rights on winding up.

19. Post balance sheet events

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

Distribution tables

Final dividend distribution for the year ended 30 April 2019 (payable on 28 June 2019) in pence per unit.

Group 1 - Units purchased prior to 1 May 2018.
Group 2 - Units purchased from 1 May 2018 to 30 April 2019.

	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 28 June 2019	Distribution per unit (p) 29 June 2018
I accumulation				
Group 1	0.8956	-	0.8956	0.7500
Group 2	0.4966	0.3990	0.8956	0.7500
R accumulation				
Group 1	0.0530	-	0.0530	-
Group 2	0.0321	0.0209	0.0530	-

Corporate unitholders should note that:

1. 100.00% of the revenue distribution received as franked investment income.

2. 0.00% of the revenue distribution is received as an annual payment received after deduction of income tax at the lower rate and may be liable to corporation tax. It is not franked investment income.

Final dividend distribution for the year ended 30 April 2019 (payable on 28 June 2019) in pence per unit.

Group 1 - Units purchased prior to 15 March 2019.
Group 2 - Units purchased from 15 March 2019 to 30 April 2019.

	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 28 June 2019	Distribution per unit (p) 29 June 2018
I distribution				
Group 1	0.4430	-	0.4430	-
Group 2	0.4430	0.0000	0.4430	-

Corporate unitholders should note that:

1. 100.00% of the revenue distribution received as franked investment income.

2. 0.00% of the revenue distribution is received as an annual payment received after deduction of income tax at the lower rate and may be liable to corporation tax. It is not franked investment income.

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

Comparative tables

	I distribution	I accumulation		
	2019*	2019	2018	2017
Change in net assets per unit (p)				
Opening net asset value per unit	**100.00**	**109.20**	**97.85**	**77.13**
Return before operating charges **	6.69	12.30	12.29	21.56
Operating charges	(0.94)	(1.03)	(0.94)	(0.84)
Return after operating charges	5.75	11.27	11.35	20.72
Distributions	(0.44)	(0.90)	(0.75)	(0.45)
Retained distributions on accumulation units	-	0.90	0.75	0.45
Closing net asset value per unit	**105.31**	**120.47**	**109.20**	**97.85**
** after direct transaction costs of	(0.16)	(0.17)	(0.13)	(0.15)
Performance				
Return after charges	5.75%	10.32%	11.60%	26.86%
Other information				
Closing net asset value (£'000)	5	128,756	84,359	65,034
Closing number of units	5,000	106,879,275	77,252,669	66,462,945
Operating charges	0.91%	0.91%	0.89%	0.93%
Direct transaction costs	0.15%	0.15%	0.12%	0.17%
Prices ***				
Highest unit price (p)	106.36	121.16	114.08	102.05
Lowest unit price (p)	100.00	102.10	96.95	75.84

	R accumulation		
	2019	2018	2017
Change in net assets per unit (p)			
Opening net asset value per unit	**103.73**	**93.65**	**74.38**
Return before operating charges **	11.63	11.73	20.69
Operating charges	(1.78)	(1.65)	(1.42)
Return after operating charges	9.85	10.08	19.27
Distributions	(0.05)	-	-
Retained distributions on accumulation units	0.05	-	-
Closing net asset value per unit	**113.58**	**103.73**	**93.65**
** after direct transaction costs of	(0.16)	(0.12)	(0.14)
Performance			
Return after charges	9.50%	10.76%	25.91%
Other information			
Closing net asset value (£'000)	3,589	2,531	2,874
Closing number of units	3,159,527	2,440,067	3,068,471
Operating charges	1.66%	1.64%	1.68%
Direct transaction costs	0.15%	0.12%	0.17%
Prices ***			
Highest unit price (p)	114.33	113.15	101.88
Lowest unit price (p)	96.52	92.76	73.10

* Launched on 15 March 2019.
** Direct transaction costs are stated after deducting the amounts collected in relation to expected dealing costs added to the issue of units and subtracted from the cancellation of units.
*** With effect from 4 February 2019, the pricing basis of the Fund changed from bid price and offer price to a single mid price.

Class I performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis Global Select Fund	155.6	98.5	56.3	10.3	9.0
MSCI All Countries World Index	132.9	81.3	55.2	11.0	7.2
Sector average	114.6	72.0	50.2	8.7	8.1
Position in sector	24/132	20/168	44/184	84/214	79/220
Quartile	1	1	1	2	2

* Data from 16 June 2011, due to the fixed price period of the fund. Source: Lipper Limited, class I accumulation units, mid to mid in sterling to 30 April 2019. All performance figures show total returns with dividends reinvested, percentage growth. Sector is IA Global.

Ongoing charges

Class	30 April 2019
I distribution	0.91%
I accumulation	0.91%
R accumulation	1.66%

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

Class R performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis Global Select Fund	141.0	91.2	52.8	9.5	8.6
MSCI All Countries World Index	132.9	81.3	55.2	11.0	7.2

* Data from 16 June 2011, due to the fixed price period of the fund. Source: Lipper Limited, class R accumulation units, mid to mid in sterling to 30 April 2019. All performance figures show total returns with dividends reinvested, percentage growth.

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