ARTEMIS
The Profit Hunter

Artemis Alpha Trust *plc*

Half-Yearly Financial Report

for the six months ended 31 October 2020

Contents

Group summary

Investment Objective & Policy

Investment objective

To provide long-term capital and income growth by investing predominantly in listed companies and to achieve a net asset value total return greater than the total return of the FTSE All-Share Index.

Investment policy

The Investment Manager follows an unconstrained and opportunistic approach with the aim of generating sustainable outperformance of the FTSE All-Share Index. The Investment Manager will seek to identify and invest in companies with the following characteristics: attractive valuations, strong business models, favourable long-term industry fundamentals and high quality management teams.

As a result of this approach, stock market capitalisations and sector and geographic weightings are of secondary consideration. Accordingly, there are no pre-defined maximum or minimum exposure levels for each individual sector, country or geographic region, but these exposures are reported to, and monitored by, the Board in order to ensure that the Company's portfolio is invested and managed in a manner consistent with spreading investment risk.

Given the Investment Manager's particular focus on the UK market, the majority of the portfolio is expected to be invested in UK listed companies. However, the overall geographical profile of the portfolio will change from time to time depending on where opportunities are found. The Company's policy is not to invest more than 10 per cent of net assets in any one investment. The total number of holdings in the portfolio will vary over time but the top positions will have a proportionally larger weighting.

There is no restriction on the amount of cash or cash equivalent instruments that the Company may hold and there may be times when the Investment Manager considers it appropriate for the Company to have a significant cash or cash equivalent position instead of being fully invested.

The Company may, but normally does not, invest up to 15 per cent of its total assets in other listed closed-ended investment funds.

Unquoted Investments

The Company will not invest more than 10 per cent of its total assets in unquoted companies, excluding follow-on investments that may be made in existing unquoted investments in order to preserve the Company's economic interests in such investments. Any new or follow-on investments in unquoted companies require the prior approval of the Board.

Derivatives and Hedging

The Company may use derivatives and similar instruments for the purpose of capital preservation, hedging currency risk and gearing.

Gearing

The Company may employ gearing of up to 25 per cent of net assets. The effect of gearing may be achieved without borrowing by investing in a range of different types of instruments, including derivatives.

General

Limits referred to in the investment policy are measured at the time of investment or, in the case of gearing, at the time of draw-down or/and when derivative transactions are entered into.

Dividend policy

The Company will seek to grow dividends paid in respect of each financial year at a rate greater than inflation, as defined by the UK Consumer Prices Index, in respect of the immediately preceding financial year of the Company.

Triennial tender offers/liquidity events

The obligation to propose a continuation resolution at each fifth AGM was removed from the Company's Articles as approved by shareholders on 7 June 2018. In its place, the Company will arrange tender offers every three years, starting in 2021, with each tender offer being for up to 25 per cent of the issued ordinary shares, which will be subject to shareholder approval at the relevant AGM. The Board may, at its sole discretion, decide not to proceed with a tender offer if the ordinary shares are trading at a premium to the estimated tender price. The tender price will be the prevailing NAV (cum-income) per ordinary share (or, if the Board elects to use a tender realisation pool, the net proceeds of realising the assets in that pool) less the tender offer costs and less a discount of 3 per cent.

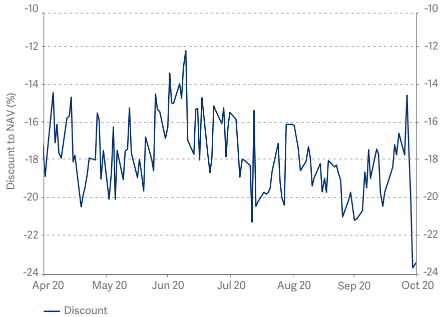
Capital structure

The capital structure of the Company as at 31 October 2020 consisted of 39,580,474 ordinary shares of 1p each.

Performance & Financial Highlights

Performance for the six months ended 31 October 2020

Discount during the six months ended 31 October 2020



Total returns	**Six months ended 31 October 2020**
Net asset value per ordinary share*	15.0%
Ordinary share price*	8.8%
FTSE All-Share Index	(2.0)%

Source of data: Artemis/Datastream

Capital	**As at 31 October 2020**	**As at 30 April 2020**	**As at 31 October 2019**
Net assets	£139.6m	£122.5m	£143.4m
Net asset value per ordinary share	352.66p	309.38p	360.86p
Ordinary share price	268.00p	249.00p	296.00p
Net gearing*	9.9%	5.3%	0.0%

Returns for the period	**Six months ended 31 October 2020**	**Year ended 30 April 2020**	**Six months ended 31 October 2019**
Revenue earnings per ordinary share**	1.59p	4.90p	2.74p
Capital earnings/(loss) per ordinary share**	44.79p	(46.30)p	4.71p
Ongoing charges*	0.9%	0.9%	0.9%

*Alternative Performance Measure (pages 25 and 26)

** see Note 2

Performance from 1 June 2003 to 31 October 2020

Total returns*	1 year	3 years	5 years	Since launch**
Net asset value per ordinary share	(0.9)%	0.8%	21.8%	508.6%
Ordinary share price	(7.9)%	(6.1)%	13.3%	386.1%
FTSE All-Share Index	(18.6)%	(14.4)%	8.9%	195.9%

*Alternative Performance Measure (pages 25 and 26)

** 1 June 2003 – the date when Artemis was appointed as Investment Adviser

Source of data: Artemis/Datastream

Chairman's Statement

Performance

In the six months to 31 October 2020 your Company's net asset value per share and share price rose by 15.0% and 8.8% respectively on a total return basis, ending the period at 352.66p (NAV per share) and 268.00p (share price). The FTSE All-Share Index fell by 2.0% over the same period.

Since 31 October 2020, the portfolio has continued to perform strongly. At 9 December 2020 the NAV per share was 430.44p and the share price was 384p, representing a discount of 10.8%.

While some of our investee companies (such as food delivery) have benefited from the trends resulting from, or accentuated by, the pandemic, others (such as airlines) have recently recovered to some extent following the news on COVID vaccines.

More detailed information on the performance of our portfolio is set out in the Investment Manager's Review which follows.

Earnings & dividends

Revenue earnings per share for the six months to 31 October 2020 were 1.59p, a decrease of 42.0% on the comparative period last year, caused primarily by a fall in investment income. The Board has today declared a first interim dividend of 2.11p per ordinary share (2019: 2.10p) which will be paid on 21 January 2021 to shareholders on the register as at 29 December 2020. The Company is on track to deliver on its policy of increasing the dividend each financial year by more than the increase in the level of the Consumer Prices Index.

Discount and share buy backs

Although the discount to NAV had widened to 23.9% at 31 October 2020, it has narrowed substantially since then. The Company bought back 167,000 shares at a total cost of £0.5 million and an average discount of 17.2% during the half-year. A further 320,000 shares were bought back following the period end.

The Company will continue to consider buying back shares when appropriate and, in particular, when this is necessary to address imbalances between supply and demand.

Gearing

During the period, the Company increased its use of contracts for difference to achieve gearing, which stood at 9.9% at the period end. This has proved to be more cost-efficient than a more conventional bank loan.

Outlook

While it is pleasing to report the recent improvement in performance, the markets are still sensitive to COVID updates and, as we approach the end of the calendar year, Brexit too is back in the forefront of people's minds, raising the prospect of further volatility. The Investment Manager continues to identify opportunities arising from this extraordinary period of dislocation.

Duncan Budge
Chairman

9 December 2020

Investment Manager's Review

Overview

Over the period, the Company's NAV increased by 15.0% compared to a decline of 2.0% in the FTSE All-Share Index. Performance was driven primarily by stock-specific factors rather than geographic, style or sector positioning. In broad terms, positive absolute and relative share price performance came from two distinct categories: companies seeing an improvement in revenue and/or profitability from behavioural changes during the pandemic (Delivery Hero, Nintendo, Hornby); and companies that are emerging from lockdowns in better shape than expected (Dignity, Frasers and Ryanair).

Since April 2018, we have implemented a revised strategy with a concentrated approach to value investing. In our view, value investing is just a framework, which focuses on valuing a company independently of the market price, and then investing based on the attractiveness of market prices relative to your judgement of value. How you interpret and apply that framework requires subjective judgement and depends on what you think drives the value of a business.

From this approach, drawdowns in equity markets are useful in the long-term opportunities they offer, despite creating ugly results in the short-term. In the second half of 2018, equity markets sold off, driven by growth companies. This allowed us to establish positions in Facebook and Just Eat; and to increase our weightings in Nintendo and Plus500. These holdings have been amongst our most valuable contributors in recent months.

In the market's fall of early 2020, we have perceived the value opportunity to be in sectors that have been damaged temporarily by stay-at-home restrictions to stop the spread of the pandemic. Our first actions were to invest in sectors directly in the eye of the storm – such as banks and airlines. We increased our gearing from zero before the crisis to approximately 10%. In this period, we have found further opportunity in sectors where we think lockdowns largely defer, rather than destroy, demand; and where demographics underpin consumption, such as optical-lenses and house-building. We have taken actions to leave us well placed to emerge from the crisis with a more valuable portfolio than we had before.

If digitalisation was not at the top of every boardroom's agenda, the impact of the pandemic has made sure it is now. We continue to think that digitalisation will be more of a hindrance than a help for many businesses, with challenges to revenue growth and pricing-power. We are invested in a number of sectors that stand to benefit directly from these trends, which we view as unlikely to change even once the world returns to a more normal environment. In these sectors, we judge valuations to be attractive when accounting for the duration of earnings growth and potential improvement in business economics.

The flipside of this is that we continue to think there are selected opportunities in sectors such as airlines and retail, where cyclical challenges are perceived to be structural, and where there is a strong case that market leaders will emerge in a less competitive environment than before.

We are primarily bottom-up, fundamental stock-pickers. That said, the portfolio is constructed with top-down considerations and sector correlations in mind with the objective of being able to fare well in a variety of market scenarios. This also explains the current bifurcation in our positioning between businesses currently facing challenges and those with evidently bright structural prospects for growth.

Portfolio

Key sectoral exposures

Sector	October 2020	April 2020	Companies
Video games & hobbies	13.8%	9.6%	Hornby, Nintendo, Prosus
Food delivery	13.0%	11.3%	Delivery Hero, Just Eat
Discretionary retail	10.2%	9.1%	Frasers Group, Dixons Carphone
Housebuilding	9.9%	5.0%	Redrow, Bellway, Springfield
Airlines	9.9%	7.9%	easyJet, Ryanair
Banking	8.7%	8.4%	Barclays, Lloyd's
Funeral & crematoria services	8.0%	3.2%	Dignity
Trading platforms	6.3%	6.7%	Plus500
Consumer staples	5.9%	3.0%	EssilorLuxottica, Fevertree
Serviced offices	4.5%	5.3%	IWG
Defence	3.7%	4.2%	Reaction Engines
Pharmaceuticals	3.6%	3.0%	GlaxoSmithKline
Property	3.6%	4.2%	Capital & Counties, Claremont

Video games and hobbies (13.8% of NAV) is our largest sectoral investment. **Hornby** responded well to its H1 results in which the company grew sales by 33% and was profitable as gross margins increased from 41% to 47%. The company is benefiting from lockdown tailwinds and progress made on reinvigorating its product development in recent years. We remain excited about the company's opportunity to embrace digitalisation as direct-to-consumer sales only account for less than 15% of revenue – but gross margins are substantially higher than the group average.

The premise for increasing our investment in **Nintendo** is similar to our rationale for holding Hornby, despite the vast differences in scale ($70bn market capitalisation vs. £100m); the value of content can be increased through using digital routes to market. In Nintendo's Q1 2020 results, an increase in digital software penetration from 38% to 56% led to gross margins increasing from 49% to 59%. Peer gaming companies have digital penetration above 70%; and we believe Nintendo will see a substantial improvement in profitability as its customers make the same journey. We made a modest addition to our holding in **Prosus**, that we purchased earlier in the calendar year. The company's discount to assets widened, despite strong underlying performance.

Food delivery (13.0%) companies **Delivery Hero** and **Just Eat** continue to be amongst our top holdings. Delivery Hero's share price has risen as it has demonstrated high organic growth rates (c.90%) across its geographies. The company seems to be building successfully a "local services" platform through its expansion into 'quick-commerce', such as grocery services. The success of Meituan Dianping, the dominant platform in China, is an indicator of the potential prize. Meituan currently carries a market cap of $230bn. This is for a new industry and a company only founded in 2010. For context, AstraZeneca is currently the largest constituent of the FTSE and has a market cap of $140bn.

In our view, Just Eat's share price has not recognised the permanent benefit that the pandemic has brought to the business due to the acceleration of user adoption. This is partly as the company surprised investors by announcing in June the acquisition of US food delivery company Grubhub. The deal creates a wider range of possible outcomes, though we feel that few positive scenarios are being discounted. By acquiring Grubhub, Just Eat is effectively doubling its addressable market by issuing only 30% of its equity. CEO Jitse Groen has a strong record in leveraging profitable market positions to expand aggressively in markets where its competitors have weaker foundations. Groen owns 10% of the company and so we feel he is incentivised to make decisions for the benefit of shareholders. We have used periods of share price weakness to increase our holding.

Our retail (10.2%) holdings in **Frasers Group** and **Dixons Carphone** performed well during the period. The crisis has asymmetrically impacted weaker players who are unlikely to emerge as effective competition. Frasers is continuing to build leading platforms in luxury and sportswear retail, which we think are two fundamentally attractive sub-segments of retail. The pandemic has provided it with the opportunity to acquire DW Sports and build a stake in Mulberry. The company's full year results in August demonstrated its resilience as it grew earnings, despite seeing the impact of lockdown for two months of the year. Dixons' core performance has been strong as it has successfully retained sales that shifted online and grown its share. In September, the group confirmed that revenues for the first three months of its financial year were up 12% in UK electricals and 16% in international electricals, with online growing at over 120% and now accounting for 42% of group sales.

UK housebuilding (9.9%) is the sector in which we were most active during the period. We have increased our holding in **Redrow**, built a new position in **Bellway** and maintained our position in **Springfield**. We view housebuilding as an attractive recovery sector as demand is inelastic and dictated by demographics. A deficit in supply exists due to a decade of under-building. The market seems to have forgotten that in 2009, despite a historic contraction in mortgage supply and rise in unemployment, UK house prices did not fall. In addition to these existing structural tailwinds, the sector is currently benefitting from behavioural changes from the virus as consumers place a higher weighting on quality of life and therefore on the value of housing. These trends have been demonstrated by record order books. Despite a range of positive indicators, housebuilders' valuations have been depressed, creating in our view an opportunity for strong future returns.

In past reports we outlined the rationale for holding **easyJet** and **Ryanair** (9.9%), despite the airline sector facing significant short term headwinds. Over the summer months, even with unpredictable government restrictions, European airlines achieved high load factors, which in our view demonstrates the continued desire to travel and likely growing pent-up demand. easyJet's share price has significantly underperformed other low cost carriers Wizz Air and Ryanair. In our view, the company's cost base and balance sheet flexibility are misunderstood. We increased our holding substantially at prices that we believe represent buying Airbus planes at a discount, with a franchise that is the second largest airline in Europe in for free.

Banks (8.7%) tend not to fare well in recessions and face headwinds from a low interest rate environment. However, if it is widely accepted that the crisis has accelerated digitalisation, then in our view the potential benefits of lower costs for banks, for example by closing branches, seem to be overlooked. In recent months, we think it has also been increasingly clear that banks will suffer a lower impairment cycle than is typical in a recession of this severity. That will come from a combination of low interest rates, government loans and employment support. We made additions to our holding in **Lloyd's** and remain optimistic about the sector's potential return, given current low valuations and high capital ratios.

Dignity (8.0%) was our single largest contributor and is currently our top position. The company's share price responded positively to the conclusion of the Competition Markets Authority's (CMA) review of the sector. The primary outcome is the implementation of "sunlighting" to increase transparency of prices and services offered by funeral and crematoria operators. The secondary outcome is greater monitoring of back-of-house services provided by operators. Due to the exceptional circumstances of COVID, the CMA stopped short of implementing any price caps, although this option remains on the table. We continue to believe that Dignity is well-positioned to succeed and deliver value for all stakeholders in an environment of greater transparency and regulation. We think its unique market position, as an owner of a national network of crematoria and funeral homes with a substantial pre-need business, provides a solid foundation to create significant value over the long term.

Plus500 (6.3%), the financial trading platform, has benefited from elevated volatility. In H1 2020, the company acquired 198,000 customers, and grew profits nearly four-fold. The business has a strong balance sheet (over $600m in net cash) with which to invest in future growth.

We established a new position in **EssilorLuxottica** (3.4%) in recent months, our largest single investment in the period. The company is the global market leader in optical lens and frames, following the merger of Essilor and Luxottica in 2018. The combined business is the only vertically integrated participant in the eyewear market with unrivalled scale: its R&D expense is larger than the rest of the industry combined. The market for eyewear is attractive due to the duration and consistency of growth. Myopia is increasing due to screen usage. Presbyopia is a function of aging demographic. Similar to the funeral industry, we will all be customers one day. Overall, the eyewear industry should be growing at c.4% per annum and predictably for several decades.

Dysfunctional corporate governance has meant that the two businesses took longer to integrate than first expected. In time, the delivery of synergies should result in higher revenue growth and improved margins. The company's share price declined as it was adversely affected by lockdowns; but we expect demand to recover reasonably quickly as prescription lenses account for c.80% of the business.

Fevertree (2.5%), a holding purchased earlier in the calendar year, has performed well as it has a stronger off-trade (*e.g.* grocery) presence than its peers; and its strategy in the US has started to gain traction with growth accelerating in spite of COVID headwinds.

IWG (4.5%), the serviced office provider, has been more resilient in the downturn than many expected. The company stands to benefit from the likely increase in demand arising from the pandemic for decentralised flexible workspace solutions. The business has over 3,000 centres, of which the majority are located outside city-centres, in contrast to its competitors who are focused on urban locations. The fundraising completed earlier in the year means that the company has net cash on its balance sheet (ex-leases), meaning it is well positioned to be a consolidator in the sector. We continue to believe that the pursuit of a capital-light franchising strategy has the potential to deliver significant returns to shareholders.

Reaction Engines (3.7% – unlisted), the aerospace technology company, announced an investment from Rolls-Royce and Baillie Gifford at a price higher than our current valuation. We have made no changes to our valuation given certain criteria used to evaluate materiality; but note the positive development, which should accelerate commercialisation of the company's technology.

We are attracted to **GlaxoSmithKline** (3.6%) primarily due to the quality of its vaccines and consumer healthcare divisions, which collectively account for the majority of earnings. Consumer staple peers have re-rated substantially and we expect GSK to benefit from a re-rating as the planned spin-off of this division in 2022 draws nearer. The vaccines industry should see a structural boost from COVID and GSK is the largest vaccine-maker globally. Whilst the market value of vaccine-makers has increased by over $100bn year to date, GSK's market value declined by $27bn (22%). We used share price weakness to add to our holding.

Capital & Counties (CapCo) (2.8%) was our largest single detractor, declining by 37%. The recovery of activity in city centres from lockdown has been weak and international travel (accounting for c.40% of Covent Garden's traffic) remains restricted. In May, the company used its unlevered balance sheet following the disposal of Earl's Court in 2019 to acquire 27% of its peer, Shaftesbury. We like this acquisition as it was opportunistic. Shaftesbury is a unique asset, and there are potential synergies from a merger, as the two estates are adjoining in parts. At the current share price of 105p, the Covent Garden assets are valued at less than £1,000 per square foot. Even in negative scenarios where we assume significant rent reductions, we see limited downside – and so we added to our position. In a more likely scenario, we think traffic will recover given the enduring attraction of the area, which should provide value for tenants in a world where consumers increasingly demand experiential retail.

Our turnover in the period was elevated as we sold holdings in **Rocket Internet**, **Polar Capital** and **Tesco**. We disposed of Rocket Internet as the company announced a de-listing offer. We approximately broke-even on our investment, but benefited from the insights it provided us on the food delivery sector in particular. Polar Capital, the last of our legacy investments in asset managers, was sold following a period of strong performance. We disposed of our position in Tesco as we noted the actions of several food platforms globally expanding more directly into space currently occupied by supermarkets. Tesco's management have executed well to regain competitiveness in its core offering and we continue to admire the company. However, the uncertainty introduced by the potential shift of convenience grocery online prompted us recycle capital into areas where we have higher confidence.

Our portfolio is increasingly concentrated as the process of rationalisation outlined in our 2018 strategic review has continued. The number of holdings has fallen further from 39 to 32 and our top 15 holdings account for 80% of the Company's NAV. Our gearing currently stands at 10.0%. A more narrow focus has been important in allowing us to better understand and monitor the short-term impact and long-term implications of the changing environment.

Outlook

Our outlook is broadly unchanged: we think the combination of Brexit and now COVID has created a significant value opportunity in exposed UK equities. In our judgement, the prospects for returns are high. In our last report, we commented on how perspective is the "first casualty in a crisis". At the time of writing, the potential of a successful vaccine has allowed the market to regain some perspective, which has benefited our positioning. We continue to focus primarily on risks and opportunities within our existing portfolio, and our attention is turning towards areas that will fail to keep up with improving fundamentals or that will become unpopular due to the change in market sentiment. Above all, we remain committed to opportunism.

John Dodd, Kartik Kumar
Fund Managers
Artemis Fund Managers Limited

9 December 2020

Top 15 holdings

Name	Sector	Shares	Price	Valuation (£)	% of NAV
Dignity	Funerals	2,125,000	£5.25	11,156,250	8.0
Frasers Group	Discetionary retail	2,747,884	£3.75	10,299,069	7.4
Delivery Hero	Food delivery	102,000	€98.82	9,080,641	6.5
Just Eat Takeaway	Food delivery	105,000	£85.68	8,996,400	6.5
Plus500	Trading platform	600,000	£14.76	8,853,000	6.3
Redrow	Housebuilding	1,825,916	£4.16	7,588,507	5.4
easyJet	Airlines	1,450,000	£5.06	7,334,100	5.3
Hornby	Video games & hobbies	16,046,078	£0.45	7,140,505	5.1
Nintendo	Video games & hobbies	135,000	$67.75	7,073,666	5.1
Barclays	Banking	6,150,000	£1.07	6,553,440	4.7
Ryanair	Airlines	595,000	€11.96	6,410,909	4.6
IWG	Serviced offices	2,500,000	£2.53	6,335,000	4.5
Lloyds Banking Group	Banking	20,000,000	£0.28	5,605,000	4.0
Reaction Engines	Aerospace & defence	160,833	£32.00	5,146,656	3.7
GlaxoSmithkline	Pharmaceuticals	390,000	£12.92	5,038,020	3.6

Top 10 transactions

Purchases	% of NAV
EssilorLuxottica	3.5
Bellway	3.1
Redrow	2.9
easyJet	2.4
Nintendo	2.1
GlaxoSmithKline	1.7
Flutter Entertainment	1.6
Just Eat Takeaway.com	1.4
Capital & Counties Props	1.3
Dignity	1.2

Sales	% of NAV
Rocket Internet	(4.7)
Polar Capital	(3.6)
Tesco	(3.4)
Anglo American Plc	(1.6)
Facebook	(1.5)
Hiscox	(1.3)
Plus500	(0.7)
Hurricane Energy	(0.6)
Fevertree Drinks	(0.6)
IWG	(0.5)

Top five contributors/detractors

Five largest stock contributors

Company	Return %	Contribution %
Dignity	114.9	4.7
Frasers Group	44.1	2.6
Delivery Hero	33.0	2.1
Plus500	22.5	1.6
Hornby	32.8	1.3

Five largest stock detractors

Company	Return %	Contribution %
CapCo	(37.1)	(1.3)
Hurricane Energy	(72.7)	(1.2)
easyJet	(16.4)	(0.6)
Retail Money Market	(100.0)	(0.3)
Redrow	(9.9)	(0.3)

Portfolio of Investments

Investment	Business activity	Country of incorporation	Global exposure* £'000	% of NAV	Market value £'000
Consumer Services					
Claremont Alpha[1]	Taiwan casino developments	Isle of Man	1,156	0.8	1,156
Delivery Hero	Online food ordering company	Germany	9,081	6.5	9,081
Dignity	Funeral services	UK	11,156	8.0	11,156
Dixons Carphone	Specialist electrical and telecommunications retailer	UK	3,897	2.8	3,897
easyJet	Low-cost European point-to-point airline	UK	7,334	5.3	7,334
Flutter Entertainment (long CFD)	Global sports betting and gaming operator	Ireland	2,696	1.9	217
Frasers Group	UK sports retailer	UK	10,299	7.4	10,299
Hardly Ever[1]	Online portal selling pre-owned luxury goods	UK	761	0.5	761
Wetherspoon JD	UK and Ireland pub operator	UK	1,055	0.8	1,055
Just Eat	Online and mobile food ordering	UK	8,996	6.5	8,996
Rok Entertainment Group[2]	Global mobile entertainment group	USA	–	–	–
ROK Global[2]	Global mobile entertainment group	UK	–	–	–
Ryanair Holdings	Low fare airline to destinations in Europe	Ireland	6,411	4.6	6,411
Starcount[2]	Data consultancy	UK	–	–	–
Zinc Media Group[3]	Media Production	UK	313	0.2	313
Total Consumer Services			**63,155**	**45.3**	**60,676**
Financials					
Barclays	Global financial services provider	UK	6,553	4.7	6,553
Capital & Counties Properties, REIT	London property company	UK	3,923	2.8	3,923
Lamp Group[2]	Healthcare and specialist insurance	UK	–	–	–
Lloyds Banking Group	UK based financial services group	UK	5,605	4.0	5,605
Nplus1 Singer[1]	Investment management	UK	3,310	2.4	3,310
Plenti Group	Technology-led lending and investment business	Australia	116	0.1	116
Plus500	Online trading platform	Israel	8,853	6.3	8,853
Total Financials			**28,360**	**20.3**	**28,360**
Consumer Goods					
Bellway (long CFD)	UK housebuilder	UK	4,320	3.1	(8)
Fevertree Drinks[3]	Premium drink mixers	UK	3,526	2.5	3,526
Hornby[3]	Hobby and toy products	UK	7,141	5.1	7,141
Houseology Design Group[1]	Home interiors & furniture design	UK	–	–	–
Nintendo	Video games	Japan	7,074	5.1	7,074
Pittards[3]	High performance leather goods	UK	789	0.6	789
Redrow	UK housebuilder	UK	7,589	5.4	7,589
Springfield Properties[3]	Property development	UK	1,927	1.4	1,927
Total Consumer Goods			**32,366**	**23.2**	**28,038**

[1] Unquoted investment
[2] Delisted, suspended or investments in administration or liquidation
[3] AIM quoted investment
* 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.

Investment	Business activity	Country of incorporation	Global exposure* £'000	% of NAV	Market value £'000
Industrials					
IWG	Business office facilities	Jersey	6,335	4.5	6,335
MBA Polymers[2]	Post-consumer recycled plastics producer	USA	–	–	–
Rated People[1]	Home maintenance services	UK	344	0.2	344
Reaction Engines[1]	Rocket propulsion systems	UK	5,147	3.7	5,147
Total Industrials			**11,826**	**8.4**	**11,826**
Health Care					
EssilorLuxottica (long CFD)	Multinational opthalmic company	France	4,688	3.4	(9)
GlaxoSmithKline	Global healthcare company	UK	5,038	3.6	5,038
Total Health Care			**9,726**	**7.0**	**5,029**
Technology					
Facebook (long CFD)	Social networking website	USA	2,089	1.5	(33)
Prosus	Consumer internet group and technology investors	Netherlands	5,023	3.6	5,023
Total Technology			**7,112**	**5.1**	**4,990**
Oil & Gas					
Ceramic Fuel Cells[2]	Electric fuel cells	Australia	–	–	–
Energy Equity Resources (Norway)[2]	African oil and gas exploration	UK	–	–	–
Leed Resources[2]	Natural resources investments	UK	–	–	–
PetroHunter Energy[2]	US oil & gas exploration	USA	–	–	–
Total Oil & Gas			**–**	**–**	**–**
Total investments (including CFDs)			**152,545**	**109.3**	**138,919**
Forward currency contracts					
Buy Sterling 9,556,575 sell Euro 10,500,000 dated 11/12/2020					92
Buy Sterling 3,936,476 sell US Dollars 5,100,000 dated 11/12/2020					(7)
Total forward currency contracts					**85**
Portfolio fair value					**139,004**
Net other assets					**581**
Net assets					**139,585**

[1] Unquoted investment

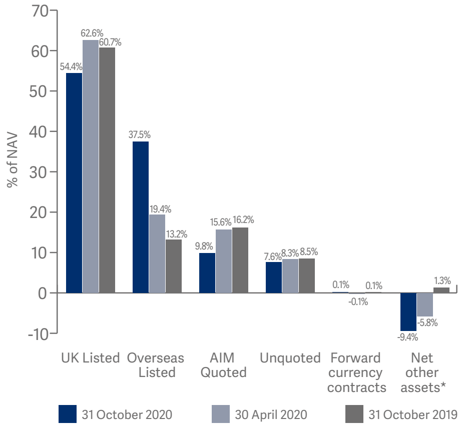
[2] Delisted, suspended or investments in administration or liquidation

[3] AIM quoted investment

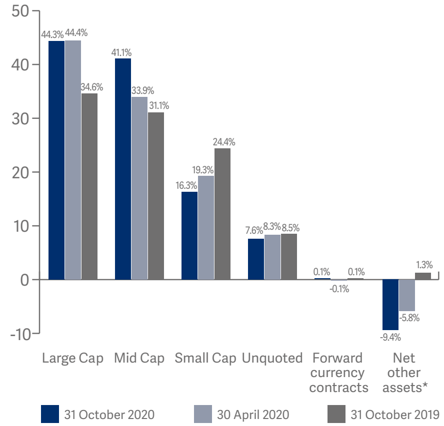
* Global exposure has been calculated in line with the guidelines issued by the European Securities and Markets Authority ('ESMA') and represents the market value of an equivalent position in the underlying investment of each derivative contract. For all other asset types the percentage of net assets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

Portfolio analysis

Market analysis of the portfolio



Market cap analysis of the portfolio



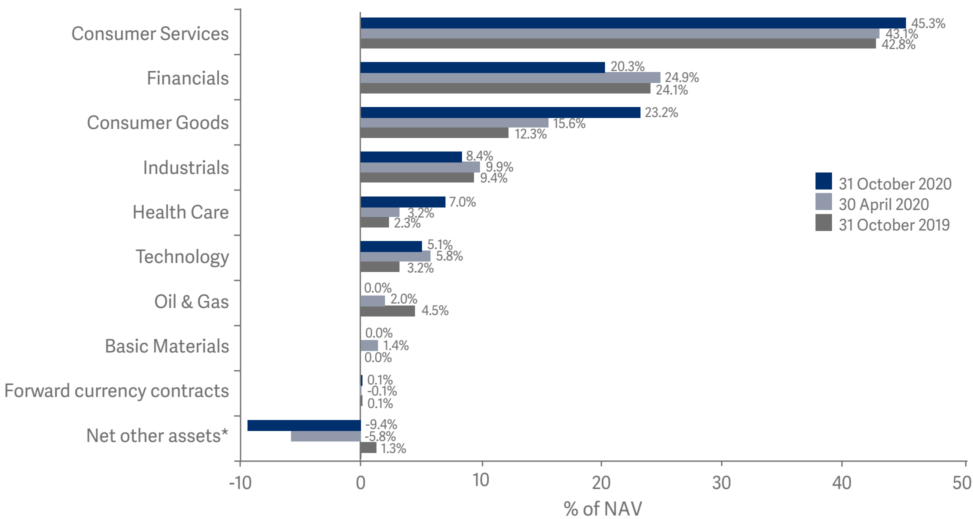
Large cap – market cap equivalent to FTSE 100 companies

Mid cap – market cap equivalent to FTSE 250 companies

Small cap – market cap equivalent to companies below FTSE 250

* adjusted to show the gross economic exposure of the CFD positions, with net other assets adjusted accordingly.

Industry analysis of the portfolio



* adjusted to show the gross economic exposure of the CFD positions, with net other assets adjusted accordingly.

CONDENSED INCOME STATEMENT

		Six months ended 31 October 2020 (unaudited)			Six months ended 31 October 2019 (unaudited)			Year ended 30 April 2020 (audited)		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income		830	–	830	1,501	–	1,501	2,773	–	2,773
Other income		181	–	181	12	–	12	–	–	–
Total revenue		**1,011**	**–**	**1,011**	**1,513**	**–**	**1,513**	**2,773**	**–**	**2,773**
Gains/(losses) on investments		–	18,550	18,550	–	2,078	2,078	–	(18,732)	(18,732)
Net (losses)/gains on derivatives		–	(845)	(845)	–	173	173	–	822	822
Currency gains		–	368	368	–	2	2	–	47	47
Total income/(loss)		**1,011**	**18,073**	**19,084**	**1,513**	**2,253**	**3,766**	**2,773**	**(17,863)**	**(15,090)**
Expenses										
Investment management fee		(81)	(325)	(406)	(86)	(343)	(429)	(174)	(695)	(869)
Other expenses		(182)	(7)	(189)	(240)	(2)	(242)	(492)	(2)	(494)
Profit/(loss) before finance costs and tax		**748**	**17,741**	**18,489**	**1,187**	**1,908**	**3,095**	**2,107**	**(18,560)**	**(16,453)**
Finance costs		(3)	(12)	(15)	–	(1)	(1)	(3)	(14)	(17)
Profit/(loss) before tax		**745**	**17,729**	**18,474**	**1,187**	**1,907**	**3,094**	**2,104**	**(18,574)**	**(16,470)**
Tax		(114)	–	(114)	(74)	–	(74)	(138)	–	(138)
Profit/(loss) and total comprehensive income/(expense) for the period		**631**	**17,729**	**18,360**	**1,113**	**1,907**	**3,020**	**1,966**	**(18,574)**	**(16,608)**
Earnings/(loss) for the period	2	**1.59p**	**44.79p**	**46.38p**	**2.74p**	**4.71p**	**7.45p**	**4.90p**	**(46.30)p**	**(41.40)p**

The total column of this statement represents the Statement of Comprehensive Income of the Company, prepared in accordance with International Financial Reporting Standards. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations.

All income is attributable to the equity shareholders of Artemis Alpha Trust plc. There are no minority interests.

Condensed Statement of Financial Position

	Note	31 October 2020 (unaudited) £'000	31 October 2019 (unaudited) £'000	30 April 2020 (audited) £'000
Non-current assets				
Investments		138,752	141,345	118,086
Investments in subsidiary undertaking		3,670	3,111	3,002
		142,422	144,456	121,088
Current assets				
Derivative assets		309	173	70
Other receivables		548	597	1,005
Cash and cash equivalents		11	892	5,382
		868	1,662	6,457
Total assets		**143,290**	**146,118**	**127,545**
Current liabilities				
Derivative liabilities		(57)	–	(174)
Collateral pledged		(50)	–	(220)
Other payables		(3,598)	(2,685)	(4,697)
Total Liabilities		(3,705)	(2,685)	(5,091)
Net assets		**139,585**	**143,433**	**122,454**
Equity attributable to equity holders				
Share capital		396	405	396
Share premium		676	676	676
Special reserve		46,181	46,698	46,181
Capital redemption reserve		194	185	194
Retained earnings – revenue		1,919	2,498	2,517
Retained earnings – capital	5	90,219	92,971	72,490
Total equity		**139,585**	**143,433**	**122,454**
Net asset value per ordinary share		**352.66p**	**360.86p**	**309.38p**

Condensed Statement of Changes in Equity

	Six months ended 31 October 2020 (unaudited)						
					Retained earnings		
	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Revenue £'000	Capital £'000	Total £'000
At 1 May 2020	396	676	46,181	194	2,517	72,490	122,454
Total comprehensive income:							
Profit for the period	–	–	–	–	631	17,729	18,360
Transactions with owners recorded directly to equity:							
Repurchase of ordinary shares into treasury	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	(1,229)	–	(1,229)
At 31 October 2020	**396**	**676**	**46,181**	**194**	**1,919**	**90,219**	**139,585**

	Six months ended 31 October 2019 (unaudited)						
					Retained earnings		
	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Revenue £'000	Capital £'000	Total £'000
At 1 May 2019	410	676	50,133	180	2,803	91,064	145,266
Total comprehensive income:							
Profit for the period	–	–	–	–	1,113	1,907	3,020
Transactions with owners recorded directly to equity:							
Repurchase of shares for cancellation	(5)	–	(1,290)	5	–	–	(1,290)
Repurchase of ordinary shares into treasury	–	–	(2,145)	–	–	–	(2,145)
Dividends paid	–	–	–	–	(1,418)	–	(1,418)
At 31 October 2019	**405**	**676**	**46,698**	**185**	**2,498**	**92,971**	**143,433**

	Year ended 30 April 2020 (audited)						
					Retained earnings		
	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Revenue £'000	Capital £'000	Total £'000
At 1 May 2019	410	676	50,133	180	2,803	91,064	145,266
Total comprehensive income/(expense):							
Profit/(loss) for the year	–	–	–	–	1,966	(18,574)	(16,608)
Transactions with owners recorded directly to equity:							
Repurchase of ordinary shares into treasury	–	–	(2,144)	–	–	–	(2,144)
Cancellation of ordinary shares from treasury	(8)	–	–	8	–	–	–
Repurchase of shares for cancellation	(6)	–	(1,808)	6	–	–	(1,808)
Dividends paid	–	–	–	–	(2,252)	–	(2,252)
At 30 April 2020	**396**	**676**	**46,181**	**194**	**2,517**	**72,490**	**122,454**

CONDENSED STATEMENT OF CASH FLOWS

	Six months ended 31 October 2020 (unaudited) £'000	Six months ended 31 October 2019 (unaudited) £'000	Year ended 30 April 2020 (audited) £'000
Operating activities			
Profit/(loss) before tax	18,474	3,094	(16,470)
Interest payable	15	1	17
(Gains)/losses on investments	(18,550)	(2,078)	18,732
Net (losses)/gains on derivatives	845	(173)	(822)
Currency gains	(368)	(2)	(47)
(Increase)/decrease in other receivables	(177)	147	279
(Decrease)/increase in other payables	(23)	(33)	14
Net cash inflow from operating activities before interest and tax	**216**	**956**	**1,703**
Interest paid	(15)	(1)	(17)
Irrecoverable overseas tax suffered	(114)	(74)	(138)
Net cash inflow from operating activities	**87**	**881**	**1,548**
Investing activities			
Purchase of investments	(29,705)	(18,957)	(56,462)
Sales of investments	24,739	19,170	60,733
Sales of derivatives	(471)	–	1,054
Collateral pledged	(170)	–	220
Net cash (outflow)/inflow from investing activities	**(5,607)**	**213**	**5,545**
Financing activities			
Repurchase of ordinary shares into treasury	–	(2,145)	(2,144)
Repurchase of shares for cancellation	–	(1,290)	(1,808)
Dividends paid	(1,229)	(1,418)	(2,252)
Increase/(decrease) in inter-company loan	332	93	(110)
Utilisation of bank overdraft	678	–	–
Net cash outflow from financing activities	**(219)**	**(4,760)**	**(6,314)**
Net (increase)/decrease in net debt	**(5,739)**	**(3,666)**	**779**
Net funds at the start of the period	**5,382**	**4,556**	**4,556**
Effect of foreign exchange rate changes	368	2	47
Net funds at the end of the period	**11**	**892**	**5,382**
Cash and cash equivalents	11	892	5,382
	11	**892**	**5,382**

Notes to the half-yearly financial report

1. Accounting policies

The Half-Yearly Financial Report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', the provisions of the Companies Act 2006 and with the guidance set out in the Statement of Recommended Practice for Investment Trust Companies and Venture Capital Trusts ("SORP") issued by the Association of Investment Companies in October 2019.

The accounting policies remain the same as disclosed in the Annual Financial Statements for the year ended 30 April 2020.

2. Earnings/(loss) per ordinary share

	Six months ended 31 October 2020	Six months ended 31 October 2019	Year ended 30 April 2020
Earnings/(loss) per ordinary share is based on:			
Revenue earnings (£'000)	631	1,113	1,966
Capital earnings/(loss) (£'000)	17,729	1,907	(18,574)
Total earnings/(loss) (£'000)	**18,360**	**3,020**	**(16,608)**
Weighted average number of ordinary shares in issue during the period	39,580,474	40,529,556	40,111,037

3. Net asset value per ordinary share

	As at 31 October 2020	As at 31 October 2019	As at 30 April 2020
Net asset value per ordinary share is based on:			
Net assets (£'000)	139,585	143,433	122,454
Number of shares in issue at the end of the period	39,580,474	39,747,474	39,580,474

During the period, there were no shares repurchased or cancelled from treasury (six months ended 31 October 2019: repurchased 1,233,500 shares into treasury and immediately cancelled 462,500 shares from treasury and year ended 30 April 2020: repurchased and cancelled 771,000 shares from treasury).

4. Dividends

	Six months ended 31 October 2020 £'000	Six months ended 31 October 2019 £'000	Year ended 30 April 2020 £'000
Final dividend for the year ended 30 April 2020 – 3.10p (2019: 3:00p)	1,229	1,215	1,215
First interim dividend for the year ended 30 April 2020 – 2.10p	–	–	834
Special dividend for the year ended 30 April 2019 – 0.50p	–	203	203
	1,229	**1,418**	**2,252**

A first interim dividend for the year ending 30 April 2021 of 2.11p per ordinary share has been declared. This will be paid on 21 January 2021 to those shareholders on the register at close of business on 29 December 2020.

5. Analysis of retained earnings – capital

	As at 31 October 2020 £'000	As at 31 October 2019 £'000	As at 30 April 2020 £'000
Retained earnings – capital (realised)	84,823	102,275	82,616
Retained earnings – capital (unrealised)	5,396	(9,304)	(10,126)
	90,219	**92,971**	**72,490**

6. Reconciliation of liabilities arising from financing activities

	1 May 2020 £'000	Transactions in the period £'000	Cashflow payments £'000	Balance at 31 October 2020 £'000
Repurchase of shares into treasury	–	–	–	–
Dividends paid	–	1,229	(1,229)	–
Intercompany loan	–	(332)	332	–
Utilisation of bank overdraft	–	(678)	678	–
	–	**219**	**(219)**	**–**

7. Comparative information

The financial information for the six months ended 31 October 2020 and 31 October 2019 has not been audited and does not constitute statutory financial statements as defined in Section 234 of the Companies Act 2006.

The information for the year ended 30 April 2020 has been extracted from the Audited Financial Statements for the year ended 30 April 2020. These financial statements contained an unqualified auditor's report and have been lodged with the Registrar of Companies and did not contain a statement required under Section 498 of the Companies Act 2006.

8. Related party transactions

The amounts paid to the Investment Manager are disclosed in the Condensed income statement on page 14. However, the existence of an independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore, under IAS 24: Related Party Disclosures, the Investment Manager is not considered to be a related party.

9. Fair value hierarchy

IFRS 7 'Financial Instruments: Disclosures' requires an entity to provide an analysis of financial instruments held at fair value through profit and loss using a fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value. The hierarchy used to analyse the fair values of financial instruments is set out below.

Level 1 – instruments with quoted prices in an active market;

Level 2 – instruments whose fair value is based directly on observable current market prices or is indirectly derived from market prices; and

Level 3 – instruments whose fair value is determined using a valuation technique based on assumptions that are not supported by observable current market prices or are not based on observable market data.

The instruments held at the balance sheet date fell into the categories, Level 1, Level 2 and Level 3. The values in these categories are summarised as part of this note. Any investments that are delisted or suspended from a listed stock exchange are transferred from Level 1 to Level 3.

	As at 31 October 2020 £'000	**As at 31 October 2019 £'000**	**As at 30 April 2020 £'000**
UK quoted investments (Level 1)			
– UK listed	93,044	87,249	71,473
– AIM quoted	13,697	23,240	19,124
Overseas quoted investments (Level 1)	21,293	18,814	17,344
Contracts for difference (Level 2)	167	–	(11)
Forward foreign exchange contracts (Level 2)	85	173	(93)
Unquoted investments (Level 3)			
– Equities and warrants	10,420	11,276	9,847
– Fixed interest	–	200	–
– Preference shares	298	566	298
	139,004	**141,518**	**117,982**

9. Fair value hierarchy (continued)

The valuation of the Level 3 investments would not be significantly different had reasonably possible alternative valuation bases been applied.

Details of the movements in Level 3 assets during the six months ended 31 October 2020 are set out in the table below.

	£'000
Level 3 investments	
Opening book cost	24,788
Opening fair value adjustment	(14,643)
Opening valuation	**10,145**
Movements in the period:	
Purchases at cost	–
Sales – proceeds	(27)
– realised losses on sales	(6,213)
Increase in fair value adjustment	6,813
Closing valuation	**10,718**
Closing book cost	18,548
Closing fair value adjustment	(7,830)
	10,718

Statement of Principal Risks and Uncertainties

Pursuant to DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, the principal risks faced by the Company include general market risk, regulatory, operational and financial risks.

These risks, which have not materially changed since the Annual Financial Report for the year ended 30 April 2020, and the way in which they are managed, are described in more detail in the Annual Financial Report which is available at artemisalphatrust.co.uk.

Responsibility Statement of the Directors in respect of the Half-Yearly Financial Report

The Directors confirm that to the best of their knowledge, in respect of the Half-Yearly Financial Report for the six months ended 31 October 2019:

- the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' issued by the International Accounting Standards Board as adopted by the EU;
- having considered the expected cash flows and operational costs of the Company for the 18 months from the period end, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis of accounting continues to be used in the preparation of the Half-Yearly Financial Report;
- the interim management report includes a fair review of the information required by:

  (a) Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months; and a description of the principal risks and uncertainties for the remaining six months of the year); and

  (b) Disclosure Guidance and Transparency Rule 4.2.8R (related party transactions).

The Half-Yearly Financial Report for the six months ended 31 October 2020 was approved by the Board and the above responsibility statement was signed on its behalf by:

Duncan Budge
Chairman

9 December 2020

Information for Shareholders

Buying shares in the Company

The Company's ordinary shares are traded on the London Stock Exchange and can be bought or sold through a stockbroker. The Company is a qualifying investment trust for ISA purposes.

Company numbers:

Ordinary shares

London Stock Exchange (SEDOL) number: 0435594

ISIN number: GB0004355946

Reuters code: ATS.L

Bloomberg code: ATS:LN

LEI: 549300 MQXY2QXEIL3756

GIIN: PIK2NS.00002.SF.826

Shareholder enquiries

All administrative enquiries relating to shareholder queries concerning holdings, dividend payments, notification of change of address or loss of certificate should be addressed to the Company's registrars at: Shareholder Services Department, Link Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by calling 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales).

If you would like to receive dividend payments directly into your bank account, please contact the Company's registrar at the address above.

Dividend Reinvestment Plan (the "Plan")

Shareholders are able to re-invest their cash dividends using the Plan operated by Link Registrars. To find out more about the Plan, including the terms and conditions, please contact Link by calling 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales).

Financial Advisers

The Company currently conducts its affairs so that the shares in issue can be recommended by financial advisers to ordinary retail investors in accordance with the Financial Conduct Authority's ("FCA") rules in relation to non-mainstream investment products and the Company intends to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an Investment Trust.

Further information on the Company

The Company's net asset value is calculated daily and released to the London Stock Exchange. The ordinary share price is listed in the Financial Times and also on the TrustNet website (trustnet.com). Up to date information can be found on the website (artemisalphatrust.co.uk), including a factsheet which is updated monthly. Shareholders can also contact the Chairman to express any views on the Company or to raise any questions they have using the email address alpha.chairman@artemisfunds.com.

Taxation

For capital gains purposes, the cost of the Company's ordinary shares at 31 March 1982 was 13.22p per share.

AIC

The Company is a member of The Association of Investment Companies ("AIC") which publishes monthly statistics on the majority of investment trusts. Further details can be obtained by contacting the AIC on 020 7282 5555 or at its website theaic.co.uk.

Tax information reporting

With effect from 1 January 2016 tax legislation requires investment trust companies to provide information to HMRC on certain investors who purchase shares in investment trusts. Accordingly, the Company may have to provide information annually to HMRC on the tax residencies of those certificated 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, excluding those whose shares are held in CREST, who enter the share register from 1 January 2016 will be sent a certification form from the Registrar to complete. 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-information-account-holders.

Common Reporting Standard

The Organisation for Economic Co-operation and Development's Common Reporting Standard for Automatic Exchange of Financial Account Information (the 'Common Reporting Standard') requires the Company to provide information annually to HM Revenue & Customs ("HMRC") on the tax residencies of those certificated shareholders that are tax resident in countries outwith the UK that have signed up to the Common Reporting Standard.

All new shareholders, excluding those whose shares are held in CREST, will be sent a certification form by the Registrar to complete. 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 holding being reported to HMRC.

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

Data Protection

The Company is committed to ensuring the protection of any personal data provided to them. Further details of the Company's privacy policy can be found on the Company's website at artemisalphatrust.co.uk.

Reporting Calendar

Year End

30 April

Results Announced

Interim: December/January

Annual: July/August

Dividends Payable

January and September

Annual General Meeting

October

Securities Financing Transactions Regulation ("SFTR")

The contracts for difference ("CFDs") held by the Company may be considered Total Return Swaps under the SFTR. As at 31 October 2020, all CFDs were contracted bilaterally with open maturities. Collateral held by the broker is held in a segregated account on behalf of the Company with a maturity of one day. The total return for the year ended 31 October 2020 from CFDs was a loss of £296,000.

	Country	Fair value £'000	% of NAV	Collateral held by the trust £'000	Collateral held by the broker £'000
J.P. Morgan	UK	167	9.9	50	–

GLOSSARY

Administrator

Is an entity that provides certain services to support the operation of an investment fund or investment company. These services include, amongst other things, settling investment transactions, maintaining accounting books and records and calculating daily net asset values. For the Company, J.P. Morgan Europe Limited is the administrator.

Alternative Investment Fund Managers Directive (AIFMD)

Is a European Union directive that applies to certain types of investment funds, including investment companies.

Alternative Investment Fund Manager (AIFM)

Is an entity that provides certain investment services, including portfolio and risk management services. For the Company, Artemis Fund Managers Limited is the AIFM.

Alternative Performance Measure ('APM')

An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Banker and Custodian

Is a bank that is responsible for holding an investment fund's or investment company's assets and securities and maintaining their bank accounts. For the Company, J.P. Morgan Chase Bank N.A. is the banker and custodian.

Contracts For Difference ('CFD')

A contract for difference is a derivative. It is a contract between the Company and an investment house at the end of which the parties exchange the difference between the opening price and the closing price of the underlying asset of the specified financial instrument. It does not involve the Company buying or selling the underlying asset, only agreeing to receive or pay the movement in its share price. A contract for difference allows the Company to gain access to the movement in the share price by depositing a small amount of cash known as margin. The Company may seek to benefit from the asset price rising, by buying ("long" position) or falling, by selling ("short" position). If the Company trades long, dividends are received and interest is paid. If the Company trades short, dividends are paid and interest is received. CFDs can be used to replicate the effects of gearing.

Depositary

Is a financial institution that provides certain fiduciary services to investment funds or investment companies. The AIFMD requires that investment funds and investment companies have a depositary appointed to safe-keep their assets and oversee their affairs to ensure that they comply with obligations in relevant laws and constitutional documents. For the Company, J.P. Morgan Europe Limited is the depositary.

Discount/Premium

If the share price of an investment trust is lower than the net asset value per share, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage of the net asset value per share. If the share price is higher than the net asset value per share, the shares are said to be trading at a premium.

Gearing

Gearing is the process whereby changes in the total assets of a company have an exaggerated effect on the net assets of that company's ordinary shares due to the use of borrowings.

	As at 31 October 2020 £'000	As at 30 April 2020 £'000	As at 31 October 2019 £'000
Total assets	139,585	122,454	143,433
Gross exposure of CFDs	13,793	11,678	–
Cash and cash equivalents	39	(5,162)	(892)
	153,417	128,970	142,541
Net assets	139,585	122,454	143,433
Net gearing	9.9%	5.3%	0.0%
Net cash	0.0%	0.0%	0.06%

Net asset value

Net asset value represents the total value of the Company's assets less the total value of its liabilities, and is normally expressed on a per share basis.

Ongoing charges

Total expenses (excluding financial costs, performance fees and taxation) incurred by the Company as a percentage of average net asset values.

	Six months ended 31 October 2020 £'000	Year ended 30 April 2020 £'000	Six months ended 31 October 2019 £'000
Investment management fees	406	869	429
Other expenses	189	494	242
Total expenses	595	1,363	671
Average net assets (12 months)	137,656	141,186	140,186
Ongoing charges*	0.9%	0.9%	0.9%

* Ongoing charges are based on expenses waived over the prior twelve month period and so may be slightly different to the arithmetic calculation.

Total return

The total return on an investment is made up of capital appreciation (or depreciation) and any income paid out (which is deemed to be reinvested) by the investment. Measured over a set period, it is expressed as a percentage of the value of the investment at the start of the period.

Net asset value total return

	31 October 2020 p	30 April 2020 p	31 October 2019 p
Opening net asset value	309.38	354.47	354.47
Closing net asset value	352.66	309.38	360.84
Dividends paid	3.10	5.60	3.50
	15.0%	(11.3%)	2.9%

Share price total return

	31 October 2020 p	30 April 2020 p	31 October 2019 p
Opening share price	249.00	290.00	290.00
Closing share price	268.00	249.00	296.00
Dividends paid	3.10	5.60	3.50
	8.8%	(12.5%)	3.4%

The total returns percentages assumes that dividends paid out by the Company are re-invested into shares at the value on the ex-dividend date and so the figure will be slightly different to the arithmetic calculation.

General information

Directors

Duncan Budge (Chairman)
John Ayton
Blathnaid Bergin
Jamie Korner
Victoria Stewart (appointed 31 May 2019)

Registered Office

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An investment company as defined under Section 833 of the Companies Act 2006.

Registered in England Number: 253644.

Website

artemisalphatrust.co.uk

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