

ARTEMIS
Investment *Funds*
ICVC

Half-Yearly Report (unaudited)
for the six months ended 31 August 2017

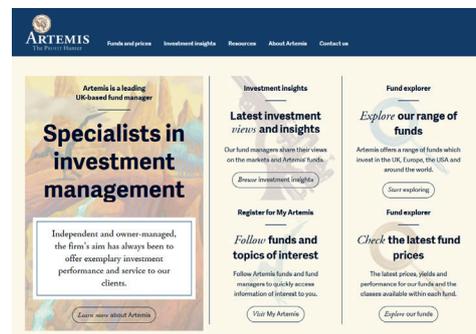


ARTEMIS
The PROFIT Hunter

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* These items comprise the authorised corporate director's report for the purposes of the rules contained in the Collective Investment Schemes Sourcebook.

Company information

About Artemis...

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

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

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

The firm now manages some £26.4 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 30 September 2017.

The company

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

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

The company is registered for sale in Austria, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Singapore, Spain, Sweden and Switzerland. Such registrations are subject to applicable local laws and regulations and some sub-funds and/or share classes may not be available in all jurisdictions.

Prospectus

Copies of the most recent Prospectus are available free of charge from the authorised corporate director ('ACD') at the address on page 91.

Half-Yearly Report

We are pleased to present the Half-Yearly Report of the company for the six months ended 31 August 2017. As required by the Regulations, information for each of the sub-funds has been included in this report. On the following pages we present the performance of each of those sub-funds during the period.

Sub-fund cross holdings

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

Significant events

The launch dates of the share classes in the period are detailed in the table on page 92.

Further information is contained in the Prospectus which is available from the ACD at the address or website shown on page 91.

Report of the authorised corporate director

We hereby approve the Half-Yearly Report of Artemis Investment Funds ICVC for the six months ended 31 August 2017 on behalf of Artemis Fund Managers Limited in accordance with the requirements of Collective Investment Schemes Sourcebook ('COLL') as issued and amended by the FCA.

M J Murray
Director

R J Turpin
Director

Artemis Fund Managers Limited
London
13 October 2017

Artemis Global Emerging Markets Fund

Investment objective and policy

The objective of the Artemis Global Emerging Markets Fund (the 'sub-fund') is to achieve positive long-term returns through a combination of capital growth and income.

The sub-fund invests principally in companies listed, quoted and/or traded in emerging market countries and in companies which are headquartered or have a significant part of their activities in emerging markets which are quoted on a regulated market in developed countries.

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

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

Risk and reward profile



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the sub-fund.
- The sub-fund is in the category shown because it invests in the shares of a wide range of companies in emerging markets.
- The risk category shown is not guaranteed and may change over time.
- A risk indicator of "1" does not mean that the investment is "risk free". The risks of investing in the sub-fund include:
 - The price of shares, and the income from them, can fall and rise because of stock market and currency movements.
 - Stock market prices, currencies and interest rates can move irrationally and can be affected unpredictably by diverse factors, including political and economic events.
 - The sub-fund's assets will be invested in new, emerging markets. Investment in emerging markets can involve greater risk than that usually associated with more established markets. This means that above-average rises and falls in share prices can be expected.
 - The sub-fund's assets will primarily be invested in a currency other than the sub-fund's accounting currency (sterling). The value of these assets, and the income from them, may decrease if the currency falls in relation to sterling, in which the sub-fund is valued and priced.
 - Investments in fixed interest securities are subject to market and credit risk and will be impacted by movements in interest rates. Interest rate movements are determined by a number of economic factors, in particular market expectations of future inflation.
- The sub-fund may hold derivatives

with the aim of profiting from falling prices. If the related assets rise in value the sub-fund will lose money.

Artemis Global Emerging Markets Fund – Investment review

- The fund returned 15.2%* versus the benchmark's 14.0%*.
- Stockpicking helps performance.
- Demand for emerging market assets remains strong.

Performance – The recovery picks up ...

The fund returned 15.2% in the six months to 31 August 2017, outperforming both the benchmark, the MSCI Emerging Markets Index, which rose by 14.0%, and the peer group, which returned 13.6%*.

We launched the fund two-and-a-half years ago, in what was a challenging environment for emerging markets. The last 18 months, however, have proved much more favourable. Importantly for longer-term investors, the fund's return since inception of 37.6%* puts it comfortably ahead of the benchmark's 31.2%*. Chart 1 shows its performance since launch.

Chart 1: Performance since launch, Artemis GEM and MSCI Emerging Markets Index (in sterling)



Source: Lipper.

SmartGARP® – Evidence-based investing ...

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

SmartGARP screens 2,200 stocks across emerging markets, looking for those whose valuation appears out of line with their growth prospects and where there is a catalyst that might cause investors to re-appraise their views about the company. And while SmartGARP helps partly by singling out potentially undervalued stocks, it also monitors whether the reasons for investing in our existing holdings are still valid.

The last six months have been no different to our experience of the last 13 years: we have once again found the unemotional and objective yardstick of SmartGARP to be an extremely useful tool.

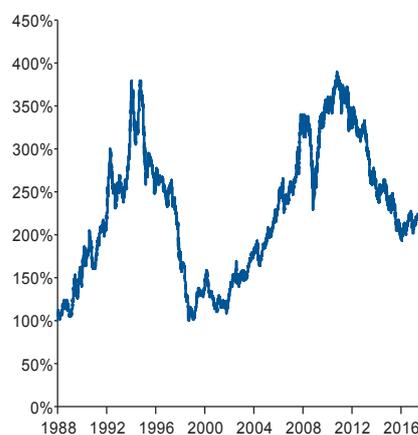
Review – Outperforming developed markets ...

Investors are increasingly being swayed by the improved fundamentals of emerging market companies. In aggregate, emerging economies are running current account surpluses and even the more fragile economies have reduced their deficits. This more positive economic backdrop has led to a recovery in profit margins for many companies. Analysts' estimates for earnings growth have been too conservative and have been revised upwards over the year.

A strengthening global economy, an improving outlook for earnings growth and particularly good performance from technology companies have been the main features of 2017. By the end of August, emerging market

stocks were up 28.5% on the year (in US dollar terms), outperforming developed markets by almost 13.0%.

Chart 2: Emerging markets relative performance versus developed markets (MSCI indices in US dollars)



Source: MSCI/Bloomberg.

This pick up appears to be restoring the longer-term trend of emerging markets outperforming developed markets – a trend that had been challenged in recent times. The strong rise of some of the largest markets (such as China, India and South Korea) is a reflection of the broad-based recovery that emerging markets are undergoing.

Technology and consumer discretionary stocks have led the market upwards. Technology stocks have surged, fuelled by demand for a range of components used in electronics. Korean equities – where technology makes up 50% of the market – have risen 28% this year. One of the largest constituents, Samsung, rose by more than 30%. The company still makes a significant portion of its revenue from the sale of smartphones, although growth in this area is diminishing. Demand for its displays and memory chips is growing strongly and has boosted earnings.

Chinese equities have also outperformed, rising 41%. The gains can be explained in large part by the country's shift to a consumer-led economy. Consumer trends are

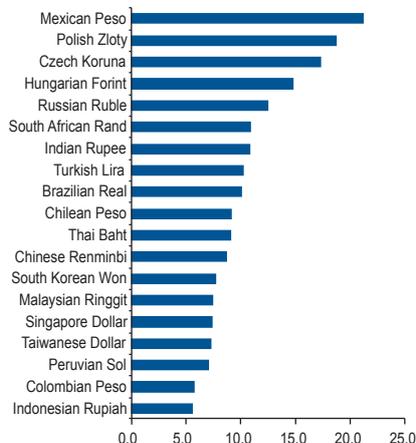
* Source: Lipper Limited, class I accumulation GBP shares, mid to mid basis, in sterling with dividends reinvested to 31 August 2017. Benchmark is MSCI Emerging Markets Index (GBP).

driving corporate profits, whether it is the rising demand for cars (SUVs in particular), or the increasing use of e-commerce and social media. The influence China has over the global economy is a substantial one and the decision by index provider MSCI to include domestically listed China A-shares within its emerging market indices as of June next year means its share of the global stock market is going to get even bigger.

Given commodity and energy prices have lost momentum from their rally in 2016, the continued strength of emerging market stocks may be seen as unusual. In the past, periods of weak commodity prices have tended to go hand in hand with falls in emerging market stocks. Although unusual, the divergence this year is not surprising given how the constituents of the market have changed over time. Ten years ago, the top three sectors in the MSCI Emerging Markets Index by weight were financials, energy and resources. But now, reflecting global demand for goods made in emerging markets and the strength of their domestic consumers, the top three sectors are technology, financials and consumer discretionary. So, in aggregate, emerging markets are much less dependent on commodity prices than they were historically.

A major concern for investors at the start of the year was the impact a stronger dollar might have on emerging markets. Indeed the consensus view was that the dollar would rise over the year. But as is often the case when the weight of opinion is skewed in one direction, the exact opposite has occurred. Not only has the dollar rally failed to materialise, but – as an indication of the resilience of emerging market economies – every major emerging market currency actually appreciated against the dollar (Chart 3).

Chart 3: Year-to-date performance of emerging market currencies (total return against trade-weighted US dollar)



Source: Bloomberg.

Political risk has remained evident in some areas. In May, President Michel Temer in Brazil was charged with corruption, following an alleged involvement in bribery with JBS, one of the world's largest meat producers. Brazil has not been far from political scandal – it was only a year ago that Temer's predecessor Dilma Rousseff was ousted in an impeachment plot. While the political turmoil last year did not prevent Brazil being one of the best performing markets globally, this year's events have been met with more scepticism from investors. On the day that the news broke of the alleged cover-up, the Brazilian equity market opened 10% lower. These concerns were short-lived, however, and Brazilian shares recovered their losses over the next few months. More recently, South Korean stocks have fallen amid rising regional tensions with North Korea.

These events are not uncommon in emerging markets. Political instability and associated volatile moves in asset prices have come to be expected. However, it is the improved growth outlook combined with cheap valuations relative to developed markets that investors should be focusing on. These have certainly proved a much more compelling reason to invest over time.

Attribution – Positive stockpicking ...

Our country tilts (which tend to be small) had no real impact on relative performance, but our sector positioning did detract slightly. The strong performance seen in 2016 from our holdings in the resources sector didn't continue: iron ore producers Kumba Iron Ore and Vale both fell in the period. Regrettably, we had too much allocated to resources stocks and not enough to technology over the period.

The main reason for our outperformance was positive stock selection. In particular, our positions in a number of Asian companies rose substantially. Notable performers included Chinese companies such as Geely Automobile Holdings (car maker), Wanhua Chemical Group, IGG (online games) and Sunny Optical Technology Group (optical hardware).

Geely Automobile Holdings continued its meteoric rise, climbing 75%, fuelled by increasing demand for SUVs in China. Having started the year with a target to sell a million cars, management increased that target for 2017 by 10% in July. We invested in the company in late 2015 because of its cheap valuation and attractive growth prospects. As those growth forecasts have proved to be too conservative, the share price has surged, rising five-fold since we first bought it.

Sunny Optical (up 117%) benefits from similar consumer trends. The demand for more advanced cameras in mobile phones and cars has led to strong growth in its various lens technology businesses. It is the leader in hybrid lens technology and is increasingly becoming a key player in 3D cameras. It is the leader in the market for vehicle lenses and is increasing its share.

While the growth prospects for these strong performers remain fairly robust, valuations are no longer as attractive as they once were. In general, we are happy to run our winners, unless

Artemis Global Emerging Markets Fund – Investment review (continued)

there is a strong reason to believe the investment case has become undermined. But in Geely Automobile Holdings' case we felt it necessary to take some profits and re-allocate the capital into companies with more appealing valuations.

Transactions – Increasing China, financials and cyclical ...

The financials sector is attractively valued. As a number of emerging market economies have improved their fiscal health in the last few years, we think the environment should be supportive for domestic banks. Plenty of them offer cheap valuations: Malayan Banking (Malaysia), China Construction Bank and Shinhan Financial Group (South Korea) were all significant purchases in the period.

Our weighting to China also increased. Following impressive quarterly results we added to Tencent Holdings, China's largest social media platform and insurer Ping An Insurance, a beneficiary of the country's large and growing middle classes. Additional purchases were in infrastructure-related plays such as Anhui Conch Cement (cement) and Jiangsu Expressway (toll roads).

These purchases were partly funded by reducing the fund's exposure to Taiwan. We sold out of Taiwan Semiconductor Manufacturing, Fubon Financial and Chroma following disappointing results. Elsewhere, we reduced exposure in materials, with Siam Cement and Lotte Chemical leaving the portfolio.

The outcome of these changes means that we end the period with overweight positions in China, Turkey and South Korea and underweights in Taiwan, India and South Africa. Within sectors we remain tilted towards more cyclical areas of the market, being overweight in industrials and chemicals. And – in contrast to many of our peers – we continue to have less exposure to the more expensive segments of the market, such as technology and food and beverages.

Chart 4: Time for a comeback? Value vs. Growth



Source: MSCI/Bloomberg. MSCI Value and MSCI Growth indices in USD, total return.

One thing that has not changed is our bias towards value stocks. The fund continues to offer highly attractive financial characteristics: it trades on a price-to-earnings ratio of 9.6x compared with 12.7x for the market – a 24% discount.

As investors have shifted to the 'safety' of stable growth stocks, value stocks have resumed their underperformance this year. Amid a synchronised global economic recovery, we still believe that the outlook for value stocks remains promising. As Chart 4 illustrates, the potential for value stocks' performance to catch up with that of growth stocks is significant in both emerging and developed markets.

Outlook – Emerging markets in a sweet spot, focus on stockpicking ...

Emerging market equities' strong run has not gone unnoticed – flows into all emerging market assets have increased this year. The hunt for higher-yielding securities has driven flows into emerging market debt while the combination of cheap valuations and superior growth has spurred demand for emerging market equities. With global economic growth remaining strong, this improved sentiment makes for a favourable outlook for emerging markets. We thus remain optimistic about the

prospects for the fund.

Finally, while a resumption of the outperformance of value stocks would provide a further boost to the fund's performance, it is the quality of our stockpicking that will continue to reward investors.

Peter Saacke and Raheel Altaf
Fund managers

Artemis Global Emerging Markets Fund – Investment information

Five largest purchases and sales for the six months ended 31 August 2017

Purchases	Cost £'000	Sales	Proceeds £'000
Tencent Holdings	2,330	Taiwan Semiconductor Manufacturing	2,167
Ping An Insurance Group Co. of China H shares	2,041	Siam Cement	1,103
Alibaba Group Holding, ADR	1,645	Lotte Chemical	1,098
China Construction Bank H shares	1,472	Changyou.com, ADR	1,047
Malayan Banking	1,390	China Railway Group H shares	1,042

Portfolio statement as at 31 August 2017

Investment	Holding	Valuation £'000	% of net assets
Equities 99.61% (99.49%)			
Brazil 4.46% (6.71%)			
Banco Bradesco Preference shares	209,220	1,729	1.62
Cia de Saneamento Basico do Estado de Sao Paulo	37,000	290	0.27
Cia de Transmissao de Energia Eletrica Paulista Preference shares	37,000	632	0.59
Itausa - Investimentos Itau Preference shares	130,000	331	0.31
Qualicorp	63,000	536	0.50
Vale Preference shares	161,000	1,245	1.17
		4,763	4.46
China 32.51% (24.52%)			
Alibaba Group Holding, ADR	24,600	3,271	3.06
Anhui Conch Cement H shares	283,000	817	0.77
Bank of China H shares	4,737,000	1,932	1.81
Bank of Communications H shares	476,000	282	0.26
China Cinda Asset Management H shares	2,000,000	576	0.54
China Communications Construction H shares	840,000	867	0.81
China Communications Services H shares	1,650,000	694	0.65
China Construction Bank H shares	4,174,000	2,837	2.66
China Hongqiao Group †	942,000	330	0.31
China Lesso Group Holdings	1,020,000	565	0.53
China Mobile	119,000	980	0.92
China Petroleum & Chemical H shares	1,296,000	770	0.72
China Resources Land	226,000	547	0.51
China Shenhua Energy H shares	607,000	1,214	1.14
China State Construction Engineering (J.P. Morgan) warrant 20/04/2020	619,000	727	0.68
Daqin Railway A shares	299,904	323	0.30
ENN Energy Holdings	186,000	929	0.87
Geely Automobile Holdings	950,000	1,812	1.70
Guangzhou Automobile Group H shares	904,000	1,383	1.30
Guangzhou R&F Properties H shares	180,000	327	0.31
Huishang Bank H shares	2,059,200	803	0.75
Jiangsu Expressway H shares	598,000	707	0.66
Midea Group A shares	243,896	1,176	1.10
Ping An Insurance Group Co. of China H shares	425,000	2,621	2.45
Sinotrans H shares	1,460,000	640	0.60
Sunny Optical Technology Group	86,000	955	0.89

Artemis Global Emerging Markets Fund – Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Tencent Holdings	82,000	2,675	2.51
Wanhua Chemical Group A shares	384,000	1,628	1.53
YY, ADR	25,400	1,402	1.31
Zhejiang Expressway H shares	948,900	922	0.86
		34,712	32.51
Cyprus 1.23% (0.00%)			
Globaltrans Investment, GDR	166,000	1,315	1.23
		1,315	1.23
Czech Republic 0.61% (0.00%)			
Komerční banka	19,000	650	0.61
		650	0.61
Egypt 0.39% (0.62%)			
Telecom Egypt	750,000	415	0.39
		415	0.39
Greece 2.22% (1.08%)			
FF Group	36,000	693	0.65
Motor Oil Hellas Corinth Refineries	49,000	851	0.80
Mytilineos Holdings	106,000	824	0.77
		2,368	2.22
Hong Kong 1.27% (3.37%)			
Xinyi Glass Holdings	418,000	323	0.31
Yue Yuen Industrial Holdings	308,000	1,027	0.96
		1,350	1.27
Hungary 0.78% (0.84%)			
MOL Hungarian Oil & Gas	11,800	837	0.78
		837	0.78
India 4.84% (5.27%)			
HCL Technologies	27,868	289	0.27
Hindustan Petroleum	100,000	593	0.56
Hindustan Petroleum (Morgan Stanley) Warrant 25/04/2018	76,500	454	0.43
JSW Steel	367,000	1,130	1.06
Power Grid Corp. of India	281,000	746	0.70
Power Grid Corp. of India (Morgan Stanley) Warrant 23/10/2017	355,000	943	0.88
Tata Steel	83,000	643	0.60
Vedanta	98,000	368	0.34
		5,166	4.84
Indonesia 3.84% (2.20%)			
Bank Tabungan Negara Persero	6,820,000	1,190	1.11
Pembangunan Perumahan Persero	3,970,000	647	0.61
Tambang Batubara Bukit Asam Persero	590,000	425	0.40
Telekomunikasi Indonesia Persero	6,745,000	1,841	1.72
		4,103	3.84
Kenya 1.20% (1.08%)			
Safaricom (Merrill Lynch International) Warrant 13/06/2019	6,860,000	1,278	1.20
		1,278	1.20

Investment	Holding	Valuation £'000	% of net assets
Malaysia 3.26% (0.58%)			
CIMB Group Holdings	935,000	1,200	1.12
Hartalega Holdings	660,000	814	0.76
Malayan Banking	854,000	1,469	1.38
		3,483	3.26
Mexico 1.46% (1.49%)			
America Movil	800,000	582	0.54
Banregio Grupo Financiero	197,000	979	0.92
		1,561	1.46
Oman 0.00% (0.24%)			
Panama 0.95% (0.00%)			
Copa Holdings A shares	10,700	1,016	0.95
		1,016	0.95
Peru 1.11% (0.73%)			
Credicorp	7,600	1,189	1.11
		1,189	1.11
Poland 1.25% (1.10%)			
Enea	306,000	997	0.94
Polski Koncern Naftowy ORLEN	13,000	332	0.31
		1,329	1.25
Russia 2.89% (5.78%)			
LSR Group, GDR	148,000	335	0.32
Lukoil, ADR	35,989	1,400	1.31
Surgutneftegas, ADR	115,000	404	0.38
Tatneft, ADR	20,700	632	0.59
X5 Retail Group, GDR	10,000	309	0.29
		3,080	2.89
Singapore 0.44% (0.50%)			
IGG	390,000	474	0.44
		474	0.44
South Africa 1.56% (4.90%)			
Adcock Ingram Holdings	200,000	752	0.70
Naspers N shares	3,200	555	0.52
Shoprite Holdings	26,800	359	0.34
		1,666	1.56
South Korea 18.10% (17.01%)			
Daewoo Engineering & Construction	137,000	665	0.62
Dongbu Insurance	10,000	519	0.49
Hyosung	3,700	404	0.38
Hyundai Marine & Fire Insurance	45,000	1,432	1.34
KT	5,117	125	0.12
KT, ADR	30,600	393	0.37
LG Chem	8,700	2,273	2.13
LG Uplus	92,000	873	0.82
Lotte Hi-mart	15,000	708	0.66
POSCO	5,300	1,255	1.17
Samsung Electronics	2,318	3,704	3.47

Artemis Global Emerging Markets Fund – Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Samsung Electronics, GDR	1,160	929	0.87
SFA Engineering	24,000	625	0.58
Shinhan Financial Group	60,000	2,150	2.01
SK Hynix	39,500	1,870	1.75
SK Innovation	5,400	701	0.66
Woori Bank	55,000	704	0.66
		19,330	18.10
Taiwan 6.13% (12.59%)			
Catcher Technology	110,000	1,087	1.02
Formosa Plastics	471,000	1,138	1.07
Gourmet Master	26,950	249	0.23
Hon Hai Precision Industry	794,000	2,404	2.25
Tripod Technology	575,000	1,666	1.56
		6,544	6.13
Thailand 2.46% (5.38%)			
PTT	102,500	954	0.89
Thanachart Capital	720,200	788	0.74
Tisco Financial Group	510,000	889	0.83
		2,631	2.46
Turkey 5.58% (1.97%)			
Akbank	431,000	999	0.94
KOC Holding	258,000	1,043	0.98
Soda Sanayii	723,985	846	0.79
Tofas Turk Otomobil Fabrikasi	162,000	1,148	1.07
Turkcell Iletisim Hizmetleri	267,000	791	0.74
Turkiye Halk Bankasi	341,000	1,133	1.06
		5,960	5.58
Ukraine 0.00% (0.35%)			
United States of America 0.00% (0.46%)			
Vietnam 1.07% (0.72%)			
Hoa Phat Group	956,700	1,145	1.07
		1,145	1.07
Investment assets		106,365	99.61
Net other assets		420	0.39
Net assets attributable to shareholders		106,785	100.00

The comparative percentage figures in brackets are as at 28 February 2017.

† Unlisted, suspended or delisted security.

Artemis Global Emerging Markets Fund – Financial statements

Statement of total return for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		11,851		8,809
Revenue	2,037		1,118	
Expenses	(449)		(218)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	1,588		899	
Taxation	(175)		(106)	
Net revenue after taxation		1,413		793
Total return before distributions		13,264		9,602
Distributions		106		53
Change in shareholders' funds from investment activities		13,370		9,655

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		67,729		25,587
Amounts receivable on issue of shares	27,262		12,563	
Amounts payable on cancellation of shares	(1,606)		(433)	
		25,656		12,130
Dilution adjustment		30		32
Change in shareholders' funds from investment activities		13,370		9,655
Closing net assets attributable to shareholders		106,785		47,404

Balance sheet as at 31 August 2017

	31 August 2017	28 February 2017
	£'000	£'000
Assets		
Fixed assets		
Investments	106,365	67,381
Current assets		
Debtors	1,382	684
Cash and bank balances	516	1,211
Total current assets	1,898	1,895
Total assets	108,263	69,276
Liabilities		
Creditors		
Distribution payable	-	647
Other creditors	1,478	900
Total creditors	1,478	1,547
Total liabilities	1,478	1,547
Net assets attributable to shareholders	106,785	67,729

Artemis Global Emerging Markets Fund – Notes to the financial statements

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 28 February 2017 as set out therein.

2. Post balance sheet events

Since 31 August 2017, the net asset values per share have changed as follows:

	Net asset value per share		Movement
	12 October 2017	31 August 2017	
I accumulation EUR	111.58c	108.37c	3.0%
I distribution GBP	131.31p	130.56p	0.6%
I accumulation GBP	138.29p	137.49p	0.6%
I accumulation USD	121.66c	118.23c	2.9%

Artemis Global Emerging Markets Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
29 February 2016	25,586,765		
I accumulation EUR		74.50c	10,000
I distribution GBP		78.40p	13,420,725
I accumulation GBP		80.49p	18,702,105
I accumulation USD		74.56c	10,000
28 February 2017	67,729,192		
I accumulation EUR		101.72c	10,000
I distribution GBP		113.40p	22,910,371
I accumulation GBP		119.39p	34,956,178
I accumulation USD		99.20c	10,000
31 August 2017	106,784,569		
I accumulation EUR		108.37c	12,726
I distribution GBP		130.56p	30,247,746
I accumulation GBP		137.49p	48,616,938
I accumulation USD		118.23c	477,246

Ongoing charges

Class	31 August 2017
I accumulation EUR	1.00%
I distribution GBP	1.00%
I accumulation GBP	1.00%
I accumulation USD	1.00%

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

Fund performance

	Since launch*	1 year	6 months
Artemis Global Emerging Markets Fund	37.6	31.8	15.2
MSCI Emerging Markets Index (GBP)	31.2	26.6	14.0
Sector average	34.2	25.8	13.6
Position in sector	21/57	5/61	23/61
Quartile	2	1	2

* Data from 8 April 2015. Source: Lipper Limited, class I accumulation GBP shares, mid to mid basis, in sterling to 31 August 2017. All performance figures show total returns with dividends reinvested, percentage growth. Sector is IA Global Emerging Markets. Performance details for each share class is shown on page 87.

Artemis Global Equity Income Fund

Investment objective and policy

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

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

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

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

Risk and reward profile



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the sub-fund.
- The sub-fund is in the category shown because it invests in the shares of a wide range of companies in emerging markets.
- The risk category shown is not guaranteed and may change over time.
- A risk indicator of "1" does not mean that the investment is "risk free". The risks of investing in the sub-fund include:
 - The price of shares, and the income from them, can fall and rise because of stock market and currency movements.
 - Stock market prices, currencies and interest rates can move irrationally and can be affected unpredictably by diverse factors, including political and economic events.
 - The sub-fund's assets will be invested in new, emerging markets. Investment in emerging markets can involve greater risk than that usually associated with more established markets. This means that above-average rises and falls in share prices can be expected.
 - The sub-fund's assets will primarily be invested in a currency other than the sub-fund's accounting currency (sterling). The value of these assets, and the income from them, may decrease if the currency falls in relation to sterling, in which the sub-fund is valued and priced.

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

■ The sub-fund may hold derivatives with the aim of profiting from falling prices. If the related assets rise in value the sub-fund will lose money.

Performance

Helped by accelerating economic activity in the global economy and by remarkably strong corporate earnings reports, stock market indices continued to set new all-time highs. The fund, meanwhile, produced a positive return but lagged its benchmark, returning 3.3%* versus a return of 5.2%* from the benchmark in the reporting period. As will be described below, the fund's income focus and exposure to value as an investment style was the main reason for the underperformance versus the benchmark which itself was higher by a strong rally in (often non-yielding) growth stocks.

As liquidity conditions loosened (thanks to the falling dollar, lower corporate bonds spreads and a generally falling risk-free rate globally) emerging markets rallied and the VIX, a measure of how much investors will pay to insure against volatility, touched new lows. That might seem indicative of a mood of confidence and optimism. Look beyond that, however, and the picture becomes more complicated ...

Although economic data pointed to continued growth, share prices of companies whose earnings can grow independently of the wider economy ('secular growth' stocks) significantly outperformed less richly valued stocks of companies whose fortunes are more dependent on the economic cycle ('cyclical value'). In this environment, the fund's overweights in financials (beneficiaries of higher yields and steeper yield curves, something that didn't happen in the reporting period) and cyclical value stocks (cyclical growth, not secular growth) was unhelpful, as was remaining underweight-to-neutral in emerging markets (although – as we explain below, we have been moving towards a more neutral positioning in this space).

A more positive development was that our European overweight generated a positive contribution. As the political

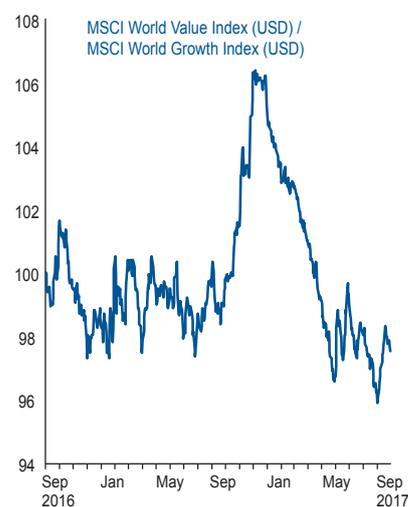
uncertainty that once hung over Europe has diminished, investors have grown more willing to recognise the fundamental attractions of our stocks there. Set against that was the negative effect of our currency hedges: we hedge away some of the currency risk that the fund would otherwise assume relative to the global benchmark through its large overweight in Europe and underweight in the US. We don't want to be overweight in both European equities and the euro. So while the overweight position in European stocks was positive, our hedges (selling euro and buying the US dollar) meant we gave back some of the additional return we would otherwise have received from the euro's strength.

Review

After the reflationary trends the second half of 2016, hopes that the 10-year US Treasury yield might break out to +3% have proved misplaced. Instead, yields have largely moved sideways. In part, that was because the effects of China's stimulus began to fade. The rate of growth in the US economy, meanwhile, slowed in the first quarter of the year (although it has since picked up). And Trump's failure to deliver hoped-for stimulus, whether through an infrastructure programme or tax cuts, also contributed to the shift in sentiment. The result was another rotation basically undoing in the first half of 2017 what had been done in H2 2016: out of value stocks and back into growth, both as a place to hide and as a place to get some 'secular' growth (some technology stocks are growing rapidly, irrespective of what the US economy is doing). One consequence is that gains in the US market have rested on a relatively narrow group of large-cap stocks (for example, Facebook, Amazon, Netflix, Apple and Google) whose lack of dividends debar them from being held by a fund with an income target. We remain focused on delivering a high 3.5% dividend yield and growing

distribution and could not move freely into the areas on which the market was focusing.

Value's turn: value significantly outperformed growth in late 2016 – but soon gave back those gains.



Source: Bloomberg.

Developments in Europe, however, were more positive. The political situation in the eurozone stabilised significantly: the shock of the Brexit vote faded; France chose a pro-European centrist as president (although we appreciate his approval rating is now shockingly low) and Chancellor Merkel's position began to look increasingly assured culminating in another election victory. Trump's failure to deliver on promises made during the campaign, in conjunction with a European market that was becoming investable again, contributed to investors' waning interest in the US. So, after a long period in which Europe had been out of favour, it began attracting capital. As a result, the fund's overweight in Europe was rewarded, reflecting the fact that Europe's emerging business cycle is young and that in the US, by comparison, is relatively mature. Overall though, we do think the global economy is more "mid-cycle" than "late-cycle", especially as we are still not seeing properly inflationary effects from declining output gaps. This "mid-cycle" view gives us some comfort in our pro-cyclical positioning.

* Source: Lipper Limited, class I accumulation GBP shares, mid to mid basis, in sterling with dividends reinvested to 31 August 2017. Benchmark is MSCI All Country World Index (GBP).

Artemis Global Equity Income Fund – Investment review (continued)

While the fund has been overweight in Europe since its launch in 2015, it has tended to be underweight-to-neutral in emerging markets. That has now changed. Although we are slightly late to the party here, we must acknowledge that – with a weak dollar, strong economic growth and a dovish US Federal Reserve ('the Fed') – it's not surprising that investors are flocking to Asia for secular growth. An important change is taking place in emerging markets. It is becoming clear that the stocks driving emerging market indices higher are no longer miners, cyclical stocks or those geared into global growth. Instead, they are increasingly companies that profit from, for example, dynamics in China's consumer economy. In some ways, the idea of grouping together the so-called BRIC (Brazil, Russia, India and China) economies has been rendered somewhat intellectually inconsistent: Chinese technology stocks are moving in sympathy with US technology stocks while Brazilian equities move in line with commodity prices.

Although we make our allocations to different regions and sectors of the global market based on our understanding of the macro-economic environment, we are primarily stockpickers. On a stock level, Storebrand, a Norwegian life insurer was one of our best performers over the last six months. It is seeing company-specific change as major shareholders urge it to change the composition of its board and, in general, try to give the company a greater focus on generating free cashflows and dividends. We bought it just before it resumed paying a dividend. Yet now it is forecasting a dividend yield of 4.5% for 2018, and predicting a handsome rise in that for the foreseeable future.

Staying in Europe, some of the biggest contributions have come from our holdings in three Italian telecoms and TV 'tower' companies: Infrastrutture Wireless Italiane, RAI Way and EI Towers. These are essentially stable infrastructure assets with long-term contracts

with telecom providers (such as Vodafone and Telecom Italia) as well as broadcasters such as RAI (Italy's state-owned broadcaster) and Silvio Berlusconi's Mediaset empire. The towers businesses combine steady growth in earnings and predictable business models that hold up well through the economic cycle. They currently have low levels of debt (perhaps even too low for such stable businesses) and modest valuations. These holdings began to perform well as investors returned to Europe to buy 'mis-priced' assets. On top of that, there are signs the Italian broadcast and telecoms tower sector will gain blessing from regulators to consolidate, leading to strong synergies and cost savings. This has prompted a very strong rally. We think these are perfect holdings for an income fund. They yield 4.5%-5% and we expect these dividends to grow by high single digits annually. All three stocks still feature in the fund's top-20 holdings.

Outlook

The Fed likes to say that its decisions on monetary policy are "data-dependent". Given that the current economic – and thus the market – environment is so uncertain, our approach also depends on the data. We will continue to respond to changes in the macroeconomic environment and in the positioning of other investors, shifting the balance of the portfolio as needed.

The current synchronised economic expansion across all regions of the globe won't last forever – but we acknowledge its strength and current (self-feeding) momentum. Growth in the global economy in the third quarter of 2017 could be the strongest it has been for seven years. Europe might still be mired in political uncertainty, yet it is seeing the strongest growth in close to a decade. House prices are rising and we are seeing signs of skilled labour shortages in the 'core' eurozone economies. China is growing and commodity prices are rising. Furthermore, the last two

quarterly earnings seasons have been extremely positive – even the analysts and investors perpetually anticipating deflation and recession must accept that. Their tendency, however, is to move on immediately from acknowledging the fact that growth has (to put it mildly) overshot their predictions to forecasting that a recession is still just around the corner.

Although we expect growth to moderate, momentum in the global economy is holding up well for now. The main risks to this for the next 12 months come from geopolitics and the possibility that central banks tighten monetary policy too aggressively.

In addition to watching how the global business cycle evolves, we continue to keep a close watch on the US Fed, which faces two challenges in the months ahead. First, despite 'full' employment, there is a mysterious and persistent lack of inflation. For now, that is staying its hand, which in combination with the weaker dollar makes it possible that the US economy may overheat. We understand the argument that the interplay between technology and demographics has annulled old ideas, familiar from introductory classes in economics, about the relationship between unemployment and inflation (the so-called Philips curve). But we are not giving up entirely on the conventional wisdom that overheating economies ultimately produce inflation.

There is also the difficulty of predicting how markets might react as the Fed begins to shrink its \$4.5 trillion balance sheet. The effect of the Fed's ceasing to intervene in the government bond markets should mean that the price of bonds goes down and the yields up. But no central bank has ever tried to reverse a quantitative easing (QE) programme of this size before. It is impossible to predict what impact draining this liquidity from the financial system might have, although the Fed's actions have been very well telegraphed. If the reversal of QE creates a shock and crowded trades begin to unwind,

the fund's eclectic positioning should help to shelter it on a relative basis although most financial assets could get hit. We tend to avoid stocks popular with thematic ETFs and instead have holdings in areas such as European mid caps and in smaller countries such as Israel, Georgia and Denmark.

Yet while there are clear threats and challenges ahead, we are conscious that the widespread expectation that the next recession is imminent has been consistently misplaced. So we have increased our exposure to cyclical stocks and financial areas of the portfolio. In doing so we are seeking to benefit both from the strong economy and from valuations in sectors such as industrials, financials and materials that are 10% to 30% below the wider market. And news from our (still somewhat cheap) cyclical stocks remains good. Although it is wise not to be positioned too narrowly for any one outcome, some of the fund's largest holdings (such as General Motors, ITOCHU, CNH Industrial and Western Digital) are beneficiaries of stronger global growth. Offsetting that, however, we do own a number of less economically sensitive infrastructure assets in Europe.

Should the Fed make a policy mistake, we would hope to find some protection in valuation: the portfolio trades at a 20% discount to the global market in p/e terms, with similar earnings growth and a higher dividend yield - currently at around 3.5%. We acknowledge that political and economic conditions remain far from certain – but think the fund is still well-placed to prosper.

Jacob de Tusch-Lec
Fund manager

Artemis Global Equity Income Fund – Investment information

Five largest purchases and sales for the six months ended 31 August 2017

Purchases	Cost £'000	Sales	Proceeds £'000
Ping An Insurance Group Co. of China H shares	4,938	BHP Billiton	3,641
Western Digital	3,667	Bank of America	3,234
Intesa Sanpaolo	2,889	Zions Bancorporation	3,068
CNH Industrial	2,847	Seagate Technology	2,947
BHP Billiton	2,787	SKYCITY Entertainment Group	2,819

Portfolio statement as at 31 August 2017

Investment	Holding	Valuation £'000	% of net assets
Equities 101.83% (104.54%)			
Australia 3.42% (4.23%)			
BHP Billiton	245,928	3,618	2.66
Fortescue Metals Group	280,006	1,031	0.76
		4,649	3.42
Austria 0.29% (0.00%)			
Erste Group Bank	12,140	398	0.29
		398	0.29
Belgium 0.00% (0.27%)			
Brazil 2.75% (3.69%)			
Banco do Brasil	197,896	1,515	1.12
Cia Energetica de Minas Gerais Preference shares	1,055,934	2,218	1.63
		3,733	2.75
Canada 1.98% (1.72%)			
Franco-Nevada	7,446	466	0.34
Lundin Mining	254,078	1,510	1.11
Potash Corp. of Saskatchewan	53,580	717	0.53
		2,693	1.98
China 7.13% (2.31%)			
Anhui Conch Cement H shares	575,000	1,661	1.22
China Construction Bank H shares	1,963,000	1,334	0.98
China Mobile	101,500	836	0.62
China Yangtze Power A shares	189,915	335	0.25
Huaneng Power International H shares	818,000	414	0.30
Ping An Insurance Group Co. of China H shares	828,000	5,106	3.76
		9,686	7.13
Czech Republic 1.06% (1.74%)			
Moneta Money Bank	532,030	1,437	1.06
		1,437	1.06
Denmark 4.15% (3.40%)			
AP Moller - Maersk B shares	2,107	3,360	2.47
Danske Bank	35,044	1,056	0.78
DFDS	18,306	811	0.59
Novo Nordisk B shares	11,384	418	0.31
		5,645	4.15

Investment	Holding	Valuation £'000	% of net assets
France 4.76% (3.19%)			
Amundi	63,810	3,807	2.80
Danone	15,591	947	0.70
Natixis	296,434	1,709	1.26
		6,463	4.76
Georgia 1.31% (1.09%)			
BGEO Group	51,372	1,777	1.31
		1,777	1.31
Germany 4.51% (6.13%)			
Deutsche Pfandbriefbank	78,910	855	0.63
Drillisch	45,041	2,377	1.75
Hapag-Lloyd	15,081	499	0.36
Rheinmetall	30,540	2,404	1.77
		6,135	4.51
Hong Kong 0.46% (0.00%)			
AIA Group	104,000	619	0.46
		619	0.46
India 1.23% (0.00%)			
Indiabulls Housing Finance	113,908	1,678	1.23
		1,678	1.23
Israel 4.50% (2.46%)			
Bank Hapoalim	300,345	1,560	1.15
Bank Leumi	352,805	1,414	1.04
Bezeq The Israeli Telecommunication Corporation	1,005,022	1,127	0.83
Mizrahi Tefahot Bank	46,693	639	0.47
Shikun & Binui	760,664	1,373	1.01
		6,113	4.50
Italy 11.76% (9.45%)			
Assicurazioni Generali	96,788	1,343	0.99
Banco BPM	182,248	539	0.40
EI Towers	79,852	3,655	2.69
Infrastrutture Wireless Italiane	854,238	4,390	3.23
Intesa Sanpaolo	727,305	1,911	1.41
Mediobanca	82,466	658	0.48
Rai Way	709,511	2,991	2.20
Unipol Gruppo Finanziario	145,861	492	0.36
		15,979	11.76
Japan 5.42% (6.51%)			
Itochu	204,800	2,581	1.90
Kyushu Railway	30,900	744	0.55
Nippon Steel & Sumitomo Metal	44,200	814	0.60
ORIX	21,360	264	0.19
Sekisui House	99,200	1,326	0.97
Tokai Carbon	111,300	620	0.46
Toyo Tire & Rubber	68,500	1,019	0.75
		7,368	5.42

Artemis Global Equity Income Fund – Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Luxembourg 0.98% (1.40%)			
Tenaris	129,071	1,332	0.98
		1,332	0.98
Netherlands 0.00% (1.19%)			
New Zealand 0.29% (2.19%)			
Metlifecare	115,228	390	0.29
		390	0.29
Norway 5.15% (7.02%)			
Borr Drilling	191,344	549	0.40
Borregaard	90,630	823	0.60
Ocean Yield	104,302	703	0.52
Storebrand	774,493	4,931	3.63
		7,006	5.15
Russia 1.40% (0.88%)			
MMC Norilsk Nickel, ADR	41,093	536	0.39
Moscow Exchange MICEX-RTS	972,650	1,369	1.01
		1,905	1.40
Singapore 0.07% (0.00%)			
Mapletree Commercial Trust, REIT	108,000	95	0.07
		95	0.07
South Africa 0.22% (0.84%)			
Kumba Iron Ore	23,196	300	0.22
		300	0.22
South Korea 0.49% (0.00%)			
Posco Chemtech	29,465	671	0.49
		671	0.49
Spain 4.12% (4.15%)			
Euskaltel	338,461	2,665	1.96
Parques Reunidos Servicios Centrales	206,674	2,939	2.16
		5,604	4.12
Sweden 1.79% (1.28%)			
Nordea Bank	234,299	2,439	1.79
		2,439	1.79
Switzerland 0.75% (0.00%)			
Landis+Gyr Group	17,215	1,014	0.75
		1,014	0.75
United Kingdom 5.40% (5.88%)			
3i Group	190,589	1,834	1.35
CNH Industrial	318,706	2,790	2.05
Imperial Brands	42,603	1,362	1.00
Phoenix Group Holdings	84,644	661	0.49
Standard Life Aberdeen	160,248	692	0.51
		7,339	5.40
United States of America 26.44% (33.52%)			
AbbVie	23,771	1,364	1.00
Alcoa	50,532	1,689	1.24
Apple	7,088	899	0.66

Investment	Holding	Valuation £'000	% of net assets
Bank of America	44,432	823	0.61
Blackstone Group	73,076	1,845	1.36
Broadcom	12,358	2,361	1.74
Carlyle Group	81,242	1,312	0.96
Citigroup	63,480	3,353	2.47
Corning	88,903	1,978	1.46
General Motors	119,210	3,315	2.44
GEO Group, REIT	100,927	2,128	1.57
Hess	9,105	272	0.20
International Game Technology	72,571	1,161	0.85
KKR	133,828	1,969	1.45
Las Vegas Sands	31,042	1,459	1.07
Lazard A shares	20,651	682	0.50
Pfizer	20,654	536	0.39
Synchrony Financial	71,463	1,701	1.25
Wells Fargo	7,710	307	0.23
Western Digital	80,610	5,651	4.16
Zions Bancorporation	32,985	1,122	0.83
		35,927	26.44
Equities total		138,395	101.83
Forward currency contracts (0.81)% ((0.09)%)			
Buy US Dollar 14,984,749 dated 08/09/2017		11,633	8.56
Sell Euro 13,837,000 dated 08/09/2017		(12,743)	(9.37)
Forward currency contracts total		(1,110)	(0.81)
Investment assets (including investment liabilities)		137,285	101.02
Net other liabilities		(1,380)	(1.02)
Net assets attributable to shareholders		135,905	100.00

The comparative percentage figures in brackets are as at 28 February 2017.

Artemis Global Equity Income Fund – Financial statements

Statement of total return for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		1,501		11,798
Revenue	3,685		2,841	
Expenses	(608)		(543)	
Interest payable and similar charges	(19)		(4)	
Net revenue before taxation	3,058		2,294	
Taxation	(233)		(210)	
Net revenue after taxation		2,825		2,084
Total return before distributions		4,326		13,882
Distributions		(2,924)		(2,123)
Change in shareholders' funds from investment activities		1,402		11,759

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		126,295		97,821
Amounts receivable on issue of shares	16,939		25,714	
Amounts payable on cancellation of shares	(11,026)		(9,303)	
		5,913		16,411
Dilution adjustment		-		32
Change in shareholders' funds from investment activities		1,402		11,759
Retained distributions on accumulation shares		2,295		1,902
Closing net assets attributable to shareholders		135,905		127,925

Balance sheet as at 31 August 2017

	31 August 2017	28 February 2017
	£'000	£'000
Assets		
Fixed assets		
Investments	138,395	132,114
Current assets		
Debtors	2,408	4,199
Cash and bank balances	29	12
Total current assets	2,437	4,211
Total assets	140,832	136,325
Liabilities		
Investment liabilities	1,110	194
Creditors		
Bank overdraft	1,308	4,260
Distribution payable	675	251
Other creditors	1,834	5,325
Total creditors	3,817	9,836
Total liabilities	4,927	10,030
Net assets attributable to shareholders	135,905	126,295

Artemis Global Equity Income Fund – Notes to the financial statements

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 28 February 2017 as set out therein.

2. Post balance sheet events

Since 31 August 2017, the net asset values per share have changed as follows:

	Net asset value per share		Movement
	12 October 2017	31 August 2017	
I distribution EUR	95.00c	91.16c	4.2%
I accumulation EUR	102.41c	98.29c	4.2%
I distribution GBP	117.63p	115.54p	1.8%
I accumulation GBP	126.62p	124.38p	1.8%
I distribution USD	101.43c	97.39c	4.1%
I accumulation USD	109.16c	104.81c	4.2%
R accumulation EUR	103.20c	99.12c	4.1%
R accumulation USD	111.63c	107.28c	4.1%

Artemis Global Equity Income Fund – Distribution table

Interim dividend distribution for the six months ended 31 August 2017 (payable on 31 October 2017) per share.

Group 1 - Shares purchased prior to 1 March 2017.

Group 2 - Shares purchased from 1 March 2017 to 31 August 2017.

	Net revenue	Equalisation	Distribution per share 31 October 2017	Distribution per share 31 October 2016
I distribution EUR				
Group 1	2.2841c	-	2.2841c	1.7475c
Group 2	1.3704c	0.9137c	2.2841c	1.7475c
I accumulation EUR				
Group 1	2.0845c	-	2.0845c	1.5320c
Group 2	0.7830c	1.3015c	2.0845c	1.5320c
I distribution GBP				
Group 1	2.8943p	-	2.8943p	2.0413p
Group 2	1.5671p	1.3272p	2.8943p	2.0413p
I accumulation GBP				
Group 1	2.6353p	-	2.6353p	1.7843p
Group 2	1.5447p	1.0906p	2.6353p	1.7843p
I distribution USD				
Group 1	2.4394c	-	2.4394c	1.7540c
Group 2	1.7559c	0.6835c	2.4394c	1.7540c
I accumulation USD				
Group 1	2.2233c	-	2.2233c	1.5341c
Group 2	1.6393c	0.5840c	2.2233c	1.5341c
R accumulation EUR				
Group 1	1.7463c	-	1.7463c	1.2469c
Group 2	0.5912c	1.1551c	1.7463c	1.2469c
R accumulation USD				
Group 1	1.8834c	-	1.8834c	1.2681c
Group 2	0.1550c	1.7284c	1.8834c	1.2681c

Corporate shareholders should note that:

- 100.00% of the revenue distribution is received as franked investment income.
- 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 shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Artemis Global Equity Income Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
29 February 2016	97,820,722		
I distribution EUR		84.22c	3,268,945
I accumulation EUR		85.68c	63,290,299
I distribution GBP		90.90p	1,129,808
I accumulation GBP		92.52p	31,129,173
I distribution USD		82.41c	998,025
I accumulation USD		83.86c	36,790,612
R distribution EUR		87.38c	279,000
R accumulation USD		86.80c	262,438
28 February 2017	126,294,830		
I distribution EUR		97.81c	511,931
I accumulation EUR		102.83c	56,126,664
I distribution GBP		114.70p	21,089,688
I accumulation GBP		120.42p	27,086,443
I distribution USD		93.40c	836,725
I accumulation USD		98.03c	19,438,800
R distribution EUR		104.10c	3,015,988
R accumulation USD		100.72c	1,555,882
31 August 2017	135,904,761		
I distribution EUR		91.16c	787,755
I accumulation EUR		98.29c	55,425,775
I distribution GBP		115.54p	22,070,097
I accumulation GBP		124.38p	27,218,639
I distribution USD		97.39c	1,036,465
I accumulation USD		104.81c	25,541,329
R distribution EUR		99.12c	3,104,682
R accumulation USD		107.28c	1,583,097

Fund performance

	Since launch*	1 year	6 months
Artemis Global Equity Income Fund	24.5	19.1	3.3
MSCI All Country World Index (GBP)	36.4	19.0	5.2

* Data from 3 June 2015. Source: Lipper Limited, class I accumulation GBP shares, mid to mid basis, in sterling to 31 August 2017. All performance figures show total returns with dividends reinvested, percentage growth. Sector is IA Global Equity Income. Performance details for each share class is shown on page 87.

Ongoing charges

Class	31 August 2017
I distribution EUR	0.94%
I accumulation EUR	0.94%
I distribution GBP	0.94%
I accumulation GBP	0.94%
I distribution USD	0.94%
I accumulation USD	0.94%
R distribution EUR	1.69%
R accumulation USD	1.69%

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

Artemis Pan-European Absolute Return Fund

Investment objective and policy

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

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

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

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

Risk and reward profile



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the sub-fund.
- The risk category shown is not guaranteed and may change over time.
- A risks of indicator of "1" does not mean that the investment is "risk free".
- The indicator is not a measure of the possibility of losing your investment.
- On 12 May 2017 the indicator changed from 5 to 4.

The risks of investing in the sub-fund include:

- The price of shares, and the income from them, can fall and rise because of stock market and currency movements.
- Stock market prices, currencies and interest rates can move irrationally and can be affected unpredictably by diverse factors, including political and economic events.
- A portion of the sub-fund's assets may be invested in a currency other than the sub-fund's accounting currency (sterling). The value of these assets, and the income from them, may decrease if the currency falls in relation to sterling, in which the sub-fund is valued and priced.
- Investing in derivatives carries risks. In the case of a 'short' position, for example, where the sub-fund aims to profit from falling prices, if the price of the underlying asset rises in value, the sub-fund will lose money.
- If the sub-fund holds a large percentage of cash when markets are rising, the return on your investment could be less than if it were fully invested in other types of asset.

Artemis Pan-European Absolute Return Fund – Investment review

- The fund returned 1.1%*.
- Fund gained early in the period.
- Positive outlook for cyclical stocks.

Performance – Fund gained early in the period ...

The last six months have been a fairly lean spell for returns, with the fund's net asset value rising by 1.1%. Within this, there were two distinct periods. In the first three months, in the run up to the French presidential election, we made decent gains. Subsequently, once Macron was elected president, the fund gave back some of those gains. With less of a 'wall of worry' to climb, markets struggled and investors seemed to be positioning for a return to the 'low volatility, low interest rates' environment of the past few years. Given the background of steadily improving corporate results and GDP growth being revised higher, this was puzzling to us. We are not thrilled with the fund's recent performance – but we have seen such lags before. What we know is that stocks can rebound quickly if their fundamentals remain strong, so we will be patient and trust that our analysis will pay off as it has in the past.

Review – Strong cyclical earnings largely ignored by market ...

We look forward to the day when politics takes up less space in our reports to you. Until then, we must continue to assess the impact of events as they come. What has been clear in recent times is that the market's worst election fears have not been realised. In most cases, they haven't come close. So while the market worried, we looked for buying opportunities amid the fear and took profits on some short positions.

The most significant election of the past six months took place in France. With the far right, led by Marine Le Pen, making strong gains in the polls, it was up to the traditional parties to react.

That they couldn't opened the door to Emmanuel Macron and his new party. He swept to a convincing victory in presidential election and his party won a commanding majority in the National Assembly. This was met with euphoria in European equity markets, although in reality some of that was relief that France had avoided the alternative. Perhaps the electorate was looking at the difficulties the UK is having negotiating to exit the EU or perhaps they were fed up with the political old guard. We will never know. What we do know is that Macron has a chance to enact genuine reform in France for the first time in decades. Optimism remains high but his policies are yet to be tested. And as for the Front National? Eleven million French people voted for them. It would be naïve to assume they have gone away.

Broadly speaking, the fund's winners were its long positions. Its losers were a mix of longs and shorts. First-quarter results were good for European companies, particularly in more cyclical industries. This was something for which we had been positioning for quite a while so it was helpful to see earnings growing as we had expected. Financials contributed strongly to performance, with banks such as Banco Bilbao Vizcaya Argentaria, ING Groep, UniCredit and Commerzbank all in our top 10 contributors. The latter two have gone some way to closing the valuation gap with their peers, while the former are showing strong momentum in their businesses. In aggregate, banks in Europe have largely stopped reporting additional bad loans and raising equity to repair their balance sheets. This removes two key risks and we are seeing much more willingness to treat the sector as investible again. Asset manager Amundi also did well. They are gaining new assets at a fast pace while simultaneously improving margins. This will be given a further boost in the coming months with the integration of Pioneer Investments. A lot of duplicate costs can be removed and complementary products sold through the respective legacy networks. We are very happy to have been invested since

the stock was floated and intend to retain a meaningful position.

Over the past few years, we have frequently made comment on Ryanair Holdings. It is one of the largest exposures in the fund and also one of its most consistent performers. As an airline, Ryanair will clearly do better when consumer confidence is rising and people travel more. That is currently the situation in Europe. But as a distributor (they distribute people) the way to win is to have lower controllable costs than your competitors. This is a relentless and very successful focus for Ryanair and is allowing them to gain market share and further cement their advantages. As long as they continue to achieve this, we will hold the shares on your behalf.

Rio Tinto is a great example of how – in the space of just 18 months – things can change dramatically for unloved, capital-intensive, cyclical stocks. In early 2016, nobody wanted to touch Rio Tinto's shares because of the persistent oversupply of iron ore and fears of a slowdown in China. Lower ore prices proved effective at curtailing supply of marginal ore grades, and the expected Chinese slowdown never materialised. At the same time, Rio Tinto had a change of management and embraced capital discipline. Large mining projects were completed and the cash drain on the business dropped dramatically. These investments proved fortuitous as they now control some of the lowest cost supplies on the planet. So when the cycle turns down again – as it will – Rio will be best-placed among its peers. In the meantime shareholders are enjoying a 5% dividend yield and the strong balance sheet has made a \$2.5bn share buyback possible. Its share price may have doubled but it still looks good value at prevailing commodity prices. So while we have taken some profits it is still an important holding in the long book.

Stories like Rio Tinto occur again and again in equity markets. The doom is overdone, people extrapolate negatively and many investors become blind to future opportunities. Or perhaps

* Source: Lipper Limited, class I accumulation GBP (Hedged) shares, mid to mid basis, in sterling with dividends reinvested to 31 August 2017. Benchmark is LIBOR GBP 3 months.

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

they lack the patience to wait for the recovery. Either way, those of us with a longer-term time horizon can take advantage of this ‘time arbitrage’. Sometimes it means enduring a bit of pain first. This certainly seems to be the case with our holdings in energy, which have been the major detractors from performance in the past six months. We do see some parallels with Rio Tinto’s story. Oil majors were next in line after miners to suffer from sharp falls in the prices of commodities. This happened with a lag of about 12 to 15 months. The outcomes were similar: businesses that had become fat and happy at high commodity prices were plunged into crisis mode. They cut capital expenditure, cancelled projects and tried to conserve cash any way they could. But these actions are now showing signs of success and the oil price is recovering. Our holdings in Royal Dutch Shell and Statoil are on the verge of cancelling their scrip dividends (a type of dividend paid through new shares) and paying it all in cash. This is a clear positive for any shareholder and is sure to attract interest from more income managers desperate to find secure cash yields where they can. We would not be at all surprised to see Rio Tinto’s experience being echoed by the oil majors.

As for oil services, the situation is one of greater cyclical amplitude. Cancellation or deferral of projects by the oil majors means no orders for the service companies, so they have suffered a lot. As a result, their earnings fell more on the way down – but this gives them greater potential to recover when things improve. For that to happen we needed to see new orders coming back to the sector. That is now happening. In fact, the second-quarter results of every one of our holdings here exceeded analysts’ expectations. The market is yet to take notice but – as the orders keep coming and as margins recover – it surely will. As an additional sign that the managers of these companies agree with us, we have seen a number of bids in the sector recently. Technip FMC has even instituted a \$500m share buyback. So we expect to be reporting better news from this area next time.

A word on our short positions. Low interest rates have allowed all manner of weak companies to limp along in the past few years without the incentive to change. Sometimes the problem is failure to adapt to the modern digital world; sometimes it is pure old-fashioned bad management. But a problem deferred is not the same as a problem solved. We had a few successful shorts in the period where the combination of weak business trends, too much debt and not enough cashflow caused large falls in the share prices once companies were forced to reveal how dire things had become. The support services sector in the UK has been a particularly happy hunting ground, as have airlines and media companies. We expect more of this as central banks step away from quantitative easing, interest rates start to rise and the cost of capital increases.

Our trading activity in the past six months has often been a continuation of how we have positioned the fund since the beginning of 2016. The economic cycle is progressing but at a relatively steady pace. We added Technip in the energy sector, Allied Irish Banks and Bank of Ireland in financials. We also increased exposure to companies such as Bayer Motoren Werke (BMW), Imperial Brands, Fresenius and Sodexo. We funded our purchases in financials by selling down part of our holdings in Commerzbank, UniCredit and BNP Paribas. As a result our net long in financials remains largely the same. Energy is now our biggest net long sector. We also sold out of Swatch Group which has done very well. Inventories in the watch sector have been drawn down and demand for luxury goods has picked up from low levels.

Next and Tesco may not seem to have much in common, but in our opinion they do. Both are predominantly exposed to the UK consumer. Both have faced significant competitive challenges in the past few years. Both are showing that they are capable of meeting these challenges and repositioning their businesses to grow again. Yet neither trade on valuations that incorporate any measure of

success, despite that evidence now emerging. We have added them to the fund in the last couple of months.

On the short side, we closed positions in a couple of UK support services companies following significant profit warnings. This provided us with strong gains. We have added new shorts in technology and industrials alongside selectively increasing position sizes across a number of others. Corporate pension funds are becoming a focal point. Simply put, no company has limitless supplies of cash. So, if more of it needs to be directed towards closing large funding gaps, less is available for dividends or to invest for future growth. Neither outcome will be welcomed by the market and we expect share prices of the companies to fall when the news comes out.

Outlook – When will higher interest rates have an impact?

There is quite a lot on the horizon. Macroeconomics and politics are taking precedence over stocks’ fundamentals at present. Central bankers are the focus of attention, as markets attempt to second guess their next move. The effects of this are perhaps best summarised by taking a look at second quarter results for European companies.

Compared to analysts’ expectations – which incidentally haven’t had to be downgraded for the first time in seven years – we have the following situation. Cyclical stocks have beaten estimates for sales and earnings by more than defensive stocks. ‘Value’ stocks (those that trade on below-average valuations) beat estimates by more than ‘low volatility’ stocks. Domestic European companies did better than exporters. Logically, we should expect domestic ‘value’ cyclical stocks to have performed better than defensive ‘low volatility’ stocks. But that has not been the case. Cyclical value looks cheap while ‘low volatility’ looks rather expensive with a lot of good news priced in. It’s a conundrum – one only partly explained by low interest rates. We know rates are going up: the central bankers

have either started to raise them or have hinted strongly that they will. Improving economies add to the case for higher rates, despite the relentless focus on nothing but the core inflation number.

So there must be something else going on. It seems there are two main groups in equity markets. On one side sit technology, quality growth, 'disruptors' (companies using new technologies to challenge incumbents), bond proxies and low volatility stocks. For now, everyone loves these and nobody cares what valuations they trade on. On the other side sit UK and European domestic stocks, energy, retailers and anyone who happens to be in Amazon's line of fire (or who may be in the future). No valuation seems low enough to attract interest in this cohort.

If you think this is all becoming rather reminiscent of the technology bubble that burst so spectacularly in 2000, we would agree. The fact that market volatility and interest rates are very low would encourage us to consider that a fair amount of leverage has been applied to these popular trades, much as it was back then. It's always dangerous when people stop asking questions and rely on extrapolating current trends. We would also encourage investors to think about the impact of passive funds, which have aggressively chased the 'low volatility' theme.

To be clear: we aren't expecting a repeat of 2000. Rather we are saying that in a world where economies are growing faster, companies are reporting healthy profits and consumers are getting more confident, there is a place for more cyclical stocks in any portfolio. We haven't seen this since 2003 but back then these stocks did very well for four years until the global financial crisis stopped everything in its tracks. So we think it is prudent to have some balance, to think about the winners in the coming years rather than simply what has worked recently.

Central banks are on the move. The US Federal Reserve has already

raised rates and will begin shrinking its balance sheet. The European Central Bank is heading in the same direction. Talk of deflation has vanished. All we need to consider now is the pace of interest rate rises. This will bring different challenges, ones that need to be met by holding different stocks than when the world was recovering from a financial crisis. At present, we feel as though these views put us in a minority. But the evidence is hard to argue against and so we are looking to the coming months with some confidence.

Paul Casson
Fund manager

Artemis Pan-European Absolute Return Fund – Investment information

Five largest purchases and sales for the six months ended 31 August 2017

Purchases	Cost £'000	Sales	Proceeds £'000
Vodafone Group	5,339	Swatch Group	4,757
TechnipFMC	4,367	BNP Paribas	3,388
Imperial Brands	3,836	Commerzbank	3,177
UniCredit	3,331	UniCredit	3,010
Bayerische Motoren Werke	3,074	Banco Bilbao Vizcaya Argentaria	2,609

Portfolio statement as at 31 August 2017

Investment	Holding	Valuation £'000	% of net assets
Equities 68.98% (59.72%)			
Belgium 0.20% (0.28%)			
Nyrstar	55,885	307	0.20
		307	0.20
Denmark 3.15% (2.69%)			
AP Moller - Maersk B shares	3,070	4,895	3.15
OW Bunker & Trading†	29,538	-	-
		4,895	3.15
France 8.70% (7.59%)			
Amundi	75,064	4,478	2.88
BNP Paribas	27,649	1,632	1.05
Sodexo	44,424	4,014	2.58
Vallourec	869,827	3,414	2.19
		13,538	8.70
Germany 6.04% (5.54%)			
Bayerische Motoren Werke	82,577	5,888	3.79
Commerzbank	363,237	3,506	2.25
		9,394	6.04
Ireland 2.45% (0.98%)			
Allied Irish Banks	430,000	1,985	1.28
Cairn Homes	1,150,560	1,828	1.17
		3,813	2.45
Italy 4.36% (4.34%)			
Saipem	1,181,022	3,287	2.11
UniCredit	221,057	3,503	2.25
		6,790	4.36
Luxembourg 1.75% (0.00%)			
ArcelorMittal	129,657	2,725	1.75
		2,725	1.75
Netherlands 5.20% (5.08%)			
ING Groep	171,725	2,355	1.51
Royal Dutch Shell B shares	266,724	5,739	3.69
		8,094	5.20
Norway 1.84% (0.00%)			
Borr Drilling	204,221	586	0.38
Petroleum Geo-Services	1,576,098	2,271	1.46
		2,857	1.84

Investment	Holding	Global exposure ^ £'000	Valuation £'000	% of net assets
Spain 6.57% (7.44%)				
Banco Bilbao Vizcaya Argentaria	351,065		2,414	1.55
Mediaset Espana Comunicacion	420,674		3,742	2.41
Merlin Properties Socimi, REIT	222,029		2,375	1.53
Parques Reunidos Servicios Centrales	118,643		1,687	1.08
			10,218	6.57
Switzerland 5.49% (7.62%)				
Cembra Money Bank	66,731		4,468	2.87
LafargeHolcim	89,558		4,069	2.62
			8,537	5.49
United Kingdom 23.23% (18.16%)				
DCC	61,462		4,311	2.77
Greggs	223,444		2,668	1.71
Howden Joinery Group	584,643		2,460	1.58
Imperial Brands	157,556		5,039	3.24
ITV	2,415,427		3,792	2.44
Rio Tinto	149,625		5,614	3.61
Subsea 7	248,705		2,701	1.74
TechnipFMC	209,847		4,156	2.67
Vodafone Group	2,456,495		5,391	3.47
			36,132	23.23
Equities total				
			107,300	68.98
Contracts for difference (0.41)% ((1.13)%)				
Belgium (0.07)% ((0.06)%)				
Anheuser-Busch InBev	(36,503)	(3,363)	(106)	(0.07)
		(3,363)	(106)	(0.07)
Denmark 0.02% ((0.04)%)				
GN Store Nord	(67,572)	(1,726)	30	0.02
Vestas Wind Systems	(21,800)	(1,515)	1	-
		(3,241)	31	0.02
France (0.02)% ((0.14)%)				
Airbus	(52,023)	(3,389)	(28)	(0.02)
Legrand	(56,784)	(3,100)	(12)	-
		(6,489)	(40)	(0.02)
Germany (0.04)% ((0.09)%)				
Adidas	(9,505)	(1,652)	(30)	(0.02)
Beiersdorf	(32,657)	(2,684)	(19)	(0.01)
Deutsche Telekom	(108,580)	(1,517)	9	0.01
Fresenius	89,628	5,870	2	-
TUI	(268,250)	(3,484)	(24)	(0.02)
		(3,467)	(62)	(0.04)
Ireland 0.00% (0.04%)				
Bank of Ireland	399,409	2,556	9	0.01
CRH	144,785	3,912	43	0.03
Kingspan Group	131,825	3,931	8	-
Ryanair Holdings	361,749	5,900	(63)	(0.04)
		16,299	(3)	-

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

Investment	Holding	Global exposure ^ £'000	Valuation £'000	% of net assets
Luxembourg (0.00)% (0.06%)				
Netherlands (0.07)% ((0.14)%)				
ASML Holding	(21,452)	(2,588)	(50)	(0.03)
Heineken	(41,555)	(3,361)	(55)	(0.04)
		(5,949)	(105)	(0.07)
Norway 0.01% ((0.07)%)				
Norwegian Air Shuttle	(31,206)	(599)	19	0.01
Statoil	409,840	5,914	(4)	-
		5,315	15	0.01
Portugal 0.01% ((0.09)%)				
EDP - Energias de Portugal	(1,175,164)	(3,486)	9	0.01
		(3,486)	9	0.01
Spain (0.04)% ((0.04)%)				
Amadeus IT Group	(49,253)	(2,346)	(58)	(0.04)
		(2,346)	(58)	(0.04)
Switzerland 0.00% (0.05%)				
Adecco Group	82,440	4,585	6	-
		4,585	6	-
United Kingdom (0.21)% ((0.61)%)				
AA	(917,137)	(1,485)	(1)	-
Amec Foster Wheeler	436,281	1,808	10	0.01
AO World	(349,273)	(389)	(5)	-
B&M European Value Retail	(662,741)	(2,436)	(51)	(0.03)
Berkeley Group Holdings	(100,278)	(3,744)	(12)	(0.01)
Diageo	(133,321)	(1,648)	(56)	(0.04)
GlaxoSmithKline	(225,158)	(1,465)	(6)	-
Meggitt	(319,013)	(1,655)	(14)	(0.01)
Merlin Entertainments	(320,312)	(3,440)	(45)	(0.03)
Mitie Group	(615,037)	3,347	11	0.01
Next	82,162	(3,249)	48	0.03
Pearson	(538,310)	(3,561)	(3)	-
Royal Mail	(918,329)	(3,444)	(70)	(0.05)
Scottish Mortgage Investment Trust	(588,066)	(2,549)	(58)	(0.04)
SSE	(240,303)	(3,417)	(58)	(0.04)
Standard Life Aberdeen	(756,666)	(3,270)	(3)	-
Tesco	1,801,662	3,245	(13)	(0.01)
		(27,352)	(326)	(0.21)
Contracts for difference total		(29,494)	(639)	(0.41)
Forward currency contracts (0.18)% (0.08%)				
I accumulation EUR (Hedged) (0.35)% (0.20%)				
Buy Euro 5,055,470 dated 29/09/2017			4,658	2.99
Sell Swiss Franc 5,762,916 dated 29/09/2017			(4,641)	(2.98)
Buy Euro 3,041,060 dated 29/09/2017			2,802	1.80
Sell Danish Krone 22,621,224 dated 29/09/2017			(2,802)	(1.80)
Buy Euro 63,495,308 dated 29/09/2017			53,413	34.34
Sell Sterling 53,976,697 dated 29/09/2017			(53,977)	(34.70)
			(547)	(0.35)

Investment	Valuation £'000	% of net assets
I accumulation GBP (Hedged) 0.15% ((0.12)%)		
Buy Sterling 1,366,325 sdated 29/09/2017	1,366	0.88
Sell Danish Krone 10,933,034 dated 29/09/2017	(1,354)	(0.87)
Buy Sterling 17,741,793 dated 29/09/2017	17,742	11.41
Sell Euro 19,588,839 dated 29/09/2017	(17,577)	(11.30)
Buy Sterling 1,781,169 dated 29/09/2017	1,781	1.15
Sell Norwegian Krone 17,808,009 dated 29/09/2017	(1,765)	(1.14)
Buy Sterling 2,271,390 dated 29/09/2017	2,271	1.46
Sell Swiss Franc 2,784,834 dated 29/09/2017	(2,243)	(1.44)
	221	0.15
I accumulation USD (Hedged) 0.02% (0.00%)		
Buy US Dollar 194,155 dated 29/09/2017	151	0.10
Sell Danish Krone 1,200,497 dated 29/09/2017	(149)	(0.10)
Buy US Dollar 2,521,121 dated 29/09/2017	1,956	1.26
Sell Euro 2,095,092 dated 29/09/2017	(1,930)	(1.24)
Buy US Dollar 3,701,380 dated 29/09/2017	2,871	1.84
Sell Sterling 2,858,079 dated 29/09/2017	(2,858)	(1.84)
Buy US Dollar 322,766 dated 29/09/2017	250	0.16
Sell Swiss Franc 305,840 dated 29/09/2017	(246)	(0.16)
	45	0.02
R accumulation EUR (Hedged) 0.00% (0.00%)		
Buy Euro 4,006 dated 29/09/2017	3	-
Sell Swiss Franc 4,566 dated 29/09/2017	(4)	-
Buy Euro 2,410 dated 29/09/2017	2	-
Sell Danish Krone 17,924 dated 29/09/2017	(2)	-
Buy Euro 45,938 dated 29/09/2017	42	0.03
Sell Sterling 42,770 dated 29/09/2017	(43)	(0.03)
	(2)	-
Forward currency contracts total	(283)	(0.18)
Investment assets (including investment liabilities)	106,378	68.39
Net other assets	49,174	31.61
Net assets attributable to shareholders	155,552	100.00

The comparative percentage figures in brackets are as at 28 February 2017.

^ 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.

† Unquoted investment.

Artemis Pan-European Absolute Return Fund – Financial statements

Statement of total return for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		5,782		2,184
Revenue	2,786		794	
Expenses	(728)		(422)	
Interest payable and similar charges	(1,498)		(554)	
Net revenue/(expense) before taxation	560		(182)	
Taxation	(147)		(7)	
Net revenue/(expense) after taxation		413		(189)
Total return before distributions		6,195		1,995
Distributions		112		90
Change in shareholders' funds from investment activities		6,307		2,085

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		97,171		34,592
Amounts receivable on issue of shares	83,462		40,018	
Amounts payable on cancellation of shares	(31,503)		(19,430)	
		51,959		20,588
Dilution adjustment		115		110
Change in shareholders' funds from investment activities		6,307		2,085
Closing net assets attributable to shareholders		155,552		57,375

Balance sheet as at 31 August 2017

	31 August 2017	28 February 2017
	£'000	£'000
Assets		
Fixed assets		
Investments	107,788	58,624
Current assets		
Debtors	2,932	2,403
Cash and bank balances	66,979	39,524
Total current assets	69,911	41,927
Total assets	177,699	100,551
Liabilities		
Investment liabilities	1,410	1,613
Creditors		
Bank overdraft	624	565
Other creditors	20,113	1,202
Total creditors	20,737	1,767
Total liabilities	22,147	3,380
Net assets attributable to shareholders	155,552	97,171

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 28 February 2017 as set out therein.

2. Post balance sheet events

Since 31 August 2017, the net asset values per share have changed as follows:

	Net asset value per share		% Movement
	12 October 2017	31 August 2017	
I accumulation EUR (Hedged)	121.82c	118.34c	2.9%
I accumulation GBP (Hedged)	123.02p	119.50p	2.9%
I accumulation USD (Hedged)	126.20c	122.04c	3.4%
R accumulation EUR (Hedged)	107.55c	104.17c	3.2%

Artemis Pan-European Absolute Return Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
28 February 2015	32,002,090		
I accumulation EUR (Hedged)		101.59c	10,000
I accumulation GBP (Hedged)		100.83p	31,726,229
I accumulation USD (Hedged)		101.59c	10,000
29 February 2016	34,592,349		
I accumulation EUR (Hedged)		109.95c	1,479,061
I accumulation GBP (Hedged)		110.52p	30,003,104
I accumulation USD (Hedged)		111.20c	194,912
28 February 2017	97,170,996		
I accumulation EUR (Hedged)		117.36c	50,015,907
I accumulation GBP (Hedged)		118.23p	39,057,256
I accumulation USD (Hedged)		119.72c	1,006,245
R accumulation EUR (Hedged)		103.80c	10,000
31 August 2017	155,552,102		
I accumulation EUR (Hedged)		118.34c	92,763,904
I accumulation GBP (Hedged)		119.50p	40,951,757
I accumulation USD (Hedged)		122.04c	5,742,024
R accumulation EUR (Hedged)		104.17c	83,484

Fund performance

	Since launch*	1 year	6 months
Artemis Pan-European Absolute Return Fund	19.6	5.7	1.1
IA Targeted Absolute Return	9.2	3.7	2.1
Position in sector	11/51	15/63	41/66
Quartile	1	1	3

* Data from 14 July 2014. Source: Lipper Limited, class I accumulation GBP (Hedged) shares, mid to mid basis, in sterling to 31 August 2017. All performance figures show total returns with dividends reinvested, percentage growth. Sector is IA Targeted Absolute. Performance details for each share class is shown on page 87.

Ongoing charges

Class	31 August 2017
I accumulation EUR (Hedged)	0.96%
I accumulation GBP (Hedged)	0.96%
I accumulation USD (Hedged)	0.96%
R accumulation EUR (Hedged)	1.71%

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

Artemis US Absolute Return Fund

Investment objective and policy

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

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

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

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

Risk and reward profile



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the sub-fund.
- The 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 indicator is not a measure of the possibility of losing your investment.

The risks of investing in the sub-fund include:

- The price of shares, and the income from them, can fall and rise because of stock market and currency movements.
- Stock market prices, currencies and interest rates can move irrationally and can be affected unpredictably by diverse factors, including political and economic events.
- A portion of the sub-fund's assets may be invested in a currency other than the sub-fund's accounting currency (sterling). The value of these assets, and the income from them, may decrease if the currency falls in relation to sterling, in which the sub-fund is valued and priced.
- Investing in derivatives carries risks. In the case of a 'short' position, for example, where the sub-fund aims to profit from falling prices, if the price of the underlying asset rises in value, the sub-fund will lose money.
- If the sub-fund holds a large percentage of cash when markets are rising, the return on your investment could be less than if it were fully invested in other types of asset.

Artemis US Absolute Return Fund – Investment review

- The fund returned 2.4%* (in sterling terms).
- Long positions in technology were particularly helpful.
- The coming withdrawal of liquidity by central banks poses risks.

Performance – Hopes of reform fade...

Supported by global monetary stimulus and the possibility that President Trump's promised reforms would lead to an acceleration in economic growth, the US market continued to climb in early 2017, with value stocks (cheaper stocks whose fortunes tend to be more attuned to the economic cycle) leading the gains. Meanwhile, the prospect of higher interest rates and the steepening of the yield curve saw financial stocks performing particularly well – initially, at least. From March, however, investors began to lose confidence that Trump's announced reforms would actually be implemented. Despite this, global monetary stimulus continued and growth stocks picked up where value stocks had left off. Good stock selection over the period – particularly our long positions in the technology sector – saw the fund returning 2.4%.

Net exposure remained low over the period and was around 5% at the end of August.

Review – Long in technology and materials; short in banks and consumer staples...

The period was characterised by strong earnings reports from US companies. Forecasts made in the early part of the year that earnings would grow by between 5% and 6% in 2017 have been revised. Earnings are now expected to grow by 8% to 9%. Cash generation has not been as strong. This is partly due to losses from the energy sector but also

reflects the fact that earnings can be more easily flattered by accounting treatments than underlying cashflows.

Our long positions in videogame companies performed well once again, with Take-Two Interactive and Activision Blizzard both featuring among the top contributors to returns over the last six months. We have favoured the videogame publishers because the industry's move towards distributing its products as online downloads has increased revenues and profits. Videogame producers now have direct access to their customers and are increasingly cutting out the middle man. The move online also means they can sell in-game add-ons, such as additional content.

Long positions in semiconductor and semiconductor capital equipment companies also added value. Lam Research and Applied Materials make the equipment that is used to produce semiconductors. These companies are benefiting from the growing demand for semiconductors in existing markets like smartphones and cloud computing. They are also a very attractively valued way of investing in new technologies such as artificial intelligence and driverless cars.

Staying with technology, we added to long position in memory chip manufacturer Micron, a producer of both DRAM and NAND memory. In the past, it suffered from a lack of pricing discipline in what was a very cyclical and badly managed sector afflicted by an imbalance between supply and demand. A lot of progress has been made since then and strong demand is supporting prices for memory. Micron trades at a very low multiple of existing earnings and in our view its share price does not adequately reflect its growth prospects.

We have also added to the long position in Facebook. We believe that what are currently loss-making activities in 'chat' services will present monetisation opportunities in the future and so support earnings growth and valuation.

Overall, a deterioration in the balance between risk and reward encouraged us to reduce our exposure to the technology sector. So we have taken profits in some of our videogame and semiconductor stocks while increasing our short exposure elsewhere in the sector: in some cases, rising multiples are not justified. We remain long in Alphabet, which presents a combination of strong, growing, leading businesses while still offering opportunities on the cost-cutting front. We also retain our holding in Microsoft. It has a dominant position in the cloud enterprise business and isn't particularly threatened by new entrants. It has a strong established client base on which it can rely and leverage for new business.

Short positions in consumer staples added to returns. Given the lacklustre growth of cashflows, valuations remain high even under the assumption that current, very low discount rates continue.

Competition from cable companies remains a major threat to the telecoms sector. We have, however, reduced our short position in telecoms following a period of poor performance. Within that, we are still positive on mobile operator T Mobile US. It has established a strong business in the US and is likely to benefit from consolidation in the industry.

The fund retains its long positions in defence companies Lockheed Martin and Raytheon. Our thesis of an increase in the US defence budget is being borne out. New contracts are being awarded, especially in the area of anti-ballistics. Elsewhere in industrials, we initiated a position in Rockwell Automation.

We have increased our exposure to material companies, specifically to plastic producer Lyondell Basell, which is profiting from a positive environment for pricing and limited supply. We also established a long position in gold company Franco Nevada, whose cashflows are

* Source: Lipper Limited, class I accumulation (GBP NAV hedged) shares, mid to mid basis, in sterling with dividends reinvested to 31 August 2017. Benchmark is LIBOR GBP 3 months.

underpinned by a diversified portfolio of royalty streams.

We remain cautious on financials, particularly banks where we are net short. The expected steepening of the yield curve has failed to materialise but valuations have increased substantially. The deterioration in trend levels of growth, the increase in indebtedness and the higher bad debts that brings will continue to limit the banking sector's potential. Instead, we prefer diversified financials and have long positions in ratings company S&P Global and financial data provider MSCI, whose business models we find more attractive.

Outlook – Potential risks ...

Although economic data has been somewhat mixed, confidence indicators have remained consistently high. Employment continues to be strong but wage growth has faded. Against this backdrop, the Federal Reserve has announced it is to reduce the size of its balance sheet (unwinding quantitative easing) which could weigh on market performance as liquidity is drained from the financial system.

Even after several years of strong returns, asset prices have risen substantially this year. Liquidity appears to be the major driver for these gains. For now, there remains a large stock of excess liquidity in the financial system, suppressing volatility. But this supportive flow is likely to materially slow as the process of expanding central banks' balance sheets goes into reverse. That will, we believe, pose substantial risks to equity markets.

Stephen Moore
Fund manager

Artemis US Absolute Return Fund – Investment information

Five largest purchases and sales for the six months ended 31 August 2017 *

Purchases	Cost £'000	Sales	Proceeds £'000
Liberty Broadband C shares	7,571	Activision Blizzard	6,158
Franco-Nevada	6,521	Take-Two Interactive Software	5,282
Micron Technology	6,295	Zoetis	4,031
Facebook A shares	6,129	F5 Networks	3,715
Cintas	5,743	Alphabet C shares	3,432

* Excluding US Treasury Bills traded for liquidity management purposes.

Portfolio statement as at 31 August 2017

Investment	Holding	Valuation £'000	% of net assets
Equities 38.10% (31.03%)			
Consumer Discretionary 7.20% (5.84%)			
Amazon.com	2,526	1,897	0.40
Best Buy	27,730	1,166	0.24
Burlington Stores	21,913	1,462	0.31
Caesars Entertainment	45,531	396	0.08
Churchill Downs	18,818	2,824	0.59
DISH Network A shares	71,620	3,180	0.66
Liberty Broadband C shares	123,409	9,622	2.01
Liberty Expedia Holdings A shares	186,737	7,735	1.62
Liberty Media Corp-Liberty Formula One C shares	65,007	1,963	0.41
Netflix	7,120	966	0.20
Time Warner	36,290	2,856	0.60
William Hill	162,786	398	0.08
		34,465	7.20
Consumer Staples 0.64% (0.00%)			
PepsiCo	12,854	1,149	0.24
Philip Morris International	21,070	1,904	0.40
		3,053	0.64
Energy 0.00% (0.57%)			
Financials 4.44% (4.97%)			
Athene Holding A shares	23,843	981	0.21
Berkshire Hathaway B shares	45,995	6,437	1.35
Chubb	12,657	1,387	0.29
East West Bancorp	4,434	192	0.04
Fifth Third Bancorp	148,408	3,028	0.63
Leucadia National	50,190	925	0.19
MSCI	55,654	4,880	1.02
S&P Global	17,558	2,092	0.44
US Bancorp	32,694	1,310	0.27
		21,232	4.44
Health Care 2.42% (2.54%)			
AbbVie	19,497	1,119	0.23
Gilead Sciences	12,282	775	0.16
McKesson	9,004	1,026	0.22
UnitedHealth Group	22,986	3,494	0.73
Waters	10,163	1,429	0.30
Zoetis	77,657	3,733	0.78
		11,576	2.42
Industrials 4.10% (1.94%)			
Boeing	2,894	540	0.11

Investment	Holding	Valuation £'000	% of net assets
Cintas	76,567	7,952	1.66
Huntington Ingalls Industries	15,826	2,587	0.54
Rockwell Automation	31,082	3,924	0.82
Swift Transportation	168,783	3,714	0.78
Watsco	7,879	891	0.19
		19,608	4.10
Information Technology 14.36% (13.17%)			
Activision Blizzard	113,559	5,790	1.21
Alliance Data Systems	6,719	1,174	0.25
Alphabet C shares	10,335	7,459	1.56
Applied Materials	209,832	7,407	1.55
Booz Allen Hamilton Holding	44,358	1,167	0.24
Ciena	137,487	2,591	0.54
Citrix Systems	37,205	2,224	0.46
eBay	35,417	982	0.20
Electronic Arts	48,195	4,564	0.95
Facebook A shares	44,627	5,887	1.23
Finisar	65,764	1,281	0.27
Juniper Networks	86,754	1,861	0.39
KLA-Tencor	48,281	3,506	0.73
Lumentum Holdings	48,704	2,146	0.45
Mastercard A shares	8,899	925	0.19
Maxim Integrated Products	27,903	987	0.21
Micron Technology	311,760	7,649	1.60
Nuance Communications	146,604	1,824	0.38
PayPal Holdings	40,129	1,924	0.40
Power Integrations	43,915	2,450	0.51
Seagate Technology	7,012	171	0.04
Synaptics	26,827	883	0.18
Take-Two Interactive Software	33,154	2,514	0.53
Western Union	93,443	1,373	0.29
		68,739	14.36
Materials 3.27% (1.30%)			
Crown Holdings	71,336	3,221	0.67
Franco-Nevada	97,657	6,126	1.28
LyondellBasell Industries A shares	48,717	3,416	0.72
Sealed Air	62,437	2,147	0.45
Summit Materials A shares	32,036	736	0.15
		15,646	3.27
Real Estate 0.91% (0.48%)			
Prologis, REIT	47,180	2,286	0.48
SL Green Realty, REIT	27,727	2,089	0.43
		4,375	0.91
Utilities 0.76% (0.22%)			
Vistra Energy	56,402	760	0.16
WEC Energy Group	57,013	2,882	0.60
		3,642	0.76
Equities total		182,336	38.10
Government bonds 32.11% (28.32%)			
US Treasury Bill 0.00% 19/07/2018	\$200,000,000	153,664	32.11
Government bonds total		153,664	32.11
Contracts for difference (0.06%) ((0.02)%)			
Consumer Discretionary 0.01% ((0.01)%)			

Artemis US Absolute Return Fund – Investment information (continued)

Investment	Holding	Global exposure ^ £'000	Valuation £'000	% of net assets
Acushnet Holdings	(58,179)	(739)	25	0.01
Advance Auto Parts	(8,917)	(670)	(15)	-
Aramark	(60,894)	(1,894)	10	-
CBS B shares	(57,035)	(2,856)	(33)	(0.01)
Charter Communications A shares	(14,385)	(4,393)	(45)	(0.01)
Chipotle Mexican Grill	(4,805)	(1,176)	(12)	-
Columbia Sportswear	(29,041)	(1,283)	11	-
Comcast A shares	217,222	6,885	81	0.02
Darden Restaurants	(17,740)	(1,142)	27	0.01
Discovery Communications A shares	(113,890)	(1,962)	55	0.01
Dollar General	(12,190)	(726)	6	-
Domino's Pizza	(12,388)	(1,721)	(2)	-
Expedia	(61,576)	(6,858)	(43)	(0.01)
Hanesbrands	(81,712)	(1,531)	24	-
Home Depot	18,053	2,102	(20)	-
Kohl's	(46,157)	(1,423)	(6)	-
Las Vegas Sands	40,928	1,924	9	-
LG Electronics	(23,831)	(1,341)	(80)	(0.02)
Lithia Motors A shares	(12,059)	(988)	(25)	(0.01)
LKQ	(73,591)	(1,959)	(3)	-
Lululemon Athletica	(23,068)	(1,032)	45	0.01
MakeMyTrip	(32,666)	(837)	(34)	(0.01)
Newell Brands	(58,156)	(2,146)	30	0.01
News A shares	(335,368)	(3,463)	34	0.01
Papa John's International	(8,164)	(476)	-	-
Sears Holdings	(97,498)	(628)	25	-
Six Flags Entertainment	65,358	2,695	61	0.01
Starbucks	17,126	725	1	-
Swatch Group	(3,199)	(983)	(14)	-
Tesla	(13,154)	(3,607)	(77)	(0.02)
Under Armour C shares	(75,713)	(892)	35	0.01
Walt Disney	(16,212)	(1,295)	(4)	-
Wayfair	(15,771)	(855)	(15)	-
		(34,545)	51	0.01
Consumer Staples 0.01% (0.03%)				
Altria Group	65,243	3,243	5	-
Cal-Maine Foods	(41,114)	(1,157)	2	-
Campbell Soup	(26,225)	(1,024)	9	-
Church & Dwight	(40,578)	(1,563)	4	-
General Mills	(23,253)	(971)	10	-
Hain Celestial Group	(9,740)	(300)	7	-
Hershey	(28,556)	(2,314)	2	-
Hormel Foods	(57,832)	(1,386)	8	-
Kellogg	(31,604)	(1,621)	18	0.01
Kraft Heinz	(41,460)	(2,638)	6	-
Maple Leaf Foods	121,816	2,576	7	-
Molson Coors Brewing B shares	(22,750)	(1,583)	(3)	-
Monster Beverage	(31,583)	(1,372)	(19)	-
Nestle	(35,402)	(2,326)	(37)	(0.01)
Procter & Gamble	(29,137)	(2,078)	14	0.01
Unilever	(41,596)	(1,907)	14	-
Wal-Mart Stores	(64,845)	(3,955)	(26)	-
		(20,376)	21	0.01

Investment	Holding	Global exposure ^ £'000	Valuation £'000	% of net assets
Energy (0.02)% ((0.01)%)				
Exxon Mobil	(37,566)	(2,219)	11	-
Schlumberger	12,973	638	(1)	-
US Silica Holdings	(67,831)	(1,446)	(93)	(0.02)
		(3,027)	(83)	(0.02)
Financials 0.00% ((0.18)%)				
Ameriprise Financial	(14,085)	(1,501)	6	-
Banco Santander, ADR	(271,100)	(1,356)	12	-
BlackRock	(3,821)	(1,235)	(6)	-
Commonwealth Bank of Australia	(31,020)	(1,442)	16	-
Credit Acceptance	(4,371)	(919)	(15)	-
Credit Agricole	(86,767)	(1,175)	19	0.01
Deutsche Bank	(60,413)	(751)	18	0.01
Discover Financial Services	61,043	2,795	(6)	-
HSBC Holdings, ADR	(90,036)	(3,383)	(34)	(0.01)
JPMorgan Chase	(71,946)	(5,100)	17	-
Santander Consumer USA Holdings	(95,844)	(1,071)	(34)	(0.01)
Sberbank of Russia, ADR	(101,632)	(1,069)	(36)	(0.01)
Texas Capital Bancshares	(8,514)	(487)	-	-
Westpac Banking, ADR	(151,674)	(2,918)	51	0.01
		(19,612)	8	-
Health Care 0.00% ((0.01)%)				
Anthem	13,048	1,940	(20)	-
CR Bard	3,844	952	(1)	-
Dentsply Sirona	(26,142)	(1,130)	(11)	-
Envision Healthcare	(37,468)	(1,499)	-	-
Mednax	(35,180)	(1,183)	23	-
Zimmer Biomet Holdings	(11,735)	(1,030)	(1)	-
		(1,950)	(10)	-
Industrials 0.04% (0.17%)				
Acuity Brands	(15,316)	(2,074)	5	-
Caterpillar	(41,918)	(3,825)	(79)	(0.02)
Colfax	(48,044)	(1,472)	(25)	-
Deere	(14,192)	(1,272)	5	-
Flowserve	(38,845)	(1,175)	(17)	-
GATX	(22,459)	(1,055)	(1)	-
General Dynamics	10,339	1,615	26	0.01
General Electric	(462,403)	(8,718)	68	0.01
Kansas City Southern	(15,753)	(1,257)	8	-
Kennametal	(65,571)	(1,794)	(25)	(0.01)
Lockheed Martin	30,526	7,256	60	0.01
Northrop Grumman	16,101	3,388	38	0.01
Raytheon	52,292	7,396	159	0.03
Southwest Airlines	58,655	2,345	(11)	-
UniFirst	(12,792)	(1,383)	(11)	-
Wabtec	(31,786)	(1,739)	-	-
		(3,764)	200	0.04
Information Technology (0.13)% ((0.03)%)				
Advanced Micro Devices	(152,658)	(1,502)	(52)	(0.01)
Alibaba Group Holding, ADR	(8,871)	(1,180)	(16)	-
Amkor Technology	(249,693)	(1,739)	(66)	(0.01)
Analog Devices	(40,496)	(2,633)	(121)	(0.03)
Apple	(20,417)	(2,589)	(30)	(0.01)

Artemis US Absolute Return Fund – Investment information (continued)

Investment	Holding	Global exposure ^ £'000	Valuation £'000	% of net assets
Arista Networks	(7,153)	(988)	(21)	-
ASML Holding	(59,753)	(7,182)	(31)	(0.01)
Atlassian	(65,926)	(1,819)	(44)	(0.01)
AU Optronics, ADR	(431,627)	(1,354)	-	-
Baidu, ADR	(3,175)	(552)	(8)	-
Broadcom	(4,913)	(939)	(11)	-
Cavium	(40,780)	(1,969)	(37)	(0.01)
Cisco Systems	(67,517)	(1,678)	(25)	(0.01)
Corning	28,527	635	(2)	-
Ebix	(36,830)	(1,637)	(7)	-
Intel	(129,452)	(3,508)	(25)	(0.01)
Lam Research	65,787	8,425	218	0.05
Microchip Technology	(53,563)	(3,563)	(80)	(0.02)
Microsoft	94,713	5,442	86	0.02
NVIDIA	(5,780)	(743)	(3)	-
Okta	(30,847)	(630)	(44)	(0.01)
Pandora Media	(71,754)	(451)	5	-
Paylocity Holding	(8,666)	(324)	(8)	-
Proofpoint	(40,410)	(2,873)	(26)	(0.01)
salesforce.com	(23,498)	(1,731)	(22)	-
SAP, ADR	(56,588)	(4,595)	35	0.01
ServiceNow	(29,374)	(2,606)	(54)	(0.01)
SK Hynix	(28,700)	(1,359)	(9)	-
Skyworks Solutions	(12,076)	(975)	(30)	(0.01)
Taiwan Semiconductor Manufacturing, ADR	(93,719)	(2,689)	(13)	-
Texas Instruments	(46,060)	(2,944)	(55)	(0.01)
Workday A shares	(23,943)	(1,999)	(75)	(0.02)
ZTE	(392,000)	(830)	(49)	(0.01)
		(45,079)	(620)	(0.13)
Investment Funds (0.02)% (0.00%)				
Scottish Mortgage Investment Trust	(1,084,040)	(4,699)	(106)	(0.02)
		(4,699)	(106)	(0.02)
Materials 0.02% (0.06%)				
Air Products & Chemicals	(21,186)	(2,394)	5	-
Ball	(65,572)	(2,012)	(23)	-
Praxair	(7,923)	(804)	9	-
Southern Copper	(31,060)	(971)	36	0.01
Trinseo	28,612	1,472	57	0.01
WR Grace	(15,795)	(861)	6	-
		(5,570)	90	0.02
Real Estate 0.00% ((0.03)%)				
Kimco Realty, REIT	(100,905)	(1,524)	(5)	-
Regency Centers, REIT	(31,954)	(1,578)	18	-
Seritage Growth Properties A shares, REIT	(35,547)	(1,313)	(6)	-
		(4,415)	7	-
Telecommunication Services 0.03% ((0.01)%)				
AT&T	(112,321)	(3,284)	24	0.01
T-Mobile US	152,862	7,625	62	0.01
Verizon Communications	(136,030)	(5,083)	52	0.01
		(742)	138	0.03

Investment	Holding	Global exposure ^ £'000	Valuation £'000	% of net assets
Utilities 0.00% (0.00%)				
Vistra Energy	1,048	14	-	-
		14	-	-
Contracts for difference total		(143,765)	(304)	(0.06)
Options 0.07% (0.03%)				
Citigroup, Put, \$60, 15/09/2017	(3,347)	(156)	(10)	-
Citigroup, Put, \$65, 15/09/2017	3,347	169	57	0.01
S&P 500 Index, Put, \$219, 29/09/2017	1,598	272	19	-
S&P 500 Index, Put, \$200, 29/09/2017	(954)	(148)	(3)	-
Sears Holdings, Put, \$8, 19/01/2018	324	2	58	0.01
Tesla, Put, \$285, 17/11/2017	(225)	(50)	(95)	(0.02)
Tesla, Put, \$330, 17/11/2017	225	58	281	0.06
VanEck Vectors Semiconductor ETF, Put, \$76, 17/11/2017	(804)	(47)	(41)	(0.01)
VanEck Vectors Semiconductor ETF, Put, \$81, 17/11/2017	804	51	75	0.02
Options total		151	341	0.07
Forward currency contracts (1.09)% ((0.06)%)				
I accumulation CHF (NAV hedged) 0.00% (0.00%)				
Buy Swiss franc 10,234 dated 29/09/2017			8	-
Sell US Dollar 10,816 dated 29/09/2017			(8)	-
			-	-
I accumulation EUR (NAV hedged) (0.82)% (0.10%)				
Buy Euro 299,209,374 dated 29/09/2017			275,668	57.60
Sell US Dollar 360,372,806 dated 29/09/2017			(279,572)	(58.42)
			(3,904)	(0.82)
I accumulation GBP (NAV hedged) (0.14)% ((0.17)%)				
Buy Sterling 143,841,181 dated 29/09/2017			143,841	30.06
Sell US Dollar 186,281,434 dated 29/09/2017			(144,514)	(30.20)
			(673)	(0.14)
R accumulation CHF (NAV hedged) 0.00% (0.00%)				
Buy Swiss Franc 10,148 dated 29/09/2017			8	-
Sell US Dollar 10,726 dated 29/09/2017			(8)	-
			-	-
R accumulation EUR (NAV hedged) (0.13)% (0.01%)				
Buy Euro 47,195,118 dated 29/09/2017			43,482	9.08
Sell US Dollar 56,842,836 dated 29/09/2017			(44,098)	(9.21)
			(616)	(0.13)
Forward currency contracts total			(5,193)	(1.09)
Futures (0.01)% (0.00%)				
S&P 500 Emini Index 15/09/2017	(50)	(4,779)	(42)	(0.01)
Futures total		(4,779)	(42)	(0.01)
Investment assets (including investment liabilities)			330,802	69.12
Net other assets			147,760	30.88
Net assets attributable to shareholders			478,562	100.00

The comparative percentage figures in brackets are as at 28 February 2017.

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

Artemis US Absolute Return Fund – Financial statements

Statement of total return for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		32,658		7,712
Revenue	2,235		764	
Expenses	(3,567)		(568)	
Interest payable and similar charges	(2,303)		(1,012)	
Net expense before taxation	(3,635)		(816)	
Taxation	(136)		(22)	
Net expense after taxation		(3,771)		(838)
Total return before distributions		28,887		6,874
Distributions		-		9
Change in shareholders' funds from investment activities		28,887		6,883

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		320,415		65,018
Amounts receivable on issue of shares	195,078		140,401	
Amounts payable on cancellation of shares	(65,834)		(19,909)	
		129,244		120,492
Dilution adjustment		16		62
Change in shareholders' funds from investment activities		28,887		6,883
Closing net assets attributable to shareholders		478,562		192,455

Balance sheet as at 31 August 2017

	31 August 2017	28 February 2017
	£'000	£'000
Assets		
Fixed assets		
Investments	338,230	194,016
Current assets		
Debtors	6,134	21,050
Cash and bank balances	153,883	115,177
Total current assets	160,017	136,227
Total assets	498,247	330,243
Liabilities		
Investment liabilities	7,428	4,012
Creditors		
Bank overdraft	2,023	120
Other creditors	10,234	5,696
Total creditors	12,257	5,816
Total liabilities	19,685	9,828
Net assets attributable to shareholders	478,562	320,415

Artemis US Absolute Return Fund – Notes to the financial statements

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 28 February 2017 as set out therein.

2. Post balance sheet events

Since 31 August 2017, the net asset values per share have changed as follows:

	Net asset value per share		Movement
	12 October 2017	31 August 2017	
I accumulation CHF (NAV hedged)	102.83c	102.56c	0.3%
I accumulation EUR (NAV hedged)	109.79c	109.49c	0.3%
I accumulation GBP (NAV hedged)	112.00p	111.62p	0.3%
I accumulation USD	113.06c	112.51c	0.5%
R accumulation CHF (NAV hedged)	101.89c	101.71c	0.2%
R accumulation EUR (NAV hedged)	102.38c	102.16c	0.2%
R accumulation USD	104.68c	104.26c	0.4%

Artemis US Absolute Return Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
28 February 2015	8,681,998		
I accumulation EUR (NAV hedged)		101.16c	110,715
I accumulation GBP (NAV hedged)		101.33p	7,635,684
I accumulation USD		101.33c	1,315,445
29 February 2016	65,017,564		
I accumulation EUR (NAV hedged)		106.98c	24,692,097
I accumulation GBP (NAV hedged)		107.76p	37,354,892
I accumulation USD		107.69c	5,160,780
28 February 2017	320,414,751		
I accumulation CHF (NAV hedged)		100.73c	10,000
I accumulation EUR (NAV hedged)		107.32c	177,169,279
I accumulation GBP (NAV hedged)		109.04p	111,314,526
I accumulation USD		109.30c	14,738,987
R accumulation CHF (NAV hedged)		100.21c	27,200
R accumulation EUR (NAV hedged)		100.44c	28,005,644
R accumulation USD		101.60c	108,618
31 August 2017	478,562,390		
I accumulation CHF (NAV hedged)		102.56c	10,000
I accumulation EUR (NAV hedged)		109.49c	274,986,513
I accumulation GBP (NAV hedged)		111.62p	128,590,680
I accumulation USD		112.51c	16,018,400
R accumulation CHF (NAV hedged)		101.71c	10,000
R accumulation EUR (NAV hedged)		102.16c	46,418,741
R accumulation USD		104.26c	108,618

Ongoing charges

Class	31 August 2017
I accumulation CHF (NAV hedged)	0.88%
I accumulation EUR (NAV hedged)	0.88%
I accumulation GBP (NAV hedged)	0.88%
I accumulation USD	0.88%
R accumulation CHF (NAV hedged)	1.63%
R accumulation EUR (NAV hedged)	1.63%
R accumulation USD	1.63%

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

Fund performance

	Since launch *	1 year	6 months
Artemis US Absolute Return Fund	11.6	4.0	2.4
IA Targeted Absolute Return	8.6	3.7	2.2
Position in sector	21/53	23/63	24/66
Quartile	2	2	2

* Data from 27 October 2014. Source: Lipper Limited, I accumulation GBP (NAV hedged) shares, mid to mid in sterling to 31 August 2017. All performance figures show total returns with dividends reinvested, percentage growth. Sector is IA Targeted Absolute Return. Performance details for each share class is shown on page 87.

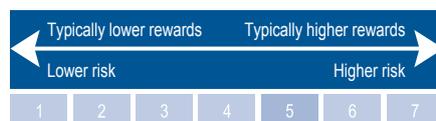
Investment objective and policy

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

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

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

Risk and reward profile



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the sub-fund.
- The 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 indicator is not a measure of the possibility of losing your investment.

The risks of investing in the sub-fund include:

- The price of shares, and the income from them, can fall and rise because of stock market and currency movements.
- Stock market prices, currencies and interest rates can move irrationally and can be affected unpredictably by diverse factors, including political and economic events.
- A portion of the sub-fund's assets may be invested in a currency other than the sub-fund's accounting currency (sterling). The value of these assets, and the income from them, may decrease if the currency falls in relation to sterling, in which the sub-fund is valued and priced.

Artemis US Equity Fund – Investment review

- The fund returned 4.3%* versus the benchmark's 2.0%*.
- The outperformance stemmed from both stock selection and sector allocation.
- Growth in corporate earnings is supporting the market.

Performance – Boosted by holdings in technology ...

The US stock market hit new highs during the six months under review. The rally was initially fuelled by expectations of healthcare and tax reforms and increased spending on infrastructure following the election of Donald Trump. But as time passed and the promised reforms failed to materialise, the nature of the rally changed: bond yields fell and 'growth' stocks (companies whose fortunes are less dependent on the wider economy) outperformed again. The technology sector performed particularly well, helped by high growth in earnings and a positive outlook as new technologies are being developed and consumers' behaviour is changing.

The fund returned 4.3% in sterling terms versus a 2.0% gain in the S&P 500 Index. The fund's outperformance was driven by good stock selection. Our sector allocation also helped: the fund's overweight in technology was beneficial and avoiding banks towards the end of the period proved rewarding.

Review – Corporate America is still thriving ...

Our stock picks within technology made a good contribution to performance, in particular our holdings in semiconductors and related areas. Lam Research and Applied Materials were among the top contributors over the period. These two companies

produce the equipment used to make semiconductors. We believe that they will benefit from the growing need for semiconductors linked to continued growth in existing markets like smartphones and cloud computing. They are also a very attractively valued way of investing in new technologies such as artificial intelligence or driverless cars.

We added to our exposure in semiconductors through Micron Technology, which produces memory (both DRAM and NAND). In the past, this has been a cyclical, badly managed sector where you would often find an imbalance between supply and demand. However, much progress has been made and in the current cycle the sector has seen strong demand for memory while also being able to sustain pricing. As a result of the prior lack of discipline in the sector the market is very sceptical, awarding Micron Technology a very low multiple of its existing earnings. We believe that presents a significant opportunity: the stock's price does not reflect the company's current growth prospects nor the fact that they have improved pricing power.

Our holdings in video game producers Take-Two Interactive Software and Activision Blizzard also helped the fund's performance. We have long liked the videogame sector given its very positive dynamics. Not only is Take-Two Interactive Software benefiting from increased demand for its games – principally the Grand Theft Auto franchise – but the prevalence of broadband internet has allowed the companies to generate more revenue at higher margins through the lifetime of the game. In this latest generation of games there is much more content which is available for download (for a price) while playing the game. Because there is no middleman (a retailer) the videogame company earns higher margins. After a good run, we have taken profits in Take-Two Interactive Software. Although we still have a positive view on the sector, the

performance of the stock has led to a deterioration of the risk/reward ratio and so we have reduced the position.

We still like Microsoft, whose cloud enterprise business is proving very resilient despite the arrival of new entrants in the sector. We believe that Microsoft's established clients provide them with a solid base, enabling them to withstand the pressure of new entrants in this field.

We have been adding to our holding in Facebook. We believe that the monetisation of currently loss-making operations such as WhatsApp and Messenger will lead to higher earnings and on this basis the valuation and risk/reward look positive. On the negative side, not owning Apple proved unrewarding as the stock did well on the anticipation of a positive product cycle for the iPhone X. We believe that Apple might struggle to meet demand as the product has new features where the ability to build en masse has not yet been proven.

Our holdings in cable companies made a good contribution as the prospect of consolidation in the sector boosted performance. We remain positive on this industry. Cable companies are local monopolies and so benefit from pricing power.

We remain under-exposed to consumer staples, which are characterised by low growth and relatively high valuations because of their defensive qualities and large dividends. But we have bought cigarette maker Philip Morris International. We are positive on the take up of its new product IQOS, an innovative way of delivering nicotine that has been tested in Japan and is being rolled out in the rest of the world. This smoke-free product doesn't have the negative effects on health that traditional cigarettes do and provides the company with a new area for growth.

We recently bought McDonald's. While this company is classified as a consumer discretionary stock, demand

* Source: Lipper Limited, class I accumulation GBP shares, mid to mid basis in sterling with dividends reinvested to 31 August 2017. Benchmark is the S&P 500 Index.

for its products remains relatively stable through economic cycles. We think the defensive attributes of the business are underappreciated by the market. In addition, they are benefiting from the expansion in delivery of food by companies such as Uber. This adds volume to McDonald's network, frequently at times like late evening, when the stores are quieter.

We have also increased our exposure to the healthcare sector, where stocks have been under pressure due to the uncertainty surrounding healthcare reform. We believe that the political risk has now been priced in. We have added to established biotech companies such as Celgene and Biogen, which are reasonably priced with little value being awarded yet to their pipeline. Within the sector, long-standing holding in animal healthcare company Zoetis contributed to returns. It continued to post good results from its diversified range of products.

The fund also received a boost from the takeover of CR Bard (medical devices), which was acquired by larger operator Becton Dickinson.

With the prospect for further increases to interest rates receding and bond yields declining, the environment is not supportive for banks. As a result, we have reduced the fund's exposure to regional banks over the last six months, taking profits after their strong performance. We have bought Visa, which is benefiting from the growth of online transactions and the general shift towards using cards rather than cash.

Our holdings in the energy sector detracted from returns. We have reduced our exposure to what is a challenging area at the moment.

Our holding in Spirit Airlines proved disappointing as one of the incumbent airline companies decided to pursue a price war that will impair Spirit's ability to grow market share on new routes. We have sold the position.

Outlook – Growth in earnings supporting market ...

We still expect GDP to grow at of around 2%. Economic data is proving to be relatively resilient, helped both by a healthy labour market and fairly positive housing data. But consumer spending is sluggish despite the fact that real incomes have improved as inflation has declined. Inflation expectations have come down as the oil price has been low. Confidence indicators have remained high. While further interest rates increases are not currently priced in by the market, the Federal Reserve Board ('Fed') has indicated that they want to 'normalise' its balance sheet.

Companies have reported good growth in earnings since the beginning of the year. As a consequence, expectations for growth in earnings have been revised upwards to 8-9% for 2017. While the market certainly doesn't appear cheap, on measures such as free cashflow yield or price-to-book, it is actually trading in line with historical averages.

While we were hoping for broad-based tax reform, it now looks likely to be more restricted than had been anticipated. The Republicans will want to please their electorate (and keep their majority) through tax cuts for individuals but we might not see a broader reform of the tax code, which would have been very beneficial for corporate America.

The performance of the market has been very good since the beginning of the year but we think corporate earnings are supportive of valuations at their current levels. We do not believe the market is suffering from over-optimism – not all stocks or sectors have seen strong gains. So, more than ever, stockpicking will be key in the months to come.

Cormac Weldon
Fund manager

Artemis US Equity Fund – Investment information

Five largest purchases and sales for the six months ended 31 August 2017

Purchases	Cost £'000	Sales	Proceeds £'000
Philip Morris International	547	Wells Fargo	601
Facebook A shares	476	Bank of America	527
Micron Technology	452	Activision Blizzard	491
Booz Allen Hamilton Holding	451	Home Depot	471
Wells Fargo	438	Time Warner	408

Portfolio statement as at 31 August 2017

Investment	Holding	Valuation £'000	% of net assets
Equities 92.20% (93.49%)			
Consumer Discretionary 11.91% (14.52%)			
Amazon.com	685	514	1.86
Comcast A shares	21,148	670	2.42
Home Depot	2,564	299	1.08
Las Vegas Sands	2,928	138	0.50
Liberty Broadband C shares	10,331	805	2.91
Liberty Media Corp-Liberty Formula One C shares	7,557	228	0.83
McDonald's	2,284	283	1.02
Royal Caribbean Cruises	2,456	232	0.84
Starbucks	2,928	124	0.45
		3,293	11.91
Consumer Staples 7.79% (5.18%)			
Altria Group	10,849	539	1.95
Edgewell Personal Care	2,856	167	0.60
Energizer Holdings	2,519	85	0.31
Estee Lauder A shares	3,551	291	1.05
Maple Leaf Foods	7,417	157	0.57
PepsiCo	4,024	360	1.30
Philip Morris International	6,153	556	2.01
		2,155	7.79
Energy 3.54% (6.16%)			
Baker Hughes, a GE Company	5,320	138	0.50
Chevron	5,070	424	1.54
Diamondback Energy	3,435	236	0.85
Pioneer Natural Resources	1,797	180	0.65
		978	3.54
Financials 10.02% (15.43%)			
Bank of America	22,205	411	1.49
CBOE Holdings	2,441	190	0.69
Charles Schwab	8,750	269	0.97
Citizens Financial Group	5,289	137	0.50
Huntington Bancshares	26,394	259	0.94
MSCI	3,791	332	1.20
S&P Global	3,168	378	1.37
US Bancorp	13,088	524	1.89
Wells Fargo	6,737	269	0.97

Investment	Holding	Valuation £'000	% of net assets
		2,769	10.02
Health Care 14.93% (10.98%)			
Amgen	2,997	404	1.46
Anthem	3,613	537	1.94
Becton Dickinson	2,880	443	1.60
Biogen	1,200	283	1.02
Celgene	3,381	353	1.28
CR Bard	1,806	447	1.62
Pfizer	20,970	545	1.97
UnitedHealth Group	3,645	554	2.01
Zoetis	11,645	560	2.03
		4,126	14.93
Industrials 5.49% (9.19%)			
Cintas	3,187	331	1.20
Equifax	2,487	273	0.99
HEICO	1,471	96	0.34
Lockheed Martin	849	202	0.73
Masco	7,388	209	0.75
Raytheon	1,444	204	0.74
Southwest Airlines	2,620	105	0.38
Swift Transportation	4,508	99	0.36
		1,519	5.49
Information Technology 30.95% (26.23%)			
Activision Blizzard	4,573	233	0.84
Alphabet C shares	1,434	1,035	3.74
Apple	4,478	568	2.06
Applied Materials	20,565	726	2.63
Booz Allen Hamilton Holding	15,759	415	1.50
Ciena	8,399	158	0.57
Facebook A shares	6,360	839	3.04
Fidelity National Information Services	3,469	249	0.90
KLA-Tencor	1,937	141	0.51
Lam Research	3,520	451	1.63
Leidos Holdings	6,204	276	1.00
Micron Technology	19,852	487	1.76
Microsoft	16,385	941	3.40
Nuance Communications	15,315	191	0.69
Nutanix A shares	7,205	122	0.44
Oracle	6,091	236	0.85
PayPal Holdings	6,638	318	1.15
Power Integrations	4,058	226	0.82
Take-Two Interactive Software	3,992	303	1.10
Visa A shares	7,952	641	2.32
		8,556	30.95

Artemis US Equity Fund – Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Materials 2.39% (1.23%)			
Franco-Nevada	5,999	376	1.36
Summit Materials A shares	6,788	156	0.57
Trinseo	2,479	128	0.46
		660	2.39
Real Estate 2.23% (2.46%)			
American Campus Communities, REIT	3,764	139	0.50
Prologis, REIT	5,723	277	1.00
SL Green Realty, REIT	2,661	201	0.73
		617	2.23
Telecommunication Services 1.40% (1.20%)			
T-Mobile US	7,741	386	1.40
		386	1.40
Utilities 1.55% (0.91%)			
NextEra Energy	3,672	429	1.55
		429	1.55
Investment assets		25,488	92.20
Net other assets		2,155	7.80
Net assets attributable to shareholders		27,643	100.00

The comparative percentage figures in brackets are as at 28 February 2017.

Artemis US Equity Fund – Financial statements

Statement of total return for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		1,092		2,770
Revenue	202		217	
Expenses	(132)		(129)	
Net revenue before taxation	70		88	
Taxation	(41)		(24)	
Net revenue after taxation		29		64
Total return before distributions		1,121		2,834
Distributions		-		2
Change in shareholders' funds from investment activities		1,121		2,836

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		25,800		16,279
Amounts receivable on issue of shares	2,524		2,389	
Amounts payable on cancellation of shares	(1,802)		(739)	
		722		1,650
Change in shareholders' funds from investment activities		1,121		2,836
Closing net assets attributable to shareholders		27,643		20,765

Balance sheet as at 31 August 2017

	31 August 2017	28 February 2017
	£'000	£'000
Assets		
Fixed assets		
Investments	25,488	24,121
Current assets		
Debtors	129	279
Cash and bank balances	2,097	1,781
Total current assets	2,226	2,060
Total assets	27,714	26,181
Liabilities		
Creditors		
Other creditors	71	381
Total liabilities	71	381
Net assets attributable to shareholders	27,643	25,800

Artemis US Equity Fund – Notes to the financial statements

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 28 February 2017 as set out therein.

2. Post balance sheet events

Since 31 August 2017, the net asset values per share have changed as follows:

	Net asset value per share		Movement
	12 October 2017	31 August 2017	
I accumulation EUR	147.11c	141.44c	4.0%
I accumulation GBP	167.29p	164.63p	1.6%
I accumulation USD	137.58c	132.34c	4.0%

Artemis US Equity Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
28 February 2015	10,354,099		
I accumulation EUR		121.74c	10,000
I accumulation GBP		111.88p	9,240,420
I accumulation USD		107.79c	10,000
29 February 2016	16,279,306		
I accumulation EUR		118.74c	10,000
I accumulation GBP		117.89p	13,755,782
I accumulation USD		101.96c	71,510
28 February 2017	25,799,719		
I accumulation EUR		146.56c	10,000
I accumulation GBP		157.84p	16,292,500
I accumulation USD		122.58c	71,510
31 August 2017	27,643,044		
I accumulation EUR		141.44c	14,590
I accumulation GBP		164.63p	16,734,690
I accumulation USD		132.34c	71,510

Fund performance

	Since launch*	1 year	6 months
Artemis US Equity Fund	64.7	20.4	4.3
S&P 500 Index (GBP)	65.6	18.1	2.0
Sector average	56.6	16.9	0.8
Position in sector	15/80	21/90	14/91
Quartile	1	1	1

* Data from 19 September 2014. Source: Lipper Limited, class I accumulation GBP shares, mid to mid basis, in sterling to 31 August 2017. All performance figures show total returns with dividends reinvested, percentage growth. Sector is IA North America. Performance details for each share class is shown on page 87.

Ongoing charges

Class	31 August 2017
I accumulation EUR	1.00%
I accumulation GBP	1.00%
I accumulation USD	1.00%

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

Artemis US Extended Alpha Fund

Investment objective and policy

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

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

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

Risk and reward profile



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the sub-fund.
- The 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 indicator is not a measure of the possibility of losing your investment.

The risks of investing in the sub-fund include:

- The price of shares, and the income from them, can fall and rise because of stock market and currency movements.
- Stock market prices, currencies and interest rates can move irrationally and can be affected unpredictably by diverse factors, including political and economic events.
- A portion of the sub-fund's assets may be invested in a currency other than the sub-fund's accounting currency (sterling). The value of these assets, and the income from them, may decrease if the currency falls in relation to sterling, in which the sub-fund is valued and priced.
- Investing in derivatives carries risks. In the case of a 'short' position, for example, where the sub-fund aims to profit from falling prices, if the price of the underlying asset rises in value, the sub-fund will lose money.

Artemis US Extended Alpha Fund – Investment review

- The fund returned 4.3%* versus 2.0%* for the benchmark.
- We enjoy particular success in the technology sector.
- The coming withdrawal of liquidity by central banks poses risks.

Performance – Stock selection helps ...

Supported by global monetary stimulus and the possibility that President Trump's promised reforms would lead to an acceleration in economic growth, the US market continued to climb in early 2017, with value stocks (cheaper stocks whose fortunes tend to be more attuned to the economic cycle) leading the gains. Meanwhile, the prospect of higher interest rates and the steepening of the yield curve saw financial stocks performing particularly well – initially, at least. From March, however, investors began to lose confidence that Trump's announced reforms would actually be implemented. Despite this, global monetary stimulus continued and growth stocks picked up where value stocks had left off. Over the period, the S&P 500 Index returned 2.0% in sterling terms. The fund's net exposure was around 85% over the period. Good stock selection – particularly in the technology sector – saw the fund returning 4.3%, outperforming the benchmark.

Review – Technology first ...

The period was characterised by strong earnings reports from US companies. Forecasts made in the early part of the year that earnings would grow by between 5% and 6% in 2017 have been revised. Earnings are now expected to grow by 8% to 9%. Cash generation has not been as strong. This is partly due to losses from the energy sector but also reflects the fact that earnings can be more easily flattered by accounting treatments than underlying cashflows.

Our holdings in videogame companies performed well once again, with Take-Two Interactive and Activision Blizzard both featuring among the top contributors to returns over the last six months. We have favoured the videogame publishers because the industry's move towards distributing its products as online downloads has increased revenues and profits. Videogame producers now have direct access to their customers and are increasingly cutting out the middle man. The move online also means they can sell in-game add-ons, such as additional content.

Our holdings in semiconductor and semiconductor capital equipment companies also added value. Lam Research and Applied Materials make the equipment that is used to produce semiconductors. These companies are benefiting from the growing demand for semiconductors in existing markets like smartphones and cloud computing. They are also a very attractively valued way of investing in new technologies such as artificial intelligence and driverless cars.

Staying with technology, we added to memory chip manufacturer Micron, a producer of both DRAM and NAND memory. In the past, it suffered from a lack of pricing discipline in what was a very cyclical and badly managed sector afflicted by an imbalance between supply and demand. A lot of progress has been made since then and strong demand is supporting prices for memory. Micron trades at a very low multiple of existing earnings and in our view its share price does not adequately reflect its growth prospects.

We have also added to Facebook. We believe that what are currently loss-making activities in 'chat' services will present monetisation opportunities in the future and so support earnings growth and valuation.

Overall, a deterioration in the balance between risk and reward encouraged us to reduce our exposure to the technology sector. So we have taken profits in some of our videogame and semiconductor stocks while increasing

our short exposure elsewhere in the sector: in some cases, rising multiples are not justified. We have kept our position in Alphabet, which presents a combination of strong, growing, leading businesses while still offering opportunities on the cost-cutting front. We also retain our holding in Microsoft. It has a dominant position in the cloud enterprise business and isn't particularly threatened by new entrants. It has a strong established client base on which it can rely and leverage for new business.

Our negative stance on consumer staples added to returns. Given the lacklustre growth of cashflows, valuations remain high even under the assumption that current, very low discount rates continue.

Competition from cable companies remains a major threat to the telecoms sector. We have, however, reduced our negative position in telecoms following a period of poor performance. Within that, we are still positive on mobile operator T-Mobile US. It has established a strong business in the US and is likely to benefit from consolidation in the industry.

We retain the fund's exposure to defence companies such as Lockheed Martin and Raytheon. Our thesis of an increase in the US defence budget is being borne out. New contracts are being awarded, especially in the area of anti-ballistics. Elsewhere in industrials, we initiated a position in Rockwell Automation.

We have increased our exposure to material companies, specifically to plastic producer LyondellBasell Industries which is profiting from a positive environment for pricing and limited supply. We also bought gold company Franco-Nevada, whose cashflows are underpinned by a diversified portfolio of royalty streams.

We remain cautious on financials, particularly banks. The expected steepening of the yield curve has failed to materialise but valuations have increased substantially. The deterioration in trend levels of growth,

* Source: Lipper Limited, class I accumulation GBP shares, mid to mid basis in sterling with dividends reinvested to 31 August 2017. Benchmark is the S&P 500 Index (GBP).

Artemis US Extended Alpha Fund – Investment review (continued)

the increase in indebtedness and the higher bad debts that brings will continue to limit the banking sector's potential. Instead, we prefer diversified financials such as ratings company S&P Global and financial data provider MSCI, whose business models we find more attractive.

Outlook – Liquidity matters ...

Although economic data has been somewhat mixed, confidence indicators have remained consistently high. Employment continues to be strong but wage growth has faded. Against this backdrop, the Federal Reserve has announced it is to reduce the size of its balance sheet (unwinding quantitative easing) which could weigh on market performance as liquidity is drained from the financial system.

Even after several years of strong returns, asset prices have risen substantially this year. Liquidity appears to be the major driver for these gains. For now, there remains a large stock of excess liquidity in the financial system, suppressing volatility. But this supportive flow is likely to materially slow as the process of expanding central banks' balance sheets goes into reverse. That will, we believe, pose substantial risks to equity markets.

Stephen Moore
Fund manager

Artemis US Extended Alpha Fund – Investment information

Five largest purchases and sales for the six months ended 31 August 2017 *

Purchases	Cost £'000	Sales	Proceeds £'000
Facebook A shares	23,677	Activision Blizzard	14,726
Cintas	16,821	Take-Two Interactive Software	12,241
Franco-Nevada	16,241	Zoetis	12,219
Liberty Broadband C shares	14,882	Spirit Airlines	10,152
Rockwell Automation	13,622	F5 Networks	10,001

* Excluding US Treasury Bills traded for liquidity management purposes.

Portfolio statement as at 31 August 2017

Investment	Holding	Global exposure ^ £'000	Valuation £'000	% of net assets
Equities 73.35% (59.35%)				
Consumer Discretionary 12.00% (10.41%)				
Amazon.com	24,744		18,583	2.10
Best Buy	79,684		3,351	0.38
Burlington Stores	66,968		4,469	0.51
Caesars Entertainment	348,792		3,033	0.34
Churchill Downs	55,817		8,378	0.95
DISH Network A shares	183,295		8,139	0.92
Liberty Broadband C shares	275,961		21,515	2.44
Liberty Expedia Holdings A shares	458,641		18,999	2.15
Liberty Media Corp-Liberty Formula One C shares	187,748		5,669	0.64
Netflix	29,174		3,957	0.45
Time Warner	107,628		8,471	0.96
William Hill	566,178		1,383	0.16
			105,947	12.00
Consumer Staples 1.88% (0.00%)				
PepsiCo	91,932		8,218	0.93
Philip Morris International	93,085		8,412	0.95
			16,630	1.88
Energy 0.29% (1.16%)				
Baker Hughes, a GE Company	96,915		2,522	0.29
			2,522	0.29
Financials 11.25% (10.48%)				
Athene Holding A shares	88,103		3,626	0.41
Berkshire Hathaway B shares	195,559		27,370	3.10
Chubb	74,053		8,117	0.92
East West Bancorp	122,314		5,279	0.60
Fifth Third Bancorp	592,239		12,085	1.37
Goldman Sachs Group	18,003		3,109	0.35
Leucadia National	193,666		3,570	0.40
MSCI	163,612		14,345	1.63
Reinsurance Group of America	28,369		2,951	0.33
S&P Global	53,543		6,380	0.72
State Street	58,629		4,205	0.48
US Bancorp	207,373		8,305	0.94
			99,342	11.25
Health Care 6.30% (6.34%)				
AbbVie	90,198		5,176	0.59

Artemis US Extended Alpha Fund – Investment information (continued)

Investment	Holding	Global exposure ^ £'000	Valuation £'000	% of net assets
Amgen	47,600		6,420	0.73
Biogen	15,921		3,755	0.43
DaVita	59,063		2,637	0.30
Gilead Sciences	46,603		2,940	0.33
McKesson	32,046		3,651	0.41
UnitedHealth Group	102,451		15,576	1.76
Waters	28,492		4,005	0.45
WellCare Health Plans	17,463		2,304	0.26
Zoetis	190,589		9,162	1.04
			55,626	6.30
Industrials 7.41% (4.49%)				
Boeing	31,821		5,939	0.67
Cintas	228,468		23,728	2.69
Huntington Ingalls Industries	38,988		6,372	0.72
Rockwell Automation	102,927		12,995	1.47
Swift Transportation	473,528		10,420	1.18
United Rentals	30,274		2,801	0.32
Watsco	27,955		3,161	0.36
			65,416	7.41
Information Technology 25.53% (23.00%)				
Activision Blizzard	294,134		14,998	1.70
Alliance Data Systems	20,577		3,596	0.41
Alphabet C shares	43,311		31,260	3.54
Applied Materials	641,104		22,629	2.56
Booz Allen Hamilton Holding	159,011		4,184	0.47
Ciena	373,994		7,048	0.80
Citrix Systems	100,690		6,019	0.68
eBay	137,700		3,816	0.43
Electronic Arts	148,883		14,098	1.60
Facebook A shares	221,452		29,212	3.31
Finisar	205,684		4,005	0.45
Juniper Networks	239,249		5,133	0.58
KLA-Tencor	144,496		10,492	1.19
Lumentum Holdings	139,337		6,140	0.70
Mastercard A shares	64,450		6,701	0.76
Maxim Integrated Products	103,893		3,674	0.42
Micron Technology	720,604		17,681	2.00
Nuance Communications	375,111		4,666	0.53
PayPal Holdings	130,722		6,268	0.71
Power Integrations	109,985		6,136	0.70
Seagate Technology	26,666		652	0.07
Synaptics	97,642		3,213	0.36
Take-Two Interactive Software	117,273		8,891	1.01
Western Union	331,732		4,876	0.55
			225,388	25.53
Materials 5.11% (2.29%)				
Crown Holdings	268,015		12,101	1.37
Franco-Nevada	229,682		14,408	1.63
LyondellBasell Industries A shares	147,873		10,369	1.17

Investment	Holding	Global exposure ^ £'000	Valuation £'000	% of net assets
Sealed Air	175,788		6,046	0.69
Summit Materials A shares	96,104		2,208	0.25
			45,132	5.11
Real Estate 1.84% (0.75%)				
Prologis, REIT	174,314		8,447	0.96
SL Green Realty, REIT	103,788		7,820	0.88
			16,267	1.84
Utilities 1.74% (0.43%)				
Vistra Energy	220,656		2,973	0.34
WEC Energy Group	244,112		12,339	1.40
			15,312	1.74
Equities total			647,582	73.35
Government bonds 14.79% (30.01%)				
US Treasury Bill 0.00% 19/07/2018	\$170,000,000		130,614	14.79
Government bonds total			130,614	14.79
Contracts for difference 0.12% (1.10%)				
Consumer discretionary 0.02% (0.06%)				
Acushnet Holdings	(63,181)	(803)	27	-
Advance Auto Parts	(9,339)	(702)	(16)	-
Aramark	(78,070)	(2,427)	13	-
CBS B shares	(75,114)	(3,761)	(44)	(0.01)
Charter Communications A shares	(23,148)	(7,067)	(73)	(0.01)
Chipotle Mexican Grill	(6,700)	(1,640)	(16)	-
Columbia Sportswear	(36,653)	(1,619)	13	-
Comcast A shares	622,433	19,730	230	0.03
Darden Restaurants	(25,913)	(1,667)	40	-
Discovery Communications	(135,981)	(2,342)	66	0.01
Dollar General	(14,664)	(874)	7	-
Domino's Pizza	(17,128)	(2,380)	(3)	-
Expedia	(155,272)	(17,293)	(110)	(0.01)
Hanesbrands	(109,716)	(2,055)	32	-
Home Depot	92,119	10,729	(94)	(0.01)
Kohl's Corp. Common Stock	(59,965)	(1,849)	(7)	-
Las Vegas Sands	120,894	5,684	24	-
LG Electronics	(32,579)	(1,832)	(110)	(0.01)
Lithia Motors A shares	(15,489)	(1,269)	(32)	-
LKQ	(60,841)	(1,620)	(2)	-
Lululemon Athletica	(34,887)	(1,560)	68	0.01
MakeMyTrip	(37,901)	(970)	(40)	-
Newell Brands	(59,536)	(2,196)	31	-
News A shares	(433,871)	(4,479)	44	-
Papa John's International	(9,822)	(573)	-	-
Sears Holdings	(151,182)	(973)	39	-
Six Flags Entertainment	193,730	7,990	174	0.02
Starbucks	86,439	3,659	8	-
Swatch Group	(3,793)	(1,165)	(17)	-
Tesla	(15,015)	(4,117)	(87)	(0.01)
Under Armour C shares	(100,478)	(1,184)	47	0.01
Walt Disney	(16,077)	(1,284)	(4)	-

Artemis US Extended Alpha Fund – Investment information (continued)

Investment	Holding	Global exposure ^ £'000	Valuation £'000	% of net assets
Wayfair	(18,364)	(995)	(18)	-
		(22,904)	190	0.02
Consumer Staples 0.01% (0.19%)				
Altria Group	248,057	12,332	18	-
Cal-Maine Foods	(61,110)	(1,719)	2	-
Campbell Soup	(26,880)	(1,049)	10	-
Church & Dwight	(49,006)	(1,888)	5	-
General Mills	(31,162)	(1,300)	13	-
Hain Celestial Group	(11,201)	(345)	8	-
Hershey	(30,180)	(2,446)	2	-
Hormel Foods	(68,194)	(1,634)	10	-
Kellogg	(31,040)	(1,592)	18	-
Kraft Heinz	(48,767)	(3,102)	8	-
Maple Leaf Foods	391,448	8,290	22	0.01
Molson Coors Brewing B shares	(24,478)	(1,704)	(3)	-
Monster Beverage	(33,876)	(1,472)	(21)	-
Nestle	(42,569)	(2,796)	(44)	-
Procter & Gamble	(21,855)	(1,559)	10	-
Unilever	(53,656)	(2,459)	18	-
Wal-Mart Stores	(19,399)	(1,183)	(8)	-
		(5,626)	68	0.01
Energy (0.01)% ((0.08)%)				
Exxon Mobil	(32,168)	(1,900)	9	-
Occidental Petroleum	53,635	2,465	4	-
Schlumberger	101,424	4,990	(6)	-
US Silica Holdings	(64,086)	(1,366)	(88)	(0.01)
		4,189	(81)	(0.01)
Financials (0.01)% (0.00%)				
Ameriprise Financial	(17,148)	(1,827)	7	-
Banco Santander, ADR	(362,577)	(1,812)	17	-
BlackRock	(4,890)	(1,580)	(7)	-
Brighthouse Financial	10,256	455	14	-
Commonwealth Bank of Australia	(41,449)	(1,926)	21	-
Credit Acceptance	(5,668)	(1,191)	(19)	-
Credit Agricole	(113,798)	(1,541)	25	-
Deutsche Bank	(100,532)	(1,250)	30	-
Discover Financial Services	183,082	8,384	(18)	-
HSBC Holdings, ADR	(114,529)	(4,303)	(42)	-
JPMorgan Chase	(66,891)	(4,742)	15	-
Lazard A shares	92,772	3,066	-	-
MetLife	118,457	4,328	(45)	(0.01)
Morgan Stanley	109,511	3,882	13	-
Oaktree Capital Group	60,283	2,152	(11)	-
Santander Consumer USA Holdings	(123,544)	(1,380)	(44)	-
Sberbank of Russia, ADR	(146,206)	(1,538)	(52)	(0.01)
Texas Capital Bancshares	(12,752)	(729)	-	-
Wells Fargo	28,110	1,121	(6)	-
Westpac Banking, ADR	(152,462)	(2,933)	51	0.01
		(3,364)	(51)	(0.01)

Investment	Holding	Global exposure ^ £'000	Valuation £'000	% of net assets
Health Care (0.01)% (0.14%)				
Anthem	45,100	6,706	(69)	(0.01)
Becton Dickinson	27,107	4,165	(24)	-
CR Bard	23,059	5,712	(9)	-
Dentsply Sirona	(24,501)	(1,059)	(10)	-
Envision Healthcare	(47,389)	(1,896)	-	-
Mednax	(47,469)	(1,596)	30	-
Pfizer	195,314	5,072	(4)	-
Zimmer Biomet Holdings	(16,083)	(1,411)	(1)	-
		15,693	(87)	(0.01)
Industrials 0.06% (0.30%)				
Acuity Brands	(19,339)	(2,619)	6	-
Caterpillar	(47,338)	(4,319)	(90)	(0.01)
Colfax	(53,163)	(1,628)	(28)	-
Deere	(13,634)	(1,222)	5	-
Flowserve	(48,309)	(1,462)	(21)	-
GATX	(30,467)	(1,431)	(2)	-
General Dynamics	36,774	5,744	90	0.01
General Electric	(335,105)	(6,316)	50	-
Kansas City Southern	(17,987)	(1,435)	10	-
Kennametal	(83,149)	(2,274)	(32)	-
Lockheed Martin	65,503	15,571	121	0.01
Northrop Grumman	42,319	8,904	96	0.01
Raytheon	124,104	17,554	359	0.04
Southwest Airlines	143,018	5,719	(25)	-
UniFirst	(15,408)	(1,665)	(13)	-
Wabtec	(39,540)	(2,163)	-	-
		26,958	526	0.06
Information Technology 0.03% (0.43%)				
Advanced Micro Devices	(179,087)	(1,761)	(61)	(0.01)
Alibaba Group Holding, ADR	(9,440)	(1,255)	(18)	-
Amkor Technology	(313,846)	(2,185)	(83)	(0.01)
Analog Devices	(48,744)	(3,169)	(141)	(0.02)
Apple	148,897	18,881	200	0.02
Arista Networks	(8,628)	(1,192)	(26)	-
ASML Holding	(91,904)	(11,045)	(48)	(0.01)
Atlassian	(75,856)	(2,093)	(51)	(0.01)
AU Optronics, ADR	(618,530)	(1,938)	-	-
Baidu, ADR	(3,594)	(625)	(9)	-
Broadcom	(5,619)	(1,073)	(12)	-
Cavium	(44,850)	(2,165)	(40)	-
Cisco Systems	(17,488)	(435)	(6)	-
Corning	182,792	4,067	(14)	-
Ebix	(45,378)	(2,016)	(9)	-
Intel	(88,183)	(2,389)	(17)	-
Lam Research	184,424	23,621	590	0.07
Microchip Technology	(64,681)	(4,303)	(96)	(0.01)
Microsoft	532,112	30,576	476	0.05
NVIDIA	(6,781)	(872)	(4)	-

Artemis US Extended Alpha Fund – Investment information (continued)

Investment	Holding	Global exposure ^ £'000	Valuation £'000	% of net assets
Okta	(25,102)	(513)	(36)	-
Pandora Media	(86,775)	(545)	6	-
Paylocity Holding	(8,639)	(323)	(8)	-
Proofpoint	(48,147)	(3,422)	(31)	-
salesforce.com	(23,388)	(1,722)	(22)	-
SAP, ADR	(77,366)	(6,282)	47	-
ServiceNow	(31,713)	(2,814)	(58)	(0.01)
SK Hynix	(32,427)	(1,535)	(10)	-
Skyworks Solutions	(16,060)	(1,296)	(40)	-
Taiwan Semiconductor Manufacturing, ADR	(104,947)	(3,010)	(15)	-
Texas Instruments	(50,135)	(3,204)	(60)	(0.01)
Visa A shares	57,651	4,647	1	-
Workday A shares	(27,002)	(2,254)	(85)	(0.01)
ZTE	(638,000)	-	(79)	(0.01)
		16,356	241	0.03
Investment Funds (0.02)% (0.00%)				
Scottish Mortgage Investment Trust	(1,562,103)	(6,769)	(153)	(0.02)
		(6,769)	(153)	(0.02)
Materials 0.02% (0.07%)				
Air Products & Chemicals	(23,921)	(2,702)	5	-
Ball	(86,761)	(2,662)	(30)	-
Praxair	(10,214)	(1,036)	12	-
Southern Copper	(39,747)	(1,243)	46	-
Trinseo	79,435	4,088	154	0.02
WR Grace	(17,015)	(928)	7	-
		(4,483)	194	0.02
Real Estate 0.00% ((0.02)%)				
Kimco Realty, REIT	(141,435)	(2,135)	(7)	-
Regency Centers, REIT	(38,762)	(1,914)	22	-
Seritage Growth Properties A shares, REIT	(49,347)	(1,823)	(8)	-
		(5,872)	7	-
Telecommunication Services 0.03% (0.01%)				
AT&T	(95,687)	(2,798)	21	-
T-Mobile US	460,394	22,966	184	0.02
Verizon Communications	(104,864)	(3,917)	40	0.01
		16,251	245	0.03
Utilities 0.00% (0.00%)				
Vistra Energy	70,152	945	(22)	-
		945	(22)	-
Contracts for difference total		31,374	1,077	0.12
Options 0.07% (0.00%)				
Citigroup, Put, \$60, 15/09/2017	(5,702)	(266)	(18)	-
Citigroup, Put, \$65, 15/09/2017	5,702	288	97	0.01
Sears Holdings, Put, \$8, 19/01/2018	569	4	102	0.01
Tesla, Put, \$285, 17/11/2017	(410)	(91)	(173)	(0.02)
Tesla, Put, \$330, 17/11/2017	410	105	513	0.06
VanEck Vectors Semiconductor ETF, Put, \$76, 17/11/2017	(1,420)	(84)	(72)	(0.01)
VanEck Vectors Semiconductor ETF, Put, \$81, 17/11/2017	1,420	89	132	0.02
Options total		45	581	0.07

Investment	Holding	Global exposure ^ £'000	Valuation £'000	% of net assets
Forward currency contracts (0.09)% (0.00%)				
I accumulation CHF (NAV hedged) 0.00% (0.00%)				
Buy Swiss Franc 692,173 dated 29/09/2017			557	0.06
Sell US Dollar 731,571 dated 29/09/2017			(567)	(0.06)
			(10)	-
I accumulation EUR (NAV hedged) 0.00% (0.00%)				
Buy Euro 64,814 dated 29/09/2017			60	0.01
Sell US Dollar 78,063 dated 29/09/2017			(61)	(0.01)
			(1)	-
I accumulation GBP (NAV hedged) (0.03)% (0.00%)				
Buy Sterling 50,627,740 dated 29/09/2017			50,627	5.73
Sell US Dollar 65,547,284 dated 29/09/2017			(50,850)	(5.76)
			(223)	(0.03)
R accumulation CHF (NAV hedged) 0.00% (0.00%)				
Buy Swiss Franc 16,156 dated 29/09/2017			13	-
Sell US Dollar 17,076 dated 29/09/2017			(13)	-
			-	-
R accumulation EUR (NAV hedged) (0.06)% (0.00%)				
Buy Euro 38,042,388 dated 29/09/2017			35,049	3.97
Sell US Dollar 45,818,682 dated 29/09/2017			(35,545)	(4.03)
			(496)	(0.06)
Forward currency contracts total			(730)	(0.09)
Futures 0.01% (0.06%)				
S&P 500 Emini Index 15/09/2017	824	78,756	86	0.01
Futures total		78,756	86	0.01
Investment assets (including investment liabilities)			779,210	88.25
Net other assets			103,674	11.75
Net assets attributable to shareholders			882,884	100.00

The comparative percentage figures in brackets are as at 28 February 2017.

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

Artemis US Extended Alpha Fund – Financial statements

Statement of total return for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		38,556		60,837
Revenue	6,241		4,350	
Expenses	(7,041)		(1,478)	
Interest payable and similar charges	(3,994)		(2,623)	
Net (expense)/revenue before taxation	(4,794)		249	
Taxation	(598)		(129)	
Net (expense)/revenue after taxation		(5,392)		120
Total return before distributions		33,164		60,957
Distributions		-		112
Change in shareholders' funds from investment activities		33,164		61,069

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		623,448		267,877
Amounts receivable on issue of shares	304,068		157,453	
Amounts payable on cancellation of shares	(77,796)		(65,021)	
		226,272		92,432
Dilution adjustment		-		20
Change in shareholders' funds from investment activities		33,164		61,069
Closing net assets attributable to shareholders		882,884		421,398

Balance sheet as at 31 August 2017

	31 August 2017	28 February 2017
	£'000	£'000
Assets		
Fixed assets		
Investments	782,917	569,889
Current assets		
Debtors	39,619	4,647
Cash and bank balances	108,549	63,432
Total current assets	148,168	68,079
Total assets	931,085	637,968
Liabilities		
Investment liabilities	3,707	5,539
Creditors		
Bank overdraft	341	178
Other creditors	44,153	8,803
Total creditors	44,494	8,981
Total liabilities	48,201	14,520
Net assets attributable to shareholders	882,884	623,448

Artemis US Extended Alpha Fund – Notes to the financial statements

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 28 February 2017 as set out therein.

2. Post balance sheet events

Since 31 August 2017, the net asset values per share have changed as follows:

	Net asset value per share		Movement
	12 October 2017	31 August 2017	
I accumulation CHF (NAV hedged)	128.55c	123.87c	3.8%
I accumulation EUR	162.88c	156.54c	4.1%
I accumulation EUR (NAV hedged)	104.16c	100.47c	3.7%
I accumulation GBP	185.22p	182.34p	1.6%
I accumulation GBP (NAV hedged)	130.40p	125.67p	3.8%
I accumulation USD	159.29c	146.61c	8.6%
R accumulation CHF	153.06c	126.82c	4.9%
R accumulation CHF (NAV hedged)	127.19c	122.78c	3.6%
R accumulation EUR	125.95c	121.24c	3.9%
R accumulation EUR (NAV hedged)	121.26c	116.89c	3.7%
R accumulation USD	130.86c	126.06c	3.8%

Artemis US Extended Alpha Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
28 February 2015	71,699,228		
I accumulation EUR		123.46c	10,000
I accumulation GBP		113.88p	56,464,263
I accumulation USD		109.34c	10,430,000
29 February 2016	267,876,831		
I accumulation EUR		127.99c	21,168,130
I accumulation GBP		127.25p	117,596,771
I accumulation USD		110.05c	122,053,885
28 February 2017	623,447,810		
I accumulation CHF (NAV hedged)		116.22c	361,650
I accumulation EUR		162.15c	25,777,712
I accumulation GBP		174.88p	140,611,130
I accumulation GBP (NAV hedged)		117.16p	1,015,748
I accumulation USD		135.78c	294,748,645
R accumulation CHF		122.94c	10,000
R accumulation CHF (NAV hedged)		115.50c	10,000
R accumulation EUR		126.26c	12,323
R accumulation EUR (NAV hedged)		109.88c	19,203,956
R accumulation USD		117.17c	778,599
31 August 2017	882,883,977		
I accumulation CHF (NAV hedged)		123.87c	563,965
I accumulation EUR		156.54c	67,862,196
I accumulation EUR (NAV hedged)		100.47c	65,122
I accumulation GBP		182.34p	159,741,093
I accumulation GBP (NAV hedged)		125.67p	40,658,958
I accumulation USD		146.61c	323,750,380
R accumulation CHF		126.82c	10,000
R accumulation CHF (NAV hedged)		122.78c	13,280
R accumulation EUR		121.24c	28,470,736
R accumulation EUR (NAV hedged)		116.89c	33,513,266
R accumulation USD		126.06c	5,727,125

Ongoing charges

Class	31 August 2017
I accumulation CHF (NAV hedged)	0.83%
I accumulation EUR	0.83%
I accumulation EUR (NAV hedged)	0.83%
I accumulation GBP	0.83%
I accumulation GBP (NAV hedged)	0.83%
I accumulation USD	0.83%
R accumulation CHF	1.58%
R accumulation CHF (NAV hedged)	1.58%
R accumulation EUR	1.58%
R accumulation EUR (NAV hedged)	1.58%
R accumulation USD	1.58%

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

Fund performance

	Since launch*	1 year	6 months
Artemis US Extended Alpha Fund	82.4	22.5	4.3
S&P 500 Index (GBP)	65.6	18.1	2.0
Sector average	56.6	16.9	0.8
Position in sector	4/80	9/90	12/91
Quartile	1	1	1

* Data from 19 September 2014. Source: Lipper Limited, class I accumulation GBP shares, mid to mid in sterling to 31 August 2017. All performance figures show total returns with dividends reinvested, percentage growth. Sector is IA North America. Performance details for each share class is shown on page 88.

Investment objective and policy

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

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

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

Risk and reward profile



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the sub-fund.
- The 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 indicator is not a measure of the possibility of losing your investment.

The risks of investing in the sub-fund include:

- The price of shares, and the income from them, can fall and rise because of stock market and currency movements.
- Stock market prices, currencies and interest rates can move irrationally and can be affected unpredictably by diverse factors, including political and economic events.
- A portion of the sub-fund's assets may be invested in a currency other than the sub-fund's accounting currency (sterling). The value of these assets, and the income from them, may decrease if the currency falls in relation to sterling, in which the sub-fund is valued and priced.
- The sub-fund may have a concentrated portfolio of investments, which can give rise to more risk than where investments are spread over a large number of companies. This may increase the potential gains; however, the concentration of exposure and lack of diversification may also substantially increase the risk of loss by this sub-fund.
- Investing in small and medium-sized companies can involve more risk than investing in larger, more established companies. Shares in smaller companies are often not as easy to sell as shares in larger companies are. This can cause difficulty in buying, valuing and selling those shares. Also, reliable information for deciding their value or the risks may not be available.

- Hedged shares will still be exposed to the market risks that relate to assets of the portfolio and may not be completely protected from all currency fluctuations.

Artemis US Select Fund – Investment review

- The fund returned 5.2%* versus the benchmark's 2.0%*.
- The outperformance stemmed from both stock selection and sector allocation.
- Growth in corporate earnings is supporting the market.

Performance – Boosted by holdings in technology ...

The US stock market hit new highs during the six months under review. The rally was initially fuelled by expectations of healthcare and tax reforms and increased spending on infrastructure following the election of Donald Trump. But as time passed and the promised reforms failed to materialise, the nature of the rally changed: bond yields fell and 'growth' stocks (companies whose fortunes are less dependent on the wider economy) outperformed again. The technology sector performed particularly well, helped by high growth in earnings and a positive outlook as new technologies are being developed and consumers' behaviour is changing.

The fund returned 5.2% in sterling terms versus a 2.0% gain in the S&P 500 Index. The fund's outperformance was driven by good stock selection. Our sector allocation also helped: the fund's overweight in technology was beneficial and avoiding banks towards the end of the period proved rewarding.

Review – Corporate America is still thriving ...

Our stock picks within technology made a good contribution to performance, in particular our holdings in semiconductors and related areas. Lam Research, Applied Materials and Micron were among the top contributors over the period. Lam Research and Applied

Materials produce the equipment used to make semiconductors. We believe that they will benefit from the growing need for semiconductors linked to continued growth in existing markets like smartphones and cloud computing. They are also a very attractively valued way of investing in new technologies such as artificial intelligence or driverless cars.

Micron Technology produces memory components. In the past, this has been a cyclical, badly managed sector where you would often find an imbalance between supply and demand. However, much progress has been made and in the current cycle the sector has seen strong demand for memory while also being able to sustain pricing. As a result of the prior lack of discipline in the sector the market is very sceptical, awarding Micron Technology a very low multiple of its existing earnings. We believe that presents a significant opportunity: the stock's price does not reflect the company's current growth prospects nor the fact that they have improved pricing power.

Our holdings in videogame producers Take-Two Interactive Software and Activision Blizzard also helped the fund's performance. We have long liked the videogame sector given its very positive dynamics. Not only is Take-Two Interactive Software benefiting from increased demand for its games – principally the Grand Theft Auto franchise – but the prevalence of broadband internet has allowed the companies to generate more revenue at higher margins through the lifetime of the game. In this latest generation of games there is much more content which is available for download (for a price) while playing the game. Because there is no middleman (a retailer) the videogame company earns higher margins. After a good run, we have taken profits in Take-Two Interactive Software. Although we still have a positive view on the sector, the performance of the stock has led to a deterioration of the risk/reward ratio and so we have reduced the position.

We still like Microsoft, whose cloud

enterprise business is proving very resilient despite the arrival of new entrants in the sector. We believe that Microsoft's established clients provide them with a solid base, enabling them to withstand the pressure of new entrants in this field.

We have been adding to our holding in Facebook. We believe that the monetisation of currently loss-making operations such as WhatsApp and Messenger will lead to higher earnings and on this basis the valuation and risk/reward look positive. On the negative side, not owning Apple proved unrewarding as the stock did well on the anticipation of a positive product cycle for the iPhone X. We believe that Apple might struggle to meet demand as the product has new features where the ability to build en masse has not yet been proven.

Our holdings in cable companies made a good contribution as the prospect of consolidation in the sector boosted performance. We remain positive on this industry. Cable companies are local monopolies and so benefit from pricing power.

We remain under-exposed to consumer staples, which are characterised by low growth and relatively high valuations because of their defensive qualities and large dividends. But we have bought cigarette maker Philip Morris International. We are positive on the take up of its new product IQOS, an innovative way of delivering nicotine that has been tested in Japan and is being rolled out in the rest of the world. This smoke-free product doesn't have the negative effects on health that traditional cigarettes do and provides the company with a new area for growth.

We recently bought McDonald's. While this company is classified as a consumer discretionary stock, demand for its products remains relatively stable through economic cycles. We think the defensive attributes of the business are underappreciated by the market. In addition, they are benefiting from the expansion in delivery of food by companies such as Uber. This

* Source: Lipper Limited, class I accumulation GBP shares, mid to mid basis, in sterling with dividends reinvested to 31 August 2017. Benchmark is the S&P 500 Index (GBP).

adds volume to McDonald's network, frequently at times like late evening, when the stores are quieter.

We have also increased our exposure to the healthcare sector, where stocks have been under pressure due to the uncertainty surrounding healthcare reform. We believe that the political risk has now been priced in. We have added to established biotech companies such as Celgene and Biogen, which are reasonably priced with little value being awarded yet to their pipeline. Within the sector, long-standing holding in animal healthcare company Zoetis contributed to returns. It continued to post good results from its diversified range of products.

With the prospect for further increases to interest rates receding and bond yields declining, the environment is not supportive for banks. As a result, we have reduced the fund's exposure to regional banks over the last six months, taking profits after their strong performance. We have bought Visa, which is benefiting from the growth of online transactions and the general shift towards using cards rather than cash.

Our holding in Spirit Airlines proved disappointing as one of the incumbent airline companies decided to pursue a price war that will impair Spirit's ability to grow market share on new routes. We have sold the position.

Outlook – Growth in earnings supporting market ...

We still expect GDP growth of around 2%. Economic data is proving to be relatively resilient, helped both by a healthy labour market and fairly positive housing data. But consumer spending is sluggish despite the fact that real incomes have improved as inflation has declined. Inflation expectations have come down as the oil price has been low. Confidence indicators have remained high. While further interest rates increases are not currently priced in by the market, the Federal Reserve Board ('Fed') has indicated that they want to 'normalise' its balance sheet.

Companies have reported good growth in earnings since the beginning of the year. As a consequence, expectations for growth in earnings have been revised upwards to 8-9% for 2017. While the market certainly doesn't appear cheap, on measures such as free cashflow yield or price-to-book, it is actually trading in line with historical averages.

While we were hoping for broad-based tax reform, it now looks likely to be more restricted than had been anticipated. The Republicans will want to please their electorate (and keep their majority) through tax cuts for individuals but we might not see a broader reform of the tax code, which would have been very beneficial for corporate America.

The performance of the market has been very good since the beginning of the year but we think corporate earnings are supportive of valuations at their current levels. We do not believe the market is suffering from over-optimism – not all stocks or sectors have seen strong gains. So, more than ever, stockpicking will be key in the months to come.

Cormac Weldon
Fund manager

Artemis US Select Fund – Investment information

Five largest purchases and sales for the six months ended 31 August 2017

Purchases	Cost £'000	Sales	Proceeds £'000
Wells Fargo	25,146	Bank of America	20,810
Facebook A shares	22,412	Alphabet C shares	19,396
Applied Materials	21,045	Morgan Stanley	19,343
Altria Group	18,833	Activision Blizzard	19,327
Philip Morris International	18,689	Take-Two Interactive Software	17,563

Portfolio statement as at 31 August 2017

Investment	Holding	Valuation £'000	% of net assets
Equities 92.62% (92.53%)			
Consumer Discretionary 15.03% (15.91%)			
Amazon.com	15,482	11,628	1.86
Comcast A shares	586,880	18,601	2.98
Home Depot	73,101	8,513	1.37
Liberty Broadband C shares	388,824	30,314	4.86
Liberty Media Corp-Liberty Formula One C shares	190,974	5,767	0.92
McDonald's	100,252	12,413	1.99
Royal Caribbean Cruises	69,213	6,536	1.05
		93,772	15.03
Consumer Staples 6.51% (2.47%)			
Altria Group	243,036	12,081	1.94
Estee Lauder A shares	119,081	9,767	1.56
Philip Morris International	207,804	18,779	3.01
		40,627	6.51
Energy 1.49% (5.68%)			
Baker Hughes, a GE Company	178,376	4,641	0.75
Cimarex Energy	60,596	4,631	0.74
		9,272	1.49
Financials 7.96% (12.61%)			
Bank of America	414,466	7,679	1.23
CBOE Holdings	92,040	7,165	1.15
Charles Schwab	290,010	8,908	1.43
Citizens Financial Group	118,465	3,071	0.49
MSCI	113,210	9,926	1.59
S&P Global	57,777	6,884	1.10
Wells Fargo	150,911	6,016	0.97
		49,649	7.96
Health Care 16.15% (9.15%)			
Amgen	81,725	11,022	1.77
Anthem	101,797	15,136	2.43
Biogen	54,886	12,945	2.07
Celgene	147,777	15,417	2.47
CR Bard	39,507	9,786	1.57
Pfizer	240,318	6,240	1.00
UnitedHealth Group	107,165	16,292	2.61

Investment	Holding	Valuation £'000	% of net assets
Zoetis	289,510	13,917	2.23
		100,755	16.15
Industrials 5.16% (11.65%)			
Cintas	108,059	11,223	1.80
HEICO	56,864	3,733	0.60
Lockheed Martin	19,405	4,613	0.74
Raytheon	32,995	4,666	0.75
Southwest Airlines	73,217	2,928	0.47
Swift Transportation	228,872	5,036	0.80
		32,199	5.16
Information Technology 33.46% (30.61%)			
Activision Blizzard	104,333	5,320	0.85
Alphabet C shares	17,171	12,393	1.99
Applied Materials	815,905	28,800	4.62
Booz Allen Hamilton Holding	425,159	11,188	1.79
Facebook A shares	184,292	24,310	3.90
KLA-Tencor	52,061	3,780	0.61
Lam Research	164,006	21,004	3.37
Leidos Holdings	155,388	6,918	1.11
Lumentum Holdings	207,349	9,137	1.46
Micron Technology	700,048	17,176	2.75
Microsoft	331,697	19,059	3.05
Nuance Communications	491,925	6,119	0.98
Nutanix A shares	374,955	6,373	1.02
PayPal Holdings	134,674	6,457	1.03
Power Integrations	181,771	10,141	1.63
Take-Two Interactive Software	52,781	4,002	0.64
Visa A shares	205,502	16,564	2.66
		208,741	33.46
Materials 2.80% (2.19%)			
Franco-Nevada	163,899	10,281	1.65
Summit Materials A shares	167,350	3,845	0.61
Trinseo	65,348	3,362	0.54
		17,488	2.80
Real Estate 2.02% (0.00%)			
Prologis, REIT	260,060	12,602	2.02
		12,602	2.02
Telecommunication Services 2.04% (2.26%)			
T-Mobile US	255,313	12,735	2.04
		12,735	2.04
Equities total		577,840	92.62
Forward currency contracts (0.01%) (0.00%)			
I accumulation CHF (NAV hedged) 0.00% (0.00%)			
Buy Swiss Franc 11,849 dated 29/09/2017		10	-
Sell US Dollar 12,535 dated 29/09/2017		(10)	-
		-	-

Artemis US Select Fund – Investment information (continued)

Investment	Valuation £'000	% of net assets
R accumulation CHF (NAV hedged) 0.00% (0.00%)		
Buy Swiss Franc 11,735 dated 29/09/2017	9	-
Sell US Dollar 12,403 dated 29/09/2017	(9)	-
	-	-
I accumulation EUR (NAV hedged) (0.01)% (0.00%)		
Buy Euro 5,703,362 dated 29/09/2017	5,256	0.85
Sell US Dollar 6,869,203 dated 29/09/2017	(5,329)	(0.86)
	(73)	(0.01)
R accumulation EUR (NAV hedged) 0.00% (0.00%)		
Buy Euro 10,213 dated 29/09/2017	9	-
Sell US Dollar 12,301 dated 29/09/2017	(10)	-
	(1)	-
I accumulation GBP (NAV hedged) 0.00% (0.00%)		
Buy Sterling 1,216,916 dated 29/09/2017	1,217	0.20
Sell US Dollar 1,575,944 dated 29/09/2017	(1,223)	(0.20)
	(6)	-
Forward currency contracts total	(80)	(0.01)
Investment assets (including investment liabilities)	577,760	92.61
Net other assets	46,126	7.39
Net assets attributable to shareholders	623,886	100.00

The comparative percentage figures in brackets are as at 28 February 2017.

Artemis US Select Fund – Financial statements

Statement of total return for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		31,615		60,387
Revenue	3,558		3,666	
Expenses	(2,497)		(1,944)	
Interest payable and similar charges	(2)		(5)	
Net revenue before taxation	1,059		1,717	
Taxation	(778)		(516)	
Net revenue after taxation		281		1,201
Total return before distributions		31,896		61,588
Distributions		16		33
Change in shareholders' funds from investment activities		31,912		61,621

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		558,652		403,889
Amounts receivable on issue of shares	106,361		85,879	
Amounts payable on cancellation of shares	(73,069)		(43,910)	
		33,292		41,969
Dilution adjustment		30		1
Change in shareholders' funds from investment activities		31,912		61,621
Closing net assets attributable to shareholders		623,886		507,480

Balance sheet as at 31 August 2017

	31 August 2017	28 February 2017
	£'000	£'000
Assets		
Fixed assets		
Investments	577,840	516,904
Current assets		
Debtors	4,211	21,971
Cash and bank balances	42,434	33,173
Total current assets	46,645	55,144
Total assets	624,485	572,048
Liabilities		
Investment liabilities	80	-
Creditors		
Bank overdraft	-	2
Distribution payable	-	264
Other creditors	519	13,130
Total creditors	519	13,396
Total liabilities	599	13,396
Net assets attributable to shareholders	623,886	558,652

Artemis US Select Fund – Notes to the financial statements

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 28 February 2017 as set out therein.

2. Post balance sheet events

Since 31 August 2017, the net asset values per share have changed as follows:

	Net asset value per share		Movement
	12 October 2017	31 August 2017	
I accumulation CHF (hedged)	126.02c	120.46c	4.6%
I accumulation EUR	150.12c	143.16c	4.9%
I accumulation EUR (hedged)	126.67c	121.07c	4.6%
I distribution GBP	151.31p	147.69p	2.5%
I accumulation GBP	170.30p	166.22p	2.5%
I accumulation GBP (hedged)	128.12p	122.50p	4.6%
I accumulation USD	140.42c	133.97c	4.8%
R accumulation CHF (hedged)	124.71c	119.29c	4.5%
R accumulation EUR	123.52c	117.89c	4.8%
R accumulation EUR (hedged)	129.12c	123.59c	4.5%
R accumulation USD	128.32c	122.53c	4.7%

Artemis US Select Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
28 February 2015	162,817,011		
I accumulation EUR		122.38c	31,481,879
I accumulation GBP		112.21p	114,488,100
I accumulation USD		108.36c	9,020,000
29 February 2016	403,888,714		
I accumulation EUR		120.35c	12,468,585
I distribution GBP		106.29p	24,364,005
I accumulation GBP		119.22p	261,276,283
I accumulation USD		103.37c	73,320,373
28 February 2017	558,652,055		
I accumulation CHF (NAV hedged)		111.93c	10,000
I accumulation EUR		147.13c	10,253,188
I accumulation EUR (NAV hedged)		112.26c	11,133
I distribution GBP		140.44p	58,091,049
I accumulation GBP		158.06p	264,181,909
I accumulation GBP (NAV hedged)		113.09p	134,877
I accumulation USD		123.06c	46,395,241
R accumulation CHF (NAV hedged)		111.22c	10,000
R accumulation EUR		121.62c	8,732
R accumulation EUR (NAV hedged)		111.59c	582,743
R accumulation USD		113.00c	9,093
31 August 2017	623,886,413		
I accumulation CHF (NAV hedged)		120.46c	10,000
I accumulation EUR		143.16c	6,069,794
I accumulation EUR (NAV hedged)		121.07c	4,789,393
I distribution GBP		147.69p	61,229,277
I accumulation GBP		166.22p	287,954,582
I accumulation GBP (NAV hedged)		122.50p	1,009,760
I accumulation USD		133.97c	38,196,093
R accumulation CHF (NAV hedged)		119.29c	10,000
R accumulation EUR		117.89c	8,732
R accumulation EUR (NAV hedged)		123.59c	412,953
R accumulation USD		122.53c	9,093

Ongoing charges

Class	31 August 2017
I accumulation CHF (NAV hedged)	0.84%
I accumulation EUR	0.84%
I accumulation EUR (NAV hedged)	0.84%
I distribution GBP	0.84%
I accumulation GBP	0.84%
I accumulation GBP (NAV hedged)	0.84%
I accumulation USD	0.84%
R accumulation CHF (NAV hedged)	1.59%
R accumulation EUR	1.59%
R accumulation EUR (NAV hedged)	1.59%
R accumulation USD	1.59%

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

Fund performance

	Since launch*	1 year	6 months
Artemis US Select Fund	66.2	22.6	5.2
S&P 500 Index (GBP)	65.6	18.1	2.0
Sector average	56.6	16.9	0.8
Position in sector	12/80	10/90	6/91
Quartile	1	1	1

* Data from 19 September 2014. Source: Lipper Limited, class I accumulation GBP shares, mid to mid basis, in sterling to 31 August 2017. All performance figures show total returns with dividends reinvested, percentage growth. Sector is IA North America. Performance details for each share class is shown on page 88.

Artemis US Smaller Companies Fund

Investment objective and policy

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

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

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

Risk and reward profile



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the sub-fund.
- The 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 indicator is not a measure of the possibility of losing your investment.

The risks of investing in the sub-fund include:

- The price of shares, and the income from them, can fall and rise because of stock market and currency movements.
- Stock market prices, currencies and interest rates can move irrationally and can be affected unpredictably by diverse factors, including political and economic events.
- A portion of the sub-fund's assets may be invested in a currency other than the sub-fund's accounting currency (sterling). The value of these assets, and the income from them, may decrease if the currency falls in relation to sterling, in which the sub-fund is valued and priced.
- Investing in small and medium-sized companies can involve more risk than investing in larger, more established companies. Shares in smaller companies are often not as easy to sell as shares in larger companies are. This can cause difficulty in buying, valuing and selling those shares. Also, reliable information for deciding their value or the risks may not be available.

Artemis US Smaller Companies Fund – Investment review

- In sterling terms, the fund rose 1.9%* while the benchmark fell 1.5%*.
- Our stock selection was good across a range of sectors.
- Continuing economic growth should support smaller companies.

Performance – The fund outperforms a lacklustre market ...

Even as share prices of larger companies surged ahead, smaller companies lagged behind over the six months under review. In US dollar terms, the benchmark returned 2.0%. In sterling terms it fell by 1.5%. The election of Donald Trump initially generated enthusiasm and optimism at the prospect of lower taxes. This would help smaller companies in particular as they tend to pay higher rates of tax. But as time passed and no progress on tax reform was made, small caps failed to keep up with their larger counterparts. In that context the fund did well, returning 5.5% in US dollar terms and 1.9% in sterling terms, thereby significantly outperforming its benchmark.

Review – Winners in a range of sectors ...

We were pleased to see that the fund's best performers were drawn from a number of market sectors. This reflects our aim of generating positive returns from a range of different types of businesses, which should reduce the volatility of the fund's returns.

Our holding in NextEra Energy Partners was one of the top contributors. This wind and solar company is at the forefront of providing alternative energy. They are backed by a strong and financially sophisticated parent company and should be able to deliver consistent accretive growth.

The fund's performance was helped by its exposure to a range of technology stocks, including Take-Two

Interactive (videogames) and Zynga (social gaming). We have long liked the videogame sector given its very positive dynamics. Not only is Take-Two Interactive Software benefiting from increased demand for its games – principally the Grand Theft Auto franchise – but the prevalence of broadband internet has allowed the companies to generate more revenue at higher margins through the lifetime of the game. In this latest generation of games there is much more content which is available for download (for a price) while playing the game. Because there is no middleman (a retailer) the video software company earns higher margins on this additional content. After a good run, we have taken profits in Take-Two Interactive. Although we still have a positive view on the sector, the performance of the stock has led to a deterioration of the risk/reward ratio and so we have reduced the position.

In technology, we have also gained from indirect exposure to makers of semiconductors through our holding in Advanced Energy Industries, a leading supplier of power conversion technology to the semiconductor industry. Its products are also used to make solar panels and flat display panels. We believe that by re-focusing on its core technology in power conversion, the company will improve profitability and benefit from the growth of flat panel displays and from increased demand for semiconductors more generally.

There are numerous ways to get exposure to technologically inspired change within the smaller companies universe. Another example is our holding in Lumentum Holdings, which manufactures optical and photonic equipment. On the optical side, it is one of the suppliers that helps increase the capacity and speed of fibre-optic networks which move the ever-increasing amounts of data between and within data centres. There is significant and growing demand for these products today. The fund remains overweight

technology and we expect to benefit from continued significant investment by very large companies in the products needed to move and store data.

We also had a good contribution from Mercury Systems, which designs and manufactures signal and image-processing systems and software for defence companies. Their clients include the main US defence contractors. They have been boosted by increased spending by the US and other governments. Our initial thesis relied on the fact that the US government had some catching up to do given the relatively low amount that was spent on defence during the Obama administration. We have further exposure to defence through Huntington Ingalls, a supplier to the US Navy, and Booz Allen Hamilton Holding, which has been securing new contracts for its consultancy services with governmental agencies.

Among consumer-related stocks, we had a positive return from our holding in Liberty Media Corporation. This is a holding company for shares in Charter Communications, one of the US's largest cable companies. Cable companies tend to act as local monopolies with excellent pricing power. Charter Communications has the added attraction of being able to cut costs following a merger. There is also speculation that the company may be taken over, and this has boosted its share price. We are happy to hold this position whether a takeover happens or not.

In industrials, one of the best contributions came from Swift Transportation (trucking) – a very different business to Charter Communications. Trucking is an industry where the barriers to entry have traditionally been very low, resulting in poor returns for shareholders. More recently, as the growing cost of regulation and insurance costs has put many smaller trucking companies out of business, the larger operators – such as Swift Transportation – have started to

* Source: Lipper Limited, class I accumulation GBP shares, mid to mid basis, in sterling with dividends reinvested. Benchmark is the Russell 2000 Index.

Artemis US Smaller Companies Fund – Investment review (continued)

see increased pricing power. Swift Transportation will be merging with one of its main competitors, Knight Transportation. We view this as a very positive move in a highly fragmented industry.

In the healthcare sector, the fund benefited from good results from Catalent, which works in partnership with other pharmaceutical companies to supply new drugs. The company adds value to this process by developing innovative ways of delivering the drugs such as slow release formats.

On the negative side, we have cut our exposure to Energizer Holding, a battery maker. We originally bought the stock because we thought the industry would see improved fundamentals, turning away from trying to increase sales volumes and focusing instead on increasing prices. We underestimated the pricing and volume power that Amazon has developed, which is keeping prices under pressure. In transportation, we sold our low-cost airline Spirit as incumbent airlines are fighting back on pricing.

We have reduced the fund's weighting in financials. Persistently low inflation is reducing interest-rate expectations – a negative for banks. Within this part of the market, we favour companies that are less sensitive to the interest-rate cycle and to loan growth. We have recently bought the option trading company CBOE Holding (Chicago Board Options Exchange) which has acquired a new trading platform that it will be able to use to increase volumes at lower prices.

We continue to have a very low exposure to energy, which remains a very challenging sector.

optimistic on the outlook, especially as expectations for tax cuts are no longer 'in the price'. We favour smaller companies with the potential to deliver above-average growth in earnings and with a bias towards quality.

Cormac Weldon
Fund manager

Outlook – Set fair ...

We expect modest economic growth to continue in the US, which should help smaller companies. Having performed more modestly than the rest of the US market, there is some potential for smaller companies to catch up. Generally we remain

Artemis US Smaller Companies Fund – Investment information

Five largest purchases and sales for the six months ended 31 August 2017

Purchases	Cost £'000	Sales	Proceeds £'000
Lumentum Holdings	9,152	Advanced Energy Industries	6,853
Power Integrations	7,528	Zynga	5,801
NextEra Energy Partners	5,724	RPC	5,599
Liberty Ventures	5,034	Mercury Systems	4,471
Liberty Media Corp-Liberty Formula One C shares	4,757	Exact Sciences	4,376

Portfolio statement as at 31 August 2017

Investment	Holding	Valuation £'000	% of net assets
Equities 100.71% (94.84%)			
Consumer Discretionary 11.79% (4.80%)			
Burlington Stores	61,134	4,080	2.23
Churchill Downs	15,586	2,339	1.28
Liberty Broadband C shares	48,026	3,744	2.04
Liberty Media Corp-Liberty Formula One C shares	200,160	6,044	3.30
Liberty Ventures	114,529	5,386	2.94
		21,593	11.79
Consumer Staples 0.87% (4.19%)			
Maple Leaf Foods	75,384	1,594	0.87
		1,594	0.87
Energy 1.73% (6.72%)			
Cimarex Energy	17,953	1,372	0.75
RPC	122,957	1,796	0.98
		3,168	1.73
Financials 16.15% (19.95%)			
CBOE Holdings	54,300	4,227	2.31
CNO Financial Group	115,809	2,004	1.09
E-Trade Financial	90,004	2,858	1.56
Evercore A shares	31,275	1,821	0.99
Heartland Financial USA	53,141	1,840	1.01
Lazard A shares	54,841	1,811	0.99
MSCI	42,654	3,740	2.04
Oaktree Capital Group	71,797	2,562	1.40
SVB Financial Group	13,878	1,828	1.00
Synovus Financial	100,859	3,296	1.80
Voya Financial	61,382	1,829	1.00
Zions Bancorporation	51,608	1,756	0.96
		29,572	16.15
Health Care 11.74% (5.87%)			
Abiomed	38,568	4,416	2.41
Accelerate Diagnostics	100,111	1,761	0.96
Catalent	66,532	2,033	1.11
K2M Group Holdings	316,703	5,680	3.10
Nevro	63,243	4,236	2.32
WellCare Health Plans	25,547	3,370	1.84
		21,496	11.74

Artemis US Smaller Companies Fund – Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Industrials 12.45% (18.39%)			
Cintas	47,656	4,949	2.70
HEICO	42,295	2,777	1.52
Huntington Ingalls Industries	25,284	4,133	2.26
Knight Transportation	55,998	1,713	0.93
Mercury Systems	80,339	2,984	1.63
Swift Transportation	283,996	6,249	3.41
		22,805	12.45
Information Technology 32.44% (26.19%)			
Advanced Energy Industries	66,923	3,797	2.07
Booz Allen Hamilton Holding	220,592	5,805	3.17
Ciena	147,266	2,775	1.52
Fabrinet	58,063	1,762	0.96
Finisar	97,472	1,898	1.04
Imperva	55,785	1,912	1.04
Leidos Holdings	57,392	2,555	1.39
Lumentum Holdings	204,568	9,014	4.92
NCR	65,188	1,835	1.00
Nuance Communications	420,531	5,231	2.86
Nutanix A shares	374,974	6,373	3.48
Power Integrations	135,463	7,557	4.13
Synaptics	44,963	1,480	0.81
Take-Two Interactive Software	29,427	2,231	1.22
Versum Materials	185,473	5,185	2.83
		59,410	32.44
Materials 4.67% (4.46%)			
Royal Gold	37,163	2,623	1.43
Summit Materials A shares	128,059	2,942	1.61
Trinseo	57,926	2,980	1.63
		8,545	4.67
Real Estate 3.91% (2.81%)			
Rexford Industrial Realty, REIT	150,254	3,460	1.89
Sun Communities, REIT	52,951	3,698	2.02
		7,158	3.91
Utilities 4.96% (1.46%)			
NextEra Energy Partners	294,680	9,081	4.96
		9,081	4.96
Investment assets		184,422	100.71
Net other liabilities		(1,307)	(0.71)
Net assets attributable to shareholders		183,115	100.00

The comparative percentage figures in brackets are as at 28 February 2017.

Artemis US Smaller Companies Fund – Financial statements

Statement of total return for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		3,438		12,656
Revenue	985		402	
Expenses	(795)		(309)	
Interest payable and similar charges	(1)		(1)	
Net revenue before taxation	189		92	
Taxation	(90)		(52)	
Net revenue after taxation		99		40
Total return before distributions		3,537		12,696
Distributions		5		(3)
Change in shareholders' funds from investment activities		3,542		12,693

Statement of change in net assets attributable to shareholders for the six months ended 31 August 2017

	31 August 2017		31 August 2016	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		163,531		60,550
Amounts receivable on issue of shares	35,317		8,524	
Amounts payable on cancellation of shares	(19,291)		(14,296)	
		16,026		(5,772)
Dilution adjustment		16		8
Change in shareholders' funds from investment activities		3,542		12,693
Closing net assets attributable to shareholders		183,115		67,479

Balance sheet as at 31 August 2017

	31 August 2017	28 February 2017
	£'000	£'000
Assets		
Fixed assets		
Investments	184,422	155,096
Current assets		
Debtors	366	634
Cash and bank balances	233	10,837
Total current assets	599	11,471
Total assets	185,021	166,567
Liabilities		
Creditors		
Other creditors	1,906	3,036
Total creditors	1,906	3,036
Total liabilities	1,906	3,036
Net assets attributable to shareholders	183,115	163,531

Artemis US Smaller Companies Fund – Notes to the financial statements

1. Basis of preparation

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 28 February 2017 as set out therein.

2. Post balance sheet events

Since 31 August 2017, the net asset values per share have changed as follows:

	Net asset value per share		Movement
	12 October 2017	31 August 2017	
I accumulation EUR	163.85c	156.41c	4.8%
I accumulation GBP	187.22p	182.94p	2.3%
I accumulation USD	153.24c	146.37c	4.7%

Artemis US Smaller Companies Fund – Comparative tables

Fund sizes & net asset values

Date	Net asset value of sub-fund (£)	Net asset value per share	Shares in issue
28 February 2015	22,544,278		
I accumulation EUR		127.60c	10,000
I accumulation GBP		117.86p	884,701
I accumulation USD		112.99c	29,351,387
29 February 2016	60,549,544		
I accumulation EUR		121.96c	3,110,000
I accumulation GBP		121.70p	21,053,674
I accumulation USD		104.74c	42,256,255
28 February 2017	163,530,800		
I accumulation EUR		165.87c	6,700,000
I accumulation GBP		179.50p	34,887,983
I accumulation USD		138.74c	81,998,902
31 August 2017	183,114,626		
I accumulation EUR		156.41c	6,700,000
I accumulation GBP		182.94p	44,943,622
I accumulation USD		146.37c	80,285,096

Fund performance

	Since launch*	1 year	6 months
Artemis US Smaller Companies Fund	83.0	23.8	1.9
Russell 2000 Index (GBP)	63.9	16.8	(1.5)
Sector average	57.7	15.5	(2.5)
Position in sector	1/8	2/8	2/8
Quartile	1	1	1

*Data from 27 October 2014. Source: Lipper Limited, class I accumulation GBP shares, mid to mid basis, in sterling to 31 August 2017. All performance figures show total returns with dividends reinvested, percentage growth. Sector is IA North American Smaller Companies. Performance details for each share class is shown on page 88.

Ongoing charges

Class	31 August 2017
I accumulation EUR	0.88%
I accumulation GBP	0.88%
I accumulation USD	0.88%

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

Share class performance

	Launch date	Since launch	1 year	6 months
Artemis Global Emerging Markets Fund				
I accumulation EUR	8 April 2015	8.5	21.3	6.6
MSCI Emerging Markets Index (EUR)		2.8	16.7	5.5
I distribution GBP	8 April 2015	37.5	31.7	15.1
I accumulation GBP	8 April 2015	37.6	31.8	15.2
MSCI Emerging Markets Index (GBP)		31.2	26.6	14.0
I accumulation USD	8 April 2015	18.4	29.1	19.2
MSCI Emerging Markets Index (USD)		13.3	24.5	18.0
Artemis Global Equity Income Fund				
I distribution EUR	3 June 2015	(2.0)	9.4	(4.4)
I accumulation EUR	3 June 2015	(1.7)	9.7	(4.4)
MSCI All Country World Index (EUR)		8.7	9.7	(2.7)
I distribution GBP	3 June 2015	24.2	19.0	3.3
I accumulation GBP	3 June 2015	24.5	19.1	3.3
MSCI All Country World Index (GBP)		36.4	19.0	5.2
I distribution USD	3 June 2015	4.7	16.6	6.9
I accumulation USD	3 June 2015	4.9	16.8	7.0
MSCI All Country World Index (USD)		14.7	17.1	8.9
R accumulation EUR	30 July 2015	(0.8)	8.9	(4.7)
MSCI All Country World Index (EUR)		7.9	9.7	(2.7)
R accumulation USD	30 July 2015	7.3	15.9	6.6
MSCI All Country World Index (USD)		17.4	17.1	8.9
Artemis Pan-European Absolute Return Fund				
I accumulation GBP (Hedged)	14 July 2014	19.6	5.7	1.1
LIBOR GBP 3 Month		1.3	0.3	0.2
I accumulation EUR (Hedged)	27 October 2014	18.4	5.3	0.9
LIBOR EUR 3 Months		(0.5)	(0.4)	(0.2)
I accumulation USD (Hedged)	27 October 2014	22.1	6.9	2.0
LIBOR USD 3 Month		1.7	1.0	0.6
R accumulation EUR (Hedged)	31 August 2016	4.2	-	0.4
LIBOR EUR 3 Month		(0.5)	(0.4)	(0.2)
Artemis US Absolute Return Fund				
I accumulation EUR (NAV Hedged)	27 October 2014	9.5	3.3	2.0
LIBOR EUR 3 Month		(0.5)	(0.4)	(0.2)
I accumulation GBP (NAV Hedged)	27 October 2014	11.6	4.0	2.4
LIBOR GBP 3 Months		1.3	0.3	0.2
I accumulation USD	27 October 2014	12.5	5.0	2.9
LIBOR USD 3 Month		1.7	1.0	0.6
I accumulation CHF (NAV Hedged)	1 April 2016	2.6	2.6	1.8
LIBOR CHF 3 Month		(1.0)	(0.7)	(0.4)
R accumulation CHF (NAV hedged)	1 April 2016	1.7	2.1	1.5
LIBOR CHF 3 Month		(1.0)	(0.7)	(0.4)
R accumulation EUR (NAV hedged)	1 April 2016	2.2	2.5	2.7
LIBOR EUR 3 Month		(0.5)	(0.4)	(0.2)
R accumulation USD	1 April 2016	4.3	4.2	2.6
LIBOR USD 3 Month		1.7	1.0	0.6
Artemis US Equity Fund				
I accumulation GBP	19 September 2014	64.7	20.4	4.3
S&P 500 Index (GBP)		65.6	18.1	2.0
I accumulation EUR	27 October 2014	41.5	10.9	(3.5)
S&P 500 Index (EUR)		43.2	8.9	(5.6)
I accumulation USD	27 October 2014	32.4	18.0	8.0
S&P 500 Index (USD)		33.9	16.2	5.7

	Launch date	Since launch	1 year	6 months
Artemis US Extended Alpha Fund				
I accumulation GBP	19 September 2014	82.4	22.5	4.3
S&P 500 Index (GBP)		65.6	18.1	2.0
I accumulation EUR	27 October 2014	56.6	12.9	(3.5)
S&P 500 Index (EUR)		43.2	8.9	(5.6)
I accumulation USD	27 October 2014	46.7	20.1	8.0
S&P 500 Index (USD)		33.9	16.2	5.7
I accumulation CHF (NAV hedged)	1 April 2016	23.9	17.1	6.6
S&P 500 Index (CHF Hedged)		19.3	13.7	4.4
I accumulation GBP (NAV hedged)	1 April 2016	25.7	18.7	7.3
S&P 500 Index (GBP)		21.4	14.9	5.0
R accumulation CHF	1 April 2016	26.8	16.6	3.2
S&P 500 Index (CHF)		13.3	5.0	1.1
R accumulation CHF (NAV hedged)	1 April 2016	22.8	16.5	6.3
S&P 500 Index (CHF Hedged)		19.3	13.7	4.4
R accumulation EUR	1 April 2016	21.3	11.7	(4.0)
S&P 500 Index (EUR)		17.3	8.9	(5.6)
R accumulation USD	1 April 2016	26.1	19.0	7.6
S&P 500 Index (USD)		22.9	16.2	5.7
R accumulation EUR (NAV hedged)	15 August 2016	16.9	16.8	6.4
S&P 500 Index (Hedged to EUR)		13.3	14.2	4.5
I accumulation EUR (NAV hedged)	2 August 2017	0.5	N/A	N/A
S&P 500 Index (EUR)		(0.2)	N/A	N/A
Artemis US Select Fund				
I accumulation GBP	19 September 2014	66.2	22.6	5.2
S&P 500 Index (GBP)		65.6	18.1	2.0
I accumulation EUR	27 October 2014	43.2	12.9	(2.7)
S&P 500 Index (EUR)		43.2	8.9	(5.6)
I accumulation USD	27 October 2014	34.0	20.2	8.9
S&P 500 Index (USD)		33.9	16.2	5.7
I distribution GBP	6 May 2015	48.2	22.6	5.2
S&P 500 Index (GBP)		47.8	18.1	2.0
I accumulation CHF (NAV hedged)	1 April 2016	20.5	17.5	7.6
S&P 500 Index (CHF Hedged)		19.3	13.7	4.4
I accumulation EUR (NAV hedged)	1 April 2016	23.6	29.0	24.0
S&P 500 Index (Hedged to EUR)		20.1	14.2	4.5
I accumulation GBP (NAV hedged)	1 April 2016	22.5	19.1	8.3
S&P 500 Index (Hedged to GBP)		21.4	14.9	5.0
R accumulation CHF (NAV hedged)	1 April 2016	19.3	16.7	7.2
S&P 500 Index (CHF Hedged)		19.3	13.7	4.4
R accumulation EUR (NAV hedged)	1 April 2016	23.6	14.2	4.5
S&P 500 Index (Hedged to EUR)		20.1	14.2	4.5
R accumulation EUR	1 April 2016	17.9	12.0	(3.1)
S&P 500 Index (EUR)		17.3	8.9	(5.6)
R accumulation USD	1 April 2016	22.5	19.2	8.4
S&P 500 Index (USD)		22.9	16.2	5.7
Artemis US Smaller Companies Fund				
I accumulation EUR	27 October 2014	56.5	14.0	(5.7)
Russell 2000 Index (EUR)		40.0	7.7	(8.8)
I accumulation GBP	27 October 2014	83.0	23.8	1.9
Russell 2000 Index (GBP)		63.9	16.8	(1.5)
I accumulation USD	27 October 2014	46.4	21.4	5.5
Russell 2000 Index (USD)		30.9	14.9	2.0

Source: Lipper Limited, mid to mid in share class currency to 31 August 2017. All performance figures show total returns with dividends reinvested, percentage growth.

Information for Swiss Investors

Total expense ratio

The total expense ratios below have been calculated as at 31 August 2017 in accordance with the guidelines issued by the Swiss Funds Association and are provided for each share class within the sub-funds. The total expense ratio shows the current operating expenses of each share class as a percentage of the net assets of the that class.

	Operating expenses	Performance fees	31 August 2017 Total expense ratio
Artemis Global Emerging Markets Fund			
I accumulation EUR	1.00%	-	1.00%
I distribution GBP	1.00%	-	1.00%
I accumulation GBP	1.00%	-	1.00%
I accumulation USD	1.00%	-	1.00%
Artemis Global Equity Income Fund			
I distribution EUR	0.94%	-	0.94%
I distribution GBP	0.94%	-	0.94%
I distribution USD	0.94%	-	0.94%
I accumulation EUR	0.94%	-	0.94%
I accumulation GBP	0.94%	-	0.94%
I accumulation USD	0.94%	-	0.94%
R accumulation EUR	1.69%	-	1.69%
R accumulation USD	1.69%	-	1.69%
Artemis Pan-European Absolute Return Fund			
I accumulation EUR (Hedged)	0.96%	0.06%	1.02%
I accumulation GBP (Hedged)	0.96%	0.76%	1.72%
I accumulation USD (Hedged)	0.96%	0.65%	1.61%
R accumulation EUR (Hedged)	1.71%	0.46%	2.17%
Artemis US Absolute Return Fund			
I accumulation CHF (NAV hedged)	0.88%	0.62%	1.50%
I accumulation EUR (NAV hedged)	0.88%	0.57%	1.45%
I accumulation GBP (NAV hedged)	0.88%	0.65%	1.53%
I accumulation USD	0.88%	0.67%	1.55%
R accumulation CHF (NAV hedged)	1.63%	0.43%	2.06%
R accumulation EUR (NAV hedged)	1.63%	0.64%	2.27%
R accumulation USD	1.63%	0.69%	2.32%
Artemis US Equity Fund			
I accumulation EUR	1.00%	-	1.00%
I accumulation GBP	1.00%	-	1.00%
I accumulation USD	1.00%	-	1.00%
Artemis US Extended Alpha Fund			
I accumulation CHF (NAV hedged)	0.83%	0.85%	1.68%
I accumulation EUR	0.83%	0.79%	1.62%
I accumulation EUR (NAV hedged)	0.83%	0.33%	1.16%
I accumulation GBP	0.83%	0.63%	1.46%
I accumulation GBP (NAV hedged)	0.83%	1.16%	1.99%
I accumulation USD	0.83%	0.61%	1.44%
R accumulation CHF	1.58%	0.74%	2.32%
R accumulation CHF (NAV hedged)	1.58%	0.63%	2.21%
R accumulation EUR	1.58%	6.14%	7.72%
R accumulation EUR (NAV hedged)	1.58%	0.67%	2.25%
R accumulation USD	1.58%	1.18%	2.76%

	Operating expenses	Performance fees	31 August 2017 Total expense ratio
Artemis US Select Fund			
I accumulation EUR (NAV hedged)	0.84%	-	0.84%
I accumulation EUR	0.84%	-	0.84%
I distribution GBP	0.84%	-	0.84%
I accumulation CHF (NAV hedged)	0.84%	-	0.84%
I accumulation GBP (NAV hedged)	0.84%	-	0.84%
I accumulation GBP	0.84%	-	0.84%
I accumulation USD	0.84%	-	0.84%
R accumulation CHF (NAV hedged)	1.59%	-	1.59%
R accumulation EUR (NAV hedged)	1.59%	-	1.59%
R accumulation EUR	1.59%	-	1.59%
R accumulation USD	1.59%	-	1.59%
Artemis US Smaller Companies Fund			
I accumulation EUR	0.88%	-	0.88%
I accumulation GBP	0.88%	-	0.88%
I accumulation USD	0.88%	-	0.88%

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

General information

Investment in the company

Investments in the sub-funds of Artemis Investment Funds ICVC are intended to be medium to long term investments and should not be considered as a short term investment.

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

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

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

Publication of prices

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

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

Tax information reporting

UK tax legislation requires authorised corporate directors to provide information to HMRC on certain investors who purchase shares in ICVC sub-funds. Accordingly, the company may have to provide information annually to HMRC on the tax residencies of those shareholders that are tax resident outwith the UK, in those

countries that have signed up to the OECD's ('Organisation for Economic Co-operation and Development') Common Reporting Standard for Automatic Exchange of Financial Account Information (the 'Common Reporting Standard'), or the United States (under the Foreign Account Tax Compliance Act, 'FATCA').

All new shareholders that invest in the fund must complete a certification form as part of the application form. Existing shareholders may also be contacted by the Registrar should any extra information be needed to correctly determine their tax residence.

Failure to provide this information may result in the account being reported to HMRC.

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

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Share class launches

The launch dates of the share classes in the period are as follows:

Artemis US Extended Alpha Fund	
I accumulation EUR (NAV hedged)	2 August 2017



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