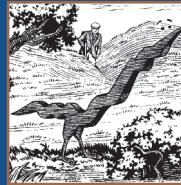


PROFIT *hunters*

# ARTEMIS Alpha Trust plc

Half-Yearly Financial Report  
for the six months ended  
31 October 2013



  
**ARTEMIS**  
The PROFIT Hunter

# ARTEMIS Alpha Trust plc

## Half-Yearly Financial Report

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## Group Summary

### Objective and Policy

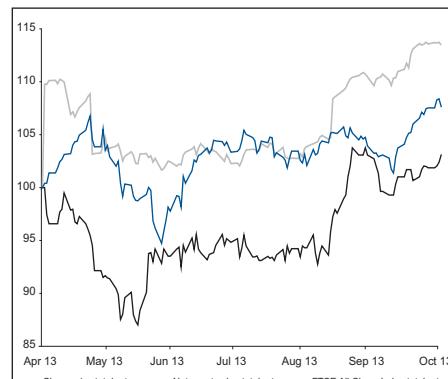
The investment objective of the Company is to achieve above average rates of total return over the longer term and to achieve a growing dividend stream. The investment policy is to invest mainly in UK and selected international equities, with the potential for investment in limited liability hedge funds, cash and bonds, unquoted investments, derivative instruments and other investments and securities as appropriate. The Company will invest no more than 30 per cent of its net assets in unquoted investments, as valued on the lower of their cost or carrying value.

The Company will not invest more than 15 per cent of its gross assets in securities issued by other UK listed investment companies, including investment trusts.

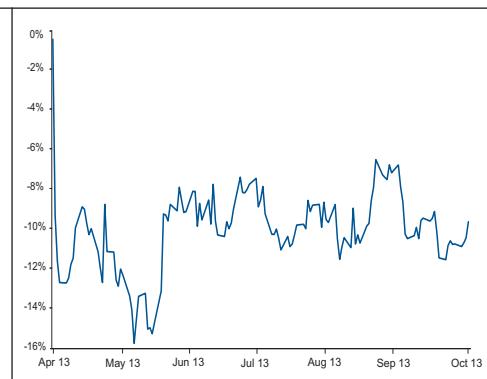
### Capital Structure

The capital structure of the Company as at 31 October 2013 consisted of 43,765,162 ordinary shares of 1p each and 6,865,466 subscription shares of 1p each. The Company held 3,603,800 ordinary shares in treasury as at 31 October 2013.

### Performance for the six months ended 31 October 2013



### Discount during the six months ended 31 October 2013



Total returns	Six months ended 31 October 2013
Net asset value per ordinary share	13.1%
Ordinary share price	3.6%
FTSE All-Share Index	7.7%

Source: Artemis/Datastream.

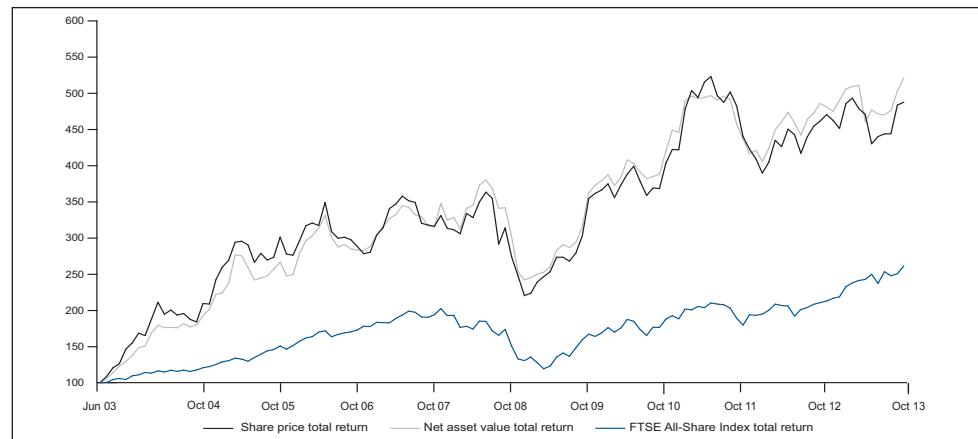
**ARTEMIS** Alpha Trust plc  
Half-Yearly Financial Report

**Financial Highlights**

Capital	As at 31 October 2013	As at 30 April 2013	As at 31 October 2012
Net assets	£145.8m	£138.3m	£146.8m
Net asset value per ordinary share	333.16p	296.32p	310.59p
Ordinary share price	301.50p	293.00p	294.00p
Gearing	16.1%	17.3%	13.6%

Returns for the period	Six months ended 31 October 2013	Year ended 30 April 2013	Six months ended 31 October 2012
Revenue earnings per ordinary share	2.29p	2.24p	1.45p
Capital earnings per ordinary share	34.10p	(11.31)p	2.56p
Ongoing charges	0.9%	0.9%	1.0%

**Returns from 1 June 2003 to 31 October 2013**



Total returns	3 years	5 years	Since launch*
Net asset value per ordinary share	16.1%	106.1%	420.8%
Ordinary share price	15.5%	96.9%	387.4%
FTSE All-Share Index	35.6%	96.7%	161.1%

\* 1 June 2003 - the date when Artemis was appointed as Investment Manager.

Source of data: Artemis/Datastream

## Chairman's Statement

### Performance

The Company's net asset value increased by 13.1 per cent during the six months to 31 October 2013. This compares to a 7.7 per cent increase in the FTSE All-Share Index.

After a strong start to 2013, stock markets staged a retreat from mid May through to late June in response to worries about the tapering of quantitative easing in the US. Those fears, however, soon faded and share prices resumed their ascent. The market's gains over the reporting period were led by smaller companies. The FTSE Small Cap Index rose by 24.1 per cent while the FTSE AIM All Share Index returned 14.8 per cent.

There were a number of strong performances from the unquoted portfolio in the period. Metapack, All The Worlds Entertainment and Oxford Nanopore Technologies were written up following transactions at higher valuations.

### Dividend

A first interim dividend of 1.20p per ordinary share for the year ending 30 April 2014 (2013: 1.20p) has been declared. This will be paid on 31 January 2014 to shareholders on the register as at 3 January 2014. The Board will review the second interim dividend following the year-end.

### Share buybacks

The price at which the Company's shares trade is kept under constant review to seek to ensure that the discount to the net asset value does not widen unduly. During the period the Company bought back 2,923,800 ordinary shares at an average discount of 11.0 per cent. This added 2.20 pence per ordinary share to the net asset value for continuing shareholders.

### Borrowing facility and gearing

After the end of the reporting period, the Company entered into a new £30 million five-year, multi-currency revolving loan facility with The Royal Bank of Scotland. This replaces the previous three-year, £30 million facility. It provides the Company with continued flexibility in its borrowings and also reduces the short term re-financing risk.

The Company maintained its gearing at broadly the same level throughout the period. At the period end the Company's gearing was 16.1 per cent of net assets.

### Board composition

During the period, Mr Ian Dighé resigned as a director of the Company. Mr Dighé has a number of other business commitments, notably his role as executive chairman of Miton Group plc, and wanted to concentrate his efforts on these other commitments. The Board would like to thank him for his valuable contribution to the Company during his tenure.

Mr Duncan Budge was appointed as an independent non-executive director of the Company in November.

### Industry developments

As I have noted in recent reports, there are a number of new regulatory matters with which the Company is required to comply. Of these, the most significant, currently, is the Alternative Investment Fund Manager's Directive (AIFMD). AIFMD is a European directive that affects investment companies and will have an impact on the operations of the Company, notably with regard to the appointment of a depositary to undertake certain oversight duties with regard to the Company's investments and cash. This will result in the Company incurring further costs, although these are not likely to be significant.

# ARTEMIS Alpha Trust plc

## Half-Yearly Financial Report

### Chairman's Statement (continued)

AIFMD requires the Company to appoint an Alternative Investment Fund Manager and it is expected that Artemis will fulfil this role.

The Board is continuing discussions with the Investment Manager and the Company's solicitors over the arrangements that will be put in place to ensure that the Company complies with AIFMD. We will provide further updates to shareholders as necessary.

### Outlook

The Bank of England's forward guidance suggests that interest rates will not be increased for some time. Government finances remain stretched and a number of important macroeconomic issues remain unresolved. This will continue to be a concern for markets. Many companies, however, seem in good shape and, as increased bid activity has demonstrated, are optimistic about the future.

The Company has recovered well from a number of disappointments earlier in the year, primarily in its portfolio of unquoted holdings. Stock markets have had a good run, and with most major economies now showing signs of growth, there is room for this to continue.

Regularly updated information on the Company, including a factsheet and performance data, can be found on dedicated web pages of the Investment Manager's website at [artemis.co.uk](http://artemis.co.uk).

I look forward to updating you on the Company and its portfolio in the Annual Report in July 2014. Your Board is always interested to hear the views of shareholders and, should you wish to do so, you can contact me at [simon.miller@artemisfunds.com](mailto:simon.miller@artemisfunds.com).

**Simon Miller**  
**Chairman**

19 December 2013

## Investment Manager's Review

### Performance

Over the six months to 31 October 2013, the net asset value of your Company rose by 13.1 per cent on a total return basis. This compares favourably with a total return of 7.7 per cent from the FTSE All-Share Index.

### Review

Against a background of continued low interest rates, quantitative easing and early signs of recovery in many of the major economies, stock markets continued to rise.

Cheap money has fuelled rises in a variety of asset classes. Equities have been a prime beneficiary of this liquidity – particularly as the long-awaited switch out of government bonds and into stocks began to gather momentum. At the same time, a prolonged period of low interest rates started to feed through into the 'real' economy. Unemployment fell and companies reported increased confidence and brighter prospects than for many years. As investors reassessed the outlook for individual businesses and for the economy as a whole, equity valuation multiples expanded rapidly.

### Portfolio

During the review period, the portfolio was predominately positioned around three main themes: oil & gas; other financials (mainly fund/wealth managers); and online businesses. The growth prospects for the latter two areas are strong. In the case of oil & gas, we have particular expertise in this sector and, we believe, some insight into its prospects for growth over the medium to long term.

The outstanding performer in your Company's portfolio over the period was Metapack, a private business that helps online retailers to despatch orders in the most efficient way. By automatically routing deliveries to the most cost-effective and reliable carrier, it reduces costs for the retailer and also results in far higher levels of end-customer satisfaction. The company has an exceptional list of blue-chip retailers as clients. During the period,

a private equity firm bought a 20 per cent stake in the company at a substantial premium to our carrying value. We sold part of our holding in this transaction; but continue to believe that Metapack has excellent prospects as it rolls out its business across Europe.

### Five largest stock contributors

	Contribution %
Metapack	3.0
Polar Capital	2.3
Africa Oil	1.6
Telford Homes	1.5
All The Worlds Entertainment	1.5

### Five largest stock detractors

	Contribution %
Providence Resources	(3.6)
Salamander Energy	(1.1)
Emis Group	(0.9)
Hurricane Energy	(0.6)
Eland Oil & Gas	(0.6)

Elsewhere, our holdings in fund management companies performed very strongly. Rising equity markets and low interest rates meant that Polar Capital and Liontrust both saw strong flows into their equity funds. Among the wealth managers, Brewin Dolphin was a particularly strong performer. Its new management team continues to make good progress in restructuring the business and aims to increase the company's margins towards the top end of those in the sector. The background for this restructuring effort looks favourable; increased regulatory costs are forcing smaller financial advisors out of the market, allowing larger wealth managers such as Brewin Dolphin to win market share. Other positive contributions came from Telford Homes, a housebuilder focused on east London, and Africa Oil, which found more oil in Kenya.

On the negative side, the portfolio suffered from apathy – and sometimes actual antipathy – towards the oil & gas sector. Some investors doubt

# ARTEMIS Alpha Trust plc

## Half-Yearly Financial Report

### Investment Manager's Review (continued)

the capital discipline of companies in the sector and have concerns over the future direction of the oil price. At a stock level, Providence Resources was the most disappointing performer. Talks with potential partners about the farming out of its Barryroe discovery have been unexpectedly protracted. Although we expect to hear news on this by the end of the calendar year, the difficulties that oil companies currently face in attracting new capital means there is no certainty it will meet this deadline. Hurricane Energy has run into a similar problem. It is looking to raise further equity to enable it to drill and flow test its Lancaster field to prove its commercial viability. In recognition of the difficulties companies in this sector are finding in raising capital, we further wrote down our valuation of the Company's holding in Hurricane even though we remain excited about its prospects.

Emis Group, a healthcare information technology company, was a disappointment. It lost its chief executive for personal reasons. New Britain Palm Oil, meanwhile, suffered due to weakness in the palm oil price. We continue to believe in both of these investments on a longer-term view.

Among the Company's unquoted holdings, we increased our investment in Gift Library by £1 million by buying convertible loan stock. The company used the proceeds to acquire the Wedding Shop, a less seasonal business. Alongside this, we made a new investment in MoPowered, a software business that helps small and medium-sized retailers to optimise their websites for sales on mobile devices. This business floated in December and we subscribed to the share issue. We also increased our exposure to Physiolab, which moved towards the launch of its hot and cold compression product, with first sales expected in the first quarter of 2014. Initial feedback from prospective customers has been extremely positive. We believe this company's product is considerably superior to those of its competitors.

In other transactions, we took partial profits on a number of the Company's fund management and housebuilding holdings, following strong share

price appreciation. We significantly reduced the position in Salamander Energy following a series of disappointing drilling results.

New holdings included Mobile Streams, which provides media context to mobile devices in the fast growing Latin American market, and Skyepharma, which develops and manufactures pharmaceutical products. We have high expectations for Skyepharma's asthma treatment product. It has already been approved in 21 countries and is now being marketed in Japan.

### Outlook

The current bull market in equities has – the occasional break for worries about the eurozone crisis or the US debt ceiling aside – lasted for almost five years. The arguments in favour of stocks are well-known: valuations are reasonably supportive compared to other asset classes and monetary policy is lax. The consensus seems clear: equities are the only asset class worth owning. The very familiarity of those arguments, however, carries risks. These pro-equity arguments may be rational – but they may be 'in the price'.

And what of corporate earnings? In contrast to indices, they have not surged. The rise in equity indices has been driven by a re-rating of shares. Or, to put it in price-to-earnings terms, the 'p' may be climbing, but the 'e' has not kept pace. That could, in the medium term, pose a risk.

Overall, however, markets are being sustained by the largesse of central bankers. It remains to be seen how the world will be weaned off QE. Earnings growth will be essential if equity markets are to maintain their strong momentum into 2014. In this environment, we continue to focus on investing in companies that are masters of their own destiny, rather than the vassals of central banks.

**John Dodd & Adrian Paterson**  
Fund Managers  
Artemis Investment Management LLP

19 December 2013

## Portfolio of investments

As at 31 October 2013

Investment	Sector	Country of incorporation	Market Value £'000	% of portfolio
Polar Capital Holdings <sup>1</sup>	Financial Services	UK	7,620	4.5
The Hut Group <sup>2</sup>	General Retailers	UK	7,562	4.5
Africa Oil	Oil & Gas Producers	Canada	7,074	4.2
Hurricane Exploration <sup>2</sup>	Oil & Gas Producers	UK	6,897	4.1
All The World Entertainment <sup>2</sup>	Media	Singapore	6,156	3.7
Liontrust Asset Management	Financial Services	UK	5,750	3.4
Brewin Dolphin Holdings	Financial Services	UK	5,396	3.2
Providence Resources <sup>1</sup>	Oil & Gas Producers	UK	4,430	2.6
Metapack <sup>2</sup>	Industrial Transportation	UK	4,369	2.6
Telford Homes <sup>1</sup>	Household Goods & Home Construction	UK	4,140	2.5
<b>Top 10 investments</b>			<b>59,394</b>	<b>35.3</b>
Ashcourt Rowan <sup>1</sup>	Financial Services	UK	4,020	2.4
Emis Group <sup>1</sup>	Software & Computer Services	UK	3,887	2.3
Retrohopper Virology <sup>1</sup>	Pharmaceuticals & Biotechnology	UK	3,465	2.1
Eland Oil & Gas <sup>1</sup>	Oil & Gas Producers	UK	3,420	2.0
Aviation	Industrial Transportation	UK	3,272	1.9
Lynton Holding Asia <sup>2</sup>	Aerospace & Defence	Denmark	3,235	1.9
Reaction Engines <sup>2</sup>	Aerospace & Defence	UK	3,150	1.9
Oxford Nanopore Technologies <sup>2</sup>	Pharmaceuticals & Biotechnology	UK	2,965	1.8
Clarendon Partners <sup>2</sup>	Travel & Leisure	UK	2,765	1.6
R.E.A. Holdings <sup>3</sup>	Food Producers	UK	2,726	1.6
<b>Top 20 investments</b>			<b>92,299</b>	<b>54.8</b>
Gresham Computing	Software & Computer Services	UK	2,678	1.6
Lansdowne Oil & Gas <sup>1</sup>	Oil & Gas Producers	UK	2,600	1.5
Asian Plantations <sup>1</sup>	Food Producers	Singapore	2,518	1.5
Gift-Library.Com <sup>2</sup>	General Retailers	UK	2,500	1.5
Halley Asian Prosperity Fund	Equity Investment Instruments	Luxembourg	2,442	1.5
Genel Energy	Oil & Gas Producers	Jersey	2,375	1.4
Lamp Group <sup>2</sup>	Non-Life Insurance	UK	2,258	1.3
Pittards <sup>1</sup>	Personal Goods	UK	2,258	1.3
Rockhopper Exploration <sup>1</sup>	Oil & Gas Producers	UK	2,171	1.3
Gleeson(M.J.)	Household Goods & Home Construction	UK	2,018	1.2
<b>Top 30 investments</b>			<b>116,117</b>	<b>68.9</b>
Charlemagne Capital <sup>1</sup>	Financial Services	Cayman Islands	1,986	1.2
Madagascar Oil <sup>1</sup>	Oil & Gas Producers	UK	1,925	1.1
Velocys <sup>1</sup>	Oil Equipment & Services sector	UK	1,890	1.1
New Britain Palm Oil	Food Producers	Papua New Guinea	1,853	1.1
Gaming Realms <sup>1</sup>	Travel & Leisure	UK	1,846	1.1
Igas Energy <sup>1</sup>	Oil & Gas Producers	UK	1,829	1.1
City of London Investment Group	Financial Services	UK	1,812	1.1
Hargreaves Services	Support Services	UK	1,733	1.0
Mobile Streams <sup>1</sup>	Mobile Telecommunications	UK	1,621	1.0
Hot Can <sup>2</sup>	Beverages	UK	1,556	0.9
<b>Top 40 investments</b>			<b>134,168</b>	<b>79.6</b>

**ARTEMIS Alpha Trust plc**  
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**Portfolio of investments (continued)**

Investment	Sector	Country of incorporation	Market Value £'000	% of portfolio
Randall & Quilter <sup>1</sup>	Non-Life Insurance	UK	1,538	0.9
Intelligent Energy <sup>2</sup>	Alternative Energy	UK	1,500	0.9
Equus Petroleum <sup>2</sup>	Oil & Gas Producers	UK	1,432	0.9
Skypharma	Pharmaceuticals & Biotechnology	UK	1,392	0.8
Park Group <sup>1</sup>	Financial Services	UK	1,288	0.8
N+1 Singers <sup>2</sup>	Financial Services	UK	1,252	0.7
Helical Bar	Real Estate Investment & Services	UK	1,200	0.7
Ithaca Energy <sup>1</sup>	Oil & Gas Producers	Canada	1,179	0.7
Rangers International	Travel & Leisure	UK	1,166	0.7
Football Club <sup>1</sup>				
Eden Research <sup>1</sup>	Pharmaceuticals & Biotechnology	UK	1,140	0.7
<b>Top 50 investments</b>			<b>147,255</b>	<b>87.4</b>
Parity Group <sup>1</sup>	Software & Computer Services	UK	1,129	0.7
Ironveld <sup>1</sup>	Industrials Metals & Mining	UK	1,091	0.6
Powerflute <sup>1</sup>	Forestry & Paper	Finland	1,039	0.6
Buried Hill Energy (Cyprus) <sup>2</sup>	Oil & Gas Producers	Cyprus	1,037	0.6
Mopowered <sup>2</sup>	Software & Computer Services	UK	1,000	0.6
Medicold <sup>2</sup>	Healthcare Equipment & Services	UK	1,000	0.6
Senhouse Southeast	Equity Investment Instruments	Bermuda	980	0.6
Asian Focus				
Sandvine <sup>1</sup>	Technology Hardware & Equipment	UK	954	0.6
Salamander Energy	Oil & Gas Producers	UK	910	0.5
Redcentric <sup>1</sup>	Software & Computer Services	UK	901	0.5
<b>Top 60 investments</b>			<b>157,296</b>	<b>93.3</b>
Consort Medical	Healthcare Equipment & Services	UK	892	0.5
Trinity Exploration & Production <sup>1</sup>	Oil & Gas Producers	UK	819	0.5
Genmark Diagnostics	Healthcare Equipment & Services	USA	818	0.5
Ten Alps <sup>1,3</sup>	Media	UK	745	0.5
Praetorian Resources <sup>1</sup>	Mining	Guernsey	690	0.4
Real Estate Investors <sup>1</sup>	Real Estate Investment & Services	UK	571	0.3
MBA Polymers <sup>2</sup>	Industrial Engineering	USA	549	0.3
Infusion 2002 <sup>2</sup>	Industrial Transportation	UK	520	0.3
Ceramic Fuel Cells <sup>3</sup>	Alternative Energy	UK	500	0.3
Penna Consulting <sup>1</sup>	Support Services	UK	493	0.3
<b>Top 70 investments</b>			<b>163,893</b>	<b>97.2</b>
Fox Marble <sup>1</sup>	Mining	UK	450	0.3
Chateau Lafite Rothschild 2009 <sup>2</sup>	Beverages	UK	417	0.3
Wasabi Energy <sup>1</sup>	Alternative Energy	Australia	416	0.3
Urica <sup>2</sup>	Financial Services	UK	400	0.2
MWB Group Holdings <sup>3</sup>	Real Estate Investment & Services	UK	384	0.2
Chateau Lafite Rothschild 2010 <sup>2</sup>	Beverages	UK	375	0.2
Reneuron Group <sup>1</sup>	Pharmaceuticals & Biotechnology	UK	360	0.2
Miton Group <sup>1</sup>	Financial Services	UK	360	0.2
Hardlyever <sup>2</sup>	General Retailers	UK	300	0.2
Canaccord Financial	Financial Services	Canada	262	0.2
<b>Top 80 investments</b>			<b>167,617</b>	<b>99.5</b>

Investment	Sector	Country of incorporation	Market Value £'000	% of portfolio
Niche Group <sup>1</sup>	Financial Services	UK	175	0.1
Superglass <sup>1</sup>	Construction & Materials	UK	170	0.1
Patagonia Gold <sup>1</sup>	Mining	UK	140	0.1
Oilex <sup>1</sup>	Oil & Gas Producers	Australia	122	0.1
Redstone <sup>1</sup>	Software & Computer Services	UK	90	0.1
EastCoal	Mining	Canada	54	-
MBL Group <sup>1</sup>	Media	UK	41	-
Jubilant Energy <sup>1</sup>	Oil & Gas Producers	Netherlands	32	-
Flying Brands	General Retailers	UK	28	-
Petrohunter Energy	Oil & Gas Producers	USA	18	-
<b>Top 90 investments</b>			<b>168,487</b>	<b>100.0</b>
Chateau Rieussec 2010	Beverages	UK	17	-
Resaca Exploitation <sup>1</sup>	Oil & Gas Producers	USA	3	-
Leed Resources <sup>1</sup>	Oil & Gas Producers	UK	1	-
Aero Inventory <sup>2</sup>	Aerospace & Defence	UK	-	-
Betex Group <sup>2</sup>	Travel & Leisure	UK	-	-
Energy Equity Resources (Norway) <sup>2</sup>	Oil & Gas Producers	UK	-	-
Forest Support Service <sup>2</sup>	Industrial Transportation	UK	-	-
Hawk Group <sup>2</sup>	Financial Services	Luxembourg	-	-
Homeland Renewable Energy <sup>2</sup>	Electricity	USA	-	-
Minorplanet System <sup>2</sup>	Technology Hardware & Equipment	UK	-	-
<b>Top 100 investments</b>			<b>168,508</b>	<b>100.0</b>
Newriver Warrants 2019 <sup>2</sup>	Real Estate Investment & Services	UK	-	-
Rok Entertainment Group <sup>2</sup>	Media	USA	-	-
Rok Global	Financial Services	UK	-	-
SUSD <sup>2</sup>	Financial Services	UK	-	-
Vostok Energy <sup>2</sup>	Oil & Gas Producers	UK	-	-
<b>Total investments (Top 105 investments)</b>			<b>168,508</b>	<b>100.0</b>

<sup>1</sup> AIM quoted<sup>2</sup> Unquoted investment<sup>3</sup> Includes fixed interest element

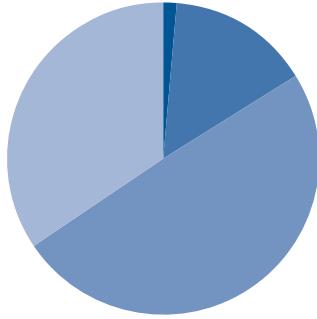
# ARTEMIS Alpha Trust plc

## Half-Yearly Financial Report

### Portfolio Analysis

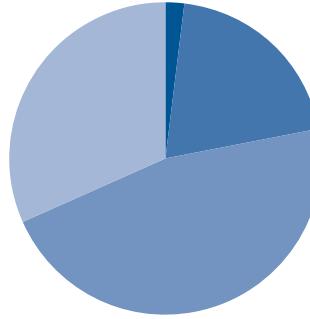
#### Market Cap analysis of the portfolio

31 October 2013



■ Large 1.4%  
■ Mid 14.9%  
■ Small 49.3%  
■ Unquoted 34.4%

30 April 2013



■ Large 2.2%  
■ Mid 20.0%  
■ Small 46.2%  
■ Unquoted 31.6%

Large cap – Market cap equivalent to FTSE 100 companies, Mid cap – Market cap equivalent to FTSE 250 companies, Small cap – Market cap equivalent to companies below FTSE 250.

## Sector Analysis of the Portfolio

	31 October 2013 % of total investments	30 April 2013 % of total investments
Oil & Gas Producers	22.6	30.7
Financial Services	18.0	15.0
General Retailers	6.2	5.8
Software & Computer Services	5.8	5.4
Pharmaceuticals & Biotechnology	5.6	3.5
Industrial Transportation	4.8	2.3
Food Producers	4.2	6.3
Media	4.2	2.1
Aerospace & Defence	3.8	4.1
Household Goods & Home Construction	3.7	4.1
Travel & Leisure	3.4	2.2
Non-Life Insurance	2.2	1.7
Equity Investment Instruments	2.1	1.8
Healthcare Equipment & Services	1.6	1.6
Alternative Energy	1.5	1.3
Beverages	1.4	1.6
Personal Goods	1.3	1.0
Support Services	1.3	1.5
Real Estate Investment & Services	1.2	2.1
Oil Equipment & Services	1.1	—
Mobile Telecommunications	1.0	—
Mining	0.8	1.9
Forestry & Paper	0.6	0.7
Industrials Metals & Mining	0.6	0.3
Technology Hardware & Equipment	0.6	0.5
Industrial Engineering	0.3	1.2
Construction & Materials	0.1	—
Chemicals	—	1.3
	<b>100.0</b>	<b>100.0</b>

**ARTEMIS Alpha Trust plc**  
Half-Yearly Financial Report

**Condensed Consolidated Income Statement**

For the six months ended 31 October 2013

Note	Six months ended 31 October 2013 (unaudited)			Six months ended 31 October 2012 (unaudited)			Year ended 30 April 2013 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income	935	–	935	1,170	–	1,170	1,760	–	1,760
Other income	12	–	12	16	–	16	(21)	–	(21)
<b>Total revenue</b>	<b>947</b>	–	<b>947</b>	<b>1,186</b>	–	<b>1,186</b>	<b>1,739</b>	–	<b>1,739</b>
Gains/(losses) on investments	–	15,897	15,897	–	1,892	1,892	–	(4,013)	(4,013)
Gains/(losses) on current asset investments	366	–	366	(194)	–	(194)	(140)	–	(140)
Currency gains/(losses)	–	2	2	–	(17)	(17)	–	(21)	(21)
<b>Total income</b>	<b>1,313</b>	<b>15,899</b>	<b>17,212</b>	<b>992</b>	<b>1,875</b>	<b>2,867</b>	<b>1,599</b>	<b>(4,034)</b>	<b>(2,435)</b>
<b>Expenses</b>									
Investment management fee	(47)	(426)	(473)	(51)	(456)	(507)	(102)	(920)	(1,022)
Other expenses	(206)	(6)	(212)	(219)	(3)	(222)	(380)	(2)	(382)
<b>Profit/(loss) before finance costs and tax</b>	<b>1,060</b>	<b>15,467</b>	<b>16,527</b>	<b>722</b>	<b>1,416</b>	<b>2,138</b>	<b>1,117</b>	<b>(4,956)</b>	<b>(3,839)</b>
Finance costs	(26)	(220)	(246)	(22)	(195)	(217)	(44)	(400)	(444)
<b>Profit/(loss) before tax</b>	<b>1,034</b>	<b>15,247</b>	<b>16,281</b>	<b>700</b>	<b>1,221</b>	<b>1,921</b>	<b>1,073</b>	<b>(5,356)</b>	<b>(4,283)</b>
Tax	(7)	–	(7)	(12)	–	(12)	(12)	–	(12)
<b>Profit/(loss) for the period</b>	<b>1,027</b>	<b>15,247</b>	<b>16,274</b>	<b>688</b>	<b>1,221</b>	<b>1,909</b>	<b>1,061</b>	<b>(5,356)</b>	<b>(4,295)</b>
<b>Earnings per ordinary share</b>	<b>2</b>	<b>2.29p</b>	<b>34.10p</b>	<b>36.39p</b>	<b>1.45p</b>	<b>2.56p</b>	<b>4.01p</b>	<b>(11.31p)</b>	<b>(9.07p)</b>

The total column of this statement represents the Statement of Comprehensive Income of the Group, prepared in accordance with International Financial Reporting Standards. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

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

## Condensed Consolidated Balance Sheet

As at 31 October 2013

Note	31 October 2013 (unaudited) £'000	31 October 2012 (unaudited) £'000	30 April 2013 (audited) £'000
<b>Non-current assets</b>			
Investments	168,508	164,342	162,121
<b>Current assets</b>			
Investments held by subsidiary	1,014	1,570	950
Other receivables	287	1,009	547
Cash and cash equivalents	3,044	5,508	2,530
	4,345	8,087	4,027
<b>Total assets</b>	172,853	172,429	166,148
<b>Current liabilities</b>			
Other payables	(543)	(1,620)	(1,300)
Bank loan	(26,500)	(24,000)	(26,500)
	(27,043)	(25,620)	(27,800)
<b>Net assets</b>	145,810	146,809	138,348
<b>Equity attributable to equity holders</b>			
Share capital	543	556	554
Share premium	636	634	635
Special reserve	57,345	67,027	65,334
Capital redemption reserve	47	34	36
Retained earnings – revenue	1,824	1,813	1,621
Retained earnings – capital	5 85,415	76,745	70,168
<b>Total equity</b>	145,810	146,809	138,348
<b>Net asset value per ordinary share</b>	3 333.16p	310.59p	296.32p

**ARTEMIS Alpha Trust plc**  
Half-Yearly Financial Report

**Condensed Consolidated Statement of Changes in Equity**

For the six months ended 31 October 2013

	Six months ended 31 October 2013 (unaudited)						
	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Retained earnings Revenue £'000	Capital £'000	Total £'000
At 1 May 2013	554	635	65,334	36	1,621	70,168	138,348
<b>Total comprehensive income:</b>							
Profit for the period	–	–	–	–	1,027	15,247	16,274
<b>Transactions with owners recorded directly to equity:</b>							
Repurchase of ordinary shares into treasury	–	–	(7,989)	–	–	–	(7,989)
Cancellation of ordinary shares from treasury	(11)	–	–	11	–	–	–
Conversion of subscription shares	–	1	–	–	–	–	1
Dividends paid	–	–	–	–	(824)	–	(824)
At 31 October 2013	543	636	57,345	47	1,824	85,415	145,810

	Six months ended 31 October 2012 (unaudited)						
	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Retained earnings Revenue £'000	Capital £'000	Total £'000
At 1 May 2012	557	630	69,649	33	1,956	75,524	148,349
<b>Total comprehensive income:</b>							
Profit for the period	–	–	–	–	688	1,221	1,909
<b>Transactions with owners recorded directly to equity:</b>							
Repurchase of ordinary shares into treasury	–	–	(2,622)	–	–	–	(2,622)
Cancellation of ordinary shares from treasury	(1)	–	–	1	–	–	–
Conversion of subscription shares	–	4	–	–	–	–	4
Dividends paid	–	–	–	–	(831)	–	(831)
At 31 October 2012	556	634	67,027	34	1,813	76,745	146,809

	Year ended 30 April 2013 (audited)						
	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Retained earnings Revenue £'000	Capital £'000	Total £'000
At 1 May 2012	557	630	69,649	33	1,956	75,524	148,349
<b>Total comprehensive income:</b>							
Profit/(loss) for the year	–	–	–	–	1,061	(5,356)	(4,295)
<b>Transactions with owners recorded directly to equity:</b>							
Repurchase of ordinary shares into treasury	–	–	(4,315)	–	–	–	(4,315)
Cancellation of ordinary shares from treasury	(3)	–	–	3	–	–	–
Conversion of subscription shares	–	5	–	–	–	–	5
Dividends paid	–	–	–	–	(1,396)	–	(1,396)
At 30 April 2013	554	635	65,334	36	1,621	70,168	138,348

## Condensed Consolidated Cash Flow Statement

For the six months ended 31 October 2013

	Six months ended 31 October 2013 (unaudited) £'000	Six months ended 31 October 2012 (unaudited) £'000	Year ended 30 April 2013 (audited) £'000
<b>Operating activities</b>			
Profit/(loss) before tax	16,281	1,921	(4,283)
Interest payable	246	217	444
(Gains)/losses on investments	(15,897)	(1,892)	4,013
(Gains)/losses on current asset investments	(366)	17	140
Currency (gains)/losses	(2)	194	21
Decrease/(increase) in other receivables	55	(2)	271
Decrease in other payables	(29)	(34)	(23)
<b>Net cash inflow from operating activities before interest and tax</b>	<b>288</b>	<b>421</b>	<b>583</b>
Interest paid	(246)	(217)	(444)
Irrecoverable overseas tax suffered	(7)	(12)	(12)
<b>Net cash inflow from operating activities</b>	<b>35</b>	<b>192</b>	<b>127</b>
<b>Investing activities</b>			
Purchases of investments	(16,518)	(27,130)	(53,258)
Sales of investments	25,807	27,508	50,484
<b>Net cash inflow/(outflow) from investing activities</b>	<b>9,289</b>	<b>378</b>	<b>(2,774)</b>
<b>Financing activities</b>			
Repurchase of ordinary shares into treasury	(7,989)	(2,622)	(4,315)
Conversion of subscription shares	1	4	5
Dividends paid	(824)	(831)	(1,396)
<b>Net cash outflow from financing activities</b>	<b>(8,812)</b>	<b>(3,449)</b>	<b>(5,706)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>512</b>	<b>(2,879)</b>	<b>(8,353)</b>
<b>Cash and cash equivalents at the start of the period</b>	<b>(23,970)</b>	<b>(15,596)</b>	<b>(15,596)</b>
Effect of foreign exchange rate changes	2	(17)	(21)
<b>Cash and cash equivalents at the end of the period</b>	<b>(23,456)</b>	<b>(18,492)</b>	<b>(23,970)</b>
Bank loan	(26,500)	(24,000)	(26,500)
Cash	3,044	5,508	2,530
	<b>(23,456)</b>	<b>(18,492)</b>	<b>(23,970)</b>

# ARTEMIS Alpha Trust plc

## Half-Yearly Financial Report

### Notes to the Half-Yearly Financial Report

#### 1. Accounting policies

The Group's Half-Yearly Financial Report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' ('IAS 34'), the provisions of the Companies Act 2006 and the guidance set out in the Statement of Recommended Practice for Investment Trust Companies and Venture Capital Trusts issued by the Association of Investment Companies in January 2009.

The Half-Yearly Financial Report has been prepared under the same accounting policies as the Financial Statements for the year ended 30 April 2013.

#### 2. Earnings per ordinary share

	Six months ended 31 October 2013	Six months ended 31 October 2012	Year ended 30 April 2013
Earnings per ordinary share is based on:			
Revenue earnings (£'000)	1,027	688	1,061
Capital earnings (£'000)	15,247	1,221	5,356
<b>Total earnings (£'000)</b>	<b>16,274</b>	<b>1,909</b>	<b>6,417</b>
Weighted average number of ordinary shares in issue during the period (basic)	44,719,128	47,613,465	47,350,570
Weighted average number of ordinary shares in issue during the period (diluted)	44,719,128	47,613,465	47,350,570

#### 3. Net asset value per ordinary share

	As at 31 October 2013	As at 31 October 2012	As at 30 April 2013
Net asset value per ordinary share is based on:			
Net assets (£'000)	145,810	146,809	138,348
Number of ordinary shares in issue at the end of the period (basic)	43,765,162	47,268,456	46,688,812
Number of ordinary shares in issue at the end of the period (diluted)	43,765,162	47,268,456	46,688,812

During the period the Company bought back 2,923,800 ordinary shares into treasury. 150 subscription shares were exercised and the same number of ordinary shares were issued in respect of these.

At 31 October 2013, the Company held 3,603,800 ordinary shares in treasury, having cancelled 1,167,176 ordinary shares from treasury during the period.

## 4. Dividends

	Six months ended 31 October 2013	Six months ended 31 October 2012	Year ended 30 April 2013
Second interim dividend for the year ended 30 April 2012 – 1.75p	–	831	831
First interim dividend for the year ended 30 April 2013 – 1.20p	–	–	565
Second interim dividend for the year ended 30 April 2013 – 1.85p	824	–	–
	824	831	1,396

A first interim dividend for the year ending 30 April 2014 of £525,000 (1.20p per ordinary share) has been declared. This will be paid on 31 January 2014 to those shareholders on the register at close of business on 3 January 2014.

## 5. Analysis of retained earnings – capital

	31 October 2013 £'000	31 October 2012 £'000	30 April 2013 £'000
Retained earnings - capital (realised)	65,123	83,836	75,561
Retained earnings - capital (unrealised)	20,292	(7,091)	(37)
	85,415	76,745	75,524

## 6. Comparative information

The financial information for the six months ended 31 October 2013 and 31 October 2012 has not been audited and does not constitute statutory financial statements as defined in Section 234 of the Companies Act 2006.

The information for the year ended 30 April 2013 has been extracted from the Audited Financial Statements for the year ended 30 April 2013. These financial statements contained an unqualified auditor's report and have been lodged with the Registrar of Companies and did not contain a statement required under Section 498 of the Companies Act 2006.

# ARTEMIS Alpha Trust plc

## Half-Yearly Financial Report

### Notes to the Half-Yearly Financial Report (continued)

#### 7. Principal risks and uncertainties

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

These risks, which have not materially changed since the Annual Report for the year ended 30 April 2013, and the way in which they are managed, are described in more detail in the Annual Report for the year ended 30 April 2013 which is available on the Investment Manager's website at [artemisonline.co.uk](http://artemisonline.co.uk).

#### 8. Related party transactions

There were no related party transactions during the period. The existence of an independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore, under IAS 24: Related Party Disclosures, the Investment Manager is not considered to be a related party.

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

We confirm that to the best of our knowledge, in respect of the Half-Yearly Financial Report for the six months ended 31 October 2013:

- the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' issued by the International Accounting Standards Board as adopted by the EU;
- the interim management report includes a fair review of the information required by:
  - (a) Disclosure and Transparency Rule 4.2.7R (indication of important events during the

first six months; and a description of the principal risks and uncertainties for the remaining six months of the year); and

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

For and on behalf of the Board

Simon Miller

Chairman

19 December 2013

# ARTEMIS Alpha Trust plc

## Half-Yearly Financial Report

### General Information

#### Directors

S E C Miller (Chairman)  
 D J Barron  
 T Cross Brown  
 A D Dalrymple  
 I R Dighé (resigned 1 October 2013)  
 D W A Budge (appointed 19 November 2013)

#### Investment Manager and Company Secretary

Artemis Investment Management LLP  
 Cassini House  
 57 St James's Street  
 London SW1A 1LD  
 Telephone: 0800 092 2051  
 Email: [investorsupport@artemisfunds.com](mailto:investorsupport@artemisfunds.com)  
 Website: [artemis.co.uk](http://artemis.co.uk)

The Investment Manager is authorised and regulated by the Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HA.

#### Registered Office

Cassini House  
 57 St James's Street  
 London SW1A 1LD

#### Administrator

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

#### Stockbroker

Cantor Fitzgerald Europe  
 One America Square  
 17 Crosswall  
 London EC3N 2LS

#### Auditors

KPMG LLP  
 Saltire Court  
 20 Castle Terrace  
 Edinburgh EH1 2EG

#### Registrars

Capita Registrars  
 The Registry  
 34 Beckenham Road  
 Beckenham  
 Kent BR3 4TU  
 Shareholder helpline: 0871 664 0300  
 (calls cost 10p per minute plus network extras.  
 Lines are open from 8.30am to 5.30 pm Monday to Friday).

#### Bankers

JP Morgan Chase Bank NA  
 London Branch  
 25 Bank Street  
 Canary Wharf  
 London E14 5JP

#### Custodian

JP Morgan Chase Bank NA  
 London Branch  
 25 Bank Street  
 Canary Wharf  
 London E14 5JP

#### Solicitors

Dickson Minto W.S.  
 Broadgate Tower  
 Primrose Street  
 London EC2A 2EW

A member of the Association of Investment Companies.

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

Registered in England Number: 253644.

## Information for Shareholders

### Buying shares in the Company

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

### Company numbers:

#### Ordinary shares

London Stock Exchange (SEDOL) number: 0435594

ISIN number: GB0004355946

Reuters code: ATS.L

Bloomberg code: ATS:LN

#### Subscription shares

London Stock Exchange (SEDOL) number: B5SLGR8

ISIN number: GB00B5SLGR82

Reuters code: ATSS.L

Bloomberg code: ATSS:LN

### Investment Plan & ISA

The Artemis Alpha Trust Investment Plan and ISA operated by the Investment Manager, Artemis Investment Management LLP was closed on 18 December 2013 and transferred to Alliance Trust Savings Limited and can be contacted on 01382 573737.

### Shareholder enquiries

All administrative enquiries relating to shareholder queries concerning holdings, dividend payments, notification of change of address, loss of certificate or to be placed on a mailing list should be addressed to the Company's registrars at: Shareholder Services Department, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by calling 0871 664 0300 (calls cost 10 pence per minute from a BT landline. Other providers' costs may vary. Lines are open from 8.30 am to 5.30 pm, Monday to Friday).

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

### Dividend Reinvestment Plan (the "Plan")

Shareholders are able to re-invest their cash dividends using the Plan operated by Capita Registrars. To find out more about the Plan, please contact Capita at: Shareholder Services Department, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by calling 0871 664 0300 (calls cost 10 pence per minute from a BT landline. Other providers' costs may vary. Lines are open from 8.30 am to 5.30 pm, Monday to Friday).

### Further information on the Company

The Company's net asset value is calculated daily and released to the London Stock Exchange. The share prices are listed in the Financial Times and also on the TrustNet website ([trustnet.com](http://trustnet.com)). Up to date information can be found on the Investment Manager's website ([artemis.co.uk](http://artemis.co.uk)), including a factsheet which is updated monthly. Shareholders can also contact the Chairman to express any views on the Company or to raise any questions they have using the email address [Simon.Miller@artemisfunds.com](mailto:Simon.Miller@artemisfunds.com).

### Subscription shares

Subscription shareholders can exercise their subscription shares at a price of 345 pence per share on 30 June and 31 December each year, up to 31 December 2017.

If you received subscription shares when they were issued, for the purposes of UK taxation, the issue of subscription shares is treated as a reorganisation of the Company's share capital. Such reorganisations do not trigger a chargeable disposal for the purposes of the taxation of capital gains, but they do require shareholders to reallocate the base cost of their ordinary shares between their ordinary shares and subscription shares received.

# ARTEMIS Alpha Trust plc

## Half-Yearly Financial Report

### Information for Shareholders (continued)

At the close of business on 13 December 2010 the middle market prices of the Company's ordinary shares and subscription shares were as follows:

Ordinary shares: 308.25

Subscription shares: 62.75

To exercise subscription shares, in whole or in part, shareholders must complete the notice of exercise of subscription share rights on the reverse of the share certificate and lodge the relevant subscription share certificate(s) at the office of the Company's registrars during the period 28 days ending at 5.00 p.m. on the relevant subscription date, accompanied by a remittance for the aggregate conversion price for the ordinary shares in respect of which the subscription share rights are exercised.

Subscription shares that are in uncertificated form on the relevant subscription date shall be exercisable, in whole or in part, if (i) an uncertificated subscription notice is received on or within 28 days prior to the relevant subscription date (but not later than the latest time for input of the instruction permitted by the relevant electronic systems on that date) and (ii) a remittance for the aggregate conversion price for the ordinary shares in respect of which the subscription share rights are being exercised is received by the Company (or by such person as it may require for these purposes).

#### Taxation

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

#### AIC

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

#### IFAs and retail investors

The Company currently conducts its affairs so that the shares in issue can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority's ("FCA") rules in relation to non-mainstream investment products and intends to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an Investment Trust.

#### Reporting Calendar

##### Year End

30 April

##### Results Announced

Interim: December

Annual: June/July

##### Dividends Payable

January/February and August

##### Annual General Meeting

September

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ARTEMIS Alpha Trust *plc*  
Half-Yearly Financial Report

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