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If you have sold, transferred or otherwise disposed of all your Shares in Artemis Alpha Trust plc (the “Company”), please pass this document and the accompanying Form of Proxy to the stockbroker, bank or other agent through whom you made the sale, transfer or disposal for transmission to the purchaser or transferee, except that such documents should not be sent to any jurisdiction under any circumstances where to do so might constitute a violation of local securities laws and regulations. If you have sold, transferred or otherwise disposed of only part of your holding of Shares in the Company, you should retain this document and the accompanying Form of Proxy and consult the stockbroker, bank or other agent through whom you made the sale, transfer or disposal.

The distribution of this document, together with the accompanying Form of Proxy, into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession such documents come should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, any Shares.

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## **ARTEMIS ALPHA TRUST PLC**

*(Incorporated in England and Wales with registered number 253644 and registered as an investment company under s833 of the Companies Act 2006)*

### **Recommended proposal for the suspension of the 2021 Tender Offer and Notice of General Meeting**

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Notice of a general meeting of the Company to be held at the offices of Artemis Fund Managers Limited, 6th Floor, Exchange Plaza, 50 Lothian Road, Edinburgh EH3 9NY on 11 November 2021 at 9.30 a.m. (the “**General Meeting**”) is set out at the end of this document. Shareholders are requested to return the Form of Proxy accompanying this document for use at the General Meeting.

To be valid, the Form of Proxy must be completed, signed and returned in accordance with the instructions printed thereon to the Company’s Registrars, Link Group, 10th Floor, Central Square, 29 Wellington Street Leeds LS1 4DL as soon as possible, but in any event so as to arrive no later than 9.30 a.m. on 9 November 2021.

Alternatively, a proxy may be appointed via the internet by going to [www.signalshares.com](http://www.signalshares.com) by the Proxy Appointment Deadline. CREST members who wish to appoint a proxy for the General Meeting through the CREST electronic proxy appointment service are referred to note 5 in the Notice of General Meeting set out at the end of this document, and such appointment should be transmitted as soon as possible and, in any event, so as to be received by the Proxy Appointment Deadline. Completion and return of Form(s) of Proxy (including Electronic Voting Instruction(s)) or the giving of CREST Proxy Instruction(s) will not preclude a Shareholder from attending the General Meeting in person if they so wish.

# LETTER FROM THE CHAIRMAN

## ARTEMIS ALPHA TRUST PLC

*(Incorporated in England and Wales with registered number 253644 and registered as an investment company under s833 of the Companies Act 2006)*

*Directors:*

Duncan Budge (*Chairman*)  
John Ayton  
Blathnaid Bergin  
James Korner  
Victoria Stewart

*Registered office:*

Cassini House  
57-59 St James's Street  
London  
SW1A 1LD

26 October 2021

Dear Shareholders

### **Recommended proposal for the suspension of the 2021 Tender Offer**

#### **Introduction**

We are writing further to our announcement of 15 October 2021. As announced, following consultation with its largest Shareholders and its independent advisors, the Board of Artemis Alpha Trust plc (the “**Company**”) is seeking Shareholder approval for a revised approach to managing the discount and liquidity of the Company on a continuing basis.

In concluding its strategic review in 2018, the Board stated its intention to propose to Shareholders a tender offer for 25 per cent. of the issued shares at or around the time of the October 2021 AGM and every three years thereafter, subject to the level of discount prevailing at the time (the “**2021 Tender Offer**”). Owing to changing circumstances, the Board is instead committing itself to a sustainable share buyback policy with the target of maintaining a narrow discount, similar to the tender price and the associated costs of the tender. Since this represents a change of policy, the Board is offering Shareholders the opportunity to vote on the suspension of the proposed 2021 Tender Offer. This vote only relates to the 2021 Tender Offer. The Board still intends to propose a tender offer every three years, with the next tender offer scheduled to occur in 2024.

Over the last three years, the value of the Company's unquoted holdings, as a proportion of the whole, has fallen significantly, with proceeds reallocated into a more focussed and liquid listed equity portfolio. The Company has also seen a significant improvement in performance since 2018, and it is clear from consulting our largest Shareholders that some of them are unlikely to participate in the tender. Given these factors, together with the substantial fixed costs that a tender offer would incur for Shareholders, the Board has concluded that the 2021 Tender Offer is no longer in the best interests of all Shareholders.

The Board believes that the Company is in a different position from when the 2021 Tender Offer was first proposed. Through the action of the Investment Manager, the liquidity of the portfolio has increased and the Company's size has grown. The Board feels that the option is now available to the Company to manage its discount and provide liquidity through a sustainable share repurchase programme that it believes should not compromise the management of the Company's portfolio and should deliver better results for most Shareholders overall than undertaking the 2021 Tender Offer as was planned (the “**Proposals**”).

The Board is aware that the Proposals are a material change to the Board's previously stated policy on discount management and liquidity. It has therefore been decided to put the Proposals to the Shareholders for their consideration in an advisory vote at the General Meeting. This will give Shareholders the opportunity to vote on the Proposals, whilst avoiding the majority of cost in preparing the requisite Shareholder circular to implement the previous strategy, should it prove unnecessary.

The business to be conducted at the General Meeting is set out in the Notice of General Meeting at pages 8 to 11 (inclusive) of this document. You will be asked to consider and vote on the Resolution set out in the Notice. An explanation of the Resolution is given below.

### **Share Buyback Policy**

The Board's proposal for a more dynamic share buyback policy has the following features:

- a target buyback volume of up to 25 per cent. of the shares currently in issue over the three years to the AGM in 2024. The buyback volume is a target and will depend on the trading price of the Company's shares, since the Company will not repurchase shares at a premium to net asset value;
- share buybacks will target a discount level at the previously intended tender price, which would be set at a 3 per cent. discount to Net Asset Value, and take account of the additional estimated costs of the tender. Although the costs of the tender offer will inevitably vary depending on the percentage of Shares tendered, the Directors estimate that this is likely to result in a tender offer at a discount of between 4 per cent. and 5 per cent. to Net Asset Value. The current Share price as at 21 October 2021, the latest practicable date before the publication of this document, was at a discount of 4.72 per cent. to the Net Asset Value per Share;
- the Board has carefully considered whether it should implement a discount policy with explicit and absolute parameters, in particular a fixed discount target price, and has decided that whilst it is committed to the use of buybacks to maintain a narrow discount, including in adverse markets, it is more effective to maintain some flexibility. This approach will be reviewed regularly and the operation of the buyback overall will be reported and discussed in the Company's Annual Report each year.

(together the "**Share Buyback Programme**")

The Board wishes to make clear that it remains its intention to offer Shareholders at the time of the 2024 AGM the opportunity of a 25 per cent. tender offer. For the avoidance of doubt, the Board may choose to continue to utilise share buybacks beyond the initial targets if it believes it is in the interests of Shareholders as a whole.

The Board is prepared for the possibility that demand for the share buyback may be higher than usual in the coming weeks and months as investors who might otherwise have tendered their Shares seek to sell or reduce their holdings and will use its current authority to buy back 14.99 per cent. of the Shares and, if necessary refresh these powers in order to meet this possible demand.

### **Share Issuance**

The Board also believes that implementing the Share Buyback Programme increases the likelihood that the Shares will trade at close to or above NAV in time. The Board believes that there is a benefit to Shareholders in growing the capital base of the Company, as it will help to mitigate the effects of fixed costs and improve the Company's natural secondary market liquidity. Shares bought back may therefore be held in treasury to facilitate efficient reissuance. For the avoidance of doubt, the Board does not propose to reissue treasury shares or issue new Shares at a discount to NAV.

### **Background to the Proposals**

In April 2018, following a period of weak investment performance, the Board conducted a strategic review, which concluded that the investment policy should be amended and a triennial tender should be put in place, subject to the price and discount prevailing at the time (amongst other changes). In 2018, the triennial tender was the appropriate mechanism for providing Shareholder liquidity as the underlying portfolio was not well-suited to delivering more frequent or continuing liquidity for investors.

Since the strategic review, the portfolio has undergone significant change:

	<b>April 2018</b>	<b>September 2021</b>
Net asset value	£137.5m	£160m
Discount	17%	4%
Number of holdings	86	25
Unquoted holdings	23%	6%
Liquid holdings	29%	79%
3 year NAV total return performance	23.9% (vs. 16.3% for FTSE All Share)*	22.4% (vs. 9.5% for FTSE All Share)*
3 year Share price total return performance	29.5% (vs. 16.3% for FTSE All Share)*	42.9% (vs. 9.5% for FTSE All Share)*

\*Source: Morningstar

The liquidity profile of the underlying portfolio has improved significantly and the Company has grown – a combination of market growth and stronger relative performance. The discount has narrowed substantially. The Company has delivered on the objectives of the review and the Board is appreciative of the Investment Manager's significant efforts in implementing these objectives.

During the later stages of 2020 and over the course of 2021 the Board has authorised a share buyback programme that has resulted in 5.9 per cent. of the Shares being repurchased, with a narrowing of the discount since the launch of the buyback programme on 11 November 2020 from 18.1 per cent. to 4.2 per cent. This has provided the Board with the evidence and comfort that a more dynamic share buyback approach will not interfere with the Investment Manager's ability to run the portfolio and can materially assist with discount control.

The Board, in consultation with its independent advisers, has observed that a tender offer at the current time may not provide the most reliable means of controlling the Company's discount or increasing the liquidity in the Shares over time. It is concerned that the 2021 tender offer may in fact concentrate the discount protection and liquidity in the period immediately preceding it given the current position of the Company. Such circumstances could leave Shareholders in a position where they feel they must, or ought to, tender Shares in order to take advantage of the tender price and liquidity when it is available, even though they may not necessarily wish to reduce their investment exposure at the relevant time.

In turn, if a tender offer was undertaken at this time, such behaviour might shrink the Company's market capitalisation more than necessary and might lead to further restrictions in liquidity for investors, higher expense ratios and a risk of the Company becoming too small to appeal to the broadest range of investors. These factors can aggravate the very concerns the 2018 strategic review and its proposal for the 2021 Tender Offer were designed to address if a tender offer was undertaken by the Company at this time.

The Board believes that a dynamic use of share buybacks over the next three years will be a better option than offering a fixed single liquidity event such as the 2021 Tender Offer. It believes it will provide Shareholders with more predictable liquidity and a more stable discount than a triennial tender offer can achieve at this time.

### **Risks relating to the Proposals**

The Board acknowledges that the Proposals provide liquidity to Shareholders over time as opposed to the certainty of a percentage of Shares being able to be bought back at the point of a tender offer. It notes that the ability to buy back over a longer period time may not be suitable for all Shareholders who may prefer a tender offer.

### **Summary of the Resolution to be proposed at the General Meeting**

There is one resolution to be proposed at the General Meeting. The Resolution is to be proposed as an ordinary resolution and, accordingly, will be passed if more than 50 per cent. of the votes are cast in favour. This is an advisory vote for the Shareholders to approve the suspension of the 2021 Tender Offer. Should a majority of the Shareholders vote against the Resolution, the Board will bring forward a tender offer as soon as is practicable. The vote only relates to the 2021 Tender Offer. The Board still intends to propose a tender offer every three years, with the next tender offer scheduled to occur in 2024.

### **Action to be taken**

It is important to the Company that Shareholders have the opportunity to vote even if they are unable to attend the General Meeting. You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, you are requested to complete the Form of Proxy and return it to the Company's Registrars, Link Group, 10th Floor, Central Square, 29 Wellington Street Leeds LS1 4DL, so as to arrive no later than 9.30 a.m. on 9 November 2021.

Alternatively, you may complete a proxy via the internet by going to [www.signalshares.com](http://www.signalshares.com) and logging into your share portal account or registering for the share portal if you have not already done so; this must also be done by 9.30 a.m. To register for the share portal, you will need your investor code set out on the accompanying white Form of Proxy.

CREST members who wish to appoint a proxy through the CREST electronic proxy appointment services are referred to note 5 in the Notice of the General Meeting at the end of this document.

Completion and return of a Form of Proxy (including Electronic Voting Instructions) or the giving of a CREST Proxy Instruction will not prevent a Shareholder from subsequently attending and voting in person at the General Meeting should they wish to do so.

The completion and return of the Form of Proxy will not affect your right to attend and vote in person at the General Meeting if you wish.

### **Recommendation**

The Board considers that the Resolution to be proposed at the General Meeting is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the Resolution, as the Directors intend to do in respect of their own beneficial shareholdings.

Yours faithfully

**Duncan Budge**  
*Chairman*

## DEFINITIONS

Unless the context otherwise requires, the following words and expressions have the following meanings in this document:

<b>2021 Tender Offer</b>	the tender offer of the Shares which had been proposed would take place in 2021
<b>Board or Directors</b>	the board of Directors of the Company or any duly constituted committee thereof
<b>Companies Act</b>	the Companies Act 2006, as amended
<b>Company</b>	Artemis Alpha Trust plc, a company incorporated in England and Wales (registered number 253644) whose registered office is at Cassini House, 57-59 St James's Street, London SW1A 1LD
<b>FCA</b>	the Financial Conduct Authority of the United Kingdom including any replacement or substitute thereof, and any regulatory body or person succeeding, in whole or in part, to the functions thereof
<b>Form of Proxy</b>	the form of proxy for use by Shareholders at the General Meeting, which accompanies this document
<b>General Meeting</b>	the general meeting of the Company to be held at the offices of Artemis Fund Managers Limited, 6th Floor, Exchange Plaza, 50 Lothian Road, Edinburgh on 11 November 2021 at 9.30 a.m.
<b>Investment Manager</b>	Artemis Fund Managers Limited, a company incorporated in England and Wales (registered number 01988106) whose registered office is at Cassini House, 57 St James's Street, London SW1A 1LD
<b>NAV or Net Asset Value</b>	the net asset value of the Company which shall be the total value of all of the assets of the Company less its liabilities as determined by the Board and calculated in accordance with the Company's accounting policies (for the avoidance of doubt, this includes accumulated revenue reserves and current period revenue and is after the deduction of any borrowings at their fair value)
<b>Notice or Notice of Meeting</b>	the Notice of General Meeting set out at the end of this document
<b>Proxy Appointment Deadline</b>	9.30 a.m. on 9 November 2021
<b>Register</b>	the register of Shareholders
<b>Registrars or Link</b>	Link Group of Central Square, 29 Wellington Street, Leeds LS1 4DL
<b>Regulatory Information Service or RIS</b>	any of the regulatory information services set out in Appendix 3 of the listing rules of the FCA
<b>Resolution</b>	the ordinary resolution proposed at the General Meeting

**Shareholders**

holders of Shares

**Shares** or **Ordinary Shares**

ordinary shares of 1 penny each in the capital of the Company

**United Kingdom** or **UK**

the United Kingdom of Great Britain and Northern Ireland

## NOTICE OF GENERAL MEETING

# ARTEMIS ALPHA TRUST PLC

(Incorporated in England and Wales with registered number 253644 and registered as an investment company under s833 of the Companies Act 2006)

Notice is hereby given that a general meeting of Artemis Alpha Trust plc (the “**Company**”) will be held at the offices of Artemis Fund Managers Limited, 6th Floor, Exchange Plaza, 50 Lothian Road, Edinburgh EH3 9BY on 11 November 2021 at 9.30 a.m. for the purpose of considering the following business.

*To consider and, if thought fit, pass the following resolution as an ordinary resolution*

That the Company does not hold the 2021 Tender Offer as proposed in the terms of the circular published by the Company dated 26 October 2021.

*By order of the Board*

**Artemis Fund Managers Limited**  
*Company Secretary*

*Registered office:*

Cassini House  
57-59 St James's Street  
London  
SW1A 1LD

Dated: 26 October 2021



## **Notes:**

### **1. Entitlement to attend and vote**

If you wish to attend the General Meeting in person, you should arrive at the venue for the General Meeting in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity prior to being admitted to the General Meeting.

To be entitled to attend and vote at the General Meeting (and for the purpose of determining the votes that may be cast), members must be registered in the Company's register of members by close of business of 9 November 2021 (or, if the meeting is adjourned, 48 hours (excluding non-working days) prior to the adjourned meeting). No member shall, unless the Board otherwise decides, be entitled to vote in respect of any share held by him (either personally or by proxy) at any general meeting of the Company unless all calls or other sums presently payable in respect of those shares have been paid.

### **2. Appointment of proxies**

Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the General Meeting. A proxy need not be a member of the Company but must attend the General Meeting to represent a member. To be validly appointed a proxy must be appointed using the procedures set out in these notes and in the notes to the accompanying form of proxy.

If members wish their proxy to speak on their behalf at the meeting, members will need to appoint their own choice of proxy (not the chairman of the General Meeting) and give their instructions directly to them.

Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). Members must state clearly on each form of proxy the number of shares in relation to which the proxy is appointed. If a member wishes to appoint more than one proxy, they should contact the Registrar on 0371 664 0300. Lines are open from 9.00 a.m. to 5.30 p.m., Monday to Friday. Calls from outside the United Kingdom will be charged at the applicable international rate.

A member may instruct their proxy to abstain from voting on any resolution to be considered at the General Meeting by marking the 'vote withheld' option when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes 'for' or 'against' the resolution.

The appointment of a proxy will not prevent a member from attending the General Meeting and voting in person if he or she wishes.

A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 8 below.

Members can:

- (i) appoint a proxy or proxies and give proxy instructions by returning the enclosed form of proxy by post; or
- (ii) register their proxy appointment electronically; or
- (iii) if a CREST member, register their proxy appointment by utilising the CREST electronic proxy appointment service.

### **3. Appointment of proxy online**

As an alternative to completing a form of proxy, you can appoint (a) proxy(ies) electronically by visiting [www.signalshares.com](http://www.signalshares.com). You will need your Voting ID, Task ID and Shareholder Reference Number (as printed on your form of proxy). Alternatively, if you have already registered, you can submit your form of proxy at [www.signalshares.com](http://www.signalshares.com). Full instructions are given on both websites. To be valid your proxy appointment(s) and instructions should reach Link no later than 48 hours (excluding non-working days) before the time of the General Meeting or any adjournment of that meeting.

### **4. Appointment of proxy using a form of proxy**

A form of proxy for use in connection with the General Meeting is enclosed. To be valid any completed and signed form of proxy or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand by the Registrar at Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL no later than 48 hours (excluding non-working days) before the time of the General Meeting or any adjournment of that meeting.

If you do not have a form of proxy and believe that you should have one, or you require additional forms of proxy, please contact the Registrar on 0371 664 0300. Lines are open from 9.00 a.m. to 5.30 p.m., Monday to Friday. Calls from outside the UK will be charged at the applicable international rate.

### **5. Appointment of proxy through CREST**

CREST members who wish to appoint a proxy or proxies for the General Meeting by utilising the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and Euroclear UK & International Limited's specifications to ensure a valid proxy appointment and/or instructions are submitted through the CREST service.

In order for a proxy appointment made via CREST to be valid, the proxy message must be:

- (i) properly authenticated in accordance with Euroclear UK & International Limited's specifications;
- (ii) contain the information required for such instruction, as described in the CREST Manual; and
- (iii) be received by the Registrar (ID RA 10) by no later than 48 hours (excluding non-working days) before the time of the General Meeting or any adjournment of that meeting.

For this purpose, the time of receipt will be taken to be the time from which the Registrar is able to retrieve the message by enquiry to CREST. Members and/or voting service providers using the CREST service should refer to the CREST manual for guidance on the practical limitations of CREST service and timings. The Board may treat as invalid a CREST proxy appointment or instruction in the circumstances set out in Regulations 35(5)(a) of the Uncertificated Securities Regulations 2001.

### **6. Appointment of proxy by joint holders**

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. The first-named holder is considered the most senior for this purpose.

### **7. Corporate representatives**

Any corporation which is a member can, by a resolution of its board of directors or other governing body authorise such person or persons as it thinks fit to act as its representative or representatives at the General Meeting.

**8. Nominated persons**

Any person who receives this Notice as a person nominated under section 146 of the Companies Act to enjoy information rights (a Nominated Person) may, under an agreement with him/her and the registered member by whom they have been nominated, be entitled to be appointed (or have someone else appointed) as proxy to vote at the General Meeting. If a Nominated Person does not have such a right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the registered member as to the exercise of voting rights. Any queries with respect to your rights as a Nominated Person should be directed to the registered member.

**9. Voting rights**

As at 6.00 p.m. on 21 October 2021 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 37,260,474 ordinary shares, carrying one vote each. The Company holds 1,190,500 in treasury. Therefore, the total voting rights in the Company as at 6.00 p.m. on 21 October 2021 were 36,069,974 votes.

**10. Notification of shareholdings**

Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person as their proxy will need to ensure that both they and their proxy complies with their respective disclosure obligations under the FCA's Disclosure Guidance and Transparency Rules. Should the members grant the chairman or any director voting authority representing 3 per cent. or more of the total voting rights of the Company, an appropriate disclosure will be released to the London Stock Exchange in accordance with the FCA's Disclosure Guidance and Transparency Rules.

**11. Members' right to require circulation of resolution to be proposed at the meeting**

Members meeting the threshold requirements set out in the Act have the right to: (a) require the Company to give notice of any resolution which can properly be, and is to be, moved at the meeting pursuant to Section 338 of the Act; and/or (b) include a matter in the business to be dealt with at the meeting, pursuant to Section 338A of the Act.

**12. Voting and announcement of results**

Voting at the General Meeting will be conducted on a show of hands. As soon as practicable following the General Meeting, the results of the voting at the General Meeting, the number of votes cast for and against and the number of votes withheld in respect of each resolution will be announced via a Regulatory Information Service and placed on the Company's website at [www.artemisalphatrust.co.uk](http://www.artemisalphatrust.co.uk).

**13. Communication**

Members are advised that, unless otherwise stated, any telephone number, website or email address which may be set out in this notice of General Meeting or in any related documents (including the form of proxy) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.