arkobinks
coordinated communication

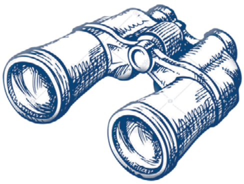
Clean
private and confidential

Artemis Alpha Half-Yearly Financial Report

Proof 8: 15.12.2021

Job. no: 1806

ARTEMIS
The PROFIT Hunter



Artemis Alpha Trust *plc*

Half-Yearly Financial Report

for the six months ended 31 October 2021

Contents

Group Summary

Investment Objective & Policy

Investment objective

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

Investment policy

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

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

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

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

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

Unquoted Investments

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

Any new or follow-on investments in unquoted companies require the prior approval of the Board.

Derivatives and Hedging

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

Gearing

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

General

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

Dividend policy

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

Triennial tender offers/liquidity events

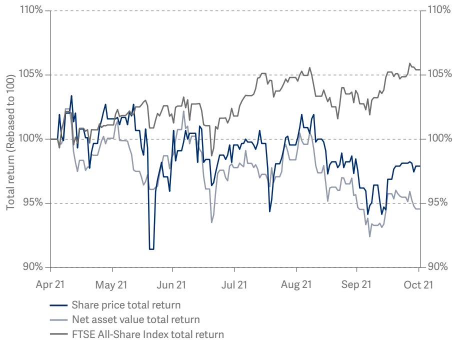
On 11 November 2021, the Company's shareholders voted in favour of the Company undertaking a sustainable share buyback policy, with the target of maintaining a narrow discount, similar to the tender price. This revised approach to managing the discount and liquidity of the Company replaced the tender offer due to take place at the 2021 AGM. The next tender offer will be due in 2024. Each tender offer will be for up to 25 per cent of the issued ordinary shares and will be subject to shareholder approval at the relevant AGM. The Board may, at its sole discretion, decide not to proceed with a tender offer if the ordinary shares are trading at a premium to the estimated tender price. The tender price will be the prevailing NAV (cum-income) per ordinary share (or, if the Board elects to use a tender realisation pool, the net proceeds of realising the assets in that pool) less the tender offer costs and less a discount of 3 per cent.

Capital structure

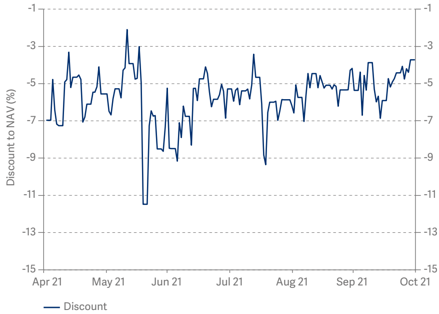
The capital structure of the Company as at 31 October 2021 consisted of 37,260,474 ordinary shares of 1p each of which 1,665,500 were held in treasury.

PERFORMANCE & FINANCIAL HIGHLIGHTS

Performance for the six months ended 31 October 2021



Discount during the six months ended 31 October 2021



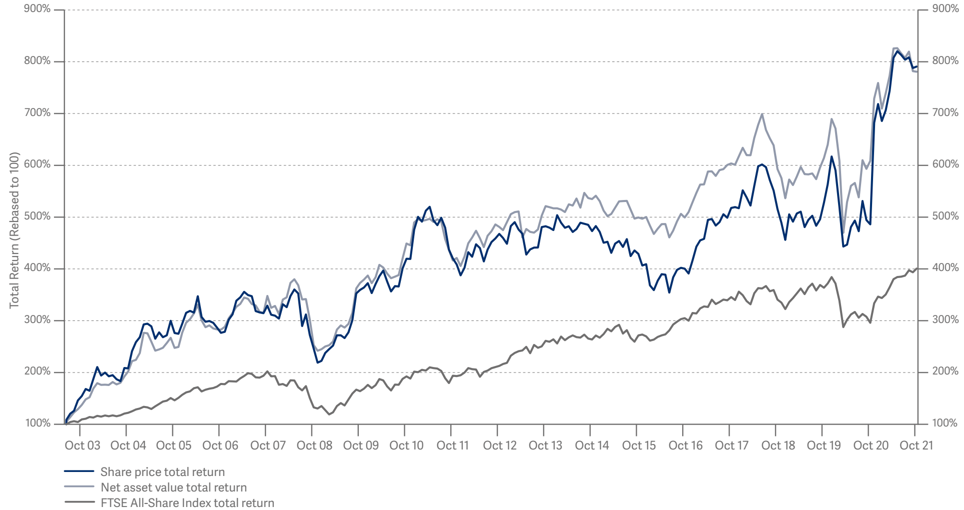
Total returns	Six months ended 31 October 2021
Net asset value per ordinary share	(5.4%)
Ordinary share price	(2.1%)
FTSE All-Share Index	5.4%

Source of data: Artemis/Factset

Capital	As at 31 October 2021	As at 30 April 2021	As at 31 October 2020
Net assets	£159.2m	£181.8m	£139.6m
Net asset value per ordinary share	447.15p	476.17p	352.66p
Ordinary share price	430.50p	442.50p	268.00p
Gearing	13.1%	10.2%	10.0%

Returns for the period	Six months ended 31 October 2021	Year ended 30 April 2021	Six months ended 31 October 2020
Revenue earnings per ordinary share	3.22p	5.92p	1.59p
Capital (loss)/earnings per ordinary share	(30.55p)	164.56p	44.79p
Ongoing charges	0.9%	0.9%	0.9%

Performance from 1 June 2003 to 31 October 2021



Total returns	**1 year**	**3 years**	**5 years**	**Since launch***
Net asset value per ordinary share	28.3%	31.8%	56.4%	690.9%
Ordinary share price	62.6%	53.4%	97.5%	690.7%
FTSE All-Share Index	35.4%	17.6%	31.4%	300.7%

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

Source of data: Artemis/Factset

Chairman's Statement

Performance

In the half-year under review market volatility continued with concerns over inflation and interest rates adding to the uncertainty over new variants of the virus.

In the six months to 31 October 2021 your Company's net asset value per share and share price (on a total return basis) fell by 5.4% and 2.1% respectively, ending the period at 447.13p (NAV per share) and 430.5p (share price). The FTSE All-Share Index rose by 5.4% over the same period.

The challenging environment led to a dip in relative performance over the period, with some of the stocks that had performed strongly last year displaying weakness. Companies whose prospects are dependent on the reopening of economies, such as airlines and serviced offices, have generally performed poorly. Those companies which have been beneficiaries of the pandemic, such as food delivery, have also been marked down if the market's high expectations have not been met.

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

Earnings and dividends

Revenue earnings per share for the half-year were 3.22p, an increase of 102.5% on the comparable period last year, reflecting a recovery from the low levels of investment income received in 2020. The Board has today declared a first interim dividend of 2.14p per ordinary share (2020: 2.11p) which will be paid on 20 January 2022 to shareholders on the register as at 24 December 2021. This increase of 1.5% over the equivalent interim dividend paid in January 2021 keeps the Company on track with our policy of growing dividends in line or at a rate greater than the UK CPI inflation rate of the preceding financial year (1.5% as at 30 April 2021).

General Meeting / Triennial tender offer

On 11 November 2021, the Company held a General Meeting for shareholders to consider the Board's recommendation to suspend the 2021 tender offer and, instead, implement a continuous share repurchase programme. This was passed overwhelmingly with a 99.18% vote in favour of the resolution. The Board believes that the more dynamic and concerted programme which is now in place will provide shareholders with more predictable liquidity and a more stable and reduced discount.

Share buy backs

Over the period, the discount to NAV narrowed from 7.1% to 3.7% at 31 October 2021. The Company bought back 2.5 million shares at a total cost of £11.2 million and an average discount of 6.0%. One million of those shares were repurchased in the week following the announcement of the proposed suspension of the 2021 tender offer and the new buy-back policy. The volume and frequency of buy-backs reduced after the initial activity with a further 0.75 million shares bought back after the period end.

At the date of this report, the share price stood at 395.50p, representing a discount of 6.2%.

Gearing

During the half-year, the Company increased its use of contracts for difference to achieve gearing, which stood at 13.1% at the period end. This offers a more cost-efficient method than a more conventional bank loan as well as providing a revenue stream.

Outlook

While many of the reasons for the volatility in markets over the half-year are still evident, the new Omicron variant and heightened geopolitical tensions have added to the sense of uncertainty already prevalent. We expect the portfolio to continue to be buffeted, in the short term, by the changes of mood in the market place, but anticipate equally that it will deliver better performance over the medium to longer term.

Duncan Budge
Chairman

15 December 2021

Investment Manager's Review

Review

In the six-month period, the Company's NAV declined by 5.4% compared to a 5.4% increase in the FTSE All-Share index.

The macroeconomic environment was influenced by the following factors:

- Inflation – rising energy costs and mismatches in the labour market have created shortages and higher-than-expected inflation. Although some factors are proving transitory, uncertainty remains over the persistency of higher inflation.
- Interest rates – strong economies and supply-side bottlenecks have brought forward expectations for interest-rate rises with the potential to impact asset prices and consumer incomes. Central bankers have (so far) demonstrated reluctance to act.
- Pandemic – the Delta variant delayed the reopening of many economies and caused disruption to supply chains and labour mobility. Booster roll-outs and the embracing of "endemic" policies suggest that economies remain on a path towards normality.
- Chinese economy – slowed due to the adoption of 'zero-Covid' policies and a regulatory shift that has had an impact on a number of sectors, including real-estate and technology.
- Corporate profitability – has remained strong; robust demand has been an enabler of pricing power and efficiency improvements have offset higher costs.

It was a challenging six-month period for performance. This was not what one might have expected given that the portfolio is balanced across a range of factors (e.g. UK domestic/overseas earners, growth/value, and cyclicals/defensives).

The key factors impacting its performance were:

- Cyclical holdings geared towards a reopening of economies performed poorly as the return to normality was delayed (easyJet, Ryanair and IWG)
- Pandemic winners showing any weakness in their earnings momentum or blemishes in their performance were punished (Just Eat, Hornby, Delivery Hero and Nintendo)
- UK housebuilders delivered strong earnings but their shares failed to re-rate due to concerns over the impact of rising interest rates (Redrow, Bellway and Springfield)
- We had limited exposure to some of the best performing sectors of the market (energy, mining and financials) and an absence of takeover bids

We have made only limited changes to our holdings; the portfolio that has found this year difficult is broadly the same one that performed strongly last year. Although we have undoubtedly made mistakes (both recognised and yet-to-be revealed), we feel that many of our holdings have been treated more harshly than their fundamentals warrant. We have taken certain actions to enhance the portfolio's value as we see it and retain considerable flexibility in the form of liquidity to take further action as opportunities arise.

Portfolio developments

Retail (14.3% of NAV) is our largest sector exposure following a strong share-price performance from **Frasers Group**. The company's core sports business (Sports Direct) is benefiting from its multi-year efforts to elevate its branded product offering by investing in digital and physical assets. Better access to popular products is leading to rising sales densities at a time when operating costs have been reduced through rent savings and investments in warehouse automation. The company is successfully leveraging its merchandising expertise and extensive infrastructure to rapidly grow Flannels, its luxury retail fascia.

Currys is also benefiting from the investments it has made in recent years to improve its customer value proposition, with recent evidence of market-share gains indicating that the strategy is proving successful. The company announced a target to deliver over £250m in free cash flow per annum and a £75m share buyback given its improving financial position.

Food delivery (12.2%) was our most costly sector exposure as both **Delivery Hero** and **Just Eat** declined. Growth in this industry has been more robust than many would have predicted given the 'reopening' of economies: Just Eat is forecast to grow orders by 45% in 2021 and Delivery Hero by 60%. Weakness in their shares reflects concerns over rising competitive intensity and the return on the significant investment that both businesses are making to build their on-demand logistics networks. We continue to regard the operating losses they incurred (less than 1.5% of gross platform transaction value for both companies) as a long-term investment made through the income statement. The industry remains early in its adoption cycle and we see various levers for it to improve profitability (such as dynamic delivery fees, advertising, and new verticals) over time. Just Eat now trades on approximately 6x underlying earnings assuming management's guidance for mature margins.

Our positions in airlines (11.8%) have lagged the broader cyclical recovery as the sector was hurt by travel restrictions, particularly in the UK where testing requirements were onerous. Although the recovery of the sector has been delayed, we continue to see strong prospects for **EasyJet** and **Ryanair**. EasyJet raised £1.2bn of equity in September, which we felt was more than necessary at the time, but has left it well-capitalised with over £4.4bn in liquidity. We increased the number of shares we held by 30% through selling some rights and adding 0.5% to the weighting. The company has structurally reduced its cost base and made a significant reallocation of planes towards higher-yielding routes in its slot-restricted network. Ryanair, meanwhile, has demonstrated remarkable resilience, which is testament to its strong management and operating culture. The business has taken advantage of the reduction in industry capacity to increase its own growth plans, with guidance for passenger volumes in 2026 having risen from 200m to 225m.

UK housebuilding (11.6%) has seen strong demand despite the end of the stamp duty holiday and the curtailment of Help to Buy. This points to a permanent benefit to the sector from hybrid working habits. Supply chains are being well managed and overall cost inflation has been offset by price increases. Both **Redrow** and **Bellway** have seen earnings estimates revised positively through the year (+36%/+23%). The strength of cash flow generation has been such that despite higher investments in land to grow future volumes, neither company carry debt. Share-price performance has been lacklustre due to the prospect of rising interest rates and a government levy for cladding. The latter was resolved with the Autumn Budget (4% additional tax). Prospects for the sector appear strong given low valuations and robust fundamentals.

Dignity (10.7%) has undergone significant strategic change in the period. We supported a change in management and a revised strategy that is aimed at leveraging the company's unique vertical integration in the industry with its positions in pre-need funerals, at-need funerals and crematoria. The revised strategy is focused on improving value for customers to grow volume across all three divisions. In May, we conducted several visits to Dignity funeral branches and crematoria with members of its management team. We came back with a stronger understanding of the quality of the group's assets, many of which we feel are irreplicable, and reassured that our assumptions for operational improvements are reasonable. In our view, valuation and strategy should be inextricably linked, and to this extent we have been disappointed that the potential for the new strategy to create value is not being reflected in the company's equity value.

Our positions in video games & hobbies (9.0%) were the second-largest sector detractor, giving up last year's strong performance. **Nintendo** felt the impact of chip shortages, which constrained the supply of its hardware meaning there will be fewer consoles sold this year (c24m) than last year (28m) despite robust demand. Revisions to earnings have been limited as software volumes have remained strong and the pipeline is promising. There have been positive strategic developments and we feel the significance of these may have been overlooked. The company executed a $1bn stock repurchase in August and recently announced a multi-year $4.5bn investment in software development and online subscription capabilities. We find this encouraging in the context of concerns that are often raised about the capital allocation efficiency of Japanese corporates.

Hornby has seen some impact from higher shipping costs and from bottlenecks delaying products. Demand for the group's hobby products is growing from a higher base. The opportunity for it to build direct relationships with its customers remains substantial and nascent – direct-to-consumer sales account for less than 15% of revenue. Investments made in product and technology over recent years should start to drive this ratio higher, and bring with it substantial profitability improvements.

Our investments in Chinese technology companies (8.5%) **Alibaba** and **Prosus** have been hurt by negative developments in the Chinese economy and in regulation. Both companies are highly innovative and possess some of the strongest market positions in the digital economy globally. We remain open-minded, but have so far retained our view that greater regulation should not significantly damage the values of their businesses as their high returns are derived from visible network effects common to scaled platforms. Alibaba continues to invest in its ecosystem of companies and Tencent to re-deploy its profits into adjacent technology companies globally, which we view as evidence that our investment thesis remains intact.

UK banks (5.7%) performed well in the period. Credit impairment remains benign and loan demand is steady, leading to strong capital generation. Following last year's dividend hiatus, **Lloyds** has considerable excess capital with a core equity tier 1 ratio of 17.2%. The investment case is evolving as expected, with the only concern that a restoration of pricing power remains dependent on interest-rate rises.

IWG (5.5%), the operator of serviced offices, continues to recover albeit with occupancy and revenues improving at a slower rate than first hoped. The company should be a net beneficiary of increased hybrid working, although evidence in the short term remains mixed. Management's intent to shift to a capital-light, franchising strategy remains evident and could considerably increase returns for the business.

GlaxoSmithKline (5.4%) has recovered encouragingly from a poor first quarter as it became clear that volumes for the company's leading shingles vaccine was being impacted by the rollout of Covid vaccines. Cost reduction and management of input-price inflation has led to better-than-expected earnings in recent quarters. The company's capital markets day in June demonstrated the potential for a more focused approach to investing in its pipeline to lead to sustainable earnings growth in years to come. The combination of self-help measures and pressure to demonstrate improvements from activist investors means the company's prospects appear attractive ahead of the spin-off of its consumer staples division in 2022.

Plus500 (5.4%) has reported robust results with revenues remaining 50% ahead of pre-pandemic levels, indicating that customers it acquired last year are staying with it for longer than many expected. New management have increased levels of reinvestment into the business from a position of strength, given that net cash balances are over $780m.

Reaction Engines (4.0%, unquoted) was positively revalued after a new institution invested in the company. Total funds raised in the most recent round are in excess of 10% of the company's share capital. The business is developing new applications for its heat exchanger in decarbonisation technologies using ammonia and hydrogen.

EssilorLuxottica (3.7%) has been a strong performer with sales recovering to above 2019 levels sooner than expected. The deal to acquire Grandivision, a large chain of retail stores across Europe, is progressing. The developments in advancing augmented and virtual reality technologies, particularly by Facebook, have the potential to be a tailwind as the company is the largest manufacturer of lenses globally.

Key Sector Exposures

Weighting	Sector	Companies
14.3%	General retail	Frasers Group, Currys
12.2%	Food delivery	Delivery Hero, Just Eat Takeaway.com
11.8%	Airlines	Easyjet, Ryanair
11.6%	Housebuilding	Redrow, Bellway, Springfield
10.7%	Funerals	Dignity
9.0%	Videogames & hobbies	Nintendo, Hornby
8.5%	China technology	Prosus, Alibaba
5.7%	Banking	Lloyds
5.5%	Serviced offices	IWG
5.5%	Pharmaceuticals	GlaxoSmithKline
5.4%	Trading platform	Plus500
4.0%	Defence	Reaction Engines
3.7%	Consumer staples	EssilorLuxottica
2.4%	Financial services	Singer Capital Markets

Activity

We sold positions in Meta Platforms (formerly Facebook), Fevertree and Barclays. Facebook and Fevertree were sold due to a judgement that an increase in their valuation multiples had reduced the potential upside, making alternatives more attractive. Barclays was sold as our enthusiasm over the prospects for its investment banking operations has waned and because we harbour some concerns over the disruptive potential of 'buy-now, pay-later' companies on its credit card division.

We increased positions in Alibaba, Prosus, Just Eat and Nintendo as we felt that their share-price declines provided an attractive opportunity for the reasons outlined above. We increased the holding in Currys as we judged its fundamentals to be improving in contrast to lacklustre share-price performance.

We did not start any new positions in the period and the number of holdings in the portfolio has thus fallen to 25. We are actively considering a number of positions and expect the number of holdings to rise in time. Gearing levels have been maintained at approximately 10% with the period-end figures being higher than that due to the timing of share repurchases. The proportion of net assets in liquid and very liquid holdings is 79%.

Outlook

The following working assumptions have informed portfolio construction and will be subject to change in what has proven to be a dynamic environment:

- GDP growth – nominal GDP growth to remain resilient as excess savings support consumption, particularly in the UK.
- Reopening – Covid will follow a bumpy path towards becoming endemic with uncertainty over timing due to the Omicron variant.
- Interest rates – short-term movements are intertwined with pandemic developments. In the medium-term, interest rates are likely rise to reflect a normalisation of policy. The key uncertainty is how far they will rise.
- Digitalisation – will remain a key force for change across most industries, with a risk that this factor is being temporarily overlooked as pricing power for many industries has been restored by the peculiar macroeconomic conditions that currently prevail.

The key risks that we are monitoring are 1) the potential for energy prices to rise further given tight markets and geopolitical risks and 2) a loss of confidence in central bankers leading to a material upward shift in real rates.

Overall, we believe the portfolio is well-positioned with its mix of exposure to beneficiaries of reopening, UK consumption plays, structural growth plays and idiosyncratic recovery stories. Together, we think they trade at a significant discount to their intrinsic value.

We have taken steps to enhance the portfolio's value in the year to date, and retain considerable flexibility to respond to future opportunities and risks with a liquid underlying portfolio. With persistent uncertainty comes higher volatility and, historically, these have been the situations in which we have added the most value.

John Dodd, Kartik Kumar
Fund Managers
Artemis Fund Managers Limited

15 December 2021

Top 15 holdings

Name	Sector	Shares	Price	Valuation (£)	% of NAV
Dignity	Consumer Discretionary	2,400,000	£7.08	16,992,000	10.7
Frasers Group	Consumer Discretionary	2,500,000	£6.44	16,087,500	10.1
easyJet	Consumer Discretionary	1,900,000	£6.23	11,837,000	7.4
Delivery Hero	Consumer Discretionary	113,000	€107.35	10,241,167	6.4
Redrow	Consumer Discretionary	1,475,000	£6.45	9,516,700	6.0
Just Eat Takeaway.com	Technology	175,000	€52.40	9,170,000	5.8
Lloyds Banking Group	Financials	18,000,000	£0.50	9,039,600	5.7
IWG	Industrials	2,825,000	£3.10	8,743,375	5.5
GlaxoSmithKline	Health Care	575,000	£15.09	8,674,450	5.4
Plus500	Financials	650,000	£13.17	8,557,250	5.4
Nintendo, ADR	Consumer Discretionary	200,000	$55.25	8,061,281	5.1
Alibaba Group Holding (long CFD)	General Retailers	59,000	$164.92	7,098,508	4.5
Ryanair Holdings	Consumer Discretionary	490,000	€16.74	6,925,011	4.4
Bellway (long CFD)	Household Goods & Home Construction	200,000	£33.13	6,626,000	4.2
Reaction Engines	Industrials	160,833	£40.00	6,433,320	4.0

Top 10* transactions

Purchases	% of NAV
Alibaba Group Holding	2.2
Prosus	1.1
Just Eat Takeaway.com	1.1
Currys	1.0
Nintendo	0.9
Dignity	0.6
easyJet	0.5
Delivery Hero	0.4

Sales	% of NAV
Barclays	(6.1)
Fevertree Drinks	(1.8)
Meta Platforms	(1.7)
GlaxoSmithKline	(1.3)
Redrow	(1.1)
EssilorLuxottica	(1.0)
Lloyds Banking Group	(0.5)
Plus500	(0.5)
Springfield Properties	(0.3)
Frasers Group	(0.3)

*No other purchases in period

Top 5 contributors/detractors

Contributors

Company	Return %	Contribution %
Frasers Group	24.9	1.7
EssilorLuxottica	30.1	0.9
GlaxoSmithKline	15.6	0.8
Reaction Engines Limited	25.0	0.7
Lloyds Banking Group	12.2	0.7

Detractors

Company	Return %	Contribution %
easyJet	(23.9)	(2.0)
Just Eat Takeaway.com	(30.0)	(2.0)
Delivery Hero	(21.3)	(1.4)
Hornby	(26.7)	(1.3)
Nintendo	(21.4)	(1.1)

Portfolio of investments

Investment	Business activity	Country of incorporation	Global exposure* £'000	% of NAV	Market value £'000
Consumer Discretionary					
Alibaba Group Holding (long CFD)	E-commerce company	Cayman Islands	7,099	4.5	(210)
Bellway (long CFD)	UK housebuilder	UK	6,626	4.2	(44)
Claremont Alpha[1]	Taiwan casino developments	Isle of Man	1,220	0.8	1,220
Currys	Specialist electrical and telecommunications retailer	UK	6,070	3.8	6,070
Delivery Hero	Online food ordering company	Germany	10,241	6.4	10,241
Dignity	Funeral Services	UK	16,992	10.7	16,992
easyJet	Low-cost European point-to-point airline	UK	11,837	7.4	11,837
Frasers Group	UK sports retailer	UK	16,087	10.1	16,087
Hardly Ever[1]	Online portal selling pre-owned luxury goods	UK	569	0.4	569
Hornby[3]	Hobby and toy products	UK	6,216	3.9	6,216
Nintendo, ADR	Video games	Japan	8,061	5.1	8,061
Redrow	UK housebuilder	UK	9,517	6.0	9,517
ROK Entertainment Group[2]	Global mobile entertainment group	USA	-	-	-
ROK Global[2]	Global mobile entertainment group	UK	-	-	-
Ryanair Holdings	Low-cost European point-to-point airline	Ireland	6,925	4.4	6,925
Springfield Properties[3]	UK housebuilder	UK	2,212	1.4	2,212
Total Consumer Discretionary			**109,672**	**69.1**	**95,693**
Financials					
Lloyds Banking Group	UK based financial services group	UK	9,040	5.7	9,040
Plenti Group	Technology-led lending and investment business	Australia	97	0.1	97
Plus500	Online trading platform	Israel	8,557	5.4	8,557
Singer Capital Markets[1]	Investment banking	UK	3,887	2.4	3,887
Total Financials			**21,581**	**13.6**	**21,581**
Industrials					
IWG	Business office facilities	Jersey	8,744	5.5	8,744
MBA Polymers[2]	Post-consumer recycled plastics producer	USA	-	-	-
Rated People[1]	Home maintenance services	UK	338	0.2	338
Reaction Engines[1]	Rocket propulsion systems	UK	6,433	4.0	6,433
Total Industrials			**15,515**	**9.7**	**15,515**

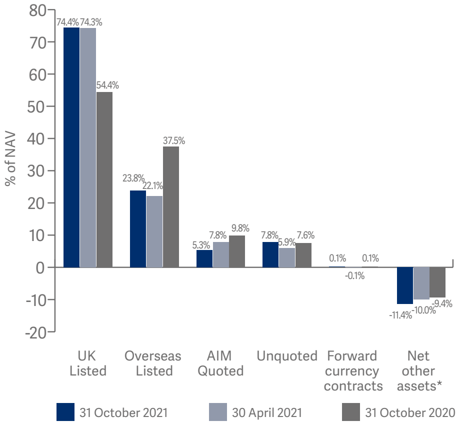
[1] Unquoted investment
[2] Delisted, suspended or investments in administration or liquidation
[3] AIM quoted investment
[4] CFDs are disclosed in Derivative assets/liabilities at market value in the Statement of Financial Position on page 15
* Global exposure has been calculated in line with the guidelines issued by the European Securities and Markets Authority ('ESMA') and represents the market value of an equivalent position in the underlying investment of each derivative contract. For all other asset types the percentage of net assets has been calculated based on the valuation of each holding.

Investment	Business activity	Country of incorporation	Global exposure* £'000	% of NAV	Market value £'000
Technology					
Just Eat Takeaway.com	Online food ordering company	UK	9,170	5.8	9,170
Prosus (long CFD)	Consumer internet group and technology investors	Netherlands	6,304	4.0	(28)
Total Technology			**15,474**	**9.8**	**9,142**
Health Care					
EssilorLuxottica (long CFD)	Multinational ophthalmic company	France	5,887	3.7	196
GlaxoSmithKline	Global healthcare company	UK	8,674	5.4	8,674
Total Health Care			**14,561**	**9.1**	**8,870**
Energy					
Energy Equity Resources (Norway)[1]	African oil and gas exploration	UK	-	-	-
Leed Resources[2]	Natural resources investments	UK	-	-	-
PetroHunter Energy[2]	US oil & gas exploration	USA	-	-	-
Total Energy			**-**	**-**	**-**
Total investments (including CFDs)			**176,803**	**111.3**	**150,801**
Forward currency contracts					
Buy £9,030,977 sell €10,500,000 dated 10/12/2021					159
Buy £5,157,661 sell $7,100,000 dated 10/12/2021					(21)
Total Forward Currency Contracts					**138**
Portfolio fair value					**150,939**
Net other assets					**8,225**
Net assets					**159,164**

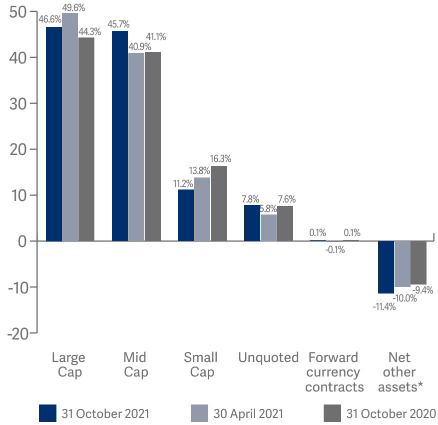
[1] Unquoted investment
[2] Delisted, suspended or investments in administration or liquidation
[3] AIM quoted investment
[4] CFDs are disclosed in Derivative assets/liabilities at market value in the Statement of Financial Position on page 15
* Global exposure has been calculated in line with the guidelines issued by the European Securities and Markets Authority ('ESMA') and represents the market value of an equivalent position in the underlying investment of each derivative contract. For all other asset types the percentage of net assets has been calculated based on the valuation of each holding.

Portfolio analysis

Market analysis of the portfolio



Market cap analysis of the portfolio



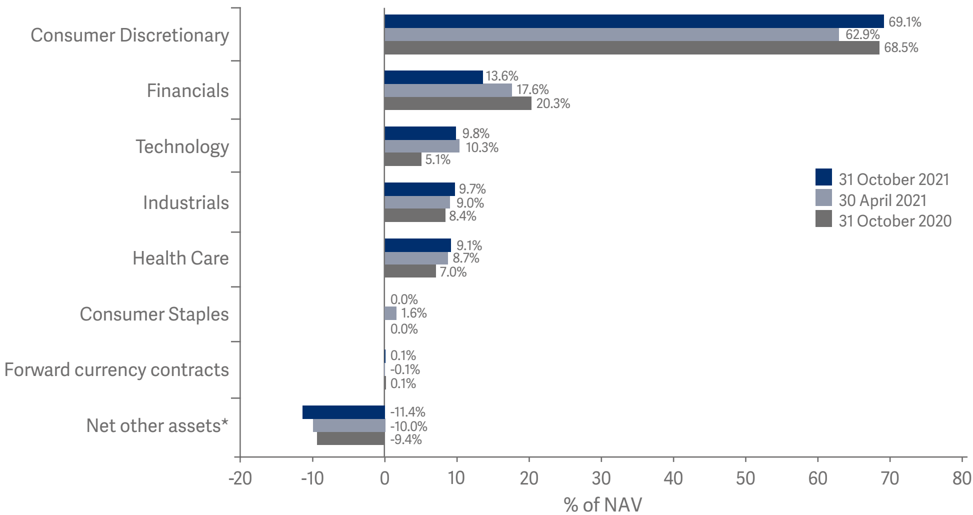
Large cap – market cap equivalent to FTSE 100 companies

Mid cap – market cap equivalent to FTSE 250 companies

Small cap – market cap equivalent to companies below FTSE 250

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

Industry analysis of the portfolio



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

Portfolio has been analysed using ICB industry classifications.

Condensed Income Statement

	Note	Six months ended 31 October 2021 (unaudited)			Six months ended 31 October 2020 (unaudited)			Year ended 30 April 2021 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income		1,616	–	1,616	1,011	–	1,011	3,147	–	3,147
Total revenue		**1,616**	**-**	**1,616**	**1,011**	**-**	**1,011**	**3,147**	**-**	**3,147**
(Losses)/gains on investments		–	(10,387)	(10,387)	–	18,550	18,550	–	59,998	59,998
Net (losses)/gains on derivatives		–	(454)	(454)	–	(845)	(845)	–	4,767	4,767
Currency (losses)/gains		–	(110)	(110)	–	368	368	–	609	609
Total income/(loss)		**1,616**	**(10,951)**	**(9,335)**	**1,011**	**18,073**	**19,084**	**3,147**	**65,374**	**68,521**
Expenses										
Investment management fee		(123)	(491)	(614)	(81)	(325)	(406)	(196)	(785)	(981)
Other expenses		(235)	(5)	(240)	(182)	(7)	(189)	(411)	(15)	(426)
Profit/(loss) before finance costs and tax		**1,258**	**(11,447)**	**(10,189)**	**748**	**17,741**	**18,489**	**2,540**	**64,574**	**67,114**
Finance costs		(3)	(15)	(18)	(3)	(12)	(15)	(7)	(28)	(35)
Profit/(loss) before tax		**1,255**	**(11,462)**	**(10,207)**	**745**	**17,729**	**18,474**	**2,533**	**64,546**	**67,079**
Tax		(45)	–	(45)	(114)	–	(114)	(210)	–	(210)
Profit/(loss) and total comprehensive income/(expense) for the period		**1,210**	**(11,462)**	**(10,252)**	**631**	**17,729**	**18,360**	**2,323**	**64,546**	**66,869**
Earnings/(loss) for the period	2	**3.22p**	**(30.55)p**	**(27.33)p**	**1.59p**	**44.79p**	**46.38p**	**5.92p**	**164.56p**	**170.48p**

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

All items in the above statement derive from continuing operations.

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

CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	31 October 2021 (unaudited) £'000	31 October 2020 (unaudited) £'000	30 April 2021 (audited) £'000
Non-current assets				
Investments		150,887	138,752	175,991
Investments in subsidiary undertaking		3,610	3,670	3,230
		154,497	142,422	179,221
Current assets				
Derivative assets		355	309	162
Other receivables		2,512	548	848
Cash and cash equivalents		7,149	11	6,477
		10,016	868	7,487
Total assets		**164,513**	**143,290**	**186,708**
Current liabilities				
Derivative liabilities		(303)	(57)	(478)
Collateral pledged		(2,030)	(50)	(830)
Other payables		(3,016)	(3,598)	(3,572)
Total Liabilities		(5,349)	(3,705)	(4,880)
Net assets		**159,164**	**139,585**	**181,828**
Equity attributable to equity holders				
Share capital		373	396	382
Share premium		676	676	676
Special reserve		29,515	46,181	40,738
Capital redemption reserve		217	194	208
Retained earnings – revenue		2,809	1,919	2,788
Retained earnings – capital	5	125,574	90,219	137,036
Total equity		**159,164**	**139,585**	**181,828**
Net asset value per ordinary share		**447.15p**	**352.66p**	**476.17p**

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Six months ended 31 October 2021 (unaudited)						
					Retained earnings		
	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Revenue £'000	Capital £'000	Total £'000
At 1 May 2021	382	676	40,738	208	2,788	137,036	181,828
Total comprehensive income:							
Profit/(loss) for the period	–	–	–	–	1,210	(11,462)	(10,252)
Transactions with owners recorded directly to equity:							
Repurchase and cancellation of ordinary shares	(9)	–	(4,091)	9	–	–	(4,091)
Repurchase of ordinary shares into treasury	–	–	(7,132)	–	–	–	(7,132)
Dividends paid	–	–	–	–	(1,189)	–	(1,189)
At 31 October 2021	**373**	**676**	**29,515**	**217**	**2,809**	**125,574**	**159,164**

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

	Year ended 30 April 2021 (audited)						
					Retained earnings		
	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Revenue £'000	Capital £'000	Total £'000
At 1 May 2020	396	676	46,181	194	2,517	72,490	122,454
Total comprehensive income:							
Profit for the year	–	–	–	–	2,323	64,546	66,869
Transactions with owners recorded directly to equity:							
Repurchase and cancellation of ordinary shares	(14)	–	(5,443)	14	–	–	(5,443)
Dividends paid	–	–	–	–	(2,052)	–	(2,052)
At 30 April 2021	**382**	**676**	**40,738**	**208**	**2,788**	**137,036**	**181,828**

CONDENSED STATEMENT OF CASH FLOWS

	Six months ended 31 October 2021 (unaudited) £'000	Six months ended 31 October 2020 (unaudited) £'000	Year ended 30 April 2021 (audited) £'000
Operating activities			
(Loss)/profit before tax	(10,207)	18,474	67,079
Interest payable	18	15	35
Losses/(gains) on investments	10,387	(18,550)	(59,998)
Net losses/(gains) on derivatives	454	845	(4,767)
Currency losses/(gains)	110	(368)	(609)
Increase in other receivables	(79)	(177)	(307)
Increase/(decrease) in other payables	5	(23)	81
Net cash inflow from operating activities before interest and tax	**688**	**216**	**1,514**
Interest paid	(18)	(15)	(35)
Irrecoverable overseas tax suffered	(45)	(114)	(210)
Net cash inflow from operating activities	**625**	**87**	**1,269**
Investing activities			
Purchase of investments	(13,101)	(29,705)	(51,278)
Sales of investments	27,097	24,739	51,912
(Purchase)/sales of derivatives	(2,672)	(471)	5,057
Collateral pledged	1,200	(170)	610
Net cash inflow/(outflow) from investing activities	**12,524**	**(5,607)**	**6,301**
Financing activities			
Repurchase of ordinary shares into treasury	(6,940)	–	–
Repurchase and cancellation of ordinary shares	(4,091)	–	(5,443)
Dividends paid	(1,189)	(1,229)	(2,052)
(Decrease)/increase in inter-company loan	(147)	332	411
Utilisation of bank overdraft	-	678	-
Net cash outflow from financing activities	**(12,367)**	**(219)**	**(7,084)**
Net decrease/(increase) in net debt	**782**	**(5,739)**	**486**
Net funds at the start of the period	**6,477**	**5,382**	**5,382**
Effect of foreign exchange rate changes	(110)	368	609
Net funds at the end of the period	**7,149**	**11**	**6,477**
Cash and cash equivalents	7,149	11	6,477

Notes to the half-yearly financial report

1. Accounting policies

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

All other accounting policies remain the same as disclosed in the Annual Financial Statements for the year ended 30 April 2021.

2. Earnings/(loss) per ordinary share

	Six months ended 31 October 2021	**Six months ended 31 October 2020**	**Year ended 30 April 2021**
Earnings/(loss) per ordinary share is based on:			
Revenue earnings (£'000)	1,210	631	2,323
Capital (loss)/earnings (£'000)	(11,462)	17,729	64,546
Total (loss)/earnings (£'000)	**(10,252)**	**18,360**	**66,869**
Weighted average number of ordinary shares in issue during the period	37,522,202	39,580,474	39,224,610

3. Net asset value per ordinary share

	As at 31 October 2021	**As at 31 October 2020**	**As at 30 April 2021**
Net asset value per ordinary share is based on:			
Net assets (£'000)	159,164	139,585	181,828
Number of shares in issue at the end of the period	35,594,974	39,580,474	38,185,474

During the period, the Company repurchased and cancelled 925,000 shares and repurchased 1,665,500 shares into treasury (six months ended 31 October 2020: no shares were repurchased or cancelled into treasury and year ended 30 April 2021: repurchased and cancelled 1,395,000 shares).

4. Dividends

	Six months ended 31 October 2021 £'000	Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
Final dividend for the year ended 30 April 2021 – 3.19p (2020: 3:10p)	1,189	1,229	1,229
First interim dividend for the year ended 30 April 2021 – 2.11p	–	–	823
	1,189	**1,229**	**2,052**

A first interim dividend for the year ending 30 April 2022 of 2.14p per ordinary share has been declared. This will be paid on 20 January 2022 to those shareholders on the register at close of business on 24 December 2021.

5. Analysis of retained earnings – capital

	As at 31 October 2021 £'000	As at 31 October 2020 £'000	As at 30 April 2021 £'000
Retained earnings – capital (realised)	115,940	84,823	125,155
Retained earnings – capital (unrealised)	9,634	5,396	11,881
	125,574	**90,219**	**137,036**

6. Reconciliation of liabilities arising from financing activities

	1 May 2021 £'000	Transactions in the period £'000	Cashflow payments £'000	Balance at 31 October 2021 £'000
Repurchase of shares into treasury	–	7,132	(6,940)	192
Repurchase of shares for cancellation	–	4,091	(4,091)	–
Dividends paid	–	1,189	(1,189)	–
Intercompany loan	–	147	(147)	–
	–	**12,559**	**(12,367)**	**192**

7. Comparative information

The financial information for the six months ended 31 October 2021 and 31 October 2020 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 2021 has been extracted from the Audited Financial Statements for the year ended 30 April 2021. These financial statements contained an unqualified auditor's report and have been lodged with the Registrar of Companies and did not contain a statement required under Section 498 of the Companies Act 2006.

8. Related party transactions

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

9. Fair value hierarchy

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

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

Level 2 – investments, including contracts for difference, whose fair value is based directly on observable current market prices or is indirectly derived from market prices; and

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

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

	(Unaudited) As at 31 October 2021		(Unaudited) As at 31 October 2020		(Audited) As at 30 April 2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	138,440	–	128,034	–	165,313	–
Level 2	355	(303)	309	(57)	162	(478)
Level 3	12,447	–	10,718	–	10,678	–
Total	**151,242**	**(303)**	**139,061**	**(57)**	**176,153**	**(478)**

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

9. Fair value hierarchy (continued)

Details of the movements in Level 3 assets during the six months ended 31 October 2021 are set out in the table below.

	£'000
Level 3 investments	
Opening book cost	16,221
Opening fair value adjustment	(5,543)
Opening valuation	**10,678**
Movements in the period:	
Purchases at cost	63
Sales – proceeds	(57)
– realised losses on sales	(2,258)
Increase in fair value adjustment	4,021
Closing valuation	**12,447**
Closing book cost	13,969
Closing fair value adjustment	(1,522)
	12,447

Statement of Principal Risks and Uncertainties

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

These risks, which have not materially changed since the Annual Financial Report for the year ended 30 April 2021, and the way in which they are managed, are described in more detail in the Annual Financial Report which is available at artemisalphatrust.co.uk.

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

The Directors confirm that to the best of their knowledge, in respect of the Half-Yearly Financial Report for the six months ended 31 October 2021:

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

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

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

The Half-Yearly Financial Report for the six months ended 31 October 2021 was approved by the Board and the above responsibility statement was signed on its behalf by:

Duncan Budge
Chairman

15 December 2021

Information for Shareholders

Buying shares in the Company

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

Company numbers:

Ordinary shares

London Stock Exchange (SEDOL) number: 0435594

ISIN number: GB0004355946

Reuters code: ATS.L

Bloomberg code: ATS:LN

LEI: 549300 MQXY2QXEIL3756

GIIN: PIK2NS.00002.SF.826

Shareholder enquiries

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

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

Dividend Reinvestment Plan (the "Plan")

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

Financial Advisers

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

Further information on the Company

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

Taxation

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

AIC

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

Tax information reporting

With effect from 1 January 2016 tax legislation requires investment trust companies to provide information to HMRC on certain investors who purchase shares in investment trusts. Accordingly, the Company may have to provide information annually to HMRC on the tax residencies of those certificated shareholders that are tax resident outwith the UK, in those countries that have signed up to the OECD's ('Organisation for Economic Co-operation and Development') Common Reporting Standard for Automatic Exchange of Financial Account Information (the 'Common Reporting Standard'), or the United States (under the Foreign Account Tax Compliance Act, 'FATCA').

All new shareholders, excluding those whose shares are held in CREST, who enter the share register from 1 January 2016 will be sent a certification form from the Registrar to complete. Existing shareholders may also be contacted by the Registrar should any extra information be needed to correctly determine their tax residence.

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

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

Common Reporting Standard

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

All new shareholders, excluding those whose shares are held in CREST, will be sent a certification form by the Registrar to complete. Existing shareholders may also be contacted by the Registrar should any extra information be needed to correctly determine their tax residence.

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

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

Data Protection

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

Reporting Calendar

Year End

30 April

Results Announced

Interim: December/January

Annual: July/August

Dividends Payable

January and September

Annual General Meeting

October

Securities Financing Transactions Regulation ("SFTR")

The Company has not entered into securities financing transactions or total return swaps as defined by the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the "SFT Regulation").

Glossary

Administrator

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

Alternative Investment Fund Managers Directive (AIFMD)

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

Alternative Investment Fund Manager (AIFM)

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

Alternative Performance Measure ('APM')

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

Banker and Custodian

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

Contracts For Difference ('CFD')

CFDs are derivative instruments which provide exposure to underlying equities.

CFDs provide investors with the benefits and risks of owning a security without actually owning it. There is no delivery of physical goods or securities, which means that CFDs are generally regarded as an easier method of settlement because losses and gains are paid in cash.

Depositary

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

Discount/Premium

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

Gearing

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

	As at 31 October 2021 £'000	As at 30 April 2021 £'000	As at 31 October 2020 £'000
Total assets	159,164	181,828	139,585
Gross exposure of CFDs	25,916	24,142	13,793
Cash and cash equivalents	(5,119)	(5,647)	(39)
	179,961	200,323	153,339
Net assets	159,164	181,828	139,585
Net gearing	13.1%	10.2%	9.9%
Net cash	0.0%	0.0%	0.0%

Leverage

Leverage is defined in the AIFMD as any method by which an AIFM increases the exposure of an Alternative Investment Fund it manages, whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

There are two measures of calculating leverage:

- the gross method, which does not reduce exposure for hedging; and
- the commitment method, which reduces exposure for hedging.

Net asset value

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

Ongoing charges

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

	Six months ended 31 October 2021 £'000	Year ended 30 April 2021 £'000	Six months ended 31 October 2020 £'000
Investment management fees	614	981	406
Other expenses	240	426	189
Total expenses	854	1,407	595
Average net assets (12 months)	171,613	150,847	137,656
Ongoing charges*	0.9%	0.9%	0.9%

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

Total return

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

Net asset value total return

	31 October 2021 p	30 April 2021 p	31 October 2020 p
Opening net asset value	476.17	309.38	309.38
Closing net asset value	447.15	476.17	352.66
Dividends paid	3.19	5.21	3.10
	(5.4)%	56.0%	15.0%

Share price total return

	31 October 2021 p	30 April 2021 p	31 October 2020 p
Opening share price	442.50	249.00	249.00
Closing share price	430.50	442.50	268.00
Dividends paid	3.19	5.21	3.10
	(2.1)%	80.8%	8.8%

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

General information

Directors

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

Registered Office

Artemis Investment Management LLP
Cassini House
57-59 St James's Street
London SW1A 1LD

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

Registered in England Number: 253644.

Website

artemisalphatrust.co.uk

Investment Manager, Alternative Investment Fund Manager and Company Secretary

Artemis Fund Managers Limited
Cassini House
57-59 St James's Street
London SW1A 1LD

Telephone: 0800 092 2051
Email: investorsupport@artemisfunds.com

The Investment Manager is authorised and regulated by the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN

Administrator

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

Broker

Singer Capital Markets Advisory LLP
One Bartholomew Lane
London EC2N 2AX

Depositary

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

Independent Auditor

Johnston Carmichael LLP
7-11 Melville Street
Edinburgh
EH3 7PE

Registrar

Link Group
Central Square
29 Wellington Street
Leeds
LS1 4DL

Shareholder enquiries: 0871 664 0300 (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Registrar is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales).

Banker & Custodian

J.P. Morgan Chase Bank N.A.
25 Bank Street
Canary Wharf
London E14 5JP

Solicitors

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

Tax Adviser

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

Artemis Fund Managers Limited
Cassini House, 57 St James's Street, London SW1A 1LD
6th floor, Exchange Plaza, 50 Lothian Road, Edinburgh EH3 9BY

Sales Support 0800 092 2090
Facsimile 020 7399 6498

Client Services 0800 092 2051
Facsimile 0845 076 2290

Website www.artemisfunds.com

ARTEMIS
The PROFIT Hunter