



Fund Manager
Adrian Frost
Manager of this
Fund since
1 Jan 2002.

Co-Fund Manager
Adrian Gosden
Manager of this
Fund since
1 Oct 2003.

Artemis Income Fund

The Fund's Aims

The objective of the Fund is to achieve a rising income combined with capital growth from a portfolio primarily made up of investments in the United Kingdom. The Manager actively manages the portfolio in order to achieve the objective with exposure to ordinary shares, preference shares, convertibles and fixed interest securities. The Manager will not be restricted in respect of choice of investments either by company size or industry, or in terms of the geographical split of the portfolio.

Fund Manager's Comment

The fund suffered a more difficult month than the market which fell by 2.3%. Specifically, Cobham was a negative because of continuing order deferrals. This also affected our holding in Ultra – although this was unjustified as the company continues to do well. Centrica, a large position, fell back on the Ofgem scrutiny of residential energy prices. In this case we did reduce the position slightly. Lloyds also reacted poorly to the Irish concerns, but in our view these are manageable. Amidst the euro's travails, we think that being a utility bank focused on the UK is preferable to being an international investment bank.

We used the market's weakness to build a position in L&G. Cashflow, a strong capital position and undervalued assets should lead to sustainable attractive dividends – not often seen or achieved in the life sector. A purchase of Compass was well timed. This is international growth with good cash flows and a strong starting balance sheet. We took profits in Altria (US domestic tobacco) as the stock has returned over 40% and looks fairly valued for a one product, one geography company.

Data as at 30 November 2010

Key Facts

IMA Sector	UK Equity Income
Sedol Number	0657246
Fund Size (offer basis)	£3,440.3m
Historic yield	4.30%
Unit offer price (distribution units)	166.60p
Unit bid price (distribution units)	156.86p
Unit offer price (accumulation units)	231.32p
Unit bid price (accumulation units)	217.78p
Valuation (UK business days)	12:00
Minimum lump sum investment	£1,000
Minimum monthly investment	£50
Launch	6 June 2000
Launch price	100p
Preliminary charge	5.25%
Annual Management Fee	1.5%
Unit type	Distribution & Accumulation
Dividend pay dates	31 December, 30 June
Total Expense Ratio	1.55%

Market Sector Split*

Market Sector Split*	% Fund
Healthcare	14.0
Oil & Gas	13.4
Industrial Goods & Services	10.8
Utilities	10.7
Telecommunications	10.2
Insurance	6.4
Banks	6.1
Financial Services	5.1
Travel & Leisure	4.7
Other	18.6

Source: Artemis. *Without cash.
Sector Classification: ICB L2.

Performance	Since Launch*	5 Years	3 Years	1 Year	6 Months
Income Fund (TR)†	146.7	24.4	0.2	11.0	8.4
FTSE All-Share (TR)†	29.7	24.5	-2.3	11.5	8.6
FTSE 100 (TR)†	20.3	22.5	-3.4	10.0	8.2
Sector Average	42.7	12.5	-5.9	11.3	8.6
Position in Sector	3	23	17	56	62
Funds in Sector	53	77	87	101	101
Quartile	1	2	1	3	3

Please remember that past performance is not a guide to the future.

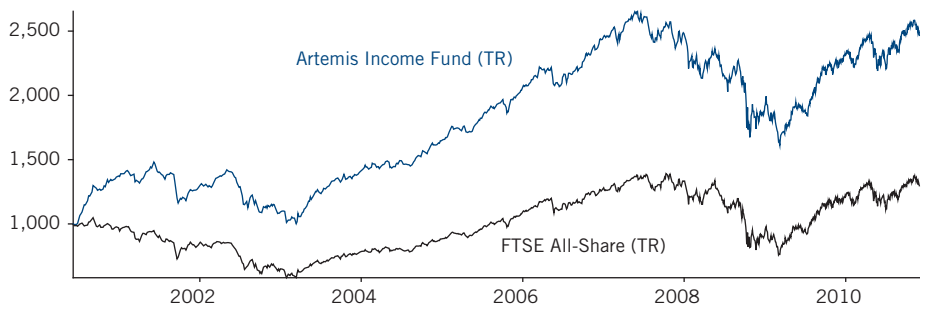
*Data from 6 June 2000. Source: Lipper Limited, bid to bid in sterling with net income reinvested to 30 November 2010. All figures show total returns. †Percentage Growth. Sector is IMA UK Equity Income.

Percentage Growth Artemis Income Fund 12 Months to 30 September 2010

Year	2010	2009	2008	2007	2006
Percentage Growth	11.4	9.7	-19.1	10.4	15.5

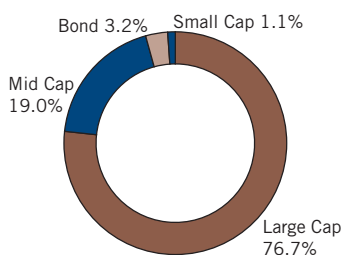
Source: Lipper Limited, bid to bid in sterling with net income reinvested. All figures show total returns.

Value of £1,000 Invested at Launch to 30 November 2010



Data from 6 June 2000. Source: Lipper Limited, bid to bid in sterling with net income reinvested to 30 November 2010. All figures show total returns.

Asset Allocation*



Source: Artemis. *Without cash.

Top Ten Holdings*

Top Ten Holdings*	% Fund
Vodafone	4.7
GlaxoSmithKline	4.4
HSBC	4.1
Royal Dutch Shell 'B'	3.9
Centrica	3.4
BP	3.3
AstraZeneca	3.1
Merck & Co.	2.9
BG Group	2.8
National Grid	2.7

Source: Artemis. *Without cash.

% Variance†*

% Variance†*	%
Merck & Co.	2.9
Novartis	2.7
Centrica	2.5
RSA Insurance	1.8
BT	1.8
Chevron	1.7
Total	1.7
Standard Life	1.6
National Grid	1.5
Tate & Lyle	1.5

†Positive variance between stock % held in the Fund versus FTSE All-Share. *Without cash. Source: Artemis.

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Fig. 2
A typical PROFIT