



Fund Manager
Derek Stuart
Manager of this
Fund since launch.

Co-Fund Manager
Ruth Keatch
Manager of this
Fund since
1 December 2008.

Artemis UK Special Situations Fund

The Fund's Aims

The objective of the Fund is to achieve long-term capital growth by exploiting special situations. The Fund invests principally in UK equities and in companies which are headquartered or have a significant part of their activities in the UK which are quoted on a regulated market outside the UK. The Manager actively manages the portfolio. The securities of companies listed, quoted and/or traded in the UK but domiciled elsewhere and the securities of companies traded on PLUS may be included in the portfolio.

Fund Manager's Comment

One of the most exciting aspects of this job is not knowing what potential investment opportunities are going to materialise tomorrow. Rolls Royce wasn't particularly on our radar. But after a near 100p fall in its share price, we have used the recent problems around their engine as an opportunity to establish a position in the shares. The pedigree of their engines suggests the problems are not widespread and we will add to the position as the issues become clearer.

We have revisited an old favourite in the software sector, Micro Focus. The company has had a tough year with board changes, downgraded expectations and an extremely volatile share price. After the recent fall the shares are now trading on 9 times earnings and it should be debt-free by the year end. We financed these purchases by reducing our holding in Wolfson Microelectronics, which has performed strongly this year.

Finally, Ireland has been much in the news of late, mainly for the wrong reasons. So it was good to see a sharp resurgence in the Greencore share price following their proposal of a merger with Northern Foods. If the deal goes through (and we are intrigued by current stake-building in Northern,) this will be a very profitable consolidation with substantial further upside.

Data as at 30 November 2010

Key Facts

IMA Sector	UK All Companies
Sedol Number	0219226
Fund Size (offer basis)	£1,097.4m
Historic yield	1.70%
Unit offer price	354.78p
Unit bid price	332.58p
Valuation (UK business days)	12:00
Minimum lump sum investment	£1,000
Minimum monthly investment	£50
Launch	9 March 2000
Launch price	100p
Preliminary charge	5.25%
Annual Management Fee	1.5%
Unit type	Accumulation
Accumulation date	28 February
Total Expense Ratio	1.57%

Market Sector Split*

Market Sector Split*	% Fund
Industrial Goods & Services	20.4
Oil & Gas	18.1
Healthcare	11.5
Technology	8.2
Food & Beverage	6.3
Telecommunications	5.9
Utilities	5.4
Financial Services	5.2
Media	4.9
Other	14.1

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

Performance	Since Launch*	5 Years	3 Years	1 Year	6 Months
UK Special Situations Fund (TR)†	250.1	26.9	-0.6	13.4	9.5
FTSE All-Share (TR)†	29.5	24.5	-2.3	11.5	8.6
FTSE 100 (TR)†	21.3	22.5	-3.4	10.0	8.2
Sector Average	22.5	19.2	-3.0	13.1	9.7
Position in Sector	1	71	105	104	111
Funds in Sector	149	235	275	297	301
Quartile	1	2	2	2	2

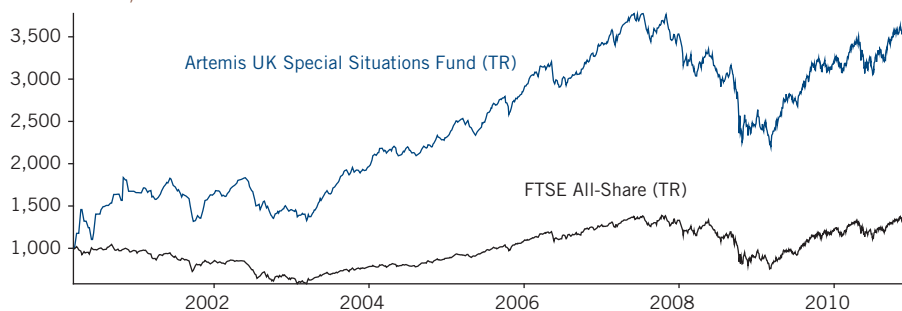
Please remember that past performance is not a guide to the future. *Data from 9 March 2000. Source: Lipper Limited, bid to bid in sterling with net income reinvested to 30 November 2010. All figures show total returns. †Percentage Growth. Sector is IMA UK All Companies.

Percentage Growth Artemis UK Special Situations Fund 12 Months to 30 September 2010

2010	2009	2008	2007	2006
9.2	15.2	-23.2	15.2	12.1

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

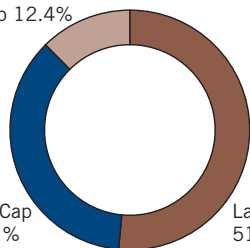
Value of £1,000 Invested at Launch to 30 November 2010



Data from 9 March 2000. Source Lipper Limited, bid to bid in sterling with net income reinvested to 30 November 2010.

Asset Allocation*

Small Cap 12.4%



Mid Cap 36.1%

Large Cap 51.5%

Source: Artemis.

*Without cash.

Top Ten Holdings*

Top Ten Holdings*	% Fund
BP	4.7
GlaxoSmithKline	3.4
Centrica	3.2
London Stock Exchange	3.1
BT Group	3.0
Vodafone	2.9
Smiths Group	2.8
BG Group	2.7
AstraZeneca	2.4
Domino Printing Sciences	2.4

Source: Artemis.

*Without cash.

% Variance†*

% Variance†*	%
London Stock Exchange	3.0
Smiths Group	2.5
Domino Printing Sciences	2.3
BT	2.2
Centrica	2.2
Shanks	2.0
Devro	2.0
Spirent Communications	1.9
Booker Group	1.8
Royal Bank of Scotland	1.8

†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