Company Registration No. SC171550

ARTEMIS STRATEGIC ASSET MANAGEMENT LIMITED

Report and Financial Statements

Year ended 31 December 2021

ARTEMIS STRATEGIC ASSET MANAGEMENT LIMITED

REPORT AND FINANCIAL STATEMENTS 2021

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ARTEMIS STRATEGIC ASSET MANAGEMENT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS
M J Murray
J E Dodd

REGISTERED OFFICE
6th floor
Exchange Plaza
50 Lothian Road
Edinburgh
EH3 9BY

INDEPENDENT AUDITORS
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

ARTEMIS STRATEGIC ASSET MANAGEMENT LIMITED

STRATEGIC REPORT

The directors present their strategic report for Artemis Strategic Asset Management Limited for the year ended 31 December 2021.

SECTION 172(1) STATEMENT

The Company's principal activity is to act as an intermediate holding company for the Artemis group. As it has no employees, the directors consider that the Company's principal stakeholder is its sole shareholder, Artemis Asset Management Limited.

The performance of the Company depends solely on dividends received from its subsidiary undertaking, Artemis Investment Management LLP.

More details on the approach taken by the Artemis group in relation to its corporate governance arrangements are set out in the annual report of Artemis Investment Management LLP (the main operating entity in the Artemis group) and do not form part of this report.

RESULTS OF THE BUSINESS

The audited financial statements for the year ended 31 December 2021 are set out on pages 8 to 15. The profit for the financial year was £44,706,000 (2020: £39,196,000) and was transferred to reserves. The directors approve the results for the year.

Dividends of £43,176,000 were paid in the year (2020: £40,954,000). These dividends were funded by distributions received from the Company's subsidiary undertaking, Artemis Investment Management LLP. The increase in dividend income is due to an increase in profit generated by Artemis Investment Management LLP.

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Artemis group and are not managed separately. The Company's principal activity is to act as a holding company, receiving dividends from its subsidiary, Artemis Investment Management LLP (the main operating entity in the Artemis group). Therefore, the Company is not exposed to specific risks that differ from the Artemis group as a whole. The principal risks and uncertainties of the Artemis group, which include those of the Company, are set out in the annual report of Artemis Investment Management LLP and do not form part of this report.

Approved by the Board of Directors
and signed on behalf of the Board

M J Murray
Director

1 April 2022

DIRECTORS' REPORT

The directors present their report and the audited financial statements for Artemis Strategic Asset Management Limited for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

Artemis Strategic Asset Management Limited is a private company limited by shares. It was incorporated, and is domiciled, in Scotland. As referred to in the strategic report, the Company is an intermediate holding company within the Artemis group and its future development is dependent on the level of distributions received from its subsidiary undertaking. There are no immediate changes envisaged in the operation of the group.

DIVIDENDS

As stated previously, dividends of £43,176,000 were paid during the year (2020: £40,954,000). These dividends were funded by a share of profits received from the Company's subsidiary undertaking, Artemis Investment Management LLP.

SUBSEQUENT EVENTS

A dividend of £11,524,000 was paid in January 2022. This was funded from a share of profits received from the Company's subsidiary undertaking, Artemis Investment Management LLP, in January 2022.

DIRECTORS

The directors of the Company who served during the year ended 31 December 2021 and up to the date of signing the financial statements are listed on page 1.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

DIRECTORS' INSURANCE

Directors' and Officers' liability insurance cover is held by the Company to cover directors against certain liabilities that may arise when conducting their duties.

ARTEMIS STRATEGIC ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

ENERGY AND CARBON REPORTING

The directors have considered the requirements of the Streamlined Energy and Carbon Reporting framework. As the principal activity of Artemis Strategic Asset Management Limited is to act as an intermediate holding company within the Artemis group, its energy consumption is below the 40MWh threshold. As a result, it is not required to make detailed disclosures of energy and carbon information. Disclosure of Artemis' energy use, emissions and the actions taken to improve its energy efficiency during the year are set out in the Energy and Carbon Report within the annual report of Artemis Investment Management LLP (the main operating entity in the Artemis group).

INDEPENDENT AUDITORS

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

Approved by the Board of Directors
and signed on behalf of the Board

M J Murray
Director

1 April 2022

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF ARTEMIS STRATEGIC ASSET MANAGEMENT LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Artemis Strategic Asset Management Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2021; the income statement, statement of cash flows and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as those parts of the Companies Act 2006 which directly impact the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed by the engagement team included:

- Enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding management's internal controls designed to prevent and detect irregularities;
- Identifying and testing journal entries, meeting certain risk-based criteria, including unusual or unexpected account combinations and entries posted by unexpected users, where any such journal entries were identified;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Reviewing relevant meeting minutes, including those of the Management Committee and the Compliance, Risk & Internal Audit Committee.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's directors as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Gillian Alexander

Gillian Alexander (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

1 April 2022

INCOME STATEMENT
For the year ended 31 December 2021

	Note	2021 £000	2020 £000
Distributions from group undertakings	3	55,189	48,372
Profit before taxation	4	55,189	48,372
Tax on profit	5	(10,483)	(9,176)
Profit for the financial year		44,706	39,196

There have been no recognised gains and losses attributable to the shareholders other than the profit for the current and preceding financial year and, accordingly, no Statement of Comprehensive Income is shown.

The current and prior year results have been derived wholly from continuing operations.

The notes on pages 12 to 15 form an integral part of these financial statements.

ARTEMIS STRATEGIC ASSET MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	7	60,772	60,772
Current assets			
Debtors	8	14,237	12,353
Cash at bank and in hand		1,974	1,568
		16,211	13,921
Creditors: Amounts falling due within one year	9	(5,362)	(4,602)
Net current assets		10,849	9,319
Total assets less current liabilities		71,621	70,091
Capital and reserves			
Called up share capital	10	129	129
Share premium account		52,298	52,298
Capital redemption reserve		890	890
Profit and loss account		18,304	16,774
Total shareholder's funds		71,621	70,091

The notes on pages 12 to 15 form an integral part of these financial statements. These financial statements were approved by the Board of Directors and authorised for issue on 1 April 2022.

Signed on behalf of the Board of Directors

M J Murray
Director

Company registration number: SC171550

ARTEMIS STRATEGIC ASSET MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total £000
Balance at 1 January 2020	129	52,298	890	18,532	71,849
Profit for the financial year	-	-	-	39,196	39,196
Total comprehensive income for the year	-	-	-	39,196	39,196
Dividends	-	-	-	(40,954)	(40,954)
Balance at 31 December 2020	129	52,298	890	16,774	70,091
Profit for the financial year	-	-	-	44,706	44,706
Total comprehensive income for the year	-	-	-	44,706	44,706
Dividends	-	-	-	(43,176)	(43,176)
Balance at 31 December 2021	129	52,298	890	18,304	71,621

Included in the income statement is £nil (2020: £nil) of profits which are not available for distribution as they are unrealised.

The notes on pages 12 to 15 form an integral part of these financial statements.

ARTEMIS STRATEGIC ASSET MANAGEMENT LIMITED

STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	2021 £000	2020 £000
Cash flows from operating activities		
Taxation	(9,722)	(10,104)
Net cash used in operating activities	(9,722)	(10,104)
Cash flows from investing activities		
Income from group undertaking	53,304	50,559
Net cash generated from investing activities	53,304	50,559
Cash flows from financing activities		
Dividends paid	(43,176)	(40,954)
Net cash used in financing activities	(43,176)	(40,954)
Net increase/(decrease) in cash and cash equivalents	406	(499)
Cash and cash equivalents at the beginning of the year	1,568	2,067
Cash and cash equivalents at the end of the year	1,974	1,568

The notes on pages 12 to 15 form an integral part of these financial statements.

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding years.

General information and basis of accounting

Artemis Strategic Asset Management Limited is a company domiciled in Scotland and incorporated under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out on page 2.

These financial statements have been prepared under the historic cost convention (modified to include certain items at fair value), and in accordance with Financial Reporting Standard 102 (FRS 102) and with the Companies Act 2006.

These financial statements present information about the Company as an individual undertaking and not about its group. The Company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to prepare group financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its ultimate parent, Affiliated Managers Group, Inc.

The financial statements are presented in pound sterling, which is the Company's functional and operating currency.

Going concern

The directors have assessed the Company's ability to continue as a going concern and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Investments

Investments in subsidiaries are stated at cost less accumulated impairment. At each balance sheet date an assessment is undertaken to determine if there is any indication of impairment of subsidiaries. If there is an indication of impairment, an estimate of the recoverable amount is made. Any impairment is taken to the income statement.

Revenue is generated from the Company's investment in Artemis Investment Management LLP. This is recognised on a monthly basis as income through the income statement.

Dividends

Dividend receivables and liabilities are only recognised when the dividends have been declared and approved.

2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The directors consider that there are no accounting estimates that have been made or sources of uncertainty in the current year that would have a material effect on these financial statements.

3. DISTRIBUTIONS FROM GROUP UNDERTAKINGS

During the year the Company received distributions of £55,189,000 (2020: £48,372,000) from Artemis Investment Management LLP.

At the year end, the Company had a receivable amount due from Artemis Investment Management LLP of £14,237,000 (2020: £12,353,000) in relation to a contractually agreed allocation of income.

4. PROFIT BEFORE TAXATION

The audit fee for the Company of £4,862 (2020: £4,630) was borne by Artemis Investment Management LLP. No fees were paid to the auditors in respect of non-audit services for the current or prior year.

No directors received remuneration for services to the Company in the current or prior year directly from the Company. The directors were also members of Artemis Investment Management LLP during the year.

There were no employees during the current year or prior year. All service contracts are with Artemis Investment Management LLP.

5. TAX ON PROFIT

	2021 £000	2020 £000
Current tax:		
UK corporation tax on profit for the year	10,483	9,176
Tax on profit	10,483	9,176

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK.

	2021 £000	2020 £000
Reconciliation of tax charge		
Profit before taxation	55,189	48,372
Tax charge on profit at 19% (2020: 19%)	10,486	9,191
Tax charge on profit recognised in different period	(3)	(15)
Tax charge for the year	10,483	9,176

6. ORDINARY DIVIDENDS PAID

	2021 £000	2020 £000
Dividends on ordinary shares	43,176	40,954

Dividends of £227.51, £229.20, £263.27 and £261.30 per share were paid in January, April, August and October 2021 respectively (2020: £267.47, £236.72, £211.83 and £214.75 per share were paid in January, April, August and October respectively).

7. INVESTMENTS

	2021 £000	2020 £000
Investment in subsidiary undertaking	60,772	60,772

The investment represents the capital contribution by the Company to Artemis Investment Management LLP. This entitles the Company to a proportion of the income generated by Artemis Investment Management LLP. The directors consider the value of the investment to be supported by that entity's underlying assets.

8. DEBTORS

	2021 £000	2020 £000
Amounts owed by group undertakings	14,237	12,353

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £000	2020 £000
Amounts owed to group undertakings	2,697	-
Corporation tax	2,665	4,602
	5,362	4,602

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10. CALLED UP SHARE CAPITAL

	2021 £000	2020 £000
Authorised		
45,587 Ordinary shares of £1 each	46	46
85,000 0% redeemable preference shares of £1 each	85	85
1,315,000 7% redeemable preference shares of £1 each	1,315	1,315
	1,446	1,446
Allotted and fully paid		
44,500 ordinary shares of £1 each	44	44
85,000 0% redeemable preference shares of £1 each	85	85
	129	129

The 0% redeemable preference shares do not carry any right to receive a dividend. The 7% redeemable preference shares carry a right to receive a fixed non-cumulative preferential dividend of 7% per annum. Both classes of redeemable preference shares are redeemable by the Company at par at any time. Neither class of redeemable preference shares has any entitlement to vote at general meetings of the Company.

There is a single class of ordinary shares for which there are no restrictions on the distribution of dividends and the repayment of capital.

11. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is Artemis Asset Management Limited, which is incorporated and registered in Scotland. A copy of that Company's financial statements is available from the Head of Secretariat, 6th floor, Exchange Plaza, 50 Lothian Road, Edinburgh EH3 9BY.

The Company's ultimate parent undertaking which presents group financial statements in which the Company is included is Affiliated Managers Group, Inc., a company incorporated in the USA. These group financial statements are available from Affiliated Managers Group, Inc., 777 South Flagler Drive, West Palm Beach, Florida 33401, USA.

12. RELATED PARTY TRANSACTIONS

The Company paid dividends of £43,176,000 (2020: £40,954,000) to its parent company, Artemis Asset Management Limited (see note 6).

The Company received income of £55,189,000 (2020: £48,372,000) from its subsidiary undertaking, Artemis Investment Management LLP. At the year end, the Company had a net balance due from Artemis Investment Management LLP of £11,540,000 (2020: £12,353,000) (see notes 8 and 9).

13. SUBSEQUENT EVENTS

A dividend of £11,524,000 was paid in January 2022. This was funded from a share of profits received from the Company's subsidiary undertaking, Artemis Investment Management LLP, in January 2022.