The Profit Hunter

Artemis Income Fund

An Afternoon with Artemis 2025

Andy Marsh | Nick Shenton | Adrian Frost

MARKETING COMMUNICATION: Refer to the fund prospectus and KIID/KID before making any final investment decisions. FOR PROFESSIONAL INVESTORS AND/OR QUALIFIED INVESTORS AND/OR FINANCIAL INTERMEDIARIES ONLY. NOT FOR USE WITH OR BY PRIVATE INVESTORS. CAPITAL AT RISK.

A highly experienced team of equals

Andy Marsh
Fund Manager

Nick Shenton
Fund Manager

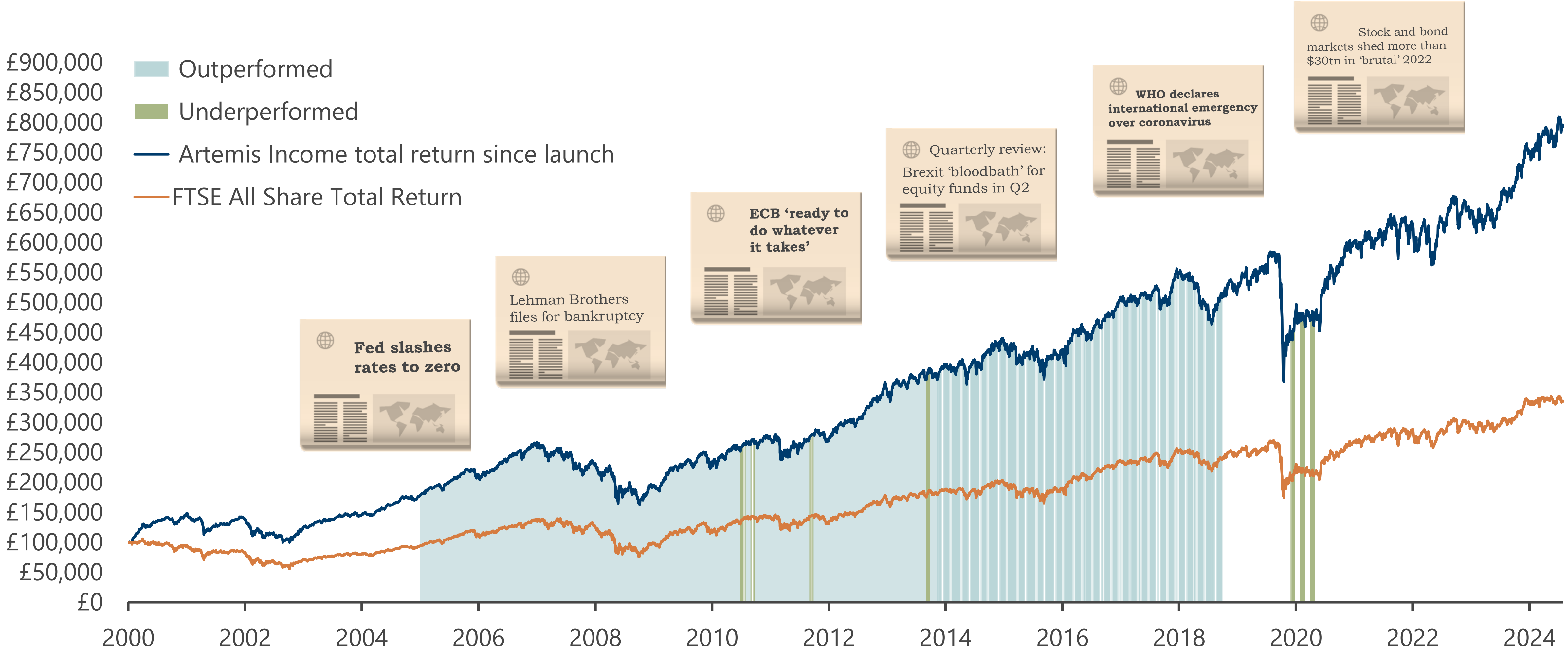
Adrian Frost
Fund Manager

Josh Passmore
Product Specialist

- No analysts, no hierarchy
- Debate and challenge through buddy system and team approach
- Stock returns have been broad based across the team
- Shared investment beliefs and clear objective of cash flow first, dividends second with a focus on total return

Rolling five year returns since launch (return on £100,000 invested at launch)

Better than benchmark in 97% of five year rolling periods since launch

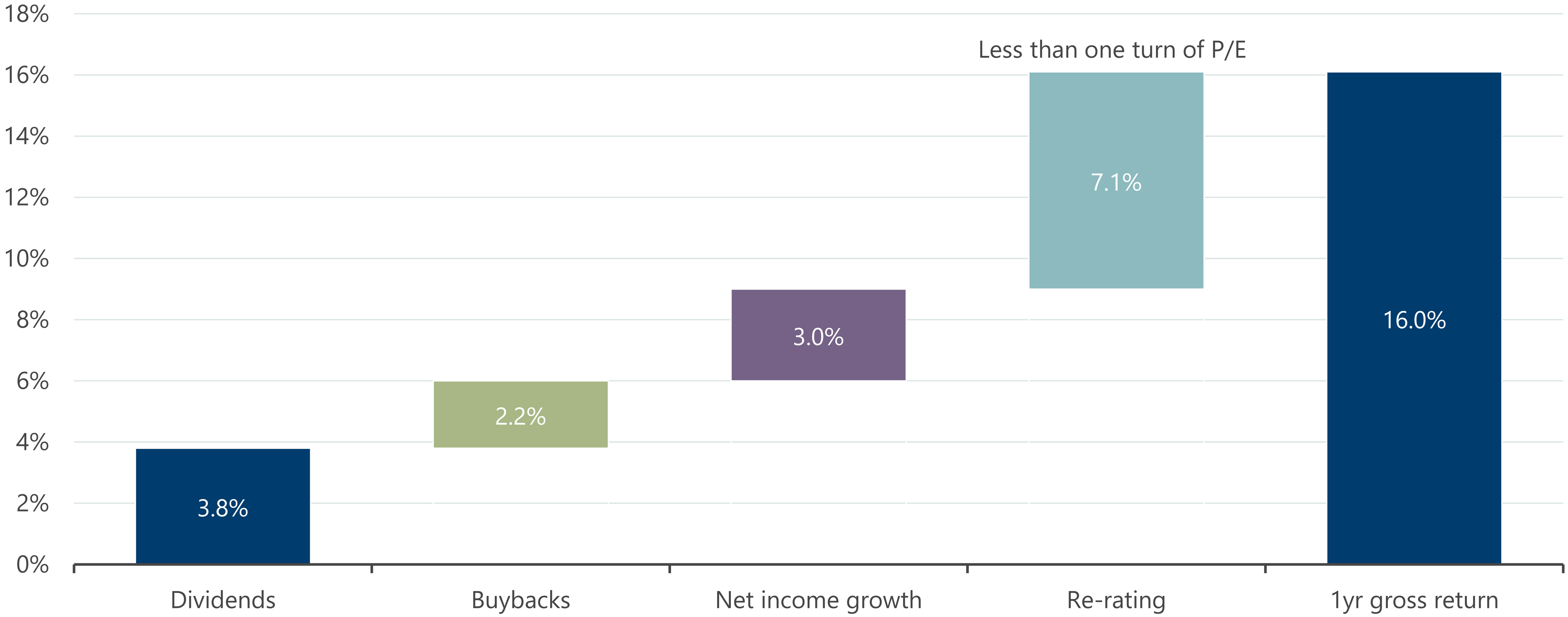


Past performance is not a guide to the future. Source: Lipper Limited, class I distribution units in GBP from 6 June 2000 to 31 December 2024. Data prior to 7 March 2008 reflects class R distribution units in GBP. All figures show total returns with dividends and/or income reinvested, net of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. Benchmark is the FTSE All-Share Index.

AIF117

A breakdown of the fund's returns in 2024

2024 gross returns



Source: Artemis estimates as at 31 December 2024.
Note: components of total return may not add to 16.0% due to rounding.

AIF136

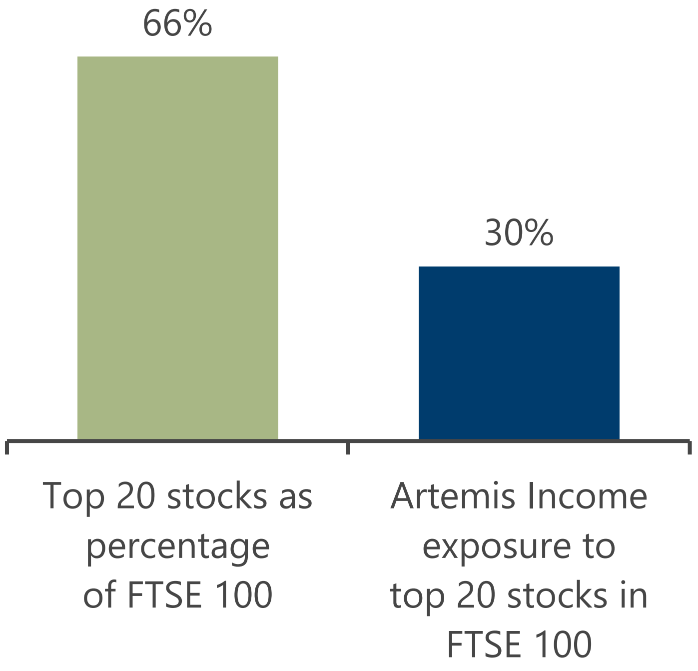
Artemis Income: high quality and differentiated

Our portfolio looks very different to its benchmark

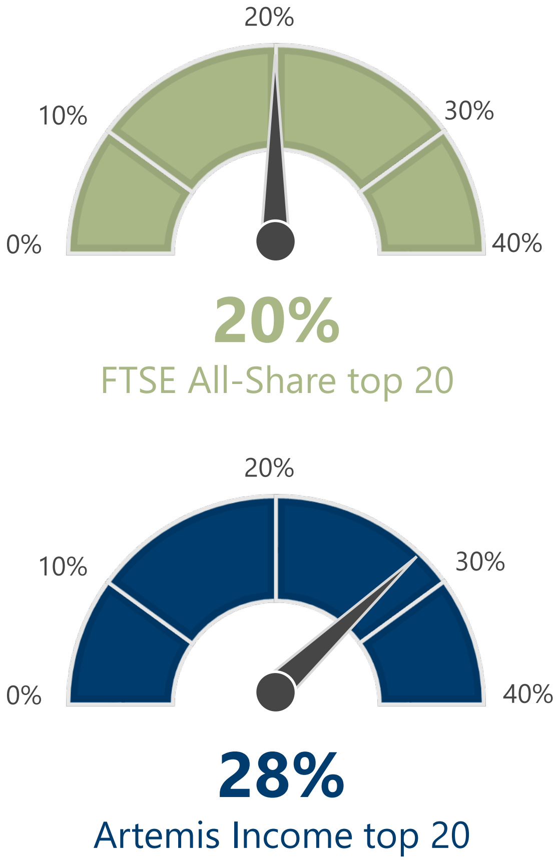
Top 10 active share stocks in portfolio[1]

Pearson, Tesco, 3i, Informa, Next, Imperial Brands, Aviva, Smiths, IG Group, Wolters Kluwer

Exposure to top 20 stocks in FTSE 100[2]



Return on capital employed[3]



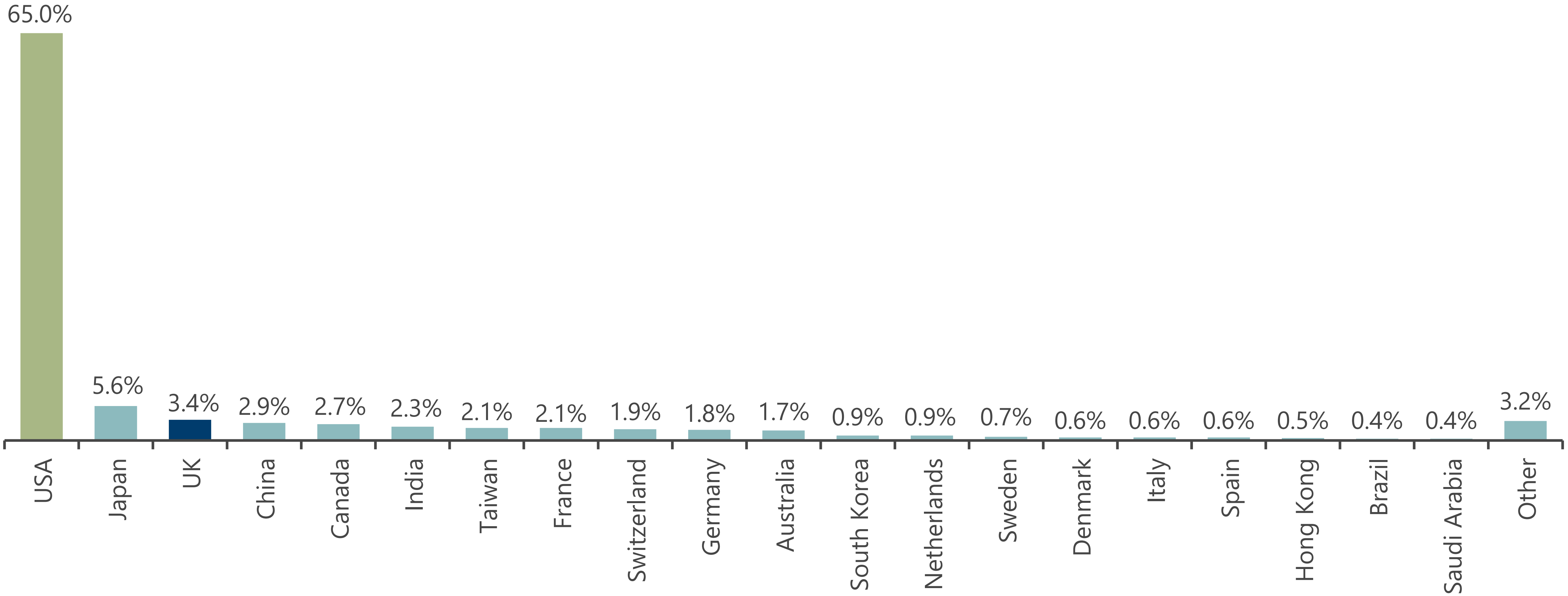
Source: [1]Artemis as at 31 December 2024. [2]Artemis/Bloomberg as at 31 December 2024. [3]Artemis estimates, most recent reported financial year for each respective company.
Image source: brandsoftheworld.com.

AIF91

The UK remains the world’s third largest equity market by value

It’s the US vs everything else

Equity weightings by country



Source: FTSE Russell as at 31 December 2024.

AIF131

Afternoon with Artemis 2024: UK companies are eating themselves


Share buybacks – why UK companies are 'eating themselves'

Through share buybacks, some of the best companies in the UK market are delivering compound growth in their earnings per share – and so rewarding their patient shareholders.

Nick Shenton
28 November 2023
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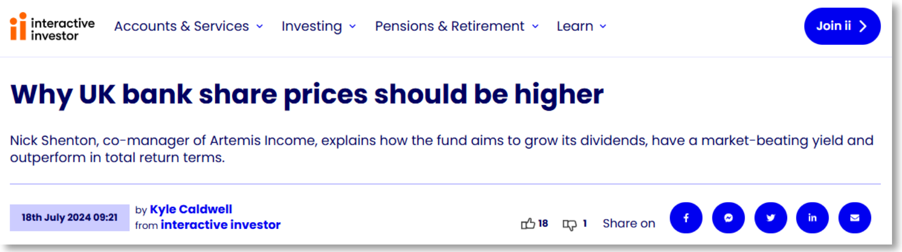
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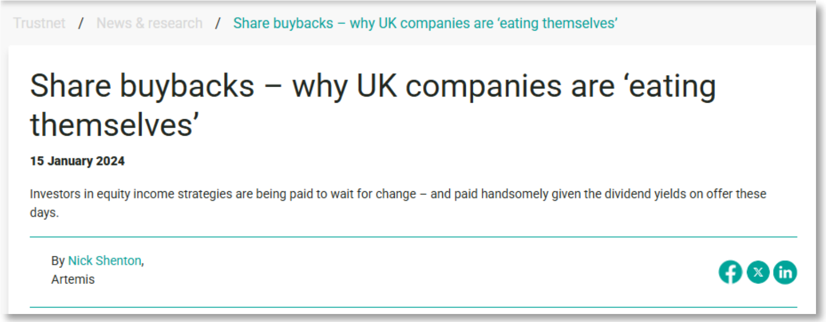
Why UK bank share prices should be higher

Nick Shenton, co-manager of Artemis Income, explains how the fund aims to grow its dividends, have a market-beating yield and outperform in total return terms.

18th July 2024 09:21 by Kyle Caldwell from interactive investor

18 1 Share on


Trustnet / News & research / Share buybacks – why UK companies are 'eating themselves'

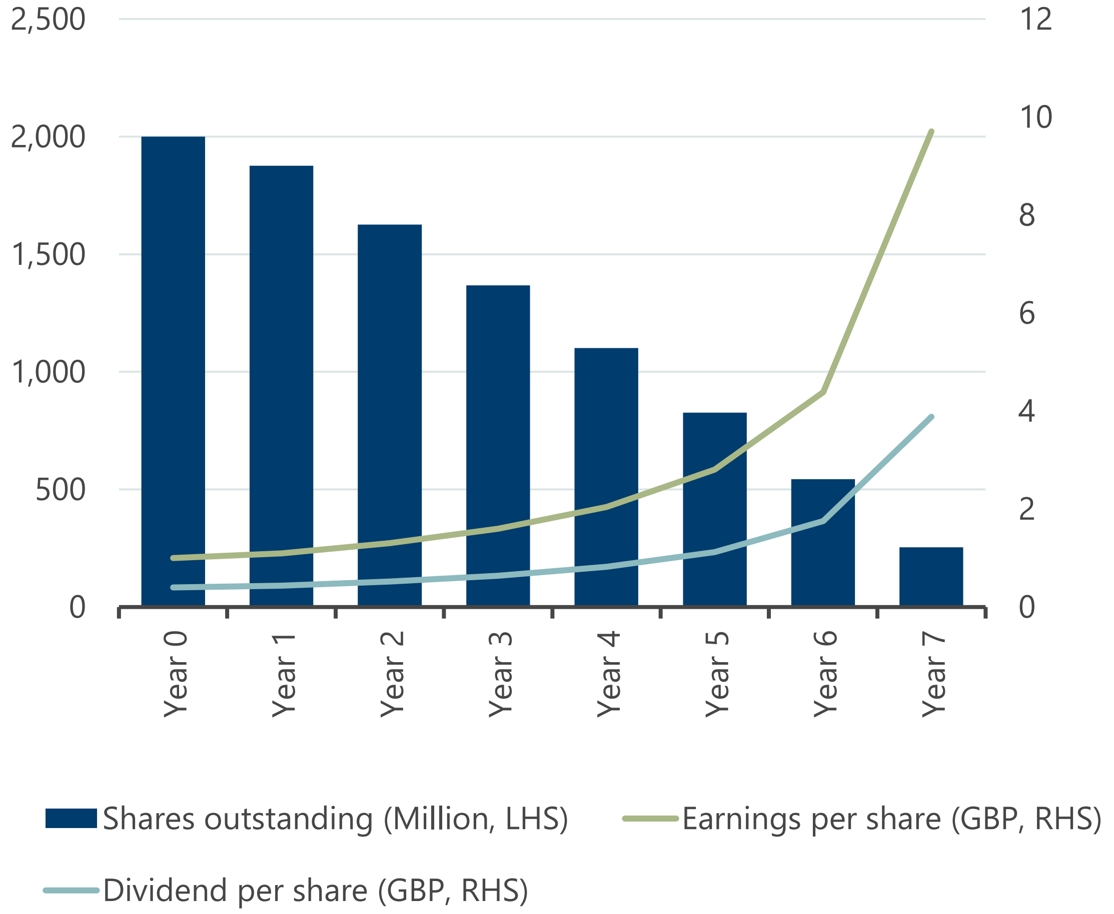
Share buybacks – why UK companies are 'eating themselves'

15 January 2024

Investors in equity income strategies are being paid to wait for change – and paid handsomely given the dividend yields on offer these days.

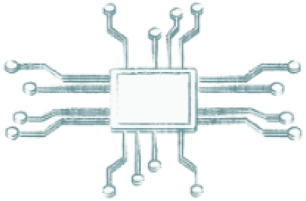
By Nick Shenton, Artemis

The power of buybacks: earnings and dividend per share growth[1]



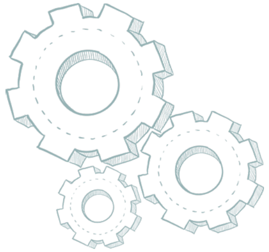
Source: [1]Artemis as at 19 October 2023. This theoretical example assumes a £10bn market capitalisation company, trading on 5x P/E, with £2bn net income growing at 3% per year, with 40% of net income paid as dividends and the remainder to buy back shares.

2025: Life Beyond Buybacks



Investment into technology

M&A



Market share gains

Permanent (public) capital

AIF133

QE to QT: the pendulum is swinging

Then

LOW RATES

NORMAL RATES

Now

asos

Disruptors

Liquidity

Lemonade

QE

ocado

Free money

PE

VC

Chegg

NEXT

Incumbents

Public equity

AVIVA

QT

Expensive money

TESCO

Scale

Required return

Pearson

Note: reference to specific stocks should not be taken as advice or a recommendation to invest in them. Image source: brandsoftheworld.com.

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Beyond the buyback: investing capital to grow

M&A

AVIVA

Direct Line

informa tech

TechTarget

20% UK motor market share
in combined entity

57% stake in NASDAQ-listed
entity expands TAM into
6x bigger digital market

M&A should increase the duration and growth of cash flow and shareholder distributions over time

Source: Company reporting. Image source: brandsoftheworld.com.
Note: reference to specific stocks should not be taken as advice or a recommendation to invest in them.

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Next: investment into technology

Investment into technology

Next acquisitions and licensing agreements, 2021 onwards

VICTORIA'S SECRET

JoJo Maman Bébé
maternity | baby and child | nursery and toys

REISS
LONDON
72%
stake in company

GAP

MADE.COM

Joules

LAURA ASHLEY

FATFACE

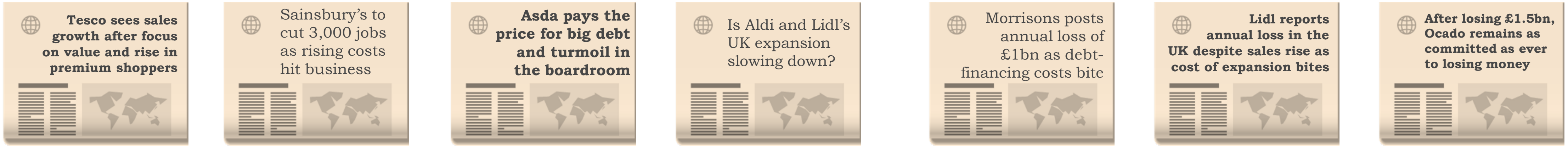
NEXT

Source: Company reporting. Image source: brandsoftheworld.com.
Note: reference to specific stocks should not be taken as advice or a recommendation to invest in them.

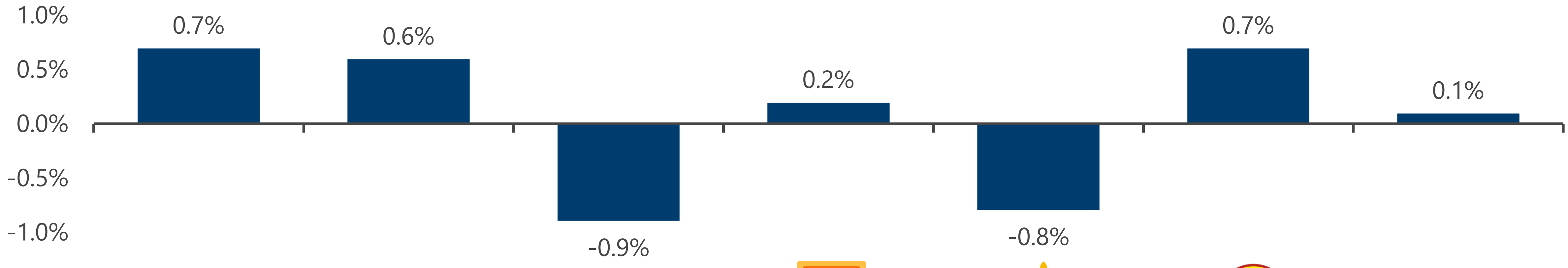
Tesco: market share gains

Tesco continues to strengthen its competitive position, at the expense of some rivals

Market share gains



Total share gains since June 2022



	TESCO	Sainsbury's	ASDA	ALDI	Morrisons	LIDL	ocado
Total market share	**26%**	**15%**	**12%**	**10%**	**9%**	**8%**	**2%**

Source: Company reports, Artemis estimates as at 31 December 2024. Image source: brandsoftheworld.com.
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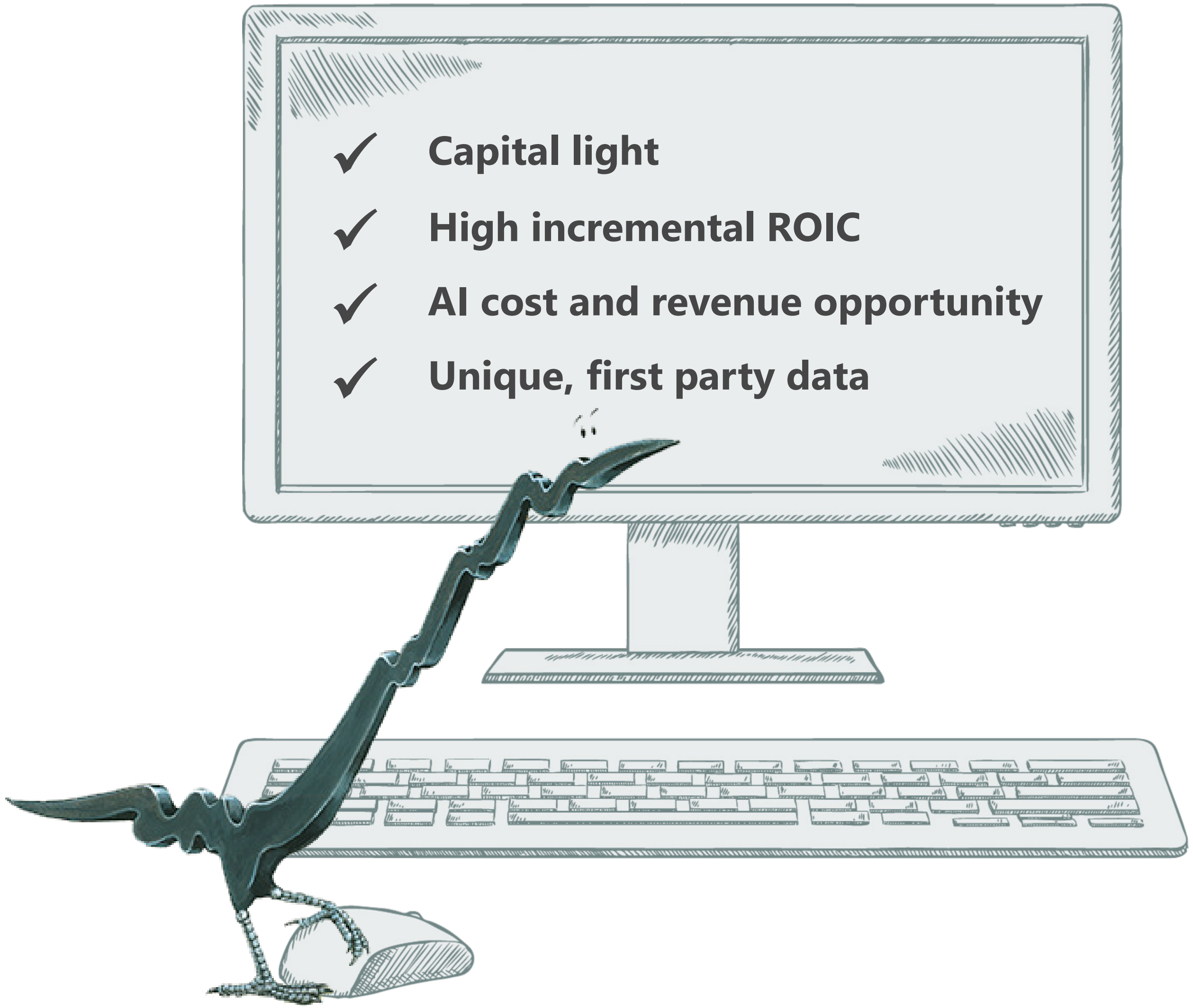
More than a quarter of our portfolio sits in ‘tech like’ companies



- ✓ Capital light
- ✓ High incremental ROIC
- ✓ AI cost and revenue opportunity
- ✓ Unique, first party data

informa

Sage

Wolters Kluwer

RELX

LSEG

Pearson

Note: reference to specific stocks should not be taken as advice or a recommendation to invest in them. Image source: brandsoftheworld.com.

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Artemis Income: a summary

- A **24 year track record**, proven over a **range of market cycles**
- Managed by an investment team with over **89 years' combined investment experience**
- An **established**, **repeatable investment process** focused on **sustainable free cash flow**
- An **active**, **diversified**, **all-weather portfolio** that **delivers idiosyncratic, differentiated returns**

…and yes, there is life beyond buybacks

Q&A

Important information

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Investment in a fund concerns the acquisition of units/shares in the fund and not in the underlying assets of the fund.

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