

Artemis Strategic Bond Fund

An Afternoon with Artemis 2026

David Ennett | Liam O'Donnell

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.



Fund manager biographies



David Ennett
Fund Manager

23 years' investment experience

Joined Artemis 2019

David joined Artemis in February 2019 from Aegon Asset Management, where he was Head of High Yield. Prior to this he was Head of European High Yield at Standard Life Investments and previously a high yield portfolio manager at Old Mutual Asset Managers in London. David began his career in leveraged finance with roles in banking in Sydney with NAB, and in London with RBS and CIBC. He graduated from the Australian National University with a degree in Political Science and Economics in 2001 and is a CFA charterholder. He co-manages Artemis' 'global high yield' strategies, Artemis' 'strategic bond' strategy, the bonds component of Artemis' 'monthly distribution' strategy and Artemis' 'high income' strategy.



Grace Le
Fund Manager

13 years' investment experience

Joined Artemis 2019

Grace is a fund manager in the Artemis fixed income team. She joined Artemis in December 2019 from Aegon Asset Management, where she was co-manager of a range of investment grade bond funds, including the Aegon Investment Grade Bond Fund and the Aegon Investment Grade Global Bond Fund. She also co-managed the LBPAM Absolute Return Bond Fund and managed the credit selection of several multi-asset funds including the Aegon Diversified Monthly Income Fund and the Aegon Diversified Growth Fund. Before joining Aegon, she started her career at PwC in 2012, where she qualified as a chartered accountant. Grace graduated from Imperial College, London with a degree in Mathematics. She is an ACA and CFA charterholder.



Liam O'Donnell
Fund Manager

20 years' investment experience

Joined Artemis 2023

Liam leads the Artemis fixed income team's strategy on macro and rates. He joined Artemis in November 2023. He began his career as a risk and research analyst at Abbey Capital in 2005. In 2010 he joined Standard Life Investments as a risk manager before joining its rates team in 2012. He managed UK, European and global government bond mandates in addition to the abrdn Strategic Bond and AAA Income funds. From 2018 he was head of UK rates and from 2019 head of nominal rates. He has a degree in Theoretical Physics from Trinity College Dublin and is a CFA charterholder.

Artemis Strategic Bond Fund

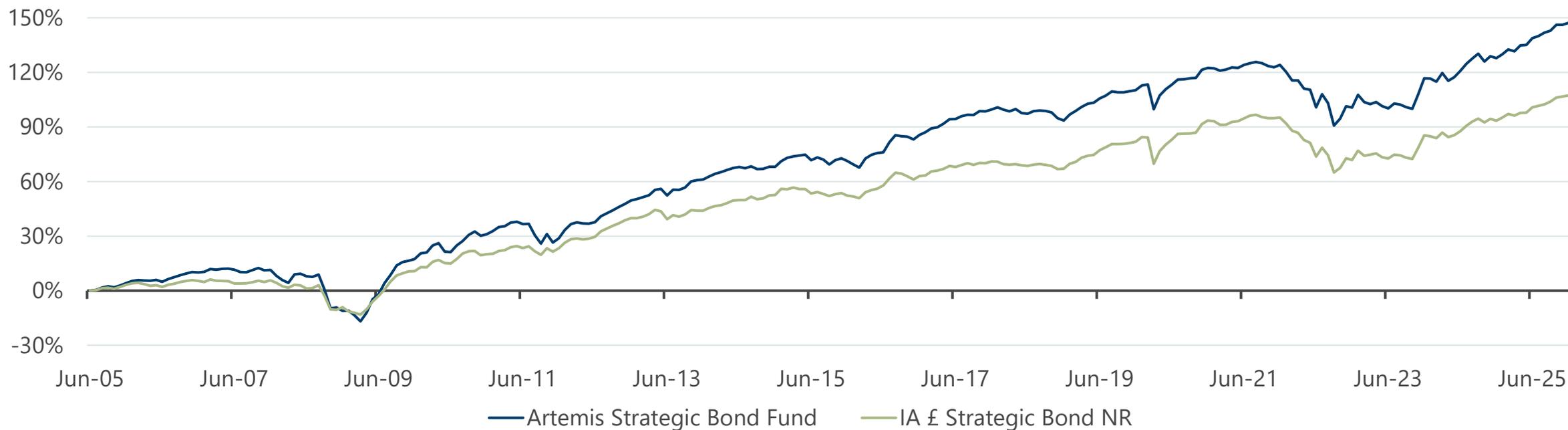
- Aiming to deliver consistent income and capital growth across the cycle
- Highly active, concentrated approach with
 - Performance from multiple sources, not macro calls
 - Highly experienced team with strong long-term track record

Launch date	June 2005	Duration	3-8 years (typically 4.5-5.5)
Fund size	£879m	Investment grade	45-60%
Peer group	IA £ Strategic Bond	High yield	30-40%
Management team	David Ennett, Grace Le, Liam O'Donnell	Government bonds	10-15%
Alpha source	Credit selection, rate strategies, duration management	Minimum credit quality	B-

Source: Artemis as at 31 January 2026. The above information reflects the current view of the fund managers and may change over time. For information about formal investment restrictions relevant to this fund please refer to the prospectus.

Artemis Strategic Bond Fund performance

Strong long-term performance



%	YTD	Since 8-Sep-21 ¹	1 year	3 years	5 years	10 years	Since launch ²
Artemis Strategic Bond QI Acc	0.7	10.1	8.2	19.8	11.9	46.8	148.8
IA £ Strategic Bond average	0.6	6.1	6.9	17.9	8.0	37.6	108.7
Difference	0.1	4.0	1.3	2.0	3.9	9.3	40.1

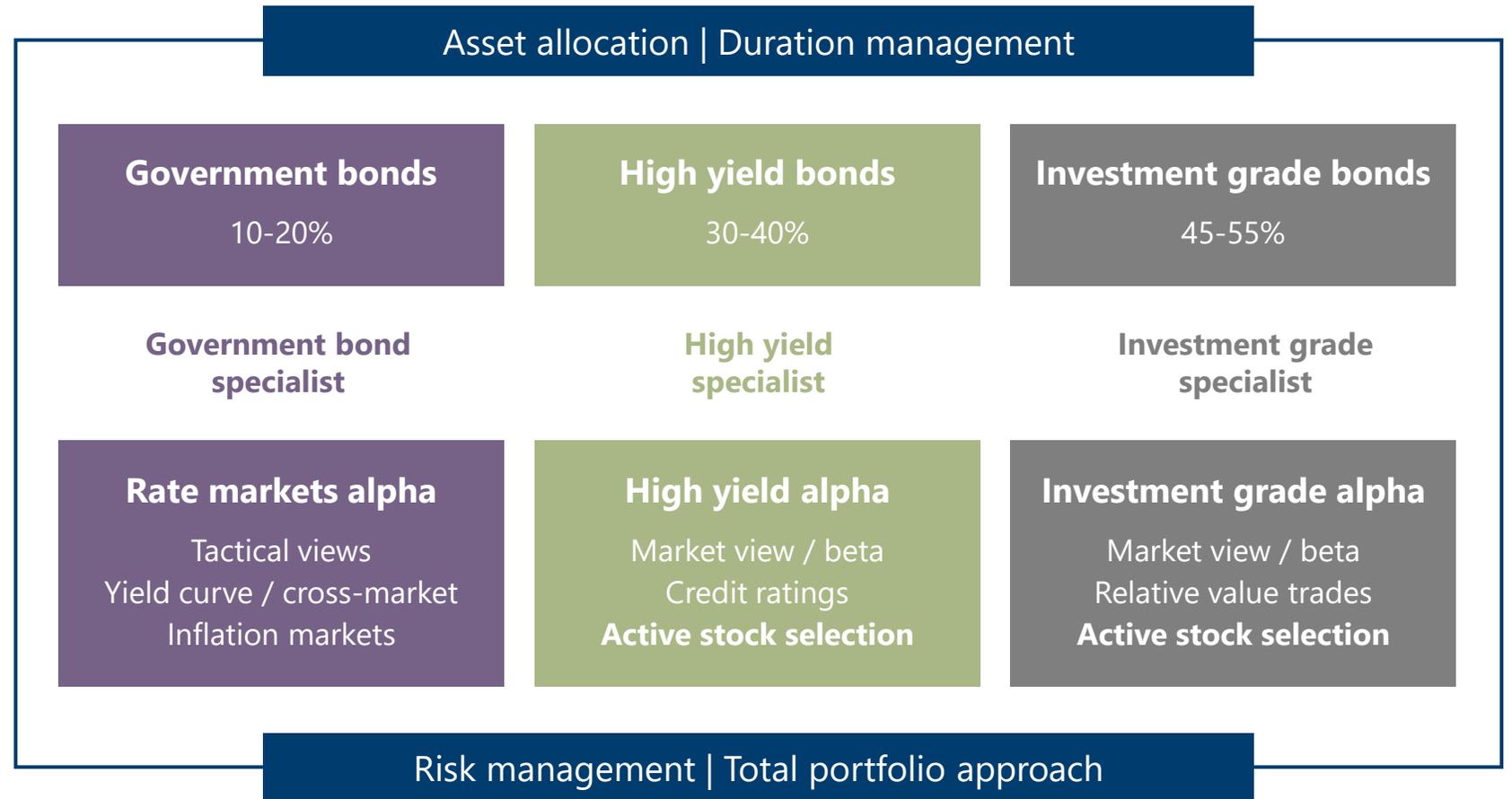
Past performance is not a guide to the future. Source: Lipper Limited, class I quarterly accumulation units in GBP from 30 June 2005 to 31 January 2026. Data prior to 7 March 2008 reflects class R quarterly accumulation units in GBP. Sector is IA £ Strategic Bond NR. All figures show total returns with 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. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark. ¹The fixed income team managing the fund changed on 8 September 2021. ²Fund launch date: 30 June 2005.

Why Artemis Strategic Bond Fund?

Achieve a diversified solution, benefit from dedicated asset class specialists and alpha

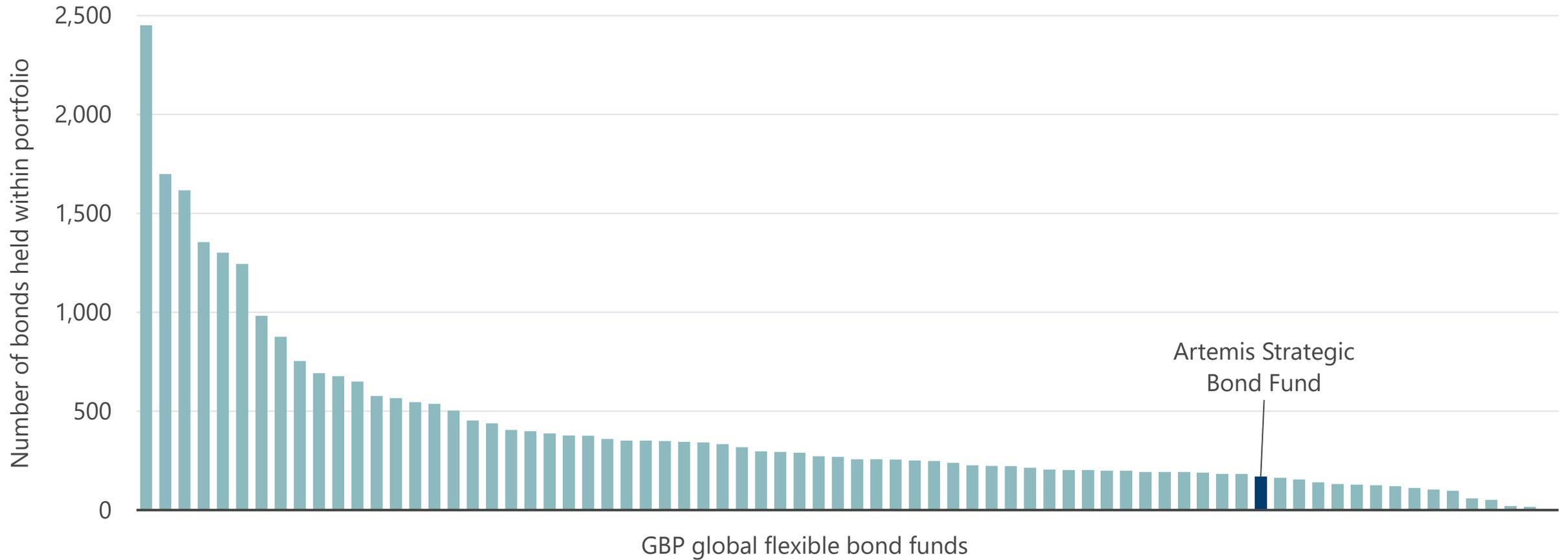
A more diversified, active FI solution

- Dedicated asset class experts
- Total portfolio risk and exposure awareness – not an “aggregate” solution
- Efficient duration management



Focused fund

Our fund versus 'active' global flexible bond fund peers

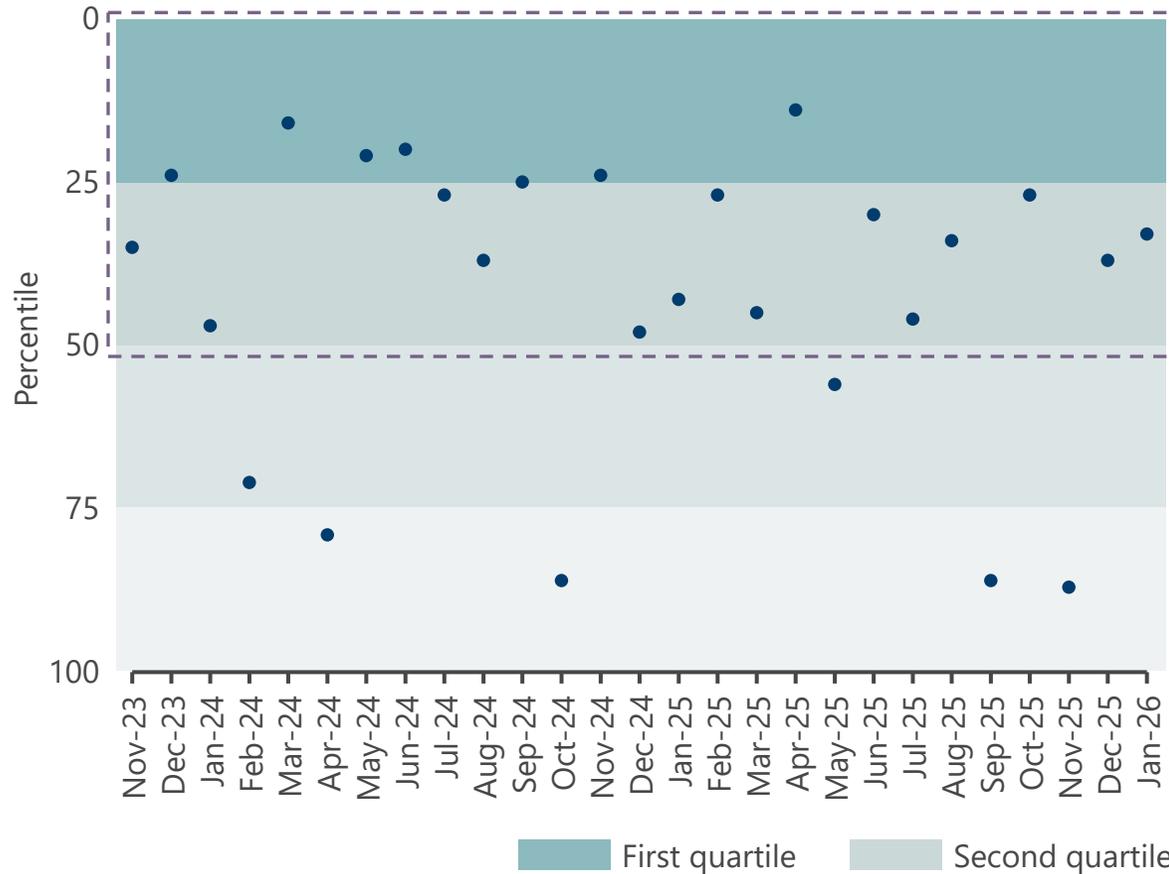


Source: Morningstar as at 31 January 2026. Chart shows all funds classified as 'GBP global flexible bond funds' excluding tracker funds.

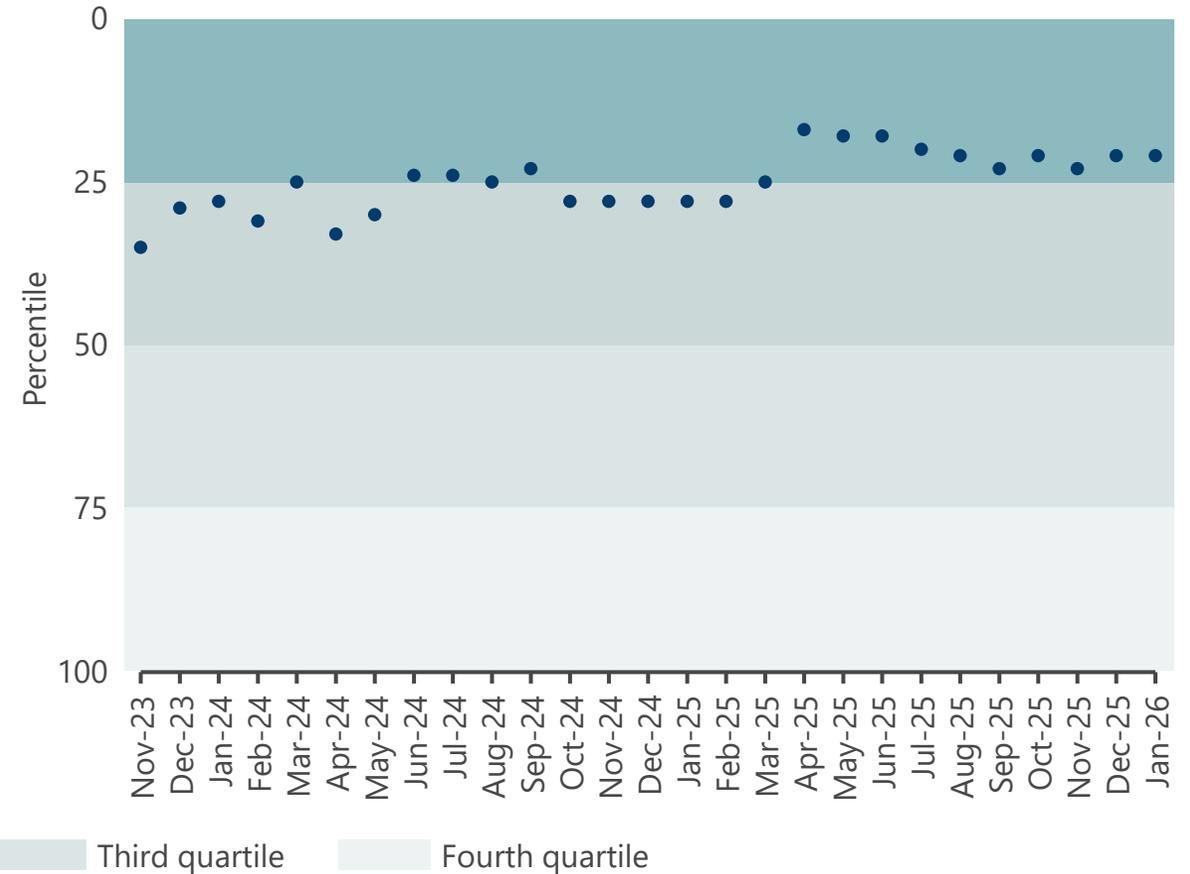
Consistency through extreme market volatility

Quartile performance of the Artemis Strategic Bond Fund versus the IA £ Strategic Bond NR sector

1 month performance since November 2023



Cumulative monthly performance since November 2023



Past performance is not a guide to the future. Source: Lipper Limited, class I quarterly accumulation units in GBP from 1 November 2023 to 31 January 2026. Sector is IA £ Strategic Bond NR. 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. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class. This class may have charges or a hedging approach different from those in the IA sector benchmark. The current fund managers have managed the fund since November 2023. Note: a darker quartile implies a 'better' position.

Strategic outlook



Less monetary policy support going forward

Not expecting recession, while Donald Trump brings change in global fiscal policy

2025 brought a significant shift in global fiscal policy

- Biggest shift has been in Germany, where new government completely reframed fiscal outlook focusing on defence and infrastructure package
- Other economies have stepped up spending to stimulate domestic demand (Canada, China)

Overall fiscal impulse is more of a tailwind for growth going forward

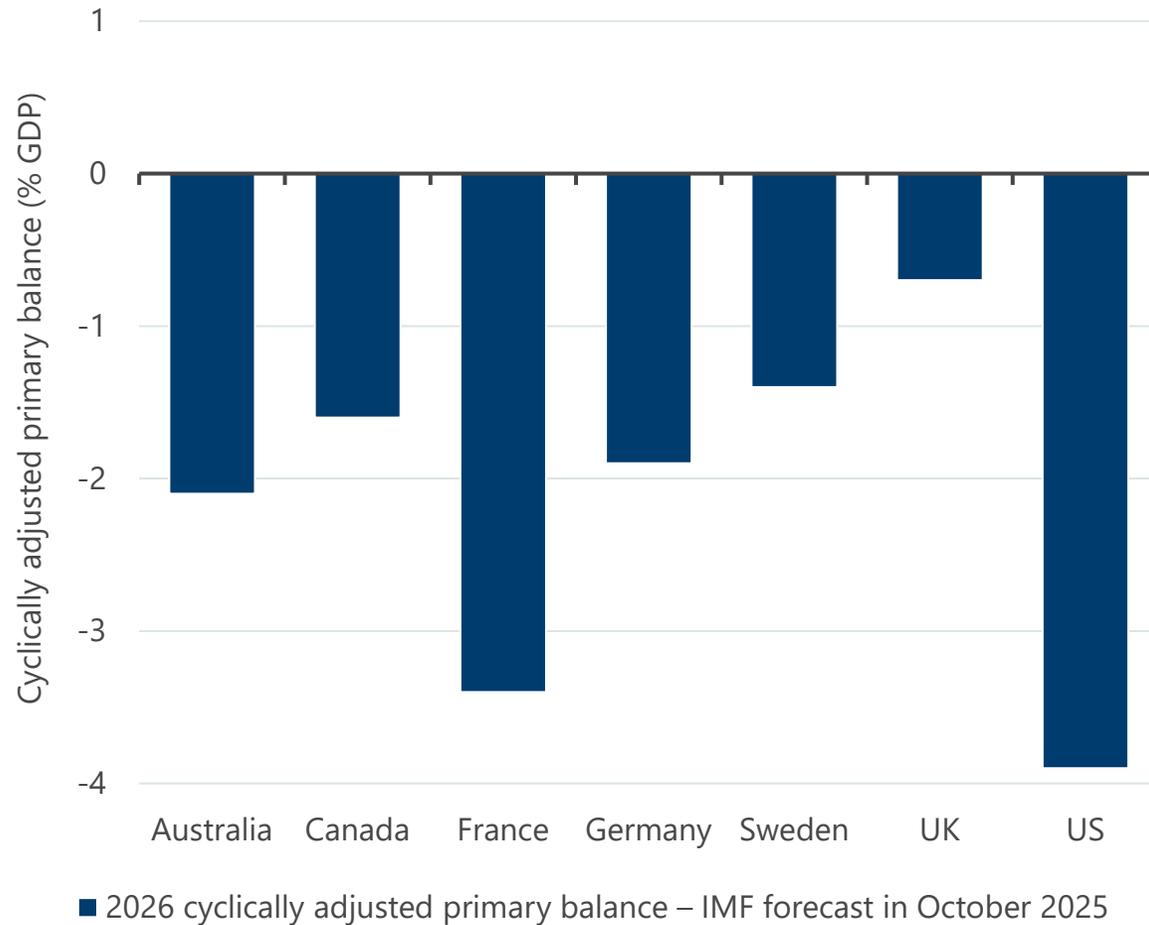
Central banks are largely done cutting rates, with two exceptions

- US: Powell under sustained presidential pressure to lower rates – expect politically driven fed governor/chair appointments – and the president will get his lower rates in 2026, warranted by economic data or not
- Japan: BoJ behind the curve, rate hikes required to avoid nasty shocks

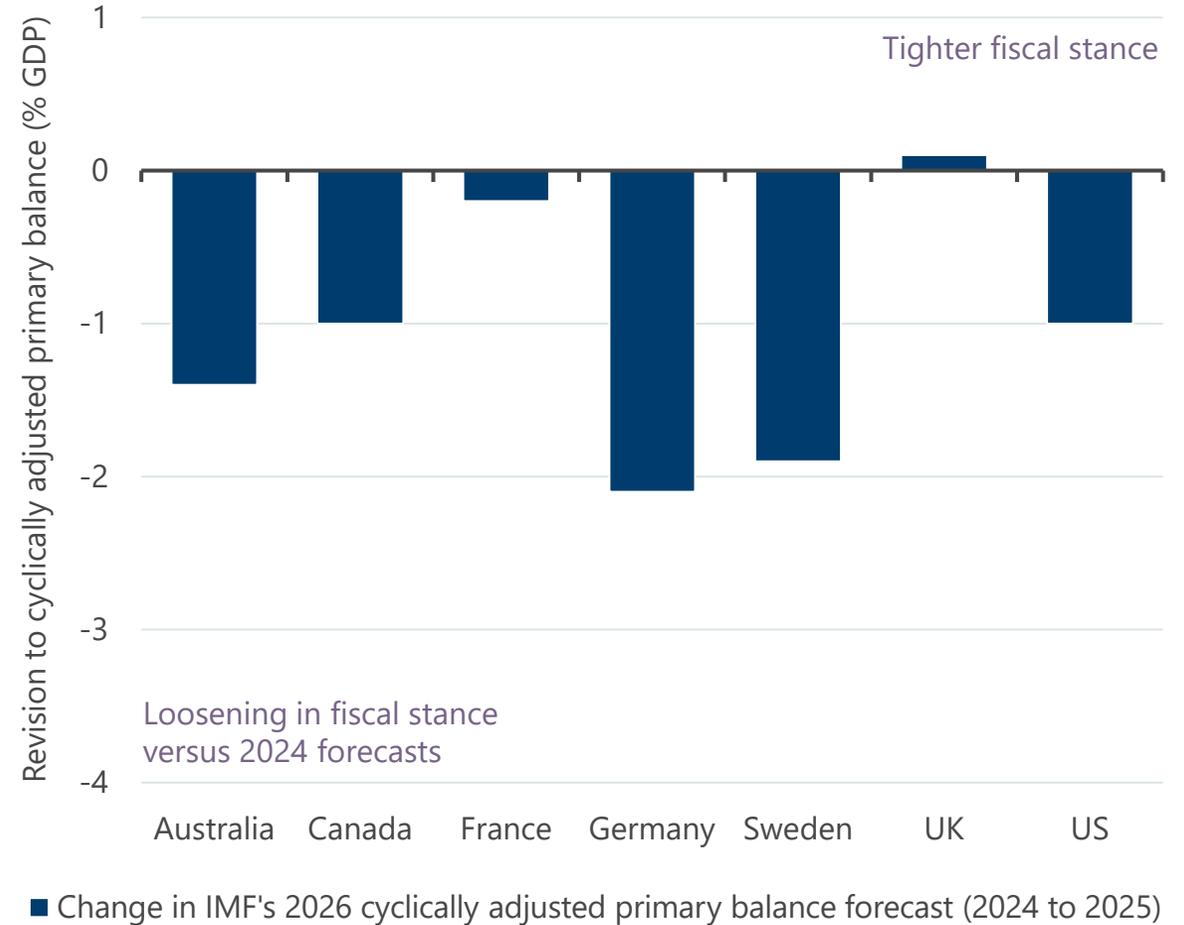
Overall monetary policy is neutral (versus market pricing)

Fiscal policy has shifted to being more supportive

Primary balance forecast



Shift in primary balance from previous forecast



Source: IMF as at October 2025.

Inflation – stalling at a higher level

Core inflation – G10 countries has hovered around 2.7% for the past 12 months

G10 headline, core inflation



Source: Bloomberg as at 30 November 2025.

Being stuck in a higher yield environment is GOOD for bond returns

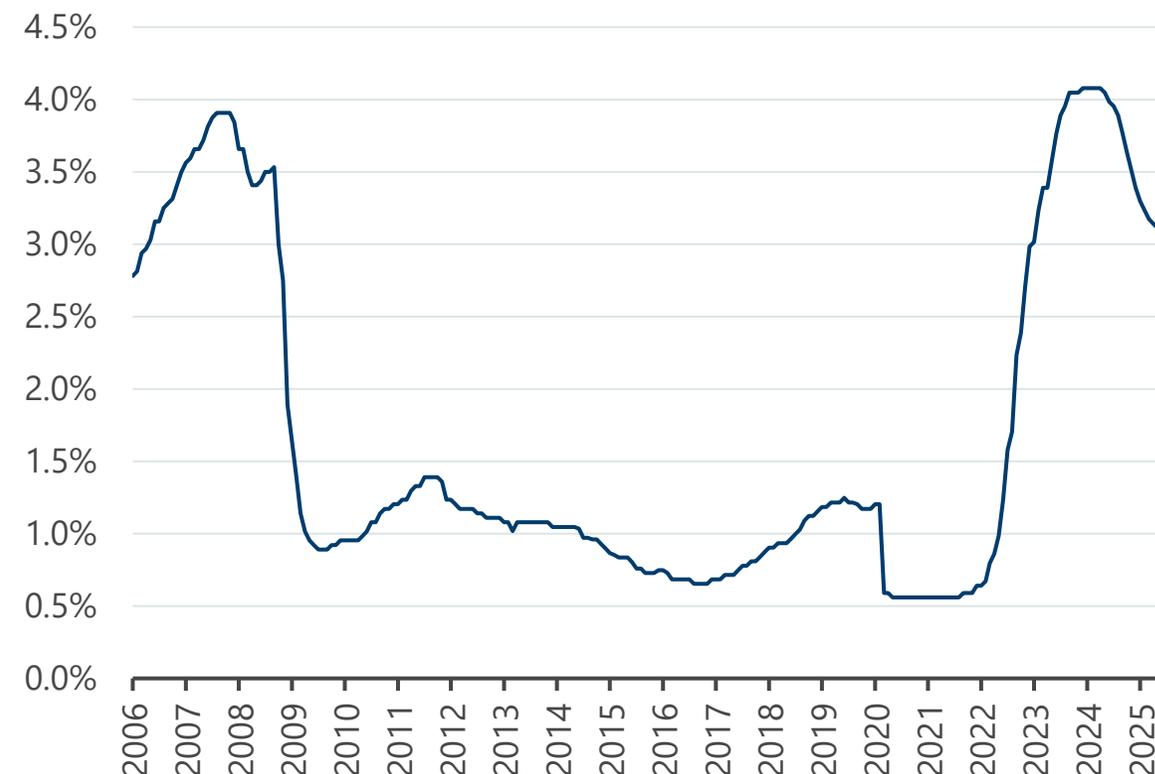
What have bonds done since central banks stopped hiking?

Term premium¹

Since last hike (Aug-23)	UK gilts	Artemis Strategic Bond Fund ²	FTSE 100
Total return	5.45%	19.75%	34.17%
IROR	2.49%	8.73%	14.62%
Volatility	6.90%	5.08%	10.76%
Risk adjusted return	0.36	1.72	1.36

Since last hike (Jul-23)	US treasuries	Artemis Strategic Bond Fund ³	S&P 500
Total return	8.28%	19.50%	50.00%
IROR	3.76%	8.62%	20.71%
Volatility	5.50%	5.10%	15.33%
Risk adjusted return	0.68	1.69	1.35

Average G10 policy rate⁴



Starting yields and higher coupons provide stronger tailwind to performance

Past performance is not a guide to the future. ¹Source: Artemis, Bloomberg as at 29 September 2025. ²Class I quarterly accumulation units in GBP from 2 August 2023 to 29 September 2025.

³Class I quarterly accumulation units in GBP from 26 July 2023 to 29 September 2025. 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. Returns may vary as a result of currency fluctuations if the investor's currency is different to that of the class.

⁴Source: Bloomberg as at 31 August 2025.

Active duration management

Peak gilt pessimism – September 2025

Market narrative

“Rachel Reeves denies Britain is heading for IMF bailout”

The Telegraph, 3 September 2025

“The UK is facing renewed instability in its government bond markets”

The Guardian, 2 September 2025

“Pound falls as UK long-term borrowing costs hit highest level since 1998”

“some former officials... warned of potential financial crisis risks, possibly necessitating IMF assistance”

Financial Times, 2 September 2025

“Is Britain heading for a big debt crisis?”

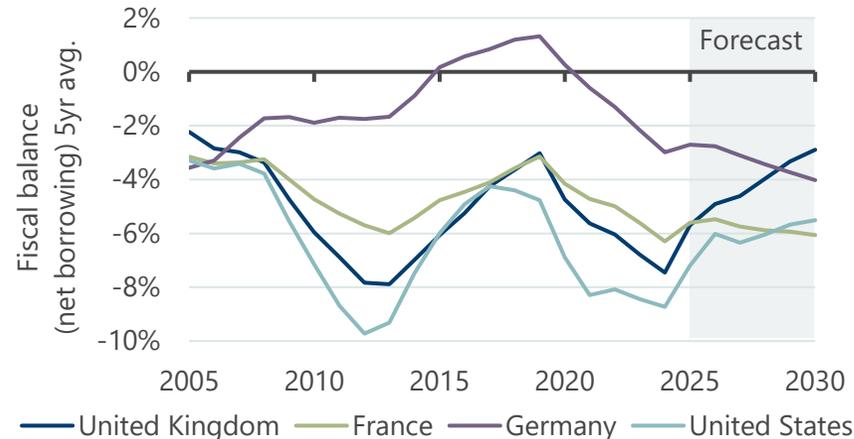
MoneyWeek, 19 September 2025

But what was actually likely to happen?

- Rachel Reeves may have lost her battle for welfare reform, but she maintained 100% allegiance to fiscal rules. This meant painful fiscal consolidation through tax rises
- She would continue to push for spending cuts, but she would have to break manifesto pledge
- UK deficit trajectory charts a different path versus global peers
- UK policy rate pricing showed no chance of cuts in 2025

X-market valuations were attractive

IMF fiscal forecasts – 5yr average & forecast¹



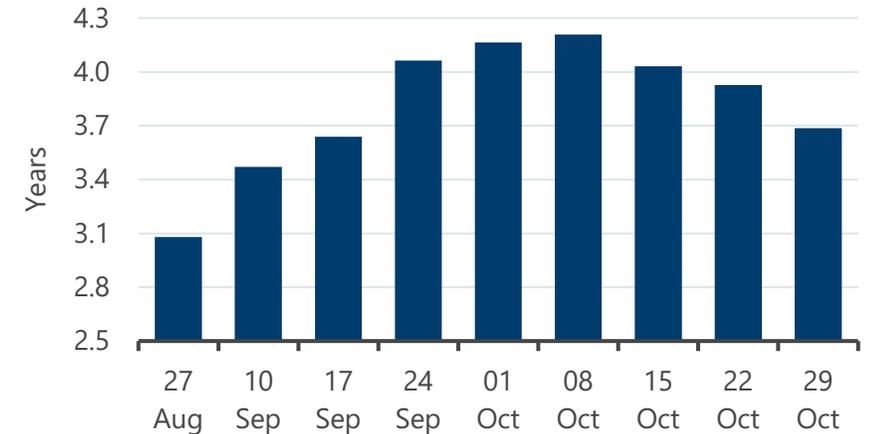
Portfolio actions

- Long 30Y UK gilts versus 30Y bunds and treasuries
- Bought syndicated UKT 5.25% 2041 at >5%
- Long 3y2y GBP at 3.9%
- Long 10Y UK versus NZD rates

Portfolio duration increased from 5.2Y to 5.75Y

UK duration contribution increased from 3Y to 4Y

Artemis Strategic Bond Fund – GBP duration²



Being active when sentiment reaches extremes

Source: ¹IMF as at October 2025. ²Artemis, from 27 August 2025 to 29 October 2025.

IG strategy



UK corporate bond yield versus UK equity dividend yield

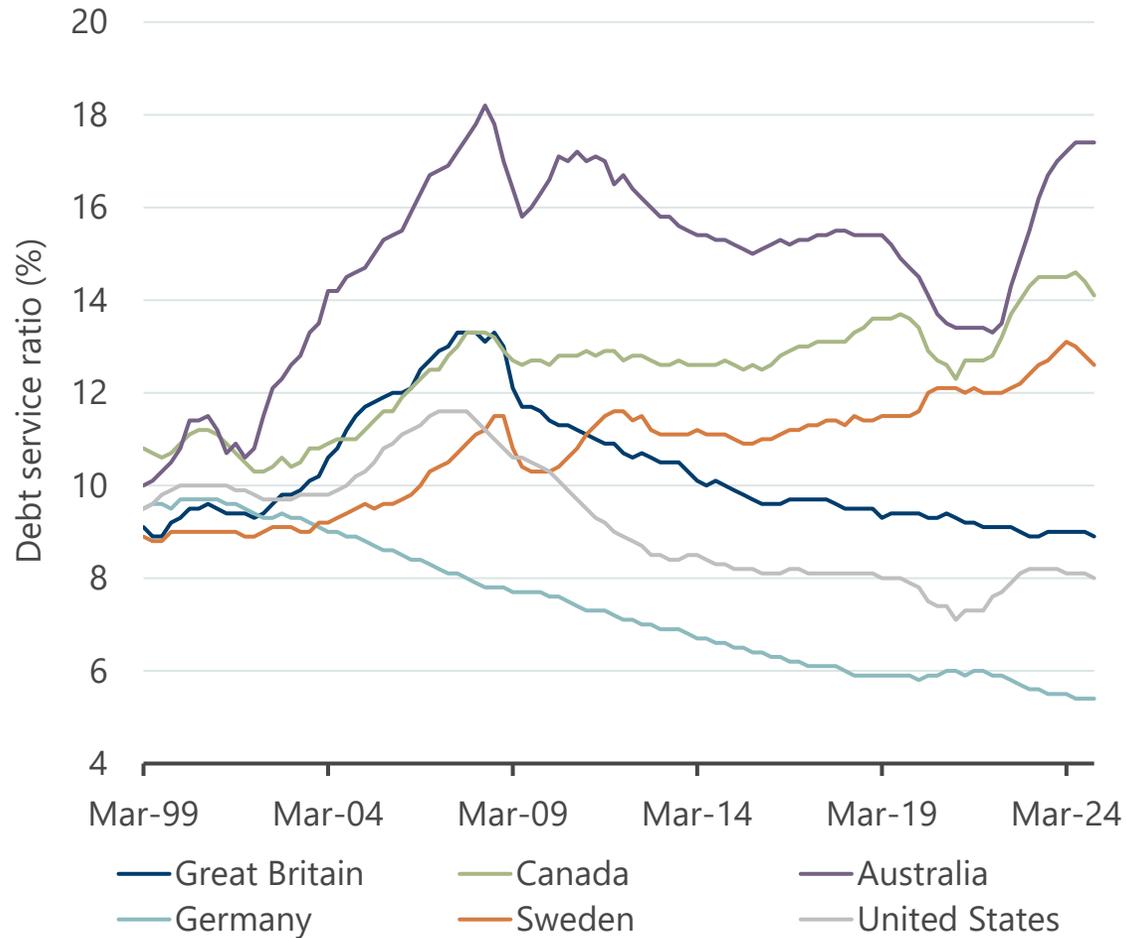


Source: Bloomberg as at 31 January 2026.

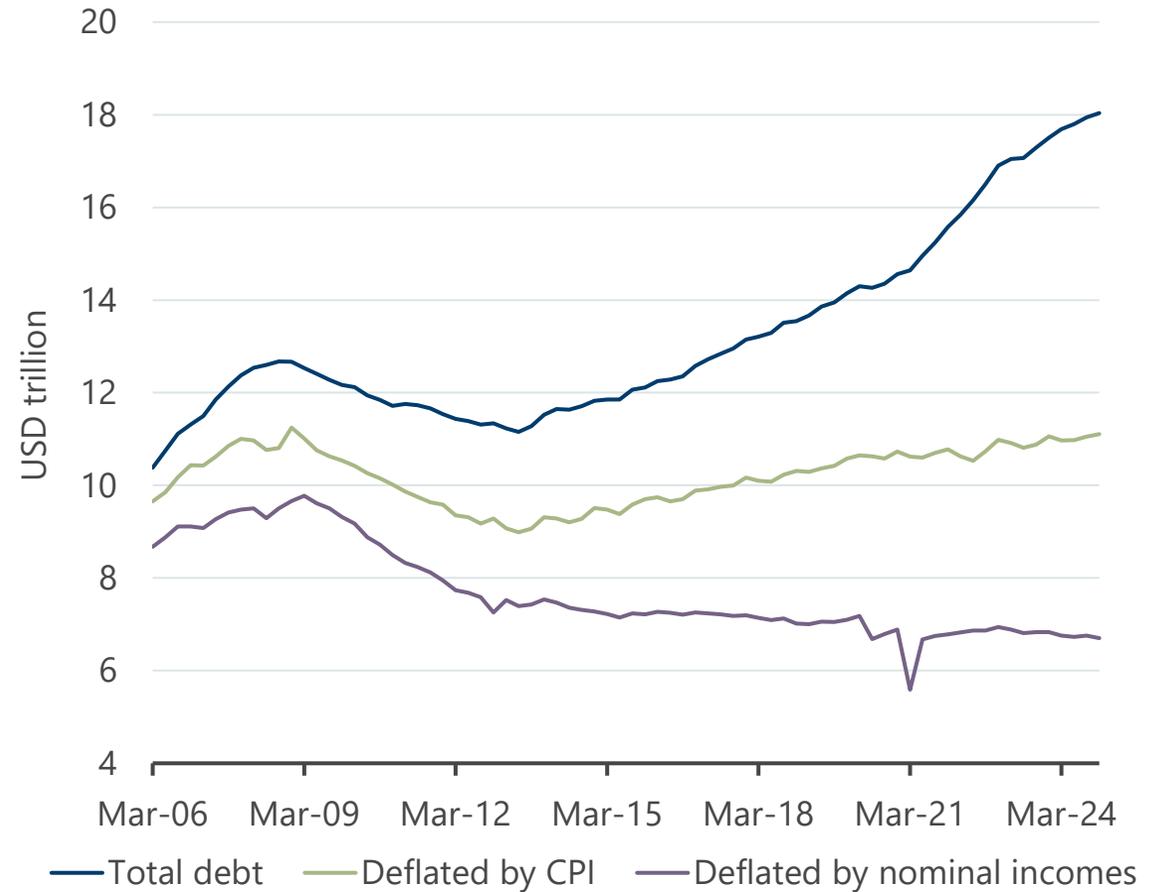
Consumers are more resilient than governments

Consumer debt has decreased when viewed alongside the rise in real incomes

Household debt service ratios



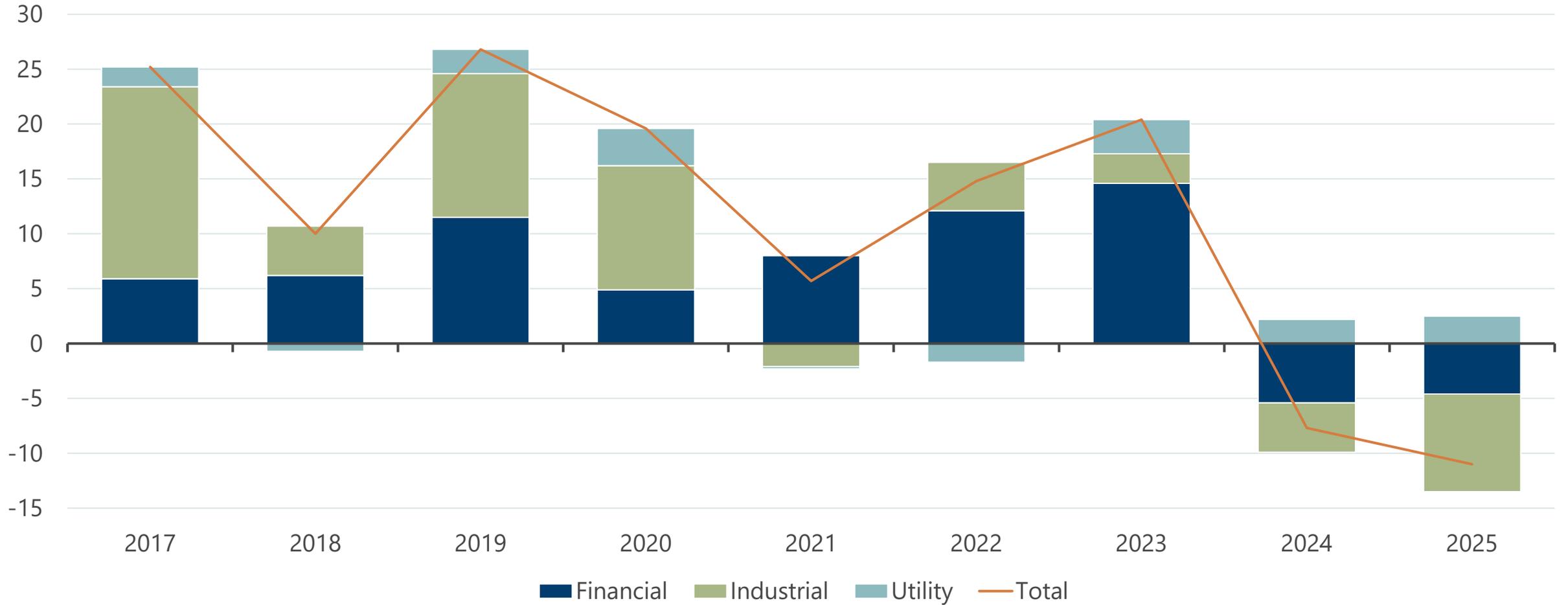
Total US consumer debt through a different lens



Source: Bloomberg as at 31 December 2024.

Positive technical backdrop set to continue

Net issuance (£bn)



Source: Bloomberg as at 31 December 2025.

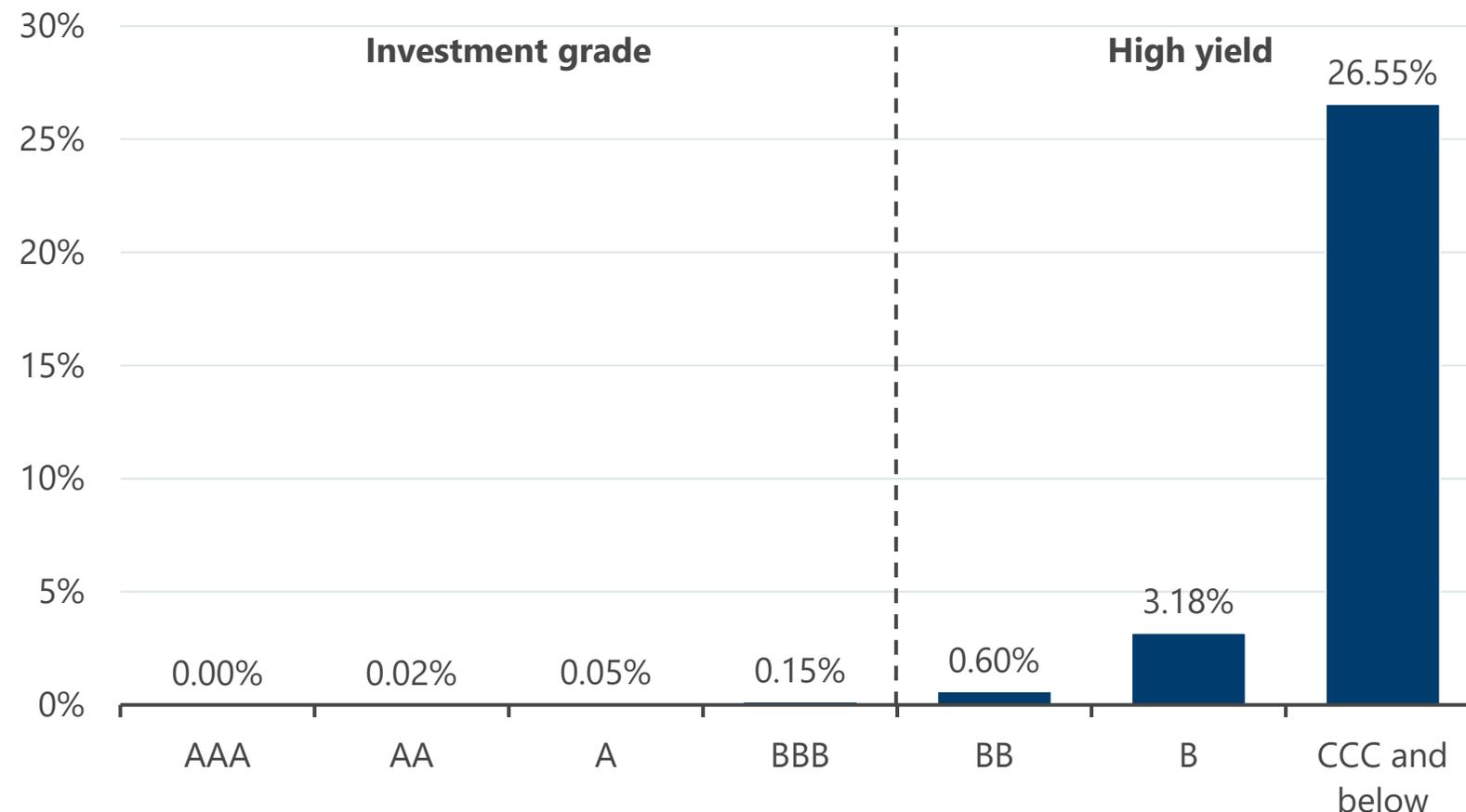
SBF141

HY strategy



Type of HY risk more important than quantum

Default risk¹



■ One-year global default rate, S&P weighted long-term average, 1981-2021

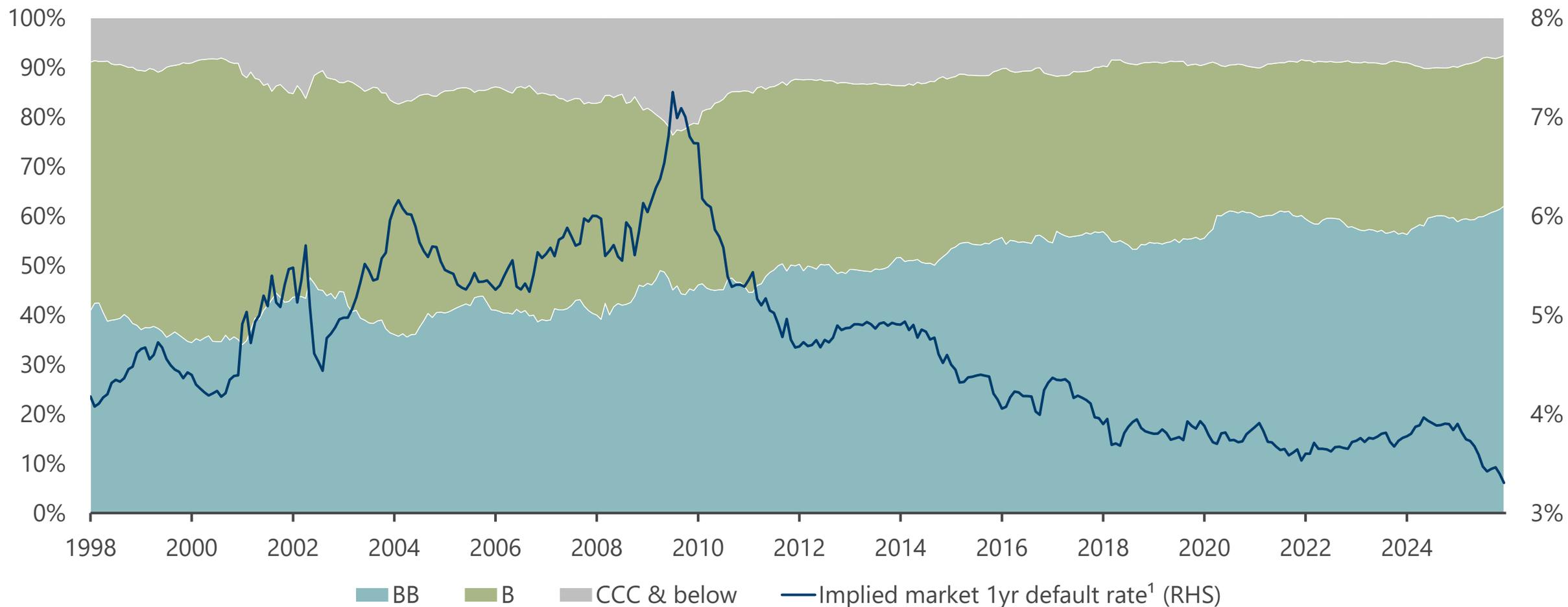
HY allocation ratings profile²

	SBF	GHY Index
BB	73.4%	60.5%
B	26.6%	31.0%
CCC and below	0.0%	8.0%
Weighted default probability	1.3%	3.5%

Source: ¹S&P Global Ratings, '2021 Annual Global Corporate Default and Rating Transition Study' as at 13 April 2022. ²Artemis, ICE BofAML indices as at 31 October 2025. SBF is the Artemis Strategic Bond Fund and the GHY Index is the ICE BofAML Global High Yield Index.

Increasing quality reduces chance of large default cycle in HY

Highest quality part of the market – BBs – have significantly increased their share of the market



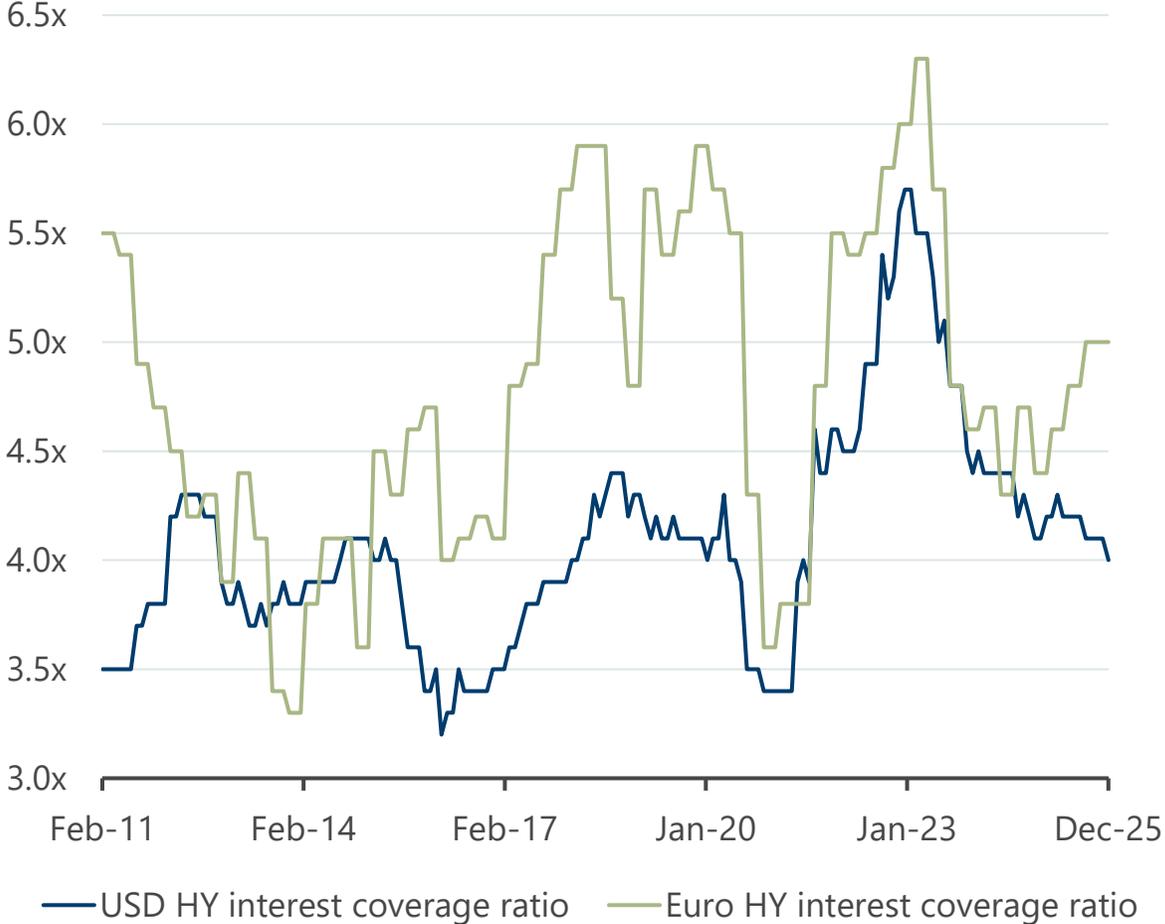
Source: ICE BofA Merrill Lynch Global High Yield Constrained Index as at 31 December 2025. ¹Implied market 1yr default rate is based on S&P median default rates 1981-2021.

Underlying corporate fundamentals healthy

USD and European HY gross leverage



USD and European HY interest coverage ratio



Source: BofA Global Research as at 31 December 2025.

InPost

European parcel lockers and two-way logistics

E-commerce 'last mile' solution delivering profitable growth

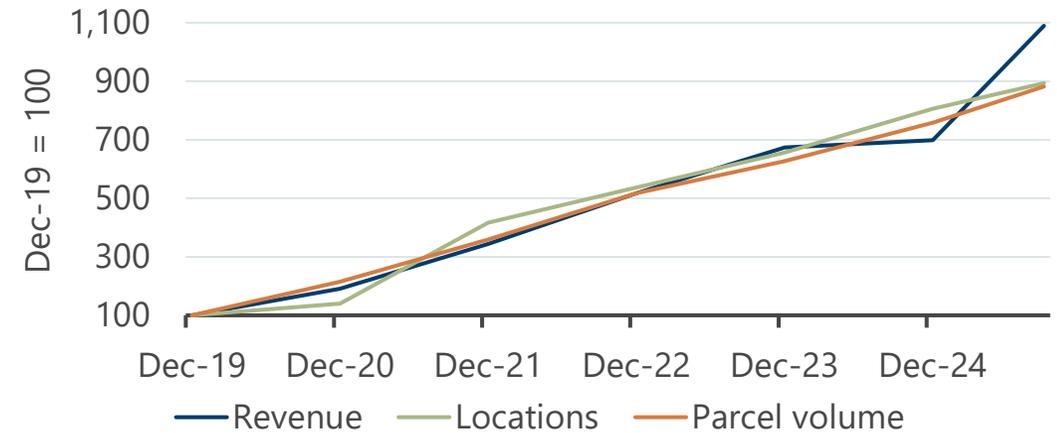
LTM revenue	€3,183m
LTM EBITDA	€977m
Liquidity	€450m
Interest cover	8.2x
Net debt	€1,984m
Equity market cap.	€7,100m

- Growth driven by customer and vendor preference
- Network density and usage economics driving cash flow
- 'Picks & shovels' opportunity within e-commerce

€850m 04/2031 bond (rated BB+) added in Jan 2026 at €5.1% (£6.5%/\$6.4%) to 2030 call (€4.9%/£6.3%/\$6.2% to maturity)



Growth in locations, parcel volumes and revenue since 2019



	Dec-19	Sep-25
Locations	10,066	89,945
Parcels	144m	1,269m
Revenue	€292m	€3,183m
Free cash flow	-€5m	€338m
Revenue per parcel	€2.03	€2.51
Parcels per user/year	8	30

Source: Company reports as at 30 September 2025. Image source: brandsoftheworld.com.
 Note: reference to specific stocks should not be taken as advice or a recommendation to invest in them.

Artemis Strategic Bond Fund

1

Maximum flexibility

- Policy backdrop mixed
 - Growth and inflation uncertainty
-

2

Approach: active, not directional

- Exploit cross-market, valuation, and sentiment
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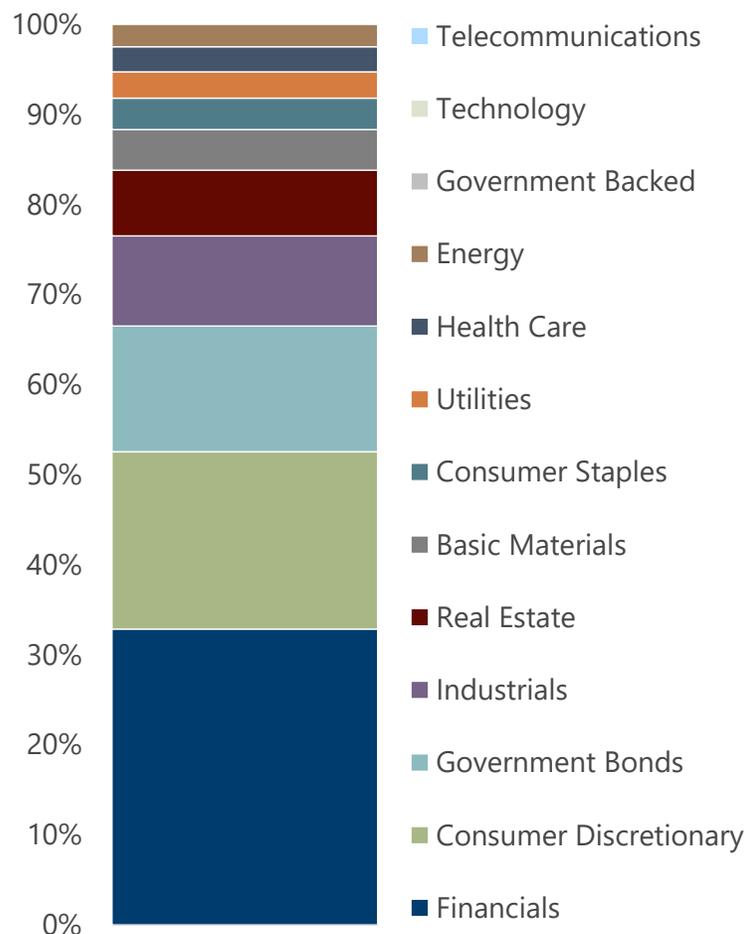
3

Quality of risk more important than *quantum*

- Credit conditions supportive, but selection matters
-

Artemis Strategic Bond Fund: portfolio positioning

Sector breakdown



Top 10 holdings

Australia (Cmnwlth) 4.75% Bds 2037	3.0%
WI Treasury Sec 4.0% 2035	2.6%
USA Treasury Notes 3.625% 2030	2.5%
Aviva 4%-FRN LT2 2055 GBP	1.8%
BP Capital Markets 4.25%-FRN Gtd Sub	1.8%
TP ICAP 6.375% Gtd Snr	1.6%
Government of New Zealand 4.25% 2036 NZD	1.6%
Whitbread 5.5% Gtd Snr 2032	1.5%
Marston's Issuer 5.1774%-FRN 2027	1.4%
Centrica 6.5%-FRN Sub 2055 GBP	1.4%

Ratings mix

AAA	6.3%
AA	9.4%
A	12.3%
BBB	36.2%
BB	24.1%
B	9.6%
CCC and below	0.3%
NR	0.0%

Maturity profile

0 - 5 years	46.3%
5 - 10 years	33.5%
10 - 20 years	13.1%
20 - 30 years	5.4%
> 30 years	0.0%

Currency exposure

British Pound	56.7%
US Dollar	25.1%
Euro	10.2%
Canadian Dollar	0.3%
Australian Dollar	3.4%
New Zealand Dollar	2.6%

Yield to worst	5.3%
Number of holdings	150
Fund size	£879m



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.

Reference to specific shares or companies should not be taken as advice or a recommendation to invest in them.

For information on sustainability-related aspects of a fund, visit www.artemisfunds.com.

The fund is an authorised unit trust scheme. For further information, visit www.artemisfunds.com/unittrusts.

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