ARTEMIS
The PROFIT Hunter

Artemis US Extended Alpha Fund

An Afternoon with Artemis 2026

Adrian Brass | James Dudgeon

Broad and highly experienced team

US EXTENDED ALPHA

James Dudgeon
Co-Manager

Adrian Brass
Lead Manager

Will Warren
Co-Manager

US Team Head

Cormac Weldon
US Select and Smaller Companies

US RESEARCH TEAM

Industrials

Chris Kent
Co-Manager
US Select

Consumer Staples and Healthcare

Olivia Micklem
Co-Manager
US Smaller Companies

Discretionary

James Dudgeon
Co-Manager
US Extended Alpha

Technology

Will Warren
Co-Manager
US Extended Alpha

Financials

Zuoyi Zhou
Fund Analyst

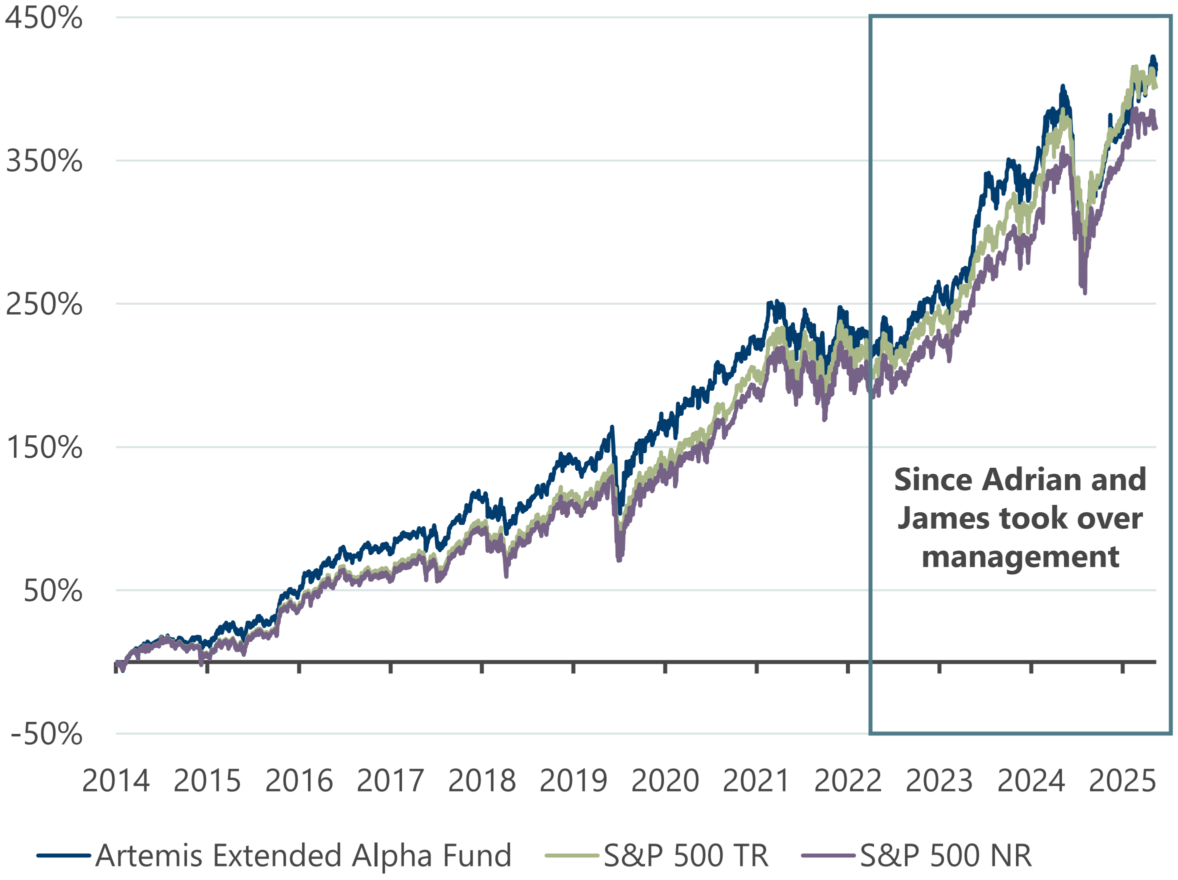
The team benefits from leveraging the research, experience and thinking of the wider teams at Artemis

Artemis investment teams | Stewardship | Risk

Broad coverage with experience on both long and short side

Key performance figures

Performance[1]



Fund returns relative to benchmark (%)[2]

	Fund	S&P 500 NR	S&P 500 TR	Quartile ranking[3]
YTD	1.4	-0.6	-0.6	1
1 year	3.1	5.0	5.4	2
3 years p.a.	16.8	16.3	16.8	2
5 years p.a.	12.9	14.5	15.0	2
Since manager tenure[4]				
Cumulative	53.4	54.0	56.3	2
Annualised	13.3	13.5	14.0	2
Standard deviation p.a.	13.8	12.0	12.0	-

Past performance is not a guide to the future. Source: [1]Lipper Limited, class I accumulation shares in GBP from 19 September 2014 to 31 January 2026. [2]FactSet/Lipper Limited, class I accumulation shares, close of business in GBP as at 31 January 2026. 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 unit/share class. Benchmark is S&P 500 TR. [3]Sector is IA North America. [4]Since 31 August 2022.

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The Artemis US Extended Alpha proposal

WHY ARTEMIS FOR US EQUITIES?

- Highly experienced lead portfolio manager
- Dedicated team of tenured sector analysts
- Process track record with long and short alpha

WHY 130/30?

- Greater flexibility for active stock selection
- Shorting to capture alpha from huge number of underperforming stocks
- Not constrained by market concentration
- Enhanced return potential without increasing risk

WHY NOW?

Market broadening may benefit long side and increasing secular risks expand short opportunities

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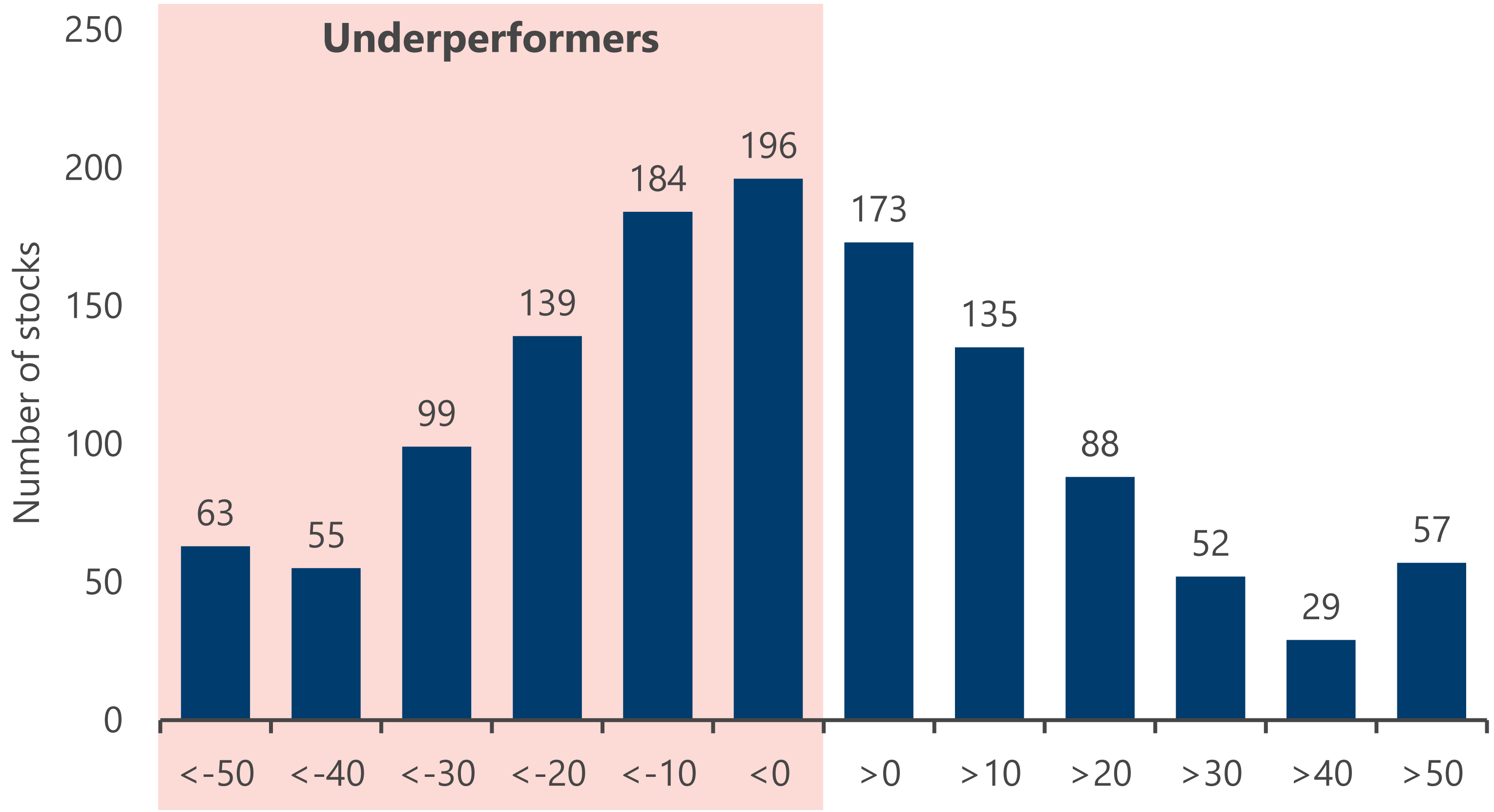
Why short in the US market?

Majority of stocks underperform the S&P 500[1]



Annual % performance relative to the S&P 500 on average over the past ten years of each stock in the S&P 1500 (>$1bn cap)

Short examples in 2025
53 shorts >30% behind the S&P 500[2]

AI threatened	duolingo, FACTSET
AI overhyped	Entegris
DOGE cutbacks	SAIC
Housing pressures	FORTUNE BRANDS
Loser vs internet giant	SnapChat
Turnaround lagged	lululemon
Staples pressures	kenvue, Flowers FOODS

Source: [1]Artemis as at 31 August 2025. Analysis shows that more than 50% of stocks in the North American exchanges with market cap of more than $1bn have underperformed the S&P 500 Index in each of the 10 years to 31 July 2023. [2]Artemis as at 31 December 2025. Image source: brandsoftheworld.com.

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Typical fund opportunity clusters

Investing across the style spectrum

Longs:	Discounted compounders	Mag 7	Cyclical opportunity
Shorts:	Value traps	Overpriced darlings	Cyclical risk

Targeting stocks with underappreciated change at attractive risk-rewards

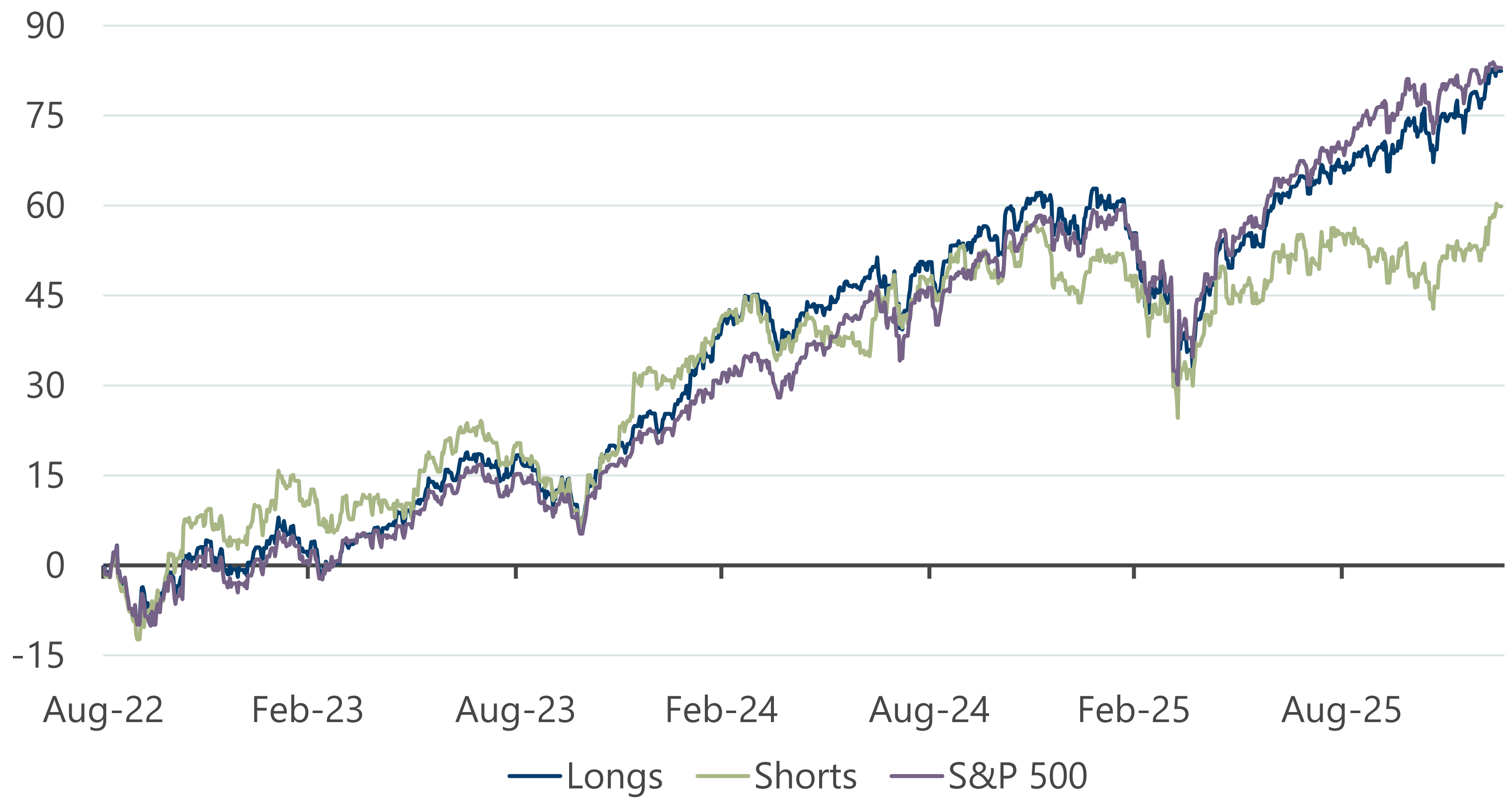
Performance since tenure

Strong short alpha and neutral long alpha since Adrian and James took over management of the fund[1]

Performance since end August 2022

- S&P 500 Index up c.80%
- Longs marginally ahead of market
- Shorts materially behind market
- Cash c.3% drag given strong market

Long and short portfolio performance compared to the S&P 500



Past performance is not a guide to the future. Source: FactSet, class I accumulation shares in GBP from 31 August to 2022 to 31 December 2025. All figures show total returns with dividends and/or income reinvested, gross of all charges. Performance does not take account of any costs incurred when investors buy or sell the fund. [1]Since 31 August 2022.

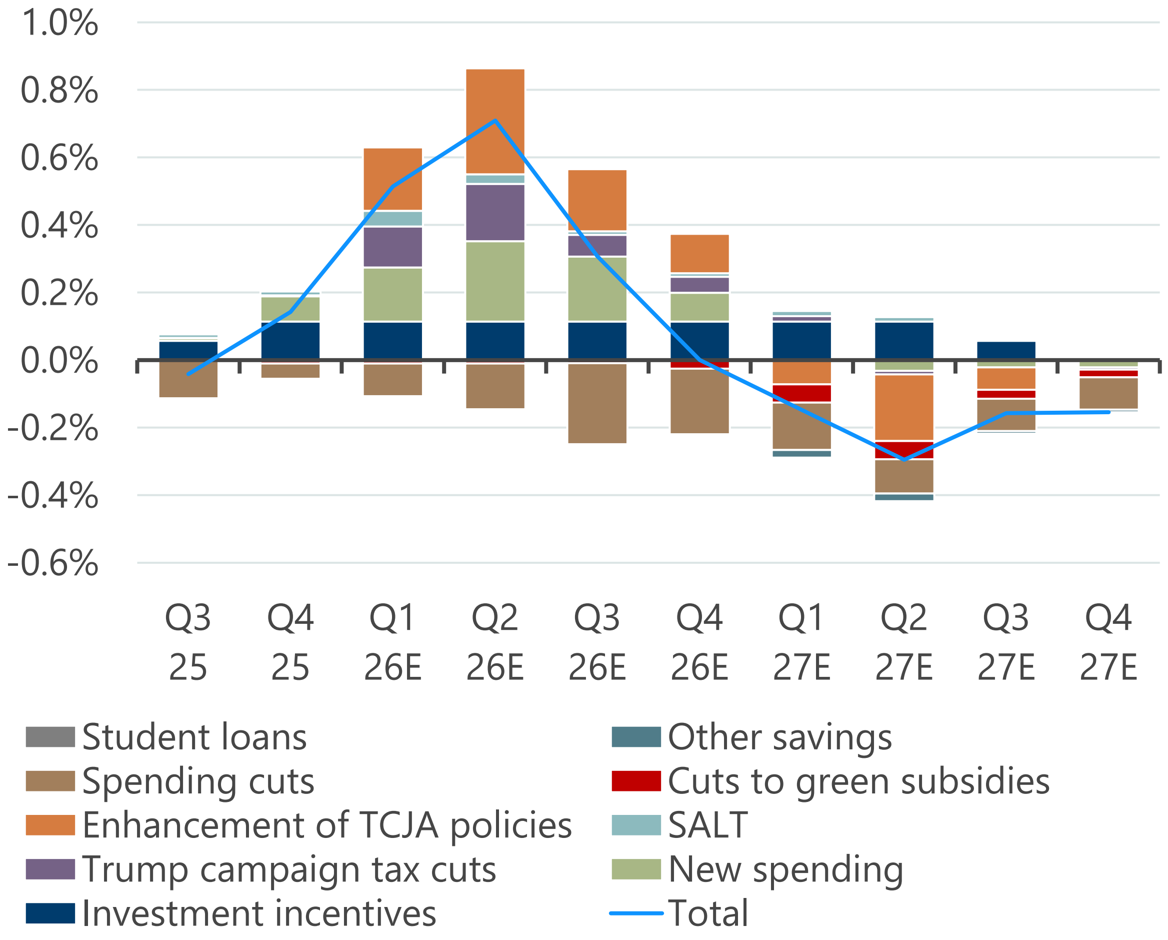
Macro

Many clouds lifting as we enter 2026

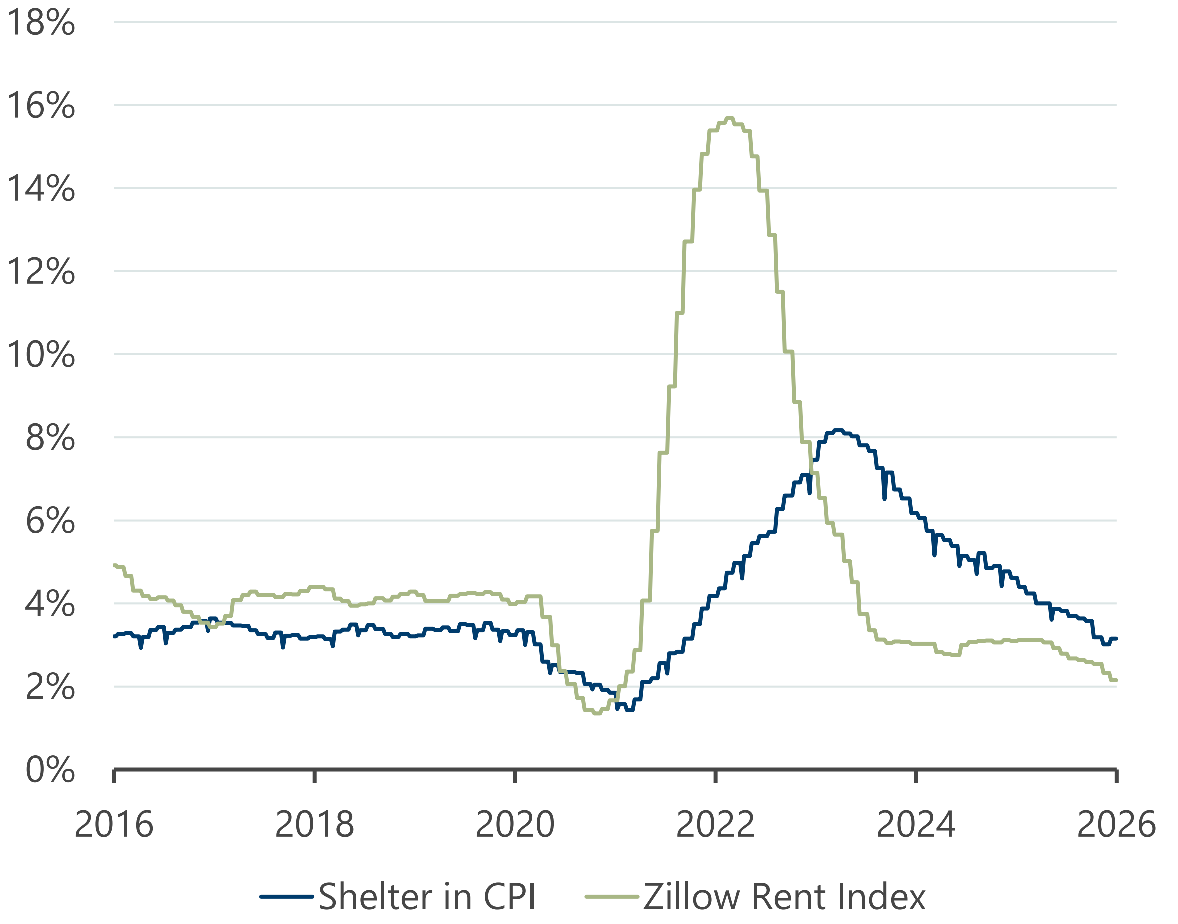
2025		2026	
Concentrated market	Policy volatility	Macro tailwinds	Earnings growth recovery in old economy
Economy outside of AI subdued	Macro headwinds	Policy uncertainty reducing	Potential for market broadening

Fiscal tailwinds and moderating inflation

Fiscal tailwinds increasing in coming quarters[1]



Inflation likely to moderate with rental rates[2]



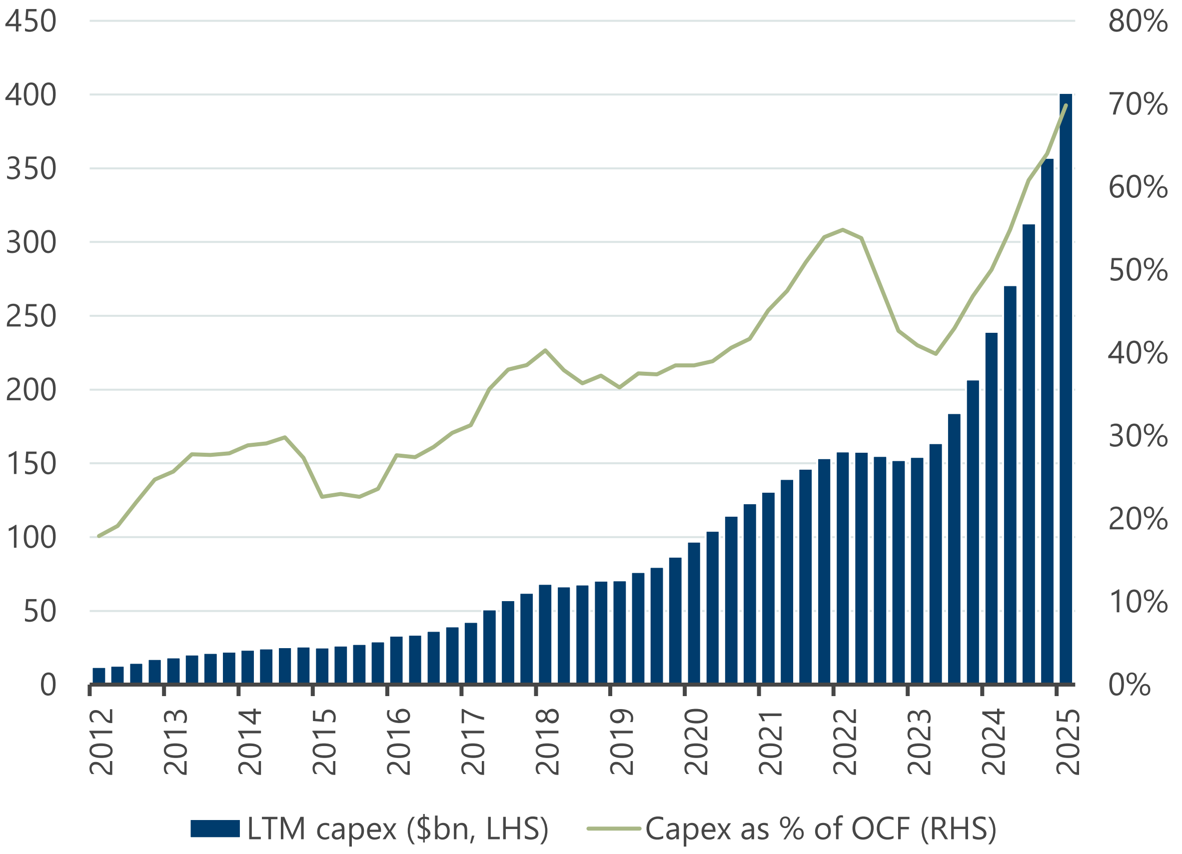
Fiscal tailwinds may lead to broadening of market earnings

Source: [1]Goldman Sachs as at 31 December 2025. Impact on US quarter on quarter annualised GDP growth. [2]Bloomberg as at 20 January 2026. Shelter Inflation and Zillow Rent Index. SALT refers to State and Local Tax. TCJA refers to Tax Cuts and Jobs Act.

AI investment boom and threats

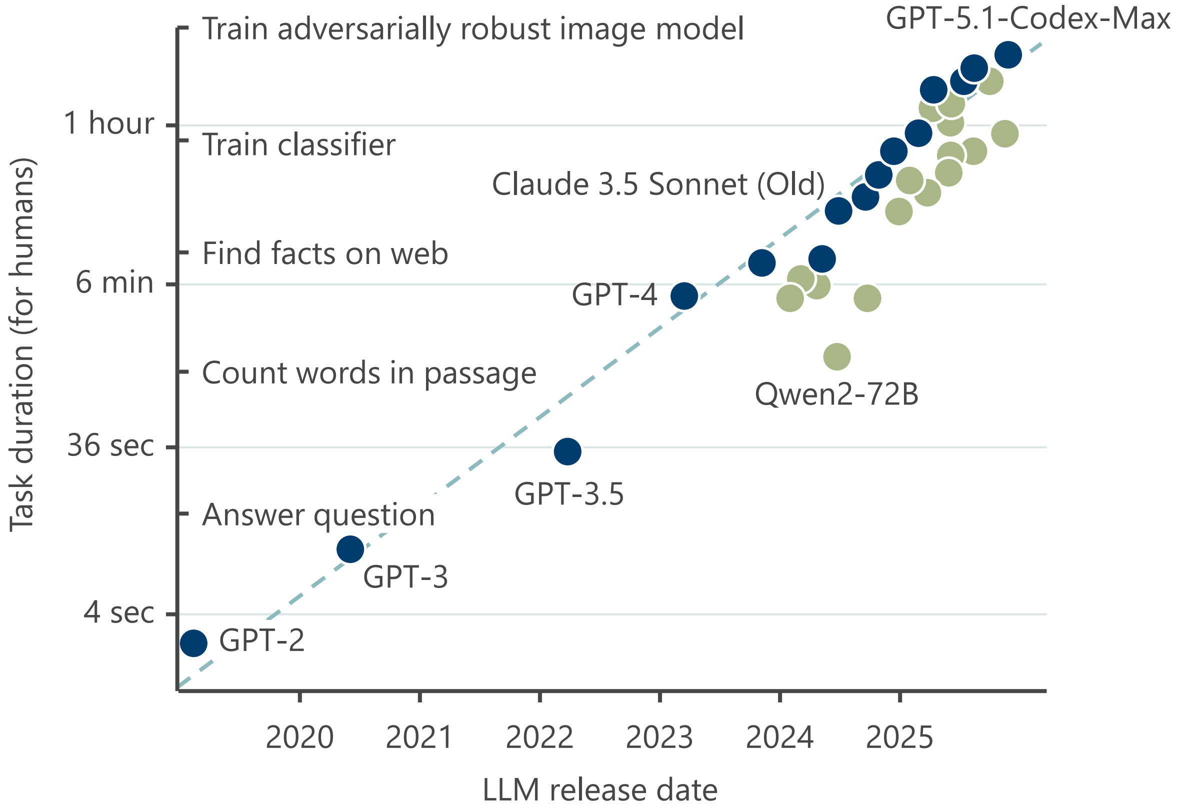
Materially different implications across the market

Hyperscaler AI spending bonanza accelerating[1]



The AI disruption narrative likely to get worse[2]

Software engineering tasks that different LLMs can complete 50% of the time



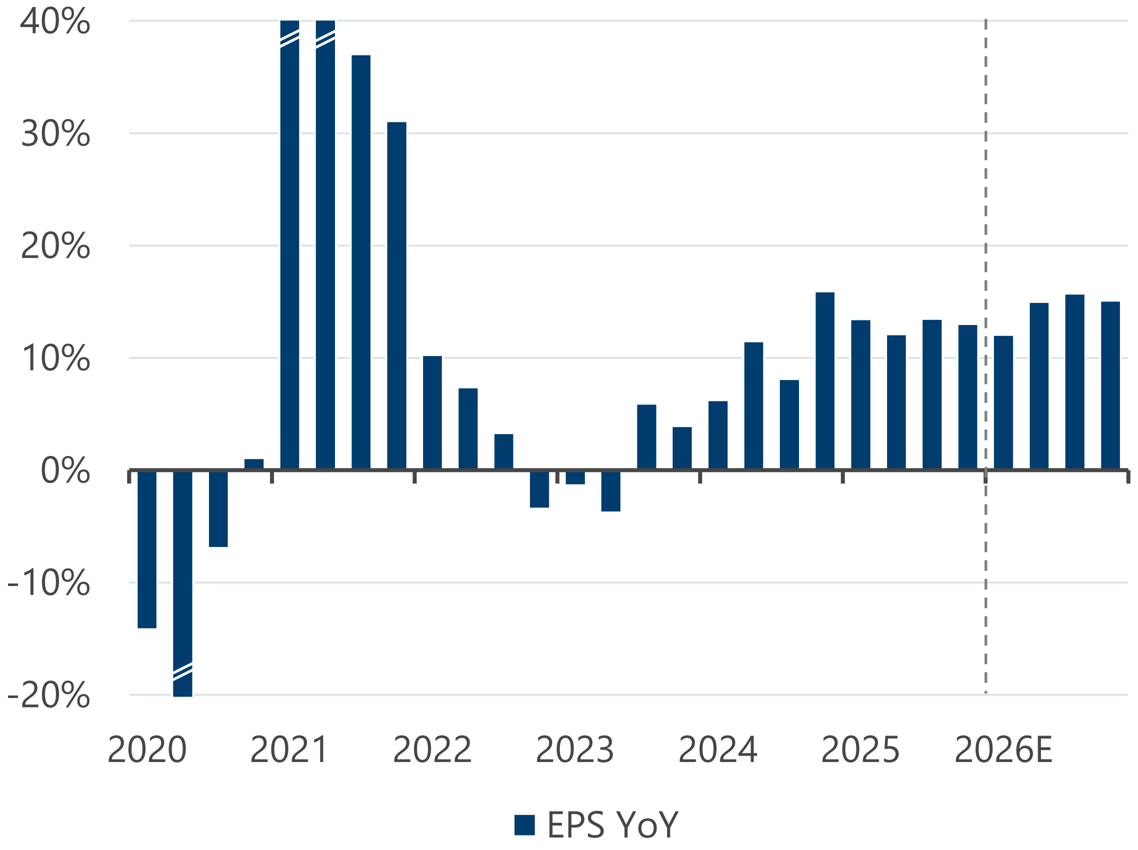
AI represents huge opportunity as well as risk minefield

Source: [1]Bloomberg, KKR as at 31 December 2025. US Hyperscalers: capex vs operating cash flow. [2]Jefferies as at 31 December 2025.

Market is pricing in a rosy outlook

Valuations (P/E) are high[1]

S&P 500 growth expected to accelerate[2]



Valuation discipline important

Source: [1]Bloomberg as at 20 January 2026. [2]Morgan Stanley as at 31 December 2025. Forward sales per share and EPS growth expectations.

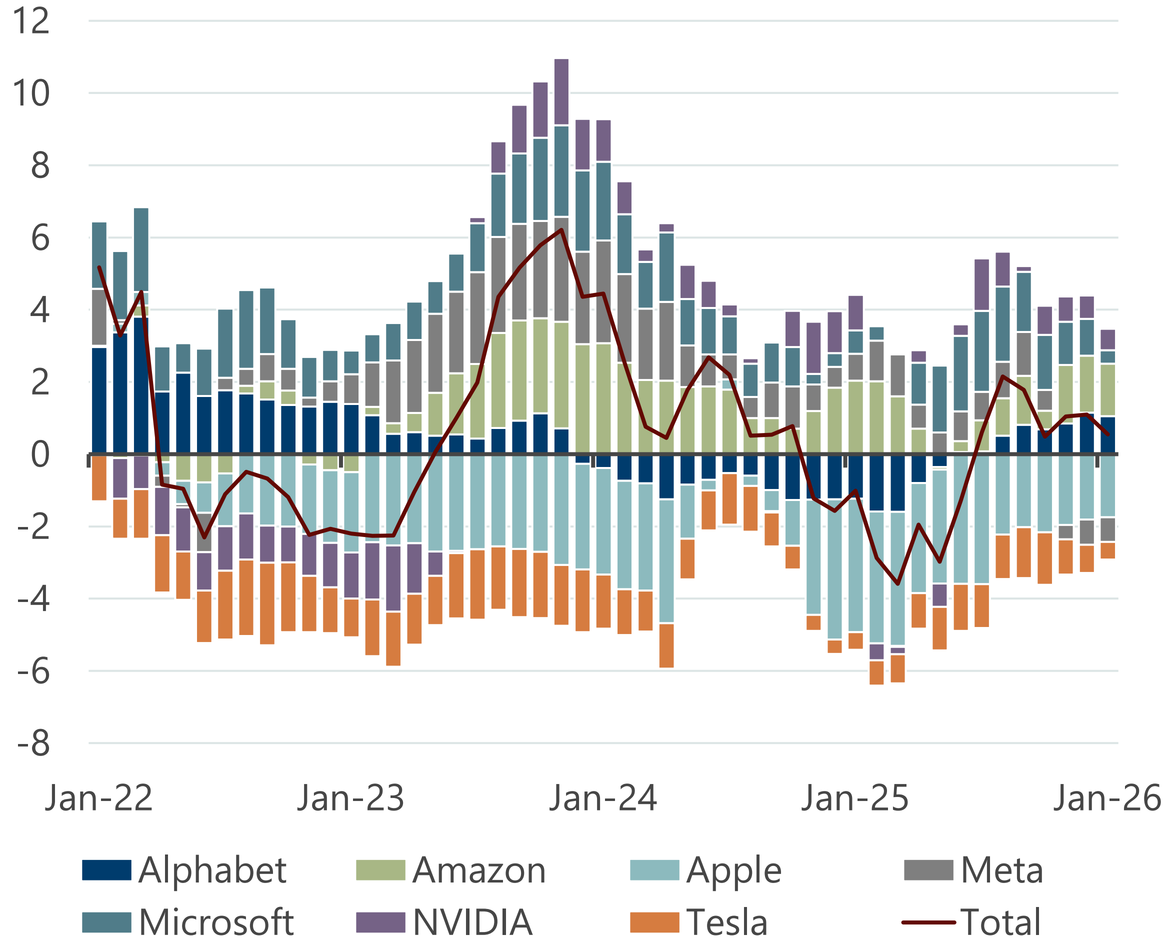
Portfolio positioning

From Magnificent to Contentious 7?

Stock selection key – fund moved to underweight recently

- **Mag 7 stock selection been good source of alpha**
- Positive (overweight) on:
  - NVIDIA: AI arms leader
  - Google: AI laggard to leader
- Underweight positions in:
  - Apple: memory cost and valuation concerns
  - Tesla: autos challenged. Too much in valuation for the rest
  - Meta: AI investment hitting cashflows
  - Microsoft: AI investment and software risk
- **Direct AI exposure outside of Mag 7:**
  - Long positions in Applied Materials, Lam Research, AMD, Sandisk, GE Vernova, Western digital, NVent and Constellation Energy
  - Short positions in over-hyped AI and AI losers (IT services)
- 130/30 enables high active share even with this exposure

Mag 7 positioning through time



Source: Artemis as at 31 January 2026.
Note: reference to specific stocks should not be taken as advice or a recommendation to invest in them.

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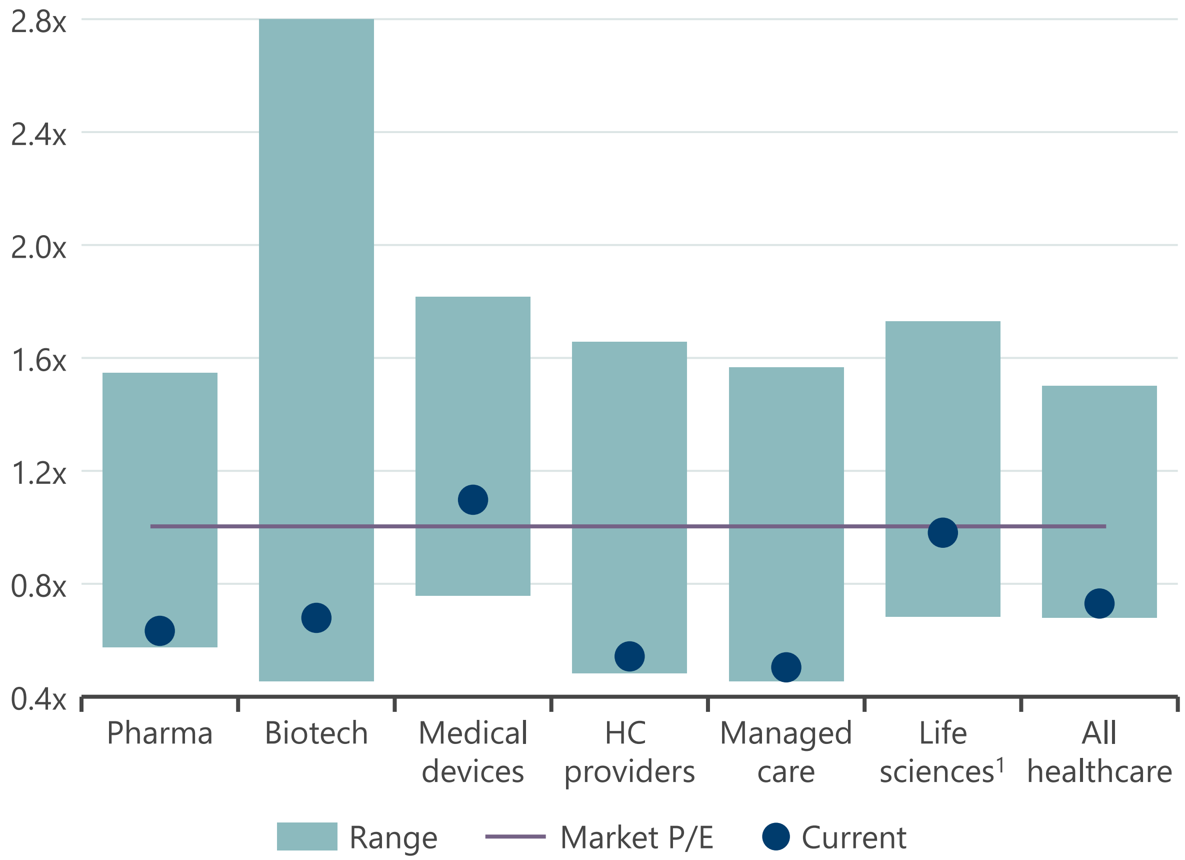
Healthcare – recovery potential

Offering value and headwinds turning to tailwinds

- Sector performance been shocking relative to market
- Now has compelling valuations
- Headwinds of recent years are dissipating:
  - RFK & DOGE
  - Insurance utilisation
  - Drug policy
  - Tariff uncertainty
  - Post covid inventory
  - Patent cliff
  - GLP1

Healthcare valuations depressed versus history



Sector opportunity as headwinds starting to show green shoots

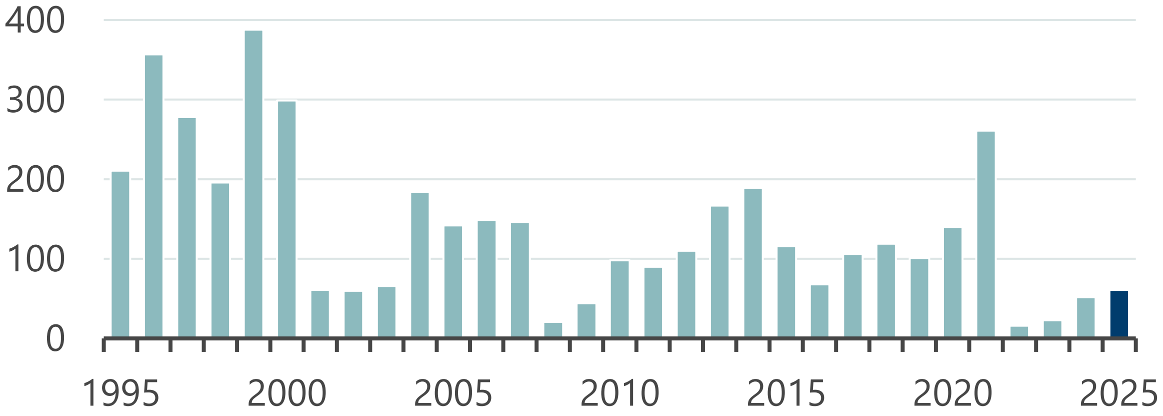
Source: Bloomberg, JPM as at 29 July 2025. Healthcare P/E ratios vs S&P 500 since 1992. [1]Life sciences since 2005.

Cyclical improvement opportunities

Existing home sales (millions)[1]

Yield curve: 10 year – 2 year spread[2]

Number of US IPOs (>$25m) has been modest[3]



ISM Manufacturing PMI[1]

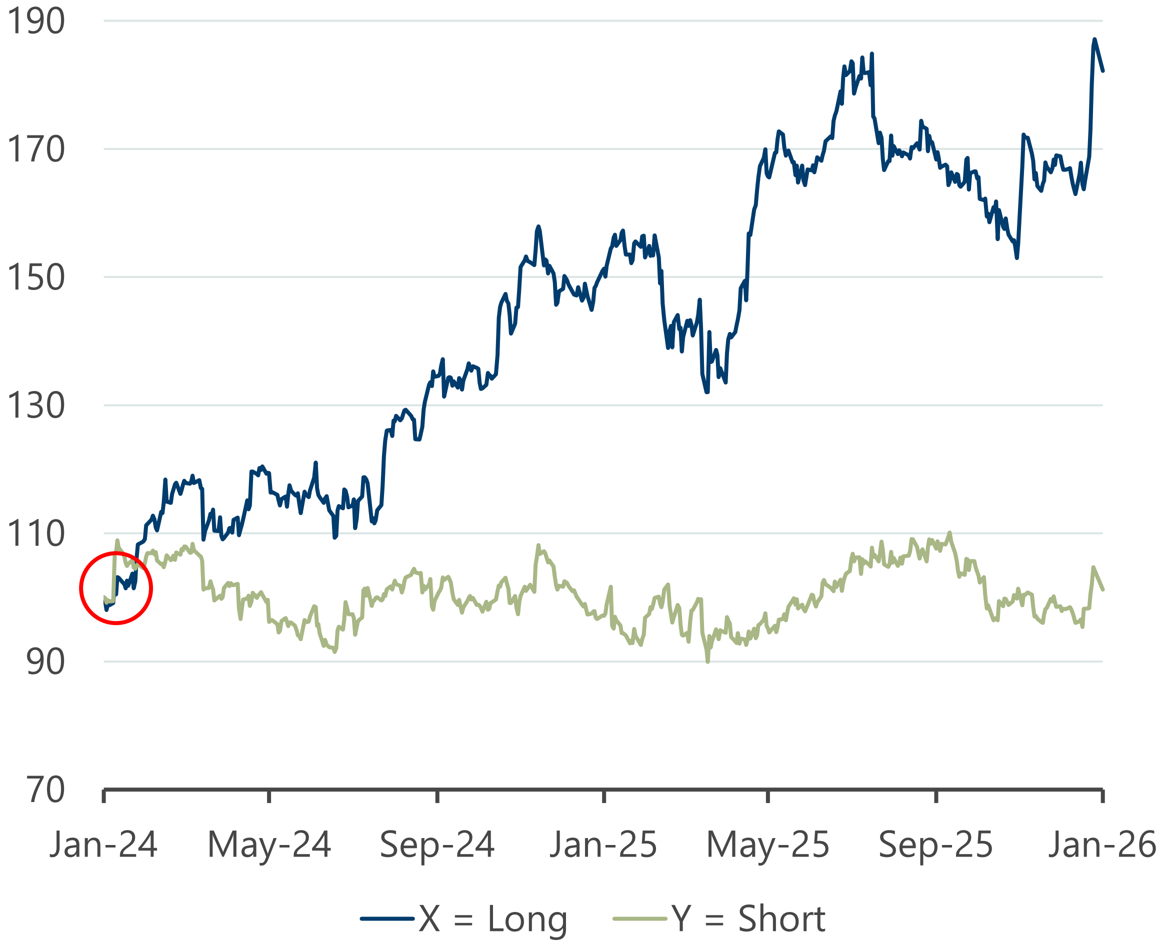
Cyclical turning to tailwinds and attractive valuations

Source: [1]Bloomberg as at 31 December 2025. [2]Bloomberg as at 31 January 2026. [3]Dealogic, Golman Sachs as at 31 December 2025.

Short book examples

Fund has both pairs and stand alone short positions

Pair trade in food distribution



FactSet vs S&P 500 relative performance

Dow vs S&P 500 relative performance

Source: Bloomberg as at 21 January 2026.
Note: red circles represent point where initiated position.

Minefield of unattractive areas give broad short opportunities

- Structural threats
- Overhyped expectations
- Policy risk
- Network leaders' dominance
- Disappointing turnarounds

AI over-hyped	Memory supply chain risk	Value traps
AI challenged	Credit risks	Pairs

Fund current themes and positioning

Broad range of portfolio themes

Longs: 118%

Compounders	Food distribution: US Foods	Pharma chain: Cardinal Health	Utilities: NiSource	
AI exposure	Compute power: Applied Materials	Infrastructure and power: nVent	Service providers: Akamai	
Cyclicals	Capital markets: BNY	Infrastructure: Parker	Life sciences: Thermo Fisher Scientific	Home recovery: TopBuild

Shorts: 22%

Broad range of value traps
Telcos, legacy retail, hotels, staples, asset managers, plastic packaging

AI over-hypers, AI disrupted
IT services, software, data services and industrial equipment

Overpriced darlings
Retail, restaurants and software

Fundamental risk
Private credit, DRAM cost exposed

Overall fund net exposure: 95%

Source: Artemis as at 31 January 2026. Image source: brandsoftheworld.com.
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Stock and sector positioning

Top 10 active long

US Foods Holding	3.5%
Parker-Hannifin	3.2%
Bank of New York Mellon	2.9%
Cardinal Health	2.8%
Wells Fargo	2.6%
S&P Global	2.1%
nVent Electric	2.1%
APi	2.0%
IQVIA	2.0%
Citizens Financial Group	2.0%

Top 10 absolute positions

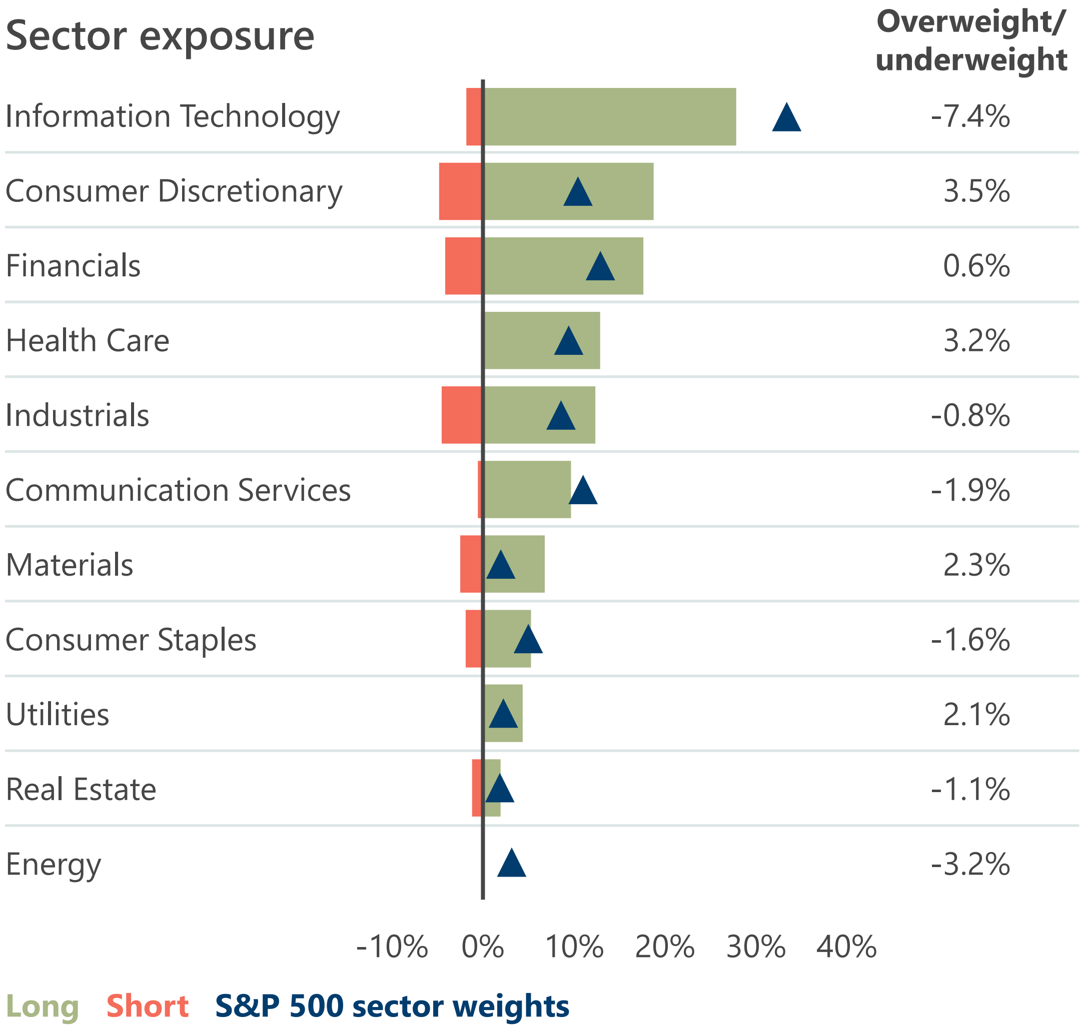
NVIDIA	8.7%
Alphabet	6.9%
Amazon	5.4%
Apple	4.6%
Microsoft	4.3%
US Foods Holding	3.5%
Parker-Hannifin	3.4%
Bank of New York Mellon	3.1%
Wells Fargo	3.0%
Cardinal Health	2.9%

Top 10 short

Cons. Staples Distrib. & Retail	-0.8%
Capital Goods	-0.4%
Telecommunication Services	-0.4%
Financial Services	-0.4%
Consumer Services	-0.4%
Capital Goods	-0.4%
Materials	-0.4%
Capital Goods	-0.4%
Financial Services	-0.4%
Capital Goods	-0.4%

Differentiated holdings to other funds

Sector exposure



Source: Artemis as at 31 January 2026.

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Summary

- Potential for economic growth and market to broaden
- Fund positioned to benefit on the long side with discounted compounders through to depressed cyclicals
- Secular risks increasing presenting broad opportunities on the short side
- Fund team and process has long-term record of solid alpha generation

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Q&A

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