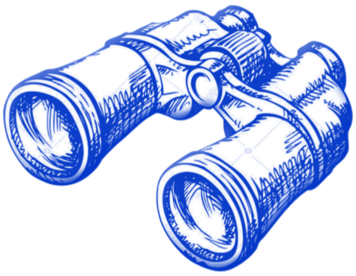
ARTEMIS
The Profit Hunter



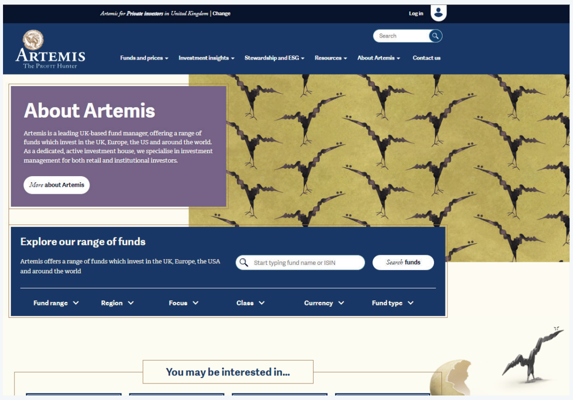
Artemis Income *Fund*

Manager's Report
and Financial Statements

for the year ended 30 April 2025

Keep up to date …

… with the performance of this and other Artemis funds throughout the year on Artemis' website



- Monthly fund commentaries and factsheets
- Market and fund insights
- Fund briefings and research articles
- Daily fund prices
- Fund literature

artemisfunds.com

General information

Company profile

Artemis is a leading UK-based fund manager, offering a range of funds which invest in the UK, Europe, the US and around the world.

As a dedicated, active investment house, we specialise in investment management for both retail and institutional investors across Europe.

Independent and owner-managed, Artemis opened for business in 1997. Its aim was, and still is, exemplary investment performance and client service. All Artemis' staff share these two precepts – and the same flair and enthusiasm for fund management.

The firm now manages some £30.1 billion* across a range of funds, an investment trust and both pooled and segregated institutional portfolios.

Our managers invest in their own and their colleagues' funds. This has been a basic tenet of the Artemis approach since the firm started. It means that interests of our fund managers are directly aligned with those of our investors.

* Source: Artemis as at 31 May 2025

Fund status

Artemis Income Fund was constituted by a Trust Deed dated 28 April and 4 May 2000 and is an authorised unit trust scheme under the Financial Services and Markets Act 2000. The fund belongs to the category of UK UCITS schemes as defined in the Collective Investment Schemes Sourcebook ('COLL') of the Financial Conduct Authority ('FCA').

Buying and selling

Units may be bought and sold by contacting the manager by telephone, at the address on page 5 or via the website **artemisfunds.com**. Valuation of the fund takes place each dealing day at 12 noon on a forward pricing basis. The current list of non-dealing days impacting the fund is published on our website at www.artemisfunds.com/non-dealing-days. Investors are reminded that past performance is not a guarantee of performance in the future and that the price of units and the revenue from them can fall as well as rise.

Objective and investment policy

Objective	To grow both income and capital over a five year period.	
Investment policy	**What the fund invests in**	• 80% to 100% in company shares. • Up to 20% in bonds, cash and near cash, other transferable securities, other funds (up to 10%) managed by Artemis and third party funds, money market instruments, and derivatives.
	Use of derivatives	The fund may use derivatives for efficient portfolio management purposes to: • reduce risk • manage the fund efficiently.
	Where the fund invests	• At least 80% in the United Kingdom • Up to 20% in other countries
	Industries the fund invests in	• Any
	Other limitations specific to this fund	• None
Investment strategy	• The fund is actively managed. • The manager believes that a company's free cash flow yield drives its valuation. • Accordingly, the fund focuses on companies' free cash flow yield by taking into account current and prospective dividends and the likelihood of the dividend being maintained in the future.	
Benchmarks	• **FTSE All-Share Index TR** A widely-used indicator of the performance of the UK stock market, in which the fund invests. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark. • **IA UK Equity Income NR** A group of other asset managers' funds that invest in similar asset types as this fund, collated by the Investment Association. It acts as a 'comparator benchmark' against which the fund's performance can be compared. Management of the fund is not restricted by this benchmark.	

Risk and reward profile

Potentially lower rewards — Potentially higher rewards

Lower risk — Higher risk

1 2 3 4 5 **6** 7

- The fund is in the category shown due to historic volatility (how much and how quickly the value of shares in the fund may have risen and fallen in the past due to movements in markets, currencies and interest rates). It may not be a reliable indication of the future risk profile of the fund.
- The risk category has been calculated using historic data and may not be a reliable indicator of the fund's future risk profile.
- A risk indicator of "1" does not mean that the investment is "risk free".

The risk indicator may not fully take into account the following risks and the following may affect fund performance:

- **Market volatility risk:** The value of the fund and any income from it can fall or rise because of movements in stock markets, currencies and interest rates, each of which can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
- **Currency risk:** The fund's assets may be priced in currencies other than the fund base currency. Changes in currency exchange rates can therefore affect the fund's value.
- **Income risk:** The payment of income and its level is not guaranteed.
- **Charges from capital risk:** Where charges are taken wholly or partly out of a fund's capital, distributable income may be increased at the expense of capital, which may constrain or erode capital growth.

There was no change to the risk indicator in the year ended 30 April 2025.

Please refer to the fund's prospectus for full details of these and other risks which are applicable to this fund.

Other information

Prospectus

Copies of the most recent Prospectus are available free of charge from the manager at the address on page 5.

Remuneration

As the Artemis Income Fund (the "fund") is a UK UCITS scheme, Artemis Fund Managers Limited ("AFML") as manager is required to make these disclosures. Artemis operates its remuneration policies and practices at a group level which includes both Artemis Investment Management LLP and its subsidiary AFML. Details of the group remuneration policies are available on Artemis' website artemisfunds.com. Remuneration levels are set to attract, retain and motivate talented partners and staff and align the long term interests of partners and staff with those of our clients.

The remuneration policies which apply to all partners and staff across the group are overseen by the Remuneration Committee. The members of the Remuneration Committee are all non-executive officers. The Remuneration Committee is responsible for setting and overseeing the implementation of Artemis' remuneration policy, including approving the remuneration of partners and other senior staff. The Remuneration Committee will regularly review the remuneration policy to ensure it remains appropriate. The Remuneration Committee considers inputs from Artemis' Risk and Compliance functions when reviewing remuneration issues, including any risk adjustments or controls considered necessary.

The Artemis remuneration period runs from 1 January to 31 December. Certain partners and staff are classified as 'Identified Staff' as their professional activities have a material impact on the risk profile of the firm. The payment of some of their variable remuneration (which may include profit share for partners) is deferred. Further, Artemis has the ability to reduce all or part of deferred variable remuneration that has been previously allocated to identified staff both (a) before the end of the vesting period and (b) within two years following the payment of any elements of variable remuneration.

No staff are employed by AFML directly. Staff are employed and paid by other entities of Artemis. Artemis has apportioned the total amount of remuneration paid to all 209 Artemis partners and staff in respect of AFML's duties performed for the UCITS schemes based on the number of funds. It has estimated that the total amount of remuneration paid in respect of duties for the fund for the year ended 31 December 2024 is £1,165,543 of which £488,892 is fixed remuneration and £676,651 is variable remuneration.

The aggregate amount of remuneration paid to UCITS Remuneration Code and Identified Staff that is attributable to duties for the fund for the year ended 31 December 2024 is £478,101. Code and Identified Staff are those senior individuals whose managerial responsibilities or professional activities could influence, and have a material impact on, the overall risk profile of each regulated entity and the funds it manages.

For the purposes of UCITS Remuneration Code, the AFML Code staff are the members of Artemis' Management and Executive Committees, certain fund managers and others in specified roles. This includes certain individuals who are partners in Artemis Investment Management LLP.

Tax information reporting

UK tax legislation requires fund managers to provide information to HM Revenue & Customs ('HMRC') on certain investors who purchase units in unit trusts. Accordingly, the fund may have to provide information annually to HMRC on the tax residencies of those unitholders that are tax resident outwith the UK, in those countries that have signed up to the OECD's ('Organisation for Economic Co-operation and Development') Common Reporting Standard for Automatic Exchange of Financial Account Information (the 'Common Reporting Standard'), or the United States (under the Foreign Account Tax Compliance Act, 'FATCA').

All new unitholders that invest in the fund must complete a certification form as part of the application form. Existing unitholders may also be contacted by the Registrar should any extra information be needed to correctly determine their tax residence. Failure to provide this information may result in the account being reported to HMRC.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders: gov.uk/government/publications/exchange-of information-account-holders.

Value assessment

Artemis Fund Managers Limited (AFML) has conducted a detailed assessment of whether its funds are providing value to unitholders. AFML must publish publicly, on an annual basis, a statement setting out a summary of the outcome of the process and whether or not AFML believes the payments out of the scheme property are justified in the context of the overall value delivered to unitholders. Composite reports on Assessment of Value have been published via the website artemisfunds.com.

Taskforce for Climate-Related Financial Disclosures ("TCFD")

In accordance with the FCA's requirements under the Environmental, Social and Governance Sourcebook, Artemis is required to publish disclosures consistent with the Taskforce on Climate-Related Financial Disclosures ("TCFD") for the period 1 January 2024 to 31 December 2024. The entity-level TCFD report contains information about how Artemis manages climate-related risks and opportunities in investment portfolios and across its business operations and the product-level TCFD report contains certain climate related metrics required to be published for Artemis Income Fund. These TCFD reports, which were published on 30 June 2025, can be found here: www.artemisfunds.com/tcfd.

Manager

Artemis Fund Managers Limited *
Cassini House
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London SW1A 1LD

Dealing information:
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Sunderland SR43 4BH
Telephone: 0800 092 2051
Website: artemisfunds.com

Investment adviser

Artemis Investment Management LLP *
Cassini House
57 St James's Street
London SW1A 1LD

Trustee and Depositary

Northern Trust Investor Services Limited *
50 Bank Street
Canary Wharf
London E14 5NT

Registrar

Northern Trust UK Global Services SE †
50 Bank Street
Canary Wharf
London
E14 5NT

Auditor

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

*Authorised and regulated by the Financial Conduct Authority.

†Authorised by the Prudential Regulation Authority ('PRA'), 20 Moorgate, London EC2R 6DA and regulated by the PRA and the FCA.

Statements of responsibilities

Statement of the Trustee's Responsibilities in respect of the Scheme and Report of the Trustee to the Unitholders of the Artemis Income Fund ("the Trust") for the year ended 30 April 2025.

The Trustee in its capacity as Trustee of the Artemis Income Fund must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored, and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Scheme documents of the Trust in relation to the investment and borrowing powers applicable to the Trust.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Trust, acting through the AFM:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the regulations and the Scheme documents of the Trust; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the regulations and the Scheme documents of the Trust.

Northern Trust Investor Services Limited
London
2 July 2025

Statement of the manager's responsibilities

COLL requires the manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial affairs of the fund and of its revenue and expenditure for the year.

In preparing the financial statements the manager is required to:

(i) select suitable accounting policies and then apply them consistently;

(ii) comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014 ('SORP');

(iii) follow applicable accounting standards;

(iv) keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;

(v) make judgements and estimates that are reasonable and prudent; and

(vi) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the fund will continue in operation.

The manager is responsible for the management of the fund in accordance with its Trust Deed, Prospectus and COLL.

The manager is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the manager

We hereby approve the Manager's Report and Financial Statements of the Artemis Income Fund for the year ended 30 April 2025 on behalf of Artemis Fund Managers Limited in accordance with the requirements of COLL as issued and amended by the FCA.

T Johnston
Director
Artemis Fund Managers Limited
London
2 July 2025

S Dougall
Director

Independent auditor's report to the unitholders of the Artemis Income Fund

Opinion

We have audited the financial statements of the Artemis Income Fund ("the Fund") for the year ended 30 April 2025, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 30 April 2025 and of the net revenue and the net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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 Fund's ability to continue as a going concern for a period of twelve months from the date the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the "FCA")

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Trust Deed; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the FCA requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the Manager

As explained more fully in the Manager's responsibilities statement set out on page 6, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines 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 Manager is responsible for assessing the Fund'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 Manager either intends to wind up or terminate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the Fund's Trust Deed and the Prospectus.
- We understood how the Fund is complying with those frameworks through discussions with the Manager and the Fund's administrator and a review of the Fund's documented policies and procedures.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk in relation to incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact on amounts available for distribution. The results of our procedures confirmed no special dividends above our testing threshold were received during the year.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Fund.
- Due to the regulated nature of the Fund, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

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

Use of our report

This report is made solely to the Fund's unitholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
Edinburgh
3 July 2025

Investment review

Overview

Macroeconomic headlines continued to drive markets. An initial swell of 'risk-on' optimism in the wake of Donald Trump winning the US election in November gave way to 'risk-off' concern as his tariff-heavy agenda took shape.

As a result of this, as well as the emergence of Chinese AI model DeepSeek (which threatened US supremacy in artificial intelligence), US equities sold off materially. Other markets – continental Europe and China in particular, but also the UK – performed better.

Despite a couple of wobbles, the UK economy has continued to tick along, with economic growth and retail spending more resilient than expected. We are pleased that the government, despite some early missteps, seems to have begun to realise the importance of cutting red tape, as shown in some welcome regulatory easing in financial services and planning.

The portfolio posted robust performance over the period despite significant volatility and uncertainty. These healthy returns were derived from a range of holdings operating across different industries. This shows the power of effective diversification of cash flows and income, as well as our focus on building a portfolio of attractive investment opportunities rather than positioning for a particular macroeconomic outcome.

The portfolio's full year dividend (for the I Inc share class) increased more than 8% over the reporting period, again illustrative of the robust fundamental performance of our portfolio companies.

Performance

The Artemis Income Fund returned 13.5%[1] over the 12 months to April 2025, significantly outperforming the FTSE All Share which returned 7.5%.

Positive contributors

Imperial Brands' management team have executed well in improving the running of the business and stabilising market share. Cash generation has been robust which has supported dividends and allowed for a significant program of share buybacks, with Imperial having reduced its share count by 7% since the end of 2023. CEO Stefan Bomhard – who has been instrumental in Imperial's turnaround story – announced his departure last week and will be replaced by the current CFO. We will look to meet with the new chief executive in the coming quarters.

3i shares continued to generate strong returns as investors digested the presentations to investors that retailer Action gave at their annual 'capital markets day' in March. The performance of the business remains impressive, with Action significantly outgrowing its peers and its prices remaining highly compelling. Action has opened over 350 stores in Europe over the last 12 months and estimates that there is potential for another 4,850 stores (in addition to its current footprint of just below 3,000). Thanks to Action's growing scale benefits, strong execution and simple operating model (the offering is very similar across different countries), the average payback period on new stores opened between 2020 and 2023 was less than one year, supporting very high incremental returns on capital and substantial cash generation.

NatWest shares continued their strong run. The end of ultra-low interest rates has transformed the profitability of the banking sector, with much of these profits – given more resilient businesses thanks to 15 years of rebuilding capital and liquidity after the financial crisis – being returned to shareholders through dividends and buybacks. NatWest is also benefiting from the 'structural hedge', which smooths out the income banks earn from interest over time and protects them from unexpected rate cuts by using swaps. We continue to believe that the power of the structural hedge – which should continue to support earnings growth for a number of years – remains underappreciated.

On the negative side

Instrument and testing equipment maker **Spectris**' shares have been on a challenging run of performance of late, with investors losing confidence because of weakness in some end markets (specifically electric vehicles and China). This has pushed up levels of borrowing, which does admittedly look elevated at present, but is likely to fall going forward as synergies from Spectris' latest acquisition begin to be realised and some of these markets start to recover. Fundamentally, we believe the market to be looking at Spectris in the rear-view mirror: its portfolio is much simpler and higher quality now than it was in the past. Despite some short-term weakness, Spectris' businesses occupy leading positions in attractive niches that look well underpinned by long-term structural growth. Since the year end Spectris has attracted interest from Private Equity, with Advent approaching Spectris with an indicative offer at a significant premium to the share price.

RS Group, which distributes industrial and electrical products, has been constrained by fears about tariffs and weakening economic growth. As with Spectris, confidence in the shares is somewhat lacking, but despite a challenging macroeconomic environment, RS continues to make progress with respect to simplifying its structure, reducing costs and improving processes. As a result, we believe the business is increasingly well placed to be able to take share (thanks to a strong multi-channel offering) when the economic backdrop becomes more favourable and as a result we have added to the position over the last quarter. We believe the market share opportunity RS is faced with is

Past performance is not a guide to the future.

[1] Source: Lipper Limited, mid to mid in sterling. 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.

material, thanks to a highly fragmented industrial repair and maintenance industry. In our view, the shares offer value on a 6% free cash flow yield.

Food outlet operator **SSP's** shares have also been hit by the increased risk of recession. In addition, investors seem to be unhappy that SSP has depressed near-term cash flows as a by-product of investing in what we believe to be a material opportunity for growth. The long-term prize – taking market share in a structurally growing industry at attractive incremental returns – remains substantial. However, execution has been sub-par in several areas in recent years, which has affected confidence in the shares. We still believe the group to be materially undervalued with a current market capitalisation of just £1.4bn and as such SSP is one of the more likely bid targets in the portfolio.

Activity

We added three new positions over the period:

Smith & Nephew: Investors' focus on S&N's challenged orthopaedics business (which accounts for only c.30% of group revenues) masks what is a collection of high-quality, high-margin businesses across areas of structural growth like sports medicine and wound management.

Whitbread: We believe the shares to trade below their book value, and the transformation of old pub sites into much more profitable Premier Inns could improve returns on capital. Furthermore, any prospect of the currently loss-making German business generating any profits (a possibility, we think) is not reflected in the share price.

Berkeley Group: A business that we have owned before and hold in very high regard; we believed the valuation (near historic lows) offered an attractive entry point. The structural undersupply of housing in London and the South West should be supportive for the value of Berkeley's land bank and profitability going forward.

We sold two holdings over the period:

Nintendo, given a valuation that had re-rated to a 2.5% free cash flow yield and a deterioration in the risk-reward as a result. Nintendo remains a great business and will remain on the 'watch list'.

Direct Line, which we consolidated into Aviva ahead of the planned takeover.

Outlook

It is even more difficult than usual to opine on the outlook for markets with any level of confidence given the ongoing hot and cold pronouncements from the White House. We continue to focus on controlling the things that we can control, which is making sure that the Artemis Income Fund remains a diversified portfolio of high-quality companies with attractive free cash flow characteristics. We continually test (and re-test) our investment theses and ask ourselves where we could be wrong. We only make the decision to allocate our unitholders' capital when we have the insight to do so. Although we have trimmed and added to some positions at the margin, we have remained true to our process and have not made any major changes to the portfolio as a result of recent volatility.

By and large, our companies have fared well in earnings season so far with much of the portfolio reporting robust fundamental performance. What's more, valuations are not expensive and the deluge of share buybacks continues with 70% of the portfolio currently buying back shares. Beyond share buybacks we believe the portfolio to be well placed to deliver attractive growth in earnings and cash flows over the long term, thanks to underappreciated and strengthening fundamentals.

For the UK market to turn a corner with respect to relative performance, flows need to return. A significant component of this equation is whether the US – which has been so dominant over all other equity markets for 15 years – can retain its stranglehold on flows. Despite it now being apparent that an all-out trade war has been avoided, which is an obvious positive for the global economy, we do wonder whether longer-term investor confidence in US assets is being undermined. This confidence has taken many decades to build yet could be harmed a lot more quickly.

The market capitalisation of the so-called Magnificent 7 stocks is several times larger than that of the entire FTSE 100. It will therefore not take much of a reversal in sentiment – a little less optimism in the US, and a little less pessimism in the UK – to tip the balance towards the UK and other markets.

Adrian Frost, Nick Shenton and Andy Marsh
Fund managers

Investment Information

Ten largest purchases and sales for the year ended 30 April 2025

Purchases	Cost £'000	Sales	Proceeds £'000
Whitbread	87,414	3i Group	111,059
SSE	66,863	Wolters Kluwer	104,153
Smith & Nephew	55,964	Nintendo	84,805
GSK	52,522	Direct Line Insurance Group	59,157
Berkeley Group	42,568	London Stock Exchange Group	54,566
Burberry Group	26,900	GSK	51,598
Legal & General Group	25,959	Boliden	42,088
Spectris	23,093	Smiths Group	38,234
SSP Group	22,632	RELX	37,545
Aviva	21,430	Shell	30,400

Portfolio statement as at 30 April 2025

	Holding	Valuation £'000	% of net assets
Equities 98.54% (99.69%)			
Basic Materials 1.74% (3.37%)			
Anglo American	4,130,076	84,398	1.74
		84,398	**1.74**
Consumer Discretionary 20.25% (27.23%)			
Berkeley Group	1,116,954	46,041	0.95
Burberry Group	6,593,215	49,370	1.02
Card Factory	15,559,382	14,984	0.31
Dr Martens	55,742,457	31,160	0.64
Informa	23,691,373	172,236	3.54
ITV	126,710,292	101,368	2.08
Next	1,853,062	226,629	4.66
Pearson	17,902,343	210,352	4.33
SSP Group	42,105,987	62,612	1.29
Whitbread	2,704,616	69,617	1.43
		984,369	**20.25**
Consumer Staples 11.88% (10.45%)			
C&C Group	29,437,238	40,447	0.83
Corbion	2,584,785	41,334	0.85
Ebro Foods	3,631,783	52,825	1.09
Imperial Brands	6,909,376	211,911	4.36
Origin Enterprises #	7,368,857	22,094	0.46
Tesco	56,407,386	208,707	4.29
		577,318	**11.88**
Energy 4.42% (6.45%)			
BP	36,366,401	127,355	2.62
Shell	3,601,797	87,722	1.80
		215,077	**4.42**
Financials 33.88% (31.19%)			
3i Group	5,817,346	246,248	5.07
Aviva	35,685,882	199,841	4.11
Barclays	63,018,974	184,456	3.79
IG Group	12,241,656	130,741	2.69
Legal & General Group	57,177,535	134,882	2.77
Lloyds Banking Group	276,150,176	196,232	4.04
London Stock Exchange Group	1,605,954	186,130	3.83

	Holding	Valuation £'000	% of net assets
Equities 98.54% (99.69%) (continued)			
Financials 33.88% (31.19%) (continued)			
M&G	39,996,416	83,033	1.71
NatWest Group	41,714,870	195,893	4.03
NextEnergy Solar Fund	33,848,251	23,897	0.49
Phoenix Group	10,479,866	62,670	1.29
Rosebank Industries #	504,913	2,827	0.06
		1,646,850	**33.88**
Health Care 7.78% (8.09%)			
AstraZeneca	851,747	92,363	1.90
GSK	9,961,011	148,967	3.06
Haleon	22,418,135	83,732	1.72
Smith & Nephew	5,017,050	53,482	1.10
		378,544	**7.78**
Industrials 12.14% (7.14%)			
easyJet	12,414,833	61,515	1.27
RELX	4,778,456	193,719	3.99
RS Group	12,036,133	62,106	1.28
Smiths Group	6,545,190	120,890	2.49
Spectris	2,540,909	50,971	1.05
Travis Perkins	4,868,183	26,629	0.55
Wolters Kluwer	554,114	73,363	1.51
		589,193	**12.14**
Real Estate 3.03% (3.40%)			
LondonMetric Property	37,306,028	71,366	1.47
Segro	11,155,401	75,991	1.56
		147,357	**3.03**
Technology 1.73% (1.89%)			
Sage Group	6,841,632	84,255	1.73
		84,255	**1.73**
Utilities 1.69% (0.48%)			
SSE	4,913,495	82,203	1.69
		82,203	**1.69**
Equities total		**4,789,564**	**98.54**
Forward Currency Contracts (0.02)% (0.07%)			
Buy Sterling 226,216, sell Japanese Yen 43,204,185 dated 08/05/2025		(345)	–
Buy Sterling 161,552,508, sell Euro 190,929,070 dated 08/05/2025		(909)	(0.02)
Forward Currency Contracts total		**(1,254)**	**(0.02)**
Investment assets (including investment liabilities)		**4,788,310**	**98.52**
Net other assets		**72,016**	**1.48**
Net assets attributable to unitholders		**4,860,326**	**100.00**

The comparative percentage figures in brackets are as at 30 April 2024.

Security listed on the Alternative Investment Market ('AIM').

Financial statements

Statement of total return for the year ended 30 April 2025

	Note	30 April 2025 £'000	30 April 2025 £'000	30 April 2024 £'000	30 April 2024 £'000
Income					
Net capital gains	3		**488,334**		245,056
Revenue	5	**184,509**		178,362	
Expenses	6	**(42,810)**		(40,294)	
Interest payable and similar charges	7	**(67)**		(74)	
Net revenue before taxation		**141,632**		137,994	
Taxation	8	**(204)**		(557)	
Net revenue after taxation			**141,428**		137,437
Total return before distributions			**629,762**		382,493
Distributions	9		**(181,819)**		(175,345)
Change in net assets attributable to unitholders from investment activities			**447,943**		207,148

Statement of change in net assets attributable to unitholders for the year ended 30 April 2025

	30 April 2025 £'000	30 April 2025 £'000	30 April 2024 £'000	30 April 2024 £'000
Opening net assets attributable to unitholders		**4,644,988**		4,746,633
Amounts receivable on issue of units	**937,358**		542,333	
Amounts payable on cancellation of units	**(1,244,335)**		(944,652)	
Amounts payable on cancellation of units by in specie transfer	**(26,748)**		–	
		(333,725)		(402,319)
Dilution adjustment		**46**		4
Change in net assets attributable to unitholders from investment activities		**447,943**		207,148
Retained distribution on accumulation units		**101,071**		93,520
Unclaimed distributions		**3**		2
Closing net assets attributable to unitholders		**4,860,326**		4,644,988

Balance sheet as at 30 April 2025

	Note	30 April 2025 £'000	30 April 2024 £'000
Assets			
Fixed assets			
Investments	10	**4,789,564**	4,633,931
Current assets			
Debtors	11	**65,316**	70,955
Cash and cash equivalents	12	**72,334**	3,828
Total current assets		**137,650**	74,783
Total assets		**4,927,214**	4,708,714
Liabilities			
Investment liabilities	10	**1,254**	–
Creditors			
Bank overdraft	13	**–**	3,501
Distribution payable		**39,678**	40,113
Other creditors	14	**25,956**	20,112
Total creditors		**65,634**	63,726
Total liabilities		**66,888**	63,726
Net assets attributable to unitholders		**4,860,326**	4,644,988

Notes to the financial statements

1. Accounting policies

(a) Basis of accounting. The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, in accordance with FRS 102 and the Statement of Recommended Practice ("SORP") issued by the Investment Management Association in May 2014 and amended in June 2017 and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL'). The financial statements have been prepared on a going concern basis. The manager believes that the fund has adequate resources to continue in operational existence for the foreseeable future. No material events have been identified that may cast significant doubt about the fund's ability to continue as a going concern for a period of twelve months from the date the financial statements are authorised for issue.

(b) Valuation of investments. All investments, including any derivatives, have been valued at 12 noon on the last working day of the accounting period. The last valuation point in the period has been used for the purposes of preparing the report and financial statements and in the manager's opinion there have been no material movements in the fund between the last valuation point and close of business on the balance sheet date. Where a fund invests in markets that are closed for trading at the fund's valuation point, the manager will allow for the net asset value to be adjusted (based on movements of index futures or other suitable proxies in markets closed at the fund valuation point, since the last market close), to reflect more accurately the fair value of the fund's investments. Listed investments are valued at fair value which is generally deemed to be the bid price. Unquoted investments are valued at fair value which is determined by the manager, with reference to the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Guidelines Board. Open forward currency contracts are shown in the portfolio statement at market value and the net gains are reflected within forward currency contracts under net capital gains.

(c) Foreign exchange rates. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12 noon on the last working day of the accounting period. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

(d) Revenue. Dividends receivable from equity and non-equity shares, including Real Estate Investment Trusts ("REITs"), are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. Dividends on unquoted stocks are credited to revenue when the right to receive payment is established. Dividends on unquoted stocks are credited to revenue when the right to receive payment is established. A provision is made for any overseas tax not considered recoverable at the balance sheet date, whether due to uncertainty as to receipt either due to circumstances or recovery experience in specific jurisdictions, or due to the significant time lag since the receipt of the dividend. Special dividends are reviewed on a case by case basis when determining if a dividend is to be treated as revenue or capital. It is likely that where a special dividend results in a significant reduction in the capital value of a holding, then the dividend will generally be treated as capital, otherwise this will be recognised as revenue. Bank interest and interest on margin accounts held with brokers is recognised as revenue on an accruals basis.

(e) Expenses. All expenses (other than those relating to the purchase and sale of investments) are initially charged against revenue on an accruals basis. Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment and are made up of direct and indirect portfolio transaction costs. Direct portfolio transaction costs include Broker execution commission and taxes. Indirect portfolio transaction costs relate to the 'Dealing spread', which is the difference between the purchase and sale prices of the fund's investments. Some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid.

(f) Taxation. Corporation tax is charged at a rate of 20% on the excess taxable revenue of the fund. In general, the tax accounting treatment follows that of the principal amount. Deferred tax is provided for all timing differences that have originated but not reversed at the balance sheet date other than those recorded as permanent differences. Deferred tax is provided for at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money. A deferred tax asset is only recognised to the extent that it is more likely than not that the asset will be recovered.

(g) Dilution adjustment. The fund is priced on a single swinging price basis. The manager has the discretion to charge a dilution adjustment as part of its daily valuation policy. This will mean that in certain circumstances the fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. In the usual course of business the application of a dilution adjustment will be applied systematically and on a consistent basis.

2. Distribution policy

The distribution policy of the fund is to distribute all available revenue, after deduction of expenses and taxation properly chargeable against revenue. The fund did not satisfy the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 and where applicable will pay a dividend distribution. The manager and the trustee have agreed that 100% of the annual management charge is to be transferred to capital for the purpose of calculating the distribution, as permitted by COLL. The distribution currently payable reflects this treatment. The manager may from time to time, smooth the distribution payments during the accounting period with the balance of revenue (if any) being paid in respect of the final distribution. Gains and losses on investments and derivatives whether realised or unrealised, if taken to capital are not available for distribution. With the exception of the manager's annual management charge, which is directly attributable to each unit class, all income and expenses are apportioned to each unit class pro-rata to the value of the net assets of the relevant unit class on the day that the income or expense is recognised. All available net revenue accounted for in accordance with the above policies is distributed to holders of income units or retained and reinvested for holders of accumulation units. Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital. Distributions which have remained unclaimed by unitholders for six years are credited to the capital property of the fund. Income equalisation applies to the fund. Equalisation applies only to units purchased during the distribution period (group 2 units). It is the average amount of revenue included in the purchase price of group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

3. Net capital gains

	30 April 2025 £'000	30 April 2024 £'000
Non-derivative securities	**483,537**	215,369
Forward currency contracts	**2,454**	27,391
Currency gains	**2,343**	2,296
Net capital gains	**488,334**	245,056

4. Direct transaction costs

For purchases and sales of equities, broker commissions, transfer taxes and stamp duty are paid by the fund on each transaction and are summarised below.

Year ended 30 April 2025

	Principal £'000	Commissions £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	600,201	1	3,105	603,307	–	0.52
Sales						
Equities	928,163	–	289	927,874	–	0.03
Total	–	**1**	**3,394**	927,874		
Percentage of fund average net assets		**0.00%**	**0.07%**			

Year ended 30 April 2024

	Principal £'000	Commissions £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	558,500	207	2,744	561,451	0.04	0.49
Sales						
Equities	818,486	282	1	818,203	0.03	–
Total		**489**	**2,745**			
Percentage of fund average net assets		**0.01%**	**0.06%**			

During the year the fund incurred nil (2024: £nil) in capital transaction charges.

Dealing spread

As at the balance sheet date, the estimated portfolio dealing spread was 0.09% (2024: 0.07%). This spread represents the difference between the bid and offer prices of each underlying investment expressed as a percentage of the value determined by reference to its offer price.

5. Revenue

	30 April 2025 £'000	30 April 2024 £'000
UK dividends	**163,504**	153,657
Overseas dividends	**11,943**	15,507
Revenue from UK REITs	**7,163**	7,314
Bank interest	**1,899**	1,884
Total revenue	**184,509**	178,362

6. Expenses

	30 April 2025 £'000	30 April 2024 £'000
Payable to the manager, associates of the manager and agents of either of them:		
Annual management charge	**40,391**	38,058
Administration fees	**2,419**	2,236
Total expenses	**42,810**	40,294

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
The audit fee (excluding VAT) accrued during the year was £10,450 (2024: £10,150). This fee is paid by the manager via the administration fee.

7. Interest payable and similar charges

	30 April 2025 £'000	30 April 2024 £'000
Interest payable	**67**	74
Total interest payable and similar charges	**67**	74

8. Taxation

	30 April 2025 £'000	30 April 2024 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	**204**	557
Total taxation (note 8b)	**204**	557
b) Factors affecting the tax charge for the year		
Net revenue before taxation	**141,632**	137,994
Corporation tax of 20% (2024: 20%)	**28,326**	27,599
Effects of:		
Unutilised management expenses	**7,050**	6,596
Irrecoverable overseas tax	**204**	557
Revenue taxable in different periods	**1**	(362)
Non-taxable overseas dividends	**(2,388)**	(3,102)
Tax on franked dividends	**(32,989)**	(30,731)
Tax charge for the year (note 8a)	**204**	557

c) Provision for deferred tax

No provision for deferred tax has been made in the current or prior accounting year.

d) Factors that may affect future tax charges

The fund has not recognised a deferred tax asset of £157,483,000 (2024: £150,433,000) arising as a result of having unutilised management expenses of £787,414,000 (2024: £752,166,000). It is unlikely that the fund will obtain relief for these in the future so no deferred tax asset has been recognised.

9. Distributions

	30 April 2025 £'000	30 April 2024 £'000
Interim dividend distribution	**89,075**	81,978
Final dividend distribution	**90,651**	89,353
	179,726	171,331
Add: amounts deducted on cancellation of units	**10,481**	8,301
Add: Revenue deducted on in-specie transactions	**72**	–
Deduct: amounts added on issue of units	**(8,460)**	(4,287)
Distributions	**181,819**	175,345
Movement between net revenue and distributions		
Net revenue after taxation	**141,428**	137,437
Expenses paid from capital	**40,391**	38,058
Undistributed revenue brought forward	**1**	1
Revenue paid on conversion of units	**–**	(150)
Undistributed revenue carried forward	**(1)**	(1)
	181,819	175,345

The distributions take account of amounts added on the issue of units and amounts deducted on the cancellation of units. Details of the distributions per unit are set out in the distribution tables on pages 22 and 23.

10. Fair value hierarchy

All investments are designated at fair value through profit or loss on initial recognition. The following table provides an analysis of these investments based on the fair value hierarchy in accordance with FRS 102 which reflects the reliability and significance of the information used to measure their fair value.

The disclosure is split into the following categories:

Level 1 – Investments with unadjusted quoted prices in an active market;
Level 2 – Investments whose fair value is based on inputs other than quoted prices that are either directly or indirectly observable;
Level 3 – Investments whose fair value is based on inputs that are unobservable (i.e. for which market data is unavailable).

	30 April 2025		30 April 2024	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	**4,789,564**	**–**	4,630,754	–
Level 2	**–**	**1,254**	3,177	–
Total	**4,789,564**	**1,254**	4,633,931	–

11. Debtors

	30 April 2025 £'000	30 April 2024 £'000
Accrued revenue	**46,090**	45,635
Amounts receivable for issue of units	**12,482**	10,359
Overseas withholding tax recoverable	**5,475**	6,938
Sales awaiting settlement	**1,230**	7,984
Income tax recoverable from UK REITs	**39**	39
Total debtors	**65,316**	70,955

12. Cash and cash equivalents

	30 April 2025 £'000	30 April 2024 £'000
Amounts held in liquidity funds	**71,168**	2,927
Cash and bank balances	**46**	901
Collateral held with brokers	**1,120**	–
Total cash and cash equivalents	**72,334**	3,828

13. Bank overdraft

	30 April 2025 £'000	30 April 2024 £'000
Collateral pledged with brokers	**–**	3,500
Bank overdrafts	**–**	1
Total bank overdraft	**–**	3,501

14. Other creditors

	30 April 2025 £'000	30 April 2024 £'000
Amounts payable for cancellation of units	**20,687**	16,743
Accrued annual management charge	**3,245**	3,179
Purchases awaiting settlement	**1,832**	–
Accrued administration fee payable to the manager	**192**	190
Total other creditors	**25,956**	20,112

15. Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the current or prior year end.

16. Reconciliation of unit movements

	Units in issue at 30 April 2024	Units issued	Units cancelled	Units converted	**Units in issue at 30 April 2025**
C distribution	13,501,706	323,386	(1,439,769)	(437,647)	**11,947,676**
C accumulation	11,768,351	219,943	(1,148,243)	(161,586)	**10,678,465**
E distribution	593,614,701	92,377,985	(215,720,253)	(2,773,063)	**467,499,370**
E accumulation	14,180,233	2,034,506	(3,310,785)	478,617	**13,382,571**
I distribution	499,794,374	102,707,095	(105,693,523)	3,673,307	**500,481,253**
I accumulation	296,775,115	67,730,215	(83,378,787)	(281,070)	**280,845,473**
R distribution	10,412,205	192,486	(1,568,273)	(624,748)	**8,411,670**
R accumulation	101,761,086	7,178,985	(16,539,421)	(366,053)	**92,034,597**

17. Risk disclosures

In pursuing its investment objective, the fund may hold a number of financial instruments. These financial instruments comprise equities, derivatives, cash balances and liquid resources, which include debtors and creditors that arise directly from the funds' operations. The fund only executes derivative contracts where both the derivative instrument and the counter party have been approved by the manager.

The manager has a risk management policy. The processes detailed within are designed to monitor and measure at any time the risk of the fund's positions and their contribution to the overall risk profile of the fund. In addition, our Investment Committee and Risk and Compliance Committee meet monthly and quarterly respectively, and as required to evaluate risk across each of our funds. These policies have been consistent for both the current and prior period to which these financial statements relate.

In the normal course of business, the fund's activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests. These financial risks: market risk (comprising interest rate risk, currency risk, other market price risk and leverage risk), credit and counterparty risk and liquidity risk and the approach to the management of these risks, are set out below and remain unchanged from the previous accounting year. For a detailed explanation of these and further risks involved in investing in the fund, reference should be made to the Prospectus.

(a) Market risk

Market risk, which includes interest rate risk, currency risk, other price risk and leverage risk arises mainly from uncertainty about future values of financial instruments in the fund's investment portfolio. The fund, in order to meet its investment objective and policy, invests predominantly in equities and maintains an appropriate spread of investments in accordance with COLL, the Trust Deed and the Prospectus to seek to reduce the risks arising from factors specific to a particular company or sector. The manager's investment strategy is to select investments for their fundamental value. Stock selection is therefore based on disciplined accounting, market and sector analysis, with the emphasis on long-term investments. There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the fund disclosed in the balance sheet.

(i) Interest rate risk

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. As the majority of the fund's financial assets are non-interest bearing, the fund is only subject to limited exposure to fair value interest rate risk due to fluctuations in levels of market interest rates and therefore no sensitivity analysis has been presented.

(ii) Currency risk

A portion of the net assets of the fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the manager may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the fund's exposure to currency risk is reduced. The gain on forward currency contracts for the year was £2,454,000 (2024: £27,391,000).

Revenue received in foreign currencies is converted into sterling on or near the date of receipt. No hedging is undertaken with regard to managing the currency movement risk on accrued revenue.

The exposure to each currency is shown in the table below.

Currency	Investments £'000	Net other assets £'000	Forward currency contracts £ '000	Total £'000
30 April 2025				
Sterling	**4,599,947**	**66,561**	**161,208**	**4,827,716**
Euro	**189,617**	**824**	**(162,462)**	**27,979**
Swedish Krona	**–**	**4,380**	**–**	**4,380**
Japanese Yen	**–**	**251**	**–**	**251**
30 April 2024				
Sterling	4,256,716	3,639	340,171	4,600,526
Euro	274,359	455	(247,829)	26,985
Swedish Krona	41,037	6,213	(37,745)	9,505
Japanese Yen	58,642	750	(51,420)	7,972

A five percent increase in the value of the fund's foreign currency exposure would have the effect of increasing the return and net assets by £1,631,000 (2024: £2,223,000). A five percent decrease would have an equal and opposite effect.

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The value of equities is dependent on a number of factors, arising from the performance of the company itself and matters arising in the wider market (for example the state of the underlying economy and current government policy). The portfolio is invested in securities domiciled in a number of countries as detailed in the portfolio statement and will be exposed to market movements in the relevant country arising from changes in the local economy and government decisions. As part of the continuing review of the portfolio, the manager monitors and reviews these factors. A five percent increase in the value of the fund's portfolio would have the effect of increasing the return and net assets by £239,478,000 (2024: £231,538,000). A five percent decrease would have an equal and opposite effect.

(iv) Leverage risk

Leverage is defined as any method by which the fund can increase its exposure by borrowing cash or securities or from leverage that is embedded in derivative positions. The manager is required to calculate and monitor the level of leverage of a fund, expressed as a percentage of the exposure of the fund and its net asset value under the commitment method.

The fund can use cash borrowing and financial derivatives (subject to restrictions as set out in its Prospectus and COLL) as sources of leverage.

The maximum level of leverage which the manager may employ on behalf of the fund is 200% under the commitment method. A result of 100% indicates that no leverage has been used.

As at 30 April 2025 and 30 April 2024 the leverage ratios of the fund were:

	2025 %	2024 %
Sum of the notionals	**101.1**	106.1
Commitment	**100.0**	100.0

(b) Credit and counterparty risk

Credit and counterparty risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into with the fund, resulting in a financial loss. From time to time, the fund may be subject to short-term credit risk with counterparties pending settlement of investment transactions. The manager has a pre-approved list of counterparties it uses for investment transactions, which is reviewed on a regular basis. The largest counterparty risk is with Northern Trust Investor Services Limited, the fund's custodian and banker, who holds the fund's investments and maintains the bank accounts. Bankruptcy or insolvency of Northern Trust Investor Services Limited may cause the fund's rights with respect to securities and cash held by the custodian to be delayed or limited. The fund is also exposed to counterparty risk through holding specific financial instruments.

The manager is permitted to use one or more separate counterparties for derivative transactions. The fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the credit worthiness of its counterparties and their ability to satisfy the terms of such contracts. Where the fund enters into derivative contracts, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy or insolvency of a counterparty, the fund could experience delays in liquidating the position and may incur significant losses. There may be a risk that a counterparty will be unable to meet its obligations with regard to the return of the collateral and may not meet other payments due to the fund. To minimise such risk the manager will assess the creditworthiness of any counterparty that it engages. On a daily basis the manager assesses the level of assets with each counterparty to ensure that the exposure is within the defined limits in accordance with the requirements stipulated in COLL and the Prospectus.

The derivatives held at the year end are disclosed in the portfolio statement and Northern Trust is the counterparty for the forward currency contracts. Aside from the custodian, the derivative counterparties and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 30 April 2025 or 30 April 2024.

Counterparty and collateral exposure

The types of derivatives held at the balance sheet date were forward currency contracts. Details of the individual contracts are disclosed separately in the portfolio statement and the total position by counterparty at the balance sheet date was as follows:

Currency	Foreign currency contracts £'000	Total gross exposure £'000	Net collateral (pledged)/held £'000
30 April 2025			
Northern Trust	**(1,254)**	**(1,254)**	**1,120**
30 April 2024			
Northern Trust	3,177	3,177	(3,500)

Only cash collateral is pledged or held by the fund.

(c) Liquidity risk

Liquidity risk is the risk that through market liquidity conditions, requests for redemptions from investors cannot be met in an orderly and appropriate manner. Artemis adopts a policy of mitigation and control to manage liquidity risks. Mitigation occurs through maintaining prudent levels of liquidity in each fund and a well-diversified investor base. As a result, redemption requests can be satisfied in all but exceptional circumstances.

Artemis has a dedicated liquidity risk management policy which is owned by the independent investment risk team which reports to the Chief Risk Officer. Its purpose is to ensure the portfolio manager acts in the client's best interest with regards to this liquidity risk.

Through the use of 3rd party modeling and assumptions, the investment risk team conduct regular monitoring and analyses of the liquidity profile of the funds and investor base. This includes but is not limited to what percentage of the fund can be liquidated within certain redemption horizons, whether the largest investors in the fund can redeem without affecting the fair treatment of remaining investors, liquidity stress testing and other analysis deemed to cover a risk specific to the strategy considered.

There was no significant concentration of liquidity risk as at 30 April 2025 or 30 April 2024.

18. Related party transactions

The manager is deemed to be a related party. All transactions and balances associated with the manager are disclosed within the statement of total return, statement of change in net assets attributable to unitholders and the balance sheet on page 13 and notes 6, 9, 11 and 14 on pages 16 to 18 including all issues and cancellations where the manager acted as principal. The balance due to the manager as at 30 April 2025 in respect of these transactions was £7,698,000 (2024: £9,753,000).

19. Unit classes

The annual management charges on each unit class is as follows:

C distribution	1.20%
C accumulation	1.20%
E distribution	0.60%
E accumulation	0.60%
I distribution	0.75%
I accumulation	0.75%
R distribution	1.50%
R accumulation	1.50%

The net asset value per unit and the number of units in each class are given in the comparative tables on pages 24 and 25. The distributions per unit class are given in the distribution tables on pages 22 and 23. All classes have the same rights on winding up.

20. Post balance sheet event

There were no significant post balance sheet events subsequent to the year end.

DISTRIBUTION TABLES

This fund pays semi-annual dividend distributions. The following table sets out the distribution periods.

Semi-annual distribution periods	Start	End	Ex-dividend date	Pay date
Interim	1 May 2024	31 October 2024	1 November 2024	31 December 2024
Final	1 November 2024	30 April 2025	1 May 2025	30 June 2025

Group 1 units are those purchased prior to a distribution period and therefore their net revenue rate is the same as the distribution rate.

Group 2 units are those purchased during a distribution period and therefore their distribution rate is made up of net revenue and equalisation. Equalisation applies only to group 2 units purchased during the period. It is the average amount of revenue included in the purchase price of all group 2 units and is refunded to holders of these units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

C distribution

Dividend distributions for the year ended 30 April 2025	Group 2 Net revenue per unit (p)	Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	Corporate streaming Franked	Unfranked	2024 Distribution per unit (p)
Interim	1.8653	2.7498	4.6151	100.00%	0.00%	4.1759
Final	2.2882	2.6591	4.9473	100.00%	0.00%	4.6724

C accumulation

Dividend distributions for the year ended 30 April 2025	Group 2 Net revenue per unit (p)	Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	Corporate streaming Franked	Unfranked	2024 Distribution per unit (p)
Interim	4.5649	6.6111	11.1760	100.00%	0.00%	9.7271
Final	7.1199	5.0882	12.2081	100.00%	0.00%	11.0998

E distribution

Dividend distributions for the year ended 30 April 2025	Group 2 Net revenue per unit (p)	Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	Corporate streaming Franked	Unfranked	2024 Distribution per unit (p)
Interim	0.9421	1.1706	2.1127	100.00%	0.00%	1.9002
Final	0.9893	1.2837	2.2730	100.00%	0.00%	2.1337

E accumulation *

Dividend distributions for the year ended 30 April 2025	Group 2 Net revenue per unit (p)	Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	Corporate streaming Franked	Unfranked	2024 Distribution per unit (p)
Interim	0.7695	1.2255	1.9950	100.00%	0.00%	–
Final	1.5729	0.6138	2.1867	100.00%	0.00%	0.9470

I distribution

Dividend distributions for the year ended 30 April 2025	Group 2 Net revenue per unit (p)	Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	Corporate streaming Franked	Unfranked	2024 Distribution per unit (p)
Interim	2.1921	3.0223	5.2144	100.00%	0.00%	4.6970
Final	3.0892	2.5155	5.6047	100.00%	0.00%	5.2693

I accumulation

Dividend distributions for the year ended 30 April 2025	Group 2 Net revenue per unit (p)	Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	Corporate streaming Franked	Unfranked	2024 Distribution per unit (p)
Interim	5.3011	7.1520	12.4531	100.00%	0.00%	10.7918
Final	8.6627	4.9778	13.6405	100.00%	0.00%	12.3460

* Launched on 14 March 2024.

R distribution

Dividend distributions for the year ended 30 April 2025	Group 2 Net revenue per unit (p)	Group 2 Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	Corporate streaming Franked	Corporate streaming Unfranked	2024 Distribution per unit (p)
Interim	2.4444	2.1084	4.5528	100.00%	0.00%	4.1324
Final	3.0731	1.7996	4.8727	100.00%	0.00%	4.6156

R accumulation

Dividend distributions for the year ended 30 April 2025	Group 2 Net revenue per unit (p)	Group 2 Equalisation per unit (p)	Group 1 & 2 Distribution per unit (p)	Corporate streaming Franked	Corporate streaming Unfranked	2024 Distribution per unit (p)
Interim	4.2872	6.7409	11.0281	100.00%	0.00%	9.6274
Final	8.2812	3.7446	12.0258	100.00%	0.00%	10.9668

Comparative Tables

	C distribution			C accumulation		
	2025	2024	2023	2025	2024	2023
Change in net assets per unit (p)						
Opening net asset value per unit	**239.77**	**229.29**	**224.54**	**580.67**	**533.97**	**502.31**
Return before operating charges *	35.27	22.14	16.45	86.58	53.31	37.88
Operating charges	(3.17)	(2.81)	(2.76)	(7.75)	(6.61)	(6.22)
Return after operating charges *	**32.10**	**19.33**	**13.69**	**78.83**	**46.70**	**31.66**
Distributions	(9.56)	(8.85)	(8.94)	(23.38)	(20.83)	(20.21)
Retained distributions on accumulation unit	–	–	–	23.38	20.83	20.21
Closing net asset value per units	**262.31**	**239.77**	**229.29**	**659.50**	**580.67**	**533.97**
* after direct transaction costs of	(0.18)	(0.16)	(0.18)	(0.43)	(0.38)	(0.41)
Performance						
Return after charges	13.39%	8.43%	6.10%	13.58%	8.75%	6.30%
Other information						
Closing net asset value (£'000)	31,340	32,373	32,433	70,424	68,336	68,212
Closing number of units	11,947,676	13,501,706	14,144,925	10,678,465	11,768,351	12,774,361
Operating charges	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Direct transaction costs	0.07%	0.07%	0.08%	0.07%	0.07%	0.08%
Prices						
Highest unit price (p)	273.13	245.75	236.42	673.99	583.78	539.24
Lowest unit price (p)	238.47	208.87	200.44	580.35	489.42	448.45

	E distribution			E accumulation **	
	2025	2024	2023	2025	2024
Change in net assets per unit (p)					
Opening net asset value per unit	**109.61**	**104.18**	**101.41**	**103.49**	**100.00**
Return before operating charges *	16.18	10.13	7.47	15.48	3.58
Operating charges	(0.76)	(0.67)	(0.65)	(0.72)	(0.09)
Return after operating charges *	**15.42**	**9.46**	**6.82**	**14.76**	**3.49**
Distributions	(4.39)	(4.03)	(4.05)	(4.18)	(0.95)
Retained distributions on accumulation unit	–	–	–	4.18	0.95
Closing net asset value per units	**120.64**	**109.61**	**104.18**	**118.25**	**103.49**
* after direct transaction costs of	(0.08)	(0.07)	(0.08)	(0.08)	(0.07)
Performance					
Return after charges	14.07%	9.08%	6.73%	14.26%	3.49%
Other information					
Closing net asset value (£'000)	563,992	650,645	703,685	15,824	14,674
Closing number of units	467,499,370	593,614,701	675,435,256	13,382,571	14,180,233
Operating charges	0.65%	0.65%	0.65%	0.65%	0.65%
Direct transaction costs	0.07%	0.07%	0.08%	0.07%	0.07%
Prices					
Highest unit price (p)	125.45	112.34	107.29	120.69	104.04
Lowest unit price (p)	109.57	95.20	90.76	103.44	99.36

** Launched on 14 March 2024.

High and low price disclosures are based on quoted unit prices. Therefore opening and closing NAV prices may fall outside the high/low price threshold.

	I distribution			I accumulation		
	2025	2024	2023	2025	2024	2023
Change in net assets per unit (p)						
Opening net asset value per unit	**270.61**	**257.60**	**251.12**	**646.38**	**591.71**	**554.12**
Return before operating charges *	39.91	25.00	18.48	96.58	59.37	41.99
Operating charges	(2.30)	(2.02)	(1.98)	(5.54)	(4.70)	(4.40)
Return after operating charges *	**37.61**	**22.98**	**16.50**	**91.04**	**54.67**	**37.59**
Distributions	(10.82)	(9.97)	(10.02)	(26.09)	(23.14)	(22.35)
Retained distributions on accumulation unit	–	–	–	26.09	23.14	22.35
Closing net asset value per units	**297.40**	**270.61**	**257.60**	**737.42**	**646.38**	**591.71**
* after direct transaction costs of	(0.20)	(0.18)	(0.21)	(0.48)	(0.42)	(0.46)
Performance						
Return after charges	13.90%	8.92%	6.57%	14.08%	9.24%	6.78%
Other information						
Closing net asset value (£'000)	1,488,408	1,352,500	1,316,925	2,071,016	1,918,283	1,698,042
Closing number of units	500,481,253	499,794,374	511,222,560	280,845,473	296,775,115	286,970,326
Operating charges	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
Direct transaction costs	0.07%	0.07%	0.08%	0.07%	0.07%	0.08%
Prices						
Highest unit price (p)	309.36	277.36	265.37	752.90	649.83	597.01
Lowest unit price (p)	270.29	235.20	224.61	646.02	542.80	495.66

	R distribution			R accumulation		
	2025	2024	2023	2025	2024	2023
Change in net assets per unit (p)						
Opening net asset value per unit	**236.75**	**227.09**	**223.06**	**573.43**	**528.91**	**499.05**
Return before operating charges *	34.78	21.82	16.29	85.37	52.60	37.51
Operating charges	(3.88)	(3.41)	(3.39)	(9.48)	(8.08)	(7.65)
Return after operating charges *	**30.90**	**18.41**	**12.90**	**75.89**	**44.52**	**29.86**
Distributions	(9.43)	(8.75)	(8.87)	(23.05)	(20.59)	(20.05)
Retained distributions on accumulation unit	–	–	–	23.05	20.59	20.05
Closing net asset value per units	**258.22**	**236.75**	**227.09**	**649.32**	**573.43**	**528.91**
* after direct transaction costs of	(0.17)	(0.16)	(0.18)	(0.42)	(0.38)	(0.41)
Performance						
Return after charges	13.05%	8.11%	5.78%	13.23%	8.42%	5.98%
Other information						
Closing net asset value (£'000)	21,721	24,651	135,604	597,601	583,526	791,732
Closing number of units	8,411,670	10,412,205	59,714,582	92,034,597	101,761,086	149,691,785
Operating charges	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%
Direct transaction costs	0.07%	0.07%	0.08%	0.07%	0.07%	0.08%
Prices						
Highest unit price (p)	269.04	242.65	234.30	664.01	576.49	534.44
Lowest unit price (p)	234.79	206.54	198.87	573.11	484.50	444.96

High and low price disclosures are based on quoted unit prices. Therefore opening and closing NAV prices may fall outside the high/low price threshold.

Ongoing charges

Class	30 April 2025
C distribution	1.250%
C accumulation	1.250%
E distribution	0.650%
E accumulation *	0.650%
I distribution	0.800%
I accumulation	0.800%
R distribution	1.550%
R accumulation	1.550%

Ongoing charges shows the annual operating expenses of each unit class as a percentage of the average net assets of that class for the preceding 12 months.

* Ongoing charges shows the estimated annual operating expenses as a percentage of the average net assets of that class since launch.

Three year dividend summary (I distribution) on an accounting period basis

Year ended	Net revenue per unit (p)	Movement %
30 April 2023	10.0242	(1.3)
30 April 2024	9.9663	(0.6)
30 April 2025	10.8191	8.6

Class I distribution performance

	Since launch *	10 years	5 years	3 years	1 year	6 months
Artemis Income Fund **	735.5	97.4	81.6	33.1	13.5	10.5
Artemis Income Fund ***	739.7	97.2	86.6	33.4	14.4	11.0
FTSE All-Share Index TR	249.3	75.9	67.9	22.6	7.5	5.6
IA UK Equity Income NR	288.1	58.4	58.1	17.3	5.8	3.4
Position in sector	2/20	3/52	10/62	5/64	6/64	2/64
Quartile	1	1	1	1	1	1

Past performance is not a guide to the future.

* Source: Artemis/Lipper Limited, data from 6 June 2000 to 7 March 2008 reflects class R distribution units and from 7 March 2008 reflects class I distribution units. 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.
** Value at 12 noon valuation point.
*** Value at close of business.

Class I distribution is disclosed as it is the primary unit class.

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