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Dear Investor,

Important information about fund charges

We are writing to you as an investor in one (or more) of the following funds:

- Artemis Corporate Bond Fund
- Artemis Short-Duration Strategic Bond Fund
- Artemis SmartGARP UK Equity Fund
- Artemis Strategic Bond Fund
- Artemis UK Special Situations Fund
- Artemis US Select Fund

Artemis is changing the way in which these funds pay their charges and costs. For reasons we explain below, some of the costs that are currently charged to 'income' for certain classes of these funds will in future be charged to 'capital'.

Although the overall level of charges and costs is not changing, these changes will have an impact on the level of income these funds produce, on the capital growth they generate and, potentially, on your tax position.

You can find a detailed description of Artemis' approach to *Charges and Costs* on our website. But to explain the reasoning behind these changes, it may be useful to define the difference between a fund's 'income' and 'capital' accounts and to outline the difference between its 'accumulation' and 'income' shares (or units).

The difference between 'income' and 'capital'

In accounting terms, funds can pay for the costs they incur in one of two ways: from income or from capital. Capital is the fund's asset base; income is the stream of cash those assets generate.

Income account – Charges can be paid from the income that a fund receives on its investments, such as dividend payments (on shares), coupons (on bonds) or interest (on cash). Meeting charges from income will tend to protect the fund's capital base at the expense of reducing the income it pays out.

Capital account – Meeting charges from a fund's capital account, rather than from the income it receives, will increase the amount of income that it can pay out to investors – but it may hold back capital growth.

The difference between accumulation and income (or distribution) shares (or units)

Distribution (or income) classes – pass on some or all of the income a fund receives from its assets (such as shares, bonds and cash) to its investors through regular 'distribution' payments.

Accumulation classes – reinvest any income the fund receives from its assets to grow its capital value. The value of each accumulation share or unit increases as a result of this reinvestment.

What is changing?

For certain classes of the funds listed above, some of the charges that are currently charged to income will in future be charged to capital.

Following these changes, the same accounting approach to charges and costs will apply consistently across Artemis' fund range, with the approach depending on the fund's objective. The table below sets out this new, consistent approach but full details of the changes on a fund-by-fund basis are set out in Appendix 1.

Fund objective	Accumulation classes	Distribution (or income) classes
To provide income – or a combination of income and capital growth	Charges allocated to capital	Charges allocated to capital
To provide capital growth	Charges allocated to income	Charges allocated to capital

Why is Artemis making this change?

We regularly review our funds to ensure they continue to meet investors' needs and expectations. In our last review, we identified that different approaches have historically been applied to the allocation of charges and costs between income and capital.

For funds whose objective is to provide income, or a combination of income and capital growth, **taking charges and costs from capital, rather than from income, will maximise the level of income that can be paid out through distribution payments** (or be reinvested in the case of accumulation units).

This change will align the allocation of charges with each fund's objective, apply a more consistent approach across funds with similar objectives and, we aim to provide greater clarity for investors.

How will investors be impacted by this change?

The overall level of costs and charges will not change, but:

• If you hold a fund's distribution (or income) class, the amount of income it pays may increase slightly.

• If you hold a fund's accumulation class, slightly more income may be retained and reinvested.

• Because the expenses will still be paid by the fund, meeting charges and costs from capital may constrain capital growth or erode its capital base over time.

When will these changes take effect?

The changes will be introduced at the start of each fund's next accounting year. This date differs by fund, as follows:

Effective date	Fund
1 January 2027	Artemis UK Special Situations Fund
1 March 2027	Artemis Corporate Bond Fund Artemis Short-Duration Strategic Bond Fund Artemis US Select Fund
1 April 2027	Artemis SmartGARP UK Equity Fund Artemis Strategic Bond Fund

Could this affect your tax position?

If you hold your investment in an ISA, Junior ISA or SIPP, these changes should not affect its tax treatment. But for individuals in the UK investing outside ISA, Junior ISA or SIPP:

- For the Artemis Corporate Bond Fund, Artemis Short-Duration Strategic Bond Fund and Artemis Strategic Bond Fund, more of your return may be treated as 'interest income' for tax purposes, irrespective of whether it is paid out (distribution classes) or reinvested (accumulation classes).

- For the Artemis UK Special Situations Fund, Artemis US Select Fund and Artemis SmartGARP UK Equity Fund, more of your return may be received as taxable income rather than reflected in capital growth.

This could impact the amount of tax you pay or bring forward when tax is due.

This information is general; it is not tax advice. The actual impact on your tax position will depend on the fund you hold, how you hold it and your individual circumstances. Tax rules can also change.

If you are unsure how the change may affect you, we recommend that you seek independent tax advice. Artemis is unable to advise on individual tax positions.

What do you need to do?

You do not need to take any action. The changes will be applied to your fund automatically on the relevant effective date shown in Appendix 1.

If you do not wish to remain invested, you may redeem or switch your investment in accordance with the terms of the relevant fund Prospectus. Artemis will not impose any additional charge for doing so as a result of this change. Please seek financial or tax advice if you are unsure whether any action is appropriate for you.

We do not expect these changes to create any additional costs for the funds. If any costs do arise, they will be paid by the relevant fund in accordance with the Prospectus.

Further information

If you are uncertain about the details of this change, we recommend that you consult a professional adviser.

For further information, please contact our Fund Service Centre on **0800 092 2051** (from outside the UK: **+44 113 360 4500**) between 8.00am and 6.00pm, Monday to Friday, or email **artemisenquiries@ntrs.com**.

A glossary explaining investment terms is available at www.artemisfunds.com/en-gb/individual/resources/glossary-of-terms.

Yours faithfully,



Greg Jones
Director
For and on behalf of Artemis Fund Managers Limited

Appendix 1: affected classes and effective dates

All classes listed below will change:

From: charging the relevant expenses to income

To: charging the relevant expenses to capital

ISIN code	Fund	Class	Effective date
GB00BFZ91W59	Artemis Corporate Bond Fund	Class I Quarterly Accumulation GBP	1 March 2027
GB00BFZ91X66	Artemis Corporate Bond Fund	Class F Quarterly Accumulation GBP	1 March 2027
GB00BS6WWJ81	Artemis Corporate Bond Fund	Class E Quarterly Accumulation GBP	1 March 2027
GB00BJXPPH66	Artemis Short-Duration Strategic Bond Fund	Class I Quarterly Accumulation GBP	1 March 2027
GB00BJXPPK95	Artemis Short-Duration Strategic Bond Fund	Class F Quarterly Accumulation GBP	1 March 2027
GB00BVPY0F87	Artemis SmartGARP UK Equity Fund	Class I Distribution GBP	1 April 2027
GB00B09DMJ21	Artemis Strategic Bond Fund	Class R Quarterly Accumulation GBP	1 April 2027
GB00B09DMK36	Artemis Strategic Bond Fund	Class R Quarterly Distribution GBP	1 April 2027
GB00B09DML43	Artemis Strategic Bond Fund	Class R Monthly Accumulation GBP	1 April 2027
GB00B09DMM59	Artemis Strategic Bond Fund	Class R Monthly Distribution GBP	1 April 2027
GB00B2PLJR10	Artemis Strategic Bond Fund	Class I Quarterly Accumulation GBP	1 April 2027
GB00B2PLJS27	Artemis Strategic Bond Fund	Class I Monthly Distribution GBP	1 April 2027
GB00BJT0KT28	Artemis Strategic Bond Fund	Class I Quarterly Distribution GBP	1 April 2027
GB00BJT0KV40	Artemis Strategic Bond Fund	Class I Monthly Accumulation GBP	1 April 2027
GB00BHL2BX30	Artemis Strategic Bond Fund	Class C Monthly Accumulation GBP	1 April 2027
GB00BHL2BY47	Artemis Strategic Bond Fund	Class C Monthly Distribution GBP	1 April 2027
GB00BHL2BZ53	Artemis Strategic Bond Fund	Class C Quarterly Accumulation GBP	1 April 2027
GB00BHL2C961	Artemis Strategic Bond Fund	Class C Quarterly Distribution GBP	1 April 2027
GB00BB36JR17	Artemis UK Special Situations Fund	Class I Distribution GBP	1 January 2027
GB00BWWZ2D39	Artemis US Select Fund	Class I Income GBP	1 March 2027