



Artisan Value Fund

MONTHLY
Commentary

Investor Class: ARTLX | Advisor Class: APDLX As of 30 April 2024

Commentary

Top month-to-date contributors: Koninklijke Philips NV; Alphabet Inc; EOG Resources Inc; Philip Morris International Inc; The Goldman Sachs Group Inc

Bottom month-to-date contributors: Meta Platforms Inc; Schlumberger NV; Comcast Corp; Humana Inc; Airbus SE

In this space, we discuss one top contributor (Philips) and one bottom contributor (Humana) from the recent month.

Uncertainty regarding potential litigation liabilities related to Philips' first-generation CPAP machine, which has been an overhang on the stock, was removed upon the health care technology company reaching a \$1.1 billion settlement over claims the breathing device harmed users. The settlement's dollar amount is in line with our expectations but looks to have been much lower than others' views given the stock's immediate 30%-plus price move on the announcement. With the litigation settled, the company can return to focusing on the fundamentals of the underlying businesses and fulfilling its requirements under the consent decree with the US government. The consent decree provides a roadmap of required actions and prohibitions—a process likely to take three years to conclude. As part of the consent decree, Philips is prohibited from selling CPAP or BiPAP sleep devices in the US. However, Philips may still service sleep and respiratory care devices already with health care providers and patients and may continue to sell other products in the US. Further, it does not impact the company's sales outside the US. The overall terms are as expected, and there is now a path forward for Philips to eventually return to the market.

Humana is a leading US managed health care company serving approximately 17 million members in its medical benefit plans, as well as nearly 5 million members in its specialty products. After a few years of benign costs, mainly related to lower utilization trends during COVID in which the managed care industry enjoyed expanding profits and strong growth, utilization has ticked higher, driving up costs. Due to the timing of annual negotiated repricing for Medicare Advantage plans in June, Humana won't be able to adjust pricing higher until the following year. In the interim, this is problematic for near-term earnings. Naturally, this has weighed on Humana's stock price. The main drivers for the business remain intact, however, and there are no large fundamental shifts impacting the industry's long-term outlook. As opportunistic value investors, we have taken advantage of what we believe is a temporary air pocket in earnings to purchase shares trading at historic lows on most valuation metrics using our estimates of normalized results.

Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$14.46	\$14.37
Inception	27 Mar 2006	1 Apr 2015
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2023 ^{1,2}	1.09/1.06 ³	0.97/0.88
Prospectus 30 Sep 2023 ^{1,2}	1.10/1.07	0.97/0.88

¹Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2025. ²See prospectus for further details. ³There was no expense limit prior to July 1, 2023. Effective July 1, 2023, expense limit was 0.98%.

Top 10 Holdings (% of total portfolio)

Alphabet Inc (Communication Services)	3.7
Meta Platforms Inc (Communication Services)	3.3
The Goldman Sachs Group Inc (Financials)	3.0
EOG Resources Inc (Energy)	2.9
The Cigna Group (Health Care)	2.9
Arch Capital Group Ltd (Financials)	2.9
Heineken Holding NV (Consumer Staples)	2.8
Compass Group PLC (Consumer Discretionary)	2.7
Comcast Corp (Communication Services)	2.7
US Bancorp (Financials)	2.6
TOTAL	29.5%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RIV ¹
Communication Services	15.0	4.5
Consumer Discretionary	7.0	4.8
Consumer Staples	14.7	8.0
Energy	5.7	8.4
Financials	26.0	22.6
Health Care	14.9	14.0
Industrials	10.8	14.5
Information Technology	6.0	9.0
Materials	0.0	4.8
Real Estate	0.0	4.4
Utilities	0.0	5.0
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 5.7% of the total portfolio. ¹Russell 1000[®] Value Index.

Investment Results (%)

As of 30 April 2024	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	-3.28	-3.28	5.09	16.30	8.01	12.07	9.43	8.26
Advisor Class: APDLX	-3.23	-3.23	5.20	16.52	8.18	12.25	9.59	8.35
Russell 1000 [®] Value Index	-4.27	-4.27	4.33	13.42	5.17	8.60	8.43	7.42
Russell 1000 [®] Index	-4.26	-4.26	5.60	22.82	6.98	12.87	12.14	9.88

As of 31 March 2024

Investor Class: ARTLX	4.69	8.65	8.65	25.11	10.98	14.01	9.93	8.50
Advisor Class: APDLX	4.65	8.71	8.71	25.22	11.16	14.20	10.08	8.59
Russell 1000 [®] Value Index	5.00	8.99	8.99	20.27	8.11	10.32	9.01	7.72
Russell 1000 [®] Index	3.21	10.30	10.30	29.87	10.45	14.76	12.68	10.19

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. Class inception: Investor (27 March 2006); Advisor (1 April 2015). For the period prior to inception, Advisor Class performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Advisor Class and the share class's returns during that period would be different if such expenses were reflected.

Past performance does not guarantee and is not a reliable indicator of future results. Investment returns and principal values will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. Call 800.344.1770 for current to most recent month-end performance.

Market Cap Distribution (% of portfolio securities)

\$ in billions	Fund	RIV ¹
204.0+	20.5	22.5
114.0–204.0	21.3	19.6
50.0–114.0	34.7	20.2
21.0–50.0	17.4	18.6
0.0–21.0	6.1	19.1
TOTAL	100.0%	100.0%

Source: Artisan Partners/Russell. ¹Russell 1000® Value Index.

Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
Thomas A. Reynolds IV	25
Daniel L. Kane, CFA	25
Craig Inman, CFA	24

Carefully consider the Fund's investment objective, risks and charges and expenses. This and other important information is contained in the Fund's prospectus and summary prospectus, which can be obtained by calling 800.344.1770. Read carefully before investing.

Current and future portfolio holdings are subject to risk. The value of portfolio securities selected by the investment team may rise or fall in response to company, market, economic, political, regulatory or other news, at times greater than the market or benchmark index. A portfolio's environmental, social and governance ("ESG") considerations may limit the investment opportunities available and, as a result, the portfolio may forgo certain investment opportunities and underperform portfolios that do not consider ESG factors. International investments involve special risks, including currency fluctuation, lower liquidity, different accounting methods and economic and political systems, and higher transaction costs. These risks typically are greater in emerging and less developed markets, including frontier markets. Securities of small- and medium-sized companies tend to have a shorter history of operations, be more volatile and less liquid and may have underperformed securities of large companies during some periods. Value securities may underperform other asset types during a given period.

Russell 1000® Value Index measures the performance of US large-cap companies with lower price/book ratios and forecasted growth values. Russell 1000® Index measures the performance of roughly 1,000 US large-cap companies. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The discussion of portfolio holdings does not constitute a recommendation of any individual security. These holdings comprise the following percentages of the Fund's total net assets as of 30 Apr 2024: Airbus SE 2.6%; Humana Inc 2.4%; Koninklijke Philips NV 2.0%; Philip Morris International Inc 2.5%; Schlumberger NV 2.4%. Securities named in the Commentary, but not listed as a Top Ten Holding or not listed here are not held in the Fund as of the date of this report. The portfolio managers' views and portfolio holdings are subject to change and the Fund disclaims any obligation to advise investors of such changes.

Unless otherwise indicated, all information in this report includes all classes of shares, except performance and expense ratio information, and is as of the date shown in the upper right hand corner. Totals may not sum due to rounding.

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Sector exposure percentages reflect sector designations as currently classified by GICS.

Source: Artisan Partners/FactSet. Contribution to Return includes the securities with the highest positive and negative contribution to the portfolio's return and is calculated by multiplying a security's portfolio weight by its in-portfolio return for the period. Purchases/sales are accounted for by using end of the day prices, which may or may not reflect the actual purchase/sale price realized by the portfolio. Contribution to return is not exact, but should be considered an approximation.

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