



# Artisan Value Fund

MONTHLY  
Commentary

Investor Class: ARTLX | Advisor Class: APDLX

As of 30 April 2021

## Commentary

Our portfolio has outperformed QTD, with holdings within communication services, industrials and financials among the top contributors. The Russell 1000® Value Index has returned 4.00% QTD with performance in the financials, health care and industrials sectors providing the strongest tailwinds. Core to our philosophy is our focus on investing in businesses in strong financial condition that are selling at attractive valuations. Also known as our better, safer, cheaper philosophy, here are three noteworthy holdings that typify this framework.

Investment behemoth Blackstone Group posted a strong month as investors recognize the firm's "virtuous cycle" is in full swing. Throughout Blackstone's history, excellent investment performance and capital protection have allowed the firm to increase fundraising in existing verticals and new endeavors. Historically, less than 10% of assets under management matures in any given year, and that number should move lower with continued growth in perpetual capital vehicles. Blackstone's A+ rated balance sheet and capital-light model are the backbone of its 85% of cash flow distribution policy via a variable quarterly dividend.

Global food service provider Compass Group is benefiting from the gradual return to restaurant dining and adjacent business activity. The company's operations have been disrupted by the pandemic's effect on large-scale public gatherings, suspension of classes in education settings, widespread restaurant shutdowns and a corporate pullback in catering activities. Despite this, Compass is continuing to improve and adapt its operations. The company remains well-positioned in the industry in terms of market share and should improve profitability as reopening continues.

Leading financial exchange CME stands to meaningfully benefit from interest rate volatility if and when the Federal Reserve begins to step back from its COVID-19 crisis response. CME has a clean balance sheet and a shareholder-friendly policy of returning all excess cash flow to shareholders via regular and special dividends. These dividends are currently smaller than normal as CME Group is under-earning in the current low interest rate environment. With steady growth in the outstanding "raw material" of US Treasury securities and other fixed income instruments as far as the eye can see, the underlying need for managing interest rate exposure continues to grow. We expect as the Federal Reserve allows its balance sheet to shrink, this will lead to more opportunities for capital market price discovery and more earnings for CME.

## Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$16.06	\$15.99
Inception	27 Mar 2006	1 Apr 2015
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2020	1.08/—	0.92/0.88 <sup>1,2</sup>
Prospectus 30 Sep 2020 <sup>2</sup>	1.09/—	0.93/0.89 <sup>1</sup>

<sup>1</sup>Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2022. <sup>2</sup>See prospectus for further details.

## Top 10 Holdings (% of total portfolio)

Alphabet Inc (Communication Services)	6.4
Berkshire Hathaway Inc (Financials)	3.9
FedEx Corp (Industrials)	3.9
Booking Holdings Inc (Consumer Discretionary)	3.8
Comcast Corp (Communication Services)	3.7
Morgan Stanley (Financials)	3.5
The Goldman Sachs Group Inc (Financials)	3.4
Samsung Electronics Co Ltd (Information Technology)	3.2
Compass Group PLC (Consumer Discretionary)	3.2
Philip Morris International Inc (Consumer Staples)	2.9
<b>TOTAL</b>	<b>37.9%</b>

Source: Artisan Partners/GICS.

## Sector Diversification (% of total portfolio equities)

	Fund	RIV <sup>1</sup>
Communication Services	13.9	9.2
Consumer Discretionary	14.0	7.9
Consumer Staples	7.4	7.0
Energy	4.4	4.9
Financials	21.5	21.1
Health Care	11.3	12.6
Industrials	15.7	13.8
Information Technology	10.3	9.2
Materials	1.5	4.8
Real Estate	0.0	4.5
Utilities	0.0	5.0
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 4.6% of the total portfolio. <sup>1</sup>Russell 1000® Value Index.

## Investment Results (%)

As of 30 April 2021	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	4.90	4.90	16.21	60.98	13.99	13.19	10.63	8.31
Advisor Class: APDLX	4.99	4.99	16.29	61.25	14.17	13.38	10.74	8.38
Russell 1000® Value Index	4.00	4.00	15.70	45.92	12.30	12.15	11.13	7.88
Russell 1000® Index	5.38	5.38	11.61	49.48	19.24	17.76	14.23	10.46

As of 31 March 2021

Investor Class: ARTLX	5.59	10.78	10.78	71.49	12.53	13.36	10.55	8.02
Advisor Class: APDLX	5.54	10.76	10.76	71.88	12.71	13.53	10.65	8.08
Russell 1000® Value Index	5.88	11.26	11.26	56.09	10.96	11.74	10.99	7.64
Russell 1000® Index	3.78	5.91	5.91	60.59	17.31	16.66	13.97	10.14

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 total portfolio equities)

\$ in billions	Fund	RIV <sup>1</sup>
210.0+	24.4	24.3
96.0–210.0	24.8	19.8
42.0–96.0	25.0	18.9
17.5–42.0	16.1	20.8
0.0–17.5	9.7	16.1
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

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

Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
Thomas A. Reynolds IV	22
Daniel L. Kane, CFA	22
Craig Inman, CFA	21

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. 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 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 2021: CME Group Inc 1.9%; The Blackstone Group Inc 2.3%. 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.

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

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