



Artisan Value Fund

MONTHLY
Commentary

Investor Class: ARTLX | Advisor Class: APDLX As of 31 July 2021

Commentary

Our portfolio outperformed the Russell 1000® Value Index in July as holdings in the consumer discretionary, communication services and materials sectors bolstered returns. Over the month, stocks were supported by strong consumer demand, positive corporate earnings and ongoing fiscal support. The Russell 1000® Value Index returned 0.80% in July with top contributions from real estate, utilities and health care sectors. Consistent with our long-standing investment philosophy is our focus on investing in high-return businesses in strong financial condition that are selling at attractive valuations. Here are three notable holdings highlighting this framework.

Comcast is the leading broadband cable company in North America and a global content producer. We expect it to benefit from pent-up demand for movies and the return of visitors to theme parks. Comcast is also experiencing growth in broadband customers due to offering a superior product compared to legacy telecom companies. We believe the company maintains a competitive advantage relative to the competition with regard to its network speeds and reliability, offered at similar price points. As the physical limitations of the pandemic ease, investors will see a business emerging from this period of disruption with more customers and substantially higher earnings power, in our view. Comcast's free cash flow generation remains robust and is allowing the business to play offense with regards to capital allocation. All of these factors have supported the company's improving balance sheet. Looking a few years out we see a business with a wide competitive moat, which is well financed and is trading at under 14X our estimate of normalized earnings.

Morgan Stanley, a leading global financial services company, came into the portfolio in late 2020 as a result of its purchase of E*TRADE. The acquisition is a great fit for Morgan's wealth management platform and provides a considerable amount of non-interest-bearing deposit funding. James Gorman, chairman and CEO, has steadily de-risked Morgan's business by adding less volatile fee streams and deemphasizing the risk-obtuse culture of prior management. While the company's wealth management and institutional securities divisions drive the bulk of its earnings, Morgan continues to diversify its revenue streams. The company's acquisition of investment management firm Eaton Vance in early 2021 has increased Morgan's incremental revenues. Further, demand for investment banking services is growing in emerging markets amid a shift from family-run businesses to corporations, resulting in a greater demand for equity underwriting and M&A advisory services. We believe the company will prove its resiliency and value over the long term.

Vertex Pharmaceuticals dominates the market for treatment of cystic fibrosis with limited competition. Shares have been under pressure, driven by recent regulatory hurdles and Vertex's decision not to pursue late-stage development of VX-864 after an unexpectedly unfavorable outcome. Irrespective of Vertex's AATD pipeline, the company has nearly two decades of patent protection remaining for its cystic fibrosis franchise. Management maintains a healthy reserve of cash and is focusing on research and development. We believe near-term growth is likely to be driven by Vertex's expanding geographic presence and expansion of medicines to lower age groups with long-term gains rising from the company's diversifying pipeline.

Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$16.79	\$16.72
Inception	27 Mar 2006	1 Apr 2015
Expense Ratios (% Gross/Net)		
Semi-Annual Report 31 Mar 2021 ¹	1.04/—	0.96/0.88 ^{2,3}
Prospectus 30 Sep 2020 ³	1.09/—	0.93/0.89 ²

¹Unaudited, annualized for the six-month period. ²Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2022. ³See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Alphabet Inc (Communication Services)	6.9
Comcast Corp (Communication Services)	3.8
FedEx Corp (Industrials)	3.6
Morgan Stanley (Financials)	3.6
The Goldman Sachs Group Inc (Financials)	3.3
Samsung Electronics Co Ltd (Information Technology)	3.3
Booking Holdings Inc (Consumer Discretionary)	3.2
Airbus SE (Industrials)	3.1
Compass Group PLC (Consumer Discretionary)	3.0
Philip Morris International Inc (Consumer Staples)	2.9
TOTAL	36.6%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RIV ¹
Communication Services	15.2	8.5
Consumer Discretionary	13.5	5.8
Consumer Staples	7.3	7.2
Energy	4.4	4.7
Financials	20.1	20.5
Health Care	13.5	17.6
Industrials	15.4	12.1
Information Technology	9.1	10.2
Materials	1.4	3.8
Real Estate	0.0	4.7
Utilities	0.0	4.9
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 4.0% of the total portfolio. ¹Russell 1000® Value Index.

Investment Results (%)

As of 31 July 2021	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	1.76	1.76	21.49	50.51	13.41	13.46	11.45	8.49
Advisor Class: APDLX	1.83	1.83	21.60	50.86	13.62	13.65	11.56	8.55
Russell 1000® Value Index	0.80	0.80	17.98	39.32	11.27	11.41	12.08	7.88
Russell 1000® Index	2.08	2.08	17.34	37.97	18.63	17.60	15.39	10.64

As of 30 June 2021

Investor Class: ARTLX	-0.96	7.77	19.39	55.14	13.79	13.86	11.30	8.41
Advisor Class: APDLX	-0.97	7.81	19.42	55.42	13.95	14.02	11.40	8.48
Russell 1000® Value Index	-1.15	5.21	17.05	43.68	12.42	11.87	11.61	7.87
Russell 1000® Index	2.51	8.54	14.95	43.07	19.16	17.99	14.90	10.56

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
210.0+	22.7	26.8
96.0–210.0	23.8	17.9
42.0–96.0	27.5	19.5
17.5–42.0	14.9	20.2
0.0–17.5	11.1	15.7
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	22
Daniel L. Kane, CFA	23
Craig Inman, CFA	22

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 31 Jul 2021: Vertex Pharmaceuticals Inc 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.

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

Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures. Normalized Earnings are earnings that are adjusted for the cyclical ups and downs over a business cycle.

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