



# Artisan Value Fund

MONTHLY  
Commentary

Investor Class: ARTLX | Advisor Class: APDLX

As of 31 March 2021

## Commentary

The Russell 1000® Value Index returned 11.26% in Q1 supported by strong performance in the financials, industrials and energy sectors. The portfolio underperformed the benchmark over the same period. In this month's update, we highlight current holdings we believe to have strong businesses, solid financial condition and attractive valuations—key tenets of our better, safer, cheaper philosophy.

Video game publisher Electronic Arts (EA) has recently experienced muted performance relative to peers. The company is expanding its moat as COVID-19 pulled forward gamer engagement in 2020 and early 2021. While we expect current growth rates will slow, the long-term value of the company's user community has increased. EA's net cash balance sheet and industry leadership fit well with our philosophy and process, and while the recently acquired Codemasters will draw down cash, the balance sheet remains strong and the deal furthers EA's growth strategy. We believe our stake in EA represents how we can think opportunistically to build an eclectic, idiosyncratic portfolio to deliver value over the long term.

Financial services firm Goldman Sachs is a best-in-class franchise with a premier brand that attracts top talent and sustains market share across its businesses. We believe this has helped Goldman weather recent market volatility. In addition to delevering risk-weighted assets, Goldman is also growing its digital investment footprint through the expansion of features on its Marcus Invest platform. The company's stability—and ability to grow its brand even in tough times—has kept us invested over the long term.

Schlumberger, the world's largest oil services company, is performing well in a competitive marketplace. New company management has driven Schlumberger's refocused efforts to increase free cash flow and expand profit margins. We like that the company is becoming nimbler and more adaptive to market forces, as evidenced by its recent focus on contributing to the production of cleaner energy. We expect Schlumberger to successfully navigate market volatility and anticipate the company will continue to increase its market share as global economic growth and travel rebound.

## Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$15.31	\$15.23
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)	5.9
FedEx Corp (Industrials)	4.0
Berkshire Hathaway Inc (Financials)	3.9
Comcast Corp (Communication Services)	3.8
Booking Holdings Inc (Consumer Discretionary)	3.8
Morgan Stanley (Financials)	3.5
The Goldman Sachs Group Inc (Financials)	3.5
Samsung Electronics Co Ltd (Information Technology)	3.4
Compass Group PLC (Consumer Discretionary)	3.2
Air Lease Corp (Industrials)	3.0
<b>TOTAL</b>	<b>37.9%</b>

Source: Artisan Partners/GICS.

## Sector Diversification (% of total portfolio equities)

	Fund	RIV <sup>1</sup>
Communication Services	13.2	9.2
Consumer Discretionary	14.2	7.8
Consumer Staples	7.5	7.1
Energy	4.6	5.1
Financials	21.0	20.6
Health Care	11.3	12.6
Industrials	15.7	13.9
Information Technology	11.0	9.5
Materials	1.5	4.8
Real Estate	0.0	4.3
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 2.6% of the total portfolio. <sup>1</sup>Russell 1000® Value Index.

## Investment Results (%)

As of 31 March 2021	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
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+	21.8	23.4
96.0–210.0	22.4	20.8
42.0–96.0	29.7	18.2
17.5–42.0	14.7	20.6
0.0–17.5	11.4	17.1
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/Russell. <sup>1</sup>Russell 1000<sup>®</sup> 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<sup>®</sup> Value Index measures the performance of US large-cap companies with lower price/book ratios and forecasted growth values. Russell 1000<sup>®</sup> 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 Mar 2021: Electronic Arts Inc 1.6%; Schlumberger NV 2.2%. 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.

**Free Cash Flow** is a measure of financial performance calculated as operating cash flow minus capital expenditures. **Financial Leverage** is a factor that is calculated as a composite factor that includes degree of financial leverage, debt to equity, interest and cash flow coverage ratios.

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