



Artisan Value Fund

MONTHLY
Commentary

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

Commentary

Our portfolio has outperformed QTD, led by holdings in the communication services, industrials and financials sectors as many segments of the US economy have gained momentum. The Russell 1000® Value Index has returned 6.43% QTD with top contributions from holdings in financials, industrials and health care. We seek cash-producing businesses in strong financial condition that are selling at attractive valuations, also known as our better, safer, cheaper philosophy. Here are two notable holdings illustrating this philosophy.

Global food service provider Compass Group is benefiting from the gradual return to restaurant dining and other activities such as sports and entertainment events. Over the past year, the company's operations have been disrupted by the pandemic's effect on large-scale public gatherings, the suspension of classes in education settings, widespread restaurant shutdowns and a corporate pullback in catering activities. Despite this, Compass is improving and adapting its operations to a new normal, whatever that may look like. It has been diligent on costs, reshaping its delivery model and generating cash flow. The company remains well-positioned in the industry in terms of market share, as evidenced by its participation in bolt-on mergers and acquisitions opportunities during the pandemic, and should improve profitability as reopening continues.

We purchased health care solutions provider Merck when the stock came under pressure partly on concerns the Biden administration could implement sweeping, negative regulatory changes and target drug costs in the pharmaceuticals industry. Recent, but anticipated, changes to Merck's management team have also weighed on shares, as have investors' concerns over the company's heavy reliance on blockbuster immunotherapy treatment Keytruda. Notably, Merck is not getting much credit from investors for the 60+ programs it has in clinical development, despite having several promising and large new product opportunities. Additionally, the company's strengthening balance sheet and robust free cash flow provide it multiple options for future partnerships and acquisitions, a key contentious point for investors. While Merck is undergoing a period of transition, we think the company's fundamentals are strong and believe management changes will be less disruptive than widely anticipated. The Street's over-focus on patent expirations for Keytruda has given us an opportunity to buy a business that has proven itself to be a long-term compounder at a very cheap price.

Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$16.66	\$16.58
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)	6.2
FedEx Corp (Industrials)	4.0
Morgan Stanley (Financials)	3.7
Comcast Corp (Communication Services)	3.7
The Goldman Sachs Group Inc (Financials)	3.6
Booking Holdings Inc (Consumer Discretionary)	3.5
Compass Group PLC (Consumer Discretionary)	3.3
Samsung Electronics Co Ltd (Information Technology)	3.1
Berkshire Hathaway Inc (Financials)	3.0
Synchrony Financial (Financials)	2.9
TOTAL	36.8%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RIV ¹
Communication Services	14.2	8.9
Consumer Discretionary	13.6	7.8
Consumer Staples	7.5	7.0
Energy	4.8	5.1
Financials	21.1	21.6
Health Care	11.3	12.5
Industrials	16.1	13.9
Information Technology	9.9	9.0
Materials	1.5	5.0
Real Estate	0.0	4.5
Utilities	0.0	4.8
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 5.0% of the total portfolio. ¹Russell 1000® Value Index.

Investment Results (%)

As of 31 May 2021	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	3.74	8.82	20.55	59.43	14.58	14.19	11.17	8.53
Advisor Class: APDLX	3.69	8.86	20.58	59.60	14.77	14.37	11.27	8.59
Russell 1000® Value Index	2.33	6.43	18.41	44.38	12.94	12.33	11.51	8.00
Russell 1000® Index	0.47	5.88	12.14	42.66	18.43	17.46	14.41	10.44

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 portfolio securities)

\$ in billions	Fund	RIV ¹
210.0+	22.9	23.6
96.0–210.0	27.9	21.0
42.0–96.0	25.1	19.4
17.5–42.0	14.4	20.5
0.0–17.5	9.6	15.5
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 May 2021: Merck & Co Inc 2.1%. 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.

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6/4/2021 A21605L_vR