



Artisan Value Fund

MONTHLY Commentary

Investor Class: ARTLX | Advisor Class: APDLX

As of 30 November 2021

Commentary

Stocks suffered late-month selling, resulting in a negative monthly return for most broad-based US indices. The Russell 1000® Value Index returned -3.52% in November. Volatility was driven by the emergence of omicron, a new highly transmissible COVID variant, and continued high inflation that has forced the Fed to consider an accelerated taper. All sectors finished lower—communication services, financials and energy were the biggest decliners, while technology, materials and real estate held up best.

Our portfolio trailed the benchmark in November. Our detractors were a varied group that included beneficiaries of economic reopening, as well as energy and financials holdings that were hurt by a pullback in oil prices and a flattening yield curve. Additional laggards were tobacco stocks Philip Morris International and Swedish Match. By virtue of its globally known brands, Philip Morris is a best-in-class operator with a well-diversified business, particularly by geography. Despite being US-based, Philip Morris derives all of its sales from outside the US. Hence, a strengthening US dollar negatively impacts earnings due to translation effects. Additionally, ongoing semiconductor supply issues for its next-generation heat-not-burn product IQOS have reduced near-term sales growth expectations. Shares of Swedish Match have fallen due to a proposed new tax on nicotine products in the Build Back Better bill that is currently with the Senate. Both companies are high margin, strong cash flow producing businesses that we believe are selling at undemanding valuations based on a range of estimates. Foreign exchange movements and semiconductor shortages aren't structural impediments that should impact the long-term growth trajectory of IQOS—Philip Morris's main growth engine—as we expect consumers will continue migrating to less harmful tobacco delivery systems. Likewise, the fundamental demand drivers of Swedish Match's smokeless tobacco products, which generate a majority of company sales, should remain intact even under a large excise tax increase scenario.

NXP Semiconductors was our top contributor during the month. NXP is a leading supplier of high performance mixed-signal and digital integrated circuits to a variety of end markets such as automotive, identification, mobile, consumer, computing and wireless infrastructure. Secular trends toward increasing semiconductor content across a range of applications are driving accelerated growth rates in the company's key end markets—augmenting an already favorable cyclical backdrop with characteristic low inventory levels. In automotive—its largest segment—semiconductor content per car continues to increase each year due to the trends in electrification, connectivity and advance driver-assistance systems. Similar trends are occurring in its industrial and IoT businesses. These secular tailwinds not only dampen the business's traditional cyclical but raise its margin profile. With strong competitive positioning in several growing verticals, robust cash flow and a disciplined capital allocation policy, we remain investors.

Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$14.09	\$14.01
Inception	27 Mar 2006	1 Apr 2015
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2021	1.05/—	0.95/0.88 ¹
Prospectus 30 Sep 2020 ²	1.09/—	0.93/0.89 ¹

¹Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2023. ²See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Alphabet Inc (Communication Services)	6.9
Comcast Corp (Communication Services)	3.3
FedEx Corp (Industrials)	3.3
Booking Holdings Inc (Consumer Discretionary)	3.2
Morgan Stanley (Financials)	3.1
EOG Resources Inc (Energy)	3.0
The Goldman Sachs Group Inc (Financials)	3.0
Samsung Electronics Co Ltd (Information Technology)	3.0
Compass Group PLC (Consumer Discretionary)	2.9
AutoNation Inc (Consumer Discretionary)	2.9
TOTAL	34.6%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RIV ¹
Communication Services	16.3	7.4
Consumer Discretionary	13.5	5.8
Consumer Staples	6.5	7.1
Energy	5.4	5.2
Financials	20.2	21.5
Health Care	13.7	17.5
Industrials	14.4	11.7
Information Technology	8.5	10.2
Materials	1.4	3.8
Real Estate	0.0	5.0
Utilities	0.0	5.0
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 3.7% of the total portfolio. ¹Russell 1000® Value Index.

Investment Results (%)

As of 30 November 2021	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	-5.54	-2.12	15.30	21.18	14.10	10.58	11.08	7.94
Advisor Class: APDLX	-5.53	-2.09	15.42	21.34	14.30	10.76	11.20	8.00
Russell 1000® Value Index	-3.52	1.37	17.73	22.25	11.45	10.36	12.50	7.69
Russell 1000® Index	-1.34	5.50	21.53	26.67	20.65	17.93	16.18	10.65

As of 30 September 2021

Investor Class: ARTLX	-4.40	-1.33	17.80	41.36	11.68	12.28	12.54	8.17
Advisor Class: APDLX	-4.37	-1.28	17.89	41.53	11.88	12.46	12.65	8.24
Russell 1000® Value Index	-3.48	-0.78	16.14	35.01	10.07	10.94	13.51	7.68
Russell 1000® Index	-4.59	0.21	15.19	30.96	16.43	17.11	16.76	10.39

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+	21.3	26.7
96.0–210.0	20.0	18.5
42.0–96.0	29.7	18.6
17.5–42.0	14.7	21.0
0.0–17.5	14.4	15.3
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 30 Nov 2021: NXP Semiconductors NV 2.5%; Philip Morris International Inc 2.6%; Swedish Match AB 1.4%. 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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