



Artisan Value Income Fund

MONTHLY
Commentary

Investor Class: APFWX | Advisor Class: APDWX As of 31 July 2022

Commentary

Top month-to-date contributors: Lamar Advertising Co; The Carlyle Group Inc; Moelis & Co; nVent Electric PLC; Compass Group PLC

Bottom month-to-date contributors: Fresenius Medical Care AG & Co KGaA; Raytheon Technologies Corp; Philip Morris International Inc; Comcast Corp; Koninklijke Philips NV

In this space, we discuss one top contributor (nVent Electric) and one bottom contributor (Comcast) from the recent month.

nVent Electric provides electrical connections and protection solutions. These are mission-critical elements in commercial electrical and mechanical systems and civil infrastructure. Spun out of Pentair in 2018, the company has navigated a turbulent first few years as a stand-alone public company, beginning with COVID-19, followed by a super recovery, supply-chain chaos, inflation and a European land war, and it has passed each of these tests with flying colors. Though ongoing supply chain challenges have presented substantial operational headwinds, in the recent quarter, the company grew organic sales more than 20% through a combination of volumes and pricing, with broad-based strength across segments. Due to the low cost of its products relative to a project and high failure costs for customers, nVent has good pricing power and sustainable margins. The share prices of companies that can show pricing power are being bid up in today's inflationary environment.

Comcast is the leading broadband cable company in North America and a global content producer. Though its revenue and earnings beat expectations, the cable provider failed to add broadband customers in the prior quarter for the first time ever. CEO Brian Roberts partly attributed the decline in new broadband connects to fewer people moving, though increased competition from wireless services may also be a factor. However, we believe it was inevitable that customer growth would eventually slow. Interestingly, churn remains at record low levels—a positive metric that speaks to cable's value proposition. While increased investment in 5G by wireless competitors may be weighing on shares, 5G is not currently competitive with cable, and based on the economics of 5G capex, it's unlikely to be competitive for many years, if ever. Cable continues to have a competitive advantage with respect to network speeds and reliability. High recurring revenue, pricing power and low capital intensity make for a powerful economic model that contribute to Comcast's free cash flow generation, allowing the company to play offense with regards to capital allocation. In summary, Comcast is a well-financed business with a wide competitive moat that trades cheaply at just 10X our estimate of normalized earnings.

Portfolio Details

| | APFWX | APDWX |
|---|-------------|-------------|
| Net Asset Value (NAV) | \$9.42 | \$9.42 |
| Inception | 28 Feb 2022 | 28 Feb 2022 |
| Expense Ratios (% Gross/Net) | | |
| Semi-Annual Report 31 Mar 2022 ^{1,2,3} | 80.50/1.19 | 32.61/1.07 |
| Prospectus 26 Feb 2022 ^{2,3,4} | 1.48/1.20 | 1.33/1.10 |

¹Unaudited, for the period from commencement of operations 28 Feb 2022 through 31 Mar 2022. ²Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2024. ³See prospectus for further details. ⁴Includes estimated expenses for the current fiscal year.

Top 10 Holdings (% of total portfolio)

| | |
|---|--------------|
| Lamar Advertising Co (Real Estate) | 3.4 |
| Philip Morris International Inc (Consumer Staples) | 3.2 |
| Altria Group Inc (Consumer Staples) | 3.0 |
| nVent Electric PLC (Industrials) | 2.8 |
| EOG Resources Inc (Energy) | 2.8 |
| Cable One Inc (Communication Services) | 2.7 |
| Tyson Foods Inc (Consumer Staples) | 2.4 |
| Heineken Holding NV (Consumer Staples) | 2.3 |
| Comcast Corp (Communication Services) | 2.3 |
| Samsung Electronics Co Ltd (Information Technology) | 2.3 |
| TOTAL | 27.2% |

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

| | Fund | S&P 500 ¹ |
|------------------------|---------------|----------------------|
| Communication Services | 6.7 | 8.4 |
| Consumer Discretionary | 5.9 | 11.5 |
| Consumer Staples | 14.9 | 6.6 |
| Energy | 2.9 | 4.4 |
| Financials | 21.7 | 10.6 |
| Health Care | 7.7 | 14.3 |
| Industrials | 15.0 | 7.8 |
| Information Technology | 7.7 | 27.9 |
| Materials | 0.0 | 2.5 |
| Real Estate | 9.3 | 2.9 |
| Utilities | 8.2 | 3.0 |
| TOTAL | 100.0% | 100.0% |

Source: Artisan Partners/GICS/S&P. Cash and cash equivalents represented 3.1% of the total portfolio. ¹S&P 500® Index.

Investment Results (%)

| As of 31 July 2022 | Average Annual Total Returns | | | | | | | |
|------------------------------------|------------------------------|--------|-----|------|------|------|-------|-----------|
| | MTD | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Inception |
| Investor Class: APFWX | 6.56 | 6.56 | — | — | — | — | — | -5.02 |
| Advisor Class: APDWX | 6.68 | 6.68 | — | — | — | — | — | -4.98 |
| S&P 500® Index | 9.22 | 9.22 | — | — | — | — | — | -4.96 |
| Dow Jones US Select Dividend Index | 3.98 | 3.98 | — | — | — | — | — | 0.19 |
| As of 30 June 2022 | | | | | | | | |
| Investor Class: APFWX | -9.13 | -11.04 | — | — | — | — | — | -10.87 |
| Advisor Class: APDWX | -9.23 | -11.14 | — | — | — | — | — | -10.93 |
| S&P 500® Index | -8.25 | -16.10 | — | — | — | — | — | -12.99 |
| Dow Jones US Select Dividend Index | -8.93 | -7.44 | — | — | — | — | — | -3.64 |

Source: Artisan Partners/S&P/S&P DJI. Returns for periods less than one year are not annualized.

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. The Fund's returns may vary greatly over shorter periods due to the limited operating period since inception. Call 800.344.1770 for current to most recent month-end performance.

Market Cap Distribution (% of portfolio securities)

| \$ in billions | Fund | S&P 500 ¹ |
|----------------|---------------|----------------------|
| 200.0+ | 10.1 | 44.6 |
| 140.0–200.0 | 8.6 | 10.8 |
| 90.0–140.0 | 5.6 | 9.5 |
| 60.0–90.0 | 10.8 | 10.0 |
| 30.0–60.0 | 13.6 | 13.4 |
| 15.0–30.0 | 14.4 | 8.8 |
| 5.0–15.0 | 22.8 | 3.0 |
| 0.0–5.0 | 10.6 | 0.0 |
| Not Applicable | 3.4 | — |
| TOTAL | 100.0% | 100.0% |

Source: Artisan Partners/S&P. ¹S&P 500[®] Index.

Team Leadership (Pictured left to right)



| Portfolio Managers | Years of Investment Experience |
|-----------------------|--------------------------------|
| Thomas A. Reynolds IV | 23 |
| Daniel L. Kane, CFA | 24 |
| Craig Inman, CFA | 23 |

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. The value of portfolio securities selected by the investment team may rise or fall in response to company, market, economic, political, regulatory or other news, at times greater than the market or benchmark index. Dividend payments are not guaranteed and the amount declared, if any, could vary over time. 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.

S&P 500[®] Index measures the performance of 500 US companies focused on the large-cap sector of the market. The Dow Jones US Select Dividend Index measures the performance of the US's leading stocks by dividend yield. 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 2022: Compass Group PLC 2.2%; Fresenius Medical Care AG & Co KGaA 0.7%; Koninklijke Philips NV 1.3%; Moelis & Co 2.2%; Raytheon Technologies Corp 2.1%; The Carlyle Group Inc 2.0%. 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. **Capital Expenditures (capex)** is either purchase fixed assets or to upgrade existing fixed assets having a useful life longer than the taxable year. **Normalized Earnings** are earnings that are adjusted for the cyclical ups and downs over a business cycle.

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