



# Artisan Value Income Fund

MONTHLY  
Commentary

Investor Class: APFWX

Advisor Class: APDWX

As of 31 March 2022

## Commentary

On February 28 of this year, we launched the Artisan Value Income Fund. The Fund seeks a total return from a combination of income plus capital appreciation in an opportunistic, unconventional manner that is highly differentiated versus the peer group and aims to capitalize on mispriced opportunities across the capital structure. The Fund provides an opportunity to participate with equities, while seeking to protect capital on the downside and generate a current yield that is greater than or equal to ~2X the average for the S&P 500® Index.

We're taking a similar investment approach to how we manage our mid-cap and value portfolios, but we're adding an income requirement to the purchase of securities. We will employ an opportunistic mindset oriented toward finding "mispriced yield." We believe this will allow us to add value over the arc of time with lower volatility and beta compared to broad US public equities. This portfolio is really a natural extension of our long-standing value investing philosophy and process with modest degrees of freedom enhancements to increase income potential and risk management.

We also believe that our total return approach is highly differentiated versus the peer group. The current equity income fund universe appears stale, consists of many similar products and warrants a differentiated option that can provide strong diversification benefits to a broader portfolio. We find most of our peers are in one of two categories: They are either dividend growers delivering on capital appreciation but not on yield, or they are bond proxies providing attractive yields but falling short on capital appreciation. We believe our approach is a nice balance of focusing on capital appreciation in combination with income in a very opportunistic and unconventional manner.

## Portfolio Details

	APFWX	APDWX
Net Asset Value (NAV)	\$10.00	\$10.00
Inception	28 Feb 2022	28 Feb 2022
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2021	—/—	—/—
Prospectus 26 Feb 2022 <sup>1,2,3</sup>	1.48/1.20	1.33/1.10

<sup>1</sup>Includes estimated expenses for the current fiscal year. <sup>2</sup>Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2024. <sup>3</sup>See prospectus for further details.

## Top 10 Holdings (% of total portfolio)

Lamar Advertising Co (Real Estate)	3.6
Altria Group Inc (Consumer Staples)	3.6
Philip Morris International Inc (Consumer Staples)	2.9
EOG Resources Inc (Energy)	2.8
Northern Trust Corp (Financials)	2.6
nVent Electric PLC (Industrials)	2.6
Samsung Electronics Co Ltd (Information Technology)	2.5
Moelis & Co (Financials)	2.4
Public Storage (Real Estate)	2.4
Comcast Corp (Communication Services)	2.4
<b>TOTAL</b>	<b>28.0%</b>

Source: Artisan Partners/GICS.

## Sector Diversification (% of portfolio securities)

	Fund	S&P 500 <sup>1</sup>
Communication Services	5.9	9.4
Consumer Discretionary	5.2	12.0
Consumer Staples	16.1	6.1
Energy	2.9	3.9
Financials	21.0	11.1
Health Care	9.1	13.6
Industrials	13.2	7.9
Information Technology	8.6	28.0
Materials	0.0	2.6
Real Estate	9.9	2.7
Utilities	8.1	2.7
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/S&P. Cash and cash equivalents represented 1.5% of the total portfolio. <sup>1</sup>S&P 500® Index.

## Investment Results (%)

As of 31 March 2022	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: APFWX	0.20	0.20	—	—	—	—	—	0.20
Advisor Class: APDWX	0.23	0.23	—	—	—	—	—	0.23
S&P 500® Index	3.71	3.71	—	—	—	—	—	3.71
Dow Jones US Select Dividend Index	4.10	4.10	—	—	—	—	—	4.10

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 <sup>1</sup>
200.0+	12.9	50.5
140.0–200.0	8.4	7.2
90.0–140.0	6.2	9.8
60.0–90.0	10.8	9.0
30.0–60.0	9.8	13.2
15.0–30.0	21.8	8.0
5.0–15.0	13.9	2.2
0.0–5.0	14.2	0.0
Not Applicable	1.1	—
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/S&P. <sup>1</sup>S&P 500<sup>®</sup> Index.

Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
Thomas A. Reynolds IV	23
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. 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<sup>®</sup> 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. 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.

**Beta** is a measure of the volatility of a security or a portfolio in comparison to the market as a whole. **Current Yield** is the annual income (interest or dividends) divided by the current price of a security.

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