



Artisan Value Income Fund

MONTHLY
Commentary

Investor Class: APFWX | Advisor Class: APDWX As of 30 November 2022

Commentary

Top month-to-date contributors: Comcast Corp; Samsung Electronics Co Ltd; Lamar Advertising Co; Philip Morris International Inc; Vail Resorts Inc

Bottom month-to-date contributors: Medtronic PLC; Cable One; Public Storage; Tyson Foods Inc; NetApp Inc

In this space, we discuss one top contributor (Vail Resorts) and one bottom contributor (Medtronic) from the recent month.

Vail, a premium skiing, lodging and resort company, owns and operates some of the most recognizable and most visited ski resorts in North America. In November, shares rose 17%, recouping some of their YTD losses, yet are still down about 20% YTD. There wasn't any news specific to Vail this month that drove these gains; however, there may be greater interest in the stock as we enter the winter months since the lion's share of revenues is generated from November to April each year. Vail is one of a couple dominant players in an industry that benefits from high barriers to entry due to the fixed supply of suitable mountains. Of course, this is a highly seasonal business, dependent on appetite for ski vacations and the right weather conditions, but the company has made strides to improve the business model by increasing the percentage of its business from the advance commitment pass product, which transforms the business from one of uncertainty and weather dependency to one of visibility and predictability. The company has added more than a million new passholders, nearly double the number from the 2019/2020 ski season. This provides stability and the ability to spend on capex during the off season to improve the guest experience, as well as pursue additional footprint expansion.

While procedure volumes for Medtronic, a medical technology company, are close to their pre-COVID levels, professional staffing shortages, supply chain constraints and some raw materials shortages globally have held back the availability of procedures. These factors have caused its top line to contract. However, foreign exchange has also been a big headwind. Each of its segments has its own respective reasons for ebbs and flows over the past couple quarters, but generally results have been soft and slow to recover. We are being patient with our investment in Medtronic because the company continues to be a strong free cash flow generator and is attractively priced, with a FCF yield of 5.3% and a dividend yield of 3.4%. Medtronic is under new management that is focused on growing the company's top line, reinvesting in R&D, returning cash to shareholders and growing operating profits. We like the new management's strategy and believe new product launches, increased surgery visits, sound M&A transactions and a shareholder-returns focus should reinvigorate the business. We have been adding to our position during the past six months.

Investment Results (%)

As of 30 November 2022	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: APFWX	5.79	14.36	—	—	—	—	—	-5.27
Advisor Class: APDWX	5.79	14.36	—	—	—	—	—	-5.21
S&P 500® Index	5.59	14.14	—	—	—	—	—	-5.53
Dow Jones US Select Dividend Index	6.35	17.34	—	—	—	—	—	4.35

As of 30 September 2022								
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: APFWX	-9.02	-7.06	—	—	—	—	—	-17.16
Advisor Class: APDWX	-9.00	-6.93	—	—	—	—	—	-17.11
S&P 500® Index	-9.21	-4.88	—	—	—	—	—	-17.23
Dow Jones US Select Dividend Index	-9.73	-7.71	—	—	—	—	—	-11.07

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.

Portfolio Details

	APFWX	APDWX
Net Asset Value (NAV)	\$9.32	\$9.32
Inception	28 Feb 2022	28 Feb 2022
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2022 ^{1,2}	13.46/1.20	9.98/1.10
Prospectus 26 Feb 2022 ^{2,3,4}	1.48/1.20	1.33/1.10

¹For the period from commencement of operations 28 Feb 2022 through 30 Sep 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)

EOG Resources Inc (Energy)	3.6
Lamar Advertising Co (Real Estate)	3.4
Philip Morris International Inc (Consumer Staples)	3.3
Altria Group Inc (Consumer Staples)	3.3
Comcast Corp (Communication Services)	3.2
Cable One Inc (Communication Services)	2.8
Heineken Holding NV (Consumer Staples)	2.4
Merck & Co Inc (Health Care)	2.4
Northern Trust Corp (Financials)	2.4
STORE Capital Corp (Real Estate)	2.4
TOTAL	29.1%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	S&P 500 ¹
Communication Services	7.8	7.5
Consumer Discretionary	5.8	10.4
Consumer Staples	14.7	7.0
Energy	4.3	5.1
Financials	23.2	11.6
Health Care	7.4	15.2
Industrials	13.3	8.4
Information Technology	6.2	26.4
Materials	0.0	2.7
Real Estate	9.1	2.7
Utilities	8.1	3.0
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/S&P. Cash and cash equivalents represented 2.4% of the total portfolio. ¹S&P 500® Index.

Market Cap Distribution (% of portfolio securities)

\$ in billions	Fund	S&P 500 ¹
200.0+	10.8	42.6
140.0–200.0	10.7	11.5
90.0–140.0	3.9	10.3
60.0–90.0	13.6	9.7
30.0–60.0	9.6	14.6
15.0–30.0	13.5	8.1
5.0–15.0	20.7	3.3
0.0–5.0	13.0	0.0
Not Applicable	4.1	—
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. A portfolio's environmental, social and governance ("ESG") considerations may limit the investment opportunities available and, as a result, the portfolio may forgo certain investment opportunities and underperform portfolios that do not consider ESG factors. 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 30 Nov 2022: Medtronic PLC 2.3%; NetApp Inc 2.0%; Public Storage 2.0%; Samsung Electronics Co Ltd 2.3%; Tyson Foods Inc 1.8%; Vail Resorts Inc 1.7%. 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. **Free Cash Flow Yield** is an overall return evaluation ratio of a stock, which standardizes the free cash flow per share a company is expected to earn against its market price per share. The ratio is calculated by taking the free cash flow per share divided by the share price. **Dividend Yield** is a financial ratio that shows how much a company pays out in dividends each year relative to its share price.

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