



# Artisan Value Fund

MONTHLY  
Commentary

Investor Class: ARTLX | Advisor Class: APDLX As of 31 December 2023

## Commentary

Top month-to-date contributors: US Bancorp; The PNC Financial Services Group Inc; Morgan Stanley; The Cigna Group; Booking Holdings Inc

Bottom month-to-date contributors: Arch Capital Group Ltd; The Walt Disney Co; Altria Group Inc; EOG Resources Inc; CME Group Inc

In this space, we discuss one top contributor (US Bancorp) and one bottom contributor (EOG Resources) from the recent month.

A huge rally in the Treasury market drove big gains in banks stocks, like US Bancorp (USB). The rally kicked off in late October coinciding with the US Treasury department's shift in issuance favoring shorter term debt, and yields continued to fall into year end on signs of easing inflation. When bank stocks sold off in Q1 due to fears of contagion following Silicon Valley Bank's failure, we took advantage of the market dislocation by purchasing USB, along with PNC Financial—another top 10 US bank—at cheap prices. USB is a bank we have known for years. It is well managed and has a solid balance sheet. As one of the largest banks, it was less impacted by the turmoil that affected smaller institutions as depositors sought the safest places to store their money. The recent rebound is an example of how our approach of investing in out-of-favor businesses can lead to alpha.

Shares of EOG Resources, a US shale-focused E&P company, were slightly down in December. With energy prices falling, energy was the only sector that didn't participate in the broader equity market rally. We have stringent criteria for business quality, which is particularly important in commodities sectors as these businesses do not control the underlying commodity prices, which can be volatile. EOG is one of the highest quality operators in the E&P space. EOG has a low-cost production position with a strong reserve base, giving it an advantage versus peers. Further, EOG's management has long focused on return on invested capital and cash flow generation, distinguishing it from many of the company's competitors, which prioritize growth over profitability. Its commitment to return excess capital to shareholders via regular and special dividends is also highly appealing, particularly in a period of rising interest rates. The company has proven its ability to create economic value for shareholders, even over the past decade that included the toughest energy commodity environment of the last 30+ years. The company's strong balance sheet enabled it to increase production capabilities during the prior downturn.

## Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$13.76	\$13.66
Inception	27 Mar 2006	1 Apr 2015
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2023 <sup>1,2</sup>	1.09/1.06 <sup>3</sup>	0.97/0.88
Prospectus 30 Sep 2022 <sup>2</sup>	1.06/—	0.96/0.88 <sup>1</sup>

<sup>1</sup>Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2025. <sup>2</sup>See prospectus for further details. <sup>3</sup>There was no expense limit prior to July 1, 2023. Effective July 1, 2023, expense limit was 0.98%.

## Top 10 Holdings (% of total portfolio)

Meta Platforms Inc (Communication Services)	4.4
Alphabet Inc (Communication Services)	4.0
US Bancorp (Financials)	3.3
Comcast Corp (Communication Services)	3.3
Arch Capital Group Ltd (Financials)	3.1
Marriott International Inc (Consumer Discretionary)	2.9
Airbus SE (Industrials)	2.9
Visa Inc (Financials)	2.9
Heineken Holding NV (Consumer Staples)	2.9
EOG Resources Inc (Energy)	2.8
<b>TOTAL</b>	<b>32.4%</b>

Source: Artisan Partners/GICS.

## Sector Diversification (% of portfolio securities)

	Fund	RIV <sup>1</sup>
Communication Services	18.6	4.7
Consumer Discretionary	8.6	5.2
Consumer Staples	13.1	7.9
Energy	5.8	7.8
Financials	26.4	21.8
Health Care	11.0	14.6
Industrials	10.8	13.9
Information Technology	5.5	9.5
Materials	0.0	4.9
Real Estate	0.0	5.0
Utilities	0.0	4.8
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 2.3% of the total portfolio. <sup>1</sup>Russell 1000® Value Index.

## Investment Results (%)

As of 31 December 2023	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	5.21	9.75	24.23	24.23	11.70	14.97	9.33	8.12
Advisor Class: APDLX	5.19	9.75	24.32	24.32	11.85	15.14	9.47	8.20
Russell 1000® Value Index	5.54	9.50	11.46	11.46	8.86	10.91	8.40	7.31
Russell 1000® Index	4.94	11.96	26.53	26.53	8.97	15.52	11.80	9.73

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 <sup>1</sup>
204.0+	21.6	21.3
114.0–204.0	22.0	19.2
50.0–114.0	36.7	19.6
21.0–50.0	15.9	19.9
0.0–21.0	3.8	19.9
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/Russell. <sup>1</sup>Russell 1000® Value Index.

## Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
Thomas A. Reynolds IV	25
Daniel L. Kane, CFA	25
Craig Inman, CFA	24

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. 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 and less developed markets, including frontier 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 Dec 2023: Altria Group Inc 1.8%; Booking Holdings Inc 2.7%; CME Group Inc 2.5%; Morgan Stanley 2.3%; The Cigna Group 2.6%; The PNC Financial Services Group Inc 2.8%; The Walt Disney Co 1.6%. 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.

Source: Artisan Partners/FactSet. Contribution to Return includes the securities with the highest positive and negative contribution to the portfolio's return and is calculated by multiplying a security's portfolio weight by its in-portfolio return for the period. Purchases/sales are accounted for by using end of the day prices, which may or may not reflect the actual purchase/sale price realized by the portfolio. Contribution to return is not exact, but should be considered an approximation.

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