



# Artisan Value Income Fund

MONTHLY  
Commentary

Investor Class: APFWX | Advisor Class: APDWX

As of 28 February 2023

## Commentary

Top month-to-date contributors: nVent Electric PLC; Omnicom Group Inc; Heineken Holding NV; Altria Group Inc; CME Group Inc

Bottom month-to-date contributors: EOG Resources Inc; Cable One Inc; Samsung Electronics Co Ltd; Philip Morris International Inc; OGE Energy Corp

In this space, we discuss one top contributor (nVent Electric) and one bottom contributor (EOG Resources) 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 and 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, nVent has reported double-digit organic revenue growth for seven consecutive quarters. The growth has come from a combination of volumes and pricing, with the company successfully offsetting inflation with pricing. 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.

EOG is a US shale-focused E&P company. Shares pulled back along with the broader energy sector—the weakest sector in February. Our energy sector weighting is slightly below that of the benchmark and is comprised of two holdings; we also have a small position in Weatherford International. We have stringent criteria for business quality, which is particularly important in commodities sectors as these businesses do not control underlying commodities prices, which can be volatile at times. 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 focuses on return on invested capital and cash flow generation, distinguishing it from most 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

	APFWX	APDWX
Net Asset Value (NAV)	\$9.25	\$9.25
Inception	28 Feb 2022	28 Feb 2022
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2022 <sup>1,2</sup>	13.46/1.20	9.98/1.10
Prospectus 30 Sep 2022 <sup>2,3</sup>	13.46/1.20	9.98/1.10

<sup>1</sup>For the period from commencement of operations 28 Feb 2022 through 30 Sep 2022. <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)	3.3
Philip Morris International Inc (Consumer Staples)	3.3
Comcast Corp (Communication Services)	3.3
Heineken Holding NV (Consumer Staples)	2.8
Cable One Inc (Communication Services)	2.8
Medtronic PLC (Health Care)	2.7
EOG Resources Inc (Energy)	2.6
nVent Electric PLC (Industrials)	2.5
Otis Worldwide Corp (Industrials)	2.4
<b>TOTAL</b>	<b>29.3%</b>

Source: Artisan Partners/GICS.

## Sector Diversification (% of portfolio securities)

	Fund	S&P 500 <sup>1</sup>
Communication Services	8.2	7.7
Consumer Discretionary	5.6	10.6
Consumer Staples	14.8	6.7
Energy	3.1	4.8
Financials	22.6	11.7
Health Care	8.7	14.3
Industrials	14.4	8.5
Information Technology	7.4	27.3
Materials	0.0	2.8
Real Estate	7.2	2.7
Utilities	8.1	2.8
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/S&P. Cash and cash equivalents represented 1.2% of the total portfolio. <sup>1</sup>S&P 500<sup>®</sup> Index.

## Investment Results (%)

As of 28 February 2023	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: APFWX	-2.73	3.70	3.70	-5.30	—	—	—	-5.30
Advisor Class: APDWX	-2.73	3.70	3.70	-5.25	—	—	—	-5.25
S&P 500 <sup>®</sup> Index	-2.44	3.69	3.69	-7.69	—	—	—	-7.69
Dow Jones US Select Dividend Index	-3.59	0.40	0.40	1.58	—	—	—	1.58

As of 31 December 2022

Investor Class: APFWX	-3.59	10.25	-8.67	—	—	—	—	-8.67
Advisor Class: APDWX	-3.61	10.23	-8.63	—	—	—	—	-8.63
S&P 500 <sup>®</sup> Index	-5.76	7.56	-10.98	—	—	—	—	-10.98
Dow Jones US Select Dividend Index	-3.05	13.77	1.17	—	—	—	—	1.17

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. 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+	10.1	42.2
140.0–200.0	10.8	10.7
90.0–140.0	5.6	11.1
60.0–90.0	14.4	8.5
30.0–60.0	8.1	15.6
15.0–30.0	14.8	8.7
5.0–15.0	17.9	3.1
0.0–5.0	12.8	0.0
Not Applicable	5.5	—
<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	24
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. There is no guarantee that the companies in which the portfolio invests will declare dividends in the future or that dividends, if declared, will remain at current levels or increase 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 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.

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. These holdings comprise the following percentages of the Fund's total net assets as of 28 Feb 2023: CME Group Inc 1.8%; OGE Energy Corp 2.1%; Omnicom Group Inc 2.0%; Samsung Electronics Co Ltd 2.2%; Weatherford International Ltd 0.5%. 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.

**Free Cash Flow** is a measure of financial performance calculated as operating cash flow minus capital expenditures. **Return on Invested Capital (ROIC)** is a measure of how well a company generates cash flow relative to capital invested in the business.

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