



# Artisan Value Fund

## MONTHLY Commentary

Investor Class: ARTLX | Advisor Class: APDLX

As of 31 January 2023

### Commentary

Top month-to-date contributors: Warner Bros Discovery Inc; Booking Holdings Inc; Meta Platforms Inc; The Walt Disney Co; Alphabet Inc

Bottom month-to-date contributors: Northrop Grumman Corp; Cigna Corp; Merck & Co Inc; Altria Group Inc; Baxter International Inc

In this space, we discuss one top contributor (Warner Bros Discovery) and one bottom contributor (Northrop Grumman) from the recent month.

Shares of Warner Bros Discovery (WBD) and other communication services stocks rallied strongly to start the year after trailing in 2022. There was little fundamental news to support the big moves, suggesting they were driven by a shift in sentiment or a new calendar and tax year. WBD is a global media and entertainment company that is the result of the 2022 merger of Discovery and WarnerMedia. We believe the total portfolio of content and entertainment assets should provide a compelling direct-to-consumer offering to attract viewers and the scale to invest in original content. There is a lot of opportunity, but there's also uncertainty related to the merger's integration and realized cost synergies. These questions, in addition to a challenging macro environment for advertising and foreign exchange headwinds, have been overhangs on the stock price. Further, media and entertainment stocks have come under pressure due to skepticism about the industry's long-term economics. Our view is streaming is a scale and intellectual property business that will result in a few large winners, and we believe HBO Max will be among this group.

Northrop Grumman (NOC) is an aerospace and defense technology company. NOC's shares held up relatively well during the market downturn in 2022 as investors sought safety—gaining more than 40% in 2022 and over 80% during the prior 2 years. The war in Ukraine has served as an additional tailwind. We were trimming our position into that relative strength. NOC remains well positioned, in our view, for the future of military spending due to its concentration in aerospace and limited exposure to the US Army. Further, the business has high exposure to classified bookings, which we believe means NOC is addressing the next generation of threats as opposed to “fighting the last war.” NOC's financial condition is healthy, with an investment grade balance sheet and a strong fixed charge coverage ratio. The company remains a smaller position in the portfolio.

### Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$12.76	\$12.69
Inception	27 Mar 2006	1 Apr 2015
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2022	1.06/—	0.96/0.88 <sup>1</sup>
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 2024. <sup>2</sup>See prospectus for further details.

### Top 10 Holdings (% of total portfolio)

Alphabet Inc (Communication Services)	4.0
Booking Holdings Inc (Consumer Discretionary)	3.8
EOG Resources Inc (Energy)	3.5
Schlumberger Ltd (Energy)	3.5
Comcast Corp (Communication Services)	3.3
Compass Group PLC (Consumer Discretionary)	3.2
Arch Capital Group Ltd (Financials)	3.1
Philip Morris International Inc (Consumer Staples)	3.0
Meta Platforms Inc (Communication Services)	3.0
FedEx Corp (Industrials)	2.9
<b>TOTAL</b>	<b>33.3%</b>

Source: Artisan Partners/GICS.

### Sector Diversification (% of portfolio securities)

	Fund	RIV <sup>1</sup>
Communication Services	19.3	7.9
Consumer Discretionary	11.4	6.3
Consumer Staples	7.7	6.9
Energy	7.3	8.2
Financials	18.5	20.5
Health Care	12.2	16.4
Industrials	14.1	10.4
Information Technology	9.6	8.6
Materials	0.0	4.5
Real Estate	0.0	4.7
Utilities	0.0	5.4
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 3.0% of the total portfolio. <sup>1</sup>Russell 1000<sup>®</sup> Value Index.

### Investment Results (%)

As of 31 January 2023	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	9.34	9.34	9.34	-1.07	12.17	7.37	9.78	7.76
Advisor Class: APDLX	9.40	9.40	9.40	-0.82	12.39	7.55	9.92	7.84
Russell 1000 <sup>®</sup> Value Index	5.18	5.18	5.18	-0.43	8.54	6.94	10.15	7.35
Russell 1000 <sup>®</sup> Index	6.70	6.70	6.70	-8.55	9.66	9.38	12.51	9.18

As of 31 December 2022

Investor Class: ARTLX	-3.95	14.04	-8.86	-8.86	7.46	6.59	9.46	7.23
Advisor Class: APDLX	-3.97	14.14	-8.67	-8.67	7.68	6.78	9.60	7.31
Russell 1000 <sup>®</sup> Value Index	-4.03	12.42	-7.54	-7.54	5.96	6.67	10.29	7.07
Russell 1000 <sup>®</sup> Index	-5.81	7.24	-19.13	-19.13	7.35	9.13	12.37	8.80

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>
277.0+	17.1	18.2
123.0–277.0	20.5	22.6
53.0–123.0	35.9	19.3
23.0–53.0	19.5	19.0
0.0–23.0	7.0	20.9
<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	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. 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 Jan 2023: Altria Group Inc 2.3%; Baxter International Inc 1.9%; Cigna Corp 2.0%; Merck & Co Inc 2.0%; Northrop Grumman Corp 1.6%; The Walt Disney Co 2.2%; Warner Bros Discovery Inc 1.9%. 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.

Fixed Charge Coverage Ratio indicates a firm's ability to satisfy fixed financing expenses, such as interest and leases.

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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