



# Artisan Value Fund

MONTHLY  
Commentary

Investor Class: ARTLX | Advisor Class: APDLX As of 31 March 2024

## Commentary

Top month-to-date contributors: Airbus SE; Schlumberger NV; Alphabet Inc; EOG Resources Inc; FedEx Corp

Bottom month-to-date contributors: Electronic Arts Inc; Kerry Group PLC; CME Group Inc; Meta Platforms Inc; Diageo PLC

In this space, we discuss one top contributor (Airbus) and one bottom contributor (Electronic Arts) from the recent month.

France-headquartered Airbus operates in the global commercial aerospace duopoly along with Boeing. Airbus has steadily taken market share in the global installed fleet over the past 20 years, largely driven by its A320 family of narrow-body planes, and Airbus remains well positioned over the next decade to continue capturing share given the A320's clear performance edge over Boeing's 737MAX, even aside from the MAX's well-publicized quality issues. We initiated our position in Airbus in the early months of the pandemic in 2020 when the industry was hit hard. Besides the dramatic decline in air traffic, airlines were postponing maintenance to preserve cash. We believed Airbus had the balance sheet to withstand the crisis, and we knew the industry would recover as travel resumed. While we didn't know when that would occur, we knew the stock was trading cheaply based on our view of normalized earnings, offering us an attractive entry point. Besides a recovery in airline traffic, we believed Airbus' strong balance sheet, which had net cash, helped it weather the industry downturn and further strengthen its competitive position relative to Boeing.

Shares of video game publisher Electronic Arts (EA) were down about 5% in March, though still returned a solid 12% over the prior one-year period. EA announced a restructuring plan focused on reducing costs and realigning its portfolio and resources to drive margin and cash flow leverage. EA is reprioritizing efforts on its most successful game franchises and valuable intellectual property to keep up with consumer preferences. Users are increasingly spending more time and money on fewer, bigger, more immersive social experiences. Fortunately, EA has several of these types of large franchises, including EA Sports, Apex Legends and Star Wars, in which to invest. We continue to like EA's business. The longevity of the business model and duration of the cash flows are underpinned by the company's intellectual property and the long-term value of its user community. EA's industry leadership, free cash flow generation and net-cash balance sheet fit well with our philosophy and process.

## Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$14.95	\$14.85
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 2023 <sup>1,2</sup>	1.10/1.07	0.97/0.88

<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)	4.5
Alphabet Inc (Communication Services)	3.9
Airbus SE (Industrials)	3.1
Arch Capital Group Ltd (Financials)	3.0
Comcast Corp (Communication Services)	2.9
Compass Group PLC (Consumer Discretionary)	2.8
The Cigna Group (Health Care)	2.8
US Bancorp (Financials)	2.8
EOG Resources Inc (Energy)	2.7
Schlumberger NV (Energy)	2.7
<b>TOTAL</b>	<b>31.2%</b>

Source: Artisan Partners/GICS.

## Sector Diversification (% of portfolio securities)

	Fund	RIV <sup>1</sup>
Communication Services	16.7	4.6
Consumer Discretionary	7.5	5.0
Consumer Staples	13.3	7.7
Energy	5.7	8.1
Financials	25.7	22.7
Health Care	14.0	14.2
Industrials	11.3	14.3
Information Technology	5.7	9.4
Materials	0.0	4.8
Real Estate	0.0	4.6
Utilities	0.0	4.7
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 5.5% of the total portfolio. <sup>1</sup>Russell 1000<sup>®</sup> Value Index.

## Investment Results (%)

As of 31 March 2024	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	4.69	8.65	8.65	25.11	10.98	14.01	9.93	8.50
Advisor Class: APDLX	4.65	8.71	8.71	25.22	11.16	14.20	10.08	8.59
Russell 1000 <sup>®</sup> Value Index	5.00	8.99	8.99	20.27	8.11	10.32	9.01	7.72
Russell 1000 <sup>®</sup> Index	3.21	10.30	10.30	29.87	10.45	14.76	12.68	10.19

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+	22.0	22.3
114.0–204.0	23.3	21.7
50.0–114.0	35.6	19.5
21.0–50.0	15.2	18.1
0.0–21.0	3.8	18.4
<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 Mar 2024: CME Group Inc 2.3%; Diageo PLC 2.4%; Electronic Arts Inc 1.6%; FedEx Corp 1.7%; Kerry Group PLC 2.2%. 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.

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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