



Artisan Value Fund

MONTHLY Commentary

Investor Class: ARTLX | Advisor Class: APDLX

As of 31 January 2025

Commentary

Top month-to-date contributors: Meta Platforms Inc; Humana Inc; Wells Fargo & Co; The Goldman Sachs Group Inc; Safran SA

Bottom month-to-date contributors: Electronic Arts Inc; Comcast Corp; United Parcel Service Inc; Diageo PLC; Booking Holdings Inc

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

Shares of managed health care company Humana, one of our biggest detractors over the past year, rebounded in January. After a few years of benign health care costs, mainly related to lower utilization trends during COVID in which the managed care industry enjoyed expanding profits and strong growth, utilization has since ticked higher, driving up costs for Humana and its peers. Due to the timing of annual negotiated repricing for Medicare Advantage (MA) plans, Humana has been unable to adjust pricing higher to counter these higher costs—restraining earnings in the interim. Further negative news came in October when Humana announced that preliminary data provided by the Centers for Medicare & Medicaid Services (CMS) showed that the percentage of the insurer's members enrolled in higher quality MA plans had fallen, which would impact government bonus payments. Humana is working with CMS to appeal the process as the company believes there were potential errors; however, this introduces risk to 2026 and 2027 margin targets. Like the market, we appreciate Humana's current challenges, but we believe the long-term drivers for the business remain intact and shares are selling cheaply on our normalized earnings estimates.

Video game publisher Electronic Arts (EA) disappointed the market by reducing guidance for Q3 2025 and FY25 bookings and offering little clarity on the medium-term outlook. The majority of the guide down was attributed to the company's flagship EA FC football franchise. Additionally, unit sales of the recent release Dragon Age have come in meaningfully below internal expectations. We own EA for its strong balance sheet, cash flows and relative stability, with its soccer/futbol franchise. Though expensive, we understood the company's foray into mobile gaming in 2021 via M&A. The deals did not work out, but the cash flows have delivered EA back to a healthy place. However, we are growing concerned with management's execution in the core franchise. As such, we have reduced our position.

Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$14.92	\$14.82
Inception	27 Mar 2006	1 Apr 2015
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2024 ^{1,2}	1.09/0.98	0.97/0.88
Prospectus 30 Sep 2024 ^{1,2}	1.10/0.99	0.98/0.89

¹Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2026. ²See prospectus for further details.

Top 10 Holdings (% of total portfolio)

PayPal Holdings Inc (Financials)	3.9
Alphabet Inc (Communication Services)	3.6
Kerry Group PLC (Consumer Staples)	3.5
Meta Platforms Inc (Communication Services)	3.3
Philip Morris International Inc (Consumer Staples)	3.3
Wells Fargo & Co (Financials)	3.2
Heineken Holding NV (Consumer Staples)	3.0
The Goldman Sachs Group Inc (Financials)	3.0
EOG Resources Inc (Energy)	3.0
Compass Group PLC (Consumer Discretionary)	2.8
TOTAL	32.7%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RIV ¹
Communication Services	13.4	4.2
Consumer Discretionary	6.2	6.1
Consumer Staples	15.1	7.7
Energy	7.7	6.5
Financials	30.9	23.5
Health Care	14.0	14.5
Industrials	8.4	14.8
Information Technology	4.3	9.3
Materials	0.0	4.2
Real Estate	0.0	4.6
Utilities	0.0	4.5
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 1.6% of the total portfolio. ¹Russell 1000® Value Index.

Investment Results (%)

As of 31 January 2025	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	3.83	3.83	3.83	15.48	9.37	13.30	10.46	8.51
Advisor Class: APDLX	3.85	3.85	3.85	15.63	9.55	13.48	10.63	8.59
Russell 1000® Value Index	4.63	4.63	4.63	19.54	8.08	10.15	9.42	7.90
Russell 1000® Index	3.18	3.18	3.18	26.71	11.69	14.97	13.54	10.61

As of 31 December 2024

Investor Class: ARTLX	-4.95	-0.86	12.11	12.11	8.28	11.57	10.05	8.33
Advisor Class: APDLX	-4.88	-0.83	12.31	12.31	8.44	11.76	10.22	8.42
Russell 1000® Value Index	-6.84	-1.98	14.37	14.37	5.63	8.68	8.49	7.67
Russell 1000® Index	-2.79	2.75	24.51	24.51	8.41	14.28	12.87	10.47

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 ¹
226.0+	19.3	23.2
134.0–226.0	18.1	17.1
62.0–134.0	35.0	20.7
26.0–62.0	15.8	18.8
0.0–26.0	11.7	20.1
TOTAL	100.0%	100.0%

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

Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
Thomas A. Reynolds IV	26
Daniel L. Kane, CFA	26
Craig Inman, CFA	25

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 2025: Booking Holdings Inc 2.3%; Comcast Corp 2.7%; Diageo PLC 2.5%; Electronic Arts Inc 1.6%; Humana Inc 2.7%; Safran SA 2.6%; United Parcel Service Inc 2.8%. 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.

Normalized Earnings are earnings that are adjusted for the cyclical ups and downs over a business cycle. **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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