Artisan Value Fund

QUARTERLY Commentary

Investor Class: ARTLX | Advisor Class: APDLX | Institutional Class: APHLX

As of 31 March 2023

Investment Process

We seek to invest in companies that are undervalued, in solid financial condition and have attractive business economics. We believe that companies with these characteristics are less likely to experience eroding values over the long term.

Attractive Valuation

We value a business using what we believe are reasonable expectations for the long-term earnings power and capitalization rates of that business. This results in a range of values for the company that we believe would be reasonable. We generally will purchase a security if the stock price falls below or toward the lower end of that range.

Sound Financial Condition

We prefer companies with an acceptable level of debt and positive cash flow. At a minimum, we seek to avoid companies that have so much debt that management may be unable to make decisions that would be in the best interest of the companies' shareholders.

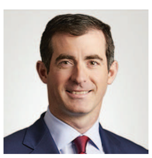
Attractive Business Economics

We favor cash-producing businesses that we believe are capable of earning acceptable returns on capital over the company's business cycle.

Team Overview

Everyone on the team functions as a generalist with respect to investment research and the entire team works together on considering potential investments.

Portfolio Management



Thomas A. Reynolds IV
Portfolio Manager

Daniel L. Kane, CFA
Portfolio Manager

Craig Inman, CFA
Portfolio Manager

Investment Results (%)

As of 31 March 2023	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
			Average Annual Total Returns				
Investor Class: ARTLX	**7.88**	**7.88**	**-0.95**	**23.27**	**9.26**	**9.13**	**7.60**
Advisor Class: APDLX	**7.93**	**7.93**	**-0.76**	**23.54**	**9.45**	**9.27**	**7.68**
Institutional Class: APHLX	**8.02**	**8.02**	**-0.70**	**23.59**	**9.51**	**9.37**	**7.78**
Russell 1000® Value Index	1.01	1.01	-5.91	17.93	7.50	9.13	7.02
Russell 1000® Index	7.46	7.46	-8.39	18.55	10.87	12.01	9.13

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. Class inception: Investor (27 March 2006); Advisor (1 April 2015); Institutional (26 July 2011). For the period prior to inception, each of Advisor Class and Institutional Class's performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Advisor or Institutional Class and each share's respective returns during that period would be different if such expenses were reflected.

Expense Ratios (% Gross/Net)	ARTLX	APDLX	APHLX
Annual Report 30 Sep 2022	1.06/—	0.96/0.88[1]	0.85/—
Prospectus 30 Sep 2022[2]	1.06/—	0.96/0.88[1]	0.85/—

[1]Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2024. [2]See prospectus for further details.

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.

Investing Environment

US equities overcame a banking crisis and rising recession fears to finish higher in Q1. Risk assets benefited from further signs of cooling inflation, lower long-term Treasury yields and expectations of easier monetary policy in the second half of 2023. The Russell 1000® Value Index gained 1.01% in Q1. The year kicked off with strong returns in January followed by two down months in February and March. However, this pedestrian three-month result obscured the substantial performance dispersion within US equities by market capitalization, style and sector. Substantial gains by a handful of mega-cap stocks (i.e., the FAANGs+) that have big index weights in the large-cap core and growth indices drove strong outperformance for large caps and growth stocks. Almost 80% of the large-cap Russell 1000® Index's 7.46% Q1 return was generated by only 10 names, many of which were technology stocks that had trailed in 2022.

Among large-cap value stocks, most sectors generated quarterly returns of -5% to +5%. Communication services and technology stocks were positive outliers, each finishing with high-teens percentage returns. Lagging sectors were financials due to weakness in banks, energy on lower oil prices and health care driven by declines in pharma and health care providers and services.

The biggest story in Q1 was undoubtedly the events of mid-March in the regional banking sector. There's a saying among investors, "The Fed will hike interest rates until something breaks." Certainly, we're beginning to see the effects of one of the fastest ever Fed rate-hiking cycles. The failure of Silicon Valley Bank (SVB)—the largest bank failure since the 2008 financial crisis—was in many respects an outlier due to its amount of unrealized losses on the balance sheet, share of uninsured deposits and extremely geographically concentrated client base. However, tighter policy is clearly putting stress on the wider financial system. UBS' arranged takeover of fellow Swiss bank Credit Suisse just a few days after SVB's collapse was further evidence of that. This may not be a credit crisis like that of 2008 or even a liquidity crisis, but with 3-month T-bills at 5%, savers have options beyond their bank account. The dynamic of low-cost deposits flowing out of the system and into higher yielding money markets and bond markets, increased price competition for remaining deposits and the significantly inverted yield curve are major headwinds for bank earnings prospects.

The immediate reverberations of banking sector turmoil were felt in government bond markets. The 2-Year Treasury yield fell more than 100bps over a 3-day stretch—its largest 3-day decline since the October 1987 stock market crash—on a flight to safety and a recalibration of the path of future interest rates. As March closed, relative calm had largely returned to markets following decisive government actions that included a new emergency lending facility and an implicit guarantee for deposits at troubled institutions. Concerns about financial system stability will likely put pressure on the Fed to slow or pause rate hikes as banks are clearly struggling with the inverted yield curve. These conditions tend to cause a slowdown in lending, which should help tamp down inflation. Overall, while economic conditions have slowed since 2021, consumers are well financed, the job market is strong, and lending has not been too aggressive, which are generally strong supporting factors for normal economic activity. Regardless, we are not economic forecasters. We can see the inverted yield curve just like everyone else can, but our focus is on bottom-up company research rather than trying to predict the next recession. The work we do each day is preparation that should better position us to take advantage of opportunities to invest in good businesses at attractive prices. We believe these investment decisions, more than the short-term ebbs and flows in markets and the economy, are what should drive long-term investment success.

Performance Discussion

Our portfolio got off to a strong start in 2023, meaningfully outperforming the Russell 1000® Value Index. In contrast to 2022, when positive stock selection was offset by negative sector allocation impacts due to relative sector weightings in communication services, consumer discretionary and utilities, in Q1, sector allocation impacts turned in our favor even as stock selection remained positive. Our above-benchmark weighting in the communication services sector and lighter exposures to health care and utilities proved beneficial. Stock selection strength was broad based, with positive contributions led by our communication services, consumer discretionary and financials holdings.

Our top contributors in Q1 were Meta Platforms, Warner Bros Discovery (WBD) and FedEx. Following sharp declines in 2022, shares of Meta Platforms have more than doubled since their early November 2022 lows. Last year's drawdown created a highly favorable risk-reward, which we took advantage of by adding to our position. Management has wisely, in our view, recalibrated its spending plans to focus on profitability amid a weaker advertising environment, increased TikTok competition and Apple's privacy changes. While investors got ahead of themselves back in 2021, extrapolating pandemic growth rates into the future, Meta is still a highly successful enterprise generating over $120 billion of revenue annually on a run-rate basis and has more than $40 billion in cash on its balance sheet to help it navigate its future course. Recent usage and engagement trends for Facebook and Instagram have been positive, and Reels—Meta's answer to TikTok—is gaining traction.

Shares of 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 early in the quarter, suggesting they were driven by a shift in sentiment or a new calendar and tax year. Quarterly results came in as expected, with advertising revenues weak as expected. However, management showed good progress on cost synergy realization, debt reduction and free cash flow generation. 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. The company will be unveiling its refreshed streaming service in April. 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.

After bottoming in September 2022 at less than 8X our estimate of normalized earnings, shares of FedEx, a global shipping and logistics firm, have rallied strongly over the past six months. The demand environment remains challenging, particularly in the Express segment due to lower volumes in Asia and Europe. A key question remains how much the demand slowdown is idiosyncratic due to the post-pandemic reopening of the international economy and therefore less likely to repeat and how much is due to a cyclical slowdown. Due to the substantial pessimism already priced into shares, it hasn't taken much for shares to rise soundly. Better-than-expected operating results and progress on cost-cutting initiatives, including additional headcount reductions, to offset cost pressures were well-received. While operating results can be choppy, FedEx's longer term business economics are highly favorable given the global shipping industry's consolidated structure and massive barriers to entry that afford operators with pricing power to counter cost inflation and earn respectable returns on capital over the business cycle.

Northrop Grumman (NOC), an aerospace and defense technology company, and Cigna, a managed care company, were among our biggest detractors. The market rotation theme that helped last year's losers become Q1's winners also applied to last year's winners becoming Q1's losers. Both Cigna and NOC performed well during 2022's market downturn as investors sought safety—each gaining more than 40% during the calendar year. The war in Ukraine was an additional tailwind for NOC's shares. 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.

Cigna delivered strong operating results that came in well ahead of the company's initial guidance, yet the stock has continued to sell off since the beginning of 2023. It seems there are a few reasons for it: 1) concerns over the government targeting pharmacy benefit managers and trying to directly negotiate drug prices under the president's new budget, 2) a potential normalization of elective procedures that increases medical costs, 3) a rotation by dedicated health care investors toward medical technology and technology areas and away from the safety of big pharma and HMOs, 4) disenrollment trends as it relates to the commercial book of business heading into a potential downturn, and 5) selling in the space as we approach another presidential election in 2024. Pick your poison, but the selling has taken the stock price back to its levels of mid-2022. Our investment case hasn't changed. Cigna is one of the few managed care organizations in the US with the scale and size to compete effectively. In 2022, free cash flow was $7.4 billion, up $1.3 billion from 2021. Cigna paid down $3.5 billion of debt, repurchased $7.6 billion in stock and sold its life, accident and supplemental benefits business in Asia to Chubb that helped fund the share repurchases. In short, the business in performing well, and management is smartly allocating capital. Additionally, the stock is selling for less than 11X next year's earnings, which is inexpensive.

Portfolio Activity

Loyal readers will be familiar with our catchphrase "fear and uncertainty." Investing is simple is theory, right? Buy low and sell high. Of course, when markets sell off and low prices manifest, fear can make it difficult to buy. Our process is built to capitalize on these market dislocations, when fear and uncertainty dominate, as was the case in the banking sector in Q1. Just like in 2020 when we added travel- and leisure-related businesses after they sold off on COVID lockdowns or last year when we increased our investments in media and entertainment when they were out of favor, we are taking advantage of the current weakness in bank stocks. In Q1, we purchased PNC Financial Services and US Bancorp. These are banks we have known for years. They are well-managed and have solid capital positions and liquidity. At the end of Q1, we had an ~7% weighting in banks consisting of PNC, US Bancorp and Bank of America. All 3 are among the 10 largest US banks. We believe the range of probabilities and long-term outcomes are tilted in our favor at current prices but are proceeding with caution for several reasons. First, while we believe deposit-runs have likely burned themselves out, there is a non-zero risk these runs spread wider than our base case. Second, we expect more regulation in coming years which will increase the cost of doing business, potentially in exchange for higher FDIC limits. Third, at the very least we expect banks to cease buybacks for the rest of the year to build up liquidity and capital ratios. There is an increasingly more likely outcome that banks issue equity capital and preferred stock once markets stabilize. Fourth, with the banking system in shock, it will likely retrench, which will constrict capital to the US economy. Coupled with the "long and variable lags" of Fed policy, this will slow US economic growth beyond what private credit markets can make up.

During the quarter, we also purchased Baxter International (BAX), a global medical technology company providing essential products in renal care, medication delivery, advanced surgery, clinical nutrition, pharma and acute therapies. It has a diversified geographic reach and is a consistent producer of free cash flow. The stock trades at its cheapest valuation in years due to pessimism regarding raw material costs, supply chain issues, semiconductor availability and foreign exchange headwinds. We believe the company has turnaround potential as none of these are permanent conditions. Additionally, the company is going through the process of selling several non-core operations, which should raise cash and simplify the business longer term. BAX also meets our criteria for sound financial condition due to its high interest coverage and well-termed out debt on the balance sheet.

Blackstone, an alternative asset manager, was our only sale in Q1. We chose to exit our position in favor of better opportunities due to fundraising headwinds in the industry.

Perspective

We have routinely discussed the prolonged era of low interest rates and how it set the stage for the craziness we saw in markets over the past few years. We are starting to see what the unwind of those conditions means for financial markets and the economy. In 2021, Bank of America said interest rates had reached 5,000-year lows! This was not one pocket of mania; it was across the board. With money pumped into the system, risk-taking was ascendant. Where did the excesses land? The poster children were crypto, MEME stocks, SPACs, profit-less growth, etc. Yet, our process touched none of these areas of MEMEntum. Why didn't we? Because we are fiduciaries that subscribe to a tried-and-true fundamentals-based investment philosophy and process and seek to maintain investment discipline. There is a quote by J.P. Morgan, "Nothing so undermines your financial judgement as the sight of your neighbor getting rich." Manias are contagious. If you see others getting rich, even if you do not understand why prices are going up, human behavior and jealousy are such that people will jump in regardless.

Of course, if there can be extreme euphoria on the upside, it must also be true there can be extreme despondence on the downside. Both must exist because of the nature of markets and human emotions which create prices in the short term. This is the basis of value investing. We designed our approach to take advantage of market dislocations—stacking the deck in our favor, leaning into probabilities and focusing on distinguishing between values and prices. We stack the deck by seeking to find better businesses in sound financial condition and buying them at prices below their intrinsic values. When values and prices diverge, there is an opportunity to double dip. Over your holding period, you not only receive the growth in business value but also the closing of the undervaluation gap as earnings and investor sentiment normalize. We look forward to continuing to seek better businesses selling at attractive values with the goal to generate above-average investment outcomes for our investors.

For more information: Visit www.artisanpartners.com | Call 800.344.1770

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.

This summary represents the views of the portfolio managers as of 31 Mar 2023. Those views may change, and the Fund disclaims any obligation to advise investors of such changes. For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The holdings mentioned above comprised the following percentages of the Fund's total net assets as of 31 Mar 2023: Warner Bros Discovery Inc 1.6%, Meta Platforms Inc 4.3%, FedEx Corp 3.4%, The Cigna Group 1.6%, Northrop Grumman Corp 1.7%, The PNC Financial Services Group Inc 2.3%, US Bancorp 2.0%, Bank of America Corp 2.4%, Baxter International Inc 2.3%. Securities named in the Commentary, but not listed here are not held in the Fund as of the date of this report. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. All information in this report, unless otherwise indicated, includes all classes of shares (except performance and expense ratio information) and is as of the date shown in the upper right hand corner. This material does not constitute investment advice.

The Global Industry Classification Standard (GICS®) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's Financial Services, LLC (S&P). Neither MSCI, S&P, their affiliates, nor any of their third party providers ("GICS Parties") makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including warranties of accuracy, completeness, merchantability and fitness for a particular purpose. The GICS Parties shall not have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of such damages.

Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or Russell ratings or underlying data and no party may rely on any Russell Indexes and/or Russell ratings and/or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.

Attribution is used to evaluate the investment management decisions which affected the portfolio's performance when compared to a benchmark index. Attribution is not exact, but should be considered an approximation of the relative contribution of each of the factors considered.

This material is provided for informational purposes without regard to your particular investment needs and shall not be construed as investment or tax advice on which you may rely for your investment decisions. Investors should consult their financial and tax adviser before making investments in order to determine the appropriateness of any investment product discussed herein.

Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures. **Price-to-Earnings (P/E)** is a valuation ratio of a company's current share price compared to its per-share earnings. **Fixed Charge Coverage Ratio** indicates a firm's ability to satisfy fixed financing expenses, such as interest and leases. **Return on Capital (ROC)** is a measure of how effectively a company uses the money (borrowed or owned) invested in its operations.

Artisan Partners Funds offered through Artisan Partners Distributors LLC (APDLLC), member FINRA. APDLLC is a wholly owned broker/dealer subsidiary of Artisan Partners Holdings LP. Artisan Partners Limited Partnership, an investment advisory firm and adviser to Artisan Partners Funds, is wholly owned by Artisan Partners Holdings LP.

A R T I S A N P A R T N E R S