



Artisan Value Income Fund

MONTHLY
Commentary

Investor Class: APFWX

Advisor Class: APDWX

As of 31 August 2024

Commentary

Top month-to-date contributors: Public Storage; Medtronic PLC; Altria Group Inc; Philip Morris International Inc; Ryanair Holdings PLC

Bottom month-to-date contributors: Cable One Inc; Comcast Corp; Warner Music Group Corp; NetApp Inc; nVent Electric PLC

In this space, we discuss one top contributor (Ryanair Holdings) and one bottom contributor (Cable One) from the recent month.

In August, shares of Ireland-based Ryanair, a low-cost airline focused on the European market, recovered from July weakness. In July, the stock was pressured by concerns about consumer weakness after Ryanair reported surprisingly poor fares in its June-ending quarter and cautious guidance for the all-important September-ending quarter, which typically generates most of the company's full-year earnings. The stock rose this month on comments by CEO Michael O'Leary that the summer has been better than feared, with fares likely down much less than previously expected. In addition, the company announced that it is stepping up its capital return program as strong traffic growth and aircraft delivery delays are boosting its cash balance. Over the last decade, the company retired 20% of its share count. This is remarkable considering it was a growth-focused airline and still had net cash after a pandemic. In addition to stock buybacks, Ryanair recently initiated its first dividend policy. The stock sells at an attractive low-double-digit P/E, but we do not need multiple expansion for this investment to contribute well to our portfolio income and capital appreciation objectives.

Shares of Cable One, a small cable company operating in rural US markets, have remained weak due to depressed broadband subscriber growth, driven by competition from wireless providers, fewer residential moves in a frozen US housing market and the end to the ACP (Affordable Connectivity Program). Further, increased promotions to stem subscriber losses have reduced average revenue per subscriber. Aiming to stabilize broadband revenue, Cable One has been making strategic adjustments designed to add customers without sacrificing pricing. A reorganization that removes layers of middle management is also underway, which should create costs savings and potentially provide operational benefits. Despite recent growth challenges, free cash flow conversion remains solid, supporting its dividend (currently yielding 3.4%), and the valuation is highly attractive, having a free cash flow yield of ~12% and selling below our estimate of 8X normalized earnings.

Portfolio Details

	APFWX	APDWX
Net Asset Value (NAV)	\$10.63	\$10.64
Inception	28 Feb 2022	28 Feb 2022
Expense Ratios (% Gross/Net)		
Semi-Annual Report 31 Mar 2024 ^{1,2,3}	8.78/1.20	4.01/1.10
Prospectus 30 Sep 2023 ^{2,3}	9.08/1.21	4.36/1.11

¹Unaudited, annualized for the six-month period. ²Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2025. ³See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Lamar Advertising Co (Real Estate)	3.7
Philip Morris International Inc (Consumer Staples)	3.4
Cable One Inc (Communication Services)	3.0
WaFd Inc (Financials)	2.8
Comcast Corp (Communication Services)	2.7
EOG Resources Inc (Energy)	2.7
Altria Group Inc (Consumer Staples)	2.6
Medtronic PLC (Health Care)	2.5
PPL Corp (Utilities)	2.3
Public Storage (Real Estate)	2.2
TOTAL	27.8%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	S&P 500 ¹
Communication Services	9.1	8.8
Consumer Discretionary	5.4	9.7
Consumer Staples	17.2	6.0
Energy	2.7	3.5
Financials	21.4	13.3
Health Care	7.9	12.2
Industrials	9.1	8.5
Information Technology	5.2	31.0
Materials	0.0	2.2
Real Estate	10.7	2.4
Utilities	11.3	2.4
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/S&P. Cash and cash equivalents represented 2.9% of the total portfolio. ¹S&P 500[®] Index.

Investment Results (%)

As of 31 August 2024	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: APFWX	3.30	8.80	12.03	19.51	—	—	—	5.16
Advisor Class: APDWX	3.30	8.79	12.05	19.58	—	—	—	5.26
S&P 500 [®] Index	2.43	3.67	19.53	27.14	—	—	—	12.52
Dow Jones US Select Dividend Index	3.08	10.90	16.48	23.37	—	—	—	7.43

As of 30 June 2024

Investor Class: APFWX	-1.42	-1.81	2.97	9.72	—	—	—	1.80
Advisor Class: APDWX	-1.39	-1.79	3.00	9.80	—	—	—	1.90
S&P 500 [®] Index	3.59	4.28	15.29	24.56	—	—	—	11.75
Dow Jones US Select Dividend Index	-2.03	-1.01	5.03	11.44	—	—	—	3.31

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 ¹
200.0+	7.9	53.6
140.0–200.0	11.1	10.4
90.0–140.0	9.5	10.1
60.0–90.0	12.3	7.5
30.0–60.0	5.0	10.4
15.0–30.0	23.7	6.2
5.0–15.0	17.9	1.8
0.0–5.0	10.2	0.1
Not Applicable	2.4	—
TOTAL	100.0%	100.0%

Source: Artisan Partners/S&P. ¹S&P 500[®] Index.

Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
Thomas A. Reynolds IV	25
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. 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[®] 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 31 Aug 2024: NetApp Inc 0.5%; nVent Electric PLC 0.8%; Ryanair Holdings PLC 1.8%; Warner Music Group Corp 1.3%. 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.

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. **Normalized Earnings** are earnings that are adjusted for the cyclical ups and downs over a business cycle. **Free Cash Flow Yield** is an overall return evaluation ratio of a stock, which standardizes the free cash flow per share a company is expected to earn against its market price per share. The ratio is calculated by taking the free cash flow per share divided by the share price. **Dividend Yield** is a financial ratio that shows how much a company pays out in dividends each year relative to its share price.

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