



Artisan Value Fund

MONTHLY
Commentary

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

Commentary

Top month-to-date contributors: Arch Capital Group Ltd; Meta Platforms Inc; PayPal Holdings Inc; CME Group Inc; Kerry Group PLC

Bottom month-to-date contributors: Dollar General Corp; Schlumberger NV; Alphabet Inc; Comcast Corp; Warner Bros Discovery Inc

In this space, we discuss one top contributor (Kerry Group) and one bottom contributor (Dollar General) from the recent month.

Kerry is the largest food and beverage ingredients company globally. Kerry is primarily a B2B (business-to-business) company that helps consumer goods and foodservice companies go from an idea to a product rapidly, with taste, nutrition and formulation assistance on-site or at Kerry's innovation centers. We added Kerry to the portfolio in Q4 2023, taking advantage of its bargain price resulting from growth disappointments and GLP-1 weight-loss drug fears. In August, the stock benefited from a combination of better operating results, including positive volume trends and margin growth, fading concerns about GLP-1s and a rotation from technology stocks to defensive areas of the market, like consumer staples. Underpinning our investment case are Kerry's strong free cash flow generation and disciplined capital allocation focused on returning excess capital via dividends and buybacks.

Shares of discount retailer Dollar General sold off after the company reported a weak set of results that included tepid same-store sales results, a decline in gross margins and a drop in earnings per share, causing the company to slash its full-year sales and earnings outlook. A combination of execution issues, competitive pressures and an increasingly constrained lower income consumer are hurting sales growth. Additionally, margins are under pressure due to labor costs, shrink and markdowns. Some of the issues are self-inflicted. After years of focusing on store growth to drive the top line, store standards have suffered. Addressing store standards is needed to turn around flagging traffic, comps and customer satisfaction. Additionally, its strategy to grow the share of sales that come from nonconsumables hasn't achieved its objectives as these products have tended to sit on store shelves, leading to more promotions and inventory write-downs. Turning the business around will take time, but the stock price is now back to 2016 levels, and multiple valuation metrics are the cheapest in the stock's history.

Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$15.48	\$15.38
Inception	27 Mar 2006	1 Apr 2015
Expense Ratios (% Gross/Net)		
Semi-Annual Report 31 Mar 2024 ^{1,2,3}	1.07/0.98	0.96/0.88
Prospectus 30 Sep 2023 ^{2,3}	1.10/1.07 ⁴	0.97/0.88

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. ⁴There 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)	3.9
Alphabet Inc (Communication Services)	3.5
Arch Capital Group Ltd (Financials)	3.2
Kerry Group PLC (Consumer Staples)	3.2
United Parcel Service Inc (Industrials)	3.1
Philip Morris International Inc (Consumer Staples)	3.1
PayPal Holdings Inc (Financials)	3.1
Diageo PLC (Consumer Staples)	3.0
The Goldman Sachs Group Inc (Financials)	3.0
The Cigna Group (Health Care)	2.8
TOTAL	31.9%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	R1V ¹
Communication Services	14.3	4.1
Consumer Discretionary	6.4	6.1
Consumer Staples	15.9	8.0
Energy	5.2	7.0
Financials	28.2	21.7
Health Care	14.6	15.9
Industrials	9.4	14.4
Information Technology	6.0	8.9
Materials	0.0	4.5
Real Estate	0.0	4.8
Utilities	0.0	4.6
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 2.8% of the total portfolio. ¹Russell 1000[®] Value 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: ARTLX	2.86	6.10	12.50	18.96	8.36	14.34	9.40	8.51
Advisor Class: APDLX	2.81	6.07	12.59	19.04	8.52	14.52	9.55	8.59
Russell 1000 [®] Value Index	2.68	7.93	15.08	21.15	7.25	11.16	8.85	7.85
Russell 1000 [®] Index	2.37	3.86	18.64	26.60	8.34	15.55	12.66	10.38

As of 30 June 2024

Investor Class: ARTLX	-1.15	-2.41	6.03	13.78	7.36	12.55	8.97	8.24
Advisor Class: APDLX	-1.16	-2.36	6.15	13.90	7.55	12.72	9.12	8.32
Russell 1000 [®] Value Index	-0.94	-2.17	6.62	13.06	5.52	9.01	8.23	7.48
Russell 1000 [®] Index	3.31	3.57	14.24	23.88	8.74	14.61	12.51	10.26

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
204.0+	17.3	22.7
114.0–204.0	20.7	21.2
50.0–114.0	41.4	21.2
21.0–50.0	13.3	17.7
0.0–21.0	7.3	17.1
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	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. 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 Aug 2024: CME Group Inc 2.3%; Comcast Corp 2.7%; Dollar General Corp 1.3%; Schlumberger NV 2.3%; Warner Bros Discovery Inc 0.2%. 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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