



Artisan Value Income Fund

MONTHLY Commentary

Investor Class: APFWX

Advisor Class: APDWX

As of 31 July 2024

Commentary

Top month-to-date contributors: Philip Morris International Inc; WaFd Inc; The PNC Financial Services Group Inc; Moelis & Co; Kerry Group PLC

Bottom month-to-date contributors: Merck & Co Inc; Heineken Holding NV; Ryanair Holdings PLC; United Parcel Service Inc; nVent Electric PLC

In this space, we discuss one top contributor (Moelis) and one bottom contributor (United Parcel Service) from the recent month.

Moelis, a boutique investment bank, reported revenue growth of 45% y/y that was driven by strength in the capital markets advisory business. The company also provided an upbeat outlook for M&A, noting the best levels of pipeline activity in the firm's history, even including 2021, which was a banner year. Interest rate cuts by the Federal Reserve, which are expected to begin in September, would be a boon for a recovery in M&A markets. Unlike most peers, Moelis operates both restructuring and deal advisory businesses, which provides some degree of countercyclicality to the business model. Moelis carries zero debt and has a variable cost model, allowing it to remain cash flow positive even in stressful times. The firm returns all its excess cash flow to shareholders in the form of regular and special dividends, making it a strong fit for our income portfolio. Since its IPO in 2014, Moelis has returned \$2.5 billion in cash to shareholders. The stock currently yields 3.5%.

Shares of United Parcel Service (UPS) plunged as investors reacted to the company's weaker-than-expected profitability that was driven by mix in the domestic business. Customers traded down to the lower yielding ground segment, which negatively impacted overall pricing and margins. These shifts are common and occur in both directions, but what is important, in our view, is the long-term trend of volume growth remains intact. Nevertheless, investors have lost patience with UPS after a string of earnings disappointments. When we initiated our position in Q4 2023, shares were under pressure due to concerns about its new labor contract diverting volumes and driving up costs, as well as the continued normalization of volumes following COVID-related gains. We welcomed the market's short-term focus as it provided us an opportunity to purchase UPS at an undemanding valuation of less than 11X our view of normalized earnings. UPS is a good transport operation that easily earns its cost of capital, generates significant free cash, has a wide economic moat, has a strong financial profile and pays an attractive dividend—now yielding 5%. We added to our position on weakness.

Portfolio Details

	APFWX	APDWX
Net Asset Value (NAV)	\$10.29	\$10.30
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)	3.6
Philip Morris International Inc (Consumer Staples)	3.3
Cable One Inc (Communication Services)	3.3
Comcast Corp (Communication Services)	2.9
WaFd Inc (Financials)	2.7
EOG Resources Inc (Energy)	2.7
M&T Bank Corp (Financials)	2.6
Altria Group Inc (Consumer Staples)	2.5
Medtronic PLC (Health Care)	2.3
PPL Corp (Utilities)	2.2
TOTAL	28.1%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	S&P 500 ¹
Communication Services	9.6	8.9
Consumer Discretionary	4.8	10.0
Consumer Staples	16.6	5.8
Energy	2.8	3.7
Financials	22.4	13.1
Health Care	7.5	11.9
Industrials	9.1	8.4
Information Technology	5.8	31.4
Materials	0.0	2.2
Real Estate	10.3	2.3
Utilities	11.1	2.4
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/S&P. Cash and cash equivalents represented 1.8% of the total portfolio. ¹S&P 500® Index.

Investment Results (%)

As of 31 July 2024	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: APFWX	5.32	5.32	8.45	11.66	—	—	—	3.94
Advisor Class: APDWX	5.32	5.32	8.47	11.85	—	—	—	4.04
S&P 500® Index	1.22	1.22	16.70	22.15	—	—	—	11.88
Dow Jones US Select Dividend Index	7.59	7.59	13.00	15.10	—	—	—	6.36

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+	7.8	54.0
140.0–200.0	11.2	9.1
90.0–140.0	6.8	10.2
60.0–90.0	12.3	7.5
30.0–60.0	7.1	11.2
15.0–30.0	25.3	6.1
5.0–15.0	15.0	1.9
0.0–5.0	11.0	0.0
Not Applicable	3.5	—
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 Jul 2024: Heineken Holding NV 2.2%; Kerry Group PLC 1.6%; Merck & Co Inc 1.5%; Moelis & Co 1.3%; nVent Electric PLC 0.8%; Ryanair Holdings PLC 1.7%; The PNC Financial Services Group Inc 1.6%; United Parcel Service Inc 2.0%. 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.

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.

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.

The S&P 500[®] and Dow Jones US Select Dividend ("Indices") are products of S&P Dow Jones Indices LLC ("S&P DJI") and/or its affiliates and has been licensed for use. Copyright © 2024 S&P Dow Jones Indices LLC, a division of S&P Global, Inc. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. S&P[®] is a registered trademark of S&P Global and Dow Jones[®] is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). None of S&P DJI, Dow Jones, their affiliates or third party licensors makes any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and none shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.

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. **Dividend Yield** is a financial ratio that shows how much a company pays out in dividends each year relative to its share price.

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.

© 2024 Artisan Partners. All rights reserved.

8/6/2024 A24420L_vR