



# Artisan Value Income Fund

MONTHLY  
Commentary

Investor Class: APFWX

Advisor Class: APDWX

As of 30 June 2024

## Commentary

Top month-to-date contributors: NetApp Inc; Public Storage; Universal Health Realty Income Trust; Lamar Advertising Co; Samsung Electronics Co Ltd

Bottom month-to-date contributors: Airbus SE; Diageo PLC; Ryanair Holdings PLC; Koninklijke Philips NV; Safran SA

In this space, we discuss one top contributor (Universal Health Realty Income Trust) and one bottom contributor (Airbus) from the recent month.

Our bond proxies, like Universal Health Realty Income Trust (UHT), performed well in June as they benefited from a general trend of falling longer term bond yields. UHT is a health care REIT (real estate investment trust) specializing in health care facilities, including acute care hospitals, behavioral health centers and medical office buildings. Our initial purchase was in June 2023. Like other high income producing stocks, UHT had been out of favor given higher interest rates. Besides the stock selling at low levels relative to its historical valuation and other REITs, we liked UHT's track record of execution, low leverage, reduced cyclicality and consistent annual dividend growth. It currently yields over 7%. Recent results have been strong, with revenue growth up over 5% driven by annual lease price escalators, a better mix of assets, increased occupancy and M&A.

Airbus, the world's largest aerospace company, lowered its FY2024 profits and free cash flow expectations while also slashing the number of aircraft deliveries to 770 from 800 due to overall supply chain challenges as it's contending with shortages in engines, aerostructures and cabin interiors. As a result, the production ramp-up of A320 narrow-body planes to 75 deliveries per month was also pushed out from 2026 to 2027. Shares naturally pulled back on the news. Despite these setbacks, Airbus remains in a strong strategic position in the global commercial aerospace duopoly. Airbus has steadily taken market share in the global installed fleet over the past 20 years, largely driven by its A320 family, and Airbus remains well positioned over the next decade to continue capturing share given the A320's clear performance edge over Boeing's 737 MAX, even aside from the MAX's well-publicized quality issues. Airbus remains a well-run company, with a leading market share, a higher quality product and a net cash balance sheet, and shares are reasonably valued at a mid-teens P/E.

## Investment Results (%)

As of 30 June 2024	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
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.

## Portfolio Details

	APFWX	APDWX
Net Asset Value (NAV)	\$9.77	\$9.78
Inception	28 Feb 2022	28 Feb 2022
Expense Ratios (% Gross/Net)		
Semi-Annual Report 31 Mar 2024 <sup>1,2,3</sup>	8.78/1.20	4.01/1.10
Prospectus 30 Sep 2023 <sup>2,3</sup>	9.08/1.21	4.36/1.11

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

## Top 10 Holdings (% of total portfolio)

Lamar Advertising Co (Real Estate)	3.8
Cable One Inc (Communication Services)	3.2
Philip Morris International Inc (Consumer Staples)	3.1
Comcast Corp (Communication Services)	2.9
EOG Resources Inc (Energy)	2.8
M&T Bank Corp (Financials)	2.7
WaFd Inc (Financials)	2.5
Heineken Holding NV (Consumer Staples)	2.4
Altria Group Inc (Consumer Staples)	2.4
Medtronic PLC (Health Care)	2.4
<b>TOTAL</b>	<b>28.3%</b>

Source: Artisan Partners/GICS.

## Sector Diversification (% of portfolio securities)

	Fund	S&P 500 <sup>1</sup>
Communication Services	8.1	9.3
Consumer Discretionary	4.8	10.0
Consumer Staples	16.6	5.8
Energy	2.9	3.6
Financials	23.7	12.4
Health Care	7.7	11.7
Industrials	8.9	8.1
Information Technology	7.1	32.4
Materials	0.0	2.2
Real Estate	9.4	2.2
Utilities	10.9	2.3
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/S&P. Cash and cash equivalents represented 2.3% of the total portfolio. <sup>1</sup>S&P 500® Index.

## Market Cap Distribution (% of portfolio securities)

\$ in billions	Fund	S&P 500 <sup>1</sup>
200.0+	8.5	54.3
140.0–200.0	11.1	9.0
90.0–140.0	5.5	10.0
60.0–90.0	14.0	7.9
30.0–60.0	7.2	10.7
15.0–30.0	22.4	6.2
5.0–15.0	16.8	2.0
0.0–5.0	11.0	0.0
Not Applicable	3.6	—
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/S&P. <sup>1</sup>S&P 500<sup>®</sup> 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<sup>®</sup> 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 30 Jun 2024: Airbus SE 1.2%; Diageo PLC 2.1%; Koninklijke Philips NV 1.6%; NetApp Inc 2.3%; Public Storage 2.0%; Ryanair Holdings PLC 1.4%; Safran SA 1.1%; Samsung Electronics Co Ltd 1.6%; Universal Health Realty Income Trust 1.7%. 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. **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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