



# Artisan Value Fund

## MONTHLY Commentary

Investor Class: ARTLX | Advisor Class: APDLX

As of 30 June 2024

### Commentary

Top month-to-date contributors: Meta Platforms Inc; FedEx Corp; Alphabet Inc; Humana Inc; Booking Holdings Inc

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

In this space, we discuss one top contributor (FedEx) and one bottom contributor (Airbus) from the recent month.

Although the demand environment for FedEx's shipping services remains challenging globally, particularly in the Express segment, the company is driving solid earnings growth through structural cost savings. FedEx's DRIVE and Network 2.0 programs, which seek to deliver \$4 billion in permanent cost reductions by creating an integrated air-ground network similar to that of rival UPS, are showing progress. 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. In addition to strong quarterly results demonstrating that DRIVE remains on track, FedEx plans a strategic review by year-end of its freight division, which could potentially result in a spinoff. Such a scenario should unlock value given the valuation premiums of higher margin less-than-truckload businesses.

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.

### Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$14.59	\$14.50
Inception	27 Mar 2006	1 Apr 2015
Expense Ratios (% Gross/Net)		
Semi-Annual Report 31 Mar 2024 <sup>1,2,3</sup>	1.07/0.98	0.96/0.88
Prospectus 30 Sep 2023 <sup>2,3</sup>	1.10/1.07 <sup>4</sup>	0.97/0.88

<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. <sup>4</sup>There was no expense limit prior to July 1, 2023. Effective July 1, 2023, expense limit was 0.98%.

### Top 10 Holdings (% of total portfolio)

Alphabet Inc (Communication Services)	4.1
Meta Platforms Inc (Communication Services)	3.9
The Goldman Sachs Group Inc (Financials)	3.2
Humana Inc (Health Care)	3.0
Arch Capital Group Ltd (Financials)	3.0
Diageo PLC (Consumer Staples)	2.9
EOG Resources Inc (Energy)	2.8
Comcast Corp (Communication Services)	2.8
Kerry Group PLC (Consumer Staples)	2.7
Heineken Holding NV (Consumer Staples)	2.7
<b>TOTAL</b>	<b>31.0%</b>

Source: Artisan Partners/GICS.

### Sector Diversification (% of portfolio securities)

	Fund	RIV <sup>1</sup>
Communication Services	15.5	4.5
Consumer Discretionary	6.5	4.7
Consumer Staples	14.9	7.9
Energy	5.4	8.0
Financials	27.4	22.9
Health Care	14.0	13.9
Industrials	10.0	14.3
Information Technology	6.2	9.5
Materials	0.0	4.7
Real Estate	0.0	4.6
Utilities	0.0	5.0
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 4.2% of the total portfolio. <sup>1</sup>Russell 1000® Value Index.

### 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: 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 <sup>1</sup>
204.0+	18.6	22.5
114.0–204.0	20.8	21.0
50.0–114.0	38.5	19.6
21.0–50.0	16.9	18.0
0.0–21.0	5.2	18.9
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/Russell. <sup>1</sup>Russell 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 30 Jun 2024: Airbus SE 2.2%; Booking Holdings Inc 2.5%; FedEx Corp 1.8%; Koninklijke Philips NV 2.0%; PayPal Holdings Inc 2.1%; Safran SA 2.2%; United Parcel Service Inc 2.3%. 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.

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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.

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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