



Artisan Value Income Fund

MONTHLY
Commentary

Investor Class: APFWX | Advisor Class: APDWX As of 30 November 2024

Commentary

Top month-to-date contributors: Wells Fargo & Co; Cable One Inc; EOG Resources Inc; Morgan Stanley; Bank of America Corp

Bottom month-to-date contributors: Heineken Holding NV; Lineage Inc; Baxter International Inc; Diageo PLC; Medtronic PLC

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

After months of selling pressure, shares of Cable One, a broadband provider in rural markets, are experiencing a relief rally. Competition and pricing appear to be stabilizing, and the stock's low valuation—it's one of the least expensive stocks in the portfolio selling at a 10X P/E—is likely attracting interest. After strong subscriber additions during COVID that pulled forward growth, the slowdown in the housing market and increased competition from fixed wireless and fiber have led to weak subscriber growth more recently. Importantly, Cable One remains competitively advantaged in the majority of its markets. Across only about 40% of Cable One's footprint is there a competitor that can offer 100 megabits per second. This matters because customers care about speed and reliability. Despite recent growth challenges, free cash flow conversion remains solid, supporting its dividend. While Cable One has more leverage than we typically like to see, it is still well financed. Net debt-to-EBITDA is about 4X, and the company has about \$1 billion in investments on the balance sheet. As an investment in our Capital Structure bucket, we also hold positions in Cable One bonds (convertible bonds maturing in 2026 and 2028 and a straight corporate bond maturing in 2030). Combined, these investments provide a balance between attractive yield and potential upside appreciation.

Heineken's volumes have remained soft amid challenging macro trends globally. Volume trends can ebb and flow, but on the whole, the alcoholic beverage category has a highly stable demand profile. Rather than sacrifice margins, Heineken has remained focused on maintaining its premium positioning—leveraging its strong brand portfolio and exposure to the premium beer segment—to pass through cost inflation. Heineken's brands and scale provide it with competitive advantages on margins, cash flow and the capacity to invest for growth. Also, Heineken's geographical exposures provide growth tailwinds. It has a relatively small presence in the competitive and shrinking US beer market and an outsized presence in emerging markets. Expectations for this stable and higher quality business appear relatively low—the stock sells for just 13X FY1 earnings compared to its average of 16X over the past 5 years.

Portfolio Details

	APFWX	APDWX
Net Asset Value (NAV)	\$11.02	\$11.04
Inception	28 Feb 2022	28 Feb 2022
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2024 ^{1,2}	8.59/1.20	4.18/1.10
Prospectus 30 Sep 2023 ^{1,2}	9.08/1.21	4.36/1.11

¹Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2026. ²See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Lamar Advertising Co (Real Estate)	3.8
Philip Morris International Inc (Consumer Staples)	3.5
Cable One Inc (Communication Services)	3.2
Comcast Corp (Communication Services)	2.8
EOG Resources Inc (Energy)	2.7
PPL Corp (Utilities)	2.4
OGE Energy Corp (Utilities)	2.2
Otis Worldwide Corp (Industrials)	2.2
Altria Group Inc (Consumer Staples)	2.1
Wells Fargo & Co (Financials)	2.1
TOTAL	27.1%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	S&P 500 ¹
Communication Services	9.6	8.9
Consumer Discretionary	7.8	10.7
Consumer Staples	15.8	5.7
Energy	5.8	3.4
Financials	21.0	13.9
Health Care	7.2	10.6
Industrials	9.0	8.6
Information Technology	3.0	31.3
Materials	0.0	2.1
Real Estate	9.8	2.2
Utilities	11.0	2.5
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/S&P. Cash and cash equivalents represented 3.2% of the total portfolio. ¹S&P 500[®] Index.

Investment Results (%)

As of 30 November 2024	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: APFWX	4.06	2.32	16.78	23.35	—	—	—	6.27
Advisor Class: APDWX	4.15	2.41	16.94	23.54	—	—	—	6.40
S&P 500 [®] Index	5.87	4.91	28.07	33.89	—	—	—	14.16
Dow Jones US Select Dividend Index	6.36	6.14	26.11	33.42	—	—	—	9.86
As of 30 September 2024								
Investor Class: APFWX	1.88	10.84	14.13	26.05	—	—	—	5.75
Advisor Class: APDWX	1.90	10.86	14.18	26.27	—	—	—	5.85
S&P 500 [®] Index	2.14	5.89	22.08	36.35	—	—	—	13.02
Dow Jones US Select Dividend Index	2.01	13.13	18.82	30.90	—	—	—	8.01

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+	14.3	57.2
140.0–200.0	5.8	9.4
90.0–140.0	8.1	8.4
60.0–90.0	12.1	8.5
30.0–60.0	8.5	9.6
15.0–30.0	21.5	5.5
5.0–15.0	16.8	1.5
0.0–5.0	10.5	0.0
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 30 Nov 2024: Bank of America Corp 1.9%; Baxter International Inc 1.6%; Diageo PLC 1.8%; Heineken Holding NV 1.7%; Lineage Inc 1.2%; Medtronic PLC 2.0%; Morgan Stanley 1.6%. 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.

Net debt/EBITDA, also referred to as the net leverage ratio, is measure of a company's ability to make interest payments, calculated as total debt less cash divided by EBITDA. **Price-to-Earnings (P/E)** is a valuation ratio of a company's current share price compared to its per-share earnings. **Free Cash Flow** is a measure of financial performance calculated as operating cash flow minus capital expenditures.

Portfolio holdings are classified into five income categories: Core Value, Dividend Recovery, Dividend Growth, Bond Proxy and Capital Structure. Core Value holdings are investments consistent with the team's value investing approach that also have an income component. Dividend Recovery holdings are investments where the current yield does not reflect the future payout. Dividend Growth holdings are investments where the dividend payout is expected to grow over a multiyear period. Bond Proxy holdings are investments in businesses which are less economically sensitive and have steady dividend policies. Capital Structure holdings are instruments that comprise non-equity parts of the capital structure (e.g., preferred securities, convertibles and bonds).

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.

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.

12/5/2024 A24562L_vR