



Artisan Value Fund

MONTHLY Commentary

Investor Class: ARTLX | Advisor Class: APDLX As of 30 September 2024

Commentary

Top month-to-date contributors: Meta Platforms Inc; PayPal Holdings Inc; Diageo PLC; Koninklijke Philips NV; Booking Holdings Inc

Bottom month-to-date contributors: Humana Inc; Samsung Electronics Co Ltd; EOG Resources Inc; Airbus SE; Electronic Arts Inc

In this space, we discuss one top contributor (PayPal Holdings) and one bottom contributor (Samsung Electronics) from the recent month.

PayPal, a financial technology company that enables digital and mobile payments between consumers and merchants, was a recent new purchase added to the portfolio in Q2. Better growth in payment volumes and transaction margins during Paypal's latest quarter offered evidence that the new management team's efforts are gaining traction. Notably, payment service provider Braintree returned to providing positive transaction margin, branded checkout contributed strongly to payment volume growth, and monetization at Venmo showed progress. Post-COVID, PayPal's shares had been pressured by intensifying competition, the threat of which was seemingly exacerbated by prior management missteps. Shares traded for under 14X next year's expected earnings at the time of our initial purchase. This was an attractive entry point to purchase a stake in a business with above-average—and improving—unit economics, a strong balance sheet and consistent free cash flow. Competent new management is already leaning on the company's strong financial position to maximize the value of these assets.

Samsung Electronics is a diversified technology company, manufacturing a wide array of consumer and industrial electronic equipment, such as semiconductors, mobile devices, PCs, TVs and home appliances. Shares have pulled back on concerns about the DRAM chip cycle due to muted smartphone and PC demand. We feel over the long term, the DRAM market is structurally sound and data growth is a massive secular tailwind that should smooth out cycles, making Samsung increasingly less cyclical over time. There is also growing skepticism about Samsung's technology edge in memory. Samsung has had a few development setbacks in HBM (high-bandwidth memory) chips that are used in graphics processing units (GPUs) for artificial intelligence. As a result, Samsung's stock hasn't participated in this year's AI chip stock rally. However, there are reports that Samsung's next-generation HBM chip HBM3E is nearing approval, with deliveries beginning as soon as Q4 2024. Currently, Samsung sells at just 11X earnings, making it one of the cheapest large-cap technology stocks. We believe the company remains well positioned in memory given its leading market position, substantial free cash flow and large net-cash position.

Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$15.56	\$15.47
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)	4.2
Alphabet Inc (Communication Services)	3.6
Kerry Group PLC (Consumer Staples)	3.3
PayPal Holdings Inc (Financials)	3.3
Diageo PLC (Consumer Staples)	3.2
Arch Capital Group Ltd (Financials)	3.2
United Parcel Service Inc (Industrials)	3.1
Philip Morris International Inc (Consumer Staples)	3.0
The Goldman Sachs Group Inc (Financials)	2.9
Comcast Corp (Communication Services)	2.8
TOTAL	32.7%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RIV ¹
Communication Services	14.9	4.2
Consumer Discretionary	6.8	6.3
Consumer Staples	15.6	7.9
Energy	5.0	6.7
Financials	28.7	21.2
Health Care	14.6	15.5
Industrials	8.7	14.7
Information Technology	5.7	9.1
Materials	0.0	4.6
Real Estate	0.0	4.9
Utilities	0.0	4.8
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 4.1% of the total portfolio. ¹Russell 1000® Value Index.

Investment Results (%)

As of 30 September 2024	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	0.52	6.65	13.08	24.10	10.18	13.67	10.11	8.50
Advisor Class: APDLX	0.59	6.69	13.25	24.29	10.37	13.85	10.28	8.58
Russell 1000® Value Index	1.39	9.43	16.68	27.76	9.03	10.69	9.23	7.90
Russell 1000® Index	2.14	6.08	21.18	35.68	10.83	15.64	13.10	10.46

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+	17.6	23.8
114.0–204.0	26.8	21.8
50.0–114.0	35.3	20.0
21.0–50.0	13.2	17.6
0.0–21.0	7.1	16.8
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 30 Sep 2024: Airbus SE 2.2%; Booking Holdings Inc 2.6%; Electronic Arts Inc 1.9%; EOG Resources Inc 2.6%; Humana Inc 2.4%; Koninklijke Philips NV 2.4%; Samsung Electronics Co Ltd 1.3%. 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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