



Artisan Value Fund

MONTHLY
Commentary

Investor Class: ARTLX | Advisor Class: APDLX

As of 28 February 2025

Commentary

Top month-to-date contributors: Heineken Holding NV; Philip Morris International Inc; Fiserv Inc; CME Group Inc; Comcast Corp

Bottom month-to-date contributors: PayPal Holdings Inc; Alphabet Inc; Humana Inc; Diageo PLC; Merck & Co Inc

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

After a string of disappointing earnings reports, Heineken delivered stout Q4 2024 results, with improved financial metrics across the board. Strong volumes and organic sales growth were aided by rebounds in Asia and the Americas, offsetting declines in Europe. Operating margins also expanded despite increased marketing spend, supported by cost savings and diminishing inflation pressures. Notably, free cash flow in 2024 was \$3.5 billion, the highest in the company's history. Much of that free cash flow is being returned to shareholders. In addition to quarterly dividends that will increase 7.5%, Heineken announced a new €1.5 billion share buyback program. Shares of Heineken and its peers lagged the broader market in 2024 as investors' greater appetite for faster growing businesses and concerns about weight-loss drugs weighed on these steady growth stocks. 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. We believe Heineken's brands and scale provide it with competitive advantages on margins and 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.

Shares of PayPal Holdings, a digital payments provider, sold off after the company reported earnings despite an overall positive quarter in which branded payment volumes growth of 6% year over year was roughly stable compared to the prior quarter and transaction margins expanded. Investors may have been looking to see growth accelerate as reported by a few other payments companies, rekindling broader concerns about the industry's longer term competitive risks. The selloff looks to be an overreaction, in our view. Shares currently sell for just 13X next year's expected earnings. We believe this is a highly attractive valuation for a business with above-average—and improving—unit economics, a strong balance sheet and consistent free cash flow. Competent new management is diligently focused on cost cutting, reinvestment and returning excess cash to shareholders.

Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$15.12	\$15.02
Inception	27 Mar 2006	1 Apr 2015
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2024 ^{1,2}	1.09/0.98	0.97/0.88
Prospectus 30 Sep 2024 ^{1,2}	1.10/0.99	0.98/0.89

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)

Philip Morris International Inc (Consumer Staples)	3.8
Heineken Holding NV (Consumer Staples)	3.6
Wells Fargo & Co (Financials)	3.3
PayPal Holdings Inc (Financials)	3.2
Kerry Group PLC (Consumer Staples)	3.2
EOG Resources Inc (Energy)	3.1
United Parcel Service Inc (Industrials)	3.0
Alphabet Inc (Communication Services)	3.0
Comcast Corp (Communication Services)	3.0
Fiserv Inc (Financials)	3.0
TOTAL	32.3%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RIV ¹
Communication Services	11.5	4.5
Consumer Discretionary	3.6	6.0
Consumer Staples	17.7	8.0
Energy	8.1	6.7
Financials	31.0	23.6
Health Care	14.5	14.4
Industrials	9.1	14.3
Information Technology	4.7	9.0
Materials	0.0	4.2
Real Estate	0.0	4.7
Utilities	0.0	4.6
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 2.4% of the total portfolio. ¹Russell 1000® Value Index.

Investment Results (%)

As of 28 February 2025	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	1.34	5.22	5.22	13.67	10.47	15.40	10.08	8.55
Advisor Class: APDLX	1.35	5.26	5.26	13.80	10.63	15.60	10.25	8.63
Russell 1000® Value Index	0.41	5.05	5.05	15.75	8.65	12.51	8.95	7.89
Russell 1000® Index	-1.75	1.38	1.38	18.11	12.07	16.54	12.71	10.46

As of 31 December 2024

Investor Class: ARTLX	-4.95	-0.86	12.11	12.11	8.28	11.57	10.05	8.33
Advisor Class: APDLX	-4.88	-0.83	12.31	12.31	8.44	11.76	10.22	8.42
Russell 1000® Value Index	-6.84	-1.98	14.37	14.37	5.63	8.68	8.49	7.67
Russell 1000® Index	-2.79	2.75	24.51	24.51	8.41	14.28	12.87	10.47

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
226.0+	23.8	23.8
134.0–226.0	18.3	17.9
62.0–134.0	29.7	19.9
26.0–62.0	15.8	19.2
0.0–26.0	12.4	19.2
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	26
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 28 Feb 2025: CME Group Inc 2.8%; Diageo PLC 2.5%; Humana Inc 2.6%; Merck & Co Inc 2.4%. 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.

Price-to-Earnings (P/E) Ratio measures how expensive a stock is. Earnings figures used for FY1 and FY2 are estimates for the current and next unreported fiscal years. Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures.

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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