



Artisan Value Income Fund

MONTHLY
Commentary

Investor Class: APFWX | Advisor Class: APDWX

As of 31 January 2025

Commentary

Top month-to-date contributors: Medtronic PLC; Philip Morris International Inc; Wells Fargo & Co; Corebridge Financial Inc; Baxter International Inc

Bottom month-to-date contributors: Polaris Inc; Comcast Corp; Cable One Inc; United Parcel Service Inc; Vail Resorts Inc

In this space, we discuss one top contributor (Wells Fargo) and one bottom contributor (Vail Resorts) from the recent month.

We added Wells Fargo, the fourth-largest US bank by assets, to the portfolio in Q4 2024. The unprecedented \$1.95 trillion asset cap that was imposed on Wells Fargo by the Federal Reserve in 2018 following its fake accounts scandal may be lifted in 2025 if the bank meets the remainder of its regulatory requirements. CEO and Chairman Charlie Scharf, who joined Wells in 2019 after prior stints as CEO of Visa and Bank of New York Mellon, has overseen a culture change focused on accountability and the buildout of a new risk and control infrastructure. Changing the culture takes time, but we believe the benefit of “fixing” the company will be felt over the long run in the form of lower expenses due to better technology and operations, more operating leverage, lower “one time” operating loss expenses due to credit or regulatory mistakes and eventually higher revenue due to returning to “offense” with clients, particularly once the asset cap is removed. Even if the asset cap is not lifted in the near term, we believe Wells’ return of capital (share buybacks and dividends), clean credit profile and valuation provide downside protection and a reasonable amount of upside participation.

After solid early-season snowfall that lifted shares of Vail Resorts, a premium skiing, lodging and resort company, in November and early December, recent snowfall totals have been less impressive. Season-to-date skier visits declined -0.3% through January 5, a reflection of lower snowfall totals and shifting visitation to the second half of the season. Additionally, worker strikes have weighed on the stock. Shares are currently selling at the lowest multiple of EBIT in over a decade and well below what we believe is possible with better operational execution. Vail is one of a couple dominant players in an industry that benefits from high barriers to entry due to the fixed supply of suitable mountains. Of course, this is a highly seasonal business, dependent on appetite for ski vacations and the right weather conditions, but the company has made strides to improve the business model by increasing the percentage of its business from the advance commitment pass product, which can transform the business from one of uncertainty and weather dependency to one of greater visibility and predictability. We believe this provides stability and the ability to spend on capex during the offseason to improve the guest experience as well as pursue additional footprint expansion.

Portfolio Details

	APFWX	APDWX
Net Asset Value (NAV)	\$10.50	\$10.52
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 2024 ^{1,2}	8.59/1.20	4.18/1.10

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)	3.7
Philip Morris International Inc (Consumer Staples)	3.6
Cable One Inc (Communication Services)	3.0
EOG Resources Inc (Energy)	2.6
PPL Corp (Utilities)	2.4
Wells Fargo & Co (Financials)	2.3
Comcast Corp (Communication Services)	2.3
OGE Energy Corp (Utilities)	2.2
Heineken Holding NV (Consumer Staples)	2.2
Merck & Co Inc (Health Care)	2.2
TOTAL	26.5%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	S&P 500 ¹
Communication Services	8.5	9.9
Consumer Discretionary	9.3	11.4
Consumer Staples	16.1	5.5
Energy	5.7	3.1
Financials	20.1	14.1
Health Care	7.4	10.5
Industrials	8.8	8.3
Information Technology	4.3	30.7
Materials	0.0	1.9
Real Estate	9.5	2.1
Utilities	10.4	2.3
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/S&P. Cash and cash equivalents represented 1.1% of the total portfolio. ¹S&P 500® Index.

Investment Results (%)

As of 31 January 2025	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: APFWX	1.94	1.94	1.94	12.16	—	—	—	4.33
Advisor Class: APDWX	2.04	2.04	2.04	12.35	—	—	—	4.47
S&P 500® Index	2.78	2.78	2.78	26.38	—	—	—	13.41
Dow Jones US Select Dividend Index	2.73	2.73	2.73	21.94	—	—	—	7.36
As of 31 December 2024								
Investor Class: APFWX	-6.08	-3.90	9.68	9.68	—	—	—	3.76
Advisor Class: APDWX	-6.14	-3.87	9.76	9.76	—	—	—	3.86
S&P 500® Index	-2.38	2.41	25.02	25.02	—	—	—	12.74
Dow Jones US Select Dividend Index	-7.52	-1.85	16.62	16.62	—	—	—	6.57

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+	15.8	58.9
140.0–200.0	1.5	9.1
90.0–140.0	8.0	7.1
60.0–90.0	10.3	8.1
30.0–60.0	11.7	9.9
15.0–30.0	23.8	5.6
5.0–15.0	18.2	1.4
0.0–5.0	8.3	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	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. 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 31 Jan 2025: Baxter International Inc 1.6%; Corebridge Financial Inc 2.0%; Medtronic PLC 1.9%; Polaris Inc 1.5%; United Parcel Service Inc 1.8%; Vail Resorts Inc 1.5%. 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.

Earnings Before Interest & Tax (EBIT) is an indicator of a company's profitability, calculated as revenue minus expenses, excluding tax and interest. **Return of Capital** is a return from an investment that is not considered income.

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.

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