



Artisan Value Fund

QUARTERLY
Commentary

Investor Class: ARTLX | Advisor Class: APDLX | Institutional Class: APHLX

As of 31 March 2026

Portfolio Management



Thomas A. Reynolds IV
Portfolio Manager



Daniel L. Kane, CFA
Portfolio Manager



Craig Inman, CFA
Portfolio Manager

Investing Environment

US equity market performance was mixed in Q1 2026. Large-cap indices declined, while mid- and small-cap stocks posted modest gains, extending the gradual broadening in market participation that began in late 2025. Volatility increased meaningfully as the quarter progressed. Early in the quarter, investor attention focused on risks tied to artificial intelligence (AI) and private credit. Software and IT services companies came under pressure as concerns around AI-driven disruption, margin durability and intensifying competition moved to the forefront. At the same time, large platform companies signaled sustained, and in some cases accelerating, investment in AI infrastructure, raising questions about hyperscalers' economics and the near-term trajectory of free cash flow. Private credit's combination of rapid growth, elevated leverage and potential liquidity mismatches raised concern, particularly given the sector's exposure to software and technology-enabled borrowers. While spreads widened modestly, funding markets remained functional, and systemic stress did not emerge. Private credit was a source of episodic volatility rather than a primary driver of equity market direction, though it did weigh on large-cap growth.

The market backdrop shifted more abruptly in late February. The outbreak of conflict involving Iran—and the subsequent closure of the Strait of Hormuz—triggered a sharp rise in oil prices, with West Texas Intermediate crude moving from \$67 to over \$100. The disruption to a meaningful share of global energy supply drove a spike in volatility and renewed concerns about both inflation and growth. Energy equities responded accordingly and were the strongest performing sector in the quarter. This oil shock creates a more challenging macroeconomic environment. Rising inflation expectations alongside slowing growth increases the risk of stagflation. While the US economy is less energy-intensive than in prior cycles, the speed and magnitude of the move raise the risk of demand destruction. Daily market gyrations in March were largely driven by uncertainty around the duration of the conflict and its implications for input costs and global growth. Expectations for monetary policy also shifted, with markets moving away from anticipated rate cuts in 2026 toward a more cautious, higher-for-longer stance.

Style and factor performance followed these dynamics. Value outperformed growth across market capitalizations, supported by strength in energy and other cyclical sectors, as well as the headwind of higher interest rates on longer duration assets. Notably, traditional defensive factors such as quality did not provide their usual downside protection, as investors questioned the

sustainability of elevated margins in a more competitive, AI-driven environment. Momentum remained an important driver of returns, although crowded positioning contributed to periods of sharper volatility.

Within the Russell 1000® Value Index, performance was largely driven by macro forces and was notably dispersed at the sector level. Energy was the primary contributor, benefiting from higher commodity prices, while materials and utilities also added to returns. Technology performed well overall, as strength in hardware, equipment and semiconductors offset weakness in software and services. More economically sensitive sectors, including consumer discretionary and financials, lagged amid concerns about demand and credit conditions, while health care and communication services also detracted.

Performance Discussion

The portfolio trailed the Russell 1000® Value Index in Q1. Performance was weighed down by a market environment that continued to favor momentum-driven stocks, with less support for quality factors. In addition, several holdings experienced company-specific setbacks and weak sentiment. Among the portfolio's biggest decliners were Salesforce, Accenture, Humana and PayPal Holdings, each of which dropped by 20% or more during the quarter.

Salesforce is the largest provider of customer relationship management (CRM) software, a mission-critical tool for most businesses. Growth has slowed over the past year, unsettling investors who worry that generative AI could lead to the "death of software"—disrupting SaaS (software-as-a-service) akin to how SaaS disrupted incumbents in the early 2000s. Salesforce, after all, pioneered the SaaS model when it launched in 1999. The fear is that SaaS could lose in multiple ways: Customers might require fewer seats as AI boosts productivity, or generative-AI companies might replace traditional SaaS applications with next-generation, DIY software that enterprises of all sizes can build themselves. A counterargument is that software platforms like Salesforce are already deeply embedded in critical customer workflows and may therefore be well positioned to deploy AI in ways that strengthen their moats. Recent softness appears more tied to a generally slowing macro environment than to AI disruption, which we believe will take years to unfold. Salesforce maintains a wide economic moat as the leading CRM provider and remains an active innovator.

Like Salesforce, Accenture, a leading global IT services provider, has also come under pressure amid AI disruption concerns, as well as from weak

earnings reports from peers that were seen as read-throughs. While AI is likely to drive change, fears that it will disrupt companies with wide moats like Accenture seem overdone. Accenture provides consulting and business process outsourcing services that help corporate clients stay at the forefront of technological change. Growth has slowed, unsettling investors, but this appears largely attributable to broader macroeconomic softness rather than due to AI, the effects of which we believe will take years to fully unfold. Accenture strongly meets our three margin of safety criteria: It has consistently generated robust free cash flow, has maintained a solid balance sheet and trades at an attractive valuation of 14X next year's forecast earnings—the cheapest level since 2012.

Managed care stocks, including Humana, also declined during the quarter. The sector came under pressure after the Centers for Medicare & Medicaid Services (CMS) released a preliminary 2027 Medicare Advantage rate update that was significantly below expectations. The proposed increase of just 0.09% was essentially flat compared with investor expectations of 4% to 6%. While final rates are often revised higher, the announcement was a meaningful disappointment and adds uncertainty to Humana's multiyear turnaround. More broadly, the managed care industry continues to face higher medical costs driven by elevated utilization. Humana is also dealing with lower quality ratings under the Medicare Stars program, which could reduce bonus payments over the next several years. Although the stock appears inexpensive following its recent decline, we chose to exit the position given the company's heavy exposure to Medicare Advantage and the risk that policy and execution challenges could delay a recovery in margins and earnings.

In early February, PayPal, an e-commerce payments company, sold off following weak earnings and due to heightened uncertainty after a sudden CEO change. The company reported results below expectations and lowered earnings and transaction margins guidance. Performance was particularly weak in its high-margin branded checkout business, where growth slowed amid macro headwinds and execution issues. Share losses also accelerated in key markets due to intensifying competition from Apple Pay and Stripe, reinforcing concerns about structural pressure on PayPal's core franchise. The earnings miss had been largely anticipated, leading us to reduce our position in late 2025 while remaining invested to assess management's turnaround plan. However, the abrupt CEO dismissal was unexpected and increases uncertainty around the turnaround's strategy and timing. With the increased probability that the leadership transition may delay improvement, we exited our remaining position.

Due to the Iran war-driven supply shock to energy markets, our top Q1 contributors were energy holdings EOG Resources, Diamondback Energy and SLB. They performed about in line with the sector, but we were overweight the sector, which helped portfolio performance. EOG and Diamondback are US shale-focused exploration and production companies. SLB is the world's largest oilfield services company. We have stringent criteria for business quality, which is particularly important in commodity sectors, where companies do not control underlying prices and volatility can be significant. EOG is one of the highest quality operators in the E&P space. It has a low-cost production position and a strong reserve base, giving it an advantage over peers. In addition, EOG's management has long focused on return on invested capital and cash flow generation, distinguishing it from many competitors that prioritize growth over profitability. Diamondback

also has a strong cost profile that is primarily the result of a contiguous, high-quality acreage position in the Permian Basin of the southwestern US. The company's culture supplements the acreage position with drilling discipline and conservative business plans. Further, management is committed to a strong balance sheet and shareholder distributions. SLB has a history of successfully navigating market volatility and delivering on its free cash flow and profit margin growth objectives from a combination of activity growth and pricing gains.

Outside of the energy sector, Lam Research was our largest gainer. Lam Research, a global leader in wafer fabrication equipment (WFE) used in semiconductor manufacturing, continues to see strong demand for its chipmaking tools, supported by the ongoing, large-scale buildout of data centers running AI applications. In its most recent quarter, the company not only met the Street's elevated expectations but also raised its 2026 guidance, as it now expects WFE sales to grow a better-than-anticipated 23% year over year. Growth is being driven by strength in leading-edge foundry and logic markets, DRAM memory and Lam's continued ability to gain share. We initiated our position in Lam in April 2025 near the depths of the post-Liberation Day market selloff. As value investors, we view periods of fear and uncertainty as fertile ground for creating attractive long-term investment opportunities. Few areas of the market faced greater pressure at the start of the year than semiconductor and semiconductor equipment stocks. At the time of our initial purchase, Lam shares were trading at approximately 17X cyclically depressed earnings, which we viewed as an attractive valuation given the compounding nature of the business, consistent free cash flow generation and net cash balance sheet. Since April, the stock has risen more than 300%. Consistent with our valuation discipline, we trimmed our position in Q1, as the shares now trade at more than 30X FY27 forecasted earnings.

Portfolio Activity

We initiated four new positions in Q1, an above-average pace of activity. Typically, we add 1–2 new positions per quarter, averaging 1.7 per quarter over the past 5 years. Increased market volatility and greater dispersion in US equities created more opportunities to invest in companies that meet our three margin of safety criteria: attractive business economics, sound financial condition and compelling valuation. We also used the increased volatility to upgrade overall portfolio quality. Our three largest new positions were Amazon.com, Universal Music Group (UMG) and IQVIA Holdings.

Amazon represents a high-quality, wide-moat franchise where near-term investment is potentially obscuring substantial long-term earnings power. The company's core retail platform is underpinned by its logistics network built over decades and enhanced by significant investment during COVID that doubled the network. This infrastructure continues to drive efficiency gains and customer value, reinforcing Amazon's dominant market position. Complementing this is AWS, the original hyperscale cloud platform and a critical profit engine, contributing roughly 60% of operating income. AWS remains a leading cloud platform and a key profit driver, with strong positioning in AI supported by proprietary chips such as Graviton and Trainium. Despite elevated capital expenditures tied to AI, logistics and other growth initiatives, Amazon's financial position remains exceptionally strong, with significant net cash and a well-laddered debt profile. Current earnings understate normalized profitability, in our view, due to heavy

reinvestment across multiple initiatives, including AI infrastructure, robotics and new delivery capabilities. As these investments mature, we believe both revenue growth and margins should expand. At our initial purchase, the stock traded near historic valuation lows relative to its earnings power, offering an opportunity to own a premium, structurally advantaged business at a market-like multiple, with potential additional upside from its fast-growing, high-margin advertising segment.

Universal Music Group is the leading global music company, with a portfolio of iconic labels and a dominant market share. Its competitive advantage is rooted in its extensive catalog and ability to develop top artists. While talent development is inherently uncertain, retained ownership of recording and publishing rights generates long duration, recurring royalty streams. This dynamic is increasingly attractive as catalog consumption continues to rise—now representing over 70% of listening—strengthening UMG’s bargaining power with digital service providers, like Spotify and Apple Music, and reinforcing its moat. The business exhibits strong financial characteristics, including solid returns on invested capital relative to peers and attractive free cash flow conversion, despite some unevenness from artist advances and catalog investment. Balance sheet risk is low, in our view, with low leverage and ample interest coverage, providing flexibility for continued M&A and organic investment. Looking ahead, the investment case is supported by a favorable industry structure, where pricing power is reemerging through new “Streaming 2.0” contracts that embed rising price floors, allowing UMG to participate in subscription price increases. Combined with steady global streaming growth and the non-cyclical nature of music consumption, we believe this supports a durable mid- to high-single-digit revenue growth profile. At 18X earnings, its valuation appears reasonable for a royalty-like business with long-duration cash flows and potential for margin expansion, offering an attractive risk-adjusted return profile.

IQVIA combines a leading global contract research organization (CRO) franchise with a unique, mission-critical health care data asset, creating a diversified model with both cyclical and recurring revenue streams. We believe its Technology & Analytics Solutions segment—anchored by proprietary prescription and patient data—provides a durable competitive moat, deeply embedded in pharma workflows, while the CRO business benefits from scale, long-term outsourcing trends and complex trial demand. From a business quality perspective, IQVIA has generated substantial free cash flow and maintained strong competitive positioning, supported by high customer retention and mission-critical offerings. While leverage is elevated, the company’s cash flow profile and liquidity provide financial flexibility consistent with the team’s emphasis on balance sheet resilience and downside protection. Recent share price weakness—down materially year to date—has been driven by concerns around AI disruption and softness in CRO demand, including trial cancellations and pharma reprioritization. However, these pressures appear cyclical and, in the case of AI, likely overstated given IQVIA’s proprietary data assets and domain expertise, which are difficult to replicate and position the company as a potential beneficiary of AI adoption rather than a casualty. At 15X forward earnings and a high-single-digit free cash flow yield, the stock reflects low expectations despite resilient fundamentals. Consistent with the team’s process, this dislocation, driven by near-term uncertainty, presents a compelling entry point, particularly if the underlying business proves more resilient than current expectations imply.

In addition to sales of Humana and PayPal, we also exited our positions in social technology leader Meta Platforms and beverages company Diageo. While we believe Meta remains a great company, with a strong balance sheet, expectations have risen, creating a higher hurdle for future outperformance. Additionally, we believe expenses are likely to grow faster than revenues in the near term as Meta invests heavily in AI. We sold Diageo, in part, because the alcoholic beverage category remains extremely challenged and the company’s balance sheet has weakened as operating results have stalled in recent years.

Perspective

While corporate earnings expectations have remained relatively resilient, markets have become increasingly sensitive to geopolitical developments, inflation dynamics and policy uncertainty. At the same time, the evolution of the AI investment cycle has introduced both opportunities and challenges, as investors balance long-term growth potential against near-term economic and financial considerations. The result has been a more volatile market characterized by greater dispersion and a gradual broadening of leadership, though the durability of these trends will likely depend on the path of geopolitical developments, energy prices and monetary policy in the quarters ahead.

Periods like this are unsettling for many reasons beyond market prices. But from an investment perspective, extending one’s time horizon reframes the opportunity: Downturns often allow investors to buy equities at more attractive prices. The value of equities lies in the duration and growth of earnings—forces that typically extend well beyond the lifespan of geopolitical disruptions. While the near-term environment is more volatile, we believe it is also creating a more favorable backdrop for active management. Greater dispersion across sectors and business models is increasing the opportunity to differentiate between structural winners and those facing more persistent challenges. We remain focused on identifying companies that can compound value through cycles, particularly where market dislocations create attractive entry points.

ARTISAN CANVAS

Timely insights and updates from our investment teams and firm leadership
Visit www.artisancanvas.com

Investment Results (%)

As of 31 March 2026	Average Annual Total Returns						
	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX —Inception: 27 Mar 2006	-3.54	-3.54	7.84	12.48	9.23	11.28	8.32
Advisor Class: APDLX —Inception: 1 Apr 2015	-3.50	-3.50	7.93	12.60	9.38	11.44	8.40
Institutional Class: APHLX —Inception: 26 Jul 2011	-3.50	-3.50	7.99	12.65	9.44	11.51	8.49
Russell 1000® Value Index	2.10	2.10	15.87	14.31	9.43	10.58	8.08
Russell 1000® Index	-4.18	-4.18	17.74	18.14	11.34	13.97	10.44

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. For the period prior to inception, each of Advisor Class and Institutional Class's performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Advisor or Institutional Class and each share's respective 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. Performance may reflect agreements to limit a Fund's expenses, which would reduce performance if not in effect.

Expense Ratios (%)*

	ARTLX	APDLX	APHLX
Annual Report	1.09/0.98	0.96/0.88	0.84/0.83
Prospectus	1.09/0.98	0.96/0.88	0.84/0.83

*Unsubsidized/subsidized. Annual Report: 30 Sep 2025. Prospectus: 30 Sep 2025. Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2027. See prospectus for further details.

Top 10 Holdings (% of total portfolio)

SLB Ltd	3.5
EOG Resources Inc	3.5
Wells Fargo & Co	3.2
Philip Morris International Inc	3.1
Accenture PLC	3.0
Texas Instruments Inc	2.9
Alphabet Inc	2.9
Amazon.com Inc	2.8
Diamondback Energy Inc	2.8
Thermo Fisher Scientific Inc	2.8
Total	30.6%

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.

This material represents the views of the investment team and does not necessarily represent those of Artisan Partners. The views and opinions expressed are based on current market conditions, which will fluctuate, and those views are subject to change without notice. While the information contained herein is believed to be reliable, there is no guarantee to the accuracy or completeness of any statement in the discussion. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation.

For the purpose of determining holdings, securities of the same issuer are aggregated to determine the weight in the portfolio. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. Further portfolio holdings information is available upon request. Unless otherwise indicated, all information in this report includes all classes of shares, except performance and expenses. 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.

Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or Russell ratings or underlying data and no party may rely on any Russell Indexes and/or Russell ratings and/or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.

Portfolio statistics are obtained from various data sources and intended to provide a general view of the portfolio, or Index, at a point in time. Artisan Partners excludes outliers when calculating portfolio characteristics and may use data from a related security to calculate statistics if information is unavailable for a particular security.

Contribution to Return (CTR) represents the contribution of an investment to the total portfolio return. CTR is calculated by multiplying a security's portfolio weight by its in-portfolio return daily for the period and has been derived from a holdings-based methodology, which uses daily positions and pricing rather than intraday transactions. **Attribution** quantifies the relationship between a portfolio's relative returns and the active management decisions differentiating the portfolio from the benchmark. **CTR and Attribution** are not exact, nor representative of actual investor returns due to several variables (e.g., fees, expenses, transactions) and therefore should be considered an approximation and examined in conjunction with the performance of the portfolio during the period. If applicable, securities of the same issuer are aggregated and may be delta-adjusted to determine the weight in the portfolio, and aggregation of corporate affiliates is subject to the determination of Artisan Partners. Further information on the methodology used is available upon request.

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.

Margin of Safety, a concept developed by Benjamin Graham, is the difference between the market price and the estimated intrinsic value of a business. A large margin of safety may help guard against permanent capital loss and improve the probability of capital appreciation. Margin of safety does not prevent market loss—all investments contain risk and may lose value. **Duration** estimates the sensitivity of underlying fixed income securities to changes in interest rates; the longer the duration, the greater the sensitivity to changes in interest rates. **Earnings power** is a figure that telegraphs a business's ability to generate profits over the long term, assuming all current operational conditions generally remain constant. **Forward Earnings** are an estimate of the next period's earnings of a company, usually till the completion of the current fiscal year and sometimes to the following fiscal year. **Free Cash Flow (FCF)** is a measure of financial performance calculated as operating cash flow minus capital expenditures. **Free Cash Flow Yield** is an overall return evaluation ratio of a stock, which standardizes the free cash flow per share a company is expected to earn against its market price per share. The ratio is calculated by taking the free cash flow per share divided by the share price. **Interest Coverage** measures a company's ability to make interest payments on its debt by calculating earnings before interest and taxes divided by total interest expense. **Net cash** is a figure that is reported on a company's financial statements. It is calculated by subtracting a company's total liabilities from its total cash. **Spread** is the difference in yield between two bonds of similar maturity but different credit quality. **Return on Invested Capital (ROIC)** is a measure of how well a company generates cash flow relative to capital invested in the business. **Price-to-Earnings (P/E)** is a valuation ratio of a company's current share price compared to its per-share earnings.

Artisan Partners Funds offered through Artisan Partners Distributors LLC (APDLLC), member FINRA.

© 2026 Artisan Partners. All rights reserved.

