



# Artisan U.S. Mid-Cap Value Strategy

## QUARTERLY Fact Sheet

As of 31 March 2024

For Institutional Investors – Not for Onward Distribution

### Investment Process Highlights

The investment team seeks to invest in companies that are undervalued, in solid financial condition and have attractive business economics. The team believes that companies with these characteristics are less likely to experience eroding values over the long term.

#### Attractive Valuation

- Distinct discount to intrinsic value
- Low expectations
- Favorable risk/reward

#### Sound Financial Condition

- Focus on financial flexibility and liquidity
- Seek to protect capital in difficult environments
- Allows management to pursue value-enhancing initiatives

#### Attractive Business Economics

- Focus on free cash flow and return on capital capabilities
- Ability to grow underlying business value
- Avoid “value traps”

Sector Diversification (% of portfolio securities)	Strategy	RMCV <sup>1</sup>	Index
Communication Services	11.2	2.8	○
Consumer Discretionary	13.2	9.4	○
Consumer Staples	7.4	3.7	○
Energy	2.5	5.5	○
Financials	20.7	18.2	○
Health Care	11.8	6.5	○
Industrials	11.5	20.4	○
Information Technology	10.9	9.2	○
Materials	0.0	7.6	○
Real Estate	7.0	9.8	○
Utilities	3.9	7.0	○
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 2.7% of the total portfolio. <sup>1</sup>Russell Midcap® Value Index.

### Investment Results (% USD)

As of 31 March 2024	Average Annual Total Returns						
	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Composite — Gross	5.96	5.96	20.28	7.13	11.02	7.91	12.22
Composite — Net	5.71	5.71	19.16	6.13	9.99	6.91	11.16
Russell Midcap® Value Index	8.23	8.23	20.40	6.79	9.93	8.56	9.63
Russell Midcap® Index	8.60	8.60	22.35	6.06	11.09	9.94	9.67

### Annual Returns (% USD) Trailing 12 months ended 31 March

	2020	2021	2022	2023	2024
Composite — Net	-27.93	86.91	7.56	-6.72	19.16

### Calendar Year Returns (% USD)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Composite — Gross	2.70	-8.77	23.87	13.69	-12.53	24.77	6.90	27.76	-12.11	19.35
Composite — Net	1.76	-9.62	22.74	12.64	-13.36	23.62	5.90	26.59	-12.95	18.24
Russell Midcap® Value Index	14.75	-4.78	20.00	13.34	-12.29	27.06	4.96	28.34	-12.03	12.71
Russell Midcap® Index	13.22	-2.44	13.80	18.52	-9.06	30.54	17.10	22.58	-17.32	17.23

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized.

Past performance does not guarantee and is not a reliable indicator of future results. Current performance may be lower or higher than the performance shown. Composite performance has been presented in both gross and net of investment management fees.

**Investment Risks:** Investments will rise and fall with market fluctuations and investor capital is at risk. Investors investing in strategies denominated in non-local currency should be aware of the risk of currency exchange fluctuations that may cause a loss of principal. These risks, among others, are further described on the next page, which should be read in conjunction with this material.

### Portfolio Details

Composite Inception	1 April 1999
Total AUM (USD Millions)	\$2,895

### Portfolio Statistics

	Strategy	RMCV <sup>1</sup>
Median Market Cap (USD Billions)	\$16.2	\$10.6
Weighted Avg. Market Cap (USD Billions)	\$23.7	\$26.0
Weighted Harmonic Avg. P/E (FY1)	15.4X	16.9X
Weighted Harmonic Avg. P/E (FY2)	13.6X	14.8X
Median Price/Book Value	2.1X	2.6X
Median ROE	14.9%	10.5%
Median Fixed Charge Coverage Ratio	6.2X	4.0X
Active Share	94.1%	—
Annual Turnover <sup>2</sup>	24.4%	—
Number of Securities	48	699

Source: Artisan Partners/FactSet/Russell. <sup>1</sup>Russell Midcap® Value Index. <sup>2</sup>For the 12 months ended 31 Dec 2023.

### Top 10 Holdings (% of total portfolio)

First Citizens BancShares Inc (Financials)	4.0
Vontier Corp (Information Technology)	3.9
Analog Devices Inc (Information Technology)	3.7
U-Haul Holding Co (Industrials)	3.5
Lamar Advertising Co (Real Estate)	2.8
Globe Life Inc (Financials)	2.8
nVent Electric PLC (Industrials)	2.7
Expedia Group Inc (Consumer Discretionary)	2.6
News Corp (Communication Services)	2.6
Arch Capital Group Ltd (Financials)	2.5
<b>TOTAL</b>	<b>31.0%</b>

Source: Artisan Partners/GICS.

# Artisan U.S. Mid-Cap Value Strategy

## Team Leadership

Portfolio Managers	Years of Investment Experience
Thomas A. Reynolds IV	25
Daniel L. Kane, CFA	25
Craig Inman, CFA	24

## Market Cap Distribution (% of portfolio securities)

\$ USD in billions	Strategy	RMCV <sup>1</sup>
36.7+	17.3	23.7
23.5–36.7	14.0	20.7
15.7–23.5	20.0	20.2
9.7–15.7	20.9	17.5
0–9.7	27.8	17.9
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/Russell. <sup>1</sup>Russell Midcap® Value Index.

## Portfolio Construction

- Typically 40-60 holdings
- Maximum position size generally 5%<sup>1</sup>
- Position sizes determined in part by how well a company meets the team's margin of safety criteria
- Attention to economic exposure
- Market capitalization range generally within that of the Russell Midcap® Index<sup>2</sup>
- Typically less than 10% cash

Based on a model portfolio. <sup>1</sup>Limitations apply at the time of purchase. **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. <sup>2</sup>Market capitalization range determined as of the most recent calendar year end.

**Investment Risks:** 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. These risks, among others, are further described in Artisan Partners Form ADV, which is available upon request.

The Artisan Strategy characteristics relate to that of a representative account managed within an investment composite. It is intended to provide a general illustration of the investment strategy and considerations used by Artisan Partners in managing that strategy, unless otherwise indicated. Individual accounts may differ, at times significantly, from the reference data shown due to varying account restrictions, fees and expenses, and since-inception time periods, among others. Where applicable, this information is supplemental to, and not to be construed with, a current or prospective client's investment account information.

Securities referenced may not be representative of all portfolio holdings. Securities of the same issuer are aggregated to determine a holding's portfolio weight. Portfolio statistics calculations exclude outlier data and certain securities which lack applicable attributes, such as private securities. Artisan Partners may substitute information from a related security if unavailable for a particular security. This material is as of the date indicated and is subject to change without notice. Totals may not sum due to rounding.

Net-of-fees composite returns were calculated using the highest model investment advisory fees applicable to portfolios within the composite. Fees may be higher for certain pooled vehicles and the composite may include accounts with performance-based fees. All performance results are net of commissions and transaction costs, and have been presented gross and net of investment advisory fees. Dividend income is recorded net of foreign withholding taxes on ex-dividend date or as soon after the ex-dividend date as the information becomes available to Artisan Partners. Interest income is recorded on the accrual basis. Performance results for the Index include reinvested dividends and are presented net of foreign withholding taxes but, unlike the portfolio's returns, do not reflect the payment of sales commissions or other expenses incurred in the purchase or sale of the securities included in the indices.

Russell Midcap® Value Index measures the performance of US mid-cap companies with lower price/book ratios and forecasted growth values. Russell Midcap® Index measures the performance of roughly 800 US mid-cap companies. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

Sector exposure percentages reflect sector designations as currently classified by GICS.

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.

**Price-to-Earnings Ratio (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. **Price-to-Book Ratio (P/B Ratio)** measures a company's stock price in relation to its book value (the total amount a company would be worth if it liquidated its assets and paid back all its liabilities). **Fixed Charge Coverage Ratio** indicates a firm's ability to satisfy fixed financing expenses, such as interest and leases. **Active Share** is the percentage of a portfolio that differs from its benchmark. Active Share can range from 0% for an index fund to 100% for a portfolio with no overlap with an index. **Annual Turnover** is a measure of the trading activity in an investment portfolio—how often securities are bought and sold by a portfolio.

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.

Artisan Partners Limited Partnership (APLP) is an investment adviser registered with the U.S. Securities and Exchange Commission (SEC). Artisan Partners UK LLP (APUK) is authorized and regulated by the Financial Conduct Authority and is a registered investment adviser with the SEC. AP European Distribution Services Limited (AP Europe) is regulated by the Central Bank of Ireland. APLP, APUK and AP Europe are collectively, with their parent company and affiliates, referred to as Artisan Partners herein. Artisan Partners is not registered, authorised or eligible for an exemption from registration in all jurisdictions. Therefore, services described herein may not be available in certain jurisdictions. This material does not constitute an offer or solicitation where such actions are not authorised or lawful, and in some cases may only be provided at the initiative of the prospect. Further limitations on the availability of products or services described herein may be imposed.

This material is only intended for investors who meet qualifications as institutional investors as defined in the applicable jurisdiction where this material is received, which includes only *Professional Clients* or *Eligible Counterparties* as defined by the Markets in Financial Instruments Directive (MiFID) where this material is issued by APUK or AP Europe. This material is not for use by retail investors and may not be reproduced or distributed without Artisan Partners' permission.

In the United Kingdom, issued by APUK, 25 St. James's St., Floor 3, London SW1A 1HA, registered in England and Wales (LLP No. OC351201). Registered office: Reading Bridge House, Floor 4, George St., Reading, Berkshire RG1 8LS. In Ireland, issued by AP Europe, Fitzwilliam Hall, Fitzwilliam Pl, Ste. 202, Dublin 2, D02 T292. Registered office: 70 Sir John Rogerson's Quay, Dublin 2, D02 R296 (Company No. 637966).

**Australia:** This material is directed at wholesale clients only and is not intended for, or to be relied upon by, private individuals or retail investors. Artisan Partners Australia Pty Ltd is a representative of APLP (ARBN 153 777 292) and APUK (ARBN 603 522 649). APLP and APUK are respectively regulated under US and UK laws which differ from Australian laws and are exempt from the requirement to hold an Australian financial services license under the Australian Corporations Act 2001 in respect to financial services provided in Australia. **Canada:** This material is distributed in Canada by APLP and/or Artisan Partners Distributors LLC, which conduct activities in Canada under exemptions from the dealer, portfolio manager and investment fund manager registration requirements of applicable Canadian securities laws. This material does not constitute an offer of services in circumstances where such exemptions are not available. APLP advisory services are available only to investors that qualify as "permitted clients" under applicable Canadian securities laws.

© 2024 Artisan Partners. All rights reserved.

4/10/2024 A24221L\_XUS



ARTISAN PARTNERS

For more information visit [www.artisanpartners.com](http://www.artisanpartners.com)