# Artisan Mid Cap Value Fund

QUARTERLY
Fact Sheet

Institutional Class: APHQX

As of 31 December 2022

## Investment Process Highlights

The investment team seeks to invest in cash-producing businesses in strong financial condition that are selling at undemanding valuations.

**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"

## Portfolio Details

| | APHQX |
|---|---|
| Net Asset Value (NAV) | $15.47 |
| Inception | 1 February 2012 |
| Expense Ratios | |
| Annual Report 30 Sep 2022 | 0.98% |
| Prospectus 30 Sep 2021[1] | 0.99% |
| Total Net Assets (Millions) | $1,293 |

[1]See prospectus for further details.

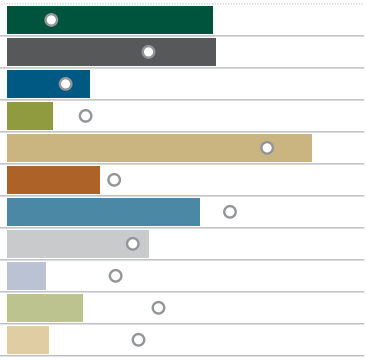
## Portfolio Statistics

| | Fund | RMCV[1] |
|---|---|---|
| Median Market Cap (Billions) | $11.5 | $8.6 |
| Weighted Avg. Market Cap (Billions) | $19.5 | $19.9 |
| Weighted Harmonic Avg. P/E (FY1) | 12.6X | 13.6X |
| Weighted Harmonic Avg. P/E (FY2) | 12.1X | 13.4X |
| Median Price/Book Value | 2.0X | 2.4X |
| Median ROE | 13.6% | 12.9% |
| Median Fixed Charge Coverage Ratio | 8.4X | 6.3X |
| Active Share | 93.7% | — |
| Annual Turnover[2] | 15.2% | — |
| Number of Securities | 50 | 699 |

Source: Artisan Partners/FactSet/Russell. [1]Russell Midcap® Value Index. [2]Audited. For the 12 months ended 30 Sep 2022.

## Sector Diversification (% of portfolio securities)

| | Fund | RMCV[1] |
|---|---|---|
| Communication Services | 14.4 | 3.1 |
| Consumer Discretionary | 14.6 | 9.9 |
| Consumer Staples | 5.8 | 4.1 |
| Energy | 3.2 | 5.5 |
| Financials | 21.3 | 18.2 |
| Health Care | 6.5 | 7.5 |
| Industrials | 13.5 | 15.6 |
| Information Technology | 9.9 | 8.8 |
| Materials | 2.7 | 7.6 |
| Real Estate | 5.3 | 10.6 |
| Utilities | 2.9 | 9.2 |
| **TOTAL** | **100.0%** | **100.0%** |




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

## Top 10 Holdings (% of total portfolio)

| | |
|---|---|
| Analog Devices Inc (Information Technology) | 3.9 |
| Globe Life Inc (Financials) | 3.5 |
| U-Haul Holding Co (Industrials) | 3.5 |
| Arch Capital Group Ltd (Financials) | 3.4 |
| NOV Inc (Energy) | 3.1 |
| OGE Energy Corp (Utilities) | 2.8 |
| Lamar Advertising Co (Real Estate) | 2.7 |
| DENTSPLY SIRONA Inc (Health Care) | 2.5 |
| nVent Electric PLC (Industrials) | 2.4 |
| Marriott International Inc (Consumer Discretionary) | 2.4 |
| **TOTAL** | **30.2%** |

Source: Artisan Partners/GICS.

## Investment Results (%)

| As of 31 December 2022 | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Inception |
|---|---|---|---|---|---|---|---|
| | | | Average Annual Total Returns | | | | |
| **Institutional Class: APHQX** | **9.45** | **-13.01** | **-13.01** | **5.18** | **4.53** | **7.99** | **9.38** |
| Russell Midcap® Value Index | 10.45 | -12.03 | -12.03 | 5.82 | 5.72 | 10.11 | 9.35 |
| Russell Midcap® Index | 9.18 | -17.32 | -17.32 | 5.88 | 7.10 | 10.96 | 9.31 |

Returns for periods less than one year are not annualized.

## Calendar Year Returns (%)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Institutional Class: APHQX** | **36.07** | **1.76** | **-9.68** | **22.71** | **12.62** | **-13.38** | **23.82** | **5.62** | **26.65** | **-13.01** |
| Russell Midcap® Value Index | 33.46 | 14.75 | -4.78 | 20.00 | 13.34 | -12.29 | 27.06 | 4.96 | 28.34 | -12.03 |
| Russell Midcap® Index | 34.76 | 13.22 | -2.44 | 13.80 | 18.52 | -9.06 | 30.54 | 17.10 | 22.58 | -17.32 |

Source: Artisan Partners/Russell. Class inception: Investor (28 March 2001); Institutional (1 February 2012). For the period prior to inception, Institutional Class performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Institutional 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 800.399.1770 for current to most recent month-end performance.**

## Market Cap Distribution (% of portfolio securities)

| $ in billions | Fund | RMCV[1] |
|---|---|---|
| 31.6+ | 21.9 | 19.7 |
| 22.2–31.6 | 8.7 | 20.2 |
| 14.0–22.2 | 10.6 | 20.0 |
| 8.2–14.0 | 30.1 | 20.1 |
| 0–8.2 | 28.6 | 20.0 |
| **TOTAL** | **100.0%** | **100.0%** |

Source: Artisan Partners/Russell. [1]Russell Midcap® Value Index.

## Portfolio Construction

- Typically 40-60 holdings
- Maximum position size generally 5%[1]
- 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[2]
- Typically less than 10% cash

[1]Limitations apply at the time of purchase. See prospectus for more details. **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. [2]Market capitalization range determined as of the most recent calendar year end.

## Team Leadership (Pictured left to right)

| Portfolio Managers | Years of Investment Experience |
|---|---|
| Thomas A. Reynolds IV | 24 |
| Daniel L. Kane, CFA | 24 |
| Craig Inman, CFA | 23 |

**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 800.399.1770. Read carefully before investing.**

**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. 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 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.

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

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**Median** is the data's midpoint value. **Market Cap** is the aggregate value of all of a company's outstanding equity securities. **Weighted Average** is the average of values weighted to the data set's composition. **Weighted Harmonic Average** is a calculation of weighted average commonly used for rates or ratios. **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.

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