



Artisan Mid Cap Fund

MONTHLY
Commentary

Investor Class: ARTMX

Advisor Class: APDMX

As of 31 May 2021

Commentary

The Russell Midcap® Growth Index is up 4% QTD. Q1 corporate earnings have surprised to the upside with companies reporting ~60% YoY EPS growth (vs. ~32% expected at the end of March). Concerns about US inflation remain top of mind for investors. The PCE, the Fed's preferred measure of inflation, rose 3.1% for the 12 months ended in April. The increase is notably ahead of the Fed's 2% target and the fastest growth rate since 1992. Returns have been solid across most sectors, with energy and real estate leading, while utilities are lagging. Growth began the quarter leading value, though that trend has reversed course and value is now ahead QTD.

Our portfolio is outperforming the Russell Midcap® Growth Index and trailing the Russell Midcap® Index QTD. Among our top contributors are BioNTech and HubSpot. BioNTech is a leading biotech company focused on developing immunotherapies to treat cancer and other serious diseases. The company has been benefiting from the rollout of its COVID-19 vaccine (developed through a partnership with Pfizer). While we recognize the robust demand will abate as global vaccine adoption rates rise, we believe the company's strong pipeline of cancer vaccines, other immunotherapy treatments and non-oncology partnerships sets it up for a solid profit cycle longer term.

HubSpot is providing best-in-class software across most customer-facing operations through a single solution, successfully expanding internationally and introducing free and low-priced product bundles which are driving record new customer additions. We believe the growth runway ahead remains compelling as small and medium businesses increasingly digitize their sales and marketing efforts.

Among our bottom contributors are Exact Sciences and Global Payments. Exact Sciences is a leading provider of diagnostic testing and maker of the noninvasive colorectal cancer screening test Cologuard®. The pandemic has decreased wellness visits, colonoscopies and face-to-face sales rep visits with doctors which is consequently impacting Exact Sciences' Cologuard® testing volumes. We believe this headwind will prove transitory as Cologuard® volumes should rebound alongside an increase in vaccination rates.

Global Payments is a provider of payments technology solutions for merchants. We expect the company to see accelerating revenue growth this year as consumer behavior normalizes. Longer term, the trend toward digital payments remains healthy, and we believe there is ample runway ahead of high-quality franchises like Global Payments.

Our process is focused on identifying franchises exposed to accelerating profit cycles with reasonable valuations. It is our belief that owning companies with these characteristics should lead to outperformance over full market cycles. We will continue to adhere to this approach, regardless of the macro backdrop and how it evolves in the period ahead.

Portfolio Details

	ARTMX	APDMX
Net Asset Value (NAV)	\$48.78	\$49.52
Inception	27 Jun 1997	1 Apr 2015
Expense Ratios		
Semi-Annual Report 31 Mar 2021 ¹	1.18%	1.05%
Prospectus 30 Sep 2020 ²	1.18%	1.05%

¹Unaudited, annualized for the six-month period. ²See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Global Payments Inc (Information Technology)	4.7
HubSpot Inc (Information Technology)	3.7
Atlassian Corp PLC (Information Technology)	3.5
Veeva Systems Inc (Health Care)	3.5
Zynga Inc (Communication Services)	3.4
Match Group Inc (Communication Services)	2.5
Catalent Inc (Health Care)	2.3
Genmab A/S (Health Care)	2.3
Dexcom Inc (Health Care)	2.3
Burlington Stores Inc (Consumer Discretionary)	2.2
TOTAL	30.3%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RMCG ¹
Communication Services	9.6	6.1
Consumer Discretionary	14.0	10.9
Consumer Staples	1.2	3.5
Energy	0.0	0.6
Financials	9.9	3.5
Health Care	21.8	22.2
Industrials	11.6	12.6
Information Technology	30.7	36.7
Materials	1.2	2.0
Real Estate	0.0	1.8
Utilities	0.0	0.1
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 0.6% of the total portfolio. ¹Russell Midcap® Growth Index.

Investment Results (%)

As of 31 May 2021	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTMX	-2.26	4.21	1.75	39.02	25.68	20.89	14.94	14.79
Advisor Class: APDMX	-2.25	4.23	1.81	39.21	25.88	21.07	15.05	14.83
Russell Midcap® Growth Index	-1.53	4.00	3.42	37.78	19.89	18.95	14.20	10.08
Russell Midcap® Index	0.80	5.94	14.56	50.29	16.15	15.39	12.83	10.62
As of 31 March 2021								
Investor Class: ARTMX	-4.22	-2.36	-2.36	75.25	25.50	21.05	14.78	14.70
Advisor Class: APDMX	-4.19	-2.32	-2.32	75.49	25.70	21.23	14.89	14.74
Russell Midcap® Growth Index	-1.91	-0.57	-0.57	68.61	19.41	18.39	14.11	9.97
Russell Midcap® Index	2.71	8.14	8.14	73.64	14.73	14.67	12.47	10.43

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. Class inception: Investor (27 June 1997); 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	RMG ¹
36.8+	27.4	24.6
27.3–36.8	14.5	17.9
19.3–27.3	25.3	20.9
13.0–19.3	14.8	17.2
0.0–13.0	18.0	19.4
TOTAL	100.0%	100.0%

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

Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
Matthew H. Kamm, CFA (Lead)	21
James D. Hamel, CFA	24
Craig A. Cepukenas, CFA	32
Jason L. White, CFA	21

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. 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 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. Growth securities may underperform other asset types during a given period.

Russell Midcap[®] Growth Index measures the performance of US mid-cap companies with higher 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.

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 May 2021: BioNTech SE 1.5%; Exact Sciences Corp 1.7%; HubSpot Inc 3.7%. 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.

Our capital allocation process is designed to build position size according to our conviction. Portfolio holdings develop through three stages: GardenSM, CropSM and HarvestSM. GardenSM investments are situations where we believe we are right, but there is not clear evidence that the profit cycle has taken hold, so positions are small. CropSM investments are holdings where we have gained conviction in the company's profit cycle, so positions are larger. HarvestSM investments are holdings that have exceeded our estimate of intrinsic value or holdings where there is a deceleration in the company's profit cycle. HarvestSM investments are generally being reduced or sold from the portfolios.

Earnings per Share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock.

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6/4/2021 A21605L_vR