



Artisan Mid Cap Value Fund

MONTHLY
Commentary

Investor Class: ARTQX | Advisor Class: APDQX

As of 30 June 2022

Commentary

Top month-to-date contributors: Centene Corp; Sysco Corp; Globe Life Inc; H&R Block Inc; PS Business Parks Inc

Bottom month-to-date contributors: Expedia Group Inc; Synchrony Financial; Marriott International Inc; Analog Devices Inc; NOV Inc

In this space, we discuss one top contributor (Globe Life) and one bottom contributor (NOV) from the recent month.

Globe Life is a provider of life insurance, health insurance and investment products and services. The stock price was essentially flat during the month, which made it a strong outperformer in a month when US mid-cap stock indices were down double-digit percentages. Globe Life is highly cash-generative with industry-leading returns on equity and strong policy-in-force growth. The company targets annualized EPS growth of 8.5%-9.0% based on long-term premium growth of 4.5%-5.0%, stable investment yields and 3.0%-4.0% from share repurchases. Over the past 5 and 10 years, the company has repurchased 15.7% and 33.6% of shares outstanding, equating to 3.4% and 4.0% of shares per annum, respectively. The combination of return of capital via buybacks and dividends and steady growth in earnings power provides us with the opportunity for attractive total returns over the long term.

NOV is a global energy services company which sells equipment and components used in oil and gas drilling and production operations. After appreciating roughly 60% YTD, shares pulled back sharply in June along with the broader energy sector as oil and gas prices fell. The energy sector was the weakest performer in June yet remains the leader YTD. Our purchase of NOV in Q3 2021 was our first foray into the energy sector in more than a year. Through several significant acquisitions in the 1990s and 2000s, NOV transformed itself into a leader in many attractive high-margin lines of business. NOV has a moat around the rig technologies business and unlike many energy-focused companies, has a history of generating free cash flow (FCF) and acceptable returns on tangible capital. When we purchased NOV, the business was dealing with the overhang of excess equipment in the onshore business and still absorbing aftereffects of the last offshore rig-building cycle that left the industry oversupplied. But the cycle appears to be turning in NOV's favor as capex budgets are now rising and later cycle offshore drilling markets are showing signs of stabilization. NOV's valuation remains undemanding in our view, and we believe margins still have much further to rise as the business recovers and cost savings opportunities are realized.

Portfolio Details

	ARTQX	APDQX
Net Asset Value (NAV)	\$18.27	\$18.21
Inception	28 Mar 2001	1 Apr 2015
Expense Ratios		
Semi-Annual Report 31 Mar 2022 ¹	1.20%	1.05%
Prospectus 30 Sep 2021 ²	1.21%	1.05%

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

Top 10 Holdings (% of total portfolio)

Analog Devices Inc (Information Technology)	3.9
AMERCO (Industrials)	3.2
Arch Capital Group Ltd (Financials)	3.1
Globe Life Inc (Financials)	3.0
Centene Corp (Health Care)	2.9
OGE Energy Corp (Utilities)	2.9
Tyson Foods Inc (Consumer Staples)	2.9
nVent Electric PLC (Industrials)	2.8
NOV Inc (Energy)	2.7
Lamar Advertising Co (Real Estate)	2.7
TOTAL	29.9%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RMCV ¹
Communication Services	13.2	3.6
Consumer Discretionary	15.6	9.5
Consumer Staples	7.2	4.2
Energy	2.8	5.0
Financials	19.4	17.9
Health Care	6.3	7.4
Industrials	12.0	14.4
Information Technology	9.4	9.4
Materials	3.5	7.5
Real Estate	7.6	12.1
Utilities	2.9	9.0
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 1.7% of the total portfolio. ¹Russell Midcap® Value Index.

Investment Results (%)

As of 30 June 2022	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTQX	-9.82	-13.41	-15.26	-10.19	5.83	5.41	8.33	9.36
Advisor Class: APDQX	-9.85	-13.41	-15.22	-10.09	5.99	5.56	8.43	9.41
Russell Midcap® Value Index	-10.99	-14.68	-16.23	-10.00	6.70	6.27	10.62	9.33
Russell Midcap® Index	-9.98	-16.85	-21.57	-17.30	6.59	7.96	11.29	9.27

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. Class inception: Investor (28 March 2001); 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	RMCV ¹
34.3+	15.7	8.8
25.0–34.3	10.5	18.5
17.3–25.0	4.9	20.8
10.4–17.3	21.5	22.5
0–10.4	47.5	29.5
TOTAL	100.0%	100.0%

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

Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
Thomas A. Reynolds IV	23
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 800.344.1770. 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. 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.

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 30 Jun 2022: Expedia Group Inc 2.3%; H&R Block Inc 2.2%; Marriott International Inc 2.3%; PS Business Parks Inc 0.6%; Synchrony Financial 2.0%; Sysco Corp 1.9%. 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.

Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures. **Return of Capital** is a return from an investment that is not considered income. **Yield** refers to the income received on an investment and is usually expressed annually as a percentage of market value. **Earnings per Share (EPS)** is the portion of a company's profit allocated to each outstanding share of common stock. **Capital Expenditures (capex)** to either purchase fixed assets or to upgrade existing fixed assets having a useful life longer than the taxable year. **Return on Equity (ROE)** is a profitability ratio that measures the amount of net income returned as a percentage of shareholders' equity. **Return on tangible capital** measures the rate of return on tangible common equity or shareholders' equity less preferred stock, goodwill and other intangible assets.

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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