



Artisan Mid Cap Value Fund

MONTHLY
Commentary

Investor Class: ARTQX | Advisor Class: APDQX

As of 31 May 2022

Commentary

Top month-to-date contributors: H&R Block Inc; Analog Devices Inc; Electronic Arts Inc; Cable One Inc; NOV Inc

Bottom month-to-date contributors: Expedia Group Inc; Lamar Advertising Co; Lions Gate Entertainment Corp; AMERCO; News Corp

In this space, we discuss one top contributor (H&R Block) and one bottom contributor (Expedia) from the recent month.

Tax preparer H&R Block (HRB) delivered stronger-than-expected revenue growth in its fiscal third quarter driven by price increases, a mix shift toward more complex tax filings and an earlier tax deadline of 4/18 this year compared to 5/17 in the 2021 tax season. While the shift in tax season complicates year-over-year comparisons, unmitigated positives were HRB's improved outlook driven by pricing increases and its continued brisk pace of share buybacks, equaling 13% of shares outstanding thus far in FY22. In an inflationary environment and amid concerns of economic slowing due to tightening financial conditions, investors naturally value HRB's pricing power, steady growth characteristics, strong free cash flow and robust return of capital. Through the ups and downs of the economic cycle, we believe the company should remain one of the industry's best brands based on its strong market-share positions. Furthermore, expectations remain low, with the stock selling for only 9X FY23 consensus earnings.

Shares of Expedia, an asset-light online travel agency, pulled back this month following strong gains in 2021 and Q1 2022 when economic reopening plays were most in favor. The company's latest earnings reports showed travel demand continues to recover despite the near-term impacts from the omicron variant and the war in Ukraine slowing the rate of improvement. Though the business is making progress, Q1 bookings and net revenue came in below expectations, and markets have not been kind to companies that miss on earnings amid the broader correction in equity markets QTD. We continue to find Expedia's business model highly attractive. As one of only two globally scaled online travel agencies, it has a wide economic moat. This scale advantage remains key to our investment case as leisure travel normalizes in the years to come. There's also potential for further margin improvement due to new management's focus on cutting costs and a more sensible brand strategy. Based on our estimates of earnings power, shares currently trade at an attractive low-teens multiple.

Portfolio Details

	ARTQX	APDQX
Net Asset Value (NAV)	\$20.26	\$20.20
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)	4.0
Corteva Inc (Materials)	3.0
AMERCO (Industrials)	2.9
Arch Capital Group Ltd (Financials)	2.9
NOV Inc (Energy)	2.9
nVent Electric PLC (Industrials)	2.8
Expedia Group Inc (Consumer Discretionary)	2.8
OGE Energy Corp (Utilities)	2.8
Tyson Foods Inc (Consumer Staples)	2.7
Globe Life Inc (Financials)	2.7
TOTAL	29.3%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RMCV ¹
Communication Services	13.7	3.7
Consumer Discretionary	16.3	9.1
Consumer Staples	6.8	4.8
Energy	2.9	8.7
Financials	19.0	16.0
Health Care	5.8	7.7
Industrials	11.2	13.7
Information Technology	9.4	9.0
Materials	4.9	8.2
Real Estate	7.3	11.0
Utilities	2.8	8.1
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 1.4% of the total portfolio. ¹Russell Midcap® Value Index.

Investment Results (%)

As of 31 May 2022	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTQX	1.30	-3.98	-6.03	-2.63	12.23	7.90	9.74	9.94
Advisor Class: APDQX	1.35	-3.95	-5.96	-2.45	12.42	8.06	9.85	9.99
Russell Midcap® Value Index	1.92	-4.14	-5.88	-0.06	13.37	9.10	12.31	9.97
Russell Midcap® Index	0.08	-7.63	-12.87	-6.77	12.87	10.48	12.78	9.85

As of 31 March 2022

Investor Class: ARTQX	0.91	-2.13	-2.13	7.41	12.88	8.76	9.25	10.23
Advisor Class: APDQX	0.91	-2.09	-2.09	7.60	13.07	8.92	9.36	10.28
Russell Midcap® Value Index	3.04	-1.82	-1.82	11.45	13.69	9.99	12.01	10.28
Russell Midcap® Index	2.56	-5.68	-5.68	6.92	14.89	12.62	12.85	10.35

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+	21.0	19.5
25.0–34.3	5.9	16.9
17.3–25.0	14.0	20.6
10.4–17.3	13.0	20.3
0–10.4	46.2	22.8
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 31 May 2022: Cable One Inc 2.0%; Electronic Arts Inc 2.3%; H&R Block Inc 2.0%; Lamar Advertising Co 2.6%; Lions Gate Entertainment Corp 0.8%; News 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. **Price-to-Earnings (P/E)** is a valuation ratio of a company's current share price compared to its per-share earnings.

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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