



Artisan Mid Cap Value Fund

MONTHLY Commentary

Investor Class: ARTQX | Advisor Class: APDQX

As of 31 December 2023

Commentary

Top month-to-date contributors: U-Haul Holding Co; WaFd Inc; Fifth Third Bancorp; Moelis & Co; Waters Corp

Bottom month-to-date contributors: Arch Capital Group Ltd; First Citizens BancShares Inc; NetApp Inc; The Progressive Corp; Globe Life Inc

In this space, we discuss one top contributor (Fifth Third Bancorp) and one bottom contributor (Arch Capital Group) from the recent month.

Fifth Third Bancorp (FITB) is a regional bank with a strong presence in the Midwest and Southeast. The stock surged ~50% since its late-October lows driven by a historic bond market rally. The 10-year US Treasury yield dropped more than 100bps to below 4% by year end, aided by easing inflation and the US Treasury department's shift in issuance favoring shorter term debt. The recent rebound is an example of how our approach of investing in out-of-favor businesses can lead to alpha. In March, shortly after the collapse of Silicon Valley Bank, bank stocks were being hammered by fears of contagion. That period of fear and uncertainty provided us an opportunity to purchase FITB, a bank we know well and one we believe to be well managed with a solid capital position and healthy liquidity, at a depressed price. We recognized the risks facing the banks but believed we were being paid well to take on those risks.

Shares of global reinsurer Arch Capital pulled back following large gains. Arch has experienced strong growth over the past year as reinsurance markets have been in an upswing in terms of pricing and premium growth, while rising interest rates boosted net interest income. Additionally, margins benefited from lower acquisition costs, better expense management and reduced catastrophe losses. In its mortgage insurance business, high interest rates are a headwind to top-line growth but a tailwind for margins. Arch is an industry leader capably managed by a long-tenured team that has achieved an enviable underwriting record while at the same time seeking opportunistic growth. It has shown discipline in pulling back from writing business when pricing is soft, patiently waiting for turns in the cycle to put its strong capital position to work.

Investment Results (%)

As of 31 December 2023	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTQX	7.06	11.21	18.15	18.15	9.02	11.03	6.27	9.63
Advisor Class: APDQX	6.97	11.20	18.25	18.25	9.17	11.19	6.39	9.69
Russell Midcap® Value Index	7.79	12.11	12.71	12.71	8.36	11.16	8.26	9.50
Russell Midcap® Index	7.73	12.82	17.23	17.23	5.92	12.68	9.42	9.65

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.

Portfolio Details

	ARTQX	APDQX
Net Asset Value (NAV)	\$15.52	\$15.41
Inception	28 Mar 2001	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2023	1.22%	1.07%
Prospectus 30 Sep 2022 ¹	1.20%	1.05%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

First Citizens BancShares Inc (Financials)	4.3
U-Haul Holding Co (Industrials)	3.9
Analog Devices Inc (Information Technology)	3.8
Vontier Corp (Information Technology)	3.2
Marriott International Inc (Consumer Discretionary)	3.0
Globe Life Inc (Financials)	2.9
Expedia Group Inc (Consumer Discretionary)	2.9
Lamar Advertising Co (Real Estate)	2.5
NOV Inc (Energy)	2.5
Fifth Third Bancorp (Financials)	2.4
TOTAL	31.5%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RMCV ¹
Communication Services	12.0	3.2
Consumer Discretionary	12.7	9.4
Consumer Staples	6.8	3.7
Energy	2.5	5.2
Financials	22.2	17.6
Health Care	11.5	6.8
Industrials	12.1	19.1
Information Technology	10.2	9.5
Materials	0.0	7.6
Real Estate	7.9	10.6
Utilities	2.1	7.2
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 2.0% of the total portfolio. ¹Russell Midcap® Value Index.

Market Cap Distribution (% of portfolio securities)

\$ in billions	Fund	RMCV ¹
36.7+	16.1	19.6
23.5–36.7	9.0	19.7
15.7–23.5	26.2	20.8
9.7–15.7	16.3	19.3
0–9.7	32.4	20.4
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	25
Daniel L. Kane, CFA	25
Craig Inman, CFA	24

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. 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.

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 Dec 2023: Arch Capital Group Ltd 2.1%; Moelis & Co 2.1%; NetApp Inc 1.3%; The Progressive Corp 1.3%; WaFd Inc 2.0%; Waters Corp 2.4%. 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.

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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