



Artisan Mid Cap Fund

MONTHLY
Commentary

Investor Class: ARTMX | Advisor Class: APDMX

As of 28 February 2023

Commentary

The Russell Midcap® Index fell by -2.4% in February but remains positive for the year. The market remains focused on anticipating future monetary policy, and weakness was due to several concerning economic indicators. First, the US economy added 517,000 jobs in January, far exceeding the consensus forecast of an increase of 187,000 and driving the unemployment rate down to a 53-year low of 3.4%. Next, consumer and producer prices in the US moderated less than expected in January. The consumer price index rose 6.4% from a year ago, down slightly from December's 6.5% pace, and rose 0.5% from the previous month. Market participants are concerned that the data will keep the Federal Reserve on a tightening path in the months ahead.

Our portfolio is leading the Russell Midcap® Growth Index QTD. Among our top contributors were HubSpot and Catalent. HubSpot is a leading provider of cloud-based customer relationship management software for small-to-medium businesses. Shares rallied after announcing strong top- and bottom-line results along with upbeat forward guidance. While macroeconomic headwinds could pressure HubSpot's growth metrics, we view its subscription-based business as relatively resilient and are encouraged by management's steps to expand margins. Therefore, we have maintained our position.

Catalent is one of the largest contract development and manufacturing providers serving the biopharmaceutical and nutritional industries. Drug development is complex—and becoming more so as biologic therapies become prominent—leading customers to increasingly value Catalent's scale and expertise. Throughout 2022, shares underperformed as COVID-19 vaccine revenues declined but have since rallied as recent earnings announcements display the ongoing strength within the company's core biologic business.

Among our top detractors were Nasdaq and ZoomInfo Technologies. Nasdaq is the second-largest diversified global exchange and a technology provider for US and European capital markets. While the company is well-known for its US stock exchange, the current management team is transitioning Nasdaq away from this more mature and volatile business and toward faster growing software and information service models. Shares fell after reporting top- and bottom-line results that were weaker than expectations. While the primary driver of the top-line miss was lower AUM-based index revenues, the other businesses were not able to offset the decline as we would have expected. Given this fundamental slowdown, combined with an unexpected management departure, we decided to trim the position.

ZoomInfo is a leading provider of contact databases and associated marketing automation tools for business-to-business sellers. Our view was that the company's data, insights and digital tools offered attractive paybacks to its customers and would be resilient in a downturn. However, we have grown increasingly skeptical about the durability of its top-line growth as customers potentially look to cut costs. Given these fundamental concerns, we decided to exit the position.

Portfolio Details

	ARTMX	APDMX
Net Asset Value (NAV)	\$30.88	\$31.46
Inception	27 Jun 1997	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2022	1.18%	1.05%
Prospectus 30 Sep 2022 ¹	1.19%	1.05%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

HubSpot Inc (Information Technology)	4.6
Lattice Semiconductor Corp (Information Technology)	4.4
Veeva Systems Inc (Health Care)	4.2
Global Payments Inc (Information Technology)	3.6
Catalent Inc (Health Care)	3.4
Ascendis Pharma A/S (Health Care)	3.3
Argenx SE (Health Care)	3.2
Ingersoll Rand Inc (Industrials)	3.0
West Pharmaceutical Services Inc (Health Care)	3.0
Atlassian Corp (Information Technology)	3.0
TOTAL	35.7%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RMCG ¹
Communication Services	1.4	4.2
Consumer Discretionary	8.8	15.3
Consumer Staples	0.5	2.9
Energy	0.0	4.4
Financials	10.9	6.1
Health Care	29.2	16.7
Industrials	10.9	16.3
Information Technology	38.3	28.1
Materials	0.0	3.8
Real Estate	0.0	2.0
Utilities	0.0	0.2
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 3.7% of the total portfolio. ¹Russell Midcap® Growth Index.

Investment Results (%)

As of 28 February 2023	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTMX	0.49	10.09	10.09	-17.66	7.25	8.99	10.45	12.47
Advisor Class: APDMX	0.51	10.12	10.12	-17.58	7.39	9.16	10.58	12.52
Russell Midcap® Growth Index	-0.99	7.65	7.65	-8.31	8.66	8.74	11.45	8.72
Russell Midcap® Index	-2.43	5.68	5.68	-4.99	11.46	8.40	10.68	9.58

As of 31 December 2022

Investor Class: ARTMX	-6.97	-1.13	-36.82	-36.82	3.44	7.97	10.02	12.13
Advisor Class: APDMX	-6.97	-1.12	-36.74	-36.74	3.58	8.13	10.15	12.18
Russell Midcap® Growth Index	-6.00	6.90	-26.72	-26.72	3.85	7.64	11.41	8.47
Russell Midcap® Index	-5.40	9.18	-17.32	-17.32	5.88	7.10	10.96	9.40

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	RMCG ¹
38.4+	21.0	24.8
27.2–38.4	12.7	18.2
17.4–27.2	33.3	19.5
11.4–17.4	17.4	18.7
0.0–11.4	15.5	18.8
TOTAL	100.0%	100.0%

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

Team Leadership (Pictured left to right)



Portfolio Managers

Matthew Kamm, CFA (Lead)

23

James Hamel, CFA

26

Craig Cepukanas, CFA

34

Jason White, CFA

23

Jay Warner, CFA

21

Years of Investment Experience

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. 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 and less developed markets, including frontier 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 28 Feb 2023: Nasdaq Inc 1.5%. The discussion of portfolio holdings does not constitute a recommendation of any individual security. 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.

Consumer Price Index measures the average change in prices over time that consumers pay for a basket of goods and services.

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