



Artisan Mid Cap Fund

MONTHLY Commentary

Investor Class: ARTMX

Advisor Class: APDMX

As of 30 November 2023

Commentary

The Russell Midcap® Index rallied 10.2% in November as investor optimism grew that the US Federal Reserve's interest rate hiking cycle has come to an end. Economic indicators showed signs of easing, such as nonfarm payrolls lagging expectations and the unemployment rate ticking up to 3.9%. Inflation also continued to display improvement as the consumer price index for October was unchanged from the month before and rose 3.2% year over year, down from 3.7%.

Our portfolio underperformed the Russell Midcap® Growth Index in November and is underperforming for the QTD period. Among our top detractors were Lattice Semiconductor and ON Semiconductor. Lattice Semiconductor is a fabless vendor of field programmable gate array (FPGA) chips that customers can program and configure to their specifications. Shares underperformed after management lowered its forward guidance, mainly driven by its industrial business in Asia and Europe. Within its communications segment, strong fundamentals in its data center business are being offset by the more cyclical telecommunications segment. We believe the company's powerful secular content drivers will help make this cyclical downturn short lived, and we remain invested.

ON Semiconductor is a leading designer and manufacturer of chips used for power management and image sensors. From a battery electric vehicle standpoint, ON is a leading producer of silicon carbide (SiC) chips. Shares fell after the company reported disappointing earnings results due to headwinds in its automotive segment. While the first headwind—overall auto demand uncertainty due to macroeconomic pressures—was expected, we were surprised by SiC demand weakness in its electric vehicle business. Given our view that elevated electric vehicle inventories could drag on results into 2024, we trimmed our position.

Among our top contributors were Chipotle and DexCom. Chipotle's strong brand and relatively affordable menu have enabled it to pass along food inflation to its customers (price increases) without hurting demand. Meanwhile, initiatives such as drive-thru lanes and menu innovation support continued unit economic improvements. As a result, financial results have continued to be positive across both new store growth and same-store sales. The profit cycle remains nicely in motion as unit growth is accelerating, the company continues to invest in new technologies to drive efficiencies and the international expansion narrative is slowly building.

DexCom is the leader in continuous glucose-monitoring systems (CGM). We believe it is well positioned to continue penetrating the Type 1 diabetes market and to drive adoption in the much larger Type 2 diabetes market, with data increasingly supporting the clinical and economic case for using CGM sensors. The company experienced weakness in Q3 given market concerns that the rapid growth of GLP-1 diabetes/obesity drugs will reduce demand for diabetes management technologies; however, we added to the position given our view that the narrative was overblown. Our patience was rewarded as shares rallied after the company reported strong financial results.

Portfolio Details

	ARTMX	APDMX
Net Asset Value (NAV)	\$32.30	\$32.95
Inception	27 Jun 1997	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2023	1.20%	1.05%
Prospectus 30 Sep 2022 ¹	1.19%	1.05%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Chipotle Mexican Grill Inc (Consumer Discretionary)	4.0
Argenx SE (Health Care)	3.8
Atlassian Corp (Information Technology)	3.6
Veeva Systems Inc (Health Care)	3.5
Lattice Semiconductor Corp (Information Technology)	3.1
West Pharmaceutical Services Inc (Health Care)	3.0
Synopsys Inc (Information Technology)	3.0
Dexcom Inc (Health Care)	3.0
HubSpot Inc (Information Technology)	3.0
Ingersoll Rand Inc (Industrials)	2.9
TOTAL	32.8%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RMCG ¹
Communication Services	5.9	4.2
Consumer Discretionary	11.9	13.3
Consumer Staples	1.5	2.9
Energy	0.0	4.2
Financials	8.8	10.6
Health Care	24.2	18.8
Industrials	16.8	19.5
Information Technology	29.3	23.1
Materials	0.0	1.3
Real Estate	1.6	1.7
Utilities	0.0	0.4
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 1.5% of the total portfolio. ¹Russell Midcap® Growth Index.

Investment Results (%)

As of 30 November 2023	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTMX	9.05	1.10	15.15	7.13	-5.26	9.66	8.44	12.29
Advisor Class: APDMX	9.07	1.14	15.33	7.29	-5.12	9.84	8.58	12.34
Russell Midcap® Growth Index	12.20	6.47	17.00	9.98	0.43	10.05	10.11	8.81
Russell Midcap® Index	10.23	4.72	8.82	2.94	4.91	8.72	8.93	9.41

As of 30 September 2023

Investor Class: ARTMX	-5.72	-2.95	13.90	12.62	-2.47	7.27	8.60	12.32
Advisor Class: APDMX	-5.73	-2.92	14.04	12.76	-2.34	7.44	8.74	12.38
Russell Midcap® Growth Index	-4.87	-5.22	9.88	17.47	2.61	6.97	9.94	8.60
Russell Midcap® Index	-5.02	-4.68	3.91	13.45	8.09	6.38	8.98	9.28

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+	22.6	27.2
27.2–38.4	19.9	18.1
17.4–27.2	21.9	20.2
11.4–17.4	11.8	14.7
0.0–11.4	23.8	19.8
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 Kamm, CFA (Lead)	24
James Hamel, CFA	27
Jason White, CFA	23
Craig Cepukenas, CFA	35
Jay Warner, CFA	22

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 30 Nov 2023: ON Semiconductor Corp 2.1%. 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.

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