



Artisan Mid Cap Fund

MONTHLY Commentary

Investor Class: ARTMX

Advisor Class: APDMX

As of 30 September 2023

Commentary

The Russell Midcap® Index fell -5.0% in September and ended Q3 down -4.7%. Market weakness was attributable to rising inflation and higher-for-longer interest rate messaging. On a month-over-month basis, the consumer price index rose at its fastest pace in over a year, rising 0.6%, with gasoline costs accounting for over half the advance. Core CPI, which strips out food and energy costs, rose at its fastest rate since February, gaining 0.3%. At its most recent meeting, the Fed held rates steady; however, it telegraphed that rates are likely to fall slowly in the years ahead. This sent 10-year Treasury yields soaring to their highest levels since 2007.

Our portfolio underperformed the Russell Midcap® Growth Index in September but outperformed in Q3. Among our top contributors were Argenx and Atlassian. Argenx is a commercial stage biotechnology company with an approved first-in-class, and potentially best-in-class, therapy (FcRn) for autoimmune diseases. The company's platform antibody treatment, Vyvgart, has one indication in market (for treating myasthenia gravis) that is experiencing a successful launch. However, the stock's outperformance has been due to a couple of positive developments. First, the FDA approved the subcutaneous injection version of the treatment, Vyvgart Hytrulo. And second, the company reported positive results for the treatment of CIPD (chronic inflammatory demyelinating polyneuropathy).

Atlassian is a leading provider of innovative, customizable team-collaboration software tools. Shares underperformed in 2022 as the company experienced slower software user additions as customers of all sizes moderate hiring and spending. However, shares have rallied as strong fundamental performance has eased investor concerns. Recent earnings results topped analyst expectations, and the company offered solid guidance, including 25% to 30% growth within its strategically important cloud business for its 2024 fiscal year.

Among our top detractors were Chipotle and DexCom. Chipotle has been a top-performing stock this year as its 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. The company reported revenue in line with expectations, which was not good enough to support the stock's year-to-date outperformance. We remain invested and are optimistic about the company's operational efficiencies, unit growth acceleration and international expansion opportunities.

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 drive adoption in the much larger Type 2 diabetes market, where increasing amounts of data support the clinical and economic case for CGM sensors. Shares have experienced weakness as momentum around GLP-1 obesity medications has called into question the future growth of diabetes patients. Although we are enthusiastic about the long-term potential of GLP-1 medications (and own multiple holdings exposed to their growth), we believe DexCom shares have been oversold since its growth is far more dependent on market share gains than overall diabetes patient growth, and we added to the position.

Portfolio Details

	ARTMX	APDMX
Net Asset Value (NAV)	\$31.95	\$32.58
Inception	27 Jun 1997	1 Apr 2015
Expense Ratios		
Semi-Annual Report 31 Mar 2023 ¹	1.19%	1.05%
Prospectus 30 Sep 2022 ²	1.19%	1.05%

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

Top 10 Holdings (% of total portfolio)

Veeva Systems Inc (Health Care)	5.4
Lattice Semiconductor Corp (Information Technology)	4.2
Argenx SE (Health Care)	4.1
Atlassian Corp (Information Technology)	3.7
HubSpot Inc (Information Technology)	3.7
ON Semiconductor Corp (Information Technology)	3.6
Chipotle Mexican Grill Inc (Consumer Discretionary)	3.3
West Pharmaceutical Services Inc (Health Care)	3.1
Synopsys Inc (Information Technology)	3.1
Ingersoll Rand Inc (Industrials)	2.6
TOTAL	36.8%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RMCG ¹
Communication Services	4.8	4.1
Consumer Discretionary	10.5	12.7
Consumer Staples	0.9	2.9
Energy	0.0	4.4
Financials	9.5	10.5
Health Care	26.8	20.3
Industrials	14.8	19.5
Information Technology	31.2	22.2
Materials	0.0	1.3
Real Estate	1.5	1.6
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 September 2023	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
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+	21.6	16.2
27.2–38.4	24.6	24.8
17.4–27.2	16.7	22.1
11.4–17.4	15.9	15.0
0.0–11.4	21.2	22.0
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)	23
James Hamel, CFA	26
Jason White, CFA	23
Craig Cepukenas, CFA	34
Jay Warner, CFA	21

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. 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 Sep 2023: Dexcom Inc 1.7%. 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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