



Artisan Mid Cap Fund

MONTHLY
Commentary

Investor Class: ARTMX

Advisor Class: APDMX

As of 30 November 2024

Commentary

The Russell Midcap® Index returned 8.8% in November. As expected, the Federal Reserve cut interest rates by a quarter point in November. However, stronger-than-expected economic data, particularly in the labor market, led the Fed to adopt a more cautious stance on future rate cuts. While the central bank acknowledged progress in taming inflation, it also noted that the path forward was uncertain and that future policy decisions would depend on incoming economic data.

Our portfolio underperformed the Russell Midcap® Growth Index in November and is trailing for the QTD period. Among our top contributors were Atlassian and Shopify. Atlassian is a provider of collaboration and productivity software tools—a large, structurally growing addressable market that is expanding from the core software developer market to a much larger “knowledge worker” market. Along with much of the software industry, the company has experienced a period of weakness as small and medium-sized businesses have pulled back spending due to macroeconomic concerns, and enterprise IT spending has shifted toward artificial intelligence (AI) projects at the expense of traditional cloud software offerings. However, shares rallied after earnings results beat expectations and showed signs of a turnaround, including higher-than-expected paid seat expansion.

Shopify is a leading e-commerce franchise that is benefiting from key secular tailwinds. Our conviction for the business grew after it decided to exit the logistics business in favor of a capital-light partnership model, which we viewed as significantly narrowing the downside range of outcomes and allowing it to focus on what it does so well: developing great e-commerce software solutions for brands of all sizes. We have been encouraged by Shopify’s subsequent pace of innovative new product enhancements, including using AI assistants to help brands run their businesses. Shares rallied after the company reported strong earnings results, including 24% growth in gross merchandise volume, and management raised its forward guidance.

Among our top detractors were Monolithic Power Systems and Onto Innovation. Monolithic Power Systems designs analog power-management chips for a wide variety of industrial and consumer devices. Customers are converting their analog, digital and power semiconductor chips into the company’s single-chip design, which is energy efficient and priced lower than peers. Shares experienced weakness after the company reported growth in its data center business that was strong but trailed even higher investor expectations, which had driven the stock up YTD. Our valuation discipline had led us to reduce the position earlier in the year, and now, from a more reasonable starting point, we decided to add to the position.

Onto Innovation provides process control solutions and inspection systems needed for advanced semiconductor packaging inspection and optical metrology. Wafer-level packaging inspection is a small yet rapidly growing segment within process control tied to increasing chipset sales from AI, edge computing and wearable technology advancements. Shares declined due to near-term weakness within its advanced node and packaging business, which we believe is due to delays at key customers rather than any structural issues. We continue to like the 2025 setup and decided to add to the position.

Portfolio Details

	ARTMX	APDMX
Net Asset Value (NAV)	\$40.75	\$41.63
Inception	27 Jun 1997	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2024	1.19%	1.05%
Prospectus 30 Sep 2023 ¹	1.20%	1.05%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Argenx SE (Health Care)	4.9
Spotify Technology SA (Communication Services)	4.3
Tyler Technologies Inc (Information Technology)	3.8
West Pharmaceutical Services Inc (Health Care)	3.7
Ascendis Pharma A/S (Health Care)	3.0
Atlassian Corp (Information Technology)	3.0
Datadog Inc (Information Technology)	2.5
Lattice Semiconductor Corp (Information Technology)	2.5
Saia Inc (Industrials)	2.4
Live Nation Entertainment Inc (Communication Services)	2.4
TOTAL	32.2%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RMCG ¹
Communication Services	9.7	4.3
Consumer Discretionary	8.7	14.6
Consumer Staples	0.6	2.2
Energy	0.0	4.4
Financials	5.7	13.1
Health Care	22.0	12.4
Industrials	17.4	18.3
Information Technology	34.6	26.2
Materials	0.0	1.2
Real Estate	1.4	1.3
Utilities	0.0	2.0
TOTAL	100.0%	100.0%

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

Investment Results (%)

As of 30 November 2024	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTMX	10.08	9.99	17.17	26.16	-3.07	10.23	9.97	12.77
Advisor Class: APDMX	10.10	10.02	17.30	26.34	-2.93	10.39	10.13	12.82
Russell Midcap® Growth Index	13.33	15.31	30.20	40.07	6.41	13.18	12.22	9.81
Russell Midcap® Index	8.82	8.24	24.07	33.66	7.77	12.05	10.45	10.21

As of 30 September 2024

Investor Class: ARTMX	1.67	2.35	6.53	15.96	-6.08	9.40	9.58	12.46
Advisor Class: APDMX	1.69	2.38	6.62	16.14	-5.94	9.55	9.73	12.51
Russell Midcap® Growth Index	3.33	6.54	12.91	29.33	2.32	11.48	11.30	9.30
Russell Midcap® Index	2.23	9.21	14.63	29.33	5.75	11.30	10.19	9.96

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
41.4+	29.8	37.0
30.9–41.4	17.2	15.2
21.1–30.9	26.7	16.1
12.4–21.1	9.4	17.0
0.0–12.4	16.9	14.6
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)	25
James Hamel, CFA	28
Jason White, CFA	24
Craig Cepukenas, CFA	36
Jay Warner, 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. 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 2024: Monolithic Power Systems Inc 1.1%; Onto Innovation Inc 1.1%; Shopify Inc 2.2%. 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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