# Artisan Mid Cap Fund

QUARTERLY
Commentary

Investor Class: ARTMX | Advisor Class: APDMX | Institutional Class: APHMX

As of 30 June 2022

## Investment Process

We seek to invest in companies that possess franchise characteristics, are benefiting from an accelerating profit cycle and are trading at a discount to our estimate of private market value. Our investment process focuses on two distinct elements—security selection and capital allocation. We overlay our investment process with broad knowledge of the global economy.

### Security Selection

We seek to identify companies that have franchise characteristics (e.g., low-cost production capability, possession of a proprietary asset, dominant market share or a defensible brand name), are benefiting from an accelerating profit cycle and are trading at a discount to our estimate of private market value. We also assess key environmental, social and governance (ESG) issues that could impact future stock returns. We look for companies that are well positioned for long-term growth, which is driven by demand for their products and services, at an early enough stage in their profit cycle to benefit from the increased cash flows produced by the emerging profit cycle.

### Capital Allocation

Based on our fundamental analysis of a company's profit cycle, we divide the portfolio into three parts. Garden℠ investments are small positions in the early part of their profit cycle that may warrant more sizeable allocations as their profit cycle accelerates. Crop℠ investments are positions that are being increased to a full weight because they are moving through the strongest part of their profit cycles. Harvest℠ investments are positions that are being reduced as they near our estimates of full valuation or their profit cycles begin to decelerate.

### Broad Knowledge

We overlay the security selection and capital allocation elements of our investment process with a desire to invest opportunistically across the entire global economy. We seek broad knowledge of the global economy in order to find growth wherever it occurs.

## Team Overview

We believe deep industry expertise, broad investment knowledge, a highly collaborative decision-making process and individual accountability are a powerful combination. Since the inception of the team, we have been committed to building a team of growth investors that retains these attributes and is solely dedicated to our process and approach.

### Portfolio Management

Matthew H. Kamm, CFA
Portfolio Manager (Lead)

James D. Hamel, CFA
Portfolio Manager

Craigh A. Cepukenas, CFA
Portfolio Manager

Jason L. White, CFA
Portfolio Manager

Jay C. Warner, CFA
Portfolio Manager

## Investment Results (%)

| As of 30 June 2022 | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Inception |
|---|---|---|---|---|---|---|---|
| | | | | Average Annual Total Returns | | | |
| **Investor Class: ARTMX** | **-22.47** | **-34.50** | **-32.98** | **5.76** | **9.72** | **11.18** | **12.56** |
| **Advisor Class: APDMX** | **-22.43** | **-34.44** | **-32.86** | **5.95** | **9.90** | **11.30** | **12.60** |
| **Institutional Class: APHMX** | **-22.40** | **-34.40** | **-32.80** | **6.02** | **9.99** | **11.45** | **12.80** |
| Russell Midcap® Growth Index | -21.07 | -31.00 | -29.57 | 4.25 | 8.88 | 11.50 | 8.38 |
| Russell Midcap® Index | -16.85 | -21.57 | -17.30 | 6.59 | 7.96 | 11.29 | 9.37 |

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. Class inception: Investor (27 June 1997); Advisor (1 April 2015); Institutional (1 July 2000). For the period prior to inception, each of Advisor Class and Institutional Class's performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Advisor or Institutional Class and each share's respective returns during that period would be different if such expenses were reflected.

| Expense Ratios | ARTMX | APDMX | APHMX |
|---|---|---|---|
| Semi-Annual Report 31 Mar 2022[1] | 1.19 | 1.05 | 0.95 |
| Prospectus 30 Sep 2021[2] | 1.18 | 1.05 | 0.95 |

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

**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.**

## Investing Environment

Inflation uncertainty prompted a sharp 17% selloff among domestic mid-cap equities during Q2. For the first time in 40 years, Americans have witnessed the cost of everyday necessities—energy, food, shelter, transportation (air and road)—drive the annualized rate of CPI up nearly double digits every month this year. Investors have grown skeptical about the Fed's ability to cool demand, rein in inflation and avoid a recession. Uncertainty surrounds when and at what rate inflation will normalize, a first-of-its-kind environment for most US company leadership teams and investors who have been accustomed to low interest rate and moderate inflation throughout their careers. Historically tight labor markets, the war in Ukraine and COVID-19 lockdowns in China all threaten to keep inflation high.

The Federal Open Market Committee (FOMC) responded with swift and aggressive actions in Q2. The federal funds rate rose 125bps in just three short months. In June, an effort to shrink the central bank's $9 trillion balance sheet—which has ballooned >4X since the end of the financial crisis—kicked off. Up to $47.5 billion of assets will roll off over each of the next couple months, a pace the Fed anticipates will double in September. The market anticipates the FOMC will raise rates another 150-175bps (to 3.25%) by the end of 2022.

High inflation can be devastating for financial markets. The YoY fall in equity valuations so far this year has been the most significant since a period of stagflation in the mid-1970s. Historically, when inflation is around 6%-8% the accompanying PE multiple has been 12X. However, as inflation has increased over the past year, multiples stayed relatively high (20-25X) because investors agreed with the Fed's assumption that elevated readings would be transitory. When that was disproven in Q2, the market multiple quickly adjusted to a level more consistent with history (15X).

While valuations appear closer to fair value, investors have grown increasingly concerned about consensus earnings estimates for the next 12-24 months. Several sell-side firms have called for a mid-teens percentile contraction in S&P 500 EPS under a recession scenario, which compares to the ~2.5% increase in 2023 consensus estimates since the start of 2022. Concerns echo throughout companies more exposed to consumer discretionary spending. Target recently cut its EPS guidance -21%, and Walmart, which typically does not update guidance this early in the year, now expects its EPS growth to decline 1% YoY (vs. +5%-6% prior). Intensifying costs—fuel, wages—and rising inventories were among the key drivers for both companies. On the last day of the quarter, Restoration Hardware cut its guidance for the second time in less than 30 days, with negative revenue growth now expected for the year amid weakening demand for its luxury home furnishings.

## Performance Discussion

Our software holdings were the primary driver of our portfolio modestly trailing the Russell Midcap Growth® Index in Q2. Strong earnings results among our core holdings in this sector—Atlassian, HubSpot, Datadog, Zscaler—were not enough to overcome interest rate driven multiple compression. Meanwhile, we believe our software holdings' profit cycles could prove more resilient in a recessionary environment given their recurring subscription revenues and several durable drivers of top- and bottom-line growth. For these reasons, and with shares trading at attractive discounts to our PMV estimates, we opportunistically added to several of our positions during the quarter.

Our health care holdings were a source of relative outperformance during the quarter despite declining on an absolute basis. Biomanufacturing and biotech stocks have experienced multiple contraction like other growth stocks, though fundamentals remain strong. As the market's attention turns toward a potential recession, health care's less economically sensitive nature appears to be gaining favor.

Among our bottom contributors were HubSpot, ZoomInfo Technologies and SVB Financial Group. Demand for HubSpot's customer relationship management SaaS platform has been robust as companies continue to make front office investments. Despite positive fundamental momentum, shares traded lower during Q2 as investors rotated out of high-growth stocks with elevated multiples. Furthermore, the market has not been favoring solidly profitable businesses that are investing heavily to develop new products and drive new customer additions. Meanwhile, we are monitoring the company's exposure to small-and-medium-sized businesses given the potential for a recession over the near-to-intermediate term. We recognize a downturn would likely have an impact on HubSpot's growth metrics, though we believe its mission critical cloud tools—marketing and sales force automation, customer service and website content management—would prove relatively resilient. In addition, the company has moved toward serving somewhat larger customers in recent years, which should offer further protection. For these reasons, and with shares trading at an attractive discount to our PMV estimate, we added modestly to our position.

ZoomInfo is a leading provider of contact databases and associated marketing automation tools for business-to-business sellers. We believe the company's combination of data, insights and digital tools is being well received by companies looking to increase sales force productivity and enhance the returns on their substantial customer relationship management (CRM) software investments. In addition, the company has impressively grown its base data business and layered in more advanced software functionality while maintaining 40% operating margins. While ZoomInfo's growth strategies have significant long-term growth runway, investors have grown increasingly skeptical about the durability of its top-line growth in a recession as customers potentially look to cut costs. Our research suggests ZoomInfo's sales analytics tools offer solid paybacks to its customers, and we believe the company will still be able to efficiently reach new sales prospects in a downturn. With shares trading at an

attractive valuation and our profit cycle thesis intact, we added modestly to our position.

SVB Financial Group is a leading provider of banking services to the innovation economy across the US and in key international markets. Headquartered in Silicon Valley, SVB offers financial products to clients in the technology, life science/health care and private equity/venture capital end markets. The rapid shift in the macroeconomic backdrop has caused crosscurrents in SVB's profit cycle. We expect its net interest margin to increase meaningfully this year amid rapidly rising interest rates. Conversely, tighter economic conditions are having a significant impact on funding and spending activity within its core innovation economy market. In the short term, we expect these headwinds to overpower the interest rate tailwinds. There is a lot of dry powder waiting to be deployed by VC/PE funds, which leads us to believe funding activity should recover nicely once valuations reset to lower levels. Given our comfort with the company's credit risk exposure (loans to early-stage tech companies are only 2% vs. 11% in 2008 and 30% in the dot.com era), and a valuation that seems to reflect a near worst-case scenario, we are remaining patient.

Among our top Q2 contributors were LPL Financial, Catalent and Argenx. LPL Financial is the largest independent broker-dealer in the US, and the largest provider of outsourced wealth management services to banks. The company equips over 17k financial advisors with the tools—research, technology, compliance, administrative support—to grow their businesses and help their retail clients with wealth management and financial planning. In recent years, a new leadership team has invested to improve advisor technology and remove friction within advisors' workflows, driving a 50% increase in productivity while increasing advisor retention to ~98%. We believe LPL is well-positioned to capture further market share and benefit from a migration of advisors away from wire houses to the independent channel. We are also optimistic outsourcing contract wins with third party banks and traction in the company's new service offerings could further accelerate growth. Lastly, LPL has begun benefiting from higher interest rates. However, as the share price now reflects more of these tailwinds, we modestly pared our position.

Catalent, one of the largest contract manufacturing suppliers to the pharmaceutical industry, has played a critical role in COVID-19 vaccines and therapeutics—notably, supporting Moderna, Johnson & Johnson and AstraZeneca production efforts. Shares have been volatile this year as investors have contemplated the company's ability to grow through the decline of COVID-19 vaccine sales. Our decision to add to our position amid the share price weakness was rewarded as the stock rebounded in Q2 after management issued better than feared 2023 guidance that contemplated significantly lower COVID sales. This outlook reflects the strength in the company's base business, which we believe has meaningful long-term potential as biologics are increasingly used as alternatives to chemically manufactured, small-molecule compounds. The increasing complexity of these therapies and the growing proportion of small companies taking products to market themselves are driving outsourcing to companies like Catalent to reduce cost. In addition, Catalent's investments to increase its capabilities in key emerging growth areas (cell and gene therapies, gummi vitamins) gives us further confidence around its profit cycle potential.

Argenx is a commercial stage biotechnology company with an approved, first-, and potentially best-in-class therapy (FcRn) for autoimmune diseases. In its first full quarter of sales, Vyvgart meaningfully exceeded consensus sales expectations, indicating strong early market traction. In addition, it released positive phase 3 results for Vyvgart's use in treating immune thrombocytopenia purpura, a blood disorder characterized by low platelet levels. We believe this second indication could receive FDA approval in early 2023, and the news confirms our thesis that Vyvgart is a "pipeline in a product"—a compelling new molecule which is likely to be safe and effective in numerous rare autoimmune disorders.

## Portfolio Activity

In addition to Catalent, we also increased our positions in Veeva Systems and ON Semiconductor. Veeva is one of the highest quality franchises in our portfolio. The company has the dominant CRM platform for pharmaceutical sales and marketing organizations, and it is replicating that success with the rollout of numerous other modules focused on pharmaceutical customers' manufacturing, quality, safety and clinical operations. Growth has temporarily slowed over the past year as the company laps difficult YoY comparisons caused by the rapid adoption of their virtual sales call solution during the pandemic. Several large deals also encountered unexpected delays in late 2021. Despite these short-term headwinds, we remain confident in Veeva's future growth prospects and high-quality business model (~40% free cash flow margins supported by largely recurring subscription revenues). Meanwhile, we believe the defensive nature of its end-market (health care) and strategic importance of cloud IT driven transformations could help buffer the company against a weaker global economy. As shares declined in Q2 along with other software stocks, we added to our position.

ON Semiconductor is a global market leader in power management and image sensors. The company reported 49% gross margins in 1Q22 which met the new management team's 48%-50% long-term target after revising it higher just one quarter ago. We believe ON has a clear path to >50% gross margins, and its financial results reflect the ongoing structural improvements in both manufacturing and products, cost initiatives, product mix and rising prices. Growing demand for chips in electric vehicles, renewable energy infrastructure, advanced driver assistance (multiple cameras), factory automation and machine vision should drive sustainable high single-digit top-line growth. With shares trading at an attractive discount to our PMV estimate, we continued to move this holding up the Crop℠ of the portfolio.

In addition to LPL Financial, we also pared our exposures to The New York Times, Ball Corp and Ceridian. The New York Times is an iconic US

news publisher with over 8 million subscribers globally. The company continues to build a solid digital subscription business, led not only by the core news product, but also by ancillary offerings such as cooking and games. However, operating margin expansion, which we had expected to see based on the success of the company's digital strategy, has been disappointing. This has been due to the recent dilutive acquisition of sports website *The Athletic* as well as accelerating profit declines in the company's legacy print business. Thus, we have been harvesting our position in favor of more attractive opportunities in our pipeline.

Ball Corporation is the leading manufacturer of aluminum cans for beverages. Our thesis has been based on the company benefiting from beverage makers' increasing adoption of aluminum cans given broader societal concerns about the detrimental impact plastic can have on the environment (aluminum is infinitely recyclable). Unfortunately, several macro pressures—food, beverage and gas inflation; disruption in the company's Russian market; economic volatility in Latin America—have caused profit growth to trail our expectations in recent quarters, and we are unclear when these headwinds will abate. Therefore, we have been harvesting our position.

Ceridian is a cloud-based provider of payroll and related software. Our thesis has been predicated on the potential for the company's Dayforce suite to drive market share gains and operating margin expansion. While we continue to believe the company is well-positioned longer term, the investments needed to support sales force expansion and international growth are proving higher than we anticipated. With the free cash flow trajectories and valuation support looking stronger for our other software holdings, we trimmed our position during the quarter and reinvested the capital.

We began Garden℠ campaigns in Ryan Specialty Holdings, Repligen and Etsy during Q2. Ryan Specialty Holdings provides specialty insurance solutions for brokers, agents and carriers. Founded in 2010, the company has rapidly become the second-largest provider in the higher growth excess and surplus (E&S) market segment. E&S insurance has moved from 40% of the US business insurance market to 50% over the past decade. These gains have been driven by an ever-increasing level of catastrophes, which are being driven by climate change, the emergence of new markets such as cyber-insurance and new business models such as ride-sharing, which we believe have further runway in the periods ahead. In addition to the positive industry backdrop, Ryan Specialty continues to invest to be the preferred landing spot for industry talent by fostering an innovative and rewarding culture.

Repligen is a leading supplier of equipment, consumables and services for biologic manufacturing needs. The company has been a critical supplier for COVID-19 vaccines, though these revenues have been decelerating alongside the ramp down of initial vaccination campaigns. Fortunately, Repligen's base business is experiencing better than expected growth—20%-30% on the top line this year—as it not only benefits from its own R&D and acquisition efforts, but also the broader biopharma industry's investments in new biologic drug candidates (which should continue to be a tailwind). We also believe Repligen is well positioned to benefit from several emerging trends within biologics longer term—notably, the rise of cell and gene therapies. Meanwhile, health care companies tend to be economically insensitive, which we believe is an attractive characteristic in this market environment. With COVID expectations having fallen and the stock's valuation at opportunistic levels, we initiated a Garden℠ position.

Etsy is the leading e-commerce marketplace for buyers and sellers of unique, hard-to-find products that are "handmade, vintage, or a craft supply." We believe the company has a long runway for continued top-line growth given its large addressable market and distinct product assortment. In addition, we have been impressed with the operational progress this management team has made since taking the helm in 2017. We acknowledge e-commerce trends have been challenged as consumers shift toward in-person experiences post-pandemic, but over time we expect industry growth to return to the long-term trend. Shares have pulled back 75% since topping out in late 2021. Examining this opportunity through a longer-term lens, we initiated a Garden℠ position during the quarter at an attractive discount to our PMV estimate.

We ended our investment campaigns in Lyft, Cognex and NeoGenomics. Lyft, the second-largest ride-hailing company in the US, connects riders and drivers over a mobile app. When we began our Garden℠ campaign, our thesis was based on a likely strong ridership recovery post-pandemic, as well as management's growing focus on increasing profitability after years of heavy investment. While the company has made some progress on margins as the economy has re-opened, driver shortages and fuel inflation have disrupted that progress. Given uncertainty around when these cost pressures could abate, we exited our position.

Cognex is a leading manufacturer of machine vision systems used to automate/improve processes in manufacturing and logistics. The company has achieved solid growth and profitability over its history, but we suspect slowing growth in key end markets such as consumer electronics and e-commerce distribution may lead to demand weakness for its products in the near term. In addition, inflation is pressuring the company's gross margins. Thus, we exited our position in favor of other alternatives.

NeoGenomics (NEO) is the largest cancer diagnostics lab in the US with the broadest menu of tests and deepest reach to oncologists and pathologists, particularly in rural areas where 80% of cancer testing occurs. Our thesis was focused on the company's scale and competitive position as cancer treatment becomes personalized. Unfortunately, the company has faced several headwinds in recent quarters. The delta and omicron COVID-19 variants delayed an anticipated recovery in cancer testing volumes and the company's

CEO resigned amid a period of elevated lab expense growth. With our thesis stalled, we ended our Garden℠ campaign.

## Our ESG Journey

Stakeholder capitalism has experienced a rapid reversal of enthusiasm this year. Criticisms from prominent investors, politicians and company executives, among others, are getting time in the spotlight. Common issues raised include skepticism around the feasibility and timing of the clean energy transition amid surging fossil fuel prices, subjectivity around third-party ESG scoring systems and the virtuous nature of the "Social" components of ESG. From a regulatory standpoint, certain asset managers have been accused of misleading investors about their ESG efforts to attract or retain client capital.

The concerns being raised should be discussed. Milton Friedman's declaration in 1970 that the "social responsibility of business is to maximize profits" has been THE guiding principle of the private sector for decades. Only recently has his thinking been formidably challenged, and most businesses still operate with a profits-first mentality. As pressures have mounted to adopt ESG considerations, many businesses have jumped on the bandwagon without carefully examining what they were committing their organizations to. The evolution of any new paradigm encounters obstacles, and working through these opposing views should ensure a multi-stakeholder model is incorporated in appropriate and meaningful ways.

Our team remains committed to integrating ESG factors into our investment process. We recognized from the beginning that this is an ongoing and iterative journey, which is why we have taken a slow and steady approach. There are varying degrees of how ESG can be integrated. Our analysts and portfolio managers lead our efforts, which we believe enhances our ability to identify material environmental, social and governance risks and opportunities that could impact a business over time. These individuals identify the most material ESG risks and opportunities for each of our portfolio holdings and monitor them over our investment campaigns. They pair these with selective company engagements to better understand and encourage our holdings' management teams to make progress in these areas. Holding our companies' management teams accountable to these commitments is a delicate balancing act, which is why we have conducted engagement technique trainings with our team and taken a hands-on approach to proxy voting.

Our ESG focus has been on both profit cycle opportunities and operationally oriented areas which stand to impact the risk profiles and financials of our companies. We have owned several companies over the past couple of years that we believed were well positioned to benefit from the energy transition and address the increasing need to utilize data and analytical tools to better understand companies' ESG profiles. On the operational side, modern slavery within the supply chain and water management for data centers and semiconductor foundries located in high-water risk regions have been two areas of knowledge development and/or engagement activity. Talent management/diversity in relation to the current labor market is another area of focus to better our understanding of the internal cultures in place to recruit, retain and promote the right talent. Our environmental capabilities are under development, though to date, we have identified and engaged with companies who lack comprehensive emissions data disclosures and/or ambitious reduction targets. These topics are covered in more detail in our two annual sustainability reports and prior quarterly letters.

Major transitions such as the shift toward multi-stakeholder capitalism are rarely smooth or linear, and we view the debate over the balance between societal good and profit to be healthy (as is the pressure on companies and investment managers to match their ESG ambitions with actions). As we move into the back half of 2022, our focus remains on enhancing our understanding of key ESG issues that matter for our investment holdings. This includes conducting climate action assessments and deepening our knowledge in data security. We will continue to learn, evolve and work with our management teams to identify ways in which ESG considerations can support sustainable long-term business results and investment returns.

## Perspective

Our team hosted a webcast in June where we reflected on the past six months, our outlook and portfolio positioning across sectors of the global economy and the highest conviction secular growth trends and stock ideas among our team's four strategies. If you were unable to join us, please visit our website for a replay as it reflects our thoughts and outlook as we move into the second half of the year.

2022 has been a difficult year for our investment process. By mid-2021 the pandemic trends favoring digital businesses and ultra-low interest rates had left high quality growth stocks at rich valuation premiums to the market (while also driving up lower quality speculative investments in areas such as crypto, "meme stocks" and SPACs). The recognition by the Fed that inflation was not transitory kicked off a monetary tightening cycle that has led to sharp multiple contraction for growth stocks, and dramatic revaluations of the above-mentioned speculative assets, reminding us of the early 2000s tech crash.

As Exhibit 1 illustrates, we believe the valuation excesses have largely corrected. We anticipate from here, relative stock performance will once again be driven more by the direction of companies' earnings. With central banks around the world tightening, and inflation putting significant pressure on consumer and corporate budgets, we think a recession scenario is probable. Under that assumption, most businesses will be challenged to drive meaningful earnings growth in the coming periods.

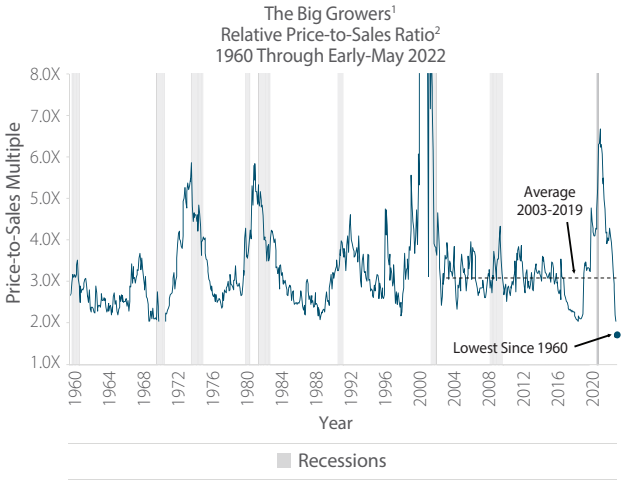
While we don't expect our holdings to be unscathed by the slowing global economy, we do think their secular (vs. cyclical) growth drivers can allow them to achieve relatively superior earnings results. In addition, relatively low levels of balance sheet debt (and consumer credit risk exposure) should offer some relative downside risk

mitigation. Therefore, we are increasingly optimistic our portfolios are well positioned over the next few years, especially from this more attractive valuation starting point.

The absolute direction of markets and stock prices is more difficult to call, and we're always hesitant to try. Clearly the macroeconomic and geopolitical headwinds are building, which is a strong risk to markets. However, we believe stock prices are already anticipating at least some material economic pressures, and the potential silver lining of a sharp global recession is that it would likely ease inflationary pressures and point the way toward healthier markets ahead.

Over our 25 years of investing, we have worked through several market environments where uncertainty and volatility flourished. A consistent learning coming out of these challenging periods has been the importance of sticking to our process—owning high quality companies with solid balance sheets that are trading at reasonable valuations. As the dust settles and we emerge on the other side of this bear market, we suspect this conclusion will be reinforced once again.

**Exhibit 1:** The Growth Stock Valuation Premium Has Collapsed




Source: As of 1 May 2022. Source: National Bureau of Economic Research, Empirical Research Partners Analysis. [1]Empirical Research defines big growers as the 75 large cap US stocks with the very best growth profiles which are primarily screened using past and forecasted topline growth rates, the company's ability to self-fund growth, stability of growth, ROE, reinvestment rates and valuation metrics. [2]Equally-weighted data.

**For more information:** Visit www.artisanpartners.com | Call 800.344.1770

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**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. 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 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. S&P 500® Index measures the performance of 500 US companies focused on the large-cap sector of the market. 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.

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This summary represents the views of the portfolio managers as of 30 Jun 2022. Those views may change, and the Fund disclaims any obligation to advise investors of such changes. For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The holdings mentioned comprise the following percentages of Artisan Mid Cap Fund's total net assets (including all classes of shares) as of 30 Jun 2022: Veeva Systems Inc 4.8%, Catalent Inc 4.5%, HubSpot Inc 3.6%, Atlassian Corp PLC 3.5%, Argenx SE 3.4%, SVB Financial Group 2.5%, ON Semiconductor Corp 2.1%, LPL Financial Holdings Inc 2.0%, Zscaler Inc 2.0%, ZoomInfo Technologies Inc 1.5%, Datadog Inc 1.5%, Repligen Corporation 1.3%, Ryan Specialty Holdings Inc 0.9%, Ball Corp 0.6%, The New York Times Co 0.5%, Etsy Inc 0.5%, Ceridian HCM Holding Inc 0.3%. Securities named in the Commentary, but not listed here are not held in the Fund(s) as of the date of this report. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities.

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Portfolio statistics are obtained from various data sources and intended to provide a general view of the portfolio, or Index, at a point in time. Artisan Partners excludes outliers when calculating portfolio characteristics and may use data from a related security to calculate statistics if information is unavailable for a particular security. **Private Market Value** is an estimate of the value of a company if divisions were each independent and established their own market stock prices. **Earnings per Share (EPS)** is the portion of a company's profit allocated to each outstanding share of common stock. **Free Cash Flow** is a measure of financial performance calculated as operating cash flow minus capital expenditures. **Operating Margin** is a measure of profitability equal to operating income divided by revenue. **Consumer Price Index** measures the average change in prices over time that consumers pay for a basket of goods and services. **Price-to-Earnings (P/E)** is a valuation ratio of a company's current share price compared to its per-share earnings. **Net interest margin** measures the difference between interest income earned and paid out by financial institutions. **Price-to-Sales (P/S) Ratio** is a valuation ratio of a company's current share price compared to its per-share sales. It is an indicator of the value that financial markets have placed on each dollar of a company's sales or revenues. **Return on Equity (ROE)** is a profitability ratio that measures the amount of net income returned as a percentage of shareholders' equity. A **special purpose acquisition company (SPAC)** is publicly listed company formed for the express and sole purpose of raising capital via initial public offering in order to acquire a separate, existing company at a later date.

Our capital allocation process is designed to build position size according to our conviction. Portfolio holdings develop through three stages: Garden℠, Crop℠ and Harvest℠. Garden℠ 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. Crop℠ investments are holdings where we have gained conviction in the company's profit cycle, so positions are larger. Harvest℠ investments are holdings that have exceeded our estimate of intrinsic value or holdings where there is a deceleration in the company's profit cycle. Harvest℠ investments are generally being reduced or sold from the portfolios.

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