



Artisan Mid Cap Fund

MONTHLY
Commentary

Investor Class: ARTMX

Advisor Class: APDMX

As of 31 July 2024

Commentary

The Russell Midcap® Index returned 4.7% in July. US macroeconomic data in July was supportive of soft-landing hopes. At the headline level, the US consumer price index declined 0.1% in June (versus May), which was the first month-over-month deflationary print since July 2022. Meanwhile, economic data remains resilient as the US economy grew at a stronger-than-expected 2.8% rate in Q2 versus only 1.4% in Q1. Amid this backdrop, the market increased rate-cut expectations, and equity performance rapidly rotated toward smaller cap and more value-oriented companies.

Our portfolio underperformed the Russell Midcap® Growth Index in July. Among our top detractors were Dexcom and Saia. Our view is Dexcom 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 its continuous glucose-monitoring (CGM) systems. Unfortunately, financial results showed meaningful growth deceleration, and shares responded accordingly. The company pointed to several causes for the surprising slowdown, most of which are execution-related (sales force changes, distribution channel mismanagement) in the context of healthy industry trends. While we continue to believe in the case for CGMs and Dexcom's technology, the lack of execution is concerning. These operational mistakes will take time to fix, and we reduced our position.

Saia operates in less-than-truckload shipping, a structurally attractive area of transportation that features several solid franchise characteristics supported by real estate assets and network advantages. Shares declined after the company reported disappointing earnings results. Most notably, operating ratio expectations were not met, in part due to higher-than-expected costs incurred to add more terminals. We remain invested due to industry pricing trends that remain rational, added capacity that should be accretive in the future, the bankruptcy of Yellow (a key competitor) in August 2023 that has left a void in the market and an attractive valuation.

Among our top contributors were Argenx and Tyler Technologies. Shares of Argenx have experienced strong recent performance due to multiple exciting developments. The company recently received approval from the FDA to use VYVGART® for chronic inflammatory demyelinating polyradiculoneuropathy (CIDP), which we expect to be the drug's second blockbuster indication given this is the first meaningful advance for patients in decades. Meanwhile, VYVGART's first approved indication in myasthenia gravis continues to shine, with sales beating analyst expectations in Q2. Lastly, the company continues to invest in clinical trials studying VYVGART® in numerous other rare autoimmune disorders and is making good progress in advancing its second breakthrough medicine.

Tyler Technologies provides end-to-end information management solutions and services for local government offices. We believe the company will generate durable growth given its defensive end markets, the potential of its cloud subscription transition and the transformative acquisition of NIC (a leading digital government solutions and payments company) that allows for increased cross-sell opportunities. Shares rallied due to strong earnings results, including 23% growth in software as a service (SaaS) revenue and the announcement of its first statewide cloud conversion that we believe opens the door for more of these larger migrations.

Portfolio Details

	ARTMX	APDMX
Net Asset Value (NAV)	\$35.78	\$36.53
Inception	27 Jun 1997	1 Apr 2015
Expense Ratios		
Semi-Annual Report 31 Mar 2024 ¹	1.19%	1.05%
Prospectus 30 Sep 2023 ²	1.20%	1.05%

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

Top 10 Holdings (% of total portfolio)

Argenx SE (Health Care)	4.6
Tyler Technologies Inc (Information Technology)	3.8
West Pharmaceutical Services Inc (Health Care)	3.5
Spotify Technology SA (Communication Services)	3.4
Ascendis Pharma A/S (Health Care)	3.2
Lattice Semiconductor Corp (Information Technology)	2.5
Synopsys Inc (Information Technology)	2.5
Ingersoll Rand Inc (Industrials)	2.3
Atlassian Corp (Information Technology)	2.2
Tradeweb Markets Inc (Financials)	2.1
TOTAL	30.1%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RMCG ¹
Communication Services	7.7	4.1
Consumer Discretionary	9.3	15.1
Consumer Staples	0.8	2.7
Energy	0.0	4.3
Financials	4.9	12.9
Health Care	23.2	14.0
Industrials	18.9	18.2
Information Technology	33.8	24.6
Materials	0.0	1.5
Real Estate	1.4	1.4
Utilities	0.0	1.3
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 2.6% of the total portfolio. ¹Russell Midcap® Growth Index.

Investment Results (%)

As of 31 July 2024	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTMX	-1.16	-1.16	2.88	4.93	-7.40	7.21	9.39	12.39
Advisor Class: APDMX	-1.16	-1.16	2.93	5.06	-7.28	7.37	9.54	12.45
Russell Midcap® Growth Index	0.61	0.61	6.62	12.35	-0.22	9.55	10.92	9.13
Russell Midcap® Index	4.71	4.71	9.91	13.69	3.69	10.16	9.88	9.85
As of 30 June 2024								
Investor Class: ARTMX	0.86	-5.73	4.08	9.96	-5.86	8.05	9.09	12.48
Advisor Class: APDMX	0.90	-5.67	4.14	10.13	-5.72	8.22	9.24	12.54
Russell Midcap® Growth Index	1.67	-3.21	5.98	15.05	-0.08	9.93	10.51	9.14
Russell Midcap® Index	-0.66	-3.35	4.96	12.88	2.37	9.46	9.04	9.70

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+	22.0	20.3
30.9–41.4	16.1	16.6
21.1–30.9	29.0	22.0
12.4–21.1	9.1	21.7
0.0–12.4	23.9	19.5
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	24
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 31 Jul 2024: Dexcom Inc 1.0%; Saia Inc 2.0%. 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.

This material is provided for informational purposes without regard to your particular investment needs and shall not be construed as investment or tax advice on which you may rely for your investment decisions. Investors should consult their financial and tax adviser before making investments in order to determine the appropriateness of any investment product discussed herein.

The Global Industry Classification Standard (GICS®) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's Financial Services, LLC (S&P). Neither MSCI, S&P, their affiliates, nor any of their third party providers ("GICS Parties") makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including warranties of accuracy, completeness, merchantability and fitness for a particular purpose. The GICS Parties shall not have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of such damages.

Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or Russell ratings or underlying data and no party may rely on any Russell Indexes and/or Russell ratings and/or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.

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.

Artisan Partners Funds offered through Artisan Partners Distributors LLC (APDLLC), member FINRA. APDLLC is a wholly owned broker/dealer subsidiary of Artisan Partners Holdings LP. Artisan Partners Limited Partnership, an investment advisory firm and adviser to Artisan Partners Funds, is wholly owned by Artisan Partners Holdings LP.

© 2024 Artisan Partners. All rights reserved.

8/6/2024 A24420L_vR