



Artisan Mid Cap Fund

MONTHLY
Commentary

Investor Class: ARTMX

Advisor Class: APDMX

As of 30 June 2024

Commentary

The Russell Midcap® Index returned -0.7% in June, bringing the Q2 total to -3.3%. Investors entered the month relieved that US economic activity was not running too hot to allow for easing inflationary pressures, but then the May employment report called the soft-landing scenario into question. 272,000 jobs were added to US payrolls, well above the 190,000 consensus. However, these concerns were alleviated as the month went on due to headline consumer price index data showing consumer prices were unchanged from April to May.

Our portfolio underperformed the Russell Midcap® Growth Index in June and Q2. Among our top detractors were Lattice Semiconductor and Exact Sciences. Cyclical pressures continued to impact recent financial results for Lattice. While some areas of the business, such as 5G wireless infrastructure, may take a little while to recover, we believe headwinds in many other areas of the business are set to ease as customers finish selling down elevated inventory levels. During the quarter, sentiment toward the stock was further impacted by the departure of the well-respected CEO. While we were disappointed to see him go, he's taking on an exciting new turnaround challenge, and we believe the company's strategy and operations are on very strong footing. We modestly added to the position ahead of what we view as a likely profit cycle acceleration in the year's second half.

Exact Sciences is a leading provider of diagnostic testing and a maker of the noninvasive colorectal cancer screening test Cologuard®. Shares have experienced weakness due to investor concerns around competing blood-based tests. Our view has been that blood tests, while potentially more convenient, have historically been unable to match the accuracy of stool testing (especially when it comes to detecting early cancers). In addition, Exact Sciences may have pushed too aggressively toward profitability in 2023 and is now course-correcting by modestly expanding its sales force, tempering profit growth progress in 2024. At the current valuation, we believe the stock fails to capture Cologuard's significant long-term growth and margin opportunity, and we continue to hold our position.

Among our top contributors were Spotify and Tyler Technologies. Spotify is a leading global audio streaming franchise with 600 million monthly active users. We believe its position in the supply chain is solid given a secular trend around the fragmentation of music as well as internal product and pricing initiatives. Shares rallied after the company reported strong earnings results, including revenue growth of 21%. Importantly, the company also reported continued gross margin expansion to 27.6%, which we believe has further to go due to likely price increases, potentially better terms with labels and further cost discipline.

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. Earnings results were thesis affirming, including 9% growth in overall revenues, 22% in SaaS revenues and 9% in annual recurring revenue. We added to the position.

Portfolio Details

	ARTMX	APDMX
Net Asset Value (NAV)	\$36.20	\$36.96
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)	3.6
West Pharmaceutical Services Inc (Health Care)	3.5
Tyler Technologies Inc (Information Technology)	3.3
Ascendis Pharma A/S (Health Care)	3.3
Spotify Technology SA (Communication Services)	3.1
Dexcom Inc (Health Care)	2.8
Lattice Semiconductor Corp (Information Technology)	2.7
Chipotle Mexican Grill Inc (Consumer Discretionary)	2.6
Synopsys Inc (Information Technology)	2.6
HubSpot Inc (Information Technology)	2.6
TOTAL	30.1%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RMCG ¹
Communication Services	6.8	4.9
Consumer Discretionary	9.9	13.8
Consumer Staples	1.4	2.6
Energy	0.0	4.1
Financials	4.4	11.2
Health Care	23.7	17.0
Industrials	17.6	19.7
Information Technology	34.8	23.5
Materials	0.0	1.2
Real Estate	1.3	1.7
Utilities	0.0	0.5
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 June 2024	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
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+	25.7	28.1
30.9–41.4	10.6	16.4
21.1–30.9	29.3	20.7
12.4–21.1	15.2	17.8
0.0–12.4	19.1	17.0
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)	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 30 Jun 2024: Exact Sciences Corp 1.0%. 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.

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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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