



Artisan Mid Cap Value Fund

MONTHLY Commentary

Investor Class: ARTQX | Advisor Class: APDQX

As of 31 May 2024

Commentary

Top month-to-date contributors: Analog Devices Inc; News Corp; nVent Electric PLC; Moelis & Co; Arch Capital Group Ltd

Bottom month-to-date contributors: Expedia Group; Baxter International Inc; DENTSPLY SIRONA Inc; Tyson Foods Inc; The Kroger Co

In this space, we discuss one top contributor (Analog Devices) and one bottom contributor (Expedia) from the recent month.

Analog Devices (ADI) is the second-largest analog semiconductor chipmaker in the world behind Texas Instruments. Investors are excited about the prospects of a cyclical recovery in semiconductors as ADI's bookings have turned higher on improving demand and tight inventories. Initially purchased in 2006, ADI is one of our longest held stocks as the company has proven to be an excellent compounder of value due to its leadership position in a secular growth industry, strong balance sheet and cash-generating properties. ADI operates in attractive segments that offer high gross and operating margins and have sticky customers. Producing chips into applications that often have decades of longevity (autos, industrial, communications) and that are a small fraction of the overall cost within the value chain makes this business attractive and hard to displace once designed into the product/application.

Expedia, a leading online travel agency, was among our top performers in 2023 as booming travel demand drove strong financial results. In the recent quarter, total gross bookings grew 3% and revenues grew 8% year over year, while margins expanded due to reduced cost of sales and marketing spend. However, the stock pulled back due to soft bookings for the Vrbo and Hotels.com brands and reduced guidance for FY24. Investors are eager to see growth reaccelerate following the 2023 integration of the Vrbo, Hotels.com and Expedia brands into a single technology platform that can be accessed using a single customer account and the introduction of One Key, a new combined rewards program. We appreciate that progress is rarely linear. With the technology integration completed, higher marketing reinvestment is expected, and although this will constrain margin improvement in the near term, which investors don't like, it is likely necessary for long-term success. Expedia's business model is highly attractive. As one of only two globally scaled online travel agencies (the other is Booking Holdings, which is held in our large-cap portfolio), it has a wide economic moat. Based on our estimates of earnings power, shares trade cheaply at just ~8X.

Portfolio Details

	ARTQX	APDQX
Net Asset Value (NAV)	\$15.72	\$15.62
Inception	28 Mar 2001	1 Apr 2015
Expense Ratios		
Semi-Annual Report 31 Mar 2024 ¹	1.24%	1.13%
Prospectus 31 May 2024 ^{2,3}	1.14%	0.99%

¹Unaudited, annualized for the six-month period. ²The Fund's operating expenses have been restated to reflect a reduction in management fees, effective as of 31 May 2024. ³See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Analog Devices Inc (Information Technology)	4.6
First Citizens BancShares Inc (Financials)	4.4
Vontier Corp (Information Technology)	3.5
U-Haul Holding Co (Industrials)	3.3
Lamar Advertising Co (Real Estate)	3.0
News Corp (Communication Services)	2.8
Arch Capital Group Ltd (Financials)	2.8
nVent Electric PLC (Industrials)	2.8
NOV Inc (Energy)	2.4
Baxter International Inc (Health Care)	2.3
TOTAL	32.0%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RMCV ¹
Communication Services	11.0	2.9
Consumer Discretionary	12.8	9.1
Consumer Staples	7.1	3.5
Energy	2.5	5.5
Financials	21.6	18.0
Health Care	10.6	6.2
Industrials	11.8	20.2
Information Technology	11.6	9.4
Materials	0.0	7.5
Real Estate	6.8	9.9
Utilities	4.2	7.7
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 1.9% of the total portfolio. ¹Russell Midcap® Value Index.

Investment Results (%)

As of 31 May 2024	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTQX	2.75	-4.09	1.29	18.68	2.48	9.34	6.22	9.51
Advisor Class: APDQX	2.70	-4.05	1.36	18.79	2.63	9.50	6.35	9.57
Russell Midcap® Value Index	3.59	-1.83	6.24	23.67	3.81	10.28	8.14	9.61
Russell Midcap® Index	2.85	-2.70	5.66	23.11	3.10	11.07	9.47	9.73

As of 31 March 2024

Investor Class: ARTQX	4.06	5.61	5.61	18.96	5.93	9.74	6.66	9.79
Advisor Class: APDQX	4.03	5.65	5.65	19.07	6.07	9.90	6.79	9.84
Russell Midcap® Value Index	5.18	8.23	8.23	20.40	6.80	9.94	8.57	9.77
Russell Midcap® Index	4.34	8.60	8.60	22.35	6.07	11.10	9.95	9.93

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. Class inception: Investor (28 March 2001); 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	RMV ¹
36.7+	19.2	24.8
23.5–36.7	15.3	21.1
15.7–23.5	15.9	18.4
9.7–15.7	18.3	16.7
0–9.7	31.4	19.0
TOTAL	100.0%	100.0%

Source: Artisan Partners/Russell. ¹Russell Midcap® Value Index.

Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
Thomas A. Reynolds IV	25
Daniel L. Kane, CFA	26
Craig Inman, CFA	25

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. 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. Value securities may underperform other asset types during a given period.

Russell Midcap® Value Index measures the performance of US mid-cap companies with lower 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 May 2024: DENTSPLY SIRONA Inc 2.0%; Expedia Group Inc 2.3%; Moelis & Co 2.2%; The Kroger Co 2.1%; Tyson Foods Inc 2.1%. 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.

Price-to-Earnings (P/E) is a valuation ratio of a company's current share price compared to its per-share earnings.

Source: Artisan Partners/FactSet. Contribution to Return includes the securities with the highest positive and negative contribution to the portfolio's return and is calculated by multiplying a security's portfolio weight by its in-portfolio return for the period. Purchases/sales are accounted for by using end of the day prices, which may or may not reflect the actual purchase/sale price realized by the portfolio. Contribution to return is not exact, but should be considered an approximation.

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