



Artisan Mid Cap Fund

MONTHLY
Commentary

Investor Class: ARTMX

Advisor Class: APDMX

As of 30 September 2024

Commentary

The Russell Midcap® Index returned 2.2% in September, bringing the Q3 return to 9.2%. September economic data supported US soft-landing hopes as inflation continued to decelerate while evidence of a labor market slowdown was enough for the Federal Reserve to cut interest rates by 50bps. Outside the US, China responded to increasing societal pressure and announced a series of stimulus measures that sent shares soaring.

Our portfolio underperformed the Russell Midcap® Growth Index in September and in Q3. Among our top contributors were Argenx and Spotify. 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.

Spotify is a leading global audio streaming franchise with over 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 20% revenue growth. Importantly, the company also reported gross margins expanded to 29.2%, and we believe it can expand further due to likely price increases, potentially better terms with labels and further cost discipline.

Among our top detractors were Dexcom and iRhythm. 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. We believe these operational mistakes will take time to fix, and we reduced our position.

iRhythm develops and markets the Zio, a small, wearable patch which monitors suspected heartbeat arrhythmias. We believe the company offers superior technology that should see significant adoption over time as physicians and payors look to detect and treat atrial fibrillation before patients experience strokes, and we expect to see strong execution toward these goals by the relatively new management team. Unfortunately, several regulatory issues have emerged over the last year with roots to the company's earlier years. We believe these are all fixable (with progress to be seen soon), but they have been an overhang on the stock's performance. We are remaining patient with a GardenSM position.

Portfolio Details

	ARTMX	APDMX
Net Asset Value (NAV)	\$37.05	\$37.84
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)	4.7
Tyler Technologies Inc (Information Technology)	3.8
Ascendis Pharma A/S (Health Care)	3.6
Spotify Technology SA (Communication Services)	3.6
West Pharmaceutical Services Inc (Health Care)	3.3
Lattice Semiconductor Corp (Information Technology)	2.5
Ingersoll Rand Inc (Industrials)	2.2
Synopsys Inc (Information Technology)	2.2
Datadog Inc (Information Technology)	2.0
Tradeweb Markets Inc (Financials)	2.0
TOTAL	29.8%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	RMCG ¹
Communication Services	7.9	4.4
Consumer Discretionary	9.8	15.5
Consumer Staples	0.2	2.5
Energy	0.0	3.9
Financials	5.0	12.6
Health Care	23.4	13.8
Industrials	18.2	18.2
Information Technology	33.2	24.7
Materials	0.0	1.4
Real Estate	2.4	1.4
Utilities	0.0	1.7
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 1.7% of the total portfolio. ¹Russell Midcap® Growth Index.

Investment Results (%)

As of 30 September 2024	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
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+	20.6	26.3
30.9–41.4	23.0	18.9
21.1–30.9	25.2	17.7
12.4–21.1	11.4	19.8
0.0–12.4	19.9	17.2
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 Sep 2024: Dexcom Inc 0.9%; iRhythm Technologies Inc 1.1%. 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.

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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