



Artisan Mid Cap Value Fund

MONTHLY
Commentary

Investor Class: ARTQX | Advisor Class: APDQX

As of 30 September 2024

Commentary

Top month-to-date contributors: Lamar Advertising Co; Expedia Group Inc; Otis Worldwide Corp; U-Haul Holding Co; DENTSPLY SIRONA Inc

Bottom month-to-date contributors: First Citizens BancShares Inc; NOV Inc; Tyson Foods Inc; News Corp; Electronic Arts Inc

In this space, we discuss one top contributor (Otis Worldwide) and one bottom contributor (First Citizens) from the recent month.

Otis Worldwide is the largest player in the elevator and escalator business and as such maintains a large installed elevator base of approximately two million globally. Shares were punished in July when the company lowered its growth outlook citing deterioration in the Chinese new equipment (NE) market. Shares recovered in September on the announcement of China's largest stimulus package since the pandemic. These reactions seem overdone. Otis has become less reliant on the Chinese business over time as China NE is now only 9%–10% of total sales, and the overall business is generally one of steady growth. Revenues are recurring and relatively predictable, given the maintenance and regulatory constraints with which building owners must comply. Otis uses technology—real-time monitoring and predictive analytics—to add value to the customer, which translates into a better margin structure. Management does well to balance capital allocation across dividends, debt reduction and share repurchases.

After rallying strongly during the summer in anticipation of a Federal Reserve interest rate cutting cycle, First Citizens and other banks stocks pared their year-to-date gains in September. Interest rate cuts are seen boosting net interest margins by reducing bank borrowing costs while also fostering better loan growth. For its part, First Citizens has delivered solid earnings results driven by stronger loan growth, particularly within the SVB (Silicon Valley Bank) commercial segment. Additionally, the bank announced a \$3.5 billion stock repurchase authorization, or about 12% of shares outstanding, to be completed over the next 4–5 quarters. First Citizens had previously paused share repurchases while it was absorbing SVB, the failed bank it acquired in March 2023. The acquisition has been a strong driver of results over the past 18 months. Besides a discounted purchase price, the transaction added scale and geographic diversity, while also offering downside protections from a loss-sharing agreement with the FDIC.

Portfolio Details

| | ARTQX | APDQX |
|---|-------------|------------|
| Net Asset Value (NAV) | \$16.84 | \$16.74 |
| 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)

| | |
|---|--------------|
| First Citizens BancShares Inc (Financials) | 4.0 |
| Analog Devices Inc (Information Technology) | 3.5 |
| U-Haul Holding Co (Industrials) | 3.4 |
| Lamar Advertising Co (Real Estate) | 3.2 |
| Expedia Group Inc (Consumer Discretionary) | 3.1 |
| Arch Capital Group Ltd (Financials) | 2.7 |
| Vontier Corp (Information Technology) | 2.6 |
| Globe Life Inc (Financials) | 2.5 |
| Waters Corp (Health Care) | 2.5 |
| OGE Energy Corp (Utilities) | 2.4 |
| TOTAL | 29.8% |

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

| | Fund | RMCV ¹ |
|------------------------|---------------|-------------------|
| Communication Services | 11.3 | 3.1 |
| Consumer Discretionary | 16.2 | 9.5 |
| Consumer Staples | 7.1 | 5.8 |
| Energy | 2.0 | 5.3 |
| Financials | 18.9 | 16.6 |
| Health Care | 11.1 | 9.1 |
| Industrials | 12.1 | 17.1 |
| Information Technology | 8.9 | 8.7 |
| Materials | 0.0 | 7.4 |
| Real Estate | 7.7 | 10.3 |
| Utilities | 4.7 | 7.0 |
| TOTAL | 100.0% | 100.0% |

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 3.6% of the total portfolio. ¹Russell Midcap® Value Index.

Investment Results (%)

| As of 30 September 2024 | Average Annual Total Returns | | | | | | | |
|-----------------------------|------------------------------|-------|-------|-------|------|-------|-------|-----------|
| | MTD | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Inception |
| Investor Class: ARTQX | 0.72 | 8.58 | 8.51 | 20.67 | 5.86 | 9.38 | 7.14 | 9.69 |
| Advisor Class: APDQX | 0.72 | 8.63 | 8.63 | 20.80 | 6.00 | 9.54 | 7.27 | 9.75 |
| Russell Midcap® Value Index | 1.88 | 10.08 | 15.08 | 29.01 | 7.39 | 10.33 | 8.93 | 9.84 |
| Russell Midcap® Index | 2.23 | 9.21 | 14.63 | 29.33 | 5.75 | 11.30 | 10.19 | 9.97 |

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 | RMCV ¹ |
|----------------|---------------|-------------------|
| 36.7+ | 21.0 | 25.7 |
| 23.5–36.7 | 8.1 | 21.5 |
| 15.7–23.5 | 21.9 | 18.2 |
| 9.7–15.7 | 15.9 | 17.5 |
| 0–9.7 | 33.0 | 17.1 |
| 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 30 Sep 2024: DENTSPLY SIRONA Inc 1.8%; Electronic Arts Inc 1.8%; News Corp 1.9%; NOV Inc 2.0%; Otis Worldwide Corp 2.0%; 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.

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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