Artisan U.S. Small-Cap Growth Strategy

QUARTERLY
Commentary

As of 31 December 2024

Investment Process

We seek to invest in companies that possess franchise characteristics, are benefiting from an accelerating profit cycle and are trading at a discount to our estimate of private market value. Our investment process focuses on two distinct elements—security selection and capital allocation. We overlay our investment process with broad knowledge of the global economy.

Security Selection

We seek to identify companies that have franchise characteristics (e.g., low-cost production capability, possession of a proprietary asset, dominant market share or a defensible brand name), are benefiting from an accelerating profit cycle and are trading at a discount to our estimate of private market value. We also assess key environmental, social and governance (ESG) issues that could impact future stock returns. We look for companies that are well positioned for long-term growth, which is driven by demand for their products and services, at an early enough stage in their profit cycle to benefit from the increased cash flows produced by the emerging profit cycle.

Capital Allocation

Based on our fundamental analysis of a company's profit cycle, we divide the portfolio into three parts. Garden[SM] investments are small positions in the early part of their profit cycle that may warrant more sizeable allocations as their profit cycle accelerates. Crop[SM] investments are positions that are being increased to a full weight because they are moving through the strongest part of their profit cycles. Harvest[SM] investments are positions that are being reduced as they near our estimates of full valuation or their profit cycles begin to decelerate.

Broad Knowledge

We overlay the security selection and capital allocation elements of our investment process with a desire to invest opportunistically across the entire global economy. We seek broad knowledge of the global economy in order to find growth wherever it occurs.

Team Overview

We believe deep industry expertise, broad investment knowledge, a highly collaborative decision-making process and individual accountability are a powerful combination. Since the inception of the team, we have been committed to building a team of growth investors that retains these attributes and is solely dedicated to our process and approach.

Portfolio Management


Jay Warner, CFA
Portfolio Manager (Lead)


James Hamel, CFA
Portfolio Manager


Jason White, CFA
Portfolio Manager


Matthew Kamm, CFA
Portfolio Manager

Investment Results (% USD)

			Average Annual Total Returns				
As of 31 December 2024	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception[1]
Composite — Gross	**1.00**	**15.96**	**15.96**	**-2.69**	**6.72**	**10.98**	**10.58**
Composite — Net	**0.76**	**14.88**	**14.88**	**-3.63**	**5.69**	**9.90**	**9.51**
Russell 2000® Growth Index	1.70	15.15	15.15	0.21	6.85	8.08	7.78
Russell 2000® Index	0.33	11.54	11.54	1.24	7.40	7.81	8.93

Calendar Year Returns (% USD)

	2020	2021	2022	2023	2024
Composite — Net	**61.43**	**-8.70**	**-29.40**	**10.34**	**14.88**

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. [1]Composite inception: 1 April 1995.

Past performance does not guarantee and is not a reliable indicator of future results. Current performance may be lower or higher than the performance shown. Composite performance has been presented in both gross and net of investment management fees.

Investment Risks: Investments will rise and fall with market fluctuations and investor capital is at risk. Investors investing in strategies denominated in non-local currency should be aware of the risk of currency exchange fluctuations that may cause a loss of principal. These risks, among others, are further described near the back of this document, which should be read in conjunction with this material.

Investing Environment

US equities posted solid gains in Q4, capping off a robust year. After Donald Trump's presidential election victory, investors cheered the prospect of deregulation, corporate tax cuts and the reshoring of manufacturing benefiting the economy and, ultimately, the stock market. This optimism faded in December as concerns about potential inflationary pressures from proposed tariffs and strict immigration policies led to hawkish Fed speak and reintroduced downside volatility to the market. Still, markets finished 2024 with solid gains, capping off one of the best two-year performance stretches in decades.

The Republican sweep in November, while causing a positive shift in sentiment for risk assets, also provoked concerns about inflation. These concerns led to a US Treasury market selloff, with yields up across the curve. The 2-year, 10-year and 30-year Treasurys were up 63bps, 83bps and 70bps, respectively. Amid the selloff, the Fed held meetings in November and December, cutting the fed funds rate by 25bps at each meeting. Despite these cuts coming on the heels of a 50bps cut in September, the expectation of future rate cuts shifted dramatically.

Outside the US, euro zone equities retreated in Q4 as recession fears and political instability in France and Germany weighed on sentiment. Concerns over potential trade wars following Trump's electoral win further dampened investor confidence. The European Central Bank (ECB) responded to weak growth by cutting interest rates by 25bps in both October and December. ECB President Christine Lagarde signaled further cuts in 2025, emphasizing a more accommodative monetary policy to counter sluggish economic growth. Emerging markets equities also faced headwinds in Q4, driven by Trump's electoral win and the prospect of new tariffs, particularly targeting China.

Following the trend from much of 2023 and 2024, markets in Q4 were led by US mega cap and more growth-oriented equities. Looking at the MSCI ACWI Index, sector performance was led by consumer discretionary, communication services and information technology (IT), with several Magnificent Seven stocks contributing to the rally. In contrast, the materials and health care sectors lagged.

Exhibit 1: Index Returns

	Q4 2024	2024
Russell 1000® Index	2.7%	24.5%
Russell 1000® Growth Index	7.1%	33.4%
Russell 1000® Value Index	-2.0%	14.4%
Russell Midcap® Index	0.6%	15.3%
Russell Midcap® Growth Index	8.1%	22.1%
Russell Midcap® Value Index	-1.7%	13.1%
Russell 2000® Index	0.3%	11.5%
Russell 2000® Growth Index	1.7%	15.2%
Russell 2000® Value Index	-1.1%	8.1%
MSCI EAFE Index	-0.6%	11.8%
MSCI AC World Small Mid Cap Index	-0.2%	12.8%
MSCI EM Index	-4.2%	13.7%
MSCI ACWI	1.4%	20.7%

Source: Artisan Partners/FactSet/MSCI/Russell. As of 31 Dec 2024. **Past performance does not guarantee and is not a reliable indicator of future results**. An investment cannot be made directly in an index.

Performance Discussion

The portfolio's performance was flat in Q4 and narrowly lagged the Russell 2000® Growth Index. Following the presidential election of Donald Trump, investors cheered the prospect of deregulation, corporate tax cuts and the reshoring of manufacturing benefiting the economy and, ultimately, the stock market. This was felt particularly within small caps, where more speculative and loss-making companies rallied the most in the risk-on environment. Loss making companies within the Russell 2000® Growth Index returned 7.2% versus -1.1% for profitable companies. Given our focus on higher quality companies, we did not benefit from this tailwind in our portfolio.

Absolute and relative results for the quarter were driven by our information technology holdings. Within semiconductors, Astera Labs and MACOM delivered strong earnings results and positive forward outlooks as they benefited from growing artificial intelligence (AI) data center spending. Additionally, our software investments showed significant improvement, as easing macroeconomic pressures and early adoption of AI-enhanced features bolstered earnings performance. However, several holdings within consumer, including Crocs, SharkNinja and Smith Douglass Homes, retreated.

For the year, small-cap stocks continued their stretch of underperformance versus large caps (11.5% for the Russell 2000® Index versus 24.5% for the Russell 1000® Index). Despite more attractive valuations, smaller companies have lagged from an earnings growth perspective. Smaller companies typically have higher operating leverage, meaning fixed expenses generally are a higher percentage of revenue versus large companies, making their profitability more sensitive to sales fluctuations. In addition, smaller companies are typically more indebted than their larger peers, so they continue to struggle more with stubbornly high interest rates. Lastly, smaller companies have seen higher human capital costs relative to their larger peers. Russell 2000® Index earnings are expected to end 2024 15% lower than 2021 versus 16% higher for the Russell 1000® Index.

The portfolio generated a strong absolute return in 2024 that outperformed the Russell 2000® Index but was in line with the Russell 2000® Growth Index. The primary area of weakness was security selection within information technology, which was due to both what we did and did not own. In terms of what we did not own, as we referenced in letters earlier this year, index returns were aided by the extreme performances of two holdings we actively avoided: Super Micro Computer and MicroStrategy. Our lack of ownership of these two stocks detracted about 300bps. In terms of what we did own, shares of Lattice Semiconductor (one of our highest conviction holdings) struggled due to continued cyclical pressures, most notably within its industrial end market and a continued weak environment within the telecom business. On the positive side, our portfolio generated strong relative results across our health care and consumer power alleys.

Among our top Q4 contributors were Astera Labs, Veracyte and Vita Coco. Astera Labs is a fabless provider of connectivity chips designed to address data, network and memory bandwidth bottlenecks in data centers. With increasingly powerful graphics processing units and central processing units—costing \$5,000 to \$40,000 and depreciating within 3–5 years—often operating at only ~50% utilization due to architectural constraints, Astera's products play a critical role in enhancing efficiency. As compute architectures become more heterogeneous across graphic processing units, central processing units and custom accelerators, Astera's solutions enable better collaboration between disparate chips. Recent earnings displayed strong momentum of its core products and benefited from adding new offerings to drive scale within the data center market, driving a strong rally in shares. After the strong rally, we trimmed our position based on valuation.

Veracyte specializes in improving diagnostic accuracy by combining RNA sequencing, machine learning and the company's proprietary "field of injury" technology. We believe Veracyte has the potential to build an annuity-like revenue stream in health care. The company is harvesting profits from its existing products and investing in new genetic tests to detect diseases, including prostate and thyroid cancer. We believe its new tests could reduce the number of surgeries performed on patients with indeterminate results from other types of testing and save the health care system unnecessary overtreatment costs. Shares rallied after the company reported strong earnings results, including 29% revenue growth and 24% EBITDA margins.

Vita Coco is the leading coconut water brand in the world. While this niche category has relatively low household penetration today, it is slowly growing as the product benefits from increased awareness, availability and acceptance as an alternative to sugary sports beverages. The company's supply chain is an important competitive differentiator. It has secured long-term supply agreements with a network of factories across six countries that process coconut flesh into food and other products, which allow Vita Coco to obtain their coconut water that typically would be disposed of as a wasted byproduct. We believe the company should be able to drive total category growth for coconut water, and its supply advantage should allow it to maintain a high market share, offer attractive pricing and expand margins. Recent earnings results displayed that end market demand remains robust, offsetting supply pressures from global shipping constraints.

Among our top detractors were Halozyme, Crocs and Novanta. Halozyme provides a unique technology platform (ENHANZE®) that enables the conversion of biologics and small molecule drugs administered intravenously into a subcutaneous formulation. This business has been executing well and has benefited from several new partnerships. First, the company announced that Argenx (a key partner) received US FDA approval for VYVGART® Hytrulo co-formulated with ENHANZE® for the treatment of adults with chronic inflammatory demyelinating polyneuropathy (CIDP). Second, it announced that Roche received European Commission marketing authorization for OCREVUS® co-formulated with ENHANZE® for treating relapsing multiple sclerosis (RMS) and primary progressive multiple sclerosis (PPMS). However, offsetting that progress was an unexpected hostile offer for German-based Evotec that drove shares down. While management ultimately decided against pursuing Evotec, we decreased our position given the uncertainty around how management will invest free cash flow in the future.

Crocs designs, develops, manufactures and distributes casual footwear and accessories for men, women and children. The company invented the molded plastic clog in 2002 and turned it into a multibillion-dollar (USD) global revenue producer. We believe expansion opportunities outside the US, demand from new product introductions (including from recently acquired Hey Dude) and distribution pushes within the direct-to-consumer and wholesale channels will drive greater-than-expected revenue growth. We had expected the performance of its HeyDude brand to have already bottomed, but forward guidance continues to indicate its turnaround efforts, driven by a new divisional leader, will take longer than expected. We maintained our position as we believe the market underappreciates the longer term profit cycle.

Novanta is a leading provider of photonic and motion-control components for medical and industrial equipment. We believe the company's products will benefit from several secular growth trends, including warehouse automation, robotic surgery, endoscopy, DNA sequencing and advanced laser material processing. In addition, a high-quality management team is driving attractive margin expansion through a focus on higher value product offerings. Quarterly results were solid, but its forward guidance was weaker than expected due to customer order delays. We remain confident that these delays are a transitory headwind and are remaining patient.

Portfolio Activity

During the quarter, we initiated new Garden℠ positions in VSE, Flowserve and Integer Holdings.

VSE Corporation provides aftermarket distribution and maintenance, repair and overhaul services for the aviation (commercial and business jets) and fleet (delivery vehicles) industries. The company recently divested its federal and defense assets and is exploring strategic alternatives for its fleet segment. This would allow VSE to transform into a pure-play aviation aftermarket company, which we believe is an attractive market due to growing commercial airline passenger traffic, an aging fleet and delayed deliveries for new aircraft that increase the need for more aftermarket parts and services.

Flowserve is a leading provider of fluid motion and control products and services. The company designs, manufactures and services a wide range of pumps, valves, seals, automation solutions and related systems for industries that require the management and transfer of fluids. As we highlight in the Stewardship Update section later in this letter, we believe the company is in a good position to benefit from rising natural gas production that is being driven by rising baseload power needs for data centers. And within the oil end market, a loosening of regulatory policies could increase production demands.

Integer is the leading manufacturer and developer of medical devices and components. The company's core competencies are implantable devices, transcatheter therapies and delivery systems. These categories are complex, have a high risk of failure and carry premium margins compared to lower value parts and assembly. We believe the company is well positioned to deliver strong earnings growth as it benefits from steady end-market growth, rising popularity or outsourcing manufacturing, strategically aligning its portfolio toward the most attractive end markets, and expanding operating margins through a focus on operational efficiency.

Notable adds in the quarter included John Bean Technologies, Parsons and Gitlab. John Bean Technologies is a leading global technology solutions provider to high-value segments of the food and beverage industry. Given our rising confidence in its Marel acquisition, which brings together two leaders in the production of manufacturing equipment for processing protein, we added to our position. We believe this combination can benefit from typical cost synergies along with an infusion of the company's lean manufacturing and operating discipline into the Marel culture and asset base.

Parsons Corporation is a leading disruptive technology provider in the national security and global infrastructure markets, with capabilities across cyber and intelligence, space and missile defense, transportation, environmental remediation, urban development and critical infrastructure protection. We believe the company is well positioned to benefit from several secular growth drivers, including growing defense spending, an acceleration in North American infrastructure spending, growing Middle Eastern infrastructure spending as the region's countries diversify their economies from oil to entertainment and tourism, and growing per- and polyfluoroalkyl substances remediation spending. Shares declined as the proposed Department of Government Efficiency caused greater uncertainty in the defense and infrastructure markets. However, within both end markets, we have high confidence that its programs are aligned with required spending rather than areas that could be targeted for efficiency savings. Therefore, we added to the position.

Gitlab offers a one-stop shop for software development projects. The company provides developers with tools to manage code, collaborate with teammates and track the entire development workflow. It has a strong brand with more than 30 million registered users across its free and paid subscription tiers. Customers adopt Gitlab to deploy code faster, more consistently and more securely. We believe the company is early in its lifecycle, given the large addressable market of global software developers and a general trend toward companies looking to digitize aspects of their business and deploy code quickly. Recent earnings results displayed that its core developer automation product is seeing rising momentum from selling more seats to existing clients and gaining new clients. Additionally, it is having success cross-selling additional products alongside the core automation product. Given the top-line momentum, margins are also expanding nicely. Given the thesis-affirming results, we added to the position.

We ended our investment campaigns in Argenx, Tyler Technologies and Interparfums. Shares of Argenx have continued their year-to-date ascent due to multiple positive developments, including FDA approval to promote VYVGART® for chronic inflammatory demyelinating polyradiculoneuropathy (CIDP) and strong sales execution of VYVGART®'s first approved indication in myasthenia gravis. While we continue to have high conviction, the company has outgrown our small-cap mandate, and we exited our position after a successful multiyear investment campaign.

Tyler Technologies provides end-to-end information management solutions and services for local government offices. Shares have rallied throughout the year due to strong earnings results, including the announcement of its first statewide cloud conversion, which we believe opens the door for more of these larger migrations. Like Argenx, we sold our position due to an elevated market cap after a long, successful investment campaign.

Interparfums is a top player in the prestige fragrance industry. It manufactures, markets and distributes fragrance products through its vast portfolio of licensing agreements with mass market and luxury fashion brands. The company is the only listed pure-play in prestige fragrance, a category gaining traction and experiencing faster growth in recent years. Fragrance penetration stands at 20%–25% in the US and 3% in China versus more mature regions in Europe that are close to 50%, highlighting the long-term opportunities in those countries as consumers continue to discover and connect with the category. Our view was the company is well positioned to grow revenue at attractive rates, supported by category growth and market share gains. Unfortunately, our profit cycle thesis has not taken hold, and after an extended period in the Garden℠ of the portfolio, we decided to move on in favor of higher conviction ideas.

Along with Astera Labs and Halozyme, a notable trim in the quarter was SharkNinja. SharkNinja is a leading household consumer products company. Its Shark brand focuses on the cleaning category and, more recently, beauty. Its Ninja brand focuses on food preparation and cooking. We believe a healthy combination of market share gains within existing categories, new category entries and international expansion will drive growth. After outperforming meaningfully this year, we trimmed the position due to elevated valuation expectations and a more mature thesis.

Stewardship Update

The growth in data centers has significantly increased demand for reliable, large-scale and carbon-free energy sources. Data centers are energy-intensive, requiring vast amounts of electricity to power servers, cooling systems and infrastructure. With the expansion of AI, energy consumption by data centers is projected to grow exponentially. By some estimates, data centers could account for up to 8%–10% of global electricity consumption by 2030, prompting the need for sustainable and continuous energy sources.

Meanwhile, technology giants like Google, Microsoft and Amazon have committed to reducing their carbon footprints and achieving net-zero emissions. While wind and solar are crucial for clean energy transitions, their intermittent nature creates challenges for data centers, which require 24/7 power. Given this conflict of accelerating power needs versus carbon reduction commitments, our team has focused on the implications.

One option for these hyperscalers may be to pursue nuclear power sources, a low-carbon energy source that provides a stable energy supply to ensure uninterrupted operations. For example, Constellation Energy announced a 20-year deal with Microsoft that will reopen the Three Mile Island nuclear plant in Pennsylvania to supply power to an AI data center. Interest in the prospect of small modular reactors (SMRs) is also increasing. Advocates for SMRs believe their smaller size and faster deployment timelines make them an attractive solution. However, our optimism in this area is tempered by the relatively immature state of the technology and the stated hesitancy of regulated utilities to invest in anything nuclear.

Based on our research today, we believe that hyperscalers will pursue clean energy power sources wherever possible to satisfy their power needs. However, the evidence is mounting that they may need to push their emissions goals if they are going to satisfy energy demand. This will likely have investment implications for the energy industry, particularly for companies exposed to natural gas, which may become the go-to fuel source, especially in areas where renewable energy infrastructure is not yet robust or reliable enough to ensure consistent power delivery.

Perspective

US equities have delivered a very strong two-year performance run. We are cognizant of the expansion in valuation multiples that has accompanied this rally, as well as the extreme momentum experienced by several "hot" growth stocks at the top of the index (which is further evidence of robust animal spirits in the market today, and we believe has distorted the index performance as discussed earlier). This aggressive investor behavior can be seen elsewhere in some large-cap equities and cryptocurrency trading and has been elevated by post-election optimism about future policy changes in the US.

Looking past these momentum leaders, we find valuations in the portfolio to be more reasonable, albeit not cheap, and have been trimming some highly valued securities in favor of more opportunistic investments. Fundamentally, recent earnings reports for portfolio holdings have generally been quite solid, and our conviction in the profit cycles driving the portfolio seems well supported entering 2025.

In particular, our team's Q4 research and travel strengthened our confidence in many of the profit cycles driving our information technology holdings. We own multiple category leaders within technology that are gaining market share partly due to how well positioned they are to help enable AI advances. Examples include Astera Labs (discussed earlier), Onto Innovation (inspection systems for advanced chips) and MACOM (networking chips). In addition, our cloud software franchises are making steady progress in introducing AI functionality into their leading solution suites. Health care, by contrast, has been largely left behind in this bull market and now presents some of our portfolio's most attractive valuation opportunities. For example, we anticipate profit acceleration this year for our biotech holdings, such as Ascendis and Insmed, as each launches new medicines with blockbuster sales potential. Inventory headwinds in the biologic drug packaging industry should also clear, enabling Repligen and Stevanato to resume their compelling long-term growth trajectories.

In addition to valuations, we enter the new year with an increased focus on domestic and international political uncertainty. Most significantly, the incoming Trump administration is expected to propose specific (and likely aggressive) policy changes across trade, labor, government spending, regulation and health care. We're paying close attention to how these changes do and don't get enacted and are integrating them into our assessments of investment risks and rewards. The signal-to-noise ratio is expected to be high, and we'll lean on our team of sector experts to help us tell the difference. Of course, these policy changes will likely also impact interest rates, which could continue to be a source of market volatility ahead.

For more information: Visit www.artisanpartners.com

Investment Risks: 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. These risks, among others, are further described in Artisan Partners Form ADV, which is available upon request. This is a marketing communication.

Unless otherwise indicated, the Artisan Strategy characteristics relate to that of an investment composite or a representative account managed within a composite. It is intended to provide a general illustration of the investment strategy and considerations used by Artisan Partners in managing that strategy. Individual accounts may differ, at times significantly, from the reference data shown due to varying account restrictions, fees and expenses, and since-inception time periods, among others. Where applicable, this information is supplemental to, and not to be construed with, a current or prospective client's investment account information. References to individual security performance relate to a representative account in the composite. Individual holding periods may differ.

For the purpose of determining the portfolio's holdings, securities of the same issuer are aggregated to determine the weight in the Strategy. The holdings mentioned above comprised the following percentages of a representative account within the Artisan U.S. Small-Cap Growth Strategy Composite's total net assets as of 31 Dec 2024: Lattice Semiconductor Corp 4.2%, Ascendis Pharma A/S 4.1%, Veracyte Inc 3.5%, MACOM Technology Solutions Holdings Inc 3.4%, Novanta Inc 2.4%, Halozyme Therapeutics Inc 2.1%, SharkNinja Inc 2.0%, Repligen Corp 1.9%, The Vita Coco Co Inc 1.8%, Stevanato Group SpA 1.8%, Gitlab Inc 1.8%, Onto Innovation Inc 1.6%, John Bean Technologies Corp 1.6%, Parsons Corp 1.5%, Crocs Inc 1.3%, Insmed Inc 1.2%, VSE Corp 1.0%, Astera Labs Inc 0.9%, Flowserve Corp 0.7%, Integer Holdings Corp 0.7%, Smith Douglas Homes Corp 0.7%. Securities named in the Commentary, but not listed here are not held in the portfolio as of the date of this report.

Securities referenced may not be representative of all portfolio holdings. Securities of the same issuer are aggregated to determine a holding's portfolio weight. Portfolio statistics calculations exclude outlier data and certain securities which lack applicable attributes, such as private securities. Artisan Partners may substitute information from a related security if unavailable for a particular security. This material is as of the date indicated and is subject to change without notice. Totals may not sum due to rounding.

ESG assessments represent one of many pieces of research available and the degree to which it impacts holdings may vary based on manager discretion.

Attribution is used to evaluate the investment management decisions which affected the portfolio's performance when compared to a benchmark index. Attribution is not exact, but should be considered an approximation of the relative contribution of each of the factors considered.

Net-of-fees composite returns were calculated using the highest model investment advisory fees applicable to portfolios within the composite. Fees may be higher for certain pooled vehicles and the composite may include accounts with performance-based fees. All performance results are net of commissions and transaction costs, and have been presented gross and net of investment advisory fees. Dividend income is recorded net of foreign withholding taxes on ex-dividend date or as soon after the ex-dividend date as the information becomes available to Artisan Partners. Interest income is recorded on the accrual basis. Performance results for the Index include reinvested dividends and are presented net of foreign withholding taxes but, unlike the portfolio's returns, do not reflect the payment of sales commissions or other expenses incurred in the purchase or sale of the securities included in the indices.

Russell 2000® Growth Index measures the performance of US small-cap companies with higher price/book ratios and forecasted growth values. Russell 2000® Index measures the performance of roughly 2,000 US small-cap companies. Russell 2000® Value Index measures the performance of US small-cap companies with lower price/book ratios and forecasted growth values. Russell Midcap® Index measures the performance of roughly 800 US mid-cap companies. Russell Midcap® Growth Index measures the performance of US mid-cap companies with higher price/book ratios and forecasted growth values. Russell Midcap® Value Index measures the performance of US mid-cap companies with lower price/book ratios and forecasted growth values. MSCI All Country World Index measures the performance of developed and emerging markets. MSCI All Country World Small Mid Index measures the performance of small- and mid-cap companies in developed and emerging markets. MSCI EAFE Index measures the performance of developed markets, excluding the US and Canada. MSCI Emerging Markets Index measures the performance of emerging markets. Russell 1000® Index measures the performance of roughly 1,000 US large-cap companies. Russell 1000® Growth Index measures the performance of US large-cap companies with higher price/book ratios and forecasted growth values. Russell 1000® Value Index measures the performance of US large-cap companies with lower price/book ratios and forecasted growth values. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

This summary represents the views of the portfolio manager as of 31 Dec 2024. Those views and portfolio holdings are subject to change and Artisan Partners disclaims any obligation to advise investors of such changes. The discussion of portfolio holdings does not constitute a recommendation of any individual security.

Private Market Value is an estimate of the value of a company if divisions were each independent and established their own market stock prices. **Magnificent Seven (M7)** is a term used to describe large US companies: Apple, Amazon, Alphabet, Tesla, NVIDIA, Microsoft and Meta. **Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)** is an indicator of a company's financial performance which is calculated by looking at earnings before the deduction of interest expenses, taxes, depreciation and amortization.

Our capital allocation process is designed to build position size according to our conviction. Portfolio holdings develop through three stages: Garden℠, Crop℠ and Harvest℠. Garden℠ 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. Crop℠ investments are holdings where we have gained conviction in the company's profit cycle, so positions are larger. Harvest℠ investments are holdings that have exceeded our estimate of intrinsic value or holdings where there is a deceleration in the company's profit cycle. Harvest℠ investments are generally being reduced or sold from the portfolios.

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