



Artisan Small Cap Fund

MONTHLY Commentary

Investor Class: ARTSX

Advisor Class: APDSX

As of 31 March 2025

Commentary

The Russell 2000® Index declined 6.8% in March, bringing the Q1 return to -9.5%. Market volatility in the quarter was due to growing investor concerns around inflationary pressures and economic weakness, particularly due to tariff risks. From an inflation standpoint, the core personal consumption expenditure index reading indicated that prices rose 2.8% year over year in February, which exceeded expectations. The US Federal Reserve held rates steady at its policy meetings and updated its economic projections, including lowering its median 2025 economic growth forecast to 1.7% and raising its median inflation forecast to 2.7%.

Our portfolio underperformed the Russell 2000® Growth Index in March but outperformed in Q1. Among our top contributors were Guidewire and Ascendis. Guidewire is a market leader in next-generation property and casualty (P&C) insurance software. It recently transitioned from a licensed software business model to a subscription-based cloud service. As companies emerge from these (often messy) transitions, their profit growth tends to accelerate. We believe Guidewire is at this inflection point. The company reported strong earnings results, including signing 12 new cloud deals, and management raised forward guidance.

Ascendis shares rallied following the company's recent earnings results, which showed the launch of YORVIPATH trending well ahead of expectations. YORVIPATH is used to treat patients with hypoparathyroidism, which is a rare endocrine disorder characterized by deficient or absent parathyroid hormone. We continue to believe YORVIPATH will serve as a significant catalyst for the company's profit cycle, given the substantial addressable market and our expectation that physicians will adopt the drug for a considerable portion of their patients since the current standard of care does little to effectively address the short-term symptoms and long-term complications of patients.

Among our top detractors were Modine Manufacturing and Veracyte. Modine is an industrial firm specializing in thermal management applications. The company has been on a transformation path since the arrival of its new CEO by leveraging its core competencies to enter new growth markets, such as data center cooling, advanced solutions for electric vehicles and air quality monitoring. While recent earnings showed weakness within its legacy auto business, the company's Climate Solutions business showed strong revenue growth as its data center sales continued to accelerate. We added to the position.

Veracyte specializes in improving diagnostic accuracy by combining RNA sequencing, machine learning and the company's proprietary "field of injury" technology. 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. After a period of strong performance in 2024, shares pulled back in Q1. The company beat expectations, but it announced plans to walk away from its French subsidiary. While we believe this is the right thing to do for the long-term profit cycle, it introduces near-term uncertainty.

Investment Results (%)

As of 31 March 2025	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTSX	-8.82	-10.14	-10.14	-5.82	-1.02	6.52	8.16	8.63
Advisor Class: APDSX	-8.79	-10.10	-10.10	-5.67	-0.86	6.67	8.28	8.67
Russell 2000® Growth Index	-7.58	-11.12	-11.12	-4.86	0.78	10.78	6.14	7.29
Russell 2000® Index	-6.81	-9.48	-9.48	-4.01	0.52	13.27	6.30	8.51

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. Class inception: Investor (28 March 1995); Advisor (1 February 2017). 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.

Portfolio Details

	ARTSX	APDSX
Net Asset Value (NAV)	\$31.65	\$32.06
Inception	28 Mar 1995	1 Feb 2017
Expense Ratios		
Annual Report 30 Sep 2024	1.23%	1.08%
Prospectus 30 Sep 2024 ¹	1.23%	1.09%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Ascendis Pharma A/S (Health Care)	5.6
Guidewire Software Inc (Information Technology)	4.5
Lattice Semiconductor Corp (Information Technology)	3.5
MACOM Technology Solutions Holdings Inc (Information Technology)	2.9
Halozyme Therapeutics Inc (Health Care)	2.7
Twist Bioscience Corp (Health Care)	2.6
SPX Technologies Inc (Industrials)	2.6
Flex Ltd (Information Technology)	2.4
Applied Industrial Technologies Inc (Industrials)	2.3
Veracyte Inc (Health Care)	2.3
TOTAL	31.5%

Source: Artisan Partners/GICS.

Sector Diversification (% of portfolio securities)

	Fund	R2G ¹
Communication Services	0.0	2.1
Consumer Discretionary	9.6	9.5
Consumer Staples	2.2	3.8
Energy	1.2	3.4
Financials	1.5	9.1
Health Care	31.1	24.8
Industrials	18.1	22.9
Information Technology	34.9	18.5
Materials	0.0	3.8
Real Estate	1.5	1.6
Utilities	0.0	0.5
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/Russell. Cash and cash equivalents represented 4.3% of the total portfolio. ¹Russell 2000® Growth Index.

Average Annual Total Returns

Market Cap Distribution (% of portfolio securities)

\$ in billions	Fund	R2G ¹
6.3+	55.0	17.2
4.6–6.3	18.9	16.9
3.3–4.6	10.1	20.0
2.0–3.3	11.5	21.9
0.0–2.0	4.5	23.9
Not Applicable	—	0.0
TOTAL	100.0%	100.0%

Source: Artisan Partners/Russell. ¹Russell 2000[®] Growth Index.

Team Leadership (Pictured left to right)



Portfolio Managers

Portfolio Managers	Years of Investment Experience
Jay Warner, CFA (Lead)	23
Jim Hamel, CFA	28
Jason White, CFA	25
Matt Kamm, 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 governance and other material sustainability 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 these sustainability 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 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. 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 Mar 2025: Modine Manufacturing Co 1.8%. 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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