Artisan Small Cap Fund

QUARTERLY
Commentary

Investor Class: ARTSX | Advisor Class: APDSX | Institutional Class: APHSX

As of 30 June 2023

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℠ investments are small positions in the early part of their profit cycle that may warrant more sizeable allocations as their profit cycle accelerates. Crop℠ investments are positions that are being increased to a full weight because they are moving through the strongest part of their profit cycles. Harvest℠ 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


Craigh Cepukenas, CFA
Portfolio Manager (Lead)


James Hamel, CFA
Portfolio Manager


Matthew Kamm, CFA
Portfolio Manager


Jason White, CFA
Portfolio Manager


Jay Warner, CFA
Portfolio Manager

Investment Results (%)

			Average Annual Total Returns				
As of 30 June 2023	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTSX	**1.10**	**8.78**	**19.34**	**-1.19**	**6.87**	**10.25**	**9.05**
Advisor Class: APDSX	**1.19**	**8.91**	**19.56**	**-1.05**	**7.02**	**10.35**	**9.09**
Institutional Class: APHSX	**1.19**	**8.91**	**19.64**	**-0.96**	**7.11**	**10.50**	**9.14**
Russell 2000® Growth Index	7.05	13.55	18.53	6.10	4.22	8.83	7.50
Russell 2000® Index	5.21	8.09	12.31	10.82	4.21	8.26	8.72

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. Class inception: Investor (28 March 1995); Advisor (1 February 2017); Institutional (7 May 2012). For the period prior to inception, each of Advisor Class and Institutional Class's performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Advisor or Institutional Class and each share's respective returns during that period would be different if such expenses were reflected.

Expense Ratios	ARTSX	APDSX	APHSX
Semi-Annual Report 31 Mar 2023[1]	1.22	1.07	0.99
Prospectus 30 Sep 2022[2]	1.20	1.07	0.98

[1]Unaudited, annualized for the six-month period. [2]See prospectus for further details.

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.

Investing Environment

US equity markets ended the quarter higher amid signs of moderating inflation and a domestic economy that remained resilient despite monetary tightening efforts. May consumer price index inflation slowed to 0.1% from 0.4% in April. This brought down the annual rate to 4.0%, the slowest pace since March 2021, though core inflation has remained stubbornly high at 5.3%. And June CPI data, released shortly after the quarter ended, showed even further progress. The Federal Reserve raised interest rates by 25bps in May. However, the Fed did not hike rates in June, adopting what economists have termed a "hawkish pause" as its summary of economic projections, commonly referred to as the "dot plot," signaled two further rate hikes in 2023.

The US economy more broadly remains in good health. Strong data—such as durable goods orders and new home sales—have heightened optimism that the US can avoid recession. As a result, by the end of Q2, futures markets had fully priced in an additional Fed rate hike in July. The US unemployment rate rose to a higher-than-expected 3.7% in May, from 3.4% in April, but the labor market remains historically tight. A revision to Q1 GDP indicated 2% annualized growth, meaningfully more than the previous estimate of 1.3%. With a soft landing scenario becoming market consensus, 10-year US Treasury yields rose 32bps in Q2 to 3.81% while the 2-year climbed 81bps to 4.87%.

Using the Russell 1000® Index as a proxy for US equities, the information technology (IT) sector led the market advance in the quarter. Excitement around artificial intelligence (AI) and an uptick in growth expectations for its direct beneficiaries within IT drove substantial returns. For example, leading-edge chipmaker NVIDIA returned over 50% and ended the quarter with a market cap above $1 trillion. The consumer discretionary and communication services sectors also performed strongly while energy and utilities lagged.

Market breadth continues to be narrow as seven mega-cap companies (Apple, Microsoft, NVIDIA, Amazon, Alphabet, Meta and Tesla), now termed the "magnificent seven," have driven over 60% of the Russell 1000® Index returns in both the Q2 and YTD periods. This has also driven a large performance disparity between large caps and small caps along with growth versus value. The Russell 1000® Index returned 8.6% in Q2, bringing the YTD return to 16.7% versus the Russell 2000® (5.2% and 8.1%), Russell 1000® Growth (12.8% and 29.0%) and Russell 1000® Value (4.1% and 5.1%) Indices.

Outside of the US, euro zone shares posted gains in Q2, led by the IT sector. The European Central Bank raised interest rates twice in the quarter, ending at 3.5%. Headline inflation declined during the period. Growth data showed the euro zone experienced a mild recession over the winter, with GDP declines of -0.1% in both Q4 2022 and Q1 2023. UK equities fell over the quarter. Inflation in the UK has taken many by surprise. This prompted the Bank of England to act more forcefully, raising interest rates by a larger-than-expected 50bps in June. The UK 10-year yield rose 89bps in Q2 to 4.41% while the 2-year climbed 182bps to 5.28%.

Chinese equities were sharply lower in Q2 as the country's post-COVID economic rebound started to cool, and tension between the US and China continued to weigh on markets.

Performance Discussion

The Russell 2000® Index rose 5.2% in Q2, with the majority of gains made in June. Despite the positive absolute results, small caps continued their underperformance against large caps this quarter as the Russell 1000® Index gained 8.6%. A large portion of this result, however, has been driven by a narrow segment of the market. The "magnificent seven" experienced an average Q2 return of 26% (versus the Russell 1000® Index return of 8.6%), and the total contribution of these names was 5.3% (or 61% of the total index return). Looking at the YTD period, the results are even more staggering. The "magnificent seven" had an average return of 82.5% (versus 16.7% for the index), and the total contribution was 11.3% (or 67.5% of the total index return).

Despite the relative weakness this year, we remain optimistic about our asset class's long-term prospects. Valuations still look very favorable on both an absolute basis and relative to large caps. Furthermore, since small caps tend to be economically sensitive, fading investor expectations for a recession may act as a catalyst moving forward. All of this is consistent with our view that small caps are due for a period of leadership.

Our portfolio trailed the Russell 2000® Growth Index in Q2, and the major narrative was security selection within the health care sector, which accounted for ~60% of the total negative security selection and ~75% of the total underperformance. The sector's underperformance was concentrated in the biotechnology and pharmaceutical industries. Within biotechnology, three holdings that remain high conviction (Ascendis, Halozyme and Avid Bioservices) declined this quarter versus an 18.5% industry gain in the Index. Ascendis is a biotechnology company with a proprietary technology platform that supports pipeline development of multiple, best-in-class therapies. We have been focused on the anticipated 2023 approval of TransCon PTH to treat hyperparathyroidism, which would provide another tailwind to the company's profit cycle. During the quarter, the market was disappointed to learn that the FDA was not yet ready to approve the product due to questions around its manufacturing controls. While clinical trial data and our conversations with experts leave us highly confident in the drug's safety and efficacy profile, it can be hard to anticipate FDA questions or concerns about manufacturing. Fortunately, the company believes it can provide data in short order to address these questions, leaving us optimistic the approval delay will be less than 12 months. In the meantime, the company's first approved drug—Skytrofa, for pediatric growth hormone deficiency—has seen accelerating market uptake, and our channel checks suggest strong physician interest in prescribing TransCon PTH once approved.

Halozyme is a biotechnology firm with a unique technology platform that allows for the conversion of biologics and small molecule drugs administered intravenously into a subcutaneous formulation. This technology is licensed to pharmaceutical companies, which allows them to optimize their valuable therapies and Halozyme to generate predictable and durable royalties. In Q2, partner Johnson and Johnson announced the denial of a co-formulation patent for subcutaneous Darzalex in Europe. While this unfavorable news continued to impact Halozyme's share price, we anticipate several value-generating catalysts in the second half. The first catalyst is FDA approval of Argenx's VYVGART Hytrulo. This approval also benefits Halozyme as it is the subcutaneous enabler. The approval is due shortly after the quarter ends. We also expect clinical data for three more indications by year end, which will further expand the commercial opportunities for VYVGART and VYVGART Hytrulo. In addition, we are excited about the potential partnership opportunity with Argenx to develop Halozyme's autoinjector. VYVGART's potential as a multibillion-dollar drug, coupled with the dependence on Halozyme's subcutaneous formulation platform and autoinjector pens, presents an important growth opportunity for Halozyme.

Within the pharmaceutical industry, weakness was driven by our position in Catalent, a leading contract manufacturing and development organization for drug supply. This was our biggest disappointment in the quarter. Despite its attractive position in the pharmaceutical supply chain, Catalent's execution was poor. Over the last few years, the company rapidly expanded its biologics manufacturing business both organically and through acquisitions. Now it seems to be encountering difficulties with quality controls, cost management and financial forecasting. The situation became more evident in April when the company fired its CFO and significantly cut its fiscal 2023 earnings guidance. These developments exposed the depth of the issues, which were previously challenging to assess. Consequently, we decided to exit the position as our profit cycle thesis was no longer valid. Nonetheless, we maintain a positive outlook on the bioprocessing secular trend for the long term. We maintain our holdings in other leading franchises, such as Repligen and Avid Bioservices, where execution remains solid.

We believe the profit cycle drivers of our de-risked health care Crop℠ holdings remain compelling as we move into the back half of 2023. And there are several important company-specific catalysts in the second half for Halozyme, Argenx, Ascendis and Iovance, to name a few.

Among our top contributors were Shockwave Medical, Exact Sciences and Bentley Systems. Shockwave is a medical device company developing and commercializing products for calcified cardiovascular disease. The company received FDA approval for its C2 Plus intravascular lithotripsy device for coronary procedures much earlier than expected, which provides a 50% increase in treatment capacity versus the current C2 device. The company reported strong financial results, including 72% revenue growth that exceeded expectations. While we continue to be excited about the company's long-term potential, we trimmed the position based on our valuation discipline.

Exact Sciences is a leading provider of diagnostic testing and a maker of the noninvasive colorectal cancer screening test Cologuard®. Shares rallied after the company reported strong fundamental results. Revenue grew 24%, but more importantly, revenues from its screening business (mostly Cologuard®) grew 45%. Management also raised 2023 revenue guidance; however, we continue to believe these targets are conservative. The addressable market for Cologuard® expanded significantly in 2021 when the United States Preventive Services Task Force lowered the recommended age for colorectal cancer screenings to 45 from 50. Our research indicates the company's addressable market of unscreened individuals has increased by another ~18 million. We also believe meaningful long-term opportunities exist as the company develops additional high-value cancer tests. Given this growth outlook and a recent transition to profitability, we added to our position and moved it into the Crop℠.

Bentley Systems is the leading provider of engineering software used to design roads, bridges, tunnels, rail systems and other public works. Construction is one of the economy's least digitized verticals, and there are significant opportunities for software to increase productivity within civil engineering projects. We view Bentley as well positioned to support the infrastructure spending encouraged by the Infrastructure Investment and Jobs Act and Inflation Reduction Act. Civil engineers may be hard pressed to respond to accelerating project opportunities under these market conditions, further enhancing the importance of Bentley's design tools. At a time when software growth rates are generally seeing pressure, we believe this company has the potential to maintain, or even accelerate slightly, its current pace into 2023.

Portfolio Activity

We initiated new Garden℠ positions in Duolingo, SPX Technologies and Smartsheet. Duolingo is an app-based learning platform that currently derives most of its revenues from subscriptions to its language learning app. However, it has expanded into new education verticals with the launch of Duolingo ABC, an early childhood education app, and elementary math. The company uses an ad-supported freemium model, and it is the most downloaded language learning app in most countries outside China. Duolingo has differentiated itself with a unique gamified approach that is at the core of its user engagement strategy while its machine learning algorithms leverage monthly users and daily tracking events to improve the overall learning experience and adapt personalized learning pathways for each user.

SPX Technologies is a specialty manufacturer of commercial and industrial HVAC equipment as well as specialty detection instruments. Over the years, the company has successfully transformed into a simpler and cohesive company through divestitures of lower margin cyclical businesses and acquisitions focused on higher growth, higher margin businesses. The company is now positioned from various secular tailwinds, including the global regulatory push to improve energy efficiency, the reshoring of manufacturing and a large pipeline of infrastructure upgrades. In addition, we believe the company's multiple, highly cash-generative business units should fuel a continued bolt-on acquisition strategy.

Smartsheet is a highly customizable cloud-based workflow management tool enabling automation and increased productivity across several organizational functions, including information technology, human resources, sales, marketing, operations and finance. Smartsheet replaces traditional workflow management tools and can integrate with Microsoft Teams, Tableau, Slack and other third-party software applications. The company has several notable large enterprises on its platform that are lightly penetrated, and we believe this creates a meaningful runway for adding new users and selling product enhancements.

Along with Catalent, we ended our investment campaigns in Chegg and Option Health Care. Chegg is a digital education platform. Shares have been under pressure as the company has reported disappointing fundamental results. Our thesis centered on the belief that there were several tailwinds behind the company's profit cycle—international expansion, opportunities to cross-sell existing users and longer term changes in higher education (e.g., more remote learning, more focus on student outcomes and pressure on tuition). However, we have been disappointed with the company's execution and decided to exit the position.

Option Care Health is the largest independent provider of home infusion services in the US. The company is capitalizing on several secular growth tailwinds: an aging population, a growing number of drugs requiring infusion and payers' financial incentive to move patients toward lower cost of care environments (Option Care infusions are up to 50% less than those at hospitals). During the quarter, the company announced an acquisition, which could be transformational but would change our thesis. With a long-term view, we still believe Option Care can be a leader in the home provider market, but this deal adds integration risks, and we decided to exit the position.

Along with Exact Sciences, notable adds in the quarter included Twist Bioscience, Saia and Crocs. Twist Bioscience is a life sciences company with a proprietary silicon-based platform for writing DNA. Synthetic biology is used by biotech companies looking to extend drug discovery and development capabilities as well as diagnostics companies developing methods of detecting diseases at earlier stages. Other applications include creating disease-resistant food crops (with higher yields per acre) and the creation of biofuels (from citrus peel, sawdust, straw, rice husks, etc.) as alternatives to fossil fuels. Synthetic biology is a large and rapidly growing market, and Twist is currently in the pole position. We added to the position as management's cost-cutting achieved breakeven sooner than expected. We view guidance as conservative given potential end-market demand and market share gains. Its planned fast genes offering (premium pricing for a 5-day turnaround, instead of 10) in 2024 could further accelerate business momentum.

Saia operates in less-than-truckload shipping, a relatively attractive part of transportation that features several solid franchises supported by real estate assets and network advantages. Saia has been opening new terminals across the Northeast, raising its terminal count from 151 at the end of 2016 to 187 as of Q4 2022. With its Northeast expansion largely complete, Saia is entering a new growth phase that should unlock additional operating leverage. Thanks to a strengthened delivery network that enables higher quality service levels to customers, we believe Saia can simultaneously grow at a healthy pace and realize higher prices. We are cognizant that the slowing economy could reduce industry (and Saia's) shipment volumes, but we have added to the position given its reasonable valuation, signs that shipping volumes are troughing and resilient pricing.

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 has turned it into a $3 billion global revenue base. 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. Given the company's small market share, just 1% of the global footwear industry, we believe it has a long runway for growth and continue to build our Garden℠ position.

Along with Shockwave Medical, notable trims in the quarter included HubSpot and Penumbra. Like many other software companies, HubSpot's revenue growth has slowed from its torrid pace in recent years. While this revenue slowdown weighed heavily on the stock in 2022, recent quarterly results have shown a relative stabilization. Shares rallied after it reported results that exceeded expectations across many important metrics, including revenue, customer adds and earnings. But the highlight was operating margin guidance. Management forecasted a long-term margin target of 20%–25% versus 10% in 2022. The company is taking advantage of less frenetic demand conditions and an end to several years of heavy investment to improve its profitability. After enjoying a successful multiyear investment campaign, the company has outgrown our small-cap mandate, and we are harvesting the position.

Penumbra designs, manufactures and markets peripheral vascular and neurovascular devices that help patients suffering from stroke and other neurovascular diseases. While the company is fundamentally executing on an exciting product cycle, we trimmed shares based on our valuation discipline after a period of strong performance.

ESG Update

A primary objective of our stewardship efforts is centered around promoting positive direction of travel. While engaging directly with companies is often considered the most effective way to meet that goal, we view proxy voting as an equally important and visible shareholder tool, providing another channel through which to transparently express our views regarding important topics such as board leadership, executive compensation and proposals put forth by other shareholders.

One trend we continue to observe within the annual proxy voting process is increased shareholder scrutiny of executive compensation plans. To date in 2023, "say-on-pay" proposals failed to garner majority support at five holdings across our investment strategies; this compares to only one proposal at this time last year. Notably, two of those proposals received less than 30% shareholder support. Of the five compensation plans not receiving majority support, we voted against four of them. Our view was the incentive compensation awards were outsized compared to respective peers and/or historical stock performance. Moreover, while a portion of equity grants tied vesting of awards to forward performance metrics—which would typically align the executives' realized pay with underlying business and/or stock performance—we did not believe the vesting structure and performance thresholds for these plans were adequately aligned. Regarding the proposal we supported, the company—domiciled in Europe—is at an earlier stage in its life cycle, and, as such, its compensation plan was similarly less mature in its structure and disclosure. We did not view the plan to be outsized compared to its global peers and felt comfortable supporting management on the proposal. We do, however, appreciate that the company's European investors may not share that view.

We have also observed an increase in shareholder-initiated proposals this year—55 proposals as compared to 40 at this time last year. We supported fewer proposals this year, but that is not reflective of any changes to our approach—which is based on the materiality and specificity of the proposal as written, the company's direction of travel on the topic and its prior responsiveness to general shareholder concerns. While each shareholder proposal was well intentioned, we struggled with the specificity of expectations included in certain proposals. For example, two of our holdings received proposals requesting the right for shareholders to prospectively approve "any senior manager's new or renewed pay package that provides for severance or termination payments with an estimated value exceeding 2.99 times the sum of the executive's base salary plus target short-term bonus." While we agree that companies should ensure any potential severance packages are reasonable, unless there is demonstrated concern, we believe it is unreasonable to require a company to hold a special shareholder meeting when it is negotiating an executive's compensation package that might exceed this standard. As such, we did not support either proposal.

We look forward to sharing additional proxy voting activity and highlights in our annual Sustainability Report next year.

Perspective

Our portfolios' absolute returns this year have supported our view that the growth stock valuation reset in 2022 would pave the way for investors to benefit from secular growth drivers again. Since the launch of ChatGPT in late 2022, generative AI has emerged as the hottest topic in technology. While certain aspects of the discussion may prove overhyped, we think that AI advancements will have significant long-term implications across many different areas of the economy.

We aim to distinguish AI winners (from losers) in every industry and believe this will influence long-term investment returns. Some first-order beneficiaries of this trend are already clear. For example, producers of specialized semiconductor chips have experienced a meteoric rise (NVIDIA's market cap has grown from $360 billion to over $1 trillion this year) due to an expected explosion in demand given the computational complexity required for these models. We own several of these beneficiaries within our portfolio. For example, Monolithic Power Systems produces critical power-management chips that control the voltage delivered to these expensive graphic processing units, and Rambus produces memory interfaces that are growing in demand given the large amount of memory and high-speed processing that AI applications require.

As we have met with companies, we have learned about the many ways AI can be leveraged to enhance business outcomes. That can mean designing AI functionality into a company's products and services, allowing customers to derive additional value. The rapid emergence of AI-assisted software development tools can speed innovation, allowing companies to produce more, richer apps at lower cost. In addition, companies are deploying AI tools as sales and marketing enablers—helping with both prospect targeting and client service. We believe the companies with modern technology infrastructures, proprietary data sets and adaptive cultures are best positioned to take advantage of these tools.

We are focused on aligning with forward-thinking management teams who are investing to creatively deploy these capabilities. For example, Bentley Systems is the leading provider of infrastructure engineering software. Its software solutions include "digital twins" that are used by professionals for the design, construction and operation of complex infrastructure projects. Digital twin technology involves creating digital representations of physical assets that can be used in simulations to predict maintenance needs and improve processes. We believe AI can meaningfully enhance both the creation and utilization of these digital models.

Smartsheet is introducing its first AI-driven features, which aim to drive enhanced customer productivity and will allow the company to capture value through increased revenue per user.

Valmont is a leading designer and manufacturer of engineered metal products. Within its agricultural segment, the company has nearly 250,000 center pivots irrigating crops around the world. Its pivots also support cameras, sensors and other smart technology to provide data on everything from plant health to pest activity. By leveraging AI to analyze the information gathered, Valmont can optimize irrigation, detect plant diseases sooner and estimate crop yields.

Much uncertainty remains about the direction of the economy as central banks look to cool inflation with higher interest rates. But we continue to follow our process, staying focused on finding high-quality franchises with positive profit cycle outlooks. With valuations for growth equities still at reasonable levels, we believe these investments can yield attractive returns for longer term investors across most macroeconomic scenarios.

For more information: Visit www.artisanpartners.com | Call 800.344.1770

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 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 1000® Value Index measures the performance of US large-cap companies with lower price/book ratios and forecasted growth values. 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. 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 managers as of 30 Jun 2023. Those views may change, and the Fund disclaims any obligation to advise investors of such changes. For the purpose of determining the Funds' holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The holdings mentioned above comprise the following percentages of the Artisan Small Cap Fund's total net assets as of 30 Jun 2023: Halozyme Therapeutics Inc 5.1%, Argenx SE 4.8%, Shockwave Medical Inc 4.7%, Valmont Industries Inc 4.2%, Monolithic Power Systems Inc 4.2%, Ascendis Pharma A/S 3.1%, Exact Sciences Corp 2.3%, Bentley Systems Inc 2.2%, Repligen Corp 1.5%, Twist Bioscience Corp 1.1%, SPX Technologies Inc 1.0%, HubSpot Inc 1.0%, Iovance Biotherapeutics Inc 0.9%, Penumbra Inc 0.8%, Duolingo Inc 0.7%, Crocs Inc 0.7%, Avid Bioservices Inc 0.6%, Saia Inc 0.6%, Smartsheet Inc 0.5%, Rambus Inc 0.2%. Securities named in the Commentary, but not listed here are not held in the Fund as of the date of this report. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. All information in this report, unless otherwise indicated, includes all classes of shares (except performance and expense ratio information) and is as of the date shown in the upper right hand corner. This material does not constitute investment advice.

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.

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Private Market Value is an estimate of the value of a company if divisions were each independent and established their own market stock prices.

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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