



Artisan Mid Cap Fund

MONTHLY
Commentary

Investor Class: ARTMX | Advisor Class: APDMX As of 30 November 2016

Commentary

Global markets broadly rose in November following US election results that seemingly caught investors by surprise. US stocks led both foreign and emerging markets, which were both negative for the month. Given a post-election sentiment shift, sectors that had trailed year to date led in November and vice versa. Expectations for rising interest rates and the potential for less onerous regulation to come contributed to financials' outperformance, particularly banks. Energy, industrials and materials stocks also performed well, while commodities prices, particularly oil, rose aided by an OPEC agreement to curtail production. Small stocks outperformed their larger counterparts, and value again outperformed growth stocks.

Our portfolio trailed both the Russell Midcap® Growth and the Russell Midcap® Indices in November. Among the month's largest detractors were DexCom and Boston Scientific. Shares of DexCom were pressured amid a modestly more competitive environment for its continuous glucose monitoring system from Medtronic's recently FDA-approved system. However, we believe the opportunity ahead of DexCom remains meaningful and attractive.

Boston Scientific continues to generate broad-based, robust revenue growth across its product lines and geographies. The company recently paused implantation of its Lotus™ transcatheter valve in Europe while it investigates a potential mechanical issue. However, we expect the issue to be quickly resolved and for Boston Scientific to continue penetrating a large market with its innovative, blockbuster-potential products.

Among our top contributors in November were NVIDIA and SVB Financial. NVIDIA is benefiting from a meaningful shift in processing technology—namely, it is experiencing rapidly growing demand for its graphic processing units-based architecture, which represents a significant step forward in the growing areas of artificial intelligence and virtual reality. It is also capturing growing data-center demand for deep learning, which can help drive better targeted ads, speech processing and other functions.

SVB Financial, which serves a focused client base of start-ups and fast-growing life sciences and technology businesses, benefited from overall improved investor sentiment toward banks following the US election. Expectations for rising interest rates are an additional boon. However, even absent a rate hike, we believe SVB is poised to benefit from an attractive profit cycle as loans to private equity and venture capital funds grow solidly.

Our process is focused on identifying franchises exposed to accelerating profit cycles with reasonable valuations. It is our belief that owning companies with these characteristics should lead to outperformance over full market cycles. We will continue to be disciplined and methodical in our approach.

Portfolio Details

| | ARTMX | APDMX |
|---------------------------|-------------|--------------------|
| Net Asset Value (NAV) | \$37.21 | \$37.32 |
| Inception | 27 Jun 1997 | 1 Apr 2015 |
| Expense Ratios | | |
| Annual Report 30 Sep 2016 | 1.18% | 1.05% |
| Prospectus 30 Sep 2015 | 1.19% | 1.05% ¹ |

¹Includes estimated expenses for the current fiscal year.

Top 10 Holdings (% of total portfolio)

| | |
|--|--------------|
| IHS Markit Ltd (Industrials) | 4.8 |
| LKQ Corp (Consumer Discretionary) | 4.5 |
| S&P Global Inc (Financials) | 4.0 |
| Boston Scientific Corp (Health Care) | 3.9 |
| Global Payments Inc (Information Technology) | 3.3 |
| Regeneron Pharmaceuticals Inc (Health Care) | 3.0 |
| Fortune Brands Home & Security Inc (Industrials) | 2.7 |
| Waste Connections Inc (Industrials) | 2.6 |
| Cigna Corp (Health Care) | 2.5 |
| Workday Inc (Information Technology) | 2.3 |
| TOTAL | 33.5% |

Source: Artisan Partners/FactSet (GICS).

Sector Diversification (% of total portfolio equities)

| | Fund | RMCG ¹ |
|----------------------------|---------------|-------------------|
| Consumer Discretionary | 20.8 | 23.9 |
| Consumer Staples | 3.0 | 7.0 |
| Energy | 3.6 | 1.4 |
| Financials | 8.2 | 5.3 |
| Health Care | 19.4 | 14.9 |
| Industrials | 20.9 | 14.8 |
| Information Technology | 22.5 | 22.6 |
| Materials | 1.6 | 5.2 |
| Real Estate | 0.0 | 4.5 |
| Telecommunication Services | 0.0 | 0.5 |
| Utilities | 0.0 | 0.0 |
| TOTAL | 100.0% | 100.0% |

Source: Artisan Partners/FactSet (GICS)/Russell. Cash represented 3.7% of the total portfolio. ¹Russell Midcap® Growth Index.

Investment Results (%)

| As of 30 November 2016 | Average Annual Total Returns | | | | | | | |
|------------------------------|------------------------------|------------------|------------------|--------------|-------------|--------------|-------------|--------------|
| | MTD ¹ | QTD ¹ | YTD ¹ | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Inception |
| Investor Class: ARTMX | 3.18 | -1.96 | 1.37 | -1.12 | 4.16 | 11.41 | 8.89 | 13.00 |
| Advisor Class: APDMX | 3.22 | -1.91 | 1.50 | -0.98 | 4.25 | 11.47 | 8.92 | 13.02 |
| Russell Midcap® Growth Index | 4.35 | 0.11 | 6.96 | 4.54 | 7.22 | 13.09 | 7.70 | 7.89 |
| Russell Midcap® Index | 5.39 | 2.05 | 12.52 | 9.50 | 8.57 | 14.43 | 7.74 | 9.53 |
| As of 30 September 2016 | | | | | | | | |
| Investor Class: ARTMX | 0.05 | 5.86 | 3.40 | 8.08 | 5.75 | 14.16 | 9.88 | 13.24 |
| Advisor Class: APDMX | 0.05 | 5.88 | 3.47 | 8.19 | 5.82 | 14.20 | 9.90 | 13.25 |
| Russell Midcap® Growth Index | -0.05 | 4.59 | 6.84 | 11.24 | 8.90 | 15.85 | 8.51 | 7.96 |
| Russell Midcap® Index | 0.20 | 4.52 | 10.26 | 14.25 | 9.70 | 16.67 | 8.32 | 9.50 |

Source: Artisan Partners/Russell. ¹Returns for periods less than one year are not annualized. Advisor Class performance is that of the Investor Class from 27 June 1997 through the inception of the Advisor Class on 1 April 2015, and actual Advisor Class performance thereafter. Performance has not been adjusted to reflect the expenses of the Advisor Class for the period prior to the Class's inception, and Advisor Class performance results would differ 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. Performance may reflect agreements to limit a Fund's expenses, which would reduce performance if not in effect.

Market Cap Distribution (% of total portfolio equities)

| \$ in billions | Fund | RMCG ¹ |
|----------------|---------------|-------------------|
| 20.0+ | 33.1 | 19.8 |
| 13.5–20.0 | 13.4 | 21.5 |
| 9.5–13.5 | 21.1 | 20.2 |
| 6.0–9.5 | 20.8 | 21.0 |
| 0.0–6.0 | 11.7 | 17.5 |
| TOTAL | 100.0% | 100.0% |

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

Team Leadership (Pictured left to right)



| Portfolio Managers | Years of Investment Experience |
|-----------------------------|--------------------------------|
| Matthew H. Kamm, CFA (Lead) | 17 |
| James D. Hamel, CFA | 20 |
| Craigh A. Cepukenas, CFA | 28 |
| Jason L. White, CFA | 16 |

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.

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 markets. Securities of 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 Nov 2016: DexCom Inc 1.8%; NVIDIA Corp 2.0%; SVB Financial Group 1.7%. 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.

All information in this report includes all classes of shares, except performance and expense ratio information and as otherwise indicated, and is as of the date shown in the upper right hand corner unless otherwise indicated. 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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