



Artisan Mid Cap Value Fund

MONTHLY
Commentary

Investor Class: ARTQX | Advisor Class: APDQX

As of 30 November 2016

Commentary

November was a positive month for US equities across the board following a sharp post-election rally. Small-cap stocks came out on top, with value besting growth across the market-cap spectrum. Energy stocks were strong as oil prices surged on news OPEC voted to implement its first production cut in eight years. The six-month agreement will begin in January, with potential to be renewed thereafter. Domestic economic reports were generally positive, and bond yields jumped as investor expectations are high for an interest rate hike at the US Federal Reserve's December meeting.

Our portfolio posted strong gains, outperforming the Russell Midcap® Value Index in the month and YTD. Over the past few years, the low-interest rate phenomenon has led investors toward areas of stability (e.g., utilities, consumer staples, real estate). Based on our bottom-up stock selection process, we built a portfolio with below-benchmark exposure to these areas, as we believe valuations have generally appeared stretched. As we often say, relative performance is tied not only to what you own, but to what you don't own. To that end, our below-benchmark exposure to utilities, consumer staples and real estate worked in our favor in November and YTD.

Top individual performers came from a variety of sectors. Shares of energy exploration and production companies Devon, Hess, and Apache advanced along with oil prices. Global aircraft leasing company Air Lease continued its outperformance. The company has been executing well, and we believe it is one of the best operators in the leasing space with one of the best management teams. Banks were generally strong in the month, buoyed by the potential for regulatory shifts. Our bank holdings—Fifth Third Bancorp and M&T Bank—were no exception and were both key contributors.

Goldminers Kinross Gold and Goldcorp were a headwind in the month and QTD, as the stocks have fallen with gold prices. Despite near-term weakness, the stocks remain among our top performers YTD. Elsewhere, shares of diversified media company News Corp (assets include *The Wall Street Journal*, Harper Collins book publishing, Fox Sports Australia, etc.) were pressured by deteriorating trends on the back of weak advertising revenue at *The Wall Street Journal*. We acknowledge the fears, but believe they are overdone—shares trade at a large discount to our estimate of the sum-of-the-parts, the company's balance sheet is strong, and it is a solid generator of free cash flow.

We sold our position in Kennametal, a global supplier of metal cutting tooling. Shares have been rebounding off January lows and we exited our position in favor of names we believe have more upside potential.

Portfolio Details

	ARTQX	APDQX
Net Asset Value (NAV)	\$22.18	\$22.13
Inception	28 Mar 2001	1 Apr 2015
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2016	1.16/—	1.06/1.05 ¹
Prospectus 30 Sep 2015	1.19/—	1.05 ² /—

¹Reflects a contractual Fund expense reimbursement agreement in effect through 1 Feb 2017. ²Includes estimated expenses for the current fiscal year.

Top 10 Holdings (% of total portfolio)

Devon Energy Corp (Energy)	4.3
Air Lease Corp (Industrials)	3.7
Apache Corp (Energy)	3.3
Fifth Third Bancorp (Financials)	3.1
Alleghany Corp (Financials)	3.0
Arrow Electronics Inc (Information Technology)	3.0
Avnet Inc (Information Technology)	2.9
Celanese Corp (Materials)	2.7
Hess Corp (Energy)	2.6
Liberty Interactive Corp QVC Group (Consumer Discretionary)	2.3
TOTAL	30.8%

Source: Artisan Partners/FactSet (GICS).

Sector Diversification (% of total portfolio equities)

	Fund	RMCV ¹
Consumer Discretionary	18.8	8.8
Consumer Staples	0.0	3.2
Energy	10.8	10.8
Financials	24.8	19.5
Health Care	1.8	4.2
Industrials	15.0	12.8
Information Technology	15.9	9.0
Materials	10.5	6.1
Real Estate	0.9	13.6
Telecommunication Services	0.0	1.4
Utilities	1.5	10.6
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/Russell. Cash represented 7.0% of the total portfolio. ¹Russell Midcap® Value Index.

Investment Results (%)

As of 30 November 2016	MTD ¹	QTD ¹	YTD ¹	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTQX	8.21	6.44	21.54	15.39	4.46	11.03	7.63	10.69
Advisor Class: APDQX	8.24	6.52	21.66	15.49	4.53	11.08	7.66	10.70
Russell Midcap® Value Index	6.26	3.68	17.90	14.25	9.79	15.58	7.51	10.21
Russell Midcap® Index	5.39	2.05	12.52	9.50	8.57	14.43	7.74	9.44

As of 30 September 2016

Investor Class: ARTQX	0.71	4.13	14.19	14.10	3.84	12.33	7.83	10.36
Advisor Class: APDQX	0.71	4.09	14.22	14.22	3.89	12.36	7.84	10.37
Russell Midcap® Value Index	0.42	4.45	13.72	17.26	10.49	17.38	7.89	10.07
Russell Midcap® Index	0.20	4.52	10.26	14.25	9.70	16.67	8.32	9.40

Source: Artisan Partners/Russell. ¹Returns for periods less than one year are not annualized. Advisor Class performance is that of the Investor Class from 28 March 2001 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.

Average Annual Total Returns

Market Cap Distribution (% of total portfolio equities)

\$ in billions	Fund	RMCV ¹
17.0+	29.4	31.7
12.0–17.0	4.9	17.2
8.0–12.0	21.8	18.6
5.0–8.0	24.4	16.7
0.0–5.0	19.4	15.9
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet/Russell. ¹Russell Midcap® Value Index.

Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
James C. Kieffer, CFA	27
George O. Sertl, CFA	24
Daniel L. Kane, CFA	18

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.

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. 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 Nov 2016: Goldcorp Inc 2.0%; Kinross Gold Corp 1.4%; M&T Bank Corp 2.1%; News Corp 1.6%. 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.

Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures.

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