



# Artisan Value Fund

## MONTHLY Commentary

Investor Class: ARTLX | Advisor Class: APDLX As of 31 March 2017

### Commentary

Our portfolio held up better than the Russell 1000® Value Index in March. Strength was primarily concentrated in our consumer discretionary and information technology holdings. Shares of tire manufacturer Michelin advanced as the company continues to execute well—Michelin operates in a stable business environment, and is backed by strong brand recognition and a globally diversified revenue base. Its balance sheet is in sound condition, with low leverage, and the company is funneling excess cash back to shareholders via dividend payments and share repurchases.

Shares of Samsung Electronics were also additive to results. The company recently unveiled the new model of its flagship smartphone, the Galaxy S8, to positive initial feedback. Samsung is executing well on multiple fronts, and the stock has been a standout over the past year. We've been trimming the name on success, dropping it to a smaller, albeit still significantly sized, holding.

On the downside, energy E&Ps Devon and Hess pulled back, weighing on results. The names had a strong run-up at the end of 2016, as optimism about OPEC's production cuts grew, buoying oil prices. While the production cuts have occurred, oil inventories haven't been dropping as investors expected, pressuring oil prices and shares. We remain of the belief that inventories are going to rebalance, and our long-term theses in these names remain. We used the recent weakness to build on our positions.

We had no new purchases or sales in the month. At this point in the cycle, we believe it's critical to avoid areas of the market where valuations, in our view, have been stretched. That's why, as always, we're sticking to our long-term, disciplined investment approach and being patient. Our portfolio remains significantly different than the benchmark, and we continue to believe the portfolio looks compelling on an absolute and relative basis.

### Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$14.37	\$14.33
Inception	27 Mar 2006	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2016	0.96%	0.84%
Prospectus 30 Sep 2016 <sup>1</sup>	0.97%	0.84%

<sup>1</sup>See prospectus for more information.

### Top 10 Holdings (% of total portfolio)

Devon Energy Corp (Energy)	4.6
Air Lease Corp (Industrials)	4.4
Berkshire Hathaway Inc (Financials)	3.9
Citigroup Inc (Financials)	3.8
LyondellBasell Industries NV (Materials)	3.6
Goldcorp Inc (Materials)	3.6
Apple Inc (Information Technology)	3.4
Alphabet Inc (Information Technology)	3.4
Occidental Petroleum Corp (Energy)	3.1
Cie Generale des Etablissements Michelin (Consumer Discretionary)	3.1
<b>TOTAL</b>	<b>36.9%</b>

Source: Artisan Partners/FactSet (GICS).

### Sector Diversification (% of total portfolio equities)

	Fund	RIV <sup>1</sup>
Consumer Discretionary	13.4	4.5
Consumer Staples	0.0	8.5
Energy	16.2	12.2
Financials	20.7	26.5
Health Care	7.8	10.8
Industrials	6.0	10.1
Information Technology	19.9	10.0
Materials	15.0	2.9
Real Estate	1.1	4.6
Telecommunication Services	0.0	3.6
Utilities	0.0	6.2
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/FactSet (GICS)/Russell. Cash represented 6.4% of the total portfolio. <sup>1</sup>Russell 1000® Value Index.

### Investment Results (%)

As of 31 March 2017	Average Annual Total Returns							
	MTD <sup>1</sup>	QTD <sup>1</sup>	YTD <sup>1</sup>	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	-0.42	3.68	3.68	23.19	7.47	10.32	5.91	6.94
Advisor Class: APDLX	-0.42	3.69	3.69	23.36	7.56	10.38	5.94	6.97
Russell 1000® Value Index	-1.02	3.27	3.27	19.22	8.67	13.13	5.93	6.82
Russell 1000® Index	0.06	6.03	6.03	17.43	9.99	13.26	7.58	7.92

Source: Artisan Partners/Russell. <sup>1</sup>Returns for periods less than one year are not annualized. Advisor Class performance is that of the Investor Class from 27 March 2006 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.

Market Cap Distribution (% of total portfolio equities)

\$ in billions	Fund	RIV <sup>1</sup>
225.0+	13.5	23.5
100.0–225.0	11.3	16.2
40.0–100.0	15.9	21.3
15.0–40.0	25.5	19.8
0.0–15.0	33.8	19.3
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/FactSet/Russell. <sup>1</sup>Russell 1000® Value Index.

Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
George O. Sertl, CFA	24
James C. Kieffer, CFA	28
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.

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 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. Value securities may underperform other asset types during a given period.

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. 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 2017: Hess Corp 3.0%; Samsung Electronics Co Ltd 2.8%. 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.

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Sector exposure percentages reflect sector designations as currently classified by GICS.

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