



Artisan Value Fund

MONTHLY
Commentary

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

Commentary

Our portfolio trailed the Russell 1000® Value Index in May, but remains in line for the year. Our exposure to energy was a drag, with shares of E&Ps Devon and Hess weighing on results. We believe the names detracted along with oil prices, rather than due to any material change in company fundamentals. We remain of the belief that market pressures are lined up to cause oil inventories to rebalance, and our long-term theses in these names remain intact. In our view, Devon and Hess are high-quality names, and valuations look undemanding.

We benefited from strength in our information technology holdings, including Q1 2017 purchase Cognizant Technology Solutions. The company is an IT services vendor, providing consulting and business process outsourcing largely to the health care and financial services industry. Shares advanced as efforts to renew its focus on fundamental improvements and more efficient capital allocation are taking hold. Cognizant's balance sheet is strong, with a large amount of net cash, and it generates ample free cash flow. We trimmed our position on strength.

We were fairly active in the month, initiating two positions and exiting one. On the sale side, we moved on from commercial real estate broker and property services firm Jones Lang LaSalle (JLL). We had initiated our position in Q4 2016, but were only able to get half of a low-end position as the stock quickly ran up. While we continue to like the business, we exited as valuations appeared fair, redeploying capital to what we view as more attractive opportunities.

In the health care space, we established a position in Cardinal Health, an integrated health care services and products distribution company. The stock has been pressured by higher-than-expected deceleration in generic drug pricing and difficult contract renegotiations, presenting us an opportunity to initiate our position. In our view, it's a high quality company with attractive size and market-share advantages. Further, we believe the company's recent acquisition of Medtronic's patient recovery business provides attractive, additional diversification into medical supplies.

Our other new purchase was North American auto retailer AutoNation, a name we also own in our mid-cap portfolio. Our opportunity to invest came as cyclical headwinds weighed on results, pressuring shares. We believe the cycle has likely peaked, and we are valuing the company with an eye toward normalized results (as we always do). We know the business is cyclical, and we believe a well-financed dealer like AutoNation earns good returns on capital at many points in the cycle. In our view, the company has an underappreciated parts and services revenue stream that provides some shelter from the cyclical (people need to get their car serviced regardless of the economic environment). We have a long-term investment time horizon, and we believe shares are pricing in enough of a discount to make valuations compelling. We also like the company's management team, which thinks and acts like owners, with a goal of maximizing shareholder value.

Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$14.27	\$14.24
Inception	27 Mar 2006	1 Apr 2015
Expense Ratios		
Semi-Annual Report 31 Mar 2017 ¹	0.97%	0.84%
Prospectus 30 Sep 2016 ²	0.97%	0.84%

¹Unaudited, annualized for the six month period. ²See prospectus for more information.

Top 10 Holdings (% of total portfolio)

Air Lease Corp (Industrials)	4.2
Alphabet Inc (Information Technology)	4.0
Citigroup Inc (Financials)	3.9
LyondellBasell Industries NV (Materials)	3.9
Berkshire Hathaway Inc (Financials)	3.9
Devon Energy Corp (Energy)	3.8
Apple Inc (Information Technology)	3.7
Goldcorp Inc (Materials)	3.4
Cie Generale des Etablissements Michelin (Consumer Discretionary)	3.2
Occidental Petroleum Corp (Energy)	2.9
TOTAL	36.8%

Source: Artisan Partners/FactSet (GICS).

Sector Diversification (% of total portfolio equities)

	Fund	R1V ¹
Consumer Discretionary	15.6	4.5
Consumer Staples	0.0	8.8
Energy	14.3	11.4
Financials	20.1	26.0
Health Care	9.8	11.2
Industrials	5.6	10.4
Information Technology	19.2	10.3
Materials	15.4	2.9
Real Estate	0.0	4.7
Telecommunication Services	0.0	3.4
Utilities	0.0	6.6
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/Russell. Cash represented 4.1% of the total portfolio. ¹Russell 1000® Value Index.

Investment Results (%)

As of 31 May 2017	Average Annual Total Returns							
	MTD ¹	QTD ¹	YTD ¹	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	-0.42	-0.70	2.96	16.57	5.81	12.02	5.04	6.77
Advisor Class: APDLX	-0.35	-0.63	3.04	16.79	5.92	12.09	5.07	6.80
Russell 1000® Value Index	-0.10	-0.29	2.97	14.66	7.70	14.67	5.15	6.68
Russell 1000® Index	1.28	2.35	8.51	17.48	9.83	15.37	7.01	8.02

As of 31 March 2017

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. ¹Returns 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 ¹
225.0+	13.9	20.8
100.0–225.0	10.9	17.4
40.0–100.0	15.0	21.5
15.0–40.0	22.6	20.7
0.0–15.0	37.6	19.6
TOTAL	100.0%	100.0%

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

Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
George O. Sertl, CFA	25
James C. Kieffer, CFA	28
Daniel L. Kane, CFA	19

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 May 2017: AutoNation Inc 2.0%; Cardinal Health Inc 2.1%; Cognizant Technology Solutions Corp 2.6%; Hess Corp 2.9%; Medtronic PLC 2.2%. 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.

This material is provided for informational purposes without regard to your particular investment needs. This material shall not be construed as investment or tax advice on which you may rely for your investment decisions. Investors should consult their financial and tax adviser before making investments in order to determine the appropriateness of any investment product discussed herein.

The Global Industry Classification Standard (GICS®) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's Financial Services, LLC (S&P). Neither MSCI, S&P, their affiliates, nor any of their third party providers ("GICS Parties") makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including warranties of accuracy, completeness, merchantability and fitness for a particular purpose. The GICS Parties shall not have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of such damages.

Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or Russell ratings or underlying data and no party may rely on any Russell Indexes and/or Russell ratings and/or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.

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.

Artisan Partners Funds offered through Artisan Partners Distributors LLC (APDLLC), member FINRA. APDLLC is a wholly owned broker/dealer subsidiary of Artisan Partners Holdings LP. Artisan Partners Limited Partnership, an investment advisory firm and adviser to Artisan Partners Funds, is wholly owned by Artisan Partners Holdings LP.

© 2017 Artisan Partners. All rights reserved.

6/5/2017 A17586L_vR