



Artisan Value Fund

MONTHLY Commentary

Investor Class: ARTLX | Advisor Class: APDLX As of 30 November 2017

Commentary

Our portfolio advanced in November, but fell shy of the Russell 1000® Value Index (though we remain ahead on a YTD basis). Information technology holdings Samsung Electronics and Cognizant weighed on results this month as investors shunned technology stocks on the perception the industry will benefit the least from tax reform. Shares of Samsung were also pressured along with memory stocks on concerns of oversupply, and on an analyst downgrade. The stock remains a standout performer YTD, and we continue to believe the company exemplifies our three margin of safety criteria.

Cognizant is an IT services vendor, providing consulting and business process outsourcing largely to the health care and financial services industries. Tepid growth in the financial services vertical, coupled with fears surrounding US visa reform, pressured shares. We view Cognizant as a quality company with a solid management team and long track record of success. We like that it has renewed its focus on fundamental improvements and more efficient capital allocation, and believe the business is well positioned for evolution in the industry.

North American auto retailer AutoNation boosted results on strong performance across the business. The company announced a partnership with Waymo, Alphabet's self-driving unit. While specifics on the partnership have yet to be released, AutoNation will serve as a repair and maintenance provider for the autonomous fleets. AutoNation also repurchased approximately \$400mm in shares during the quarter. We continue to believe that based on a reasonable assumption of annual SAAR in the US, the valuation is compelling, and that management is focused on increasing per-share economic value.

Shares of diversified media company News Corp also boosted results. The company continues making progress shifting to digital businesses and away from traditional print media advertising revenue businesses. News Corp has also been improving its cost structure, has ample cash on the balance sheet and produces solid free cash flow. Shares continue to trade at a discount to our estimate of the sum-of-the-parts.

Portfolio Details	ARTLX	APDLX
Net Asset Value (NAV)	\$14.24	\$14.17
Inception	27 Mar 2006	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2017	1.01%	0.85%
Prospectus 30 Sep 2016 ¹	0.97%	0.84%

¹See prospectus for more information.

Top 10 Holdings (% of total portfolio)

LyondellBasell Industries NV (Materials)	4.6
Air Lease Corp (Industrials)	4.5
Citigroup Inc (Financials)	4.4
Berkshire Hathaway Inc (Financials)	4.1
Devon Energy Corp (Energy)	3.9
Alphabet Inc (Information Technology)	3.8
Apple Inc (Information Technology)	3.8
Agrium Inc (Materials)	3.4
Cie Generale des Etablissements Michelin (Consumer Discretionary)	3.3
Hess Corp (Energy)	3.3
TOTAL	39.1%

Source: Artisan Partners/FactSet (GICS).

Sector Diversification (% of total portfolio equities)

	Fund	RIV ¹
Consumer Discretionary	15.2	6.8
Consumer Staples	0.0	8.6
Energy	15.7	10.6
Financials	21.8	26.7
Health Care	9.1	13.6
Industrials	6.3	8.2
Information Technology	18.7	8.6
Materials	11.2	2.9
Real Estate	2.1	4.8
Telecommunication Services	0.0	2.9
Utilities	0.0	6.3
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/Russell. Cash and cash equivalents represented 7.9% of the total portfolio. ¹Russell 1000® Value Index.

Investment Results (%)

As of 30 November 2017	Average Annual Total Returns							
	MTD ¹	QTD ¹	YTD ¹	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	2.42	3.10	13.44	14.34	9.96	12.25	6.85	7.35
Advisor Class: APDLX	2.43	3.10	13.54	14.54	10.08	12.32	6.89	7.39
Russell 1000® Value Index	3.06	3.81	12.03	14.83	8.35	14.17	6.84	7.16
Russell 1000® Index	3.05	5.41	20.35	22.61	10.73	15.69	8.40	8.63

As of 30 September 2017

Investor Class: ARTLX	3.74	4.74	10.03	17.16	8.76	11.29	6.05	7.18
Advisor Class: APDLX	3.68	4.75	10.13	17.37	8.88	11.36	6.08	7.21
Russell 1000® Value Index	2.96	3.11	7.92	15.12	8.53	13.20	5.92	6.92
Russell 1000® Index	2.13	4.48	14.17	18.54	10.63	14.27	7.55	8.26

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+	18.2	20.3
100.0–225.0	11.6	18.1
40.0–100.0	21.9	22.1
15.0–40.0	21.7	21.0
0.0–15.0	26.6	18.5
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
James C. Kieffer, CFA	28
Thomas A. Reynolds IV	18
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 30 Nov 2017: AutoNation Inc 2.6%; Cognizant Technology Solutions Corp 1.7%; News Corp 1.9%; Samsung Electronics Co Ltd 3.3%. 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.

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

Margin of Safety, a concept developed by Benjamin Graham, is the difference between the market price and the estimated intrinsic value of a business. A large margin of safety may help guard against permanent capital loss and improve the probability of capital appreciation. Margin of safety does not prevent market loss—all investments contain risk and may lose value. **Free Cash Flow** is a measure of financial performance calculated as operating cash flow minus capital expenditures. **SAAR** stands for seasonally adjusted annual rate.

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.