



Artisan Value Fund

MONTHLY Commentary

Investor Class: ARTLX | Advisor Class: APDLX As of 31 January 2018

Commentary

Our portfolio posted a strong start to the year, outperforming the Russell 1000® Value Index. Though we're bottom-up investors and build our portfolios one stock at a time, it remains our contention that alpha in the current market may come from avoidance of more expensive sectors. This was the case in January, as our below-benchmark exposure to real estate and utilities was a tailwind. Our minimal exposure to these areas (~2% combined weight in our portfolio vs. ~10% in the index) stems from valuations that appear full to us.

On an individual holdings basis, shares of North American auto retailer AutoNation were strong. Continued stability in demand for new and used cars, coupled with investors leaning into the stock as a potential beneficiary of tax cuts (believing consumers will use money saved from the tax cut on a vehicle), has helped propel shares. We continue to like the company's management team, which thinks and acts like owners with the goal of increasing per-share economic value. Further, based on a reasonable assumption of annual SAAR in the US, we believe the valuation is compelling.

On the downside, shares of Nutrien weighed on results. The merger of equals between Agrium (a nitrogen player with a substantial retail operation) and Potash Corporation (the world's largest fertilizer company by capacity with the majority of its business driven by potash) finalized in the month. Shares of Agrium and Potash had moved up in November and December as the deal looked ready to close. Both companies are toward the end of their capex cycles and should generate ample cash over the next several years. Further, we believe the merger provides synergies and scale advantages.

Shares of Simon Property Group (SPG) also worked against us. The company is a mall and outlet center REIT operator, with what we view as some of the highest quality retail assets in the US. Investors were disappointed by 2018 guidance, which came in below consensus expectations. Further, rising interest rates could decrease the value of real estate. In our view, the fear of the death of brick-and-mortar retail is premature—the majority of SPG's exposure is in A-rated malls, where fundamentals have continued to improve as retailers consolidate their footprints in top malls where customer traffic is holding steady. We continue to believe SPG has a high-quality, sustainable cash flow stream, a good balance sheet and offers a healthy dividend.

Portfolio Details	ARTLX	APDLX
Net Asset Value (NAV)	\$15.35	\$15.29
Inception	27 Mar 2006	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2017	1.01%	0.85%
Prospectus 30 Sep 2017 ¹	1.01%	0.85%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Air Lease Corp (Industrials)	4.7
Citigroup Inc (Financials)	4.3
Berkshire Hathaway Inc (Financials)	4.2
Alphabet Inc (Information Technology)	4.1
Devon Energy Corp (Energy)	3.9
LyondellBasell Industries NV (Materials)	3.9
Cie Generale des Etablissements Michelin (Consumer Discretionary)	3.4
Apple Inc (Information Technology)	3.4
Nutrien Ltd (Materials)	3.4
Hess Corp (Energy)	3.4
TOTAL	38.6%

Source: Artisan Partners/FactSet (GICS).

Sector Diversification (% of total portfolio equities)

	Fund	RIV ¹
Consumer Discretionary	14.8	6.8
Consumer Staples	0.0	8.4
Energy	15.3	11.0
Financials	22.1	27.3
Health Care	10.4	13.7
Industrials	6.2	8.3
Information Technology	17.7	8.7
Materials	11.7	3.0
Real Estate	1.9	4.4
Telecommunication Services	0.0	2.9
Utilities	0.0	5.5
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/Russell. Cash and cash equivalents represented 4.3% of the total portfolio. ¹Russell 1000® Value Index.

Investment Results (%)

As of 31 January 2018	MTD ¹	QTD ¹	YTD ¹	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	5.43	5.43	5.43	19.52	12.75	12.25	8.18	7.93
Advisor Class: APDLX	5.52	5.52	5.52	19.74	12.91	12.35	8.23	7.97
Russell 1000® Value Index	3.87	3.87	3.87	17.22	11.54	13.47	7.95	7.53
Russell 1000® Index	5.49	5.49	5.49	25.84	14.28	15.72	9.85	9.09

As of 31 December 2017

Investor Class: ARTLX	2.25	5.41	15.98	15.98	10.81	12.42	7.34	7.50
Advisor Class: APDLX	2.26	5.43	16.11	16.11	10.94	12.50	7.38	7.53
Russell 1000® Value Index	1.46	5.33	13.66	13.66	8.65	14.04	7.10	7.24
Russell 1000® Index	1.11	6.59	21.69	21.69	11.23	15.71	8.59	8.66

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.

Average Annual Total Returns

Market Cap Distribution (% of total portfolio equities)

\$ in billions	Fund	RIV ¹
230.0+	18.6	19.1
100.0–230.0	16.4	24.4
40.0–100.0	21.7	20.4
15.0–40.0	23.4	18.0
0.0–15.0	20.0	18.1
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	29
Thomas A. Reynolds IV	19
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 Jan 2018: AutoNation Inc 2.6%; Simon Property Group Inc 1.8%. 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.

SAAR stands for seasonally adjusted annual rate. Alpha is a quantitative measure of the volatility of the portfolio relative to a designated index. A positive alpha of 1.0 means the fund has outperformed its designated index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%.

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