



Artisan Value Fund

MONTHLY
Commentary

Investor Class: ARTLX | Advisor Class: APDLX As of 30 November 2018

Commentary

Our portfolio trailed the Russell 1000® Value Index QTD. Our energy sector holdings were among the largest QTD detractors from performance, including Devon Energy, Apache Corp and Hess Corp—oil and natural gas exploration and production companies. The sector was particularly hard hit as crude oil prices fell 22% in November (the biggest selloff since 2008).

Our top QTD detractor was Apple, which suffered as longer phone life cycles and rising competition from Asia have saturated the market, presenting the risk of slowing iPhone (and other hardware) sales growth. In response, Apple recently cut production orders for iPhones, which has cascaded down its supply chain, hitting vendors and suppliers along the way.

American content producer, broadband and cable operator Comcast (CMCSA) was overwhelmingly the top contributor QTD after finalizing its acquisition of Britain's Sky TV, which lifted uncertainty on CMCSA's capital structure. We believe Comcast's focus will now be on integrating Sky and on de-leveraging the balance sheet from the transaction. Subsequent to closing the deal, CMCSA reported strong results, which helped the market gain increased confidence in the duration of Comcast's cash flow—a relatively bright spot in an otherwise turbulent quarter.

Simon Property Group, a real estate investment trust, was another strong performer QTD. Yes, Simon's Q3 financials beat expectations, which supported its rising valuation. But also, its notable exposure to bankrupted and shuttering Sears stores is turning into an opportunity. Management expects to increase capital expenditures over the next year to redevelop big-box, anchor Sears locations away from pure retail, into denser, more diversified revenue streams in a bid to re-energize the shopping mall experience for a new generation of consumers.

Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$12.04	\$11.97
Inception	27 Mar 2006	1 Apr 2015
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2018	1.01/—	0.89/0.88 ^{1,2}
Prospectus 30 Sep 2017 ¹	1.01/—	0.85/—

¹See prospectus for further details. ²Reflects a contractual expense limitation agreement in effect through 31 Jan 2020.

Top 10 Holdings (% of total portfolio)

Berkshire Hathaway Inc (Financials)	4.7
Alphabet Inc (Communication Services)	4.6
Citigroup Inc (Financials)	3.8
Apple Inc (Information Technology)	3.4
Comcast Corp (Communication Services)	3.3
NXP Semiconductors NV (Information Technology)	3.2
Air Lease Corp (Industrials)	3.2
Cisco Systems Inc (Information Technology)	3.0
Wells Fargo & Co (Financials)	3.0
Cie Generale des Etablissements Michelin SCA (Consumer Discretionary)	2.9
TOTAL	35.1%

Source: Artisan Partners/FactSet (GICS).

Sector Diversification (% of total portfolio equities)

	Fund	RIV ¹
Communication Services	14.7	7.1
Consumer Discretionary	11.0	5.2
Consumer Staples	0.0	7.8
Energy	9.3	9.6
Financials	21.8	22.9
Health Care	10.3	15.6
Industrials	5.3	7.5
Information Technology	15.5	9.4
Materials	9.7	4.0
Real Estate	2.4	4.9
Utilities	0.0	6.0
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/Russell. Cash and cash equivalents represented 3.7% of the total portfolio. ¹Russell 1000® Value Index.

Investment Results (%)

As of 30 November 2018	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	-0.71	-8.21	-4.80	-2.66	10.10	6.54	12.92	6.53
Advisor Class: APDLX	-0.72	-8.18	-4.70	-2.55	10.23	6.64	12.97	6.57
Russell 1000® Value Index	2.99	-2.35	1.48	2.96	9.82	8.65	12.46	6.82
Russell 1000® Index	2.04	-5.19	4.76	5.92	11.94	10.89	14.55	8.41

As of 30 September 2018

Investor Class: ARTLX	-0.26	4.35	3.71	9.32	16.87	9.42	9.81	7.35
Advisor Class: APDLX	-0.27	4.30	3.80	9.43	17.01	9.51	9.86	7.39
Russell 1000® Value Index	0.20	5.70	3.92	9.45	13.55	10.72	9.79	7.12
Russell 1000® Index	0.38	7.42	10.49	17.76	17.07	13.67	12.09	8.99

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. Class inception: Investor (27 March 2006); Advisor (1 April 2015). For the period prior to inception, Advisor Class performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Advisor Class and the share class's returns during that period would be different 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
230.0+	18.8	21.5
100.0–230.0	24.3	19.5
40.0–100.0	17.0	20.6
15.0–40.0	20.4	19.5
0.0–15.0	19.5	19.0
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	20

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 2018: Apache Corp 1.6%; Devon Energy Corp 1.6%; Hess Corp 1.5%; Simon Property Group Inc 2.3%. 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.

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

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12/6/2018 A18797L_vR