



Artisan Mid Cap Value Fund

MONTHLY
Commentary

Investor Class: ARTQX | Advisor Class: APDQX

As of 31 October 2018

Commentary

QTD our portfolio slightly trails the Russell Midcap® Value Index. Stock selection has been positive overall, but weakness from the energy and industrials sectors has in general weighed on returns.

Fluor, an engineering and construction company, is a top QTD detractor tied to legacy problem projects, primarily in the power and downstream markets. Shares were pressured following a related negative pre-earnings conference call early in the month. We had been paring our position in this name ahead of that call as the stock price approached YTD highs.

Also among our top detractors QTD is recent purchase Delphi Technologies, which is an automotive parts supplier to auto manufacturers. We were initially attracted to the business due to an undemanding valuation coupled with what looks like a misunderstanding in the market regarding Delphi's future growth opportunities. The business fell further out of favor after our initial purchase as investors fret the combination of a slowing auto market, the potential impact of emission regulations in Europe, and declining expectations for China auto sales in the second half. We continue to believe Delphi is executing well against a challenging backdrop and that it remains poised to benefit from the trend toward electric vehicles. In fact, we added to our position this month.

Among our top QTD contributors is Omnicom Group, a global advertising and marketing services holding company, whose stock moved higher on better-than-expected organic revenue growth in Q3, both in North America and internationally, which boosted earnings per share above estimates.

Grocery chain Kroger is another strong QTD contributor. Its stock price round-tripped in October, bouncing back from early-month weakness following the announcement of a limited-scope deal to distribute groceries through Walgreens' pharmacies. This reflects the company's larger focus, which has been to push ahead with outside-the-box revenue growth and market-share acquisition strategies, as a way to reinvent themselves in a competitive environment. We appreciate that management has been relatively active in what is supposed to otherwise be a sleepy industry.

Portfolio Details

	ARTQX	APDQX
Net Asset Value (NAV)	\$21.82	\$21.80
Inception	28 Mar 2001	1 Apr 2015
Expense Ratios		
Semi-Annual Report 31 Mar 2018 ¹	1.20%	1.06%
Prospectus 30 Sep 2017 ²	1.17%	1.06%

¹Unaudited, annualized for the six-month period. ²See prospectus for further details.

Top 10 Holdings (% of total portfolio)

IAC/InterActiveCorp (Communication Services)	3.5
Celanese Corp (Materials)	3.3
The Kroger Co (Consumer Staples)	3.3
Air Lease Corp (Industrials)	2.8
Torchmark Corp (Financials)	2.8
AutoNation Inc (Consumer Discretionary)	2.8
Fifth Third Bancorp (Financials)	2.8
Qurate Retail Inc (Consumer Discretionary)	2.7
M&T Bank Corp (Financials)	2.6
CBS Corp (Communication Services)	2.6
TOTAL	29.2%

Source: Artisan Partners/FactSet (GICS).

Sector Diversification (% of total portfolio equities)

	Fund	RMCV ¹
Communication Services	15.2	3.4
Consumer Discretionary	14.9	8.8
Consumer Staples	3.5	5.2
Energy	9.4	6.9
Financials	24.1	17.7
Health Care	2.2	6.7
Industrials	15.5	12.0
Information Technology	4.6	8.9
Materials	7.7	6.0
Real Estate	3.0	13.3
Utilities	0.0	11.1
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/Russell. Cash and cash equivalents represented 5.8% of the total portfolio. ¹Russell Midcap® Value Index.

Investment Results (%)

As of 31 October 2018	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTQX	-7.39	-7.39	-4.00	0.53	7.91	4.69	12.03	9.99
Advisor Class: APDQX	-7.35	-7.35	-3.88	0.69	8.04	4.78	12.07	10.02
Russell Midcap® Value Index	-7.20	-7.20	-4.30	0.16	8.15	8.11	13.35	9.67
Russell Midcap® Index	-8.31	-8.31	-1.47	2.79	9.04	8.97	14.19	9.40

As of 30 September 2018

Investor Class: ARTQX	-0.97	2.39	3.65	8.55	12.54	6.94	9.94	10.52
Advisor Class: APDQX	-0.97	2.39	3.75	8.68	12.67	7.03	9.98	10.55
Russell Midcap® Value Index	-0.79	3.30	3.13	8.81	13.09	10.72	11.29	10.18
Russell Midcap® Index	-0.64	5.00	7.46	13.98	14.52	11.65	12.31	9.99

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. Class inception: Investor (28 March 2001); 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.

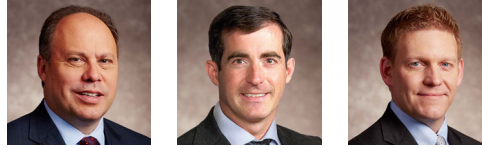
Past performance does not guarantee and is not a reliable indicator of future results. Investment returns and principal values will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. Call 800.344.1770 for current to most recent month-end performance.

Market Cap Distribution (% of total portfolio equities)

\$ in billions	Fund	RMCV ¹
23.0+	18.4	14.7
16.0–23.0	21.9	22.6
11.0–16.0	9.5	21.1
6.5–11.0	16.6	21.2
0–6.5	33.7	20.4
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet/Russell. ¹Russell Midcap® 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.

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 Midcap® Value Index measures the performance of US mid-cap companies with lower price/book ratios and forecasted growth values. Russell Midcap® Index measures the performance of roughly 800 US mid-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 Oct 2018: Delphi Technologies PLC 1.5%; Fluor Corp 1.8%; Omnicom 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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