



Artisan Value Fund

MONTHLY Commentary

Investor Class: ARTLX | Advisor Class: APDLX As of 30 April 2019

Commentary

Shortly after receiving a more-robust-than-expected Q1 GDP print, the S&P 500® Index hit a record high in April. Beyond hitting a historical peak, the stock market's run-up has been noteworthy as well. You have to go back three decades to find a better start to a calendar year—and this is the best four-month stretch for the index since 2010. The rally has been consistent with a better-than-forecasted earnings season. With about half of the S&P 500® Index's constituents having reported Q1 results by month-end, 77% of those firms have beaten earnings per share estimates.

The Russell 1000® Value Index posted 3.55% total returns for the month, led by the financials, industrials and technology sectors. Health care, energy and real estate lagged, posting negative total returns. Our portfolio outperformed, with consumer discretionary and materials holdings driving strong relative returns.

NXP Semiconductors, a global semiconductor company, was April's top contributor to returns. The company designs semiconductors and software for mobile communications, consumer electronics, security applications, in-car entertainment and networking. With 49% of revenue coming from the automotive end market, NXP is positioned to benefit from the underlying trend toward auto electrification. Reliable automation needs sophisticated processors. Even amid near-term demand headwinds (autos, China) and relatively high debt levels, NXP is on track to control costs, hit margin improvement targets and remain aggressive with buybacks.

Global financial services holding company Citigroup was another top contributor. By continuing to be disciplined on expenses, even slight revenue improvements can lead to improving returns on tangible equity. Lower tax rates haven't hurt, either. The company is highly diversified by region and product, and it has one of the strongest balance sheets among all international banks. Cost-cutting efforts have succeeded at raising profits above expectations, and management continues to repurchase shares at a discount to tangible book value.

Occidental Petroleum made a hostile bid in April for rival Anadarko Petroleum. The details weighed on Occidental's stock, leading it to be our portfolio's top detractor. The \$38 billion cash-and-stock deal was \$11 more per share than an earlier bid from Chevron and hinges on an additional \$10 billion of relatively costly financing from Warren Buffet's Berkshire Hathaway.

Portfolio Details

	ARTLX	APDLX
Net Asset Value (NAV)	\$12.85	\$12.79
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 2018 ²	1.02/—	0.90/0.89 ¹

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

Top 10 Holdings (% of total portfolio)

Alphabet Inc (Communication Services)	4.6
Berkshire Hathaway Inc (Financials)	4.5
Apple Inc (Information Technology)	4.1
Citigroup Inc (Financials)	3.8
NXP Semiconductors NV (Information Technology)	3.6
Comcast Corp (Communication Services)	3.4
Air Lease Corp (Industrials)	3.3
Cisco Systems Inc (Information Technology)	3.2
Facebook Inc (Communication Services)	3.2
Synchrony Financial (Financials)	3.1
TOTAL	36.9%

Source: Artisan Partners/FactSet (GICS).

Sector Diversification (% of total portfolio equities)

	Fund
Communication Services	15.7
Consumer Discretionary	10.1
Consumer Staples	0.0
Energy	5.2
Financials	23.8
Health Care	9.2
Industrials	11.6
Information Technology	15.9
Materials	8.5
Real Estate	0.0
Utilities	0.0
TOTAL	100.0%

Source: Artisan Partners/FactSet (GICS). Cash and cash equivalents represented 6.0% of the total portfolio.

Investment Results (%)

As of 30 April 2019	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTLX	5.41	5.41	19.42	5.59	9.82	6.86	12.18	6.85
Advisor Class: APDLX	5.44	5.44	19.42	5.70	9.98	6.99	12.25	6.89
Russell 1000® Value Index	3.55	3.55	15.90	9.06	10.97	8.27	13.76	6.98
Russell 1000® Index	4.04	4.04	18.60	13.33	14.82	11.41	15.39	8.76

As of 31 March 2019

Investor Class: ARTLX	0.58	13.29	13.29	1.10	9.92	6.00	13.21	6.46
Advisor Class: APDLX	0.58	13.26	13.26	1.26	10.08	6.12	13.28	6.50
Russell 1000® Value Index	0.64	11.93	11.93	5.67	10.45	7.72	14.52	6.74
Russell 1000® Index	1.74	14.00	14.00	9.30	13.52	10.63	16.05	8.48

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
225.0+	20.9	26.3
100.0–225.0	18.9	15.4
40.0–100.0	22.2	21.1
15.0–40.0	18.2	19.3
0.0–15.0	19.8	17.8
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	30
Thomas A. Reynolds IV	20
Daniel L. Kane, CFA	20
Craig Inman, 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 Apr 2019: Occidental Petroleum Corp 1.0%. 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.

Tangible Book Value is a measure of a company's shareholder equity after removing any intangible assets. **Return on Equity (ROE)** is a profitability ratio that measures the amount of net income returned as a percentage of shareholders' equity. **Earnings per Share (EPS)** is the portion of a company's profit allocated to each outstanding share of common stock.

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