



Artisan Mid Cap Value Fund

MONTHLY
Commentary

Investor Class: ARTQX | Advisor Class: APDQX

As of 31 July 2019

Commentary

Quarter to date, the Russell Midcap® Value Index is up 0.83%, led by the financials, communication services and technology sectors. Energy and utilities posted negative total returns in the index, which was a boost to our relative returns given notable below-benchmark weightings. Our portfolio outpaced the index, led on a relative basis by consumer discretionary, materials and financials holdings, while exposures to the industrials and health care sectors detracted.

AutoNation, an automobile retailer, is among the top contributors. Management has executed well by improving variable gross profit per vehicle, and the predictable, high-margin parts and service business continues to grow. In addition, a renewed emphasis on cost controls has supported the margin-focused efforts, which has been a welcome surprise for investors and carried the stock higher throughout Q2.

Gentex, a manufacturer of automatic-dimming mirrors and related driver-assistance systems for the global auto industry, has been a top QTD contributor. While auto industry suppliers have recently struggled, Gentex appears to be an outlier, beating expectations for revenue growth in the second quarter. Additionally, margins recently improved as management has executed well on costs and product mix (particularly growth in emerging markets) amid an intensifying trade war. While auto suppliers face cyclical headwinds in general, the company maintains a robust cash position and dedicated share buyback program.

Ryder System, one of the largest, full-service truck lease and commercial rental companies in the US, has been a top detractor. Softening demand for commercial rentals—both tractors and trucks—weighed on the stock price at month-end, despite earnings being in line with consensus forecasts. We continue to believe Ryder will benefit as companies increasingly outsource their transportation needs. We have maintained a position in Ryder (in varying weights) since 2005, and we continue to like its scale, cost of capital advantages and strong service business. In our view, it's an above-average business selling at an undemanding valuation.

Dentsply Sirona, a global dental products manufacturer and distributor, has been a top detractor. Consumables revenues in Q2 were less than expected while the technologies and equipment business showed strength. Despite another quarter of improving margins, the stock price suffered as the earnings data was not as strong as investors expected. We trimmed our position ahead of the earnings releases. Still, we like the company's steady, recurring, market-leading consumables business that serves the dentist office at every patient visit. That, along with management's commitment to prudent capital management, we expect to continue building value for shareholders.

Investment Results (%)

As of 31 July 2019	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTQX	1.20	1.20	19.07	-0.51	7.69	5.02	10.73	9.98
Advisor Class: APDQX	1.21	1.21	19.12	-0.38	7.83	5.13	10.78	10.01
Russell Midcap® Value Index	0.83	0.83	19.00	1.78	7.75	7.53	13.59	9.77
Russell Midcap® Index	1.43	1.43	23.08	6.71	11.02	9.59	14.35	9.76

As of 30 June 2019	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTQX	7.56	5.06	17.65	0.44	8.47	4.12	11.43	9.95
Advisor Class: APDQX	7.58	5.13	17.70	0.57	8.59	4.23	11.49	9.99
Russell Midcap® Value Index	6.75	3.19	18.02	3.68	8.95	6.72	14.56	9.77
Russell Midcap® Index	6.87	4.13	21.35	7.83	12.16	8.63	15.16	9.72

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.

Portfolio Details

	ARTQX	APDQX
Net Asset Value (NAV)	\$20.17	\$20.12
Inception	28 Mar 2001	1 Apr 2015
Expense Ratios		
Semi-Annual Report 31 Mar 2019 ¹	1.21%	1.09%
Prospectus 30 Sep 2018 ²	1.20%	1.05%

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

Top 10 Holdings (% of total portfolio)

Celanese Corp (Materials)	3.8
AutoNation Inc (Consumer Discretionary)	3.3
Air Lease Corp (Industrials)	3.2
Analog Devices Inc (Information Technology)	3.2
Torchmark Corp (Financials)	3.0
Arch Capital Group Ltd (Financials)	3.0
Gentex Corp (Consumer Discretionary)	2.9
AMERCO (Industrials)	2.8
M&T Bank Corp (Financials)	2.8
Thor Industries Inc (Consumer Discretionary)	2.7
TOTAL	30.5%

Source: Artisan Partners/FactSet (GICS).

Sector Diversification (% of total portfolio equities)

	Fund	RMCV ¹
Communication Services	13.4	4.0
Consumer Discretionary	15.6	9.0
Consumer Staples	2.3	4.3
Energy	3.0	6.0
Financials	28.9	19.2
Health Care	4.1	7.0
Industrials	14.1	11.5
Information Technology	6.7	7.5
Materials	8.2	6.7
Real Estate	3.6	13.7
Utilities	0.0	11.0
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/Russell. Cash and cash equivalents represented 2.6% of the total portfolio. ¹Russell Midcap® Value Index.

Market Cap Distribution (% of total portfolio equities)

\$ in billions	Fund	RMCV ¹
21.0+	20.9	26.5
14.5–21.0	19.1	19.5
10.5–14.5	13.4	15.4
6.5–10.5	14.6	19.8
0–6.5	32.1	18.8
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	30
Thomas A. Reynolds IV	20
Daniel L. Kane, CFA	21
Craig Inman, 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. S&P 500® Index measures the performance of 500 US companies focused on the large-cap sector of the market. 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 Jul 2019: DENTSPLY SIRONA Inc 2.1%; Ryder System Inc 2.0%. 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.

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.

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.

© 2019 Artisan Partners. All rights reserved.