Artisan Mid Cap Fund

QUARTERLY Commentary

Investor Class: ARTMX | Advisor Class: APDMX | Institutional Class: APHMX

As of 31 March 2018

Investment Process

We seek to invest in companies that possess franchise characteristics, are benefiting from an accelerating profit cycle and are trading at a discount to our estimate of private market value. Our investment process focuses on two distinct elements—security selection and capital allocation. We overlay our investment process with broad knowledge of the global economy.

Security Selection

We seek to identify companies that have franchise characteristics (e.g. low cost production capability, possession of a proprietary asset, dominant market share or a defensible brand name), are benefiting from an accelerating profit cycle and are trading at a discount to our estimate of private market value. We look for companies that are well positioned for long-term growth, which is driven by demand for their products and services, at an early enough stage in their profit cycle to benefit from the increased cash flows produced by the emerging profit cycle.

Capital Allocation

Based on our fundamental analysis of a company's profit cycle, we divide the portfolio into three parts. Garden[SM] investments are small positions in the early part of their profit cycle that may warrant more sizeable allocations as their profit cycle accelerates. Crop[SM] investments are positions that are being increased to a full weight because they are moving through the strongest part of their profit cycles. Harvest[SM] investments are positions that are being reduced as they near our estimates of full valuation or their profit cycles begin to decelerate.

Broad Knowledge

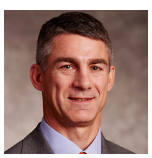
We overlay the security selection and capital allocation elements of our investment process with a desire to invest opportunistically across the entire global economy. We seek broad knowledge of the global economy in order to find growth wherever it occurs.

Team Overview

We believe deep industry expertise, broad investment knowledge, a highly collaborative decision-making process and individual accountability are a powerful combination. Since the inception of the team, we have been committed to building a team of growth investors that retains these attributes and is solely dedicated to our process and approach.

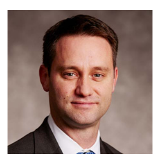
Portfolio Management

Matthew H. Kamm, CFA
Portfolio Manager (Lead)



James D. Hamel, CFA
Portfolio Manager

Craigh A. Cepukenas, CFA
Portfolio Manager



Jason L. White, CFA
Portfolio Manager

Investment Results (%)

			Average Annual Total Returns				
As of 31 March 2018	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTMX	**3.96**	**3.96**	**16.07**	**6.91**	**11.12**	**10.59**	**13.22**
Advisor Class: APDMX	**4.02**	**4.02**	**16.23**	**7.06**	**11.21**	**10.64**	**13.24**
Institutional Class: APHMX	**4.03**	**4.03**	**16.36**	**7.16**	**11.39**	**10.87**	**13.46**
Russell Midcap® Growth Index	2.17	2.17	19.74	9.17	13.31	10.61	8.67
Russell Midcap® Index	-0.46	-0.46	12.20	8.01	12.09	10.21	9.82

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. Class inception: Investor (27 June 1997); Advisor (1 April 2015); Institutional (1 July 2000). For the period prior to inception, each of Advisor Class and Institutional Class's performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Advisor or Institutional Class and each share's respective returns during that period would be different if such expenses were reflected.

Expense Ratios	ARTMX	APDMX	APHMX
Annual Report 30 Sep 2017	1.18	1.05	0.95
Prospectus 30 Sep 2017[1]	1.18	1.05	0.95

[1]See prospectus for further details.

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.

Investing Environment

Volatility picked up noticeably in Q1, spiking first in late January and early February as investors fretted signs inflation may be rising, which prompted speculation global central banks would be forced to tighten monetary policy more than anticipated. A second round followed in late March—tied to a combination of increasing concerns about ratcheting protectionist talk and heightened regulatory scrutiny of some of the world's biggest technology companies—and was sufficient to drag most global markets into modestly negative territory for the quarter. We will offer some further thoughts on volatility later in this communication.

Newly installed Fed chairman Jerome Powell raised rates 25bps (to a target range of 1.50%-1.75%) as anticipated and signaled further hikes as the year progresses predicated on economic strength. The Bank of England left its benchmark rate unchanged at 0.50% but similarly indicated it would likely raise it as soon as Q2. Of the major developed world central banks, the ECB and BOJ have thus far been the slowest to pivot toward an even modestly tighter stance—though the ECB is finally showing some inclination to tighten, hinting it may soon begin paring monthly asset purchases.

Despite a spate of varying geopolitical concerns, emerging markets led global markets in Q1, followed by the US and foreign developed markets. Within emerging markets, Brazil and Russia were among the standouts. Brazil's economy is generally improving and some of its political headwinds seem to be abating. In Russia, President Putin's reelection seemed to provide a sentiment boost, outweighing concerns about increasing sanctions from the developed world.

With respect to style, growth stocks handily outperformed value in Q1, continuing their recent performance pattern. Small-cap stocks outperformed their larger counterparts by a fairly sizeable margin. Despite a late-quarter selloff on growing concerns about the potential for tighter regulations, technology stocks remained in the black, as did discretionary stocks—the only two positive sectors in Q1. The worst performing areas globally and in the US were staples, telecom, materials and energy stocks—the latter despite higher global oil prices.

Performance Discussion

Despite the uptick in volatility, our absolute returns were positive in Q1, with the portfolio outperforming the Russell Midcap® and Russell Midcap® Growth Indices. As we've noted before, during periods of broad-based economic strength and stock market enthusiasm, we expect to participate in the market's upside, benefiting from positive profit cycles, but not necessarily distinguishing ourselves on a relative basis as the accelerating economy and rising stock market help to lift most boats. With that context in mind, we are pleased with our relative outperformance during the quarter, which helps offset a more challenging Q4 2017 and helps get us back on an "upside participation" path.

Consistent with recent periods, earnings reports across most businesses in the portfolio were strong, driven by the combination of past investments to fuel profitable growth, a healthy economy and the recently enacted US corporate tax cut. Our stock selection was additive across most sectors, with the single largest source of relative outperformance concentrated in enterprise software, where our meaningful exposure to cloud-based innovators was rewarded. We believe these companies have the right products (modern applications for the Internet era, designed and iterated by talented development teams) at the right time (as businesses small and large are undergoing digital transformations), and are demonstrating the impressive leveragability of their recurring subscription-based business models—a confluence which is resulting in compelling profit cycles that we believe remain in their relatively early innings.

Our financials holdings were also a source of relative strength in Q1—lending support to our thesis that, following years of regulatory and interest rate-related malaise, strong financials franchises are again capable of generating attractive levels of profit growth. Despite the bull market's duration, we believe many of these profit cycles are nearer their beginning than some in other sectors, which have been underway for longer and are consequently more mature.

Our health care holdings were not a particularly meaningful driver of relative performance in Q1. While still not up to our historical standard of outperformance in this sector, this was a welcome improvement from the stock-selection challenges we faced in 2017's back half. Having exited several of 2017's difficult positions (most notably Envision Healthcare), and having introduced several new Garden℠ investments in this sector, we are eager to begin rebuilding momentum in health care.

Among our top individual contributors in Q1 were Global Payments, Proofpoint and Veeva Systems. Global Payments has been on a multi-year journey to expand beyond its initial offering of credit card payments processing services, adding more valuable and stickier software tools that wrap around payments and provide customers an end-to-end solution. In addition, Global Payments has invested to build its own direct salesforce, no longer relying on third-party intermediaries, and has successfully entered a growing number of countries—a combination that is translating into faster, more sustainable revenue growth and attractive levels of margin expansion.

Proofpoint is the leading provider of e-mail security software—an increasingly critical line of defense in corporations' ongoing battle against cybercrime. As companies migrate their e-mail services to the cloud, they're simultaneously taking the opportunity to evaluate their security tools—which is resulting in a fair number of new wins for Proofpoint. Between its two recent acquisitions and its own new product offerings, Proofpoint is expanding its suite of security solutions, contributing to solid revenue growth and broadening its growth runway ahead.

Veeva Systems, the leading cloud-based software provider in the biopharmaceutical industry, is benefiting from strong momentum behind its Vault suite of content management tools. Importantly, Vault sales carry higher margins than the company's legacy customer relationship management business, on which it pays a meaningful royalty to salesforce.com. Veeva is also laying the groundwork to bring Vault beyond life sciences and into other regulated industries where document control and quality assurance are critical. In a relatively short period of time, the company has tailored its product for manufacturing industries and begun validation tests with early reference customers. While these expansionary efforts will take time to bear fruit, they offer meaningful optionality longer term. Meanwhile, Veeva continues to deliver impressive margins and cash flow growth despite these investments.

Among our bottom individual contributors in Q1 were Cigna, Albemarle and Coherent. To date, Cigna has been a successful long-term campaign for us as the company's management team has followed a disciplined strategy to drive organic growth while sustaining healthy margins and strong cash flows. Since the US Department of Justice blocked its merger with Anthem in 2017, Cigna has been evaluating strategic options for its strong balance sheet. In March, it announced an agreement to acquire Express Scripts, the leading independent pharmacy benefit manager. Shares reacted negatively as investors were caught off guard by the deal's size and questioned how pharmacy benefit managers will fare longer term amid ongoing scrutiny of drug prices. We share some of these concerns and have reduced our position while we continue evaluating the acquisition's merits (which include the potential for substantial cash flow accretion longer term) and risks.

Albemarle, the leading global supplier of lithium, has seen strong growth as a core raw material supplier into the automotive-grade lithium ion battery market for electric vehicles (EV). In the long term, we believe Albemarle is well positioned as automakers introduce more EV options and as growing global environmental regulations encourage higher EV adoption. However, shares were pressured in Q1 as several lithium suppliers announced multi-year capacity expansion plans, fueling oversupply concerns. We are certainly cognizant of this risk; however, lithium suppliers have historically fallen short of planned capacity additions, and meaningful increases will be required to support rising EV demand. Albemarle remains in the Garden℠ while we wait for this market dynamic to de-risk; however, we did add modestly to the position on the sell-off.

Coherent is the only provider of excimer lasers used in the manufacture of OLED flat panel displays. The company saw strong growth in 2017 as Samsung and Apple invested in OLED display capacity for high-end smartphones. Our thesis has been (and remains) that other Asian manufacturers will drive meaningful growth in OLED display capacity in the coming years. However, shares have been pressured as sales of Apple's recent iPhone® X have disappointed—leading many to conclude (not unfairly) that there could be less corresponding demand for Coherent's lasers in the short term. The position remains in the Garden℠, and we are watching for signs of reacceleration.

Portfolio Activity

The first quarter's volatility gave us an opportunity to introduce several new holdings at attractive entry points—including Polaris, FLIR Systems and Lam Research. Polaris is a leading designer, engineer and manufacturer of power-sports vehicles. The company has weathered several challenging years tied to recall and product quality challenges, which allowed competitors to enter the market and close the gap with Polaris. With the majority of these quality issues behind it, we believe Polaris remains the leading brand in its market and is likely to see faster growth in the period ahead as it launches innovative new products. Further, an improving customer spending environment—aided by higher wages, the recent US tax cut and the easing of recent energy and agriculture sector downturns—should contribute to growing demand. As sales volumes reaccelerate, we anticipate Polaris should expand operating margins, eventually bringing them back to their former levels prior to the recall and quality issues. Shares were pressured in Q1 as investors were disappointed by Q4 results, giving us an opportunity to initiate a Garden℠ position at what we view as an attractive valuation.

FLIR Systems is the largest provider of thermal imaging systems for military (e.g., night vision) as well as industrial applications. The company's new management team is refocusing the company with an eye toward noticeably improving operations and strategy in the coming years. It has already divested its low-margin home security camera business and begun focusing on new product innovation, spending efficiency and working capital improvement. We believe these shifts should contribute to higher free cash flow, in turn introducing the possibility of future acquisitions. Further, we anticipate rising defense spending should provide a boost to FLIR's high-margin military segment. We believe FLIR possesses a mix of attributes—a unique franchise with an upgraded management team, improving end market and clean balance sheet—that often leads to a successful multi-year investment campaign.

Lam Research is a leading semiconductor processing equipment manufacturer. Semiconductor capital equipment spending has undoubtedly been strong for several years. However, we believe there is still room for the cycle to continue—particularly given advances in artificial intelligence and machine learning which are being enabled by increased computing power and are still in their fairly early innings. Further, we believe Lam is very well positioned in one of the fastest areas of semiconductor manufacturing growth, as its etching tools are key enablers of the increasingly complex process of stacking numerous chip layers (soon reaching 96 layers) to produce more powerful NAND memory products. The first quarter's volatility allowed us to initiate a position in Lam Research at an attractive valuation.

We also added to several holdings in Q1, including TD Ameritrade, Alexion Pharmaceuticals and Stanley Black & Decker. TD Ameritrade is benefiting from a mix of secular, internal and cyclical trends. On the secular front, registered investment advisers have been shifting from wirehouses to independent platforms such as Ameritrade's—a trend we see little evidence of slowing. Internally, Ameritrade is poised to capitalize on meaningful cost synergies from its recent Scottrade acquisition. Cyclically, rising interest rates combined with healthy trading volumes provide additional tailwinds. Importantly, the primary potential headwind we had been monitoring—trading commission rate cuts by competitors—seems to have moderated over the past year. With a valuation we find attractive relative to the earnings power we expect from Ameritrade in the coming years, we increased our holding to a Crop℠ position in Q1.

Alexion Pharmaceuticals is a biotechnology company focused on rare disease drugs—its primary drug Soliris® is approved globally for multiple rare indications. We initiated a Garden℠ position in Q4 2017 based on the thesis that a new management team composed of biotech-industry veterans can drive accelerating profit growth in the coming years. With restructuring to improve margins and steps to protect and grow the core Soliris® franchise underway, management is already making early headway. Meanwhile, the company is focused on entering partnerships and executing bolt-on acquisitions to expand its R&D pipeline. Recent positive phase-3 data for the company's longer-acting, next-generation Soliris® drug partially de-risked our thesis in Q1, allowing us to accumulate shares toward a larger Garden℠ position.

Stanley Black & Decker's DeWalt power tool business is benefiting from the secular transition from corded to cordless technology. The company is also poised to revitalize the iconic Craftsman tools brand, which it recently acquired from Sears. It will launch redesigned Craftsman products later this year and has already lined up meaningful distributors, including Lowes and Amazon. The stock pulled back in Q1 on near-term margin pressure from rising input costs and promotional intensity at retail locations, which we see as manageable headwinds. We consequently capitalized on weakness to add to our position.

We concluded several campaigns in Q1, including CBS, Regeneron and Activision Blizzard. We first initiated our position in CBS on the thesis that CBS's leading TV content, which is under-monetized relative to its ratings, contributed to its unique positioning among traditional broadcast media companies. Importantly, CBS was also unburdened by cable channels that are being disrupted by cord-cutting and cord-shaving trends. Unfortunately, the CBS board's controlling shareholder appears intent on merging the company with Viacom, which would likely be accretive to near-term earnings but would compromise our longer-term thesis. We consequently exited in favor of more compelling opportunities elsewhere.

We remain admirers of Regeneron's R&D organization and capabilities. However, with growing competitive challenges facing its core (and very high margin) Eylea® franchise, it is difficult to have conviction in meaningful profit acceleration in the coming years. We consequently concluded a very successful, long-term investment campaign in Regeneron—albeit one that detracted from our relative results in 2016-2017.

We also completed a successful campaign in Activision Blizzard, a leading video-game developer, as its valuation has approached our estimate of private market value and its market cap has moved well beyond the typical mid-cap range.

We pared our exposure to Gartner, Cboe Global Markets and S&P Global in Q1. We have owned Gartner based on the attractiveness of its subscription-based business model and management's ability to consistently grow sales by attracting and retaining new subscribers within the IT departments of businesses globally. Gartner acquired Corporate Executive Board (CEB)—another subscription-based research service for business leaders in other departments, such as human resources and finance—with the stated plan of applying its playbook to drive faster, more profitable growth than CEB's prior management team. One year into that acquisition, we've been somewhat disappointed by the results, as CEB is requiring more intensive investments than we anticipated. CEB's lower earnings contribution has led us to reduce our estimate of Gartner's value, and we have been harvesting our position in favor of more attractive opportunities.

The first quarter's volatility spike certainly benefited some Cboe Global Markets customers who were using futures and options on the VIX—Cboe's proprietary volatility index—to hedge against volatility. However, heightened volatility also raised questions about how extensively investors were seeking to supplement recent investment returns by betting against volatility. The ensuing well-publicized impairment of several short-VIX exchange-traded funds may lead some investors to reconsider VIX strategies. While Cboe has other positive dynamics in its business, including synergies from its merger with Bats Global Markets, the VIX is an important and proprietary product for Cboe. We consequently reduced our position while we evaluate the potential impact of continued higher volatility on the VIX franchise.

The trends contributing to S&P Global's success remain healthy and have resulted in very solid results. However, while the company has benefited from a strong credit-issuance environment, this trend could reverse at some point. Further, the management team's impressive margin expansion progress naturally leaves less room for improvement moving forward. As the profit cycle has begun to mature and the valuation has increased, we've been gradually harvesting what has thus far been a very successful investment campaign.

Portfolio Statistics

As of March 31, the portfolio had a median market cap of $12.9 billion and a 3-5 year forecasted weighted average earnings growth rate of 20%. Our holdings were selling at a weighted harmonic average P/E (excluding negative earnings) of 23X FY1 earnings and 21X FY2 earnings. As of quarter end, we held 65 positions. Our top 20 holdings accounted for roughly 53% of portfolio assets as of quarter end. Our top 30 holdings represented about 68% of portfolio assets.

Perspective

The last couple years' relatively lower-volatility market provided positive absolute returns for many indices as well as our portfolios but has not been without challenges for our investment process. For one, as we've discussed in prior communications, an environment marked by broad-based economic improvement and rising stock prices can make it difficult for us to distinguish ourselves relative to the market. Our process is aimed at finding quality businesses in the early stages of profit growth cycles based on internal and/or external catalysts—which often are not predicated on broad economic growth. When a rising tide is indiscriminately lifting all boats, our stock selection process may deliver fewer advantages than in other phases of the market cycle. Furthermore, the lack of volatility in the recent bull market—notwithstanding the late-March pullback, the first quarter of 2018 represented the 10th (!) consecutive quarter of uninterrupted gains for the Russell Midcap® Growth Index—provided us with fewer compelling chances to upgrade the portfolio, either by introducing new Garden℠ investments or by opportunistically adding capital to existing holdings.

But that rising-tide, low-volatility backdrop certainly did not limit the productivity of our research process. As a result, we entered 2018 with a relatively full bench of investment candidates ripe for a compelling entry point. The first quarter of 2018 provided the type of volatility that allows us to productively seed the Garden℠ with high-quality franchises we had been following for some time—including the aforementioned Polaris, FLIR Systems and Lam Research, but also Temenos Group, Exact Sciences and others. We also increased our exposure to a number of franchises in which we have high conviction but whose price activity had, for some time, provided relatively few opportunities to accumulate larger positions—among them TD Ameritrade, Atlassian, Stanley Black & Decker, Gardner Denver, Zalando and others.

Such an environment is particularly productive for us, allowing us to be more opportunistic than a less volatile one. We view volatility as a healthy, normal feature of well-functioning markets, allowing high-quality franchises to differentiate themselves from competitors and simultaneously providing an opportunity for our approach to distinguish itself. Should it persist into future quarters, we anticipate being similarly proactive and opportunistic where appropriate.

However, we simultaneously remain cautious. We recognize that, nearly a decade into the bull market, some individual valuations are undoubtedly stretched, and some areas of the market and trends are showing signs of greater maturity. In addition, while the current US administration's laissez-faire approach toward financial industry regulations and corporate taxes helped catalyze stocks in 2017, more recent developments have been a reminder that government activism can cut both ways. Regulatory pressures in the US and EU appear to be mounting for some of the world's technology giants (and noted stock-market bellwethers) such as Facebook and Amazon, and protectionist rhetoric in North America and China has risen sharply. Taken together, we wouldn't be surprised if volatility remains elevated, even against a generally positive economic backdrop. As such, we remain committed to our disciplined and rigorous approach to stock selection and capital allocation, which have served us well since the team's founding.

For more information: Visit www.artisanpartners.com | Call 800.344.1770

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. Growth securities may underperform other asset types during a given period.

Russell Midcap® Growth Index measures the performance of US mid-cap companies with higher 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.

This summary represents the views of the portfolio managers as of 31 Mar 2018. Those views may change, and the Fund disclaims any obligation to advise investors of such changes. For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The holdings mentioned comprise the following percentages of Artisan Mid Cap Fund's total net assets (including all classes of shares) as of 31 Mar 2018: Global Payments Inc 4.9%, Atlassian Corp PLC 3.1%, Veeva Systems Inc 2.5%, S&P Global Inc 2.5%, TD Ameritrade Holding Corp 2.4%, Proofpoint Inc 2.0%, Gardner Denver Holdings Inc 1.4%, Cigna Corp 1.3%, Stanley Black & Decker Inc 1.2%, Lam Research Corp 1.2%, Albemarle Corp 1.1%, Zalando SE 1.0%, Alexion Pharmaceuticals Inc 1.0%, Gartner Inc 0.9%, Cboe Global Markets Inc 0.8%, Temenos Group AG 0.7%, FLIR Systems Inc 0.7%, Coherent Inc 0.6%, Exact Sciences Corp 0.5%, Polaris Industries Inc 0.5%. Securities named in the Commentary; but not listed here are not held in the Fund(s) as of the date of this report. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. All information in this report, unless otherwise indicated, includes all classes of shares (except performance and expense ratio information) and is as of the date shown in the upper right hand corner. This material does not constitute investment advice.

Attribution is used to evaluate the investment management decisions which affected the portfolio's performance when compared to a benchmark index. Attribution is not exact, but should be considered an approximation of the relative contribution of each of the factors considered.

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Portfolio statistics are intended to provide a general view of the entire portfolio, or Index, at a certain point in time. Statistics are calculated using information obtained from various data sources. Artisan Partners excludes outliers when calculating portfolio characteristics. If information is unavailable for a particular security Artisan Partners may use data from a related security to calculate portfolio statistics. **Median** is the data's midpoint value. **Weighted Harmonic Average** is a calculation of weighted average commonly used for rates or ratios. **Weighted Average** is the average of values weighted to the data set's composition. **Market Cap** is the aggregate value of all of a company's outstanding equity securities. **Earnings Growth Rate** is the annual rate at which a company's earnings are expected to grow. **Price-to-Earnings (P/E)** is a valuation ratio of a company's current share price compared to its per-share earnings. **Private Market Value** is an estimate of the value of a company if divisions were each independent and established their own market stock prices. **Free Cash Flow** is a measure of financial performance calculated as operating cash flow minus capital expenditures.

Our capital allocation process is designed to build position size according to our conviction. Portfolio holdings develop through three stages: Garden℠, Crop℠ and Harvest℠. Garden℠ investments are situations where we believe we are right, but there is not clear evidence that the profit cycle has taken hold, so positions are small. Crop℠ investments are holdings where we have gained conviction in the company's profit cycle, so positions are larger. Harvest℠ investments are holdings that have exceeded our estimate of intrinsic value or holdings where there is a deceleration in the company's profit cycle. Harvest℠ investments are generally being reduced or sold from the portfolios.

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A R T I S A N P A R T N E R S