Artisan Mid Cap Value Fund

QUARTERLY Commentary

Investor Class: ARTQX | Advisor Class: APDQX | Institutional Class: APHQX

As of 30 June 2018

Investment Process

We seek to invest in companies that are undervalued, in solid financial condition and have attractive business economics. We believe that companies with these characteristics are less likely to experience eroding values over the long term.

Attractive Valuation

We value a business using what we believe are reasonable expectations for the long-term earnings power and capitalization rates of that business. This results in a range of values for the company that we believe would be reasonable. We generally will purchase a security if the stock price falls below or toward the lower end of that range.

Sound Financial Condition

We prefer companies with an acceptable level of debt and positive cash flow. At a minimum, we seek to avoid companies that have so much debt that management may be unable to make decisions that would be in the best interest of the companies' shareholders.

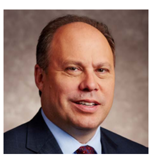
Attractive Business Economics

We favor cash-producing businesses that we believe are capable of earning acceptable returns on capital over the company's business cycle.

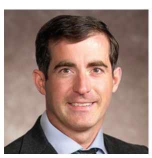
Team Overview

Everyone on the team functions as a generalist with respect to investment research and the entire team works together on considering potential investments.

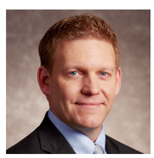
Portfolio Management



James C. Kieffer, CFA
Portfolio Manager



Thomas A. Reynolds IV
Portfolio Manager



Daniel L. Kane, CFA
Portfolio Manager

Investment Results (%)

			Average Annual Total Returns				
As of 30 June 2018	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTQX	**3.70**	**1.23**	**9.30**	**7.79**	**8.08**	**8.97**	**10.53**
Advisor Class: APDQX	**3.75**	**1.32**	**9.43**	**7.92**	**8.16**	**9.01**	**10.56**
Institutional Class: APHQX	**3.79**	**1.37**	**9.54**	**8.02**	**8.32**	**9.13**	**10.63**
Russell Midcap® Value Index	2.41	-0.16	7.60	8.80	11.27	10.06	10.13
Russell Midcap® Index	2.82	2.35	12.33	9.58	12.22	10.23	9.83

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. Class inception: Investor (28 March 2001); Advisor (1 April 2015); Institutional (1 February 2012). 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	ARTQX	APDQX	APHQX
Semi-Annual Report 31 Mar 2018[1]	1.20	1.06	0.98
Prospectus 30 Sep 2017[2]	1.17	1.06	0.97

[1]Unaudited, annualized for the six-month period. [2]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

Midcap stocks weakened at quarter end and volatility crept higher as second-quarter earnings expectations fell amid rising trade tensions and a potentially more-hawkish Fed. In general, market volatility—as measured by the CBOE's VIX Index—was lower on average in the second quarter than it was in the first, but the market was unable to reach January's highs, despite economic and corporate fundamentals remaining positive. Still, total returns were positive in the quarter, and earnings estimates ended better than where they started. In fact, Q2 earnings estimates inched higher for firms in the Russell Midcap® Value Index as the quarter waned. Even though the value index outpaced the Russell Midcap® Growth Index in April and June, value trailed growth for the quarter, making this the sixth consecutive quarter where value has lagged. Patience remains a virtue for value investors.

Energy, telecom and real estate led QTD total returns, while industrials, financials and consumer staples lagged. These were the only three sectors with negative total returns. Quarterly returns of the broad US indices were positive across the market-cap spectrum, with small-caps leading both large- and mid-cap stocks.

Performance Discussion

Our portfolio led the Russell Midcap® Value Index over the quarter. Relative strength was due largely to stock selection, which was solid across most industries where we have exposure. Our energy holdings were a particular area of strength as commodities continued their rally. Energy was the index's best performing sector, but our holdings outpaced index peers. Our consumer staples exposure also aided relative results. Our lone staples holding, Kroger, was a standout as it made progress on its "Restock Kroger" strategic initiative to retain market share. We also benefited from our lack of exposure to some weaker retail segments, particularly personal products. Our chemicals holdings were another area of strength, including solid performances from globally integrated producer of chemicals Celanese and Nutrien (a result of a merger between nitrogen player Agrium and fertilizer company Potash).

Conversely, our lack of exposure to real estate was the largest source of relative drag. Specifically, we remain underweight REITs. These interest-rate proxies have benefited from investors' thirst for yield in the low interest rate environment of the past several years, making their valuations broadly too rich for our blood. However, in Q2, trade war fears drove long-end yields down, benefiting REITs and utilities. At the same time, more reflationary financials trailed, and our traditional bank holdings weighed on relative results as the yield curve continued flattening.

From an individual holdings standpoint, Devon Energy was the top contributor. Devon, an independent energy company, continues to do what many energy companies are doing: living within their cash flow, retiring debt, repurchasing shares and not expanding production at an overly aggressive rate. Shareholders have rewarded this behavior. Devon was also buoyed by an announcement in June that it would sell its interest in EnLink Midstream for $3.125 billion and use the proceeds to raise its share buyback program to $4 billion, retiring approximately 20% of outstanding shares by the end of 2019. In general, oil and natural gas prices strengthened in the second quarter, giving us an opportunity to trim energy sector positions on commodity strength.

Another top contributor was TripAdvisor, a leading online travel research company. Better top-line trends, particularly in its non-hotel business, and reduced marketing spend in the hotel segment helped shares continue to recover from their November 2017 lows. While reduced marketing spend in any given quarter is no reason to get excited, Trip's reduction reflects the end of a spending surge that was meant to grow their mobile presence and fend off competition. We believe a return to normal levels of marketing could substantively increase cash EPS. Trip's balance sheet is solid and the company continues to generate ample free cash flow.

Our biggest detractors included Fluor, an engineering and construction company, and Qurate, a video and Internet commerce business that owns the QVC® network, formerly known as Liberty Interactive QVC.

Since 2015, Fluor's gas-fired power plant projects have been a drag on the company's performance. Last year, cost escalations on these projects resulted in the decision to exit the fixed-price gas-fired project business altogether. Since then, including in this most recent quarter, Fluor has taken power project write-downs, which has tempered the market's expectations for improvement and diminished management's credibility. Though the results have been disappointing, we think management is finally beginning to learn from its execution missteps. Fluor's balance sheet remains sound and the firm tends to be shareholder-friendly with capital allocation plans.

Qurate is transitioning from a complicated tracking-stock structure to an asset-backed security, which has proven a headwind to its valuation. Business performance continues to improve as the company continues to tweak its strategy and product offerings to regain sales momentum and attract new customers. In general, we believe the shares remain cheap and the business generates free cash flow that largely gets put back to shareholders and deployed in value-enhancing strategic moves. Furthermore, we believe aligning ourselves with good capital allocators (like Liberty Media's Chairman John Malone) is good practice and can be an important differentiator, especially in periods where the market is experiencing elevated valuations.

Portfolio Activity

Valuations remained uninspiring, so we did not add any new names in the second quarter. While there were no new purchases in Q2, we continued adding to Q1 purchases, CBS, Expedia and GCI Liberty. Our thesis on CBS is intact: Despite headwinds, CBS can benefit from rising cash flows coming from retransmission contract renewals, its production company and ownership of the Showtime cable network and local affiliates, as well as its scarcity value due to its breadth of strategic assets. We believe CBS is positioned well for evolution in the media industry. The company owns its content, has its own method for distribution (CBS All-Access), and can sell content into syndication with minimal damage to its brand. While the top line is growing only slightly, the revenue mix continues to shift away from less stable advertising revenue to more stable affiliate fees and licensing revenue. CBS also returns all its free cash flow to shareholders via dividends and buybacks and remains well capitalized.

Sales included TEGNA Inc (formerly Gannett), a low-conviction name we sold to make room for CBS; AGNC Investment Corp, a mortgage REIT we have been selling for a while; and Avnet Inc, an electronic components distributor that after some strategic blunders has seen its stock price appreciate further than we believe is justified by the fundamentals. In addition, we trimmed holdings in Allstate, which we believe continues to over-earn and, as a consequence, looks much less attractively valued on a normalized earnings basis. We slimmed down our Alleghany Corp position as it reached a larger-than-intended size in our portfolio and valuations were strong.

Perspective

While we welcomed the first quarter's modest market turmoil as a catalyst for raising investor fear and uncertainty, the second quarter's steady price appreciation and lower average volatility presented little opportunity for finding quality investments at a distinct discount. But the relative strength in energy prices and higher valuations allowed us to trim some positions and boost relative performance.

We see a large number of individual names that are selling at much higher valuations than normal. We like how the portfolio is positioned and at this point in the economic cycle we believe avoiding some of these high-valuation areas can be a source of alpha for the portfolio.

Managing risk is at the core of our process. We manage business risk by looking for companies that have solid return on capital and cash flow capabilities. We manage financial risk by focusing on balance sheet strength. We manage valuation risk by seeking stocks that are out of favor and are selling cheaply. We believe that sticking to our investment discipline—seeking cash producing businesses in strong financial condition that are selling at undemanding valuations—is the best approach for compounding returns over a market cycle.

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.

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. Russell Midcap® Growth Index measures the performance of US mid-cap companies with higher price/book ratios and forecasted growth values. Cboe Volatility Index® (VIX) measures the market's expectation of 30-day volatility based on the implied volatilities of a wide range of S&P 500® Index options. 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 30 Jun 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 above comprise the following percentages of the Mid Cap Value Fund's total net assets as of 30 Jun 2018: Celanese Corp 3.5%; Devon Energy Corp 3.3%; The Kroger Co 2.9%; Qurate Retail Inc 2.4%; CBS Corp 2.3%; Fluor Corp 2.3%; TripAdvisor Inc 2.0%; Nutrien Ltd 1.9%; GCI Liberty 1.9%; Alleghany Corp 1.2%; Expedia Group Inc 1.1%; The Allstate Corp 1.0%. Securities named in the Commentary, but not listed here are not held in the Fund 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.

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.

Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures. **Return on Capital (ROC)** is a measure of how effectively a company uses the money (borrowed or owned) invested in its operations. **Earnings per Share (EPS)** is the portion of a company's profit allocated to each outstanding share of common stock. **Alpha** is a quantitative measure of the volatility of the portfolio relative to a designated index. A positive alpha of 1.0 means the fund has outperformed its designated index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%.

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