Artisan Small Cap Fund

QUARTERLY
Commentary

Investor Class: ARTSX | Advisor Class: APDSX | Institutional Class: APHSX

As of 30 June 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

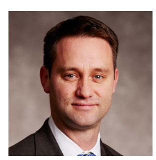
We believe deep industry expertise, broad investment knowledge, a highly collaborative decision-making process and individual accountability are a powerful combination. Since the inception of the team, we have been committed to building a team of growth investors that retains these attributes and is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

Portfolio Management

Craigh A. Cepukenas, CFA
Portfolio Manager (Lead)

James D. Hamel, CFA
Portfolio Manager

Matthew H. Kamm, CFA
Portfolio Manager



Jason L. White, CFA
Portfolio Manager

Investment Results (%)

As of 30 June 2018	QTD	YTD	Average Annual Total Returns: 1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTSX	**7.54**	**15.71**	**26.80**	**12.18**	**13.74**	**12.74**	**9.53**
Advisor Class: APDSX	**7.59**	**15.79**	**26.91**	**12.25**	**13.78**	**12.76**	**9.54**
Institutional Class: APHSX	**7.59**	**15.83**	**27.02**	**12.42**	**13.99**	**12.87**	**9.58**
Russell 2000® Growth Index	7.23	9.70	21.86	10.60	13.65	11.24	8.22
Russell 2000® Index	7.75	7.66	17.57	10.96	12.46	10.60	9.71

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. Class inception: Investor (28 March 1995); Advisor (1 February 2017); Institutional (7 May 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	ARTSX	APDSX	APHSX
Semi-Annual Report 31 Mar 2018[1]	1.22	1.07	1.01
Prospectus 30 Sep 2017[2]	1.21	1.12	1.01

[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

Q1's volatility continued in Q2 against a backdrop of substantially similar macroeconomic concerns. Foremost among them was the increase in global protectionist rhetoric—becoming increasingly tit-for-tat between the US and China. Nevertheless, US stocks managed to close in the black as economic fundamentals largely remain intact. Foreign developed stocks were also modestly positive. In contrast, emerging markets finished Q2 in negative territory, pressured not only by threatened tariffs, but also growing investor concern about the potential impact of rising developed-world interest rates.

On the monetary policy front, the US Fed raised rates 25bps as expected in June, to a target range of 1.75%-2.00%. Across the pond, the BOE held steady but hinted at a potential hike in Q3. The ECB—which had been moving toward a modestly tighter stance by indicating it could slow and possibly stop its bond purchases sometime this year—reversed direction, recommitting itself to a data-dependent approach. The Bank of Japan has maintained its similarly accommodative posture—the net effect of which is a growing divergence among the major developed-world central banks.

With rates poised to rise in the US, many presumed a bleaker outlook for emerging markets, anticipating fund flows to higher-yielding assets. Along with the US dollar's YTD strength, these factors likely contributed to emerging markets' relative underperformance in Q2—with more vulnerable countries like Argentina and Turkey particularly challenged. That said, most impacted governments thus far seem to be taking actions to shore up investor confidence. Argentina, in particular, worked expeditiously with the IMF to secure funding, likely helping the country avert a broader currency crisis.

From a style standpoint, growth stocks continue outperforming their value counterparts, and US-based small stocks are outperforming their larger counterparts. Among foreign developed markets, there was relatively little size distinction in Q2. At the sector level, energy led US and global indices, tied partly to rising oil prices. Technology and consumer discretionary were also leading sectors. Conversely, the financials sector was among the bottom performers in Q2, both in the US and abroad.

Performance Discussion

Our portfolio led the Russell 2000® Growth Index and modestly trailed the Russell 2000® Index in Q2—though it remains solidly ahead of both indices YTD. The macroeconomic backdrop (chiefly, heightened global trade rhetoric) has likely masked the degree to which many stocks over the past year or so—particularly small caps—have capitalized on some of the strongest profit growth we've seen in recent years. Against this positive backdrop, we are seeing solid results from a diverse group of our Crop℠ holdings—including consumer, financials and tech-exposed holdings. We were also pleased to see our health care holdings positively contribute to relative results thanks to generally improved results.

At the sector level, our consumer discretionary and technology holdings were our top contributors. Within technology, we're seeing strong returns from many of our cloud-based software holdings, such as Tableau, Atlassian and Guidewire Software. As the cloud leaders in their respective software categories, we see multiple growth drivers ahead for Atlassian (team collaboration tools), Guidewire (property & casualty insurance software), Tableau (data analytics tools) and others. Specifically, many industries are in the early innings of adopting cloud-era software tools, and innovative software franchises have barely scratched the surface of their potential from a data-analytics, artificial-intelligence or machine-learning perspective.

Conversely, our industrials and energy holdings detracted. The energy sector was pressured in Q2 as rapidly growing production among Permian producers has bumped up against meaningful infrastructure bottlenecks—namely, insufficient pipeline capacity. The result has been lower realized prices for Permian crude (as the infrastructure providers collect higher tolls), which has pressured shares of Permian-focused producers. However, we believe these issues are temporary—more pipeline capacity is being added—and that over the longer term, our holdings remain among the best-positioned producers with top-quality acreage and solid balance sheets. In fact, one of our energy holdings, RSP Permian, announced its acquisition by Concho Resources (a holding in our mid-cap portfolio) in Q2—which we believe speaks to RSP Permian's high-return inventory.

We believe our industrials holdings (including Curtiss-Wright, Cubic, Teledyne and BWX Technologies) were pressured by broad profit-taking among defense-exposed stocks. However, we expect the market to ultimately appreciate what we believe to be solid and intact fundamentals. Our machinery holdings were also pressured—similarly tied to profit taking, though with one fundamental disappointment (John Bean Technologies, which we'll discuss in further detail). Where appropriate, we capitalized on the near-term sell-off to increase our exposure to our higher-conviction holdings.

Among our top individual contributors in Q2 were Canada Goose Holdings, Tableau and Chegg. Canada Goose is a premium outerwear brand focused primarily on technical parkas and other jackets. We are enthused by the company's approach to building its brand, which is focused on going direct to customers via a combination of a limited number of storefronts as well as a robust e-commerce strategy. In particular, we believe there is meaningful potential for the brand's launch in Asia, where consumers are increasingly demanding luxury goods. We know from similar competitors in this space (e.g., Moncler and Burberry, among others), that China represents a meaningful source of demand and, in turn, sales growth. Consequently, the combination of a solid brand, which is already well-known in China, and a significant market opportunity which Canada Goose has thus far barely broached, provide a long runway for future growth, in our view.

Tableau provides unique, interactive data visualization software allowing enterprise clients to quickly translate complex data into compelling graphics. We believe technology spending is currently in a favorable place—providing a positive backdrop on which Tableau is capitalizing with its new management team and new product offerings. As companies are increasingly capturing and storing massive amounts of data, Tableau is a leading innovator helping these firms maximize those data's value—an increasingly important endeavor as future Internet disruptors have revealed the necessity of being data-driven to remain competitive. As Tableau takes share in this growing space, it is simultaneously transitioning to the cloud and a subscription-based model, which is generating attractive levels of recurring revenue. We believe this combination of a favorable secular backdrop, cyclical spending, and a solid management team focused on accelerating new product innovation and the transition to a subscription model are pointing Tableau in the right direction, in turn boosting shares.

Chegg is a digital educational company which we believe is positioning itself as a best-in-class platform that will be a must-have for college students in the coming years. Chegg has divested its legacy textbook business and is focused on building a digital platform via both organic growth and bolt-on acquisitions which are attracting meaningful subscriber growth. We believe Chegg should be able to leverage its growing subscriber base to ultimately bundle its services and consequently charge a higher fee. The company also has plans to expand into international markets, with Canada, the UK and Australia among its nearer-term target markets. As educational resources increasingly shift online, following similar shifts across a swath of other industries, we believe Chegg is well-positioned to drive an attractive, long-term profit cycle.

Among our bottom individual contributors in Q2 were Curtiss-Wright, John Bean Technologies and Halozyme. Curtiss-Wright designs and manufactures precision electronic and nuclear components. We initiated our campaign in Curtiss-Wright in Q1 2018 on the thesis that its new management team would build upon early progress divesting lower-margin businesses and turn its attention to organic growth and accretive acquisitions. We also believe Curtiss-Wright is attractively positioned relative to secular tailwinds behind rising US aerospace and defense spending—particularly the increased focus on US Navy spending, much of which is aimed specifically at nuclear submarines and aircraft carriers. Further, we anticipate Curtiss-Wright will capitalize on a hefty backlog in commercial airplanes and heavy industrial vehicles. Though shares were caught up in what we believe to be broadly profit taking, our thesis remains intact, and we are content to await signs it is taking hold in line with our expectations.

John Bean Technologies (JBT) is a leading provider of technology solutions for the food-processing and air-transportation industries. We have held it for its attractive positioning relative to secular food- and airport-industry tailwinds, as well as its exposure to growing demand in emerging markets like China. Shares were pressured in Q2 as higher-than-anticipated costs crimped margins and cast doubt among some investors on the likelihood of accelerating growth in the period ahead. However, we believe the company has corrected these execution issues. Further, recent orders have been strong, which we believe points to an improving trajectory as the year progresses. We are watching for signs of a reacceleration as we anticipate.

Halozyme is a biotechnology firm that licenses to pharmaceutical companies the use of its proprietary enzyme—its ENHAZE® platform—which aids delivery of biologics subcutaneously, as opposed to intravenously. The benefit is improved convenience and absorption. The platform is showing promising signs of expansion and progress as a growing number of drug companies test whether it is beneficial in combination with their drugs. Wider adoption should contribute to longer-term royalty revenue opportunities. Though shares have been pressured YTD by recent disappointing study results, we believe the opportunity ahead of the company is meaningful and are remaining patient.

Portfolio Activity

We capitalized on the year's ongoing volatility to introduce several new holdings to the portfolio in Q2—among them, Cision, Ingevity and Teladoc—as well as to add to several existing holdings at what we view as attractive valuations, including New York Times, Gardner Denver and Blackline.

Cision is the leading provider of workflow software utilized by public relations (PR) professionals to manage, execute and measure PR campaigns. The current industry landscape is fragmented, with multiple vendors offering standalone, non-integrated solutions—a stark contrast to Cision's offering, which is the industry's first end-to-end solution, known as Cision Communications Cloud, or C3. Though just launched in Q4 of 2016, C3 has seen fairly robust uptake that is growing nicely. To a large extent, Cision represents a fairly prototypical software company relative to those we've held in recent years: It is disrupting an industry which lacks fully integrated solutions, in turn becoming the go-to software provider and capturing a growing stream of recurring revenues as its product gains traction in an underserved market. We believe Cision is in the early innings of a nice profit cycle and consequently introduced it to the Garden℠ in Q2 at what we found to be an attractive valuation.

Ingevity is a specialty chemicals company targeting niche markets aimed largely at the automotive industry. Thanks to its strategic geographic location near low-cost feedstock in the US and China, it has positioned itself as a first-mover and industry-leader in supplying upgraded derivatives of hardwood sawdust, such as activated carbon materials and other specialty chemicals. These byproducts are used in automotive applications—primarily to reduce emissions. As global automotive emissions standards continue tightening, we believe Ingevity will benefit from growing demand for its niche products. We also anticipate further innovation of new products, which should contribute to higher margins and a broadening growth runway.

Teladoc is the US's largest provider of telehealth—which allows patients to access health care professionals over the phone or video—with a network of over 3,000 board-certified physicians and behavioral health professionals. Patients benefit from convenience—shorter wait times for both appointments and in waiting rooms, no need to drive to a doctor's office, etc.—while employers capitalize on lower medical expenses, given Teladoc's fairly low, flat consultation fee, which is often vastly lower than potential emergency room or ambulatory visits, as well as fewer lost employee hours otherwise spent in a doctor's office. Teladoc is a first-mover in this field and has a differentiated revenue model whereby it charges an up-front, per-member/per-month fee, versus competitors, which typically charge minimal (if any) up-front fees. The benefit is these fees allow Teladoc to better target digital and direct marketing to its members, helping them to fully utilize the service, while simultaneously creating an attractive revenue stream for Teladoc. This model has translated into higher average member usage for its platform. We believe the potential runway ahead of Teladoc is significant. Given the growing focus on health-care costs in the US and the potential for expansion into new areas—second opinions, chronic disease management, post-acute management, and others—we believe Teladoc is in the very early innings of what should be a long, fruitful profit cycle.

We initiated our position in New York Times in Q1 2018 based on our belief that it's in the early days of transforming into a digital subscription business. Newspapers have undoubtedly faced headwinds in recent years as ad dollars have increasingly shifted to digital platforms and print readership has declined. Most mainstream news organizations have retrenched against this challenging backdrop and reduced their investments in content creation—increasing the New York Times's advantage from a newsroom and content offering perspective. The company is transforming itself into a digital content provider, with digital subscription and advertising revenues growing over 20% year-over-year. As news consumers increasingly look to find reliable sources of thoughtful news and insight, we believe the New York Times's digital subscription business will continue to grow, which should bring higher profitability and potentially a higher multiple as the market increasingly recognizes the company's relative advantages over its competitors.

Gardner Denver is a leading manufacturer of flow control and compression technologies for industrial end markets. Its relatively new management team has an impressive track record and is rapidly improving virtually every aspect of the company's operations: new product development, pricing, customer acquisition and manufacturing. The aforementioned concerns about drilling activity in the US's Permian Basin have pressured shares given the company's energy exposure. However, we believe Gardner Denver's business—including its energy-related business—remains sound overall, and the company continues making solid progress toward its internal transformation goals. We consequently capitalized on Q2's share-price weakness to add to our position.

Blackline, which we introduced to the Garden℠ in Q3 2017, develops cloud-based accounting software that helps businesses improve and automate complex, manual and repetitive accounting processes. We have been attracted to the potential applications beyond accounting, given Blackline's platform can be customized to reconcile other transactions which ultimately translate into dollars and cents. The company is successfully converting its promising pipeline into new customer wins, driving growing subscriber revenues. Though shares sold off late in the quarter, we believe the fundamentals remain intact, as does the growth runway ahead of the company, and consequently capitalized on weakness to add to our position.

In accordance with our valuation discipline, we pared our exposure in Q2 to Paylocity and Burlington Stores. Paylocity is a developer and provider of cloud-based payroll and HR software solutions to small and medium businesses. It has capitalized on the secular trend toward SaaS- and cloud-based models to drive an attractive profit cycle. However, with its market beginning to mature and growth to decelerate, the valuation has approached our estimate of private market value. We have consequently begun harvesting our position.

Burlington Stores, a leading off-price retailer, has defied a challenging retail backdrop, which has led many to question whether the company's business model could withstand the age of Amazon. Nonetheless, Burlington has increased its store presence while driving sales growth across various categories, including underpenetrated categories such as home goods—all while capturing higher margins. We believe the profit cycle for this well-run franchise still has legs; however, we have begun harvesting our position as its valuation has risen.

We concluded our campaigns in Match and MuleSoft in Q2. We first invested on Match Group on the thesis that the company would capitalize on the secular trend toward online dating—particularly among the millennial generation—to monetize its top platforms, including Tinder, Match.com, OKCupid and others. However, Facebook announced during the quarter that it would launch its own online dating service. While the near- and long-term impacts on Match's business are unclear, Facebook undoubtedly represents a well-capitalized new competitor with access to a large audience. We consequently chose to exit our position in favor of more compelling opportunities elsewhere.

MuleSoft provides a platform for large enterprises to stitch together software applications across multiple environments, allowing software developers and systems-integrator partners to create scalable connections among different applications that have been developed using a wide variety of infrastructure over the years. Following the Q1 announcement that Salesforce.com would acquire the company at an attractive premium, we concluded our successful campaign.

Portfolio Statistics

As of June 30, we held 62 positions with a median market cap of $3.9 billion. Our portfolio had a 3-5 year forecasted weighted average earnings growth rate of 22% and our holdings were selling at a weighted harmonic average P/E (excluding negative earnings) of 30X FY1 earnings and 26X FY2 earnings.

Perspective

While the economy appears healthy and earnings momentum in the portfolio has been solid year to date, ratcheting global trade tensions have undoubtedly contributed to 2018's notable uptick in volatility. Many have expended significant efforts trying to determine how much of the rhetoric is posturing and how much might represent the early days of a meaningful retrenchment in global trade activity. We doubt we possess any unique ability to handicap this debate. We do suspect, however, that the skirmishes to date have likely injected enough frictional costs and future uncertainty to have at least some impact on business results within areas such as automotives and semiconductors. Ultimately, however, we believe an escalating trade war would impact all equities.

With this uncertain backdrop, and with the Russell 2000® Growth Index having generated its 9th consecutive positive quarterly gain (and its 10th in the last 11 quarters), the short-term instinct to "sell in May and go away" is certainly understandable. However, with our longer-term time horizon, we continue to see substantial long-term profit cycle opportunities within the portfolio. Automotive technology suppliers are a case in point—tariffs may impact global supply chains and profits in the near term, but over a multiyear period, we think rising electronics content (assisted driving, infotainment) and electric vehicle growth have the potential to transform well-positioned suppliers such as Delphi Technologies and Visteon. With a potential trade war having injected short-term uncertainty/volatility—but also cheaper valuations—we're holding on for now, while (as always) focusing on franchise quality and balance-sheet strength.

Our secular growth-driven holdings in software and health care are more insulated from the first-order trade war concerns, and these stocks are certainly more favored by the market today. While we're staying disciplined on valuations, we continue to feel quite positive about the near- and long-term profit cycle outlooks for our Crop℠ holdings. For example, Guidewire's software (which dominates the competitive landscape) is still used to help manage less than 20% of the world's property and casualty insurance premiums—yet when we consider the company's ability to cross-sell its expanding product portfolio, its runway for long-term growth is even larger.

Stated simply, while there are reasons to be concerned about the current bull market's sustainability, we have conviction in the compounding potential of our holdings over time. If macroeconomic disruption—such as a trade war—impacts the economy and markets along the way, we'll look to our valuation guidelines as well as the quality of our franchises and their balance sheets to provide some degree of downside protection. And regardless of the environment, we will maintain our disciplined approach to managing portfolios which has served us well over the team's long history.

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 2000® Growth Index measures the performance of US small-cap companies with higher price/book ratios and forecasted growth values. Russell 2000® Index measures the performance of roughly 2,000 US small-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 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 Funds' 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 Artisan Small Cap Fund's total net assets as of 30 Jun 2018: Teledyne Technologies Inc 3.7%, Guidewire Software Inc 3.2%, Visteon Corp 3.1%, BWX Technologies Inc 3.0%, Canada Goose Holdings Inc 2.6%, Atlassian Corp PLC 2.5%, Tableau Software Inc 2.4%, John Bean Technologies Corp 2.3%, Gardner Denver Holdings Inc 1.9%, Blackline Inc 1.9%, Curtiss-Wright Corp 1.6%, Chegg Inc 1.6%, Burlington Stores Inc 1.5%, Delphi Technologies PLC 1.4%, Cision Ltd 1.2%, Halozyme Therapeutics Inc 1.1%, The New York Times Co 1.0%, Cubic Corp 0.9%, Ingevity Corp 0.8%, Paylocity Holding Corp 0.5%, RSP Permian Inc 0.5%, Teladoc Inc 0.3%. The holdings mentioned comprise the following percentages of the Artisan Mid Cap Fund's total net assets as of 30 Jun 2018: Concho Resources Inc 2.3%. 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.

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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 Average** is the average of values weighted to the data set's composition. **Weighted Harmonic Average** is a calculation of weighted average commonly used for rates or ratios. **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.

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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