Artisan International Small Cap Fund

QUARTERLY
Commentary

Investor Class: ARTJX | Institutional Class: APHJX

As of 30 September 2018

Investment Process

We seek to invest in companies, within our preferred themes, with sustainable growth characteristics at attractive valuations that do not fully reflect their long-term potential.

Themes

We identify long-term secular growth trends with the objective of investing in companies that have meaningful exposure to these trends. Our fundamental analysis focuses on those industry leaders with attractive growth and valuation characteristics that will be long-term beneficiaries of any structural change and/or trend.

Sustainable Growth

We apply a fundamental approach to identifying the long-term, sustainable growth characteristics of potential investments. We seek high-quality companies that typically have a sustainable competitive advantage, a superior business model and a high-quality management team.

Valuation

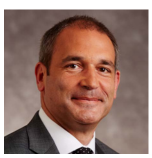
We use multiple valuation metrics to establish a target price range. We assess the relationship between our estimate of a company's sustainable growth prospects and its current valuation.

Team Overview

Our team approach combines the benefits of strong leadership with the creative ideas of a deep and highly experienced team of research analysts. We believe this approach allows us to leverage a broad set of perspectives into dynamic portfolios.

Portfolio Management

Mark L. Yockey, CFA
Portfolio Manager



Charles-Henri Hamker
Portfolio Manager

Investment Results (%)

As of 30 September 2018	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
			Average Annual Total Returns				
Investor Class: ARTJX	**1.91**	**1.65**	**8.70**	**8.01**	**4.80**	**9.46**	**11.70**
Institutional Class: APHJX	**1.94**	**1.77**	**8.94**	**8.17**	**4.89**	**9.51**	**11.73**
MSCI EAFE Small Cap Index	-0.88	-2.19	3.73	12.39	7.96	9.68	10.33
MSCI EAFE Index	1.35	-1.43	2.74	9.23	4.42	5.38	6.18

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (21 December 2001); Institutional (12 April 2016). For the period prior to inception, Institutional Class performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Institutional Class and the share class's returns during that period would be different if such expenses were reflected.

Expense Ratios	ARTJX	APHJX
Semi-Annual Report 31 Mar 2018[1]	1.56	1.34
Prospectus 30 Sep 2017[2]	1.57	1.37

[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.

Business Update

On October 4, 2018, Artisan Partners announced that Rezo Kanovich is joining the firm as managing director and the sole portfolio manager of Artisan International Small Cap Fund effective October 15. Rezo will be supported by two dedicated research analysts, who will report directly to Rezo.

Prior to joining Artisan Partners, Rezo was a portfolio manager for OppenheimerFunds, where he managed the International Small-Mid Cap strategy from January 2012 to 2018. Before that, Rezo worked as an analyst with Boston Biomedical Consultants, an investment banker with the Lehman Brothers mergers & acquisitions team and as a consultant at PricewaterhouseCoopers. Rezo holds a bachelor's and master's degree in international economics and finance from Brandeis University and a master's degree in business administration, dual concentration in finance and health care systems, from the Wharton School, University of Pennsylvania.

Our investment team will continue to operate in a collaborative manner but research and decision-making for Artisan International Small Cap Fund will remain autonomous and distinct. At its core, our investment team is comprised of stock pickers who believe investing in high-quality companies with sustainable growth characteristics at attractive valuations that do not fully reflect their long-term potential will add value for clients over the long term. Rezo shares this core investment philosophy and belief system. However, over time, we would expect to see differences in portfolio construction and in the diversification of names in the portfolio managed by Rezo. Correspondingly, the entire portfolio is under review.

We look forward to sharing more on the recent change in the Q4 letter to be circulated in January 2019.

Investing Environment

In Q3, non-US small-cap stocks finished slightly positive in local terms but were down about 1% in USD terms due to US dollar strength versus the Japanese yen, British pound and Australian dollar. Strong earnings growth and continued global expansion supported share-price gains generally, although there were notable pockets of weakness geographically. Chinese stocks finished down, as an escalating trade war with the US and signs of slowing growth took their toll. Additionally, Turkey was a key flashpoint as the country's longstanding economic imbalances and lack of an adequate policy response culminated in a plunging Turkish lira and stock market. Most sectors finished lower in Q3; energy and health care were bright spots.

Trade tensions have been an important driver of markets this year as the US has sought to redefine its trade relations with much of the world. Those concerns were partially allayed in Q3 as the US cut deals with several major trade partners, namely the European Union, Mexico and Canada. And though President Trump's administration has called the new deals transformative, most aspects of the previous agreements remain intact. Markets more than anything dislike uncertainty. Consequently, the resolution of these trade disputes and lack of material revisions were clearly positive for market sentiment.

However, the bigger risk remains US-China as the outlook on that front continued to deteriorate. In September, the US announced $200bn in additional tariffs, bringing the total thus far to more than $250bn with the US threatening additional tariffs if China retaliates. The acrimony spilled over into the military sphere in September with a near-collision between two warships in the South China Sea. It's increasingly evident both sides are prepared for a protracted standoff—perhaps one over several years.

After a synchronized global expansion in 2017, the story of 2018 has been the US economy's divergence from the rest of the world. Whereas US GDP growth accelerated to above 4% in Q2—fueled by tax reform, reduced regulation and increased government spending—growth rates in Europe, Japan and China have mostly stagnated. The rising trend in oil prices, the US dollar and interest rates has contributed to tightening financial conditions globally while also contributing to currency dislocations in emerging markets (e.g., Turkey).

As has been the case economically, so too have monetary policies diverged. The Federal Reserve hiked its benchmark rate for a third time this year in September, citing strong economic fundamentals, while the ECB, BOJ and BOE stood pat. In China, policymakers' efforts to mitigate the trade war's threat are ongoing. In early October after the quarter concluded, the central bank cut the bank reserve requirement ratio by an additional 100 basis points. By pumping additional liquidity, Chinese policymakers are also allowing the country's currency to weaken, which is supportive to Chinese exports.

Performance Discussion

Our portfolio outpaced the MSCI EAFE Small Cap Index in Q3, contributing to its YTD lead. Relative performance was driven by our technology and health care holdings. In the technology sector, payments processor Wirecard is delivering robust organic growth, as transaction volumes rise on the back of momentum in mobile and e-commerce. In the company's Q2, revenue and EBITDA growth rose 46% and 39% year over year. The new business pipeline is also quite strong. The company recently inked agreements with French bank Crédit Agricole to provide e-commerce and acquiring services in France and other European countries, and with Mizuho Bank to provide acquiring and issuing services to the bank's corporate clients in Asia. Even after strong stock price appreciation over the past 12 months, Wirecard's valuation remains reasonable against our long-term earnings estimates.

In the health care sector, we had strong contributions from several names, including CellaVision and SyntheticMR, that are exhibiting the increasing importance of technology in the medical field. CellaVision is a leading developer of digital cell morphology solutions for medical microscopy in hematology, which replaces manual analysis by a technician. CellaVision's product is now the standard in the US and Canada. Our thesis has been that as CellaVision machines become the global standard over the next decade, sales should grow at a high-teens CAGR. Strengthening our thesis, recent organic sales growth of

15% was led by the company's Asia Pacific business as local sales and marketing initiatives bore fruit. In addition, the company signed new distribution agreements that we believe should drive additional market penetration.

SyntheticMR is a Swedish developer of magnetic resonance imaging (MRI) software solutions. The company's software reduces MRI brain scan times by 5-10 minutes, which allows the typical machine to scan 1 additional patient per day. By delivering higher patient throughput, imaging providers can generate higher revenue per machine. The company partners with MRI manufacturers like GE, Philips and Siemens, and over time we would expect increasing penetration among those companies' installed bases as hospitals and labs adopt this new software. In its recent quarter, the company grew sales 97%, and its software received US regulatory approval to be run on Philips machines.

Our biggest detractors in Q3 were Tele Columbus, Theratechnologies and Aedas Homes. Tele Columbus, a German cable operator, has been among our worst YTD performers as the company has had difficulty gaining traction upselling its existing cable subscribers to higher-margin broadband and telephony services. That has been an ongoing challenge over the past year for the operator. We are currently reevaluating the thesis behind this stock.

Shares of specialty pharmaceuticals company Theratechnologies—one of our top contributors in Q2—consolidated gains as investors took profits. We are not too concerned with the stock's pullback and remain positive on the company's fundamental outlook. Its new HIV medication Ibalizumab (branded as Trogarzo™)—approved by the FDA in March and launched in April—is a key catalyst for earnings growth.

Aedas Homes is a Spanish homebuilder. The company spent the past few years opportunistically amassing a large portfolio of high-quality land in Spain's top five regions as measured by housing demand. The company is now turning toward monetizing its investments through construction and delivery of new homes. There have been some concerns about construction cost inflation and the pace of approval of building licenses, which we believe are the sources of recent stock price weakness. With the Spanish housing market still in the early stages of recovery, we believe the company should benefit from solid tailwinds as it executes its business plan.

Portfolio Positioning

We made one new purchase in Q3, initiating a position in Azbil, a Japanese manufacturer of automation equipment used in industrial and commercial buildings. The company is well positioned to benefit from the office building revitalization trend in Tokyo due to its dominant market position as a supplier of automated control systems for HVAC. We also believe there is an opportunity for margin improvement due to cost-cutting initiatives, as well as operating leverage. Lastly, valuation is appealing as the stock sells at a discount to peer automation names and has a free cash flow yield of about 5%.

We also meaningfully added to Q2 2018 purchases ViewRay and Banca Generali. ViewRay develops magnetic resonance imaging (MRI) systems. The company's MRIdian MR-LINAC system is a leading platform for real-time visualization of soft-tissue cancer improving the safety and efficacy of radiation therapy. We believe there is a multi-year growth opportunity based on MR-LINAC becoming the standard LINAC over the next five years, which is not currently appreciated by the consensus.

Banca Generali is an Italian financial services company offering banking, asset management and insurance solutions. The firm is growing client assets at a low double-digit rate due to expansion of its financial advisor network as it takes market share, as well as growth in Italian household savings and allocation to managed products. Additionally, the bank is well capitalized. Political uncertainty in Italy gave us an opportunity to add to our position at attractive prices.

On the sales side, we exited our positions in Ambu, a Denmark-based producer of single-use, disposable endoscopes, and Nemetschek, Europe's largest supplier of architecture, engineering and construction software—both of which are among our top YTD contributors—as shares approached our target valuation. We also sold Comet Holding, a Swiss manufacturer of components for niche high-tech markets, in favor of better opportunities.

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.

MSCI EAFE Small Cap Index measures the performance of small-cap companies in developed markets, excluding the US and Canada. MSCI EAFE Index measures the performance of developed markets, excluding the US and Canada. 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 Sep 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 comprised the following percentages of the Fund's total net assets as of 30 Sep 2018: Wirecard AG 6.0%; Cellavision AB 3.1%; SyntheticMR AB 3.3%; Tele Columbus AG 0.8%; Theratechnologies Inc 1.6%; Aedas Homes SAU 2.6%; Azbil Corp 1.1%; ViewRay Inc 2.3%; Banca Generali SpA 1.5%. 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.

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Free Cash Flow Yield is an overall return evaluation ratio of a stock, which standardizes the free cash flow per share a company is expected to earn against its market price per share. The ratio is calculated by taking the free cash flow per share divided by the share price.

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