Artisan Mid Cap Fund

QUARTERLY
Commentary

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

As of 30 September 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℠ investments are small positions in the early part of their profit cycle that may warrant more sizeable allocations as their profit cycle accelerates. Crop℠ investments are positions that are being increased to a full weight because they are moving through the strongest part of their profit cycles. Harvest℠ 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

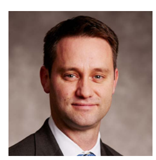
We believe deep industry expertise, broad investment knowledge, a highly collaborative decision-making process and individual accountability are a powerful combination. Since the inception of the team, we have been committed to building a team of growth investors that retains these attributes and is 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 30 September 2018	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTMX	**9.31**	**17.66**	**21.12**	**13.67**	**9.95**	**13.22**	**13.55**
Advisor Class: APDMX	**9.33**	**17.79**	**21.26**	**13.81**	**10.06**	**13.28**	**13.57**
Institutional Class: APHMX	**9.35**	**17.84**	**21.37**	**13.92**	**10.21**	**13.51**	**13.79**
Russell Midcap® Growth Index	7.57	13.38	21.10	16.65	13.00	13.46	8.99
Russell Midcap® Index	5.00	7.46	13.98	14.52	11.65	12.31	9.98

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
Semi-Annual Report 31 Mar 2018[1]	1.19	1.05	0.95
Prospectus 30 Sep 2017[2]	1.18	1.05	0.95

[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

The themes that have dominated the global economic and market backdrop YTD have remained relatively consistent—Q3 proved no exception. Trade remains top of mind globally, with much focus on the US and its major trade partners, including China, Europe and its NAFTA neighbors. Developed markets defied the uncertainty, though, rising in Q3, led by the US. The UK was notably in the red as Brexit negotiations have proven challenging, rattling nerves about the likelihood the country successfully maintains trade agreements with its Continental brethren. In contrast, emerging markets were in the red in Q3 and trail YTD as well.

Among emerging markets, China was particularly weighed down by ongoing trade concerns. Meanwhile, Turkey, Argentina and other countries whose currencies are particularly exposed to volatility were pressured in Q3, prompting some concern their woes might become a broader contagion. However, to date it seems as though most of the vulnerable countries are taking largely appropriate steps to mitigate what volatility they can. Conversely, Brazil's market bounced in Q3, though it is still negative YTD as the economy remains sluggish and a hotly contested election looms in October.

Against this backdrop, the US Fed raised its benchmark rate 25bps to a range of 2.00%-2.25%—in line with expectations—continuing the divergence among major global central banks. The Bank of England, which faces heightened domestic uncertainty surrounding the country's impending exit from the EU, as well as the ECB, where economies remain relatively less economically robust, have thus far signaled they will remain as accommodative as they believe necessary to avoid unduly pressuring their markets or economies. Meanwhile, the Bank of Japan has shown no indication it will alter its exceedingly accommodative stance anytime soon.

As uncertainties mounted in the quarter, more defensive sectors led—including health care, industrials and telecom. Conversely, utilities and materials were the bottom-performing sectors in US and global markets. From a style and size standpoint, growth led value, as it has YTD, and larger growth stocks outperformed their smaller counterparts—also a YTD trend.

Performance Discussion

Our portfolio outperformed the Russell Midcap® and Russell Midcap® Growth Indices in Q3 and remains ahead YTD. We were pleased with the portfolio's noteworthy strength in the face of macroeconomic worries, including global trade and the potential for emerging markets currency-related contagion. Growth stocks again led value in Q3—a function, we believe, of investors' generally prioritizing high-confidence, durable profit cycles that aren't dependent on global macroeconomic strength.

Among the portfolio's top-contributing sectors during the quarter were those most innovation-oriented—namely, health care and technology—which also saw the best absolute performance. Conversely, our consumer discretionary and industrials holdings, while positive on an absolute basis, were weighed down by stocks exposed to the aforementioned macroeconomic concerns. This was particularly true for our auto holdings—namely Delphi Technologies, which we'll discuss in further detail.

Among our top individual contributors in Q3 were Atlassian, Veeva Systems and Advanced Micro Devices (AMD). Atlassian notched another solid quarter as it announced its new Jira Ops product and related bolt-on acquisition for IT operations management. While Jira is used extensively for software development, Jira Ops can be used to manage the operation of that same software in the cloud. We believe this is a good illustration of the flexibility and adaptability of Atlassian's low-cost tools—and highlights effectively the broad runway that remains ahead of the company.

Veeva Systems is a leading provider of cloud-based SaaS solutions for the pharmaceutical and life sciences industries. The company's Vault applications continue to be rapidly adopted by life sciences customers looking to enhance their clinical, regulatory, manufacturing and commercial operations by introducing modern cloud-based software tools—uptake which is translating into healthy subscription revenue growth. Importantly, Veeva is adding new products—as well as new markets, including other regulated industries where document control and quality assurance are critical—which should broaden its growth runway in the period ahead.

It's unusual to name a new Garden℠ holding such as AMD among our top contributors—a testament to the stock's solid price appreciation during the quarter. AMD is a leading provider of microprocessors for PCs and servers, graphics processors, and processors for several game consoles, including the PlayStation 4 and Xbox One. We purchased AMD in Q3 on the thesis that under the leadership of a new management team, the company is well-positioned to take share in servers, desktops and notebooks as it launches new products. As these new, higher-margin products gain traction, we believe AMD should begin closing its meaningful margin gap with peers. During Q3, the stock gapped up as investors anticipated Intel's manufacturing delays should provide an opening for AMD to take share faster than broadly anticipated.

Though not among our top Q3 contributors, we thought it worth mentioning Crop℠ holding Roper Technologies, which did outperform the benchmark in Q3 and is ahead YTD. In August, the company announced that long-time CEO Brian Jellison would retire immediately due to a recent medical diagnosis. Over his 17-year tenure as CEO, Mr. Jellison transformed Roper from a small industrial pump provider into a diversified technology company known for noncyclical growth, very high margins and cash flows and savvy acquisitions. We have certainly benefited from his efforts—not only from the returns on Roper's stock, but from the lessons they have helped teach us about the powerful compounding effect of wise capital allocation over many years. We believe he leaves the Roper franchise in good hands under new CEO Neil Hunn (whom the company had previously indicated was being groomed to eventually take the helm), and we wish Mr. Jellison and his family all the best.

Among our bottom individual Q3 contributors were Delphi Technologies, Twitter and Zalando. Delphi Technologies, which represents the former Delphi Automotive's powertrain systems segment, was caught up alongside many auto-related companies in ongoing trade concerns. Further weighing on shares was China's recent economic slowdown—an important market for Delphi's products. We believe the long-term story surrounding the accelerating uptake in electric vehicles (EVs) is intact. However, after Q3 concluded, the company announced negative quarterly results as well as that its CEO is leaving the company to pursue other opportunities. Given this heightened uncertainty surrounding the outlook, we have begun harvesting our position to upgrade our capital into higher-conviction names.

We introduced Twitter to the portfolio in Q1 2018 based on evidence that its ability to engage users and advertisers is improving. While Twitter's user base is smaller than Facebook's, it is a unique forum for real-time news and conversations. Twitter also seems to be benefiting from increased video content. Recent results, however, have shown a deceleration in user counts as Twitter actively removes bot accounts in the face of widespread social media scrutiny from Washington, D.C. The company is also increasing its investments, which will pressure margins in the near-term. The holding consequently remains in the Garden℠ while we watch for signs our thesis is taking hold.

Shares of Zalando were pressured in the quarter partly due to weather, but also partly due to structural changes in the business—factors which have resulted in disappointing top- and bottom-line results. Among the aforementioned structural changes are a transition toward lower-GDP new markets across Europe, the shift toward fast fashion and heavy investments in rapid shipping and fulfillment. We believe Zalando is a unique platform with strong brand relationships; however, we exited in Q3 in favor of better opportunities as we anticipate these dynamics could weigh on earnings over the next year.

Portfolio Activity

Ongoing volatility has allowed us to remain active YTD—Q3 was no exception, with the introduction of several new holdings, including the aforementioned AMD, as well as Trimble and Cognex. Trimble is an industrial technology company that is bringing software, sensor and device solutions to areas of the economy that have been historically relatively slower to adopt new technology—such as agriculture, transportation and construction. Over time, the company has faced several bumps in the road, including cyclical downturns and a few acquisitions which have struggled. However, operations have strengthened over the past year, and recent software acquisitions have performed well out of the gate. Importantly, the company is shifting toward a recurring revenue-driven model, which we anticipate should translate into higher margins over time.

We know Cognex well as a long-term holding in our small-cap portfolio. Cognex is an innovative manufacturer of machine vision systems that enable computers to identify, measure, locate and/or ensure quality in a production process. Over the last several years, the company has experienced impressive growth as demand for vision technology has rapidly increased. Shares have been pressured YTD as smartphone-related capital expenditures have slowed. However, recent results show stabilizing trends in smartphones, and Cognex is the leader in machine vision. With ample catalysts still ahead, we capitalized on recent weakness to initiate a Garden℠ position.

We also concluded several campaigns in Q3, including Cigna, Polaris and Discover Financial Services. Over the course of our investing campaign, Cigna's management team has followed a disciplined strategy to drive organic growth while sustaining healthy margins and strong cash flow. More recently, the market's response to Cigna's Express Scripts acquisition has been mixed. While we're modestly more positive than negative on the acquisition and think the stock's valuation is attractive, the merger pushes Cigna even further above our typical mid-cap threshold. We consequently concluded our successful investing campaign.

Polaris is a leading designer, engineer and manufacturer of power-sports vehicles. We initiated our campaign in Q1 tied to expectations that the company had successfully put several challenging years of recall and product-quality challenges behind it and would begin making progress on new product innovation. We further expected Polaris to benefit from higher demand as the consumer spending environment improved thanks to the positive combination of lower unemployment, recent tax cuts and other factors. While we maintain our belief that Polaris is a solid brand, global trade and inflationary pressures have begun pressuring margins, and the recent acquisition of a boating franchise was inconsistent with our thesis. We consequently chose to conclude our Garden℠ campaign in favor of other opportunities.

We also exited Garden℠ holding Discover Financial Services, a leading credit card lender. We purchased it in Q4 2017 as we anticipated a strengthening macroeconomic backdrop would lead to healthy consumer spending and credit-quality trends. We continue to believe the company has a solid credit-card franchise. However, we see bigger, more compelling profit cycle opportunities developing elsewhere and consequently chose to redeploy our capital.

We added to Worldpay, Take-Two Interactive and Canada Goose Holdings in Q3, while paring our exposure to Proofpoint, Cintas and LKQ. Worldpay is the product of a recent merger between Vantiv and Worldpay. As independent entities, Vantiv was among the leaders in integrated payments for small merchants and was gaining share in the large US retailer vertical; Worldpay was a leader in the e-commerce field. The combined entity results in a marriage which we anticipate will drive meaningful cost and revenue synergies. Early results have been positive: Sales are accelerating as the combined company capitalizes on the respective strengths of the formerly independent entities to cross- and up-sell into their existing client bases. The company's exposure to faster-growing areas of payments as well as ongoing merger-related synergies should allow Worldpay to drive impressive earnings growth over the next few years.

Our investment campaigns in Activision Blizzard and Electronic Arts—both of which are now large-cap stocks—helped build our conviction in the secular trends driving the video-game industry. Take-Two Interactive is very well-positioned relative to these trends over the next few years. The company is known for the high quality of its games, and as it encourages ongoing player engagement, recurring revenue streams are growing quickly. We introduced it to the Garden℠ in Q2 2018 as shares pulled back, and we added to our position as Q2 results (announced in Q3) lent conviction to our thesis. We look forward to the October release of *Red Dead Redemption 2*—which is developed by the same game studio that created *Grand Theft Auto*—and think it could drive significant profits acceleration over the next few years. Importantly, there is a meaningful opportunity for Take-Two to close the margin gap with peers as revenue growth drives margin expansion.

Canada Goose is a premium outerwear brand focused primarily on technical parkas and other jackets. We have been 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. Canada remains its largest retail market and is growing rapidly—which implies a significant international opportunity, where it remains underpenetrated. In particular, we believe there is meaningful potential for the brand's launch in Asia, where we think brand awareness is already building among a consumer base which prizes well-known luxury brands.

Conversely, we trimmed our position in Proofpoint, a SaaS-based provider of e-mail security and data-protection services, as its valuation approaches our estimate of private market value and as revenue growth levels off. We continue to believe the company is well-positioned relative to the ongoing emphasis on e-mail security, but we took advantage of a nice run for the share price to reallocate some of our capital.

Cintas is a leading provider of uniform rental services in the US with scale advantages over its smaller competitors. The company has executed well on its G&K Services acquisition and integration. We anticipate Cintas will continue driving organic growth by increasingly penetrating firms that are newly outsourcing uniform services, as well as cross- and up-selling them to Cintas's other offerings. These trends should continue provided the US employment backdrop remains healthy. However, several years into these healthy trends, we believe much of their positive impact is likely reflected in the stock's price. As it has approached our estimate of private market value, we have pared our exposure in accordance with our valuation discipline.

As we discussed in our Q2 communication, shares of LKQ, a value-added distributor of vehicle parts and accessories, have been pressured YTD as it has struggled with several operational and logistical challenges which have driven costs up—particularly in the US and Europe. We believe the company has credible plans to address these issues and appears to have made progress—which we expect will produce improved results as the year progresses. However, with several compelling investing opportunities available elsewhere, we chose to pare our exposure to LKQ.

Portfolio Statistics

As of September 30, the portfolio had a median market cap of $15 billion and a 3-5 year forecasted weighted average earnings growth rate of 22%. Our holdings were selling at a weighted harmonic average P/E (excluding negative earnings) of 26X FY1 earnings and 23X 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

As we approach the bull market's upcoming 10-year mark, we are witnessing increasing signs of a dual-speed global market. Non-US markets are reflecting the early negative impact of largely US-driven trade pressures—which weigh not only on markets and economies, but on consumer and investor confidence as well. Conversely, as the US economic data have overall and on average remained positive, investor and consumer expectations accordingly remain relatively healthy for now. This divergence naturally leads to questions about whether, when and how global markets realign—with myriad possible outcomes.

While we profess no unique ability to handicap these outcomes, we are watching closely for signs conditions are shifting meaningfully in one direction or another. Ongoing uncertainty aside, we remain pleased with the performance of our Crop℠ holdings—particularly those which have to date been less impacted by trade woes and for now seem relatively insulated.

Further, we believe several meaningful secular trends remain nicely in motion—and are not particularly dependent on rapid global growth or trade conditions. For example, one trend we've highlighted recently is the ongoing shift toward digital payments, which are seeing rapid uptake globally. This is particularly the case in emerging economies, which in many cases have been able to "skip a step" technologically and financially speaking. We have several high-quality franchises well-positioned relative to this trend—including the aforementioned Worldpay, but also Pagseguro Digital, Global Payments and others.

Then, too, we also find internal change catalysts to be important drivers, particularly against slowing or mixed macroeconomic backdrops. These companies are often capitalizing on internal changes such as a newly installed management team, a new product cycle, the integration of an acquisition, or others, to drive revenue or profit growth (or, ideally, both) even against a more challenging backdrop. Examples of some of these holdings include the aforementioned Cintas, Gardner Denver, FLIR Systems and Zynga, among others.

In short, we believe that despite rising uncertainty, there remain interesting investing opportunities globally—with many trading at valuations that still look reasonable to us given the opportunity ahead of them. Regardless of the direction markets take in the coming quarters, we will adhere to our disciplined approach, which over the course of our team's history, has proved sufficiently resilient to withstand a variety of investing environments.

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 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 comprise the following percentages of Artisan Mid Cap Fund's total net assets (including all classes of shares) as of 30 Sep 2018: Global Payments Inc 4.9%, Atlassian Corp PLC 4.8%, Veeva Systems Inc 3.3%, Worldpay Inc 2.5%, Roper Technologies Inc 2.0%, Gardner Denver Holdings Inc 1.8%, Take-Two Interactive Software Inc 1.6%, FLIR Systems Inc 1.4%, Advanced Micro Devices Inc 1.3%, Canada Goose Holdings Inc 1.3%, Cintas Corp 1.2%, Zynga Inc 1.1%, Pagseguro Digital Ltd 1.0%, LKQ Corp 0.9%, Proofpoint Inc 0.9%, Delphi Technologies PLC 0.8%, Trimble Inc 0.5%, Twitter Inc 0.5%, Cognex Corp 0.5%. The holdings mentioned comprise the following percentages of Artisan Small Cap Fund's total net assets (including all classes of shares) as of 30 Sep 2018: Veeva Systems Inc 4.5%, Gardner Denver Holdings Inc 2.0%, Canada Goose Holdings Inc 2.8%, Zynga Inc 1.3%, Proofpoint Inc 2.8%, Delphi Technologies PLC 0.9%, Cognex Corp 0.9%. 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.

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