Artisan Small Cap Fund

QUARTERLY
Commentary

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

As of 31 March 2019

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

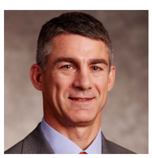
We overlay the security selection and capital allocation elements of our investment process with a desire to invest opportunistically across the entire global economy. We seek broad knowledge of the global economy in order to find growth wherever it occurs.

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.

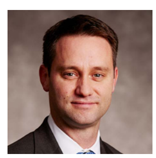
Portfolio Management

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 31 March 2019	QTD	YTD	Average Annual Total Returns 1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTSX	**23.02**	**23.02**	**16.91**	**21.57**	**10.91**	**19.29**	**9.60**
Advisor Class: APDSX	**23.11**	**23.11**	**17.11**	**21.69**	**10.98**	**19.32**	**9.61**
Institutional Class: APHSX	**23.10**	**23.10**	**17.15**	**21.83**	**11.15**	**19.45**	**9.66**
Russell 2000® Growth Index	17.14	17.14	3.85	14.87	8.41	16.52	7.80
Russell 2000® Index	14.58	14.58	2.05	12.92	7.05	15.36	9.15

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
Annual Report 30 Sep 2018	1.20	1.06	1.01
Prospectus 30 Sep 2018[1]	1.21	1.06	1.01

[1]See prospectus for further details.

Past performance does not guarantee and is not a reliable indicator of future results. Investment returns and principal values will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. Call 800.344.1770 for current to most recent month-end performance.

Investing Environment

Markets bounced back sharply from Q4's weakness to start 2019 and are effectively flat over the last six months. US markets led the way, followed closely by foreign developed and emerging markets. Though many of the concerns which weighed on sentiment in 2018 remain unresolved—notably Brexit and global trade concerns, particularly between the US and China—investors shrugged off ongoing uncertainty as corporate earnings remain solid overall.

On the monetary policy front, the Fed and ECB sharply reversed course in Q1, returning to easier policy stances. The Fed left interest rates unchanged, as broadly expected, and signaled it may not raise rates at all in 2019—a less anticipated development. Meanwhile, the ECB announced it would reverse course and provide additional monetary stimulus in the form of resurrecting inexpensive, long-term loans for banks. The BoE and the BoJ, meanwhile, left rates on hold—the former given ongoing Brexit uncertainty. The Bank of Japan is maintaining a negative short-term interest rate in the face of ongoing macroeconomic weakness and few signs of domestic inflation. These combined signals from the world's major central banks that the global economy continues needing support helped push rates further down. The real estate sector was not surprisingly one of the leading sectors both in the US and globally, while financials (though positive on an absolute basis) trailed in the face of lower-for-longer rates.

At the sector level, in addition to real estate, technology stocks led—powered by solid earnings reports and despite growing global concerns about areas such as privacy and the potential need for increased regulatory oversight. Energy stocks also rose nicely in Q1 on the back of higher crude prices. Conversely, health care and financials stocks were the primary laggards, though both sectors were positive on an absolute basis. From a style standpoint, the market continues to be led by growth stocks across the cap spectrum.

Performance Discussion

As markets bounced back from Q4's selloff, our portfolio outperformed the Russell 2000® Growth and Russell 2000® Indices in Q1. Over the years, we have discussed the four power alleys in which we typically find a heavy amount of disruption and which are consequently fertile ground for compelling growth opportunities: health care, consumer discretionary, technology and industrials. In Q1, these power alleys were the top-contributing sectors to our relative outperformance. Communication services, a new sector which contains some former technology holdings, was also a meaningful contributor. Though admittedly a short time period, we see this as a modest validation of our approach to finding profit cycles—seeking out and investing in high-quality franchises that are finding ways to drive growth over meaningful time periods.

At the individual holdings level, Chegg, Q2 Holdings and Ascendis Pharma were among our top contributors. Chegg is a digital education company which is increasingly positioning itself as a best-in-class platform and must-have for college students. The company has driven attractive subscription growth as well as higher advertising revenues. Further, it plans to increase investments in local content for international markets while renewing its licensing deal with a major publisher, which should allow it to provide more content for longer at a similar cost. On the strength of these developments, we maintain our conviction in the profit-cycle potential ahead.

Q2 Holdings provides secure, cloud-based virtual banking solutions to regional and community banks, allowing them to deliver products and services in high demand from increasingly technologically savvy customers—and thereby improving their competitive positioning relative to larger national banks. Q2 has built momentum in its client pipeline, recently signing several mid-sized banks across a variety of its product offerings. As it successfully capitalizes on the shift toward digitally delivered financial services, we find Q2 a good example of the type of profit cycles we seek, and we maintain our conviction in the growth runway ahead.

Ascendis Pharma is a biotechnology company with a proprietary technology platform (TransCon) that supports pipeline development of multiple, best-in-class therapies while minimizing clinical risk and expense. Recently, the company reported better-than-expected phase-III results for its long-acting weekly growth hormone, TransCon GH. We believe this drug will be a strong driver of profitability. Importantly, this outcome also de-risks the company's other endocrine programs, as well as the TransCon technology platform itself. With a promising pipeline, we believe Ascendis is capable of driving a compelling profit cycle in the period ahead, and we continued building our position in Q1.

Our bottom contributors in Q1 included Garden℠ holdings Tabula Rasa, SiteOne Landscape Supply and Virtu Financial. Tabula Rasa is a medication risk-mitigation provider serving primarily Provider for All-Inclusive for the Elderly (PACE) markets. Its proprietary software helps these PACE organizations, which serve patients who prefer care in their own homes over a care facility, to address adverse drug events, lowering overall costs for patients with complex medical needs. Shares have consolidated gains after a solid 2018; however, we believe the fundamentals remain intact, and we expect shares to eventually be rewarded by the company's ongoing transition to a more asset-light, software-focused model. Further, its recently announced acquisition of PrescribeWellness (PW), a solutions provider to community pharmacies across the US, should broaden the opportunity for Tabula Rasa's medication risk-mitigation software to reach day-to-day decision makers at the provider level.

Conversely, we concluded our Garden℠ campaign in SiteOne, the largest and only wholesale distributor of landscape supplies in the US. We initiated our campaign in Q1 2018 on the thesis that the company's scale, distribution network and market share in the US (and growing presence in Canada) would position it as the low-cost provider. From there, we anticipated SiteOne would successfully consolidate a highly fragmented industry through accretive acquisitions under the leadership of its capable management team. The departure of the company's head of corporate strategy delays our thesis at best, and we concluded our campaign in favor of better opportunities elsewhere.

Virtu Financial is a technology-enabled market maker and liquidity provider to global financial markets. We have held Virtu since Q2 2017 tied to our expectation that it would effectively leverage its low-cost, lean and scalable business model against the backdrop of an ongoing shift toward increased transparency in markets. Since initiating our campaign, Virtu has executed well, effectively integrating KCG Holdings, which it acquired, to add scale and new revenue synergies. Late in 2018, Virtu announced it would acquire ITG—a transaction which we expect to ultimately produce even higher cost synergies than the KCG acquisition. Shares have been pressured as investors fret the potential for lower market volatility and the attendant implications for Virtu's revenues. However, we believe the profit-cycle potential is compelling and that Virtu is well-positioned as it continues integrating recent acquisitions to increase its scalability and capitalize on the shift toward greater market transparency.

Portfolio Activity

As we've discussed in recent communications, we take a positive view of heightened market volatility as it allows us to capitalize on opportunities to invest in high-quality franchises at compelling valuations. Our ongoing research efforts continued bearing fruit in Q1, and we initiated several new campaigns—among them, RealPage, Avalara and ServiceMaster Global Holdings—while adding to the aforementioned Ascendis Pharma, as well as recent Garden℠ purchases LivePerson and Coupa.

RealPage is the market-leading platform provider to the rental property market, offering end-to-end services from marketing to lease signing, tenant payments and communication and back-office enterprise resource planning (ERP) systems. The market opportunity is substantial with very few competitors who can operate at RealPage's scale—and importantly, though RealPage has the dominant market share, there is ample room for further penetration. We anticipate RealPage will be able to drive margin growth through its Unity platform, which provides users with a more seamless experience while leading to natural up- and cross-selling opportunities. With a new CFO in place with whom we're well-acquainted and in whom we have confidence, we believe the profit-cycle opportunity is significant, and we capitalized on Q4's pullback to initiate a campaign.

Avalara is a software-as-a-service (SaaS) application for calculating sales taxes and filing returns with the appropriate tax authorities. Its product integrates some 600 systems, including Oracle, SAP, Workday, Microsoft and Salesforce as well as e-commerce and point-of-sale systems. Given the complexity of sales-tax rules, rates, boundaries and calculations, the opportunity is substantial—not only in the US, but abroad as well. Though its international efforts are quite early, Avalara has made acquisitions and developed some products organically for Europe, India and Brazil. Further, competition in this space is primarily in the form of legacy, on-premise solutions providers. Uptake thus far has been fairly rapid, and given the runway ahead, we believe the company capable of an attractive profit cycle. We consequently initiated a position at what we believe is a reasonable valuation.

ServiceMaster Global Holdings offers national residential and commercial pest-control services, restoration, cleaning, furniture repair and home inspections. Pest control is a steady-growth, non-cyclical, high-return business led by a few national operations. In recent years, ServiceMaster has been the relative laggard in the industry, so the company caught our attention when it hired a new CEO in mid-2017. Since then, the new CEO has simplified the business—spinning out the American Home Shield warranty business—upgraded the management team and refocused employees on the basics of high-quality service delivery. Recent results have shown improvement, with accelerating organic growth in its core Terminix® franchise—and giving us confidence to increase the position within the Garden℠.

We initiated our campaign in LivePerson, a leading provider of mobile and online messaging solutions, in Q4 2018 on the thesis that customers' growing demand for digital interactions and engagement with brands will push customer service and sales centers to shift from voice to digital communications. LivePerson is well-equipped to lead this shift: Its LiveEngage cloud-based platform allows brands to engage with customers across digital channels at scale, more efficiently and more effectively. The company has spent the last several years introducing LiveEngage, converting its existing customers onto it, and building the necessary artificial intelligence, machine learning and automation layers into it—efforts which we believe result in a well-positioned, high-quality franchise that can now focus more directly on its sales efforts and revenue growth. The market opportunity ahead is substantial—and goes well beyond simply digital conversations in services contexts into areas such as sales, marketing and possibly social media monitoring. Given our conviction in the runway ahead, we increased our exposure in Q1.

Coupa, the leading provider of unified, cloud-based spend-management software, was another position we added to the Garden℠ in Q4 2018. We believe Coupa is accumulating a meaningful client list, with important companies like Caterpillar, Unilever and Airbus among them, while simultaneously growing its network effect, with over two million connected global suppliers. Importantly, it continues launching new products, including those aimed at early payment discounts, virtual credit cards and batch payment processing—all of which should broaden the growth runway. As we are seeing evidence our thesis is taking hold, we have increased our exposure to what we believe could be a long profit cycle.

In addition to the aforementioned SiteOne Landscape Supply, we also concluded our campaigns in Callon Petroleum and Zuora in Q1. We first purchased Callon Petroleum in early 2018 as we anticipated its

Permian acreage combined with higher productivity per well and reduced operating costs via leveraging existing infrastructure would result in meaningful growth. Over the past year, however, volatile commodities prices have pressured the energy sector overall—a particularly challenging backdrop for smaller exploration and production companies who have less scale and fewer internal drivers to overcome those price swings than their larger competitors do. With our thesis thus challenged, we chose to upgrade our capital.

Similarly, we haven't seen signs Zuora's profit cycle was gaining the type of traction we expected. Zuora's SaaS- based software allows any company in any industry to rapidly launch, manage and transform itself into a subscription-based revenue business. From customers' perspectives, utilizing software like Zuora's is preferable from both a cost and convenience standpoint to modifying their existing ERP systems. As many tech start-ups have used Zuora's software, Zuora has accordingly grown alongside many of these companies. Though we believe the opportunity is significant and Zuora well-positioned, with the profit cycle taking longer than we expected to accelerate, we chose to exit our Garden℠ position in favor of more exciting opportunities.

We pared our exposure to Proofpoint, HEICO and Neurocrine Biosciences. We have held Proofpoint, a SaaS-based provider of e-mail security and data-protection services, for its attractive position relative to the ongoing emphasis on e-mail security. While that thesis remains largely intact, we have trimmed our position as its valuation has risen.

Similarly, HEICO, the leading parts manufacturer approval supplier in the world to the aerospace industry, has executed well over the course of our campaign, compounding growth and generating attractive levels of free cash flow. As its market cap has begun to exceed the typical small-cap threshold, we have begun harvesting our position.

Neurocrine Biosciences is a biotechnology company focused on central nervous system and endocrine system disorders. The company's recent trial of its drug Ingrezza™ (which was approved for tardive dyskinesia in 2017) in Tourette syndrome failed. While the company has an interesting pipeline, the medium-term outlook was predicated largely on Ingrezza™. As catalysts over the intermediate period ahead have faded, we have begun harvesting our position in favor of better-positioned opportunities elsewhere.

Portfolio Statistics

As of March 31, we held 62 positions with a median market cap of $4.7 billion. Our portfolio had a 3-5 year forecasted weighted average earnings growth rate of 21% and our holdings were selling at a weighted harmonic average P/E (excluding negative earnings) of 32X FY1 earnings and 30X FY2 earnings.

Perspective

We have emphasized over the past couple years the degree to which markets can be highly volatile—a fact easily lost sight of by many investors amid an ongoing, long bull market. Markets provided a sharp reminder in 2018—especially in Q4—as macroeconomic uncertainty picked up. We have also noted that during the early stages of a sharp correction, our stocks can go down every bit as much (if not more than) the market, as investors seek to de-risk portfolios by selling higher-multiple growth stocks.

But ultimately, we gravitate toward businesses that are less dependent on the overall strength of the underlying global economy and are more driven by factors such as innovation, demographic changes and internal change catalysts. Our assessment during the Q4 selloff that those drivers remained intact for the businesses we hold in the portfolio gave us the confidence to take advantage of the attractive valuations we were seeing. Those decisions largely paid off in Q1 as investor confidence returned to markets.

Against the backdrop of Q4's correction and the market's subsequent Q1 bounce-back, we kept our heads down, researching new secular trends and investment ideas which are yielding a solid pipeline of high-quality franchises that we believe are on the cusp of compelling, long-term potential profit cycles. For example, we did extensive work during the quarter building conviction in a number of new biotechnology profit cycles.

We are certainly cognizant that rising health care costs are in the headlines—but simultaneously, we tend to focus on innovative companies that can bring new technologies to market, many of which should over the long term help to bring health care costs down. Amid these efforts, we have been building positions in a number of small-cap companies with important new platforms and technologies, including the aforementioned Ascendis Pharma, whose proprietary technology platform TransCon represents a significant support for pipeline development of multiple, best-in-class therapies while minimizing clinical risk and expense.

Also included in this category is Argenx, a Dutch biotechnology company developing antibody-based therapies for autoimmune diseases and cancer. Its first antibody, ARGX-113, could effectively become a pipeline within a drug for several autoimmune diseases. And it also includes several other Garden℠ holdings in the portfolio (Sage Therapeutics, Agios Pharmaceuticals, Acceleron) that have made significant progress in recent quarters de-risking their new platforms and drug pipelines.

This is the essence of our disciplined approach to identifying profit cycles: Regardless of the market environment, we conduct in-depth research across markets, eschewing growth at any price in favor of high-quality, durable franchises which we believe are trading at attractive valuations relative to the opportunity we believe is ahead of them.

That said, though we are enthusiastic about the output of our research efforts, we simultaneously recognize that valuations have quickly reverted to higher levels, and many of the macro concerns that plagued markets in 2018 have not been completely dispelled. As such, we certainly wouldn't be surprised to see ongoing market volatility in the coming quarters. Regardless, we will stay focused on looking for compelling new profit cycles, and we will remain disciplined about what we pay for them, as we have over the course of our 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 31 Mar 2019. 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 31 Mar 2019: Q2 Holdings Inc 4.1%, Chegg Inc 2.8%, Ascendis Pharma A/S 1.7%, LivePerson Inc 1.5%, Argenx SE 1.5%, Virtu Financial Inc 1.2%, RealPage Inc 1.1%, Coupa Software Inc 1.0%, Acceleron Pharma Inc 0.9%, Tabula Rasa HealthCare Inc 0.9%, Neurocrine Biosciences Inc 0.8%, HEICO Corp 0.8%, Proofpoint Inc 0.6%, Sage Therapeutics Inc 0.6%, ServiceMaster Global Holdings Inc 0.5%, Agios Pharmaceuticals Inc 0.4%, Avalara Inc 0.3%. 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.

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 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.

Artisan Partners Funds offered through Artisan Partners Distributors LLC (APDLLC), member FINRA. APDLLC is a wholly owned broker/dealer subsidiary of Artisan Partners Holdings LP. Artisan Partners Limited Partnership, an investment advisory firm and adviser to Artisan Partners Funds, is wholly owned by Artisan Partners Holdings LP.

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