Artisan U.S. Mid-Cap Value Strategy

QUARTERLY Commentary

As of 31 December 2018

Investment Process

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

Attractive Valuation

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

Sound Financial Condition

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

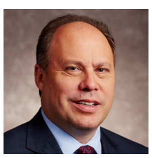
Attractive Business Economics

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

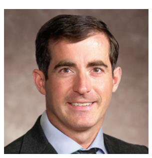
Team Overview

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

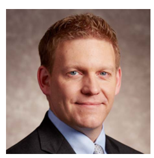
Portfolio Management



James C. Kieffer, CFA
Portfolio Manager



Thomas A. Reynolds IV
Portfolio Manager



Daniel L. Kane, CFA
Portfolio Manager

Investment Results (%)

As of 31 December 2018	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception[2]
			Average Annual Total Returns				
Composite — Gross	**-16.31**	**-12.53**	**-12.53**	**7.19**	**2.91**	**12.14**	**12.03**
Composite — Net	**-16.52**	**-13.36**	**-13.36**	**6.20**	**1.95**	**11.11**	**10.97**
Russell Midcap® Value Index	-14.95	-12.29	-12.29	6.05	5.44	13.02	8.93
Russell Midcap® Index	-15.37	-9.06	-9.06	7.04	6.26	14.02	8.60

Annual Returns (%) 12 months ended 31 December

	2014	2015	2016	2017	2018
Composite — Gross	**2.70**	**-8.77**	**23.87**	**13.69**	**-12.53**

Source: Artisan Partners/Russell. Returns for periods less than one year are not annualized. [2]Composite inception: 1 April 1999.

Past performance does not guarantee and is not a reliable indicator of future results. Current performance may be lower or higher than the performance shown. Composite performance has been presented in both gross and net of investment management fees.

Investment Risks: Investments will rise and fall with market fluctuations and investor capital is at risk. Investors investing in strategies denominated in non-local currency should be aware of the risk of currency exchange fluctuations that may cause a loss of principal. These risks, among others, are further described on the second to last page, which should be read in conjunction with this material.

Investing Environment

Investors faced a rocky year amid heightened financial market volatility, punctuated by major price declines in February, October and December. The dominant concerns were largely consistent throughout the fourth quarter, namely ratcheting trade tensions between the US and China, tightening monetary policy, and the potential for slower global economic growth.

Most asset classes underperformed cash in 2018, and the major equity indices closed in negative territory for Q4. The US was among the bottom performers in the quarter, but led most major indices for 2018, which is an ignominious distinction since the S&P 500® Index notched its worst calendar year since the global financial crisis' conclusion.

Tighter US monetary policy was a prevalent theme as the US economy remained strong. Substantial fiscal stimulus in the form of tax cuts contributed to growth in the economy and in corporate profits. Citing strong economic fundamentals, the Federal Reserve continued normalizing policy—hiking its benchmark rate four times in 2018 and continuing to unwind its balance sheet. Even so, conflicting signals about the underlying health of economic conditions and financial markets' weakness contributed to investors' questioning whether the Fed was being too aggressive in its approach.

For the Russell Midcap® Value Index, the energy sector was the big loser on the year as oil prices collapsed. The consumer discretionary and materials sectors suffered notably. Utilities concluded the year in the black as investors shunned more cyclically oriented names. Led by the likes of Twitter and TripAdvisor, the communications services sector also finished with a positive return. Value stocks generally trailed growth stocks for the year. From a size perspective, larger companies tended to hold up better for the year overall as volatility likely swayed investors' preference toward greater liquidity found in larger stocks.

Performance Discussion

Our portfolio trailed the Russell Midcap® Value Index QTD. In the index, defensive and interest-rate sensitive sectors—utilities and real estate, for example, where we have little-to-no exposure—outperformed, contributing to the drag on our relative returns.

However, our stock selection was additive to performance, particularly in communication services, financials and technology names. Triple-net lease REIT operator Store Capital was a positive contributor in the quarter, as well.

An historic equity market selloff in December rocked the energy sector amid sinking oil prices. With crude oil prices off a staggering $30 per barrel over the quarter and energy the worst performing sector in the index, it's of little surprise exploration and production firms—Hess and Devon—were among our largest detractors, weighing on our relative performance.

By virtue of the property of transitivity, firms with exposure to the oil and gas sector also came under pressure as commodity prices fell. Fluor, an engineering and construction company servicing oil and gas firms, was another key detractor for our portfolio. Aside from the broad market volatility, its shares remained under pressure due to legacy project problems, primarily in the power and downstream markets.

Weakness in airline stocks, tensions with China and the outlook for consumer spending bled into the aircraft lessors, and Air Lease Corp was our largest detractor on the quarter. However, demand for air travel by the global emerging middle class and the rise of ultra-low-cost carriers provide secular tailwinds in the long term. Air Lease is priced at a discount to book value, and we added to the position on the weakness as we continue to believe management has positioned the company as the industry leader. We had sold the position size down somewhat earlier in the year.

Judging by headlines alone, it was a tough quarter for car manufacturers. Palace intrigue embroiled former Nissan and Renault chairman Carlos Ghosn. GM announced layoffs and plant closures as it halted production on a handful of brands. Europe implemented a difficult new emissions testing protocol. Chinese purchases of automobiles slumped. Trump's trade war complicated supply chains and export markets through both tariffs and inflation in steel prices, squeezing manufacturers on both sides of their ledgers.

While we don't own those particular names, it's of little surprise Delphi Technologies, an automotive parts supplier to manufacturers, was a bottom contributor. We were initially attracted to the business due to an undemanding valuation. The business fell further out of favor after the initial purchase as investors fretted the combination of slowing car demand globally, notably in China, and the potential negative effects from emissions regulations in Europe. Delphi's execution on new products has lagged as well. We continue to believe it is well positioned to improve revenue and profit in the years to come due to key technologies enabling auto manufacturers to meet rising MPG and emissions standards around the world. Delphi's returns on the capex to develop these technologies are subpar currently, which along with slowing global auto volumes, creates uncertainty as to when its prospects will improve. We think taking a longer-term view, rather than focusing on the currently depressed results, reveals an undervalued business for patient investors.

TripAdvisor and Omnicom, both members of the communications services sector, were the top contributors in Q4. Omnicom Group, a global advertising and marketing services holding company, continues to generate strong cash flow and posted solid organic growth outside of North America, which the market was not expecting due to secular fears. General sentiment is that Omnicom is rooted in old or outdated media. However, we believe this is an unfair over-generalization based on a too-cursory understanding of the business—an incomplete thought that helps drive a wedge between the market price and fair value.

TripAdvisor's results in 2018 greatly exceeded the low expectations the market set for the business after a period of declining profitability.

The primary reasons being TripAdvisor was able to reduce marketing spend, while continuing to grow revenue in their hotel segment, indicating the business has higher earnings power than the depressed results in 2017 indicated. Investors are also beginning to assign more value to TripAdvisor's market leading "experiences" and restaurant bookings businesses. Our investment in TripAdvisor over the last year highlights how our process has the ability to identify opportunities in low expectations situations due to recent business setbacks.

Also among our top contributors in Q4 was a new name—Dentsply Sirona.

Dentsply Sirona is a global dental products manufacturer and distributor resulting from an all-stock merger-of-equals that took place in February 2016 between Sirona Technologies (digital tech) and legacy Dentsply (dental supplies). The management team at the time botched the merger; subsequently, the board of directors cleaned house. There is now a massive turnaround effort underway. The market soured on the name amid all the mismanagement and turnover. We appreciate that the company operates a steady, recurring, market-leading consumables business that serves the dentist office at every patient visit. Overall, there is execution risk here, but management recognizes this is no longer a growth stock; owners are now value investors, and they are committed to operating with that in mind, showing a commitment to prudent capital management.

Portfolio Activity

Weakness in the financial sector provided more attractive prices for existing and new positions. We added to our existing holdings of M&T Bank Corp and Pinnacle Financial Partners. Given the backdrop, we also initiated positions in SunTrust Banks and BOK Financial Corp.

BOK, a bank-holding company based in Tulsa, Oklahoma, is the rare bank that's run like a private business. This is mostly because a single owner holds over 50% of the shares. A focus on long-term value means its revenues are tilted more toward fee-based businesses than a typical regional bank. These fee businesses provide diversification which give BOK Financial a level of resiliency over a cycle. The company operates with a disciplined credit structure and is diversified geographically. It's the largest bank in Oklahoma by deposits.

SunTrust Banks, a super-regional bank with its locus in the fast-growing southeast US, is another case of low expectations. To wit, it was another top contributor in Q4. We believe it is fetching a price that reflects trough-like assumptions. This is a much different (i.e., better) bank than it was a decade ago. Management is disciplined on expense lines, and the stock offers a strong capital return yield (dividends plus buybacks).

Andeavor and Rockwell Collins are both names that came out of the portfolio due to acquisitions. Marathon Petroleum purchased Andeavor, and the deal closed in early October. We now own Marathon Petroleum shares. United Technologies, which at nearly a $100 billion market capitalization is too large for the Russell Midcap® Value Index, closed on its acquisition of Rockwell Collins in November. We sold our position before the deal closed.

Perspective

Volatility begets opportunity. Our process is designed to take advantage of the discounts that can manifest when fear and uncertainty drive prices away from their intrinsic values. While recent market action may have widened that gap, discounts are not yet widely available. We like how the portfolio is positioned, and we will continue engaging in new opportunities where valuations warrant. However, at this point in the economic cycle, we believe avoiding high-valuation areas can continue be a source of alpha for the portfolio.

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

Business Update

We are pleased to announce that Craig Inman has been named a portfolio manager for the Artisan Value Equity Strategy and the Artisan U.S. Mid-Cap Value Strategy effective February 1. Craig joined our team in 2012 and is being promoted to portfolio manager in recognition of the quality of his recommendations over the years, providing him an opportunity to broaden his leadership and influence on the portfolios.

His most recent promotion does not change our decision-making process. Rather, it is a reflection of our view of his abilities as a decision maker and the value he has created for our clients during his tenure.

For more information: Visit www.artisanpartners.com

Investment Risks: Securities of small- and medium-sized companies tend to have a shorter history of operations, be more volatile and less liquid and may have underperformed securities of large companies during some periods. Value securities may underperform other asset types during a given period. These risks, among others, are further described in Artisan Partners Form ADV, which is available upon request.

Unless otherwise indicated, the Artisan Strategy characteristics relate to that of an investment composite or a representative account managed within a composite. It is intended to provide a general illustration of the investment strategy and considerations used by Artisan Partners in managing that strategy. Individual accounts may differ, at times significantly, from the reference data shown due to varying account restrictions, fees and expenses, and since-inception time periods, among others. Where applicable, this information is supplemental to, and not to be construed with, a current or prospective client's investment account information.

Securities of the same issuer are aggregated to determine a holding's weight in the portfolio. Securities referenced may not represent all of the securities in the portfolio. If certain information is unavailable for a particular security Artisan Partners may use data from a related security to calculate portfolio characteristics. All information in this report is as of the date shown in the upper right hand corner unless otherwise indicated and is subject to change without notice. Totals may not sum due to rounding.

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.

Net-of-fees composite returns were calculated using the highest model investment advisory fees applicable to portfolios within the composite. Fees may be higher for certain pooled vehicles and the composite may include accounts with performance-based fees. All performance results are net of commissions and transaction costs, and have been presented gross and net of investment advisory fees. Dividend income is recorded net of foreign withholding taxes on ex-dividend date or as soon after the ex-dividend date as the information becomes available to Artisan Partners. Interest income is recorded on the accrual basis. Performance results for the Index include reinvested dividends and are presented net of foreign withholding taxes but, unlike the portfolio's returns, do not reflect the payment of sales commissions or other expenses incurred in the purchase or sale of the securities included in the indices.

Russell Midcap® Value Index measures the performance of US mid-cap companies with lower price/book ratios and forecasted growth values. Russell Midcap® Index measures the performance of roughly 800 US mid-cap companies.

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This summary represents the views of the portfolio manager as of 31 Dec 2018. Those views and portfolio holdings are subject to change and Artisan Partners disclaims any obligation to advise investors of such changes. The discussion of portfolio holdings does not constitute a recommendation of any individual security. For a complete list of holdings by contribution to the strategy, refer to the Contributors to Return chart.

Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures. **Return on Capital (ROC)** is a measure of how effectively a company uses the money (borrowed or owned) invested in its operations. **Book Value** is the net asset value of a company, calculated by total assets minus intangible assets and liabilities. **Alpha** is a quantitative measure of the volatility of the portfolio relative to a designated index. A positive alpha of 1.0 means the fund has outperformed its designated index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%.

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

Artisan U.S. Mid-Cap Value Strategy

Quarterly Contribution to Return (%)

As of 31 December 2018

Top Contributors	Average Weight	Contribution to Return	Ending Weight
TripAdvisor Inc	1.92	0.18	1.38
Omnicom Group Inc	2.36	0.14	2.56
DENTSPLY SIRONA Inc	1.31	0.07	2.26
Cash Holdings	5.56	0.03	3.72
STORE Capital Corp	0.89	0.01	0.96
SunTrust Banks Inc	0.01	0.01	0.79
Equity Commonwealth	2.03	0.01	2.19
Andeavor	0.03	0.00	0.00
Intercontinental Exchange Inc	1.74	-0.00	1.88
Alleghany Corp	1.32	-0.05	1.46
BOK Financial Corp	0.19	-0.05	1.39
H&R Block Inc	2.34	-0.05	2.44
Rockwell Collins Inc	0.71	-0.07	0.00
Fairfax Financial Holdings Ltd	0.54	-0.10	0.52
Gentex Corp	2.38	-0.12	2.52
Aon PLC	2.05	-0.13	2.11
Loews Corp	1.52	-0.13	1.61
Analog Devices Inc	2.42	-0.14	2.64
Arrow Electronics Inc	2.17	-0.14	2.31
Expedia Group Inc	1.20	-0.14	1.24
The Kroger Co	3.24	-0.17	3.38
Liberty Expedia Holdings Inc	1.19	-0.19	1.23
AMERCO	2.56	-0.20	2.73
Arch Capital Group Ltd	2.20	-0.21	2.33
The Progressive Corp	1.66	-0.25	1.66

Bottom Contributors	Average Weight	Contribution to Return	Ending Weight
Air Lease Corp	2.93	-1.12	2.74
Hess Corp	1.98	-1.03	1.36
Devon Energy Corp	1.87	-0.97	1.41
Fluor Corp	1.78	-0.95	1.46
Delphi Technologies PLC	1.34	-0.94	1.30
Cimarex Energy Co	2.08	-0.79	1.72
Ryder System Inc	1.99	-0.72	2.13
Apache Corp	1.31	-0.70	0.96
Celanese Corp	3.43	-0.69	3.45
CBS Corp	2.41	-0.59	2.18
Synchrony Financial	1.99	-0.49	1.90
Marathon Petroleum Corp	1.59	-0.49	1.45
Jacobs Engineering Group Inc	2.02	-0.46	2.11
IAC/InterActiveCorp	3.39	-0.45	3.63
Kirby Corp	2.37	-0.43	2.37
GCI Liberty Inc	2.09	-0.42	2.04
Torchmark Corp	2.80	-0.39	2.76
Fifth Third Bancorp	2.69	-0.39	2.67
Axalta Coating Systems Ltd	1.94	-0.37	2.02
Pinnacle Financial Partners Inc	1.48	-0.36	1.45
M&T Bank Corp	2.61	-0.35	2.85
Nutrien Ltd	1.97	-0.34	1.95
AutoNation Inc	2.66	-0.32	2.76
Qurate Retail Inc	2.70	-0.31	2.65
AmerisourceBergen Corp	1.24	-0.28	1.61
News Corp	1.80	-0.27	1.75

Source: Artisan Partners/FactSet. **Performance is historical and is not a reliable indicator of future results.** As of 31 Dec 2018. These investments made the greatest contribution to, or detracted most from, performance during the period based on a representative account within the strategy Composite. Upon request, Artisan will provide: (i) the calculation methodology and/or (ii) a list showing the contribution of each holding to overall performance during the measurement period. Securities of the same issuer are aggregated to determine the weight in the portfolio. % Contribution to Return is calculated by FactSet by multiplying a security's weight in the portfolio by its in portfolio return for the period referenced and does not take into account expenses of the portfolio. Purchases/sales are accounted for by using end of the day prices, which may or may not reflect the actual purchase/sale price realized by the portfolio.