

Announcing Managers of the Year for 2008

Fund Spy | 01-06-09 | by Russel Kinnel

No matter how you slice it, fund investors and managers alike suffered a setback in 2008. Outside of a handful of bond funds, just about everyone lost money—and not just a little but staggering amounts. The average fund lost more than 30% in 2008.

So, why give out awards when everyone's year-end statement is swimming in red ink? Because limiting losses was difficult to do, yet incredibly valuable.

Limiting losses makes it much easier for an investor to get back in the black. To make up for a 20% loss, an investor would need to gain 25%. And to make up for a 40% loss, an investor would need to gain 67%. That's tough to do.

Moreover, our Manager of the Year award recognizes much more than a single year's performance. It recognizes long-term performance and strong stewardship as well. In fact, it's more a hall of fame than a recommendation list. If you're looking for funds that we think have a bright future, see our Fund Analyst Picks list.

International-Stock Manager of the Year: David Samra and Dan O'Keefe of Artisan International Value (ARTKX)

David Samra and Dan O'Keefe have done an outstanding job applying a deep-value strategy overseas. They look for companies with clean balance sheets trading at big discounts to their estimates of value. That investment discipline kept them largely away from the financials that got pummeled. As a result, the fund lost 30.1%. Although that's not pretty, it's a far sight better than the 47% loss posted by the average foreign small/mid-value fund and the 43% loss at MSCI EAFE.

The longer-term record is even more impressive. From its 2002 inception, a \$10,000 investment has grown to \$22,561 compared with \$14,297 for EAFE. That return was aided by a decision to close the fund in a timely manner before assets got out of hand—a great sign of strong stewardship. The fund recently reopened as assets have shrunk and opportunities have grown.

The pair also run the recently launched Artisan Global Value Fund (ARTGX).

Note: Daniel O'Keefe of Artisan International Value was a fund analyst at Morningstar in the mid-1990s.

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This is only an excerpt of the full article. The sections for Domestic-Stock Manager of the Year and Fixed-Income Manager of the Year have been omitted for reprint purposes. To read the full article, please visit www.morningstar.com.

Artisan International Value Fund**AVERAGE ANNUAL TOTAL RETURNS**

| <u>Performance Period</u> | <u>Fund</u> | <u>MSCI EAFE® Index</u> | <u>MSCI EAFE® Value Index</u> |
|--|--------------------|--------------------------------|--------------------------------------|
| One year through 12/31/08 | -30.11% | -43.38% | -44.09% |
| Five years through 12/31/08 | 6.33% | 1.66% | 1.79% |
| Life of Fund ¹ through 12/31/08 | 13.85% | 7.85% | 8.71% |

¹Fund inception date: 9/23/2002. The performance quoted represents past performance, which does not guarantee future results. The investment return and principal value of an investment in the Fund 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 the performance data quoted. For current to most recent month-end performance information, visit www.artisanfunds.com or call 800.344.1770. The performance information shown does not reflect the deduction of a 2% redemption fee on shares held by an investor for 90 days or less and, if reflected, the fee would reduce the performance quoted.

A mutual fund's NAV is the value of a single share and is computed daily using closing prices as of the NYSE closing time – usually 4:00 p.m. Eastern Time, but sometimes earlier. Securities for which prices are not readily available (such as when there are significant changes in one or more U.S. market indices) are valued at a fair value under the Funds' Valuation Procedures as described in the Funds' prospectus. When fair value pricing is employed, the value of a portfolio security used by the Fund to calculate its NAV may differ from (and consequently be higher or lower than) quoted or published prices for the same security. Fair value pricing is not employed by market indices.

Quotations of mutual fund performance are calculated using NAV and are therefore impacted by fair value pricing.

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. For Artisan International Value Fund, the fund may invest a significant portion of its assets in the stocks of small and medium-sized companies, which tend to be more volatile and less liquid than those of large companies, may have underperformed the stocks of larger companies during some periods and tend to have a shorter history of operations than larger companies. For Artisan Global Value Fund, the stocks of medium-sized companies tend to be more volatile than those of large companies and may have underperformed the stocks of small and large companies during some periods. Value stocks may underperform other asset types during a given period.

The MSCI EAFE® Index is an unmanaged, market-weighted index of companies in developed markets, excluding the U.S. and Canada. The MSCI EAFE® Value Index is an unmanaged, market-weighted index of companies in developed markets, excluding the U.S. and Canada, with lower price-to-book ratios. Both Index returns include net reinvested dividends but, unlike the Fund'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 index. An investment cannot be made directly in an index.

Investors should consider carefully before investing the fund's investment objective, risks and charges and expenses. For a prospectus, which contains that information and other information about the fund, please call us at 800.344.1770. Please read the prospectus carefully before you invest or send money.