Artisan Global Equity Fund

QUARTERLY Commentary

Investor Class: ARTHX | Advisor Class: APDHX | Institutional Class: APHHX

As of 31 March 2024

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

Andrew J. Euretig
Portfolio Manager

Michael Luciano
Associate Portfolio Manager

Investment Results (%)

			Average Annual Total Returns				
As of 31 March 2024	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTHX	**12.67**	**12.67**	**20.23**	**2.08**	**9.57**	**8.78**	**10.86**
Advisor Class: APDHX	**12.67**	**12.67**	**20.25**	**2.11**	**9.59**	**8.79**	**10.86**
Institutional Class: APHHX	**12.72**	**12.72**	**20.48**	**2.32**	**9.82**	**8.99**	**11.01**
MSCI All Country World Index	8.20	8.20	23.22	6.96	10.92	8.66	9.02

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (29 March 2010); Advisor (5 August 2020); Institutional (15 October 2015). 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 (% Gross/Net)	ARTHX	APDHX	APHHX
Annual Report 30 Sep 2023	1.30/—	1.79/1.25[1,2]	1.04/—
Prospectus 30 Sep 2023[2]	1.30/—	1.79/1.25[1]	1.05/—

[1]Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2025. [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. Performance may reflect agreements to limit a Fund's expenses, which would reduce performance if not in effect.

Investing Environment

Slowing inflation and the anticipation of rate cuts later this year provided a positive backdrop for global equities in Q1. Upbeat investors in developed markets outpaced those in emerging markets in a broadening rally that included almost all sectors.

While US inflation, as measured by the Personal Consumption Expenditures Price Index, ticked up to 2.5% year-over-year in February from 2.4% in January, the overall downward trend for the index was a positive development. Close to three quarters of February's increase came from services, the largest part of the US economy and where inflation appears to be most resistant. The Fed held rates steady for the fifth consecutive meeting but signaled that rate cuts are on the horizon for later this year. Equities rallied on this news, particularly large-cap growth stocks.

Across the Atlantic, core inflation in Europe continued its descent for a seventh consecutive month, reaching a year-over-year rate of 3.1% in the euro area and 4.5% in the UK. These figures marked the lowest levels for both regions since early 2022 when Europe was in the early stages of recovery from the pandemic and faced surging prices. Similar to the US, European equities rose in anticipation of impending monetary policy easing.

In Japan, spurred by rising prices and improving wages, the Bank of Japan enacted its first rate hike in 17 years, lifting short-term interest rates to the 0.0%–0.1% range. The reinflation story largely held up as the annual core inflation rate climbed 2.8% in February, even though factory orders unexpectedly slipped. Japanese stock indices soared to record highs during the quarter on the prospects of improving profit growth, corporate governance reforms and the continued influx of foreign capital as overseas investors increasingly looked for better earnings with lower geopolitical risk.

Portfolio Activity

The portfolio solidly outperformed the MSCI AC World Index. Strong fundamentals and favorable tailwinds within our investment themes led to sizable stock selection contributions this quarter.

Holdings in health care emerged as standout performers this quarter. Genetic testing company Natera jumped after it reported a 43% increase in revenue, handily beating consensus estimates and its own projections. In addition, Natera grew organic gross margins by 8% to 49%, excluding one-time items. Sales of Signatera, Natera's line of blood tests that can detect extremely small amounts of post-treatment residual cancer, grew by 73% during the quarter. Signatera is quickly becoming the standard of care, helping oncologists detect cancer relapses earlier in the treatment cycle and potentially saving critical time. We see several other potential catalysts for Signatera in 2024 and think it represents a $15 billion market opportunity for the company. In addition, shares of Novo Nordisk rose after it reported phase 1 clinical trial results for its new experimental obesity drug Amycretin, a single molecule that operates as a GLP-1 receptor agonist, reducing one's appetite. The new oral treatment achieved a 13.1% average weight loss after 12 weeks, more than doubling the efficacy of Wegovy for the same time span. This result also bested Lilly's Orfoglipron, another experimental drug that achieved 5%–6% average weight loss earlier in its trials. While the Amycretin data are preliminary, investors were encouraged by the prospects of Novo Nordisk solidifying a best-in-class obesity designation, a desirable status given rising competition. In our view, Novo Nordisk has the best obesity/Type 2 diabetes pipeline in the industry, which should help protect this franchise from competition over the next 10 years. Lastly, UCB's shares continued to rise after the Belgian biopharma company reported prescription data for the first 18 weeks after its launch of Bimzelx, a new treatment for psoriasis and several other autoimmune disorders. Impressively, Bimzelx prescriptions surpassed those of established blockbuster competitors like Cosentyx, Tremfya and Skyrizi, signaling strong market acceptance. In another positive development, the European Medicines Agency approved Bimzelx in the EU as a treatment for moderate to severe hidradenitis suppurativa in adults, a condition that causes small, painful lumps on the skin. Bimzelx is just one of the drugs in UCB's pipeline that we believe could drive this stock much higher.

Stock selection in communication services also contributed to relative returns. Shares of Meta Platforms re-rated higher after what was likely the largest upward revision among mega-cap tech companies in the period. Advertising revenue grew 21% in Q4 2023, beating the company's outlook by 2%. Afterward, Meta upped its Q1 2024 outlook. Management emphasized that advertiser strength was broad-based during the quarter, a positive indication that its AI-based targeting tools and other service features were widely effective. Importantly, operating expenses were unchanged during the quarter despite the increase in revenue, a sign that management's intentions to keep costs down are holding firm. Adding to these efforts, Meta unveiled Artemis, its second-generation artificial intelligence (AI) chip. Instead of buying this critical AI infrastructure from Nvidia, Meta will design the semiconductor in-house to lower costs. Additionally, Netflix's share price rose after it reported strong results. Continued subscriber growth from the streaming service's successful password sharing crackdown and growth in its ad-supported pricing tier were key catalysts once again. We believe the latter will become increasingly important as the number of free-riding users available to convert dwindles. In addition, the company signed a 10-year, $5 billion deal for exclusive rights to WWE Raw, an American professional wrestling program. It is anticipated that Netflix's global reach can expand WWE's fan base while helping to ramp up ad spending, a growing portion of Netflix's revenues and a crucial secular driver for its business going forward. These developments are supportive of our thesis that Netflix will use its large subscriber base to gain scale advantages in content production. We expect these advantages to translate into profitable growth for Netflix and increased free cash flow. Netflix leads the industry in revenue and gross profit per subscriber.

Our holdings in industrials, now our largest sector weighting, added to the portfolio's outperformance as well. In particular, General Electric (GE) stood out as the largest contributor to relative performance this quarter. The storied American company and leader in aerospace, health care, renewable energy and power generation will split into three separate companies next quarter. We are most interested in its aerospace assets, given its growing pricing power in that industry. GE said it expects to increase deliveries of its popular LEAP airline engines by 20% to 25% this year given the escalating demand for air travel. The engine is manufactured by CFM International, a 50/50 joint venture between GE and Safran. Together, they make about 50% of the world's commercial airline engines. In addition to strong fundamentals and pricing power in aerospace, we are attracted to GE's clean hydrogen and decarbonization technologies in its alternative energy business, assets that are used to generate 30% of the world's electricity. The unit benefits from the $435 billion in clean energy funding provided by the Inflation Reduction Act and Infrastructure Investment and Jobs Act. Also in industrials, UK-based defense company BAE Systems rose on robust sales of its advanced weapons systems, aeronautics and security systems. We believe BAE will benefit from higher defense spending, particularly in Europe, Australia and the United States. In addition, the company is finalizing its acquisition of Ball Aerospace to expand its civilian and defense capabilities in space, an increasingly important domain that could provide additional upside to its stock price.

Alternatively, our holdings and a below-benchmark weighting in information technology lowered relative returns. Aixtron, a leading developer of deposition equipment, fell after the company beat consensus estimates for revenue but missed on operating income and gross margin. Lower-than-expected guidance for operating profit added further weakness to the stock. The German technology company manufactures specialized equipment for producing silicon carbide and gallium nitride, materials used to make state-of-the-art semiconductors. Overall, tech companies continued to benefit from growth trends in generative AI, cloud computing and increasing semiconductor demand. In our technology theme, we selectively invest in leaders that we believe can harness new technologies to transform industries.

Finally, despite our increased allocation to Japan this quarter, a slight underweight position along with our stock selection marginally detracted from relative performance. Japan was the best performing region this quarter in local currency. Given our bottom-up investment process, we are finding more investment opportunities in Japan. Unfortunately, one of these holdings, Keisei Electric Railway, detracted from relative performance this quarter. We sold the stock in pursuit of more favorable opportunities.

Positioning Activity

We continued to find new ideas and increase our exposure to developing trends and improving fundamentals while moving away from stocks facing uncertain demand and slowing sales volumes. These transactions enabled us to invest behind our highest conviction themes.

In our infrastructure theme, we invested in several new positions, particularly in the defense and aerospace industries. We initiated a position in Hanwha Aerospace, a South Korean company that is in the process of spinning off two non-core businesses: a semiconductor business and a surveillance camera company. The move should allow the Hanwha Aerospace to focus on the development of land, sea, air and space defense equipment. The company's goal is to become the fourth-largest defense exporter in the world by 2027 from the ninth largest today. The aerospace unit increased year-over-year sales by 33% and operating income by 80%, reflecting continued demand, particularly from countries affected by the war in Ukraine such as Poland and Romania. In addition, we purchased British aerospace supplier Melrose Industries given surging demand and strong pricing in the lucrative aftermarket business (e.g., maintenance, parts and service). The company designs and manufactures components and systems for original equipment manufacturers, such as Boeing and Airbus, in both the commercial and defense aviation industries. We believe Melrose will benefit from increased pricing power due to a supply and demand imbalance in the industry. Our upcoming Resilient Growth article will cover these and other infrastructure holdings in more detail.

In financial services, we added several new names in banking and exchanges. One such stock is Resona Holdings, one of Japan's largest banking groups. We are attracted to its strength in the retail and small and medium-sized commercial banking markets. Its shares appreciated this quarter helped by Japan's rising interest rates. Higher bond yields offer banks the ability to charge borrowers higher interest on loans. We also added real estate developer Mitsui Fudosan. Considered one of the "big three" real estate companies in Japan, we believe Mitsui Fudosan is undervalued given its growth opportunities in a resurgent real estate market, particularly in high-growth segments such as data centers and science innovation hubs. We also added Mediobanca, an investment banking boutique offering services in corporate and investment banking, consumer credit and wealth management. We are attracted to its strategy of leveraging its wealth management business to drive profits across the firm. Lastly, we bought shares of Monex Group, a Japanese holding company engaged in online brokerage, foreign exchange and crypto-asset exchange in Japan and globally. Its business model is based on expanding and penetrating the market for retail investment services.

In the demographics/consumer trends theme, slowing sales volumes led us to focus more on services versus goods. As an example, we sold our position in food and beverage leader PepsiCo given slowing growth in its underperforming core beverage business, one which generates about 60% of revenues. Adding to the uncertainty of growth prospects beverages, PepsiCo was forced by local lawmakers and industry wholesalers to shift to a new distribution model during the rollout of Hard Mtn Dew, a new line of drinks that combines

Mountain Dew with malt liquor. We also exited our position in Wal-Mart de Mexico as the company regroups after Hurricane Otis devastated parts of Mexico's west coast last fall. The damages will likely affect earnings over the medium term. We also sold consumer food and beverage giant Nestle due to slowing sales volume growth. Food inflation over the last two years has increased consumer price sensitivity, putting pressure on many in the industry. In contrast to these goods providers, we bought shares of TUI, an online travel agency that provides custom travel experiences via dynamically priced services such as airfare, lodging and local activities on one platform. We believe the addition of Ryanair to the platform, Europe's largest airline, will strengthen TUI's service offering at a time when travel spending is predicted to remain elevated at least through the summer.

In the environment theme, we trimmed our exposure to industrial gases primarily by selling shares of Air Liquide. Given its structural advantages and take-or-pay contracts, the company has strong pricing power that it uses to grow earnings and cash flow. In addition, Air Liquide plays a critical role in the energy transition. Last year, Air Liquide was named as a key partner in most of the US hydrogen hubs being scaled up with Department of Energy support. These developments enable Air Liquide to execute a backlog of green energy investment opportunities worth an estimated $4.7 billion in future revenues. While the stock has continued to contribute to relative returns, we chose to reinvest some of the proceeds.

We trimmed our exposure to the demographics/health care theme by exiting Cigna and adding to our biopharma winners Natera and UCB. As mentioned in the portfolio activity section, we have strong conviction in Natera given the significant predictive value of its line of molecular residual disease assays, genetic tests that are highly predictive in detecting small amounts of residual cancer across various types of cancers. Our research indicates there may be more opportunities for this stock that are not captured in its current valuation. We also scaled up our position in UCB. We believe Bimzelx will continue to outpace the competition. In addition, UCB is finding success in other drugs in its portfolio, including Evenity for postmenopausal osteoporosis and Fintepla for childhood epilepsy. These relatively new treatments are increasingly gaining approval outside the US, Europe and Japan and are adding to the stock's upside support.

Finally, 12 months ago, Daiichi Sankyo was the portfolio's only holding in Japan. We now have a number of Japanese holdings, several of which were added to the portfolio during the quarter. After experiencing deflation for several decades, Japan's economy is once again growing, and mild inflation is pushing up prices. We believe this is a positive sign that Japan may have kick-started a mild wage-price spiral, which could provide for consumer-led economic growth. In addition, last year the Tokyo Stock Exchange (TSE) urged listed companies with price-to-book ratios under one to improve corporate governance practices and enhance capital efficiency. It has been reported that by July last year, around 31% of prime-listed companies had disclosed improvement initiatives in compliance with TSE's request. Beyond promises, we have seen other positive actions emerge. For instance, Toyota Motor, Japan's largest listed company, reduced some of its cross-shareholdings, a common, but often inefficient, use of capital. Overall, we view Japan as a favorable place to invest given improvements in profit growth, corporate governance changes and the influx of foreign capital. These elements have provided positive momentum for the economy and investors.

Our larger Japanese positions are companies that we believe offer stock-specific, idiosyncratic alpha, such as industrial gas supplier Nippon Sanso and Otsuka Holdings, a health care products manufacturer that has developed the only FDA-approved ultrasound treatment for hypertension. We also added stocks that we think will benefit from the transitioning economy. Resona Holdings and Mitsui Fudosan, mentioned in the portfolio activity section, are examples of holdings that could benefit from rising interest rates and asset values. Another holding that falls into this category is Tokyu Corporation, a Japanese transportation, real estate, and leisure and travel company. The majority of its revenues come from operating railways, airports and bus services. While these businesses generate valuable cash flows, we are particularly attracted to Tokyu's real estate holdings in central Tokyo, many of which have vacancy rates around 1%, a very low number compared to other large cities. We think these assets are underappreciated. Overall, we are attracted to companies that can generate growing fundamentals over a long-term time horizon, a growing number of which are Japanese.

Outlook

Moderating inflation and steady growth have set a favorable tone for the market so far this year as policymakers attempt to engineer inflation's final descent to their respective target rates. While the prospects of a hard landing seem to have diminished, we remain sensitive to potential macro- and micro-level risks. However, we do so with a sense of optimism that companies can continue to innovate and find ways to create value for investors. As the rest of 2024 unfolds, we will keep these considerations in mind while scanning the investment landscape in search of sustainable growth investment 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.

Current and future portfolio holdings are subject to risk. The value of portfolio securities selected by the investment team may rise or fall in response to company, market, economic, political, regulatory or other news, at times greater than the market or benchmark index. A portfolio's environmental, social and governance ("ESG") considerations may limit the investment opportunities available and, as a result, the portfolio may forgo certain investment opportunities and underperform portfolios that do not consider ESG factors. Growth securities may underperform other asset types during a given period. 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 and less developed markets, including frontier 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.

MSCI All Country World Index measures the performance of developed and emerging markets. 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 2024. 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 comprise the following percentages of the Fund's total net assets as of 31 Mar 2024: Natera Inc 3.2%, Novo Nordisk A/S 5.0%, UCB SA 1.1%, Meta Platforms Inc 5.4%, Netflix Inc 1.5%, BAE Systems PLC 3.2%, Hanwha Aerospace Co Ltd 0.7%, Melrose Industries PLC 0.6%, Resona Holdings Inc 1.4%, Mitsui Fudosan Co Ltd 0.7%, Mediobanca Banca di Credito Finanziario SpA 0.9%, Monex Group Inc 0.8%, Air Liquide SA 1.0%, Nippon Sanso Holdings Corp 1.8%, Otsuka Holdings Co Ltd 1.2%, Tokyu Corp 0.9%, General Electric Co 3.4%. As of 3 Mar 2022, Russian holdings were valued at zero. 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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Operating Income is the amount of profit realized from a business's operations after deducting operating expenses such as wages, depreciation and cost of goods sold. **Cross-Shareholding** involves one publicly traded company holding a significant number of shares of another company, often for strategic purposes or to insulating both companies from stock market fluctuations. **Idiosyncratic Alpha** is the portion of a portfolio's return driven by the unique characteristics of the companies and stocks invested in versus market dynamics. **Personal Consumption Expenditures Price Index (PCE)** is a measurement of consumer spending in the prices of goods and services purchased in the United States.

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