



# Artisan Thematic Strategy

## QUARTERLY Fact Sheet

As of 31 March 2019

For Institutional Investors Only — Not for Onward Distribution

### Investment Process Highlights

The team's investment approach is based on thematic idea generation, a systematic framework for analyzing companies and proactive risk management. Utilizing this approach, the team seeks to construct a focused portfolio designed to maximize alpha while limiting downside risk over the long term.

### Thematic Idea Generation

- Identify inflections in multi-year trends caused by changes in supply/demand dynamics, societal behavior, market conditions, technology, laws/regulations and business models, among other variables—these can lead to powerful re-ratings of industries and companies
- Find areas where the team's views on growth and upside differ from consensus estimates—a key element in alpha generation

### Systematic Analytical Framework

- Apply a systematic framework for analyzing companies across sectors and themes, creating a repeatable and methodical decision-making process
- Focus on multi-year earnings power differentiation, expected outcome scenario analysis, return on invested capital and discounted cash flow valuations using the team's proprietary company models
- Utilize internally developed visual outputs to consistently evaluate positions across the portfolio

### Proactive Risk Management

- Incorporate risk management into all stages of the investment process
- Evaluate metrics including crowding, correlation, volatility, stress tests, liquidity, factor analysis and macro drivers, in order to inform portfolio construction and position sizing
- Where appropriate, use various instruments, such as options, in an effort to magnify alpha and minimize downside

Sector Diversification* (% of net assets)	Strategy
Communication Services	15.0
Consumer Discretionary	5.9
Consumer Staples	0.0
Energy	0.0
Financials	17.3
Health Care	8.7
Industrials	20.0
Information Technology	21.3
Materials	9.4
Real Estate	0.0
Utilities	0.0
<b>TOTAL</b>	<b>97.6%</b>

Source: Artisan Partners. Portfolio sector classifications are defined by the investment team and may differ substantially from the GICS classifications. Upon request, Artisan Partners will provide the portfolio's sector breakdown according to GICS methodology.

### Investment Results (%)

As of 31 March 2019	Average Annual Total Returns						
	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Composite — Gross	13.80	13.80	18.61	—	—	—	29.75
Composite — Net	13.53	13.53	17.44	—	—	—	28.49
S&P 500® Index	13.65	13.65	9.50	—	—	—	11.66

  

Annual Returns (%) 12 months ended 31 March	2015	2016	2017	2018	2019
Composite — Gross	—	—	—	—	18.61

Source: Artisan Partners/S&P. Returns for periods less than one year are not annualized.

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. The Strategy's investments in initial public offerings (IPOs) made a material contribution to performance. IPO investments may contribute significantly to a small portfolio's return, an effect that will generally decrease as assets grow. IPO investments may be unavailable in the future.

**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 next page, which should be read in conjunction with this material.

### Portfolio Details

Composite Inception	1 May 2017
Total AUM (Millions)	\$687

### Portfolio Statistics\*

	Strategy
Number of Companies	33
Top 5 Issuers (% of net assets)	24.0%
Non-US companies (% of net assets)	21.4%
Weighted Avg. Market Cap (Billions)	\$143.6
Weighted Avg. ROE	18.5%
Weighted Avg. LT EPS Growth Rate (3-5 Yr)	14.0%
Weighted Avg. P/E (FY2) <sup>1</sup>	21.3X
Active Share <sup>2</sup>	87.6%

Source: Artisan Partners/FactSet. <sup>1</sup>Harmonic. <sup>2</sup>Not delta-adjusted and includes cash, cash equivalents, ETFs and ETF options.

### Top 5 Issuers\* (% of net assets)

Worldpay Inc (Data Monetization)	6.5
IHS Markit Ltd (Data Monetization)	5.1
Fidelity National Information Services Inc (Data Monetization)	4.3
Tableau Software Inc (Software)	4.1
Air Liquide SA (Industrial Gases)	4.1
<b>TOTAL</b>	<b>24.0%</b>

Source: Artisan Partners.

### Portfolio Exposure By Theme\* (% of net assets)

Data Monetization	27.8
Cash Flow Inflection	16.7
Software	16.1
Digital Advertising	13.4
Industrial Gases	9.4
Life Sciences	8.7
Communications Infrastructure	5.5
<b>TOTAL</b>	<b>97.6%</b>

Source: Artisan Partners. Theme categorizations are at the sole discretion of the team. Themes and constituents are as of the date indicated and subject to change.

\*% of net assets represents the portfolio's exposures based on the economic value of investments and options are delta-adjusted. Cash and cash equivalents represented -9.0% of net assets. Statistics shown exclude ETFs and ETF options, which represented 0.0% and 0.0% of net assets, respectively.

# Artisan Thematic Strategy

## Team Leadership

Portfolio Manager	Years of Investment Experience
Christopher Smith	16

## Market Cap Distribution\* (% of net assets)

\$ in billions	Strategy
75.0+	35.9
25.0–75.0	41.8
5.0–25.0	18.3
0.0–5.0	1.7
<b>TOTAL</b>	<b>97.6%</b>

Source: Artisan Partners/FactSet.

## Portfolio Construction

- Typically hold 20-35 names across 5-8 themes
- Maximum position size generally 15%<sup>1</sup>
- Maximum of 25% in any one industry<sup>1</sup>
- Primarily US with ability to invest globally

Based on a model portfolio. <sup>1</sup>Limitations apply at the time of purchase.

**Investment Risks:** A non-diversified portfolio may invest a larger portion of assets in securities of a smaller number of issuers and performance of a single issuer may affect overall portfolio performance greater than in a diversified portfolio. The portfolio's use of derivative instruments may create additional leverage and involve risks different from, or greater than, the risks associated with investing in more traditional investments. High portfolio turnover may adversely affect returns due to increased transaction costs and creation of additional tax consequences. 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. 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. 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 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.

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.

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All options positions are displayed on a delta-adjusted basis. Delta adjustment is necessary to properly account for the sensitivity of options to changes in price of the underlying security, as well as for making exposure comparisons to the underlying security (options exposure measured as premium will understate economic exposure and risk, while exposure measured as notional value will overstate the economic exposure). Delta-adjusted exposure estimates the approximate exposure to the equity market created by the options and is subject to change over time as a function of the size and composition of the options positions.

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