



# Artisan Global Equity Fund

MONTHLY  
Commentary

Investor Class: ARTHX

As of 28 February 2017

## Commentary

Global stocks pushed higher in January and February against a strengthening macroeconomic backdrop. In the US, a measure of jobless claims fell to its lowest level since 1973, while European inflation moved further into positive territory—a promising departure from the deflationary pressures of 2016. Apart from energy, QTD strength was broad-based across sectors, and a weakening dollar was an additional boost for USD investors in non-USD stocks.

Our portfolio participated in the market rally, though lagged the MSCI AC World Index QTD. Vallourec and Ginko both detracted from performance. France-based Vallourec—a Q4 2016 purchase—is a leading provider of products and steel fabrication used in the oil and gas industry. The company recently guided for delayed pricing recovery in the offshore oil and gas market, resulting in a credit downgrade and share-price weakness. We think the share price reaction was overdone. Following its successful rights offering last year, we see Vallourec positioned nicely for a turnaround, and believe its capital position is stronger than the market's perception. We're also attracted to Vallourec's exposure to the growing North America shale industry—a less significant share of company revenues but nonetheless a sizeable growth opportunity.

As of late, Taiwan-based contact lens maker Ginko—whose major market is China—is contending with FX headwinds from a weaker RMB. Despite the setback, we're still attracted to Ginko's market-share dominance in the fast-growing Chinese market, where the contact lens penetration rate is significantly underpenetrated vis-à-vis developed markets.

Positively, the majority of our holdings advanced QTD. A number of our technology-theme holdings were top individual performers, including Amazon.com, Facebook and Alphabet. Although Amazon's revenue recently came in shy of lofty expectations, the company is generating exceptional top-line and bottom-line growth, partly owing to its successful Prime membership platform—which is driving customer loyalty, increased purchase frequency and cross-category shopping. Amazon's scale and first-mover advantage make it uniquely positioned to benefit from the secular growth in e-commerce. Further, as the industry market leader, Amazon's enterprise cloud business is a major beneficiary of the widespread migration of data storage to the cloud.

We see Facebook and Alphabet capable of capitalizing on the digital advertising opportunity afforded by the trend toward shifting ad dollars away from the roughly \$200 billion television advertising market. Both companies have significant headroom to monetize their massively popular platforms. For example, there are 65 million businesses with a presence on Facebook but only four million of them are currently paying advertisers.

Looking forward, we continue to believe that by investing in good quality companies with strong earnings growth and being disciplined about valuation, we will deliver superior results over the long term.

## Portfolio Details

Net Asset Value (NAV)	\$16.45
ARTHX Inception	29 March 2010
Expense Ratios	
Annual Report 30 Sep 2016	1.37%
Prospectus 30 Sep 2016 <sup>1</sup>	1.40%

<sup>1</sup>See prospectus for more information.

## Top 10 Holdings (% of total portfolio)

Alphabet Inc (United States)	4.5
Mastercard Inc (United States)	4.0
Amazon.com Inc (United States)	3.5
Deutsche Boerse AG (Germany)	3.2
Canadian Pacific Railway Ltd (Canada)	2.9
Comcast Corp (United States)	2.8
Celgene Corp (United States)	2.8
ING Groep NV (Netherlands)	2.7
InterXion Holding NV (Netherlands)	2.6
The Home Depot Inc (United States)	2.6
<b>TOTAL</b>	<b>31.5%</b>

Source: Artisan Partners/FactSet (MSCI).

## Sector Diversification (% of total portfolio equities)

	Fund	ACWI <sup>1</sup>
Consumer Discretionary	20.8	12.1
Consumer Staples	5.3	9.5
Energy	2.1	6.7
Financials	26.3	18.6
Health Care	8.5	11.3
Industrials	3.8	10.6
Information Technology	25.8	16.1
Materials	3.2	5.3
Real Estate	1.9	3.2
Telecommunication Services	1.5	3.4
Utilities	0.9	3.1
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash represented 0.4% of the total portfolio. <sup>1</sup>MSCI All Country World Index.

## Investment Results (%)

As of 28 February 2017	Average Annual Total Returns							
	MTD <sup>1</sup>	QTD <sup>1</sup>	YTD <sup>1</sup>	1 Yr	3 Yr	5 Yr	10 Yr	Inception
<b>Investor Class: ARTHX</b>	<b>0.73</b>	<b>4.44</b>	<b>4.44</b>	<b>15.52</b>	<b>1.30</b>	<b>10.11</b>	—	<b>10.18</b>
MSCI All Country World Index	2.81	5.62	5.62	22.07	4.81	8.25	—	7.73

  

As of 31 December 2016	Average Annual Total Returns							
	MTD <sup>1</sup>	QTD <sup>1</sup>	YTD <sup>1</sup>	1 Yr	3 Yr	5 Yr	10 Yr	Inception
<b>Investor Class: ARTHX</b>	<b>-0.25</b>	<b>-4.78</b>	<b>-1.87</b>	<b>-1.87</b>	<b>0.84</b>	<b>11.59</b>	—	<b>9.72</b>
MSCI All Country World Index	2.16	1.19	7.86	7.86	3.13	9.36	—	7.05

Source: Artisan Partners/MSCI. <sup>1</sup>Returns for periods less than one year are not annualized.

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. The Fund's investments in initial public offerings (IPOs) made a material contribution to the Fund's performance. IPO investments are not an integral component of the Fund's investment process and may not be available in the future.

## Region/Country Allocation (% of total portfolio equities)

REGION	Fund	ACWI <sup>1</sup>
<b>AMERICAS</b>	<b>58.0</b>	<b>57.1</b>
United States	55.1	54.0
Canada	2.9	3.1
<b>EUROPE</b>	<b>23.9</b>	<b>20.0</b>
Germany	9.2	3.0
Netherlands	5.3	1.1
France	4.7	3.2
Denmark	2.0	0.5
Switzerland	1.5	2.8
Italy	1.2	0.7
<b>EMERGING MARKETS</b>	<b>9.1</b>	<b>10.8</b>
Taiwan	4.1	1.3
China	2.3	2.9
Korea	1.1	1.6
Chile	0.9	0.1
Mexico	0.6	0.4
Thailand	0.2	0.2
<b>PACIFIC BASIN</b>	<b>9.0</b>	<b>11.8</b>
Japan	7.0	7.8
Australia	1.2	2.5
Hong Kong	0.9	1.1
<b>MIDDLE EAST</b>	<b>—</b>	<b>0.2</b>
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/FactSet (MSCI). <sup>1</sup>MSCI All Country World Index. Countries held in the index, but not held in the portfolio, are not listed.

## Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
Mark L. Yockey, CFA	36
Charles-Henri Hamker	27
Andrew J. Euretig	13

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.

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.

For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The discussion of portfolio holdings does not constitute a recommendation of any individual security. These holdings comprise the following percentages of the Fund's total net assets as of 28 Feb 2017: Facebook Inc 2.4%; Ginko International Co Ltd 2.2%; Vallourec SA 2.1%. Securities named in the Commentary, but not listed as a Top Ten Holding or not listed here are not held in the Fund as of the date of this report. The portfolio managers' views and portfolio holdings are subject to change and the Fund disclaims any obligation to advise investors of such changes.

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