



# Artisan Global Opportunities Fund

MONTHLY  
Commentary

Investor Class: ARTRX | Advisor Class: APDRX

As of 31 March 2017

## Commentary

Markets notched another positive month in March, concluding 2017's first quarter in solidly positive territory. Foreign stocks led domestic, and emerging markets outperformed developed. The late-2016 value rotation seemed to reverse in Q1, with growth stocks broadly outperforming. US health care stocks pulled back modestly in March amid heightened political uncertainty, but not enough to erase a sharp Q1 rebound from late-2016's drop. Technology stocks also fared well on anticipation of firmer economic growth. The Fed raised rates, in line with expectations. Markets largely shrugged.

Our portfolio outperformed the MSCI AC World Index in March and for the quarter. Among our top QTD contributors were IHS Markit, Facebook and Treasury Wine Estates. Progress on IHS Markit's 2016 merger is gaining meaningful traction, aiding margin expansion, and its energy business is showing signs of turning around, which should provide an additional tailwind.

Facebook's ad revenues are accelerating and operating margins expanding. Though revenue growth is likely to decelerate over time from its heady rate, we believe the company has managed expectations well, and Facebook has ample opportunity to build on its market share of ad dollars.

Treasury Wine Estates is expanding margins as it streamlines its business and cuts costs, applying an effective strategy of concentrating its marketing efforts behind its most marketable, "masstige" brands and offering them in the highest-demand markets. We believe there is room for further margin expansion as TWE's management team continues its solid execution.

Among our few negative QTD contributors were Direct Line Insurance, Noble Energy and Amorepacific. UK insurer Direct Line Insurance has struggled against a persistently low interest-rate environment and has been slower to increase its market share than we anticipated. Further, the UK Ministry of Justice's recent cut to the discount rate insurance companies can use when calculating personal injury damages likely weighs on profitability moving forward. We've been harvesting in favor of more compelling profit cycles elsewhere.

Noble Energy's shares have been pressured as oil prices modestly retrenched following a strong Q4. However, we believe Noble remains among the best-positioned companies to capitalize on high-quality and rich shale deposits in the US's Permian Basin. We capitalized on recent weakness to add to our position.

Amorepacific has struggled with moderating fundamentals and a challenging domestic political backdrop which has weighed on investor sentiment. We believe we have other holdings with greater profit-cycle potential and have been trimming the holding to upgrade capital.

We will have further detail on these and other holdings in our forthcoming quarterly commentary.

Our process is focused on identifying franchises exposed to accelerating profit cycles with reasonable valuations. It is our belief that owning companies with these characteristics should lead to outperformance over full market cycles. We will continue to be disciplined and methodical in our approach.

## Portfolio Details

	ARTRX	APDRX
Net Asset Value (NAV)	\$22.55	\$22.58
Inception	22 Sep 2008	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2016	1.17%	1.08%
Prospectus 30 Sep 2016 <sup>1</sup>	1.18%	1.09%

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

## Top 10 Holdings (% of total portfolio)

IHS Markit Ltd (United States)	9.4
Alphabet Inc (United States)	6.4
Visa Inc (United States)	5.3
Boston Scientific Corp (United States)	3.7
Facebook Inc (United States)	3.3
Genmab A/S (Denmark)	3.3
S&P Global Inc (United States)	3.3
Regeneron Pharmaceuticals Inc (United States)	3.0
Treasury Wine Estates Ltd (Australia)	2.8
LKQ Corp (United States)	2.6
<b>TOTAL</b>	<b>43.1%</b>

Source: Artisan Partners/FactSet (MSCI).

## Sector Diversification (% of total portfolio equities)

	Fund	ACWI <sup>1</sup>
Consumer Discretionary	10.5	12.1
Consumer Staples	8.6	9.5
Energy	4.8	6.6
Financials	9.9	18.4
Health Care	15.9	11.1
Industrials	14.1	10.7
Information Technology	31.8	16.4
Materials	4.4	5.3
Real Estate	0.0	3.2
Telecommunication Services	0.0	3.4
Utilities	0.0	3.2
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash represented 4.1% of the total portfolio. <sup>1</sup>MSCI All Country World Index.

## Investment Results (%)

As of 31 March 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
Investor Class: ARTRX	2.13	10.38	10.38	16.01	8.47	11.21	—	10.73
Advisor Class: APDRX	2.13	10.36	10.36	16.10	8.55	11.26	—	10.76
MSCI All Country World Index	1.22	6.91	6.91	15.04	5.08	8.37	—	6.46

Source: Artisan Partners/MSCI. <sup>1</sup>Returns for periods less than one year are not annualized. Advisor Class performance is that of the Investor Class from 22 September 2008 through the inception of the Advisor Class on 1 April 2015, and actual Advisor Class performance thereafter. Performance has not been adjusted to reflect the expenses of the Advisor Class for the period prior to the Class's inception, and Advisor Class performance results would differ if such expenses were reflected.

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.

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

REGION	Fund	ACWI <sup>1</sup>
<b>AMERICAS</b>	<b>60.5</b>	<b>56.4</b>
United States	60.5	53.2
<b>EUROPE</b>	<b>16.9</b>	<b>20.6</b>
United Kingdom	5.6	5.8
Denmark	3.5	0.5
Germany	3.0	3.1
Netherlands	2.4	1.1
France	1.8	3.3
Switzerland	0.6	2.8
<b>PACIFIC BASIN</b>	<b>16.0</b>	<b>11.7</b>
Japan	8.2	7.6
Australia	5.1	2.5
Hong Kong	2.7	1.1
<b>EMERGING MARKETS</b>	<b>6.6</b>	<b>11.0</b>
China	2.3	3.0
India	1.4	1.0
South Africa	1.3	0.7
Mexico	1.1	0.4
Brazil	0.5	0.8
<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

James D. Hamel, CFA (Lead)	20
Matthew H. Kamm, CFA	17
Craigh A. Cepukenas, CFA	28
Jason L. White, CFA	17

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 31 Mar 2017: Direct Line Insurance Group PLC 0.4%; Noble Energy Inc 1.9%. 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.

All information in this report includes all classes of shares, except performance and expense ratio information and as otherwise indicated, and is as of the date shown in the upper right hand corner unless otherwise indicated. Totals may not sum due to rounding.

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Country exposure percentages reflect country designations as classified by MSCI as of the date shown. Securities not classified by MSCI reflect country designations as of the date the report was generated. Sector exposure percentages reflect sector designations as currently classified by GICS.

Our capital allocation process is designed to build position size according to our conviction. Portfolio holdings develop through three stages: Garden<sup>SM</sup>, Crop<sup>SM</sup> and Harvest<sup>SM</sup>. Garden<sup>SM</sup> investments are situations where we believe we are right, but there is not clear evidence that the profit cycle has taken hold, so positions are small. Crop<sup>SM</sup> investments are holdings where we have gained conviction in the company's profit cycle, so positions are larger. Harvest<sup>SM</sup> investments are holdings that have exceeded our estimate of intrinsic value or holdings where there is a deceleration in the company's profit cycle. Harvest<sup>SM</sup> investments are generally being reduced or sold from the portfolios.

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