



# Artisan Global Opportunities Fund

MONTHLY  
Commentary

Investor Class: ARTRX | Advisor Class: APDRX

As of 31 October 2017

## Commentary

Global markets broadly advanced in October, with most major indices positive. Emerging markets led, and US stocks modestly outperformed non-US developed markets. Speculation grew around who will be named next head of the Fed, while the ECB said it will not increase interest rates for the foreseeable future, though it intends to begin scaling back monetary stimulus. Meanwhile, economic fundamentals globally remain solid.

Our portfolio trailed the MSCI AC World Index in October, though it remains well ahead YTD. Among our bottom contributors in October were Regeneron and IHS Markit. Though Regeneron's Dupixent® for atopic dermatitis and asthma is off to a solid launch, its efficacy in more severe asthma patients was stronger than that in patients with more moderate disease—an outcome that weighed on shares as the moderate patients present a larger market. However, we maintain our conviction in the strength of Regeneron's productive R&D organization and its strong scientific culture, both of which contribute to a promising pipeline.

IHS Markit has executed well since its 2016 merger. However, with the stock's outperformance since the deal, the valuation has moved from compelling to fair, relative to our estimate of private market value. Over the past several months, we have harvested a portion of our large position, though it remains a meaningful Crop<sup>SM</sup> holding.

Among our top October contributors were Treasury Wine Estates and Intertek. Despite early concerns about the potential impact of Northern California fires on Napa and Sonoma wines, shares of Treasury Wine Estates were up as fundamentals remain solid. Margins are expanding as the company captures supply chain savings and shifts its mix toward higher margin luxury and "masstige" wines.

Intertek is executing well with its new management team and growth initiatives, as well as the fading pressure of its energy exposure. Its consumer products-testing business is driving accelerating organic growth and margin leverage, thanks in part to the ongoing secular tailwinds of emerging markets' middle class growth, increasing product complexity and a heightened global regulatory environment.

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)	\$26.04	\$26.10
Inception	22 Sep 2008	1 Apr 2015
Expense Ratios		
Semi-Annual Report 31 Mar 2017 <sup>1</sup>	1.14%	1.03%
Prospectus 30 Sep 2016 <sup>2</sup>	1.18%	1.09%

<sup>1</sup>Unaudited, annualized for the six month period. <sup>2</sup>See prospectus for more information.

## Top 10 Holdings (% of total portfolio)

IHS Markit Ltd (United States)	5.9
Visa Inc (United States)	5.5
Boston Scientific Corp (United States)	3.6
Facebook Inc (United States)	3.6
Alphabet Inc (United States)	3.2
Treasury Wine Estates Ltd (Australia)	3.2
ASML Holding NV (Netherlands)	2.9
S&P Global Inc (United States)	2.9
Bank of America Corp (United States)	2.8
Genmab A/S (Denmark)	2.8
<b>TOTAL</b>	<b>36.3%</b>

Source: Artisan Partners/FactSet (MSCI).

## Sector Diversification (% of total portfolio equities)

	Fund	ACWI <sup>1</sup>
Consumer Discretionary	13.2	11.9
Consumer Staples	10.4	8.6
Energy	3.4	6.3
Financials	13.3	18.6
Health Care	12.7	10.8
Industrials	11.6	10.8
Information Technology	31.9	18.4
Materials	3.6	5.4
Real Estate	0.0	3.1
Telecommunication Services	0.0	3.0
Utilities	0.0	3.1
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 6.6% of the total portfolio. <sup>1</sup>MSCI All Country World Index.

## Investment Results (%)

As of 31 October 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	1.36	1.36	27.46	23.85	11.80	14.20	—	11.76
Advisor Class: APDRX	1.36	1.36	27.57	24.02	11.91	14.27	—	11.79
MSCI All Country World Index	2.08	2.08	19.69	23.20	7.92	10.80	—	7.35

As of 30 September 2017

Investor Class: ARTRX	0.67	5.29	25.75	18.36	12.01	13.26	—	11.70
Advisor Class: APDRX	0.66	5.32	25.86	18.53	12.13	13.33	—	11.74
MSCI All Country World Index	1.93	5.18	17.25	18.65	7.43	10.20	—	7.18

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>50.3</b>	<b>55.2</b>
United States	50.3	52.1
<b>EUROPE</b>	<b>23.1</b>	<b>21.2</b>
Netherlands	5.2	1.2
United Kingdom	5.0	5.8
Germany	5.0	3.2
Denmark	3.0	0.6
Switzerland	2.5	2.6
France	1.3	3.6
Spain	1.0	1.1
<b>PACIFIC BASIN</b>	<b>18.8</b>	<b>11.7</b>
Japan	10.0	7.9
Australia	5.2	2.3
Hong Kong	3.6	1.1
<b>EMERGING MARKETS</b>	<b>7.8</b>	<b>11.7</b>
China	2.6	3.5
India	2.2	1.0
South Africa	2.0	0.7
Mexico	0.9	0.4
<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)	21
Matthew H. Kamm, CFA	17
Craig A. Cepukenas, CFA	29
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 Oct 2017: Intertek Group PLC 2.6%; Regeneron Pharmaceuticals Inc 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.

Unless otherwise indicated, all information in this report includes all classes of shares, except performance and expense ratio information, and is as of the date shown in the upper right hand corner. 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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