



Artisan Global Discovery Fund

MONTHLY
Commentary

Investor Class: APFDX

As of 31 December 2018

Commentary

Heightened volatility persisted in Q4, dragging most major global indices down for the quarter and year. Emerging markets held up better than developed-world counterparts in Q4 but trailed for the year. Conversely, US markets trailed foreign developed markets in Q4 but led for the year. As expected, the Fed raised the benchmark rate 25bps in December but struck a more dovish tone for 2019. Among global stocks, energy was the worst performing sector in Q4 as crude prices fell precipitously, while utilities was the only positive sector.

Our portfolio trailed the MSCI AC World Index in Q4 but outperformed for the year. Among our bottom Q4 contributors were BWX Technologies and Teledyne Technologies. BWX Technologies reported several meaningful setbacks in Q4, including production challenges with missile tubes for the US Navy—which are proving costlier than anticipated—and a delay to its planned entry into the medical isotope business. With our thesis likely delayed, we have begun harvesting our position in favor of better opportunities elsewhere.

Teledyne Technologies, in contrast, was largely caught up amid investor concerns about the outlook for industrials against a backdrop of increasing global trade concerns, combined with signs of economic slowing in China and Europe. However, Teledyne has executed well, and we maintain our conviction in its profit-cycle potential.

Among our top Q4 contributors were Cree and Tableau. Cree's silicon-carbide (SiC) business—which we think is well-positioned for a future with electric vehicles—has expanded its manufacturing capacity and customer contracts. We are mindful Cree's legacy LED and lighting fixtures businesses could be a source of volatility in coming quarters as they face trade-related headwinds. However, we anticipate growth in its SiC business should ultimately outpace a slowdown elsewhere.

Tableau is benefiting from strong demand for data analytics tools—a secular trend we believe remains firmly in motion. Under the leadership of its new CEO, the company is effectively transitioning toward a cloud and subscription-based business model. Meanwhile, the pace of product enhancements is picking up, making Tableau's analytical tools easier to use for employees across organizations, which should contribute to higher adoption rates.

We will share further thoughts on these and other holdings in our forthcoming 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. While we are not macro prognosticators—nor does our process require it—we do believe periods of heightened volatility such as we're currently experiencing provide attractive opportunities to upgrade our portfolio into high-conviction stocks at what we believe to be more attractive valuations. We will continue to adhere to this approach, regardless of the macro backdrop and how it evolves in the period ahead.

Portfolio Details

Net Asset Value (NAV)	\$10.36	
APFDX Inception	21 August 2017	
Expense Ratios	Gross	Net ¹
Annual Report 30 Sep 2018 ²	1.71%	1.50%
Prospectus 30 Sep 2017 ^{2,3}	2.08%	1.50%

¹Reflects a contractual expense limitation agreement in effect through 31 Jan 2020.
²See prospectus for further details. ³Includes estimated expenses for the current fiscal year.

Top 10 Holdings (% of total portfolio)

Teledyne Technologies Inc (United States)	5.5
Global Payments Inc (United States)	4.7
Boston Scientific Corp (United States)	3.6
Techtronic Industries Co Ltd (Hong Kong)	3.4
Guidewire Software Inc (United States)	3.1
IMCD NV (Netherlands)	3.0
IHS Markit Ltd (United States)	3.0
Webster Financial Corp (United States)	2.9
First Republic Bank (United States)	2.8
The Progressive Corp (United States)	2.8
TOTAL	34.9%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund
Communication Services	8.1
Consumer Discretionary	11.8
Consumer Staples	3.2
Energy	1.4
Financials	13.9
Health Care	16.2
Industrials	20.9
Information Technology	24.6
Materials	0.0
Real Estate	0.0
Utilities	0.0
TOTAL	100.0%

Source: Artisan Partners/FactSet (GICS). Cash and cash equivalents represented 5.9% of the total portfolio.

Investment Results (%)

As of 31 December 2018	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: APFDX	-7.75	-16.45	-3.09	-3.09	—	—	—	3.10
MSCI All Country World Index	-7.04	-12.75	-9.42	-9.42	—	—	—	-0.61

Source: Artisan Partners/MSCI. 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 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.

Region/Country Allocation (% of total portfolio equities)

REGION	Fund
AMERICAS	63.5
United States	62.1
Canada	1.4
EUROPE	23.6
Netherlands	6.6
United Kingdom	5.3
Germany	3.7
France	3.6
Denmark	2.1
Spain	1.8
Switzerland	0.5
PACIFIC BASIN	7.5
Hong Kong	3.7
Australia	2.0
Japan	1.8
EMERGING MARKETS	5.5
India	3.2
Brazil	2.3
MIDDLE EAST	—
TOTAL	100.0%

Source: Artisan Partners/FactSet (MSCI).

Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
Jason L. White, CFA (Lead)	19
James D. Hamel, CFA	22
Matthew H. Kamm, CFA	19
Craigh A. Cepukenas, CFA	30

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 Dec 2018: BWX Technologies Inc 2.1%; Cree Inc 2.0%; Tableau Software Inc 2.6%. 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: GardenSM, CropSM and HarvestSM. GardenSM 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. CropSM investments are holdings where we have gained conviction in the company's profit cycle, so positions are larger. HarvestSM investments are holdings that have exceeded our estimate of intrinsic value or holdings where there is a deceleration in the company's profit cycle. HarvestSM investments are generally being reduced or sold from the portfolios.

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