



Artisan Global Equity Fund

MONTHLY
Commentary

Investor Class: ARTHX

As of 31 December 2018

Commentary

Global equities suffered further selling pressure in December and declined by over 7% as end-of-cycle ruminations centered around normalizing monetary policies, softening global growth and the US-China trade conflict. This led to the MSCI AC World Index's decline of over 12% for the quarter, the worst quarter since Q3 2011. No regions were unscathed. Europe, Japan and the US were each down double-digit percentages. Emerging markets, which trailed developed markets through the first three quarters of 2018, held up better. They were down about 7% in Q4 but declined 14% for the full year in line with non-US developed markets, while the US market fell 5% for the year.

Fading global growth expectations also sent commodities prices, especially oil, lower. The price of WTI crude tumbled by 40% from mid-\$70s a barrel to mid-\$40s. In turn, the energy sector was the weakest performer followed by other cyclicals (industrials, technology and consumer discretionary). Defensives (consumer staples, health care) and interest rate plays (utilities, real estate) fared better to varying degrees.

Though absolute returns were disappointing, our portfolio held up slightly better than the MSCI AC World Index in Q4 and solidly outperformed for the full year. Brazilian oil and gas company Petrobras and frozen potato products supplier Lamb Weston were among our top Q4 contributors. Petrobras—one of our weakest performers earlier in the year when a nationwide trucker strike forced the government to lower diesel prices—continued to recover. The political uncertainty that dogged the stock is now behind it following the country's presidential election, easing concerns about Brazil's future energy policy. President Bolsonaro has echoed his support of the current fuel pricing policy and is supportive of further deregulation in the sector.

Lamb Weston, which was spun off from ConAgra Foods in 2016, is a market leader in frozen potato/french fry production and supply to restaurants and food service distributors. In contrast to the tepid growth rates in the packaged foods industry and broader consumer staples sector, Lamb Weston's top-line growth has been relatively brisk. Low double-digits sales growth was driven by both volumes and pricing/product mix as the company's pricing power has been impressive. Although not commonly viewed as high-growth, demand for frozen potato products has been strong due in part to fast-food restaurant growth in Asia. Additionally, tight global manufacturing capacity has allowed Lamb Weston to increase prices.

Our biggest Q4 detractors were electronic payments company Wirecard and defense contractor Harris. Despite recent stock price weakness, Wirecard remains our top contributor in 2018. The company is delivering robust organic growth as it's taking advantage of the secular growth in e-commerce and in our view should continue to benefit from the convergence of payments among online, mobile and in-store.

Shares of Harris were down along with the broader defense sector despite strong earnings results. The pullback looks to be a consolidation as defense stocks have strongly outperformed over the past couple years.

Portfolio Details

Net Asset Value (NAV)	\$16.88
ARTHX Inception	29 March 2010
Expense Ratios	
Annual Report 30 Sep 2018	1.36%
Prospectus 30 Sep 2017 ¹	1.40%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Linde PLC (United Kingdom)	4.9
Wirecard AG (Germany)	4.5
Deutsche Boerse AG (Germany)	4.3
Harris Corp (United States)	3.6
Mondelez International Inc (United States)	3.5
Petroleo Brasileiro SA (Brazil)	3.5
Intercontinental Exchange Inc (United States)	3.4
Abbott Laboratories (United States)	2.9
InterXion Holding NV (Netherlands)	2.8
Alphabet Inc (United States)	2.6
TOTAL	36.0%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	ACWI ¹
Communication Services	3.5	8.7
Consumer Discretionary	3.2	10.7
Consumer Staples	11.4	8.4
Energy	4.5	6.2
Financials	20.8	17.2
Health Care	16.4	12.1
Industrials	11.8	10.3
Information Technology	19.5	14.8
Materials	7.5	5.0
Real Estate	0.0	3.2
Utilities	1.3	3.4
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 1.7% of the total portfolio. ¹MSCI All Country World Index.

Investment Results (%)

As of 31 December 2018	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTHX	-6.22	-12.41	-3.41	-3.41	7.57	5.40	—	10.38
MSCI All Country World Index	-7.04	-12.75	-9.41	-9.41	6.60	4.26	—	6.80

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

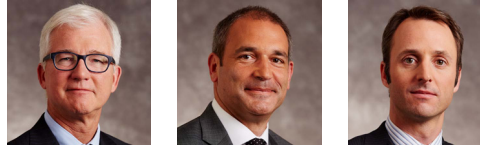
Past performance does not guarantee and is not a reliable indicator of future results. Investment returns and principal values will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. Call 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 the Fund's performance. IPO investments may not be available in the future.

Region/Country Allocation (% of total portfolio equities)

REGION	Fund	ACWI ¹
EUROPE	45.3	19.2
France	10.1	3.4
Germany	9.3	2.7
United Kingdom	9.1	5.2
Netherlands	5.4	1.1
Switzerland	3.9	2.7
Italy	2.3	0.7
Denmark	1.9	0.5
Belgium	1.4	0.3
Finland	1.2	0.3
Sweden	0.7	0.8
AMERICAS	43.8	57.4
United States	42.7	54.4
Canada	1.0	2.9
EMERGING MARKETS	6.8	11.9
Brazil	3.6	0.9
India	2.9	1.1
China	0.3	3.6
PACIFIC BASIN	4.2	11.4
Japan	2.8	7.6
Hong Kong	1.4	1.2
MIDDLE EAST	—	0.2
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (MSCI). ¹MSCI 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	38
Charles-Henri Hamker	29
Andrew J. Euretig	15

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: Lamb Weston Holdings Inc 1.0%. 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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