



Artisan Global Opportunities Fund

MONTHLY
Commentary

Investor Class: ARTRX | Advisor Class: APDRX 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 Fevertree and Activision Blizzard. Shares of Fevertree have retrenched as investors weigh the company's growth prospects in the sizeable US market. However, we believe it is largely a matter of how quickly Fevertree will penetrate the US market. Even at a more moderate rate, we believe the profit-cycle potential remains compelling.

Shares of leading video game developer Activision Blizzard were pressured in Q4 against a particularly competitive holiday season video game slate. Further, the company's Blizzard division is undergoing a reorganization and rebuilding period—increasing costs and weighing some on growth. However, we anticipate the company will capitalize on innovative strategies to leverage its extensive library of top video game IP and secular shifts in the industry, in turn contributing to an attractive profit cycle.

Among our top Q4 contributors were HDFC Bank and Cree. HDFC Bank shares had previously been pressured amid general concerns about India's banking environment. As these pressures have abated, HDFC Bank has stood out as a solid bank with particularly good governance and underwriting standards. As a credit-sensitive financial in a rapidly growing country, we believe HDFC Bank is well-positioned for the period ahead.

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.

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

	ARTRX	APDRX
Net Asset Value (NAV)	\$21.82	\$21.92
Inception	22 Sep 2008	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2018	1.15%	1.00%
Prospectus 30 Sep 2017 ¹	1.15%	1.03%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

IHS Markit Ltd (United States)	7.0
Visa Inc (United States)	5.5
Techtronic Industries Co Ltd (Hong Kong)	3.6
Bank of America Corp (United States)	3.6
Boston Scientific Corp (United States)	3.5
AstraZeneca PLC (United Kingdom)	3.3
Anthem Inc (United States)	3.2
Alphabet Inc (United States)	2.7
Lonza Group AG (Switzerland)	2.6
HDFC Bank Ltd (India)	2.6
TOTAL	37.5%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	ACWI ¹
Communication Services	11.9	8.7
Consumer Discretionary	15.6	10.7
Consumer Staples	5.2	8.4
Energy	2.7	6.2
Financials	11.4	17.2
Health Care	19.0	12.1
Industrials	11.8	10.3
Information Technology	21.3	14.8
Materials	1.1	5.0
Real Estate	0.0	3.2
Utilities	0.0	3.4
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 5.7% 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: ARTRX	-6.35	-15.45	-9.07	-9.07	7.70	6.62	14.69	9.64
Advisor Class: APDRX	-6.32	-15.39	-8.93	-8.93	7.85	6.72	14.75	9.70
MSCI All Country World Index	-7.04	-12.75	-9.41	-9.41	6.60	4.26	9.46	5.83

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (22 September 2008); Advisor (1 April 2015). For the period prior to inception, Advisor Class performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Advisor Class and the share class's returns during that period would be different 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 ¹
AMERICAS	53.1	57.4
United States	53.1	54.4
EUROPE	27.2	19.2
United Kingdom	8.7	5.2
Switzerland	5.3	2.7
Denmark	3.2	0.5
Netherlands	2.6	1.1
France	2.4	3.4
Spain	2.2	1.0
Germany	1.8	2.7
Belgium	1.1	0.3
PACIFIC BASIN	13.4	11.4
Japan	6.1	7.6
Hong Kong	5.3	1.2
Australia	2.0	2.1
EMERGING MARKETS	6.2	11.9
India	2.7	1.1
China	2.6	3.6
Brazil	0.9	0.9
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

James D. Hamel, CFA (Lead)	22
Matthew H. Kamm, CFA	19
Craigh A. Cepukenas, CFA	30
Jason L. White, CFA	19

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: Activision Blizzard Inc 1.5%; Cree Inc 0.9%; Fevertree Drinks PLC 1.8%. 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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