



Artisan Global Discovery Fund

MONTHLY
Commentary

Investor Class: APFDX

As of 31 March 2018

Commentary

In Q1, many major indices notched their first negative quarter in several years amid rising volatility, tied largely to growing concerns about heightened protectionist talk, early signs of faster inflation and the potential for tighter monetary policy. To which end, the Fed raised rates 25bps, with indications it will raise several more times this year, while the BOE and ECB held for now but similarly indicated hikes are in the offing. Emerging markets were in the black and led in Q1, while US stocks were down modestly and led their foreign developed counterparts.

Our portfolio was positive and outperformed the MSCI AC World Index in Q1. Among our top contributors were Global Payments and Veeva Systems. Global Payments has spent years investing in stickier software solutions for small and medium businesses, expanding beyond credit card payments processing systems. Importantly, these products are sold by the company's own sales force and in a growing number of countries—a combination that is translating into faster, more sustainable revenue growth and attractive margin expansion.

Veeva Systems benefited from strong momentum behind its Vault suite of content management tools and is laying the groundwork to expand Vault beyond life sciences into other regulated industries such as manufacturing. While these expansionary efforts will take time to bear fruit, they offer meaningful optionality longer term.

Among our bottom Q1 contributors were Techtronic and Cabot Oil & Gas. Thanks to a highly competitive industry, Techtronic's promotional activity over the holiday season was higher than anticipated, in turn pressuring margins and weighing on shares in Q1. However, given the importance of securing customers within the company's lithium ion battery ecosystem, we find this understandable and maintain our conviction in the company's ability to expand its product offerings and capitalize on the ongoing secular transition from corded to cordless power tools.

We first purchased Cabot as one of the US's top natural gas producers on the thesis that improved infrastructure would boost the company's pricing, allowing it to continue taking share. However, as the rally in crude oil prices spurs higher natural gas production as a byproduct of heightened oil drilling activity, the growing supply of natural gas threatens to weigh on prices. With our thesis potentially delayed, we exited in favor of better opportunities elsewhere.

We will have more thoughts on these and other top and bottom contributors in our forthcoming quarterly communication.

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

| | | |
|--|----------------|------------------|
| Net Asset Value (NAV) | \$11.25 | |
| APFDX Inception | 21 August 2017 | |
| Expense Ratios | Gross | Net ¹ |
| Annual Report 30 Sep 2017 ² | 4.55% | 1.50% |
| Prospectus 30 Sep 2017 ^{3,4} | 2.08% | 1.50% |

¹Reflects a contractual expense limitation agreement in effect through 31 Jan 2019. ²For the period from commencement of operations 21 Aug 2017 through 30 Sep 2017. ³Includes estimated expenses for the current fiscal year. ⁴See prospectus for further details.

Top 10 Holdings (% of total portfolio)

| | |
|---|--------------|
| Global Payments Inc (United States) | 4.8 |
| Teledyne Technologies Inc (United States) | 4.7 |
| BWX Technologies Inc (United States) | 4.3 |
| Guidewire Software Inc (United States) | 3.5 |
| Webster Financial Corp (United States) | 2.9 |
| Cintas Corp (United States) | 2.9 |
| Boston Scientific Corp (United States) | 2.9 |
| Treasury Wine Estates Ltd (Australia) | 2.8 |
| IHS Markit Ltd (United States) | 2.8 |
| ASML Holding NV (Netherlands) | 2.7 |
| TOTAL | 34.3% |

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

| | Fund | ACWI ¹ |
|----------------------------|---------------|-------------------|
| Consumer Discretionary | 11.3 | 12.3 |
| Consumer Staples | 8.4 | 8.4 |
| Energy | 5.1 | 6.2 |
| Financials | 11.5 | 18.7 |
| Health Care | 10.4 | 10.6 |
| Industrials | 22.3 | 10.8 |
| Information Technology | 31.0 | 18.8 |
| Materials | 0.0 | 5.4 |
| Real Estate | 0.0 | 3.0 |
| Telecommunication Services | 0.0 | 2.9 |
| Utilities | 0.0 | 2.9 |
| TOTAL | 100.0% | 100.0% |

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 1.2% of the total portfolio. ¹MSCI All Country World Index.

Investment Results (%)

| As of 31 March 2018 | Average Annual Total Returns | | | | | | | |
|------------------------------|------------------------------|-------|-------|------|------|------|-------|-----------|
| | MTD | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Inception |
| Investor Class: APFDX | 0.54 | 5.24 | 5.24 | — | — | — | — | 13.20 |
| MSCI All Country World Index | -2.14 | -0.96 | -0.96 | — | — | — | — | 8.42 |

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. The Fund's returns may vary greatly over shorter periods due to the limited operating period since inception.

Region/Country Allocation (% of total portfolio equities)

| REGION | Fund | ACWI ¹ |
|-------------------------|---------------|-------------------|
| AMERICAS | 57.9 | 55.2 |
| United States | 57.4 | 52.3 |
| Canada | 0.5 | 2.9 |
| EUROPE | 25.5 | 20.7 |
| United Kingdom | 8.7 | 5.6 |
| Netherlands | 5.7 | 1.2 |
| France | 5.4 | 3.6 |
| Denmark | 1.9 | 0.6 |
| Spain | 1.6 | 1.1 |
| Switzerland | 1.2 | 2.5 |
| Germany | 1.1 | 3.2 |
| PACIFIC BASIN | 8.5 | 11.8 |
| Japan | 3.6 | 8.0 |
| Australia | 2.9 | 2.1 |
| Hong Kong | 2.0 | 1.2 |
| EMERGING MARKETS | 8.1 | 12.2 |
| Brazil | 2.5 | 0.9 |
| China | 2.2 | 3.7 |
| India | 2.1 | 1.0 |
| South Africa | 1.3 | 0.8 |
| MIDDLE EAST | — | 0.1 |
| 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 |
|----------------------------|--------------------------------|
| Jason L. White, CFA (Lead) | 18 |
| James D. Hamel, CFA | 21 |
| Matthew H. Kamm, CFA | 18 |
| Craigh A. Cepukenas, CFA | 29 |

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 2018: Techtronic Industries Co Ltd 2.0%; Veeva Systems 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.

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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