



Artisan Global Discovery Fund

MONTHLY
Commentary

Investor Class: APFDX

As of 31 May 2018

Commentary

The uptick in market volatility that began in Q1 has persisted into Q2 for substantially similar reasons. Concerns about the impact of rising developed-world interest rates on emerging markets have put EM indices in the red for the year. US stocks lead QTD, with foreign developed markets modestly trailing. Rising oil prices have boosted energy stocks, which lead global and US sectors QTD, while staples and telecom are the bottom-performing sectors.

Our portfolio leads the MSCI AC World Index QTD. Among our top contributors are Tableau Software and Temenos. Tableau is capitalizing on the secular trend toward big data, which is in turn driving demand for data-analytics tools. Its transition to the cloud and a subscription-based model is generating attractive levels of revenue and cash-flow growth, supported by meaningful uptake among customers. We believe Tableau is well-positioned to maintain its competitive advantage in a substantial market with many years of growth potential ahead.

With its best-in-class software offering, Temenos is capitalizing on banks' growing need and ability to replace legacy software systems to drive accelerating sales growth. Importantly, as its products gain traction, the company is winning contracts from larger banks and building a solid prospect pipeline—both developments which should contribute to future growth. Though Temenos's proposed acquisition of Fidessa fell through in May, we believe the company's new product offerings combined with banks' growing willingness to address legacy technology issues should provide an ample runway.

Among our bottom QTD contributors are Genmab and Linx. Genmab announced in late May that its blockbuster drug Darzalex™ failed to add any benefit to lung cancer patients when dosed in combination with Johnson & Johnson's PD-1 therapy—an outcome which removes some optionality for the drug, but its longer term potential in multiple myeloma remains intact. Further, the company's pipeline potential beyond Darzalex™ remains compelling.

Linx is a Brazil-based provider of point-of-sale and enterprise resource planning (ERP) software, primarily for the retail sector. Our thesis has been that, as an industry leader, the company would benefit from ongoing growth in Brazil's retail sector combined with growing software penetration and a heightened government focus on tax compliance—an area in which Linx's products are particularly beneficial. Shares have been pressured in Q2 tied largely to Brazilian macroeconomic weakness, and we are watching for signs the profit cycle is taking hold.

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)	\$11.84	
APFDX Inception	21 August 2017	
Expense Ratios	Gross	Net ¹
Semi-Annual Report 31 Mar 2018 ²	1.99%	1.50%
Prospectus 30 Sep 2017 ^{3,4}	2.08%	1.50%

¹Reflects a contractual expense limitation agreement in effect through 31 Jan 2019. ²Unaudited, annualized for the six-month period. ³Includes estimated expenses for the current fiscal year. ⁴See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Teledyne Technologies Inc (United States)	4.8
Global Payments Inc (United States)	4.5
BWX Technologies Inc (United States)	4.3
Guidewire Software Inc (United States)	3.9
Webster Financial Corp (United States)	3.2
Boston Scientific Corp (United States)	3.0
First Republic Bank (United States)	2.8
Noble Energy Inc (United States)	2.8
Tableau Software Inc (United States)	2.7
IHS Markit Ltd (United States)	2.7
TOTAL	34.7%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund
Consumer Discretionary	11.8
Consumer Staples	6.6
Energy	4.2
Financials	12.8
Health Care	9.9
Industrials	22.8
Information Technology	31.9
Materials	0.0
Real Estate	0.0
Telecommunication Services	0.0
Utilities	0.0
TOTAL	100.0%

Source: Artisan Partners/FactSet (GICS). Cash and cash equivalents represented 4.2% of the total portfolio.

Investment Results (%)

As of 31 May 2018	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: APFDX	3.41	5.24	10.76	—	—	—	—	19.13
MSCI All Country World Index	0.12	1.08	0.11	—	—	—	—	9.59
As of 31 March 2018								
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
AMERICAS	62.9
United States	62.0
Canada	0.9
EUROPE	21.5
United Kingdom	6.7
Netherlands	5.2
France	3.9
Switzerland	1.8
Spain	1.6
Denmark	1.2
Germany	1.0
EMERGING MARKETS	8.1
Brazil	2.8
India	2.7
China	1.9
South Africa	0.7
PACIFIC BASIN	7.5
Japan	3.3
Hong Kong	2.3
Australia	1.9
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)	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 May 2018: Genmab A/S 1.1%; Linx SA 1.0%; Temenos AG 1.7%. 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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