



# Artisan Global Equity Fund

MONTHLY  
Commentary

Investor Class: ARTHX

As of 31 May 2018

## Commentary

Global equities finished roughly flat in May as strength in the US offset weakness in emerging markets and Europe. Emerging markets have come under pressure from the strengthening US dollar. In Europe, signs of slowing economic growth are mounting after the sharp acceleration experienced in 2016 and 2017. Returns were particularly weak in Italy as a months-long political crisis—following its inconclusive election—came to a head when an unlikely coalition of extremes selected a euro-sceptic as its economic minister. Government bond yields spiked and Italian financials sold off on the risk of a repeat vote—seen as a potential referendum on Italy's membership in the euro zone. After a 48-hour period of uncertainty, markets calmed on signs that an election would be avoided with the two anti-establishment parties ultimately agreeing to form a coalition government.

QTD returns have been led by the energy and technology sectors, while financials and consumer staples lagged with declines. QTD, our portfolio has slightly outperformed the MSCI AC World Index and remains comfortably ahead YTD.

Payments processor Wirecard was our top QTD contributor. The company continues to deliver robust organic growth, driven by transactions volumes as momentum in e-commerce growth shows no signs of slowing. The company recently inked agreements with French bank Crédit Agricole to provide e-commerce and acquiring services in France and other European countries and with Mizuho Bank to provide acquiring and issuing services to the bank's corporate clients in Asia.

Our biggest QTD detractor was Petrobras, a Brazilian oil and gas company. In May, Petrobras became embroiled in Brazil's supply crisis brought on by a trucker strike protesting soaring diesel prices. With airports closing, and food and fuel shortages threatening to bring the economy to a standstill, Petrobras cut fuel prices, raising fears among investors of government interference in the management of the company. Days later, the company's CEO, Pedro Parente, resigned. Parente had led the company's turnaround since mid-2016, shifting its strategy toward free-market policies and away from government interests. Since month-end, the equally respected CFO has been elevated to CEO, soothing some investors' concerns. Although the overall financial impact from the new pricing mechanism (including tax breaks and reimbursements it will receive from the government) should be nominal, in our view, headline risk will exist for the next few months as the company's pricing policy is now a political issue heading into Brazil's general election in October. Our position size was 2%-3% at month-end.

## Portfolio Details

|   |               |
|---|---------------|
| Net Asset Value (NAV)                       | \$21.62       |
| ARTHX Inception                             | 29 March 2010 |
| Expense Ratios                              |               |
| Semi-Annual Report 31 Mar 2018 <sup>1</sup> | 1.36%         |
| Prospectus 30 Sep 2017 <sup>2</sup>         | 1.40%         |

<sup>1</sup>Unaudited, annualized for the six-month period. <sup>2</sup>See prospectus for further details.

## Top 10 Holdings (% of total portfolio)

|   |              |
|---|--------------|
| Wirecard AG (Germany)                         | 5.1          |
| Deutsche Boerse AG (Germany)                  | 4.5          |
| Linde AG (Germany)                            | 3.8          |
| Facebook Inc (United States)                  | 3.7          |
| Alphabet Inc (United States)                  | 3.7          |
| Raytheon Co (United States)                   | 2.9          |
| InterXion Holding NV (Netherlands)            | 2.9          |
| Intercontinental Exchange Inc (United States) | 2.8          |
| Mastercard Inc (United States)                | 2.7          |
| Harris Corp (United States)                   | 2.7          |
| <b>TOTAL</b>                                  | <b>34.7%</b> |

Source: Artisan Partners/FactSet (MSCI).

## Sector Diversification (% of total portfolio equities)

|                            | Fund          | ACWI <sup>1</sup> |
|----------------------------|---------------|-------------------|
| Consumer Discretionary     | 4.1           | 12.4              |
| Consumer Staples           | 4.5           | 7.9               |
| Energy                     | 2.3           | 6.7               |
| Financials                 | 23.7          | 17.8              |
| Health Care                | 6.8           | 10.8              |
| Industrials                | 15.4          | 10.7              |
| Information Technology     | 34.7          | 19.7              |
| Materials                  | 6.4           | 5.4               |
| Real Estate                | 0.0           | 3.0               |
| Telecommunication Services | 0.0           | 2.7               |
| Utilities                  | 2.1           | 2.9               |
| <b>TOTAL</b>               | <b>100.0%</b> | <b>100.0%</b>     |

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 1.5% of the total portfolio. <sup>1</sup>MSCI All Country World Index.

## Investment Results (%)

| As of 31 May 2018            | Average Annual Total Returns |             |             |              |             |             |       |              |
|------------------------------|------------------------------|-------------|-------------|--------------|-------------|-------------|-------|--------------|
|                              | MTD                          | QTD         | YTD         | 1 Yr         | 3 Yr        | 5 Yr        | 10 Yr | Inception    |
| <b>Investor Class: ARTHX</b> | <b>0.93</b>                  | <b>1.55</b> | <b>5.21</b> | <b>20.64</b> | <b>7.53</b> | <b>9.37</b> | —     | <b>12.33</b> |
| MSCI All Country World Index | 0.12                         | 1.08        | 0.11        | 11.84        | 7.52        | 8.88        | —     | 8.63         |

  

| As of 31 March 2018          | Average Annual Total Returns |             |             |              |             |              |       |              |
|------------------------------|------------------------------|-------------|-------------|--------------|-------------|--------------|-------|--------------|
|                              | MTD                          | QTD         | YTD         | 1 Yr         | 3 Yr        | 5 Yr         | 10 Yr | Inception    |
| <b>Investor Class: ARTHX</b> | <b>-0.88</b>                 | <b>3.60</b> | <b>3.60</b> | <b>27.11</b> | <b>8.69</b> | <b>10.33</b> | —     | <b>12.39</b> |
| MSCI All Country World Index | -2.14                        | -0.96       | -0.96       | 14.85        | 8.12        | 9.20         | —     | 8.67         |

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 <sup>1</sup> |
|-------------------------|---------------|-------------------|
| <b>AMERICAS</b>         | <b>44.9</b>   | <b>56.3</b>       |
| United States           | 42.7          | 53.3              |
| Canada                  | 2.1           | 3.1               |
| <b>EUROPE</b>           | <b>38.9</b>   | <b>20.1</b>       |
| Germany                 | 13.6          | 3.1               |
| Netherlands             | 7.4           | 1.1               |
| United Kingdom          | 5.7           | 5.8               |
| France                  | 4.6           | 3.5               |
| Switzerland             | 2.9           | 2.4               |
| Sweden                  | 2.6           | 0.8               |
| Italy                   | 1.2           | 0.7               |
| Denmark                 | 0.5           | 0.5               |
| Ireland                 | 0.5           | 0.2               |
| <b>EMERGING MARKETS</b> | <b>11.1</b>   | <b>11.6</b>       |
| China                   | 3.1           | 3.7               |
| India                   | 2.6           | 1.0               |
| Brazil                  | 2.5           | 0.7               |
| Chile                   | 2.1           | 0.1               |
| Russia                  | 0.8           | 0.4               |
| <b>PACIFIC BASIN</b>    | <b>5.1</b>    | <b>11.8</b>       |
| Hong Kong               | 3.2           | 1.2               |
| Japan                   | 1.9           | 7.9               |
| <b>MIDDLE EAST</b>      | <b>—</b>      | <b>0.2</b>        |
| <b>TOTAL</b>            | <b>100.0%</b> | <b>100.0%</b>     |

Source: Artisan Partners/FactSet (MSCI). <sup>1</sup>MSCI 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  | 37                             |
| Charles-Henri Hamker | 28                             |
| Andrew J. Euretig    | 14                             |

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: Petroleo Brasileiro SA 2.2%. 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.

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