



# Artisan Global Opportunities Fund

MONTHLY  
Commentary

Investor Class: ARTRX | Advisor Class: APDRX

As of 30 September 2018

## Commentary

Developed markets notched a positive Q3, led by US equities. Emerging markets were in the red in Q3, with China the biggest drag as investors weighed ongoing global trade tensions' potential impact. A handful of European countries were also down as debt concerns resurfaced, while the UK faced Brexit-related headwinds. The US Fed raised rates in September as expected, while most major developed-world central banks stood pat. Health care and technology stocks led in Q3, with real estate and materials trailing, while growth again outperformed value.

Our portfolio trailed the MSCI AC World Index in Q3 but remains ahead YTD. Among our bottom Q3 contributors were JD.com and Tencent. JD.com, one of China's largest e-tailers, has faced an increasingly competitive landscape as its biggest rival, Alibaba, has focused intensely on goods traditionally in JD.com's wheelhouse while simultaneously attempting to undercut JD.com's pricing. Compounding these challenges were allegations surrounding the company's CEO. Given these headwinds, we exited our position in favor of better opportunities elsewhere.

Shares of Tencent have been pressured as the company awaits government approval to monetize recently launched games. While largely a formality, we lack visibility into when the approvals will come through. This near-term headwind aside, we believe the company remains well-positioned with its leading payments platform and a new ecosystem of local services it is building (food delivery, payments, ride hailing, music, etc.), which should support high user engagement in the long term.

Among our top Q3 contributors were Visa and Lonza. Against an increasingly uncertain macro backdrop, Visa is driving attractive levels of highly predictable, recurring top-line growth and free cash flow. The global secular trend toward digital payments remains a ways from full maturity, and we believe Visa capable of broadening its growth runway as microtransactions gain traction, in turn driving meaningful transaction volume growth. While we are monitoring Visa's valuation, we believe the profit cycle remains intact.

Lonza Group, a leading supplier to the biotechnology, pharmaceutical and specialty ingredients market, is well-positioned in our view to capitalize on the proliferation of small biotech companies that lack the infrastructure to run their own clinical trials or manufacture approved drugs. With its global scale, Lonza works with these companies from the early stages of trials all the way through initial manufacturing. Importantly, Lonza is adding global capacity, which should enable it to drive ongoing growth.

We will comment further on these and other holdings in our forthcoming quarterly letter.

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

	ARTRX	APDRX
Net Asset Value (NAV)	\$27.66	\$27.76
Inception	22 Sep 2008	1 Apr 2015
Expense Ratios		
Semi-Annual Report 31 Mar 2018 <sup>1</sup>	1.13%	0.99%
Prospectus 30 Sep 2017 <sup>2</sup>	1.15%	1.03%

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

## Top 10 Holdings (% of total portfolio)

Visa Inc (United States)	6.9
IHS Markit Ltd (United States)	6.7
Bank of America Corp (United States)	3.6
Techtronic Industries Co Ltd (Hong Kong)	3.6
Boston Scientific Corp (United States)	3.3
Anthem Inc (United States)	3.1
Pioneer Natural Resources Co (United States)	2.9
Temenos AG (Switzerland)	2.8
Shiseido Co Ltd (Japan)	2.7
Alphabet Inc (United States)	2.7
<b>TOTAL</b>	<b>38.2%</b>

Source: Artisan Partners/FactSet (MSCI).

## Sector Diversification (% of total portfolio equities)

	Fund	ACWI <sup>1</sup>
Communication Services	11.0	8.5
Consumer Discretionary	15.5	10.8
Consumer Staples	7.5	7.9
Energy	5.5	6.7
Financials	12.3	17.1
Health Care	13.8	11.8
Industrials	9.4	10.7
Information Technology	23.8	15.7
Materials	1.2	5.0
Real Estate	0.0	2.9
Utilities	0.0	2.9
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 3.7% of the total portfolio. <sup>1</sup>MSCI All Country World Index.

## Investment Results (%)

As of 30 September 2018	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTRX	-0.58	3.48	7.54	12.19	16.57	11.53	12.57	11.75
Advisor Class: APDRX	-0.57	3.50	7.64	12.32	16.70	11.63	12.62	11.80
MSCI All Country World Index	0.44	4.28	3.83	9.77	13.40	8.67	8.19	7.44

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 <sup>1</sup>
<b>AMERICAS</b>	<b>51.9</b>	<b>58.1</b>
United States	51.9	55.1
<b>EUROPE</b>	<b>26.7</b>	<b>19.5</b>
United Kingdom	7.7	5.4
Switzerland	5.5	2.5
Netherlands	3.6	1.0
Spain	2.7	0.9
Denmark	2.1	0.5
France	2.1	3.5
Germany	1.7	2.9
Belgium	1.2	0.3
<b>PACIFIC BASIN</b>	<b>15.7</b>	<b>11.2</b>
Japan	8.4	7.6
Hong Kong	5.4	1.1
Australia	2.0	2.1
<b>EMERGING MARKETS</b>	<b>5.6</b>	<b>11.1</b>
China	2.6	3.4
India	2.1	0.9
Brazil	1.0	0.7
<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

James D. Hamel, CFA (Lead)	21
Matthew H. Kamm, CFA	18
Craigh A. Cepukenas, CFA	29
Jason L. White, CFA	18

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 30 Sep 2018: Lonza Group AG 2.5%; Tencent Holdings Ltd 2.0%. 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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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: Garden<sup>SM</sup>, Crop<sup>SM</sup> and Harvest<sup>SM</sup>. Garden<sup>SM</sup> 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. Crop<sup>SM</sup> investments are holdings where we have gained conviction in the company's profit cycle, so positions are larger. Harvest<sup>SM</sup> investments are holdings that have exceeded our estimate of intrinsic value or holdings where there is a deceleration in the company's profit cycle. Harvest<sup>SM</sup> investments are generally being reduced or sold from the portfolios.

**Free Cash Flow** is a measure of financial performance calculated as operating cash flow minus capital expenditures.

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