



# Artisan Global Discovery Fund

MONTHLY  
Commentary

Investor Class: APFDX

As of 28 February 2019

## Commentary

Markets are solidly in the black QTD led by the US, with foreign developed stocks and emerging markets trailing. Investors' concerns about ratcheting trade tensions seem to be easing, boosting markets. Meanwhile, major developed-world central banks have generally indicated they will pause on further rate hikes pending strong economic data. Strength across sectors has been broad-based, led by technology, industrials and energy—the latter as oil prices have bounced sharply to start the year. Utilities, health care and staples are the bottom-performing sectors QTD. From a style perspective, growth leads value, and smaller stocks are outperforming their larger counterparts.

Our portfolio leads the MSCI AC World Index QTD. Among our top QTD contributors are Global Payments and Veeva Systems—both leading software companies which are executing impressively in their respective markets. Global Payments, a fast-growing provider of payments technology solutions for merchants, is benefiting from its direct-to-customers approach as the trend toward digital payments maintains its momentum. Veeva Systems, a leading provider of cloud-based SaaS solutions for the pharmaceutical and life sciences industries, is benefiting from broader adoption of its expanding product suite among pharmaceuticals customers—particularly within the areas of clinical-trial and clinical-data management. Both companies are good examples of the types of profit cycles we seek, and we maintain our conviction in these high-quality franchises.

Among our few negative QTD contributors are Take-Two Interactive and Eicher Motors. Shares of Take-Two, a leading video game developer, have been pressured as investors weigh the impact of new viral free-to-play hits like Fortnite and, more recently, Apex Legends, on full-price games. However, we believe Take-Two remains well-positioned to capitalize on the secular trend toward digital gaming and are remaining patient for now.

Based in India, Eicher is the oldest motorcycle brand in the world. We have held it as we anticipated its larger, more powerful and differentiated offerings would result in an aspirational offering to India's population. We also believed Eicher would ramp its business in other emerging markets where its brand similarly resonated. However, recent results have shown signs of possible brand fatigue. With our thesis at best delayed, we exited our position in favor of better positioned opportunities elsewhere.

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 adhere to this approach, regardless of the macro backdrop and how it evolves in the period ahead.

## Investment Results (%)

	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Average Annual Total Returns	Inception
As of 28 February 2019									
<b>Investor Class: APFDX</b>	<b>7.11</b>	<b>17.86</b>	<b>17.86</b>	<b>9.12</b>	—	—	—	<b>14.47</b>	
MSCI All Country World Index									
	2.67	10.78	10.78	-0.84	—	—	—		6.37
As of 31 December 2018									
<b>Investor Class: APFDX</b>	<b>-7.75</b>	<b>-16.45</b>	<b>-3.09</b>	<b>-3.09</b>	—	—	—		<b>3.10</b>
MSCI All Country World Index	-7.04	-12.75	-9.41	-9.41	—	—	—		-0.61

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.

## Portfolio Details

Net Asset Value (NAV)	\$12.21	
APFDX Inception	21 August 2017	
Expense Ratios	Gross	Net <sup>1</sup>
Annual Report 30 Sep 2018 <sup>2</sup>	1.71%	1.50%
Prospectus 30 Sep 2018 <sup>2</sup>	1.71%	1.50%

<sup>1</sup>Reflects a contractual expense limitation agreement in effect through 31 Jan 2020.

<sup>2</sup>See prospectus for further details.

## Top 10 Holdings (% of total portfolio)

Global Payments Inc (United States)	5.1
Teledyne Technologies Inc (United States)	4.3
Techtronic Industries Co Ltd (Hong Kong)	3.7
Boston Scientific Corp (United States)	3.5
IMCD NV (Netherlands)	3.1
Guidewire Software Inc (United States)	3.0
Veeva Systems Inc (United States)	2.9
First Republic Bank (United States)	2.9
The Progressive Corp (United States)	2.8
IHS Markit Ltd (United States)	2.8
<b>TOTAL</b>	<b>34.0%</b>

Source: Artisan Partners/FactSet (MSCI).

## Sector Diversification (% of total portfolio equities)

	Fund	ACWI <sup>1</sup>
Communication Services	8.1	8.3
Consumer Discretionary	11.7	11.1
Consumer Staples	2.9	8.1
Energy	1.3	6.3
Financials	13.0	17.2
Health Care	18.0	11.7
Industrials	20.3	10.6
Information Technology	24.7	15.3
Materials	0.0	4.9
Real Estate	0.0	3.2
Utilities	0.0	3.2
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 6.3% of the total portfolio. <sup>1</sup>MSCI All Country World Index.

**Region/Country Allocation (% of total portfolio equities)**

REGION	Fund	ACWI <sup>1</sup>
<b>AMERICAS</b>	<b>65.4</b>	<b>57.9</b>
United States	63.3	54.9
Canada	2.1	3.1
<b>EUROPE</b>	<b>23.2</b>	<b>19.1</b>
Netherlands	5.6	1.1
United Kingdom	5.4	5.2
France	4.0	3.4
Germany	3.5	2.7
Denmark	2.0	0.5
Spain	1.7	0.9
Switzerland	1.1	2.7
<b>PACIFIC BASIN</b>	<b>6.9</b>	<b>11.1</b>
Hong Kong	3.9	1.2
Australia	1.6	2.1
Japan	1.4	7.3
<b>EMERGING MARKETS</b>	<b>4.5</b>	<b>11.7</b>
Brazil	2.5	0.9
India	2.0	1.0
<b>MIDDLE EAST</b>	—	0.2
<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**

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

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 28 Feb 2019: Take-Two Interactive Software Inc 1.2%. 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.

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.

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