



Artisan Global Discovery Fund

MONTHLY
Commentary

Investor Class: APFDX

As of 31 July 2019

Commentary

Global developed markets inched quietly higher in July—with the US leading most countries—while emerging markets were slightly negative. Many central banks have shifted toward accommodative policies on substantially similar concerns from recent months—notably, the Fed cut the benchmark rate by 25bps for the first time in 11 years. At the sector level, information technology, communication services and consumer staples led, while health care and energy lagged.

Our portfolio is outperforming the MSCI AC World Index QTD and remains ahead of the benchmark YTD. Among our top QTD contributors are Teledyne Technologies and Burberry. Teledyne, which supplies ultra-sensitive components and sensors to various end markets, is reaping the rewards of its efforts to reposition its business in higher growth and higher margin areas such as instrumentation, digital imaging and defense electronics. The share price is following earnings growth, as we would expect. We've been pleased to see our thesis continue to play out in line with our expectations.

Leading global luxury retailer Burberry's new products are growing solidly, particularly among Chinese consumers—a welcome indication our thesis is gaining traction. We believe the runway ahead is broad as the relatively recently installed management team rolls out new products and regains its footing in the European and American markets.

Among our bottom QTD contributors were Alexion Pharmaceuticals and FLIR Systems. Alexion is making solid progress converting Soliris® patients globally to its more convenient and patent-protected drug Ultomiris®—which should help protect it from generic drug entrants. Alexion is also expanding its geographic footprint with Ultomiris® recently launching in Germany and set to launch in September in Japan. Though shares were pressured as investors continue to take a “wait-and-see” approach to the Soliris-to-Ultomiris transition, we maintain our confidence in the profit-cycle potential.

FLIR Systems is the largest provider of thermal imaging systems for military and as industrial applications. The company is generating solid sales growth, particularly in its government segment. Though investors were disappointed by margins in this segment, we believe FLIR's mix of attributes—a unique franchise with an upgraded management team, improving end market and clean balance sheet—position it well to drive a compelling profit cycle.

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.

Portfolio Details

Net Asset Value (NAV)	\$13.65	
APFDX Inception	21 August 2017	
Expense Ratios	Gross	Net ¹
Semi-Annual Report 31 Mar 2019 ²	1.43%	—
Prospectus 30 Sep 2018 ³	1.71%	1.50%

¹Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2020. ²Unaudited, annualized for the six-month period. ³See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Global Payments Inc (United States)	5.8
Teledyne Technologies Inc (United States)	3.9
Techtronic Industries Co Ltd (Hong Kong)	3.7
Guidewire Software Inc (United States)	3.4
Boston Scientific Corp (United States)	3.3
IHS Markit Ltd (United States)	3.0
Veeva Systems Inc (United States)	2.9
Varta AG (Germany)	2.6
First Republic Bank (United States)	2.4
Gardner Denver Holdings Inc (United States)	2.3
TOTAL	33.2%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	ACWI ¹
Communication Services	5.6	8.9
Consumer Discretionary	7.8	10.9
Consumer Staples	3.2	8.4
Energy	0.0	5.7
Financials	7.4	16.8
Health Care	21.0	11.3
Industrials	28.1	10.4
Information Technology	26.4	16.4
Materials	0.5	4.8
Real Estate	0.0	3.2
Utilities	0.0	3.3
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 8.2% of the total portfolio. ¹MSCI All Country World Index.

Investment Results (%)

As of 31 July 2019	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: APFDX	1.71	1.71	31.76	12.72	—	—	—	17.75
MSCI All Country World Index	0.29	0.29	16.57	2.95	—	—	—	7.75

As of 30 June 2019	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: APFDX	7.53	9.19	29.54	14.21	—	—	—	17.55
MSCI All Country World Index	6.55	3.61	16.23	5.74	—	—	—	7.95

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.

Region/Country Allocation (% of total portfolio equities)

REGION	Fund	ACWI ¹
AMERICAS	61.8	59.0
United States	59.7	55.9
Canada	2.0	3.0
EUROPE	26.5	18.4
Denmark	6.0	0.5
United Kingdom	5.3	4.9
Germany	4.7	2.5
Netherlands	3.4	1.1
France	2.4	3.3
Switzerland	2.2	2.8
Spain	1.6	0.8
Sweden	1.0	0.8
PACIFIC BASIN	6.6	10.8
Hong Kong	4.0	1.1
Australia	1.5	2.1
Japan	1.1	7.1
EMERGING MARKETS	5.2	11.6
Brazil	3.1	0.9
India	1.5	1.0
China	0.6	3.7
MIDDLE EAST	—	0.2
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)	19
James D. Hamel, CFA	22
Matthew H. Kamm, CFA	19
Craigh 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 31 Jul 2019: Alexion Pharmaceuticals Inc 1.8%; Burberry Group PLC 1.5%; FLIR Systems Inc 1.5%. 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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