



Artisan Global Discovery Fund

MONTHLY
Commentary

Investor Class: APFDX

As of 30 November 2019

Commentary

Global equity markets have posted solid QTD gains on better than expected earnings results and renewed optimism around global growth with the US and China making progress toward a phase-one trade deal. US markets are leading, followed by non-US developed and emerging markets. At the sector level, health care, information technology and industrials are leading, while only utilities is in the red.

Our portfolio is ahead of the MSCI AC World Index QTD and YTD. Among our top QTD contributors are Varta and Guidewire Software. Varta is benefiting from the accelerating secular trend toward wireless headphones and rechargeable hearing aids—both are relatively early in their penetration curves. Further, the company's dominant market position for microbatteries is expanding margins at a rapid clip. While we are monitoring valuation, we remain confident in the profit cycle ahead.

Guidewire recently hired a new CEO—previously a senior leader at Salesforce—who we view favorably. The company has also had success adding new and converting existing customers to its next-generation subscription-based cloud service. We believe Guidewire is early in its profit cycle as it continues transitioning away from its legacy licensed software product and remain confident in the growth runway ahead.

Among our bottom QTD contributors are Pagueseguro Digital and Arista Networks. Pagueseguro's shares have been pressured with Q2 results not quite living up to the Street's high expectations. However, we believe the secular tailwind toward digital payments in Brazil is in the early innings and the company's expanded banking-product offerings position it well to take share in a still-underpenetrated market for small and micro-sized merchants.

A slowdown in orders from top customers Microsoft and Facebook has pressured shares of Arista in recent quarters. While the Microsoft slowdown has since abated, the pause in Facebook orders is expected to be a headwind over the near term. Despite this, we believe these short-term bumps in the road will come to pass and recent share gains in the corporate-campus networking market should contribute meaningfully to revenue growth longer term.

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)	\$14.31	
APFDX Inception	21 August 2017	
Expense Ratios	Gross	Net ¹
Annual Report 30 Sep 2019	1.40%	—
Prospectus 30 Sep 2018 ²	1.71%	1.50%

¹Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2021. ²See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Global Payments Inc (United States)	5.9
Guidewire Software Inc (United States)	3.9
Teledyne Technologies Inc (United States)	3.9
Techtronic Industries Co Ltd (Hong Kong)	3.5
IHS Markit Ltd (United States)	3.2
Boston Scientific Corp (United States)	3.2
Varta AG (Germany)	3.0
Genmab A/S (Denmark)	2.6
Vestas Wind Systems A/S (Denmark)	2.4
Veeva Systems Inc (United States)	2.4
TOTAL	33.9%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	ACWI ¹
Communication Services	5.8	8.8
Consumer Discretionary	7.1	10.8
Consumer Staples	1.7	8.2
Energy	0.0	5.1
Financials	4.1	16.7
Health Care	22.8	11.8
Industrials	27.7	10.5
Information Technology	28.7	16.9
Materials	2.1	4.7
Real Estate	0.0	3.3
Utilities	0.0	3.3
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 8.5% of the total portfolio. ¹MSCI All Country World Index.

Investment Results (%)

As of 30 November 2019	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: APFDX	3.62	6.87	38.13	27.43	—	—	—	17.36
MSCI All Country World Index	2.44	5.24	22.29	13.68	—	—	—	8.84

As of 30 September 2019

Investor Class: APFDX	0.53	-0.22	29.25	7.98	—	—	—	15.18
MSCI All Country World Index	2.10	-0.03	16.20	1.38	—	—	—	6.95

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.

Region/Country Allocation (% of total portfolio equities)

REGION	Fund	ACWI ¹
AMERICAS	61.8	58.9
United States	59.9	55.9
Canada	1.9	3.0
EUROPE	28.2	18.4
Denmark	7.0	0.5
United Kingdom	5.7	4.7
Germany	4.9	2.6
Netherlands	3.5	1.2
Switzerland	2.8	2.7
France	2.8	3.4
Spain	1.5	0.8
PACIFIC BASIN	6.2	10.8
Hong Kong	3.8	1.0
Japan	1.5	7.3
Australia	0.9	2.0
EMERGING MARKETS	3.8	11.8
Brazil	3.3	0.8
China	0.5	4.0
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	23
Matthew H. Kamm, CFA	20
Craigh A. Cepukenas, CFA	31

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 Nov 2019: Arista Networks Inc 1.3%; Pagueseguro Digital Ltd 0.9%. 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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