



Artisan Global Discovery Fund

MONTHLY
Commentary

Investor Class: APFDX

As of 30 September 2019

Commentary

Global equity markets proved resilient in Q3, with most markets turning in relatively flat performance despite trade tensions, spiking oil prices and ongoing concerns about slowing global growth. US equity markets led, followed by non-US developed and emerging markets. On the monetary policy front, many central banks shifted toward accommodative stances—namely, the Fed cut its benchmark rate twice. At the sector level, utilities, real estate and consumer staples led, while energy, health care and materials lagged.

Our portfolio trailed the MSCI AC World Index in Q3 but remains ahead YTD. Among our bottom contributors were IMCD and Alexion Pharmaceuticals. IMCD, a specialty chemical distributor, consolidated some of its solid YTD gains as its business showed signs of slowing against a weak backdrop for industrials. We had pared our exposure in anticipation of this possibility and as the valuation approached our estimate of private market value. However, we believe the company remains well-positioned to consolidate a fragmented market and take share in non-European markets.

Shares of Alexion have been pressured amid an increasing likelihood biosimilar versions of Soliris® will reach the US and Europe in a few years. However, we believe Alexion is well-positioned to thwart most competition by converting Soliris® patients to the company's more convenient and patent-protected drug Ultomiris® over the next couple of years—an effort that is already underway and progressing well.

Among our top Q3 contributors were Varta and Burberry. Varta, the world's leading manufacturer of microbatteries, is benefiting from the accelerating secular trend toward wireless headphones, which are rapidly proliferating, and rechargeable hearing aids, which have become sufficiently affordable that consumers find them compelling. We believe both of these drivers remain relatively early in their penetration curves.

Leading global luxury retailer Burberry has executed well on its strategic plan under new management and a new designer to revitalize its business, particularly with younger customers. Its recently launched collection has shown early promise particularly among Chinese consumers. Although early, we're cautiously optimistic the new collection's traction is the start of a profit cycle.

We will discuss these and other holdings in more depth in our forthcoming quarterly commentary.

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)	\$13.39	
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)	5.5
Teledyne Technologies Inc (United States)	4.4
Guidewire Software Inc (United States)	3.6
Varta AG (Germany)	3.4
Techtronic Industries Co Ltd (Hong Kong)	3.4
Boston Scientific Corp (United States)	3.2
IHS Markit Ltd (United States)	3.2
Veeva Systems Inc (United States)	2.6
Genmab A/S (Denmark)	2.4
First Republic Bank (United States)	2.4
TOTAL	34.1%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	ACWI ¹
Communication Services	5.3	8.8
Consumer Discretionary	7.8	10.8
Consumer Staples	3.4	8.6
Energy	0.0	5.5
Financials	6.1	16.7
Health Care	21.3	11.3
Industrials	28.2	10.5
Information Technology	26.2	16.3
Materials	1.9	4.7
Real Estate	0.0	3.3
Utilities	0.0	3.5
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 6.8% of the total portfolio. ¹MSCI All Country World Index.

Investment Results (%)

As of 30 September 2019	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
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	61.3	58.9
United States	59.2	55.8
Canada	2.1	3.1
EUROPE	27.3	18.6
Denmark	6.1	0.5
United Kingdom	5.7	4.8
Germany	5.4	2.5
Netherlands	3.4	1.2
France	2.8	3.4
Switzerland	2.5	2.8
Spain	1.4	0.9
PACIFIC BASIN	6.5	10.8
Hong Kong	3.7	1.0
Australia	1.6	2.1
Japan	1.2	7.3
EMERGING MARKETS	4.9	11.5
Brazil	3.4	0.9
India	1.0	1.0
China	0.5	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 30 Sep 2019: Alexion Pharmaceuticals Inc 1.6%; Burberry Group PLC 1.6%; IMCD NV 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.

This material is provided for informational purposes without regard to your particular investment needs. This material shall not be construed as investment or tax advice on which you may rely for your investment decisions. Investors should consult their financial and tax adviser before making investments in order to determine the appropriateness of any investment product discussed herein.

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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.

Private Market Value is an estimate of the value of a company if divisions were each independent and established their own market stock prices.

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