



# Artisan Global Opportunities Fund

MONTHLY  
Commentary

Investor Class: ARTRX | Advisor Class: APDRX

As of 31 March 2020

## Commentary

The COVID-19 global pandemic and the threat of an oil price war decimated equity market returns in Q1. We expect the virus to temporarily disrupt global supply chains and demand, pressuring corporate profits for at least the first half of 2020. While recent efforts by central banks and governments around the globe have seemingly helped markets find a near-term bottom, we suspect markets will remain volatile until COVID-19 cases trend more favorably and investors can better grasp the magnitude of the impact on consumers and corporations.

While our portfolio was down in Q1, we were encouraged by its relative durability, meaningfully outperforming the MSCI AC World Index. Among our top contributors were Zoom Video Communications and Lonza Group. Our Zoom investment thesis has been bolstered by COVID-19 travel restrictions. Workers have been forced to conduct more business remotely, turning to Zoom's video-conferencing capabilities to stay connected with clients and colleagues. This has increased product awareness and the likelihood videoconferencing could become a more common substitute for corporate travel. While we are monitoring valuation, we believe the profit cycle remains compelling.

Lonza Group is capitalizing on an expanding pipeline of biologic drugs and a growing interest in applying pharmaceutical technologies to the manufacturing of consumer products with health claims. While we anticipate another year of investments in 2020 will weigh on near-term margin growth, the ramp of new capacity thereafter should drive a meaningful profit cycle over the next couple of years.

Among our bottom Q1 contributors were Bank of America and Lowe's. Shares of Bank of America have been pressured in sympathy with the broader financials sector as interest rates have reached historical lows. While the company has successfully decreased expenses in this low-interest rate environment to drive growth, we believe these internal drivers are plateauing and have accordingly pared our exposure.

We believe Lowe's is better positioned relative to other retailers during the COVID-19 pandemic. The company has online order and pickup capabilities and its brick and mortar stores remain open—deemed essential retail stores. With a solid balance sheet, strong management team and our long-term thesis intact, we have used the recent pullback to add to our position.

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

	ARTRX	APDRX
Net Asset Value (NAV)	\$23.97	\$24.10
Inception	22 Sep 2008	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2019	1.15%	1.01%
Prospectus 30 Sep 2019 <sup>1</sup>	1.15%	1.01%

<sup>1</sup>See prospectus for further details.

## Top 10 Holdings (% of total portfolio)

Microsoft Corp (United States)	5.3
IHS Markit Ltd (United States)	5.0
AstraZeneca PLC (United Kingdom)	4.6
Lonza Group AG (Switzerland)	4.5
Fidelity National Information Services Inc (United States)	4.1
Techtronic Industries Co Ltd (Hong Kong)	3.6
Zoom Video Communications Inc (United States)	3.6
Lowe's Cos Inc (United States)	3.5
L3Harris Technologies Inc (United States)	3.4
Veeva Systems Inc (United States)	3.2
<b>TOTAL</b>	<b>40.9%</b>

Source: Artisan Partners/MSCI.

## Sector Diversification (% of total portfolio equities)

	Fund	ACWI <sup>1</sup>
Communication Services	6.7	9.3
Consumer Discretionary	8.5	10.8
Consumer Staples	0.0	8.8
Energy	0.0	3.7
Financials	6.1	14.4
Health Care	26.1	13.3
Industrials	16.3	9.6
Information Technology	28.0	18.8
Materials	2.3	4.4
Real Estate	0.0	3.1
Utilities	5.9	3.6
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 3.0% of the total portfolio. <sup>1</sup>MSCI All Country World Index.

## Investment Results (%)

As of 31 March 2020	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTRX	-8.72	-13.06	-13.06	1.24	8.41	8.57	11.59	10.12
Advisor Class: APDRX	-8.71	-13.03	-13.03	1.37	8.56	8.71	11.66	10.18
MSCI All Country World Index	-13.50	-21.37	-21.37	-11.26	1.50	2.85	5.88	5.15

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>58.2</b>	<b>59.4</b>
United States	58.2	56.6
<b>EUROPE</b>	<b>30.6</b>	<b>17.8</b>
United Kingdom	9.1	4.3
Denmark	6.4	0.6
Switzerland	4.7	3.1
Netherlands	4.7	1.2
Spain	2.1	0.7
Sweden	1.9	0.8
Germany	1.7	2.4
<b>PACIFIC BASIN</b>	<b>8.7</b>	<b>10.7</b>
Hong Kong	4.8	1.1
Japan	3.9	7.5
<b>EMERGING MARKETS</b>	<b>2.5</b>	<b>12.0</b>
Brazil	1.5	0.6
China	1.0	4.9
<b>MIDDLE EAST</b>	<b>—</b>	<b>0.2</b>
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/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)	23
Matthew H. Kamm, CFA	20
Craig A. Cepukenas, CFA	31
Jason L. White, CFA	20

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 Mar 2020: Bank of America Corp 2.1%. 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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