



# Artisan Global Discovery Fund

MONTHLY  
Commentary

Investor Class: APFDX | Advisor Class: APDDX

As of 30 June 2021

## Commentary

The MSCI AC World Index set new record highs in Q2 and delivered a 7% return. Information technology, energy and health care led, and utilities was the only sector to deliver a negative return. Corporate earnings were stronger than expected with companies in the index reporting ~93% YoY EPS growth (vs. ~54% expected). The Fed held its accommodative policy steady and indicated inflation in April and May—above 3%—was driven by “transitory factors.” Despite the June dot plot indicating a pull forward in the FOMC’s expectations for future rate increases (2 in 2023 vs. none prior), Chairman Powell reiterated policy would be data dependent rather than dot dependent. Q1’s vicious rotation out of growth stocks and into value stocks reversed course, though value remains slightly ahead YTD.

Our portfolio outperformed the MSCI AC World Index in Q2. Among our top contributors were Boston Scientific and Bentley Systems. Shares of Boston Scientific were volatile throughout most of 2020 as the pandemic drove significant drops in elective medical procedures, though our longer term constructive view prompted us to add to our position. We have been rewarded with shares rebounding this year alongside a recovery in elective medical procedures. Longer term, we believe the company’s investments in higher growth categories should lead to improved margins and revenue growth at a rate on the higher end of its peer group.

Bentley Systems is the leading provider of infrastructure engineering software used to design roads, bridges, tunnels, rail systems and other public works. The infrastructure sector is one of the least digitized verticals of the global economy, and we anticipate a meaningful uptick in IT spend over the next decade. We believe Bentley’s proven ability to improve the productivity and efficiency of design, build and maintenance positions it well for a meaningful profit cycle ahead.

Among our bottom contributors were Vestas Wind Systems and Veracyte. Vestas is facing several headwinds—raw material inflation and supply chain bottlenecks—which we believe could weigh on near-term margins and profit growth. Our longer term profit cycle thesis is intact, though we have trimmed our position in favor of other intermediate-term opportunities.

We are remaining patient with Veracyte as tests begin to rebound with patients returning to the clinic and as management executes on its strong R&D pipeline, including an upcoming launch of a nasal swab lung cancer test. Longer term, the company is well-positioned to expand internationally as it ports its growing menu of tests onto the recently acquired nCounter instrument.

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 (%)

As of 30 June 2021	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
<b>Investor Class: APFDX</b>	<b>2.61</b>	<b>10.28</b>	<b>6.35</b>	<b>39.04</b>	<b>24.89</b>	—	—	<b>24.14</b>
<b>Advisor Class: APDDX</b>	<b>2.65</b>	<b>10.27</b>	<b>6.35</b>	<b>39.17</b>	<b>24.92</b>	—	—	<b>24.17</b>
<b>MSCI All Country World Index</b>	1.32	7.39	12.30	39.26	14.57	—	—	13.67

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (21 August 2017); Advisor (3 February 2020). 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.

## Portfolio Details

	APFDX	APDDX
Net Asset Value (NAV)	\$22.43	\$22.45
Inception	21 Aug 2017	3 Feb 2020
Expense Ratios (% Gross/Net)		
Semi-Annual Report 31 Mar 2021 <sup>1,2</sup>	1.37/—	1.48/1.30 <sup>3,4</sup>
Prospectus 30 Sep 2020 <sup>3</sup>	1.36/—	1.75/1.31 <sup>4</sup>

<sup>1</sup>Excludes Acquired Fund Fees and Expenses as described in the prospectus.

<sup>2</sup>Unaudited, annualized for the six-month period. <sup>3</sup>See prospectus for further details.

<sup>4</sup>Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2022.

## Top 10 Holdings (% of total portfolio)

Global Payments Inc (United States)	3.8
Boston Scientific Corp (United States)	3.4
Veeva Systems Inc (United States)	3.3
Techtronic Industries Co Ltd (Hong Kong)	2.9
Advanced Micro Devices Inc (United States)	2.9
Atlassian Corp PLC (United States)	2.8
Zynga Inc (United States)	2.7
First Republic Bank (United States)	2.6
Eurofins Scientific SE (France)	2.6
Teledyne Technologies Inc (United States)	2.4
<b>TOTAL</b>	<b>29.4%</b>

Source: Artisan Partners/MSCI.

## Sector Diversification (% of portfolio securities)

	Fund	ACWI <sup>1</sup>
Communication Services	4.2	9.4
Consumer Discretionary	6.1	12.7
Consumer Staples	0.0	6.9
Energy	0.0	3.4
Financials	11.8	14.1
Health Care	25.3	11.6
Industrials	18.8	9.9
Information Technology	29.1	21.9
Materials	2.2	4.9
Real Estate	1.0	2.6
Utilities	1.5	2.6
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 3.5% of the total portfolio. <sup>1</sup>MSCI All Country World Index.

## Average Annual Total Returns

	1 Yr	3 Yr	5 Yr	10 Yr	Inception
<b>Investor Class: APFDX</b>	<b>39.04</b>	<b>24.89</b>	—	—	<b>24.14</b>
<b>Advisor Class: APDDX</b>	<b>39.17</b>	<b>24.92</b>	—	—	<b>24.17</b>
<b>MSCI All Country World Index</b>	<b>39.26</b>	<b>14.57</b>	—	—	13.67

**Region/Country Allocation (% of portfolio securities)**

REGION	Fund	ACWI <sup>1</sup>
<b>AMERICAS</b>	<b>65.5</b>	<b>61.6</b>
United States	64.5	58.7
Canada	1.0	2.9
<b>EUROPE</b>	<b>25.2</b>	<b>16.4</b>
Germany	8.3	2.4
Denmark	5.2	0.7
France	2.7	2.9
Switzerland	2.4	2.5
Netherlands	2.2	1.1
United Kingdom	2.1	3.7
Spain	1.5	0.6
Italy	0.8	0.6
<b>PACIFIC BASIN</b>	<b>7.1</b>	<b>8.9</b>
Japan	3.7	5.9
Hong Kong	3.5	0.8
<b>EMERGING MARKETS</b>	<b>2.2</b>	<b>12.9</b>
Brazil	2.2	0.7
<b>MIDDLE EAST</b>	—	0.2
<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**

Jason L. White, CFA (Lead)	21
James D. Hamel, CFA	24
Matthew H. Kamm, CFA	21
Craigh A. Cepukenas, CFA	32

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.

Current and future portfolio holdings are subject to risk. 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 Jun 2021: Bentley Systems Inc 1.7%; Veracyte Inc 0.7%; Vestas Wind Systems A/S 1.1%. 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.

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: 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.

Earnings per Share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock.

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