



# Artisan Global Discovery Fund

MONTHLY  
Commentary

Investor Class: APFDX | Advisor Class: APDDX As of 31 May 2021

## Commentary

The MSCI AC World Index is up 6% QTD. Q1 corporate earnings have surprised to the upside with companies reporting ~93% YOY EPS growth (vs. ~54% expected at the end of March). Concerns about US inflation remain top of mind for investors. The PCE, the Fed's preferred measure of inflation, rose 3.1% for the 12 months ended in April. The increase is notably ahead of the Fed's 2% target and the fastest growth rate since 1992. At the sector level, returns have been positive across the board with materials, financials, real estate and health care leading, while information technology, consumer discretionary and utilities are lagging. Growth began the quarter leading value, though that trend has reversed course and value is now slightly ahead QTD.

Our portfolio is outperforming the MSCI AC World Index QTD. Among our top contributors are Boston Scientific and First Republic Bank. Boston Scientific is benefiting from a year-to-date rebound in elective medical procedures. Longer term, we believe the company's investments over the past five years in higher growth categories—particularly structural heart, peripheral interventions, interventional oncology, atrial fibrillation—position it well to improve its margins and grow revenue at a rate on the higher end of its peer group.

First Republic Bank provides private banking and wealth management services in urban, coastal markets in the US. The company has executed impressively through the pandemic, growing its loans, deposits and wealth management AUM. We expect another year of robust growth in 2021, outpacing most banks, as it further penetrates its existing markets (we estimate only ~5% share currently).

Among our bottom contributors are Global Payments and VeracYTE. Global Payments is a provider of payments technology solutions for merchants. We expect the company to see accelerating revenue growth this year as consumer behavior normalizes. Longer term, the trend toward digital payments remains healthy, and we believe there is ample runway ahead of high-quality franchises like Global Payments.

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 the launch of a "nasal swab" lung cancer test later this year. 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 31 May 2021	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: APFDX	1.06	7.47	3.65	40.02	23.50	—	—	23.88
Advisor Class: APDDX	1.02	7.42	3.60	39.99	23.52	—	—	23.89
MSCI All Country World Index	1.56	6.00	10.84	41.85	13.86	—	—	13.59

  

As of 31 March 2021	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: APFDX	-1.74	-3.56	-3.56	64.32	22.65	—	—	22.64
Advisor Class: APDDX	-1.74	-3.55	-3.55	64.48	22.68	—	—	22.67
MSCI All Country World Index	2.67	4.57	4.57	54.60	12.07	—	—	12.43

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)	\$21.86	\$21.87
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)	4.0
Boston Scientific Corp (United States)	3.4
Veeva Systems Inc (United States)	3.2
Techtronic Industries Co Ltd (Hong Kong)	3.2
Zynga Inc (United States)	2.8
First Republic Bank (United States)	2.7
Atlassian Corp PLC (United States)	2.6
Teledyne Technologies Inc (United States)	2.5
Advanced Micro Devices Inc (United States)	2.5
Gerresheimer AG (Germany)	2.5
<b>TOTAL</b>	<b>29.5%</b>

Source: Artisan Partners/MSCI.

## Sector Diversification (% of portfolio securities)

	Fund	ACWI <sup>1</sup>
Communication Services	5.1	9.3
Consumer Discretionary	8.2	12.6
Consumer Staples	0.7	7.0
Energy	0.0	3.3
Financials	11.7	14.8
Health Care	24.4	11.4
Industrials	18.3	10.1
Information Technology	27.0	20.9
Materials	2.3	5.2
Real Estate	0.8	2.6
Utilities	1.5	2.8
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 3.2% 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
Investor Class: APFDX	40.02	23.50	—	—	23.88
Advisor Class: APDDX	39.99	23.52	—	—	23.89
MSCI All Country World Index	41.85	13.86	—	—	13.59

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

REGION	Fund	ACWI <sup>1</sup>
<b>AMERICAS</b>	<b>63.7</b>	<b>60.8</b>
United States	62.9	57.8
Canada	0.8	2.9
<b>EUROPE</b>	<b>24.9</b>	<b>16.9</b>
Germany	8.5	2.5
Denmark	5.5	0.7
France	2.6	3.0
Netherlands	2.3	1.1
Switzerland	2.2	2.5
United Kingdom	2.2	3.8
Spain	1.6	0.7
<b>PACIFIC BASIN</b>	<b>7.1</b>	<b>9.1</b>
Japan	3.8	6.0
Hong Kong	3.3	0.9
<b>EMERGING MARKETS</b>	<b>4.3</b>	<b>13.1</b>
China	2.2	4.9
Brazil	2.1	0.7
<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

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 31 May 2021: Veracyte Inc 0.6%. 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.

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

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