



Artisan Global Equity Fund

MONTHLY
Commentary

Investor Class: ARTHX | Advisor Class: APDHX

As of 28 February 2022

Commentary

With omicron case counts receding, markets were squarely focused in February on geopolitical uncertainty related to Russia's assault on Ukraine and monetary policy headwinds amid high inflation. Consequently, oil prices spiked, reaching their highest levels since 2013, with WTI crude oil selling above \$100/bbl as of early March. Investors naturally rotated to areas of the market that have historically proven defensive, like utilities, consumer staples and health care, which held up relatively better, but also energy and materials on higher commodity prices.

The invasion of Ukraine and the resultant sanctions on Russia caused the stock prices of our two Russian holdings—Sberbank and Norilsk Nickel—to collapse, driving relative underperformance of our portfolio versus the MSCI AC World Index in February. The events have unfolded faster and more harshly than we expected. Western sanctions will now be key to understanding the impact on Sberbank, Russia's largest bank. Sanctions in 2014 contributed to the ruble collapse, forcing the Russian central bank to rapidly increase interest rates to defend the currency and fight double-digits inflation. Russia's GDP went down 2% in 2015. Sberbank was impacted, and loss charges more than tripled. However, Sberbank had such a high net interest margin (6%) and low cost-to-income ratio (43%) ahead of the crisis that it remained profitable in 2014 and 2015. Return on tangible equity (ROTE) declined from 22% in 2013 to 11% in 2015. Liquidity and regulatory support from Russia's central bank also helped Sberbank weather the crisis. As soon as 2016, ROTE was back to 22%. Last year's ROTE was at 23%.

We are evaluating the impact of already announced sanctions and are monitoring sanctions to assess if the 2014 scenario is likely to play out again, or something worse, which is quite possible. The ruble has certainly collapsed. Net interest margins for Sberbank were high going into this crisis, and the Russian economy is in stronger shape now than in 2014, but the already announced sanctions will hit hard. There does not appear to be an easy solution, short of Russia withdrawing or the Western alliance backing off which does not currently seem likely. Following its precipitous decline (over 90% in USD terms), the Sberbank holding now represents about 0.1% of the portfolio and is therefore more of an option on the company's survival, and we are inclined to think it will survive.

Norilsk is the world's largest producer of nickel (12% of global supply, 25% of battery grade nickel) and palladium (40% of global supply). To add range to electric vehicle battery you need to add nickel, and after the diesel scandal in Europe, palladium has substituted platinum as an auto catalyst. In our view, it is unlikely that Norilsk will be sanctioned as 60% of all auto catalysts sourced by Ford and GM come from Norilsk. Also, over 30% of their nickel comes from Norilsk. That number is even higher for European automakers, so the consequences of sanctions on both the US and EU auto industry would be very severe. The shares are down sharply, now representing 0.7% of the portfolio. We believe that sanctions on Norilsk remain unlikely, and we view the shares as exceptionally cheap, but we cannot ignore the cloud of uncertainty which will inevitably hang over the shares going forward.

Portfolio Details

	ARTHX	APDHX
Net Asset Value (NAV)	\$17.50	\$17.51
Inception	29 Mar 2010	5 Aug 2020
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2021	1.26/—	1.62/1.25 ¹
Prospectus 30 Sep 2021 ²	1.26/—	1.62/1.25 ¹

¹Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2023. ²See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Alphabet Inc (United States)	3.7
Amazon.com Inc (United States)	3.7
Microsoft Corp (United States)	3.5
Halozyme Therapeutics Inc (United States)	3.5
Booking Holdings Inc (United States)	2.8
Canadian Pacific Railway Ltd (Canada)	2.8
Schlumberger NV (United States)	2.7
T-Mobile US Inc (United States)	2.6
Altair Engineering Inc (United States)	2.5
Deutsche Post AG (Germany)	2.4
TOTAL	30.1%

Source: Artisan Partners/MSCI.

Sector Diversification (% of portfolio securities)

	Fund	ACWI ¹
Communication Services	7.1	8.3
Consumer Discretionary	8.6	11.7
Consumer Staples	2.6	7.1
Energy	6.5	4.2
Financials	8.3	14.8
Health Care	22.6	11.6
Industrials	20.1	9.6
Information Technology	18.3	22.3
Materials	3.6	5.0
Real Estate	0.0	2.6
Utilities	2.3	2.8
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 0.4% of the total portfolio. ¹MSCI All Country World Index.

Investment Results (%)

As of 28 February 2022	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTHX	-5.96	-15.58	-15.58	-12.49	10.41	12.82	11.46	11.28
Advisor Class: APDHX	-5.96	-15.57	-15.57	-12.44	10.43	12.83	11.46	11.28
MSCI All Country World Index	-2.58	-7.37	-7.37	7.81	13.41	11.44	9.83	9.27
As of 31 December 2021								
Investor Class: ARTHX	4.38	0.10	5.13	5.13	21.25	17.72	14.62	13.06
Advisor Class: APDHX	4.38	0.15	5.13	5.13	21.26	17.73	14.62	13.06
MSCI All Country World Index	4.00	6.68	18.54	18.54	20.38	14.40	11.85	10.12

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (29 March 2010); Advisor (5 August 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.

Region/Country Allocation (% of portfolio securities)

REGION	Fund	ACWI ¹
AMERICAS	56.0	63.7
United States	49.9	60.6
Canada	6.1	3.1
EUROPE	33.7	16.1
Germany	5.7	2.1
United Kingdom	5.0	3.8
Belgium	4.4	0.2
France	4.0	2.9
Sweden	2.3	0.9
Switzerland	2.1	2.6
Netherlands	1.9	1.1
Luxembourg	1.6	—
Italy	1.5	0.6
Spain	1.5	0.6
Ireland	1.4	0.2
Denmark	1.4	0.6
Norway	0.8	0.2
EMERGING MARKETS	5.9	11.5
China	3.3	3.7
India	1.3	1.4
Russia	0.9	0.2
Taiwan	0.4	1.9
PACIFIC BASIN	4.4	8.5
Japan	4.4	5.6
MIDDLE EAST	—	0.2
TOTAL	100.0%	100.0%

Source: Artisan Partners/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
Mark L. Yockey, CFA	41
Charles-Henri Hamker	32
Andrew J. Euretig	18

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 28 Feb 2022: MMC Norilsk Nickel PJSC 0.7%; Sberbank of Russia PJSC 0.1%. As of 3 Mar 2022, Russian holdings are valued at zero across all Funds. 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.

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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.

Net interest margin measures the difference between interest income earned and paid out by financial institutions. **Cost-to-income ratio** is a measure of a bank's profitability by comparing operating expenses to operating income. **Return on Tangible Equity (ROTE)** is a profitability ratio that measures the amount of net income returned as a percentage of shareholders tangible equity.

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