Artisan Global Equity Fund

QUARTERLY
Commentary

Investor Class: ARTHX

As of 30 September 2016

Investment Process

We seek to invest in companies, within our preferred themes, with sustainable growth characteristics at attractive valuations that do not fully reflect their long-term potential.

Themes

We identify long-term secular growth trends with the objective of investing in companies that have meaningful exposure to these trends. Our fundamental analysis focuses on those industry leaders with attractive growth and valuation characteristics that will be long-term beneficiaries of any structural change and/or trend.

Sustainable Growth

We apply a fundamental approach to identifying the long-term, sustainable growth characteristics of potential investments. We seek high-quality companies that typically have a sustainable competitive advantage, a superior business model and a high-quality management team.

Valuation

We use multiple valuation metrics to establish a target price range. We assess the relationship between our estimate of a company's sustainable growth prospects and its current valuation.

Team Overview

Our team approach combines the benefits of strong leadership with the creative ideas of a deep and highly experienced team of research analysts. We believe this approach allows us to leverage a broad set of perspectives into dynamic portfolios.

Portfolio Management

Mark L. Yockey, CFA
Portfolio Manager

Charles-Henri Hamker
Portfolio Manager

Andrew J. Euretig
Portfolio Manager

Investment Results (%)

As of 30 September 2016	QTD[1]	YTD[1]	Average Annual Total Returns 1 Yr	3 Yr	5 Yr	10 Yr	Inception[2]
Investor Class: ARTHX	**4.35**	**3.05**	**7.40**	**5.12**	**14.57**	—	**10.95**
MSCI All Country World Index	5.30	6.60	11.96	5.17	10.63	—	7.14

Source: Artisan Partners/MSCI. [1]Returns for periods less than one year are not annualized. [2]Fund inception: 29 March 2010.

Expense Ratios	
Semi-Annual Report 31 Mar 2016[1]	1.40%
Prospectus 30 Sep 2015	1.37%

[1]Unaudited, annualized for the six month period.

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. The Fund's investments in initial public offerings (IPOs) made a material contribution to the Fund's performance. IPO investments are not an integral component of the Fund's investment process and may not be available in the future.

Investing Environment

In the aftermath of June's Brexit vote, risk-on sentiment resumed in Q3 as UK economic activity held up better than expected and global central banks remained exceptionally accommodative. Steep July gains helped push global equities solidly higher in the quarter, even as gains tempered in August and September. The more economically sensitive sectors (e.g., technology and consumer discretionary) came out ahead. Banks—battered in the year's first half—also rallied strongly, though shares pulled back in late September on questions surrounding Deutsche Bank's balance sheet stability and the potential for systemic implications.

By contrast, the more defensive telecom, utilities and consumer staples sectors trailed. Health care lagged in light of ongoing scrutiny over drug pricing. Energy also underperformed despite a late-quarter rally sparked by OPEC's stated commitment to cut production (albeit modestly) for the first time since 2008. Details of the cut are expected to be hashed out in a November meeting.

While all major regions posted gains, emerging markets outpaced developed, widening their year-to-date lead. Chinese markets rallied as earlier-year fears over the country's slowing growth faded. Despite Brazil's ongoing recession, its markets rose sharply, perhaps reflecting relief over some modicum of political stability following the impeachment of Brazil's corruption scandal-plagued president, Dilma Rousseff.

Globally, central banks continued on the now-familiar path of dovishness, this time with the Bank of England (BOE) joining in. In August, the BOE cut its key interest rate and revived a government bond-buying program inactive since 2012. The US Fed again put off a rate increase at its September meeting despite some dissension among its ranks. For its part, the Bank of Japan (BOJ) announced an ever-more aggressive act of financial engineering. While central banks have typically targeted short-term government bond yields, the BOJ's new "yield control" policy puts the central bank in control of rate setting for bonds with longer maturities. The central bank will now buy assets in whatever quantity it takes to keep the Japanese 10-year yield at 0%, while also aiming to keep short-term rates negative, until inflation exceeds its 2% target. The move was largely reactionary after the Japanese 10-year yield turned negative in recent months. (Imagine paying the government to hold your money for 10 years!) The flattening of the yield curve (i.e., the narrowing spread between short-term and long-term bond yields) has placed a heavy burden on the profitability of Japan's banks, which make money when they can lend at higher rates than at which they borrow. The BOJ's latest—and seemingly desperate—maneuverings highlight global central bankers' ongoing struggles to inspire any meaningful lending growth—a main avenue for bolstering currently anemic inflation across most of the globe.

Performance Discussion

Our portfolio's positive QTD performance trailed the MSCI AC World Index. After strong performances in the year's first half, US discount retailers Dollar General and Dollar Tree were larger Q3 detractors. Both companies are contending with US food price deflation, which has led to competitive discounting among US food retailers. We see such cyclical issues as transitory. More importantly, both companies are still exhibiting promising margin expansion trends supported by cost-cutting initiatives and, for Dollar Tree, synergies achieved through the integration of its recently purchased Family Dollar Store chain.

European linen and rental uniform company Elis and biopharma Bristol Myers-Squibb also detracted. Over the past year, business in Elis's major market of France has slowed in light of declining hotel occupancy rates following terrorist attacks in Paris and Nice. We believe the slowdown is now priced into company shares. Longer-term, we still believe Elis is well positioned to capture secular growth in outsourcing among hotel, restaurant, nursing home and other industry customers.

Bristol-Myers Squibb missed a target in a late-stage clinical trial designed to expand the use of its immuno-oncology drug Opdivo® for a broader set of lung cancer patients. The trial failure was both highly unexpected and a meaningful headwind for BMS, opening the door for rival therapies to overtake Opdivo® in vying for the standard of care in lung cancer. In light of the setback, we chose to exit our position.

Conversely, our top contributors included Medivation, Amazon, Alphabet and Liberty Global. Biopharma Medivation rose sharply on a $14 billion takeover offer from Pfizer—representing a 21% premium over the prevailing share price. The deal announcement closed several months of speculation and pursuits by multiple suitors. Exercising our valuation discipline, we chose to exit our position into strength.

Amazon's highly successful Prime membership platform continues to drive customer loyalty, increased purchase frequency and cross-category shopping. Further, the company's enterprise cloud business (AWS) is generating exceptionally strong margins. As the market leader in the enterprise cloud industry, AWS is a major beneficiary of the widespread migration of data storage to the cloud. The transition is still in its early stages, but progressing rapidly. And because customer switching costs are high, AWS's early leadership position affords Amazon a strong competitive advantage.

Google's parent Alphabet is generating strong growth in its core search business, both on mobile and desktop, which has supported exceptional free cash flow. Margins have also expanded on better operating expense controls. Viewership on the company's popular video streaming platform, YouTube, is expanding, underpinning the secular shift from television to online video viewership. We see YouTube as a potentially major disruptor in the advertising industry, able to capture a large share of the approximately $200 billion television advertising market.

European media company Liberty Global recovered from June's Brexit-induced selling. As a testament to the company's superior network speeds and offering of a service its customers find essential, the company continues to add broadband subscribers and raise prices in key markets—a particularly impressive feat in light of anemic inflation.

Portfolio Positioning

New opportunities we identified this quarter included the following:

- *The Home Depot:* We're attracted to Home Depot's market share leadership in the do-it-yourself home improvement market. The company is generating steady top-line growth, and we see additional earnings upside through operational efficiencies and share buybacks.
- *FleetCor Technologies*, based in the US, is a provider of fuel credit cards used by companies operating truck fleets in order to control spending and provide better data on expenses. We see growth potential through ongoing industry consolidation as well as expansion into relatively unpenetrated European markets.
- *Facebook:* We see Facebook as a major beneficiary of shifting advertising dollars away from traditional media toward online platforms. The company is growing advertising revenues in excess of 60% per year, and its massive subscriber base and captive audience offer advertisers valuable targeted marketing opportunities.
- *The Priceline Group*, a former holding, is the world's largest online travel company and operator of multiple travel and booking sites, including Priceline.com, Booking.com and Kayak. Owing to its impressive scale (the company has booking relationships with more than 1 million lodging properties in 220+ countries), we believe Priceline has a valuable edge in capturing demand across the still underpenetrated online travel market.
- *Patheon*—which listed in July—is a leading contract manufacturer for the biopharma industry. We believe increasing complexity of drug development will support a growing tendency to outsource these complex services.
- *SBA Communications* is a US cellular towers operator offering attractive free cash flow yields supported by the company's long-term leases with fixed annual price escalations.
- *Linde*, a former holding, is a leading industrial gases supplier in a consolidated industry where just four companies maintain an approximately 70% market share and the technical and capital requirements to compete in the industry deter new entrants. Further, the company has strong bargaining power given that it provides an essential product for the operation of its end users, ranging from steel makers to hospitals. In exchange, certain customers enter into long-term (e.g.,15- to 20-year) take-or-pay contracts. As a result, Linde enjoys the benefits of high switching costs for its major customers, as well as predictability of cash flow.

On the sales side, apart from Bristol-Myers Squibb and Medivation, we also sold our position in IT outsourcer Cognizant Technology Solutions. As of late, the company is struggling with budget cuts across its financial industry customers and delayed discretionary spending by its health care customers in light of pending M&A. In light of these headwinds, we opted to allocate capital elsewhere. We additionally sold food company General Mills and biopharma Nektar Therapeutics as shares approached our target valuation.

Outlook

Despite central bankers' best efforts, the persistently low-inflation macro backdrop continues to put downward pressure on prices, contributing to a general scarcity of top-line growth. In that regard, growth is still difficult to find—but not impossible. In certain cases, we're finding growth potential in companies capable of cutting costs in order to expand margins. We're also finding opportunities among companies benefiting from industry consolidation afforded by an abundance of low-rate debt financing. And as always, we're attracted to companies benefiting from long-term areas of secular growth, such as e-commerce, disruptive technologies and an expanding emerging markets middle class.

Heading into the fourth quarter, the outcomes of several highly anticipated events—chief among them, the Fed's December meeting, the US presidential election and a late-November OPEC meeting—are capable of influencing the direction of equity markets over the short term. Rather than attempting to trade around macro events, we remain focused on factors within our control: finding companies with sustainable competitive advantages exposed to long-term areas of secular growth trading at reasonable valuations.

For more information: Visit www.artisanpartners.com | Call 800.344.1770

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.

This summary represents the views of the portfolio managers as of 30 Sep 2016. Those views may change, and the Fund disclaims any obligation to advise investors of such changes. For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The holdings mentioned above comprise the following percentages of the Fund's total net assets as of 30 Sep 2016: Dollar General Corp 3.7%; Dollar Tree Inc 2.6%; Elis SA 2.1%; Amazon.com Inc 2.4%; Alphabet Inc 4.3%; Liberty Global PLC 2.8%; The Home Depot Inc 2.3%; FleetCor Technologies Inc 1.8%; Facebook Inc 1.7%; The Priceline Group Inc 1.3%; Patheon NV 1.2%; SBA Communications Corp 1.0%; Linde AG 1.0%. Securities named in the Commentary, but not listed here are not held in the Fund as of the date of this report. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. All information in this report, unless otherwise indicated, includes all classes of shares (except performance and expense ratio information) and is as of the date shown in the upper right hand corner. This material does not constitute investment advice.

Attribution is used to evaluate the investment management decisions which affected the portfolio's performance when compared to a benchmark index. Attribution is not exact, but should be considered an approximation of the relative contribution of each of the factors considered.

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