Artisan Global Opportunities Fund

QUARTERLY
Commentary

Investor Class: ARTRX | Advisor Class: APDRX

As of 31 December 2016

Investment Process

We seek to invest in companies that possess franchise characteristics, are benefiting from an accelerating profit cycle and are trading at a discount to our estimate of private market value. Our investment process focuses on two distinct elements—security selection and capital allocation. We overlay our investment process with broad knowledge of the global economy.

Security Selection

We seek to identify companies that have franchise characteristics (e.g. low cost production capability, possession of a proprietary asset, dominant market share or a defensible brand name), are benefiting from an accelerating profit cycle and are trading at a discount to our estimate of private market value. We look for companies that are well positioned for long-term growth, which is driven by demand for their products and services, at an early enough stage in their profit cycle to benefit from the increased cash flows produced by the emerging profit cycle.

Capital Allocation

Based on our fundamental analysis of a company's profit cycle, we divide the portfolio into three parts. Garden℠ investments are small positions in the early part of their profit cycle that may warrant more sizeable allocations as their profit cycle accelerates. Crop℠ investments are positions that are being increased to a full weight because they are moving through the strongest part of their profit cycles. Harvest℠ investments are positions that are being reduced as they near our estimates of full valuation or their profit cycles begin to decelerate.

Broad Knowledge

We overlay the security selection and capital allocation elements of our investment process with a desire to invest opportunistically across the entire global economy. We seek broad knowledge of the global economy in order to find growth wherever it occurs.

Team Overview

We believe deep industry expertise, broad investment knowledge, a highly collaborative decision-making process and individual accountability are a powerful combination. Since the inception of the team, we have been committed to building a team of growth investors that retains these attributes and is solely dedicated to our process and approach.

Portfolio Management

James D. Hamel, CFA
Portfolio Manager (Lead)

Matthew H. Kamm, CFA
Portfolio Manager

Craigh A. Cepukenas, CFA
Portfolio Manager

Jason L. White, CFA
Portfolio Manager

Investment Results (%)

As of 31 December 2016	QTD[1]	YTD[1]	1 Yr	3 Yr	5 Yr	10 Yr	Inception[2]
			Average Annual Total Returns				
Investor Class: ARTRX	**-5.87**	**4.73**	**4.73**	**4.92**	**13.25**	**—**	**9.75**
Advisor Class: APDRX	**-5.82**	**4.88**	**4.88**	**5.00**	**13.31**	**—**	**9.78**
MSCI All Country World Index	1.19	7.86	7.86	3.13	9.36	—	5.80

Source: Artisan Partners/MSCI. [1]Returns for periods less than one year are not annualized. [2]Investor Class inception: 22 September 2008. Advisor Class performance is that of the Investor Class from 22 September 2008 through the inception of the Advisor Class on 1 April 2015, and actual Advisor Class performance thereafter. Performance has not been adjusted to reflect the expenses of the Advisor Class for the period prior to the Class's inception, and Advisor Class performance results would differ if such expenses were reflected.

Expense Ratios (% Gross/Net)	ARTRX	APDRX
Annual Report 30 Sep 2016	1.17/—	1.08/—
Prospectus 30 Sep 2015	1.19/—	1.14/1.10[1,2]

[1]Includes estimated expenses for the current fiscal year. [2]Reflects a contractual Fund expense reimbursement agreement in effect through 31 Jan 2018.

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.

Investing Environment

The bull market notched another year, with most major global indices closing Q4 and the year in positive territory. Markets bounced sharply following a US election outcome that seemingly caught investors by surprise—with the S&P 500® rising more in the five weeks post-election than it has following any election in US history. Emerging markets fell as investors anticipate faster developed-world economic growth and higher interest rates ahead—both developments many would expect to result in emerging markets outflows. As broadly expected, interest rates rose overall during the fourth quarter, helped along by the Fed's 25bps rate hike in December.

On the back of its strong, post-election bounce, US equities led foreign developed equities in 2016, followed closely by emerging markets—though there was wide divergence among individual emerging markets countries. Russia and Brazil were among the top performing emerging markets, while China was relatively flat for the year.

The US dollar strengthened throughout the year, paring dollar-denominated returns for foreign developed markets. As with emerging markets, there was wide dispersion among individual countries' performance. The UK, despite concerns about its economy and markets post-Brexit, finished in positive territory in pound terms but was just negative in dollar terms as a materially weaker pound sterling took its toll.

Though most global economies grew modestly in Q4 and for the year, there are nascent signs economic growth may be broadening out—as evidenced by more cyclical stocks' meaningful outperformance, particularly in the back half of the year. Health care and technology both had relatively muted full-year returns—especially relative to recent years—while energy, materials and industrials were among the best-performing sectors. Also contributing to cyclicals' resurgence, oil prices bounced sharply over the course of the year after bottoming in February. US financials had a strong 2016, thanks primarily to Q4's tremendous post-election bounce and the anticipation of higher interest rates, widening spreads and a mellowing regulatory environment. Small stocks outperformed their larger counterparts in the fourth quarter as well as for the year.

Performance Discussion

Our portfolio trailed the MSCI AC World Index in Q4 and for the year amid a major rotation from secular growth stocks to more cyclical which began earlier in the year but picked up significant steam in the wake of the US election. Our below-benchmark exposure to financials was a meaningful headwind, as the sector benefited from a substantial sentiment boost following the US election. Our technology holdings also detracted from relative results. As was the case with many of our top holdings, we believe investors weren't necessarily concerned about technology stocks' fundamentals, but instead were capitalizing on previously top-performers stocks as a source of cash to participate in the ongoing rotation from secular to cyclical.

Conversely, our lack of exposure to traditionally defensive sectors such as utilities and telecommunication services and interest rate-sensitive real estate was a relative tailwind in Q4, as investors generally favored more economically sensitive areas in anticipation of accelerating growth ahead. As always, our sector exposures are not driven by a top-down macroeconomic assessment, but rather are derivative to our bottom-up approach to identifying long-term profit cycles.

Among our bottom individual contributors in Q4 were IHS Markit and Tencent. IHS Markit's Q4 share-price performance was seemingly more indicative of a sentiment shift within financials from data-focused, secular stocks to more credit-sensitive, cyclical names in anticipation of rising rates and widening spreads. Otherwise, in our view, nothing has changed about the quality of IHS Markit's franchise or its profit-cycle potential. A similar sentiment shift took place within technology—from more secular areas like software and services to more cyclically oriented semiconductors and hardware. This rotation caught up holdings such as Tencent, whose fundamentals we continue to believe remain largely intact.

Workday and DexCom were also among our bottom relative contributors in Q4—though for more fundamentally oriented reasons. Workday has disappointed amid slower-than-anticipated uptake for its human resources and financial software offerings as customers have delayed purchase decisions. As a result, Workday sales growth has been slower than expected. We believe Workday can be a much larger software company over time as it grows both its customer base and range of product offerings. However, given competitive pressures from large incumbents such as Oracle and SAP, we expect it to ramp growth at a slower rate, and we consequently pared our exposure in Q4.

DexCom shares have been pressured as sales growth has moderated, driven in our opinion by two primary factors. First, the FDA's approval of Medtronic's competing continuous glucose monitoring (CGM) system has modestly increased the competitive environment and delayed some patients' treatment decisions. Second, following a product recall earlier in 2016, DexCom has provided free hardware replacements. While these headwinds may continue into early 2017, we believe DexCom continues to offer the most accurate CGM on the market, and given the large available market, there is ample room for multiple successful franchises. Further, several potential growth catalysts lie ahead, including a new, smaller and even more accurate sensor, which is anticipated in 2018, and first-time Medicare reimbursement for older Type-1 diabetes patients. There is also the likelihood of first-time government reimbursement for CGM systems in Germany and other European countries, which would further add to DexCom's attractive growth runway.

Among our top contributors in Q4 were Anthem, Noble Energy and Broadcom. For Anthem, investors may be anticipating a more accommodating regulatory environment—particularly as the new US administration hints at plans to repeal the Affordable Care Act, which could make it easier for health insurance companies to grow future revenues. Further, Anthem is moving closer to a renegotiation with its pharmacy manager, Express Scripts, which could aid in margin expansion. We continue to find Anthem attractively positioned as HMOs increasingly influence the US health care system.

We purchased Noble Energy in January 2016 for its top acreage in the Permian Basin, which arguably contains the US's highest quality and richest shale deposits. We believe the quality of Noble's acreage

remains underappreciated and anticipate Noble can benefit as several recent headwinds have just lifted—including a regulatory overhang regarding a Mediterranean gas play and a handful of failed referendums that would have hamstrung Noble in the DJ Basin area of Colorado. Noble's mid-2016 IPO of its midstream business not only freed up some capital, but should also provide a financing mechanism for future growth. We also believe Noble is in the early stages of capitalizing on its recent acquisition of Rosetta Resources, whose drilling and fracking techniques should allow Noble to drive better-than-anticipated extraction rates from its high-quality acreage.

Broadcom, a designer, developer and supplier of semiconductors and integrated circuits, continues consolidating the telecom industry while successfully driving sales. Its acquisition of Brocade's fiber channel switch business, which is expected to close in the second half of 2017, should help drive higher cash flows. We believe Broadcom remains uniquely positioned to continue adding value to the telecom spectrum and consequently believe it is capitalizing effectively on an attractive profit cycle.

Portfolio Activity

The rotation from more secular to cyclical growth companies in Q4, though weighing on relative results in the near term, made the valuations of some of our high-quality franchises more interesting to us relative to their growth prospects. We capitalized by adding to those we found particularly attractive—among them, Treasury Wine Estates (TWE), Intertek and Sands China.

Treasury Wine Estates is executing solidly on its strategy to reinvigorate its brands and improve margins by streamlining its business and cutting costs. Part of TWE's cost savings can be attributed to the company's integration of Diageo's US and European wine business, which it recently acquired. TWE has shuttered many of Diageo's more value brands, preserving only the most valuable and skewing the company's brands toward the most marketable. TWE is applying a similar strategy across its business, concentrating its marketing efforts behind its most marketable, "masstige" brands and offering them in whichever geographic markets generate the highest demand. These efforts have been rewarded with higher margins—which we believe have more room to expand, in turn driving an attractive profit cycle.

Intertek, one of the largest global testing, inspection and certification operators, is executing well under a solid management team. The company is driving attractive growth in its consumer products and food-testing business tied to secular drivers including the growth of the emerging markets middle class, increasing product complexity and a heightened global regulatory environment which is heightening focus on product quality and the veracity of labeling. These secular tailwinds are helping overwhelm headwinds from Intertek's energy-related business, which remains weak as low oil prices have dampened the deployment of new oil and gas capital equipment. We capitalized on what we believe to be a reasonable valuation to increase our exposure.

Sands China's new Parisian gaming facility in Macau has gotten off to a solid start since opening in the fall of 2016. As opposed to the majority of other Macau properties, which tend to focus primarily on high-end VIPs, the Parisian was built for more mass-market customers—which has proven well-timed amid China's recent crack-down on VIP spending and growing mainstream travel to Macau. With the majority of heavy capex now behind it, Sands China is well positioned to drive accelerating free cash flows, and we believe it is on the cusp of an attractive profit cycle.

We also introduced several new holdings in Q4, including Bank of America, State Street and Pioneer Natural Resources. Each are examples of best-in-class franchises we've found in more traditionally cyclical areas that we believe are well positioned to capitalize on the potentially shifting economic environment ahead.

Bank of America, one of the US's largest commercial banks, has successfully put seven years of mortgage-related problems behind it, just as regulatory burdens seem likely to ease. Further, it has initiated significant cost-saving measures, which are just now starting to translate meaningfully to the bottom line. Bank of America also has a solid management team that we believe can capitalize on some of these fundamental shifts taking place in the financial industry.

State Street, which provides custody services as well as investment management, is another example of a solid franchise we believe is well positioned given several changing financial industry dynamics, including growing demand for passive investment vehicles, which State Street provides. At the company level, State Street has already begun implementing and benefiting from a cost-cutting plan under its recently named CFO. Its potential first-mover advantages with blockchain could add meaningfully to future cost-cutting opportunities.

Pioneer Natural Resources is a best-in-class oil and gas exploration and production company with the leading acreage in the US's Permian basin—the lowest-cost region globally. Pioneer's attractive acreage combined with its solid balance sheet and highly capable management team position it to expand production and drive meaningful revenue growth, even should energy prices remain at current relatively low levels. We capitalized on what we believe to be a reasonable valuation to add it to the portfolio.

We concluded our investing campaigns in Harmonic Drive Systems, Associated British Foods and Starbucks in Q4. Harmonic Drive Systems is the dominant share leader in precision, small-scale speed reducers used in myriad industrial and commercial machinery applications. We believe the trend toward greater precision in industrial automation and, more specifically, small collaborative robots, has provided a meaningful tailwind to the company. While we believe Harmonic Drive remains a high-quality franchise that is executing well, we chose to exit as it approached our estimate of private market value.

We sold the remainder of Associated British Foods, which we began trimming in Q3. We had become increasingly concerned about fundamental challenges to its fast-fashion retail business, Primark, which formed the basis of our thesis. Primark's business model relies heavily on materially underpricing other low-cost retailers—thanks to a combination of sourcing its own apparel, selling on volume, and minimal, highly focused advertising—and turning over its inventory in lightning-fast fashion. While we believe this model could be highly disruptive among brick-and-mortar retailers, the trends toward online retailers are showing no signs of abating, creating an increasingly

competitive environment. Though Primark has made meaningful progress building its presence in the UK and Europe and is in the early stages of launching its US business, we believe the road ahead is longer than we first anticipated. We consequently decided to exit our Garden℠ campaign in favor of more promising opportunities elsewhere.

For several years, Starbucks has delivered quarter after quarter of outstanding same-store sales growth—an incredible feat which we believe speaks to Starbucks' world-class execution, franchise and brand. However, with growth decelerating over the last two quarters and CEO Schulz's recent announcement he will step down, we believe Starbucks' growth is likelier to slow in coming quarters. We consequently exited in Q4 after a long, successful investing campaign.

Portfolio Statistics

As of December 31, 2016, the portfolio had a 3-5 year forecasted weighted average earnings growth rate of 19% and our holdings were selling at a weighted harmonic average P/E (excluding negative earnings) of 24X FY1 earnings and 21X FY2 earnings. The portfolio held 45 companies with 42% of portfolio capital committed to the top 10 holdings and 64% of capital committed to the top 20 positions. The portfolio's weighted average market capitalization was $85.4 billion.

Perspective

As 2016 ends, the market is currently voting that the most interesting new profit cycles are going to come from areas of the economy that have been relatively moribund since the financial crisis—including financials (especially banks), energy and commodities, and the more cyclical industrials. This is partly supported by the natural course of economic cycles. Wages are now increasing in the US, putting "lower-for-longer" interest rates at risk and reintroducing the possibility that financials' net interest margins (a key component of profits) may finally begin to recover. And within energy and commodity sectors, lower prices have seemingly driven sufficient supply cuts to rebalance these markets. But beyond these natural economic evolutions, markets are also responding to a presidential election result that caught investors off guard and which introduces the possibility of fiscal stimulatory measures, such as tax cuts, lower regulation and infrastructure programs.

In this market environment of economic optimism, investors appear relatively less enthusiastic about secular profit cycles already in motion, such as innovation-driven growth in areas such as technology, information services, e-commerce and medical devices. Health care profits in particular remain suspect to many, given the new administration's stated desire to repeal the health insurance coverage expansion brought about by the Affordable Care Act.

As the regulatory environment seems poised to ease in the period ahead, we've identified several high-quality franchises we believe may benefit, particularly given their material focus in recent years on cost-cutting and shoring up their balance sheets. Among these are Bank of America, State Street and Pioneer Natural Resources. Though accelerating economic growth would likely provide an ancillary boost to all three, we believe they are well positioned to drive attractive profit cycles independent of widening spreads or higher oil prices. We've always been clear that our process tends to lead us away from both the most stable areas of the economy, such as utilities and consumer staples, where it's often harder to find innovation and profit cycles, and the most cyclically volatile areas, such as commodities and interest-rate sensitive industries, because these businesses tend to be less differentiated and heavily dependent on commodity price inputs for profit growth. While we look everywhere for profit cycles with franchise business models, the intersection of high-quality franchises and dynamic profit cycles tends to lead us to deploy larger amounts of capital into areas such as health care, technology, consumer discretionary and industrial innovation.

We believe our balanced view of secular versus cyclical profit cycles is appropriate right now, given several factors. First, there is meaningful macroeconomic uncertainty—including the possibility of increasing trade protectionism, global pressures caused by a strengthening US dollar and an uncertain legislative outlook. Second, relative valuations for high-quality secular growth stocks are increasingly attractive. We continue to like the growth prospects for our Crop℠ holdings that have been laggards amid the recent rotation often referred to as the "Trump trade." As a case in point, we believe our health care holdings have derived only modest benefits (and in some cases perhaps modest harm) from the Affordable Care Act, and all have solid growth catalysts ahead independent of future political developments. Meanwhile, other Crop℠ holdings, such as IHS Markit, Alphabet, Visa, S&P Global, Facebook and Tencent Holdings, continue to report solid revenue growth and expanding margins—driven by trends and strategies we think could persist far longer than current cyclical dynamics.

Over the long tenure of our team, we have managed through multiple market cycles, and our adherence to our disciplined approach to profit-cycle identification has served us well. Regardless of the environment ahead, we expect this to remain the case, and we will consequently maintain our diligence and discipline, capitalizing where we can in order to add value for our clients.

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 31 Dec 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 Artisan Global Opportunities Fund's total net assets as of 31 Dec 2016: IHS Markit Ltd 8.6%, Visa Inc 5.1%, Alphabet Inc 6.6%, S&P Global Inc 3.4%, Facebook Inc 3.2%, Tencent Holdings Ltd 2.3%, Broadcom Ltd 2.2%, Treasury Wine Estates Ltd 2.2%, Anthem Inc 2.0%, Noble Energy Inc 2.0%, Pioneer Natural Resources Co 1.9%, Sands China Ltd 1.7%, State Street Corp 1.5%, Intertek Group PLC 1.4%, Bank of America Corp 1.4%, DexCom Inc 1.1%, Workday Inc 0.7%. 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. 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.

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Our capital allocation process is designed to build position size according to our conviction. Portfolio holdings develop through three stages: Garden℠, Crop℠ and Harvest℠. Garden℠ 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℠ investments are holdings where we have gained conviction in the company's profit cycle, so positions are larger. Harvest℠ 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℠ investments are generally being reduced or sold from the portfolios.

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A R T I S A N  P A R T N E R S

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