Artisan Global Equity Fund

QUARTERLY
Commentary

Investor Class: ARTHX | Institutional Class: APHHX

As of 30 September 2017

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 2017	QTD[1]	YTD[1]	Average Annual Total Returns 1 Yr	3 Yr	5 Yr	10 Yr	Inception[2]
Investor Class: ARTHX	**8.05**	**24.44**	**18.50**	**8.44**	**11.55**	—	**11.93**
Institutional Class: APHHX	**8.08**	**24.59**	**18.78**	**8.61**	**11.66**	—	**12.00**
MSCI All Country World Index	5.18	17.25	18.65	7.43	10.20	—	8.61

Source: Artisan Partners/MSCI. [1]Returns for periods less than one year are not annualized. [2]Investor Class inception: 29 March 2010. Institutional Class performance is that of the Investor Class from 29 March 2010 through the inception of the Institutional Class on 15 October 2015, and actual Institutional Class performance thereafter. Performance has not been adjusted to reflect the expenses of the Institutional Class for the period prior to the Class's inception, and Institutional Class performance results would differ if such expenses were reflected.

Expense Ratios	ARTHX	APHHX
Semi-Annual Report 31 Mar 2017[1]	1.42	1.15
Prospectus 30 Sep 2016[2]	1.40	1.13

[1]Unaudited, annualized for the six month period. [2]See prospectus for more information.

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 may not be available in the future.

Investing Environment

Global equities added to their YTD gains in Q3 as volatility remained historically low. As they have for the year, emerging markets led most broad indices in Q3. Headlines were dominated by geopolitics, natural disasters and monetary policy—though markets shrugged off most headlines as economic fundamentals and corporate earnings remain sound overall.

The Q3 return (in USD terms) for global equities was augmented by currency translation effects as the euro, as well as a broad basket of currencies, strengthened versus the US dollar. The euro has rallied as European economic data has beaten expectations and European elections have been won by establishment candidates, reducing fears of rising populism. Conversely, the US dollar has been weak for much of the year, partially due to skepticism around the Fed's commitment to normalizing interest rates.

In contrast to Q2, the commodities sectors (i.e., energy and materials) performed well as prices in the underlying commodities rallied, helped by strong Chinese industrial demand and USD weakness. Technology stocks were also a source of strength due to continued sector-wide earnings momentum. Trailing the rest of the market were the more defensive consumer staples and health care sectors as investors positioned portfolios for stronger economic prospects. Growth stocks outpaced value during the quarter—furthering their YTD outperformance—although one-year returns for value and growth are fairly similar. By market cap, global small-cap stocks outpaced their large-cap peers.

In the US, the Trump administration's pro-business agenda focusing on deregulation and tax cuts has proven positive for sentiment. In Europe, Germany's election resulted in a fourth term for Angela Merkel, but left her in a weaker position as she seeks to form a coalition government. In China, as fears of a slowdown were assuaged by economic data, stocks and commodities strengthened.

Though global monetary policy remains highly accommodative, central banks have set the stage for normalization. As was widely anticipated, the Federal Reserve announced its decision to begin reducing its balance sheet and signaled the possibility of an additional rate hike in December. Likewise, the ECB is expected to announce in October that it will begin tapering bond purchases.

Performance Discussion

Our portfolio outperformed the MSCI AC World Index in Q3, adding to its sizable performance edge over the index YTD. Outperformance was largely driven by our technology holdings as a number of our technology holdings had big gains. Wirecard, Mastercard and Alibaba were among our top contributors. Our above-benchmark weighting in the technology sector also contributed favorably.

Wirecard, a global payments processing company, is benefiting from structural growth in online payments and the convergence of online and offline payments, evidenced by strong gains in transactions volume. Despite the strong YTD gain in Wirecard's stock price, shares still look reasonably valued to us given the company's strong market position in a secular growth industry.

Mastercard, a major global payments network and an internationally recognized brand, is exposed to similar growth drivers as Wirecard. The company is growing its top line at a double-digit rate due to broad-based gains across business lines and geographies. We continue to believe Mastercard is well-positioned to benefit from rising global consumer consumption, increased card usage and the secular shift to electronic payments. We are drawn to the company's business strategy, which involves growing its debit- and prepaid-cards business, venturing into new regions and client types and developing new businesses such as mobile payments and e-commerce.

Alibaba, China's largest e-commerce company, is experiencing strong organic growth in its core e-commerce business, driven by user growth and improving user engagement. Though still a small component of overall revenue, the cloud business grew 96% year over year as customer numbers topped 1 million. We remain attracted to the secular growth prospects in online and mobile commerce—particularly given China's still-low Internet penetration rate versus major developed markets.

Among our biggest detractors were Vallourec, Korea Aerospace Industries (KAI) and Calbee. Shares of Vallourec, a provider of steel and alloy tubing to the oil and gas industry, were pressured by concerns of potential softening in oilfield activity levels and rig count momentum as some industry peers have offered mixed outlooks with the price of WTI crude hovering near $50. We reduced our position in favor of better opportunities.

KAI has a monopoly position as the sole supplier of aerospace systems to the Korean government. The stock fell on news that the company is being investigated by the government for inflating R&D costs on the Surion military helicopter, resulting in excessive profits, as well as a slush fund for senior management to bribe government officials. With a new administration taking office in May following the impeachment of the former president, this investigation is generally believed to be politically motivated. In Korea's recent history, there have been similar allegations made against other formerly state-owned enterprises at the beginning of a new administration. Typically, these scandals lead to changes in management, yet rarely have long-term impacts on the business. As KAI is the sole provider of air defense in South Korea, we think it's unlikely this will become a drawn-out affair. We added to our position on the weakness.

Calbee is a Japan-based maker of snack foods. Sales of potato chips sputtered due to a potato shortage in Japan caused by typhoons earlier in the year. In addition to the sales hit, the potato shortage has crimped margins owing to the higher cost of imported potatoes. We expect results to improve markedly in the second half of the year as the shortage eases. We continue to like the company's dominant position in the Japanese snack market and believe it can drive

earnings growth from new product introductions in Japan, cost reductions and expansion into overseas markets.

Portfolio Positioning

The technology sector has become a significant portion of the portfolio—rising to more than 40%. As growth investors, it is a fertile area for finding innovation and disruption of traditional business models. Valuations, broadly speaking, still appear reasonable in spite of big gains, as we see long runways for growth for our holdings. Although our current tech sector weighting is the largest single-sector exposure since the inception of the portfolio, it's not unusual for us to have large weightings in a particular area. As examples, in mid-2015, we had a 30%+ weighting in the health care sector, and in late 2013 through the first half of 2014, we had a 30%+ weighting in consumer discretionary stocks.

As always, our sector exposures are built stock-by-stock; though, when we find one company benefiting from a secular growth theme, we'll spend more of our time researching industries or businesses that are also exposed to that long-term theme. A recent example was in Q2 2017. We purchased a few video gaming companies—Tencent Holdings, NetEase and Take-Two Interactive—as we saw above-average growth potential in an industry undergoing transformation, driven by advancing technology in broadband speeds, hardware storage capacity and digital distribution. (We sold Take-Two Interactive in Q3, as it approached our target valuation after appreciating considerably since our initial purchase in May.)

While our current tech sector weighting is significant, it is important to note that our mix of holdings is actually quite economically diverse, covering a broad spectrum of themes and opportunities. As examples (though not a complete listing of our sector holdings), we own Internet companies Alphabet, Facebook and Alibaba, payments processors Wirecard and Mastercard, communications equipment maker Harris Corp, semiconductor-related businesses Applied Materials and Taiwan Semiconductor, cloud-computing company ServiceNow, data center operator InterXion and diversified IT company Samsung Electronics. Indeed, several of these companies are diversified themselves and/or diversifying by pursuing new ancillary ventures. Samsung, for instance, produces a wide range of consumer and industrial electronics equipment in addition to smartphones, such as semiconductors, personal computers, televisions and home appliances. Likewise, Alphabet continually reinvests free cash flow in areas distinct from its core search business.

Additionally, we added three technology names to the portfolio in Q3: the aforementioned Applied Materials, Autodesk and PTC. Applied Materials is a semiconductor equipment manufacturer, operating in an oligopoly with sustainable growth driven by increasing chip demand from new markets (e.g., big data, AI, Internet of things, autonomous vehicles) and from increasing capital intensity in the manufacture of semiconductors.

Autodesk is a leading design software company that is leveraging its strong franchise to move customers to a subscription business model, increasing revenue stickiness and visibility. Management is also focused on cost control to grow margins and cash flow.

PTC is a provider of software-based product management and development solutions that is transitioning from a licensing model to a subscription model, which we believe should drive higher customer lifetime value, a greater mix of recurring revenue, higher operating margins and greater cash flow stability.

Our largest sales this quarter were Aetna, a managed health care company, the aforementioned Take-Two Interactive Software and Home Depot, a US home improvement retailer. We exited these stocks as prices approached our target valuations.

Outlook

As we head into the final quarter of 2017, the general economic backdrop continues to remain supportive of equities. Broadening economic growth across geographies and faster inflation has pushed up bond yields and positioned central banks to normalize monetary policy after nearly a decade of extraordinary accommodation following the financial crisis. How smoothly markets digest these policy transitions will likely be a focus of investors over the next year. In the coming weeks, we expect increasing speculation on who will be selected to chair the Fed when Janet Yellen's term expires in early 2018. Markets will also no doubt keep a close eye on political developments, with North Korea-related tensions, Brexit proceedings and US tax reform (or lack thereof) among the likely candidates.

While valuations have risen over the past year, we are still finding sustainable growth opportunities that are reasonably priced against our conservative earnings estimates. As always, we will maintain our focus on sustainable growth, placing a high amount of conviction behind companies we believe offer sustainable competitive advantages, strong management teams and reasonable valuations.

Business Update

In July, the team added Sam Zarnegar as an analyst primarily focusing on the technology sector. Prior to joining Artisan, Sam was an analyst for Glenview Capital Management where he covered the technology sector for the firm's long/short equity hedge fund. Before that, he worked as an investment associate at SageView Capital, a public/private equity hybrid fund, where he focused on TMT investments across the capital structure. Earlier in his career, Mr. Zarnegar was an investment banking analyst across a variety of industry verticals at Evercore Partners. Sam is fluent in Persian.

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 2017. 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 2017: Wirecard AG 5.4%; Mastercard Inc 4.3%; Alibaba Group Holding Ltd 2.3%; Vallourec SA 0.2%; Korea Aerospace Industries Ltd 1.5%; Calbee Inc 0.8%; Tencent Holdings Ltd 0.7%; NetEase Inc 1.4%; Alphabet Inc 4.4%; Facebook Inc 3.2%; Applied Materials Inc 3.6%; Taiwan Semiconductor Manufacturing Co Ltd 1.1%; ServiceNow Inc 2.3%; InterXion Holding NV 2.8%; Samsung Electronics Co Ltd 1.4%; Autodesk Inc 1.6%; PTC Inc 2.3%; Harris Corp 2.3%. 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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Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures.

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