Artisan Global Opportunities Fund

QUARTERLY
Commentary

Investor Class: ARTRX | Advisor Class: APDRX | Institutional Class: APHRX

As of 30 September 2017

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 30 September 2017	QTD[1]	YTD[1]	1 Yr	3 Yr	5 Yr	10 Yr	Inception[2]
			Average Annual Total Returns				
Investor Class: ARTRX	**5.29**	**25.75**	**18.36**	**12.01**	**13.26**	—	**11.70**
Advisor Class: APDRX	**5.32**	**25.86**	**18.53**	**12.13**	**13.33**	—	**11.74**
Institutional Class: APHRX	**5.32**	**25.95**	**18.60**	**12.27**	**13.53**	—	**11.87**
MSCI All Country World Index	5.18	17.25	18.65	7.43	10.20	—	7.18

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. Institutional Class performance is that of the Investor Class from 22 September 2008 through the inception of the Institutional Class on 26 July 2011, 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	ARTRX	APDRX	APHRX
Semi-Annual Report 31 Mar 2017[1]	1.14	1.03	0.92
Prospectus 30 Sep 2016[2]	1.18	1.09	0.93

[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.

Investing Environment

Markets continued their solid year with another positive quarter. As they have for the year, emerging markets led most broad indices in Q3, with foreign developed markets and the US trailing. 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.

Global monetary policy seems poised to begin modestly tightening: As was broadly expected, the Fed announced it will finally start unwinding quantitative easing, allowing maturing debt to gradually roll off the balance sheet. The Fed left rates on hold, though it hinted at a possible hike in December. Meanwhile, the ECB left rates on hold but began discussing the possibility of ending its own easing, while the Bank of England also held for now but indicated a hike is imminent. Markets seemed relatively unconcerned by the prospect of modest global tightening.

Brazil led major emerging markets as its economy recently returned to growth. Political headwinds are unlikely to abate, but it seems the country is turning an economic corner. Russia's and China's markets were also up nicely.

From a style standpoint, growth stocks remain ahead of value for the year, outperforming again in Q3, while performance across market caps remains relatively undifferentiated. Technology stocks continue delivering solid returns, leading across sectors for the quarter (domestically) and year to date (domestically and globally). Energy pared year-to-date losses—globally, the sector is effectively flat on the year. As the only sector in negative territory for the quarter, consumer staples was the worst-performer.

Performance Discussion

Our portfolio outperformed the MSCI AC World Index in Q3 and remains ahead YTD. Consistent with recent quarters, earnings results in our Crop℠ holdings were generally solid, though certain stocks consolidated recent gains after strong first-half returns. Interestingly, the entirety of our top 10 performers from an absolute return standpoint this quarter were non-US holdings—one of the benefits to us of having a globally oriented portfolio, as opposed to a more regionally focused one.

From a sector standpoint, our technology, consumer staples and consumer discretionary holdings were our greatest areas of strength. Among our top holdings has been Japan-based beauty products company Shiseido—a long-time holding which we believe is starting to distinguish itself. We purchased it based on our analysis that management had credible plans for reinvigorating the company's growth. In the last couple of quarters, we've seen positive evidence that its focus on attracting Asian customers to its brands—particularly in China—is beginning to pay off in the form of accelerating sales, which is in turn driving margin expansion.

Also among our top contributors in Q3 were Visa, Keyence and Daifuku. Visa is driving accelerating organic growth against a backdrop of rapidly increasing digital transactions thanks to several secular trends—including growing cross-border transactions, global travel, e-commerce and technological innovations that simplify cash transactions, such as the Square. Visa is also capitalizing on ongoing cost synergies from its Visa Europe acquisition. Looking forward, emerging markets represent a sizeable source of future growth for Visa. For example, while not yet necessarily a meaningful contributor to Visa's bottom line, India saw a rapid uptick in digital transactions following 2016's demonetization. While that growth has slowed, we anticipate the opening of India and other emerging markets will contribute to the ongoing global growth of digital transactions.

Japan-based Keyence, which we added to in the quarter, and Daifuku, a new Garden℠ campaign initiated in Q3, are benefiting from the powerful secular trend toward automation in manufacturing. This shift has been partly tied to the massive demand from smartphone producers—notably, Apple—but has also picked up steam as labor costs globally have risen. Further, large markets like China, which remain relatively less penetrated, are increasingly adopting automation, not only for smartphone production but also in traditional goods manufacturing. We believe this powerful secular trend is in its early innings, setting up a long growth runway for well positioned franchises like Keyence and Daifuku.

Among our bottom contributors in Q3 were DexCom, Regeneron and James Hardie. As the quarter concluded, DexCom received news the FDA approved Abbott's continuous glucose monitoring (CGM) system, which represents a potentially disruptive, low-price competitor to DexCom's CGM. While DexCom remains a strong franchise, competitors are closing the gap faster than we thought likely. As a result, we pared our exposure while we evaluate the profit-cycle potential from here.

Regeneron's Dupixent™ is off to a solid launch in atopic dermatitis. Further, the company reported strong results for Dupixent™ in its second important indication—asthma—though the drug's efficacy looked stronger in more severe patients than in patients with more moderate levels of disease. Combined with emerging competitive products in mid-stage clinical trials, we believe there may be less upside to Dupixent™ sales than we had anticipated. Accordingly, we trimmed our position—though Regeneron remains a high-conviction holding based on its productive R&D organization and strong scientific culture.

James Hardie has been hampered by manufacturing issues, which are infringing on its ability to meet solid demand for its construction materials. Further complicating the company's outlook have been the recent hurricanes—particularly as Florida and Texas are major markets for James Hardie—which likely have a negative impact in the short term but could boost demand in quarters to come. We are monitoring

for signs that steps the company has implemented to remediate its production issues are taking hold.

Portfolio Activity

In addition to the aforementioned Keyence, we added to several holdings in Q3, including adidas, Delphi Automotive and Fevertree. We initiated our campaign in adidas in Q2 as the franchise was revitalizing and reforming itself to compete against industry peers such as Nike and Under Armour. For many years, adidas has been known primarily as a European company, particularly given its popular soccer line. However, new products such as its Ultraboost running shoe have been well received by customers, contributing to the company's ongoing efforts to remake its brand image. We believe there is an attractive runway ahead of adidas under its new management team as it focuses on closing the margin gap relative to its competitors.

Delphi Automotive is capitalizing on its investments in next-generation auto technologies, including advanced driver-assistance systems (ADAS), infotainment systems and electrification, to take market share and drive earnings growth. It is also attractively exposed to the electronic vehicle trend, which we believe is in very early days—particularly as large emerging markets such as China increasingly push to shift from internal combustion engines to electric vehicles. We believe Delphi's upcoming spinoff of its powertrain business should create two more focused franchises, each with unique growth opportunities to help automakers adapt to rapidly evolving consumer preferences and government regulations.

Fevertree Drinks is a UK-based based manufacturer of premium carbonated mixers. We first purchased Fevertree in Q2 as we anticipated it would capitalize on current low penetration rates of premium mixers, combining its brand authority with first-mover advantages to drive compelling growth across channels, geographies and multiple spirits categories. We are beginning to see evidence our thesis is taking hold as it is taking market share both in the UK and increasingly in the US, capitalizing on vital partnerships with large distributors such as Wal-Mart and Target. As the premiumization of mixers follows that of spirits, we anticipate Fevertree should drive an attractive profit cycle.

We trimmed Alphabet, IHS Markit and S&P Global in Q3. Alphabet has been a sizeable Crop℠ holding for the last several years and a meaningful contributor to our relative performance over the duration of our campaign. The company is finding it increasingly challenging to maintain the heady top-line organic growth of earlier years—an understandable maturation, in our view, rather than an indication of any fundamental flaw in Alphabet itself. Traffic acquisition costs (TAC) are rising, and the low-hanging fruit that resulted from bringing in a professional CFO who refocused the company's capital expenditures and R&D have largely matured. As questions of privacy and monopoly power as well as taxation issues loom, we chose to pare our exposure—though we believe the opportunity ahead of Alphabet is still meaningful, and it remains a top-10 holding.

IHS Markit has executed well since its 2016 merger—growing its automotive analytics business strongly, stabilizing its energy data subscriptions and capturing cost synergies. However, with the stock's outperformance since the deal, the valuation has moved from compelling to fair—relative to our estimate of private market value. Therefore, we harvested a portion of our large position, though it too remains a meaningful Crop℠ holding.

We have been impressed by the solid sales growth and remarkable margin performance by S&P Global over the course of our investment campaign. We remain confident in the fundamental outlook for the franchise, but with the biggest margin expansion likely behind it, and the stock's valuation having risen, we pared our position.

We sold Helmerich & Payne and ASOS in Q3. Shares of Helmerich & Payne, a leading US land-based oil rig provider with leading market share in high-specification rigs for advanced horizontal drilling, were pressured as drillers generally struggle with pricing power against a backdrop of energy sector weakness. Though Helmerich & Payne saw some rising demand because of the high-end, highly specialized nature of its rigs, capacity in the industry is meaningfully outpacing demand. We consequently chose to exit our Garden℠ position in favor of more compelling opportunities elsewhere.

ASOS, a global fast-fashion online retailer, has executed well under the leadership of a solid management team, which has delivered on its plans to reaccelerate growth and improve margins. It has capitalized on investments in its non-UK infrastructure, distribution and IT systems, driving accelerating sales outside the UK and allowing it to increase its market share. While we believe the fundamentals are intact, we concluded our campaign in Q3 as it reached our estimate of its private market value.

Portfolio Statistics

As of September 30, 2017, the portfolio had a 3-5 year forecasted weighted average earnings growth rate of 17% and our holdings were selling at a weighted harmonic average P/E (excluding negative earnings) of 26X FY1 earnings and 22X FY2 earnings. The portfolio held 46 companies with 37% of portfolio capital committed to the top 10 holdings and 60% of capital committed to the top 20 positions. The portfolio's weighted average market capitalization was $99.7 billion.

Perspective

While a few stock-specific disappointments pared our outperformance as Q3 concluded, we're pleased to have participated in growth stocks' outperformance year to date. During periods of strong equity performance, our process focuses on upside participation while controlling valuation risk. The benefits of this disciplined approach—specifically, capital protection—have become evident during the more difficult phase of past market cycles. While we are not macro prognosticators and have little visibility into whether and for how long markets will continue their relatively unimpeded rise, we wouldn't be surprised to see volatility pick up in the coming quarters.

We're encouraged that fundamental trends in the Crop℠ remain healthy, and that the team is finding profit growth opportunities across the economy—both in traditionally more innovative sectors (such as information technology and health care) as well as financials, business services and energy. While the market's continued rise amid subdued volatility has led us to trim some holdings as their valuations looked fairly full, we have also had the opportunity to add to some of our newer campaigns and initiate some new Garden℠ investments—a testament to the flexibility of our process, regardless of the market backdrop.

Traditional consumer stocks (such as retailers, restaurants, consumer staples) are one area where we're seeing fewer profit cycles than in the past, and therefore these companies play less of a role in the portfolio today. Steady encroachment of e-commerce has begun to impact even the best positioned brick-and-mortar retailers in recent periods, online models are shifting how consumer packaged goods are marketed and purchased, and investors are closely scrutinizing how Amazon's purchase of Whole Foods will impact grocery stores and even restaurants longer term. While many of these trends bring meaningful benefits for consumers and create growth opportunities for e-commerce franchises, they represent persistent pressures for an overbuilt US retail infrastructure.

We believe our process has served us well over time by allowing us to participate in the wealth creation that comes from the compounding of profits, while helping us protect capital when markets become difficult. Accordingly, we will remain disciplined in our approach, hunting across the economy for strong franchises with emerging profit cycles, and managing position sizes according to our conviction and valuation guides.

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 Artisan Global Opportunities Fund's total net assets as of 30 Sep 2017: IHS Markit Ltd 6.8%, Visa Inc 5.4%, Alphabet Inc 3.3%, S&P Global Inc 2.9%, Shiseido Co Ltd 2.3%, Regeneron Pharmaceuticals Inc 2.3%, Keyence Corp 2.2%, James Hardie Industries PLC 1.6%, Delphi Automotive PLC 1.5%, adidas AG 1.3%, Fevertree Drinks PLC 1.1%, Daifuku Co Ltd 0.9%, DexCom Inc 0.5%. 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.

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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Portfolio statistics are intended to provide a general view of the entire portfolio, or Index, at a certain point in time. Statistics are calculated using information obtained from various data sources. Artisan Partners excludes outliers when calculating portfolio characteristics. If information is unavailable for a particular security Artisan Partners may use data from a related security to calculate portfolio statistics. **Weighted Average** is the average of values weighted to the data set's composition. **Weighted Harmonic Average** is a calculation of weighted average commonly used for rates or ratios. **Market Cap** is the aggregate value of all of a company's outstanding equity securities. **Earnings Growth Rate** is the annual rate at which a company's earnings are expected to grow. **Price-to-Earnings (P/E)** is a valuation ratio of a company's current share price compared to its per-share earnings. **Private Market Value** is an estimate of the value of a company if divisions were each independent and established their own market stock prices.

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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