Artisan Global Equity Fund

QUARTERLY
Commentary

Investor Class: ARTHX | Institutional Class: APHHX

As of 31 March 2018

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

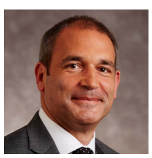
We use multiple valuation metrics to establish a target price range. We assess the relationship between our estimate of a company's sustainable growth prospects and its current valuation.

Team Overview

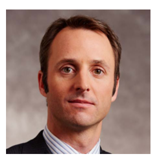
Our team approach combines the benefits of strong leadership with the creative ideas of a deep and highly experienced team of research analysts. We believe this approach allows us to leverage a broad set of perspectives into dynamic portfolios.

Portfolio Management

Mark L. Yockey, CFA
Portfolio Manager



Charles-Henri Hamker
Portfolio Manager



Andrew J. Euretig
Portfolio Manager

Investment Results (%)

			Average Annual Total Returns				
As of 31 March 2018	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTHX	**3.60**	**3.60**	**27.11**	**8.69**	**10.33**	—	**12.39**
Institutional Class: APHHX	**3.64**	**3.64**	**27.34**	**8.90**	**10.46**	—	**12.47**
MSCI All Country World Index	-0.96	-0.96	14.85	8.12	9.20	—	8.67

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (29 March 2010); Institutional (15 October 2015). For the period prior to inception, Institutional Class performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Institutional Class and the share class's returns during that period would be different if such expenses were reflected.

Expense Ratios	ARTHX	APHHX
Annual Report 30 Sep 2017	1.40	1.16
Prospectus 30 Sep 2017[1]	1.40	1.16

[1]See prospectus for further details.

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

The melt-up in global equities continued into the early weeks of 2018, fueled by the passage of US tax cuts. However, a lengthy period of historically low volatility abruptly ended in late January. The initial selloff was triggered by a pick-up in wage gains in the US, which added to existing concerns about rising Treasury yields, potential global inflationary pressures and the direction of monetary policy under new Fed leadership. These worries eased in March, although volatility remained elevated as headlines swirled over the specter of trade wars, turnover in the Trump White House and the threat of increased regulation (US) and taxation (Europe) of mega-cap Internet technology companies (i.e., the FAANGs). In Q1, there were 14 days when the MSCI AC World Index gained or lost 1% or more, in contrast to just 3 for all of 2017.

Most major developed markets indices finished lower for the quarter. Emerging markets managed a small gain. All sectors (based on the MSCI AC World Index) aside from technology and consumer discretionary were negative.

Notwithstanding the shift in investor sentiment, economic and corporate fundamentals have remained robust. Q4 earnings grew by double-digit percentages across all major regions (Europe, Japan and the US). Much of the growth was led by cyclicals, such as materials, technology and consumer discretionary. Defensives (consumer staples, telecom and utilities) delivered weaker results.

The Federal Reserve continued gradually withdrawing monetary stimulus, raising its benchmark rate by 25bps in March and allowing its balance sheet to shrink further. The ECB stood pat but removed its easing bias—citing the sustained economic recovery. The BOE similarly kept its main interest rate unchanged, but stated that ongoing monetary tightening would be appropriate based on the recent economic data. The Bank of Japan held off on tightening measures as well, but with inflation beginning to accelerate in Japan, the consensus is the BOJ will adjust its target for 10-year government bond yields within the next year.

Performance Discussion

Our portfolio outperformed the MSCI AC World Index in Q1, driven by positive stock selection. In particular, our technology, industrials and consumer staples holdings contributed positively to performance. Regionally, our holdings in the US, Europe and Japan were sources of strength.

Deutsche Boerse, PTC and Kose were among our top contributors. Deutsche Boerse is the largest exchanges operator in Europe and owner of Eurex, Europe's largest derivatives trading and clearing platform. The company began the year with a new CEO who is well-regarded by investors for his close relationships with German regulators and politicians from his tenure at UniCredit's German unit. In addition to strong structural growth drivers—such as the regulatory push to on-exchange trading—cyclical headwinds are turning to tailwinds with the reemergence of market volatility as bond yields normalize and central-bank tapering comes into focus.

PTC is a provider of software-based product management and development solutions. Its fast-growing Internet of things (IoT) segment, combined with progress in its shift to a subscription-based model is contributing to strong bookings growth. PTC also announced a large new business deal with BMW to provide the automaker with product lifecycle management (PLM) and IoT solutions, which should help bolster future bookings growth.

Kose, a Japanese cosmetics company, sustained strong sales growth across all markets (Japan, Asia and the US). In Japan, demand from Chinese tourists, growth from duty-free sales and the trend toward higher-end premium cosmetics have been key growth drivers. The company's Tarte brand continues to drive US sales growth above expectations—growing rapidly at retailers Ulta and Sephora, as well as through e-commerce. We chose to exit our position in April—shortly after Q1 ended—as its valuation appeared to fully reflect the company's strong fundamental growth outlook.

On the downside, Albemarle, a specialty chemical company, was a key detractor. The stock sold off due to concerns that newly announced lithium expansion projects by other industry producers could result in excess supply, driving down lithium prices. We anticipate near-term volatility in lithium spot prices but continue to believe that on a longer-term basis, increased lithium production is necessary to keep up with robust demand growth driven by the emergent electric vehicle market.

Other detractors in Q1 included Ensco and Linde. Ensco is a UK-based offshore contract driller. We initiated a small position in Ensco in January. We were attracted to the company's leading industry position, high-quality fleet of high-specification assets, expertise in complex, ultra-deepwater wells and attractive valuation. In addition, the offshore drilling market looks to be recovering after a multi-year bottoming process. However, we chose to exit our position in late February in favor of more attractive growth opportunities after the company issued soft guidance, citing an elongated recovery in the rig market.

Linde is one of the world's largest industrial gas providers, supplying customers across a diverse range of industries. The company's planned merger with Praxair to create the world's largest operator still appears on track. However, EU antitrust authorities are requiring asset sales that are more onerous than initially expected and have stopped the clock on the review process as they await requested information from the two companies. The proposed merger with Praxair would provide over $1 billion in cost synergies. In the event the merger falls through, we think the downside is limited, in part because Linde is trading at a larger-than-average discount versus peers. Moreover, Linde possesses a strong market position in an attractive industry having exposure to mega-trends of emerging markets urbanization, resource constraints, environmental factors and health & nutrition. Linde remains one of our biggest positions.

Positioning

We identified a number of companies with sustainable growth characteristics selling at attractive prices. Among our biggest purchases in Q1 were Housing Development Finance Corp (HDFC), Petrobras, Nevro and World Wrestling Entertainment (WWE).

- HDFC is the largest standalone mortgage financier in India where the underpenetrated mortgage market should see long-term demand growth due to favorable demographics and rising urbanization. Given its brand equity, management strength and the consolidated market in which it operates, we think HDFC is poised to benefit from the ensuing loan growth.
- Petrobras is one of the largest oil companies in the world and number one in ultra-deepwater oil production. In addition to benefiting from a recovery in oil prices, company-specific earnings drivers include operating cost-reduction plans, resumption of asset sales and an improved production profile due to longer plateaus and slower declines.
- Nevro is a medical device company with the best-in-class Senza® spinal cord stimulator system for treating patients with back and leg pain. The spinal cord stimulator market grew from $1.5 billion in 2014 to $2 billion in 2017. Nevro captured roughly two-thirds of that market growth by targeting patients with back pain who were not good candidates for competitors' spinal cord stimulators. Currently, we believe consensus expectations are underestimating the rate of hiring in its sales force—a key indicator of future sales growth.
- WWE is a media entertainment company. It is effectively a "league" in that it owns, creates and distributes sports content. It monetizes that content through four lines of business: media (TV broadcast and streaming), live events, consumer products (licensing and merchandise) and WWE studios (motion pictures). In the changing media ecosystem, value is accruing to the content creators and rights holders from the legacy TV networks. We see two key growth drivers. First, WWE is approaching its TV renewal cycle in 2019/2020, which is an important catalyst for growth in broadcast revenue—the largest source of earnings for the company. Second, a major trend in media is the shift toward direct-to-consumer over-the-top (OTT) services. We believe WWE is well positioned for the new media landscape, having already made this transition by disintermediating its legacy pay-per-view model in favor of OTT in 2015.

Adhering to our valuation discipline, we chose to take profits in a number of technology holdings. Technology stocks have had a tremendous run over the past one to two years as investors favored secular growers over more staid fare. Tech sector valuations typically trade at a premium to the rest of the market, but the premium is now high relative to its long-run average. From a risk-management perspective, we thought it prudent to trim exposure from momentum areas that might be more vulnerable in volatile markets. We sold ServiceNow, an enterprise cloud software provider; Samsung Electronics, a diversified IT company; and Alibaba, an e-commerce company; and trimmed our positions in semiconductor capital equipment companies Applied Materials and ASM International.

Outlook

The exuberance that markets displayed at the outset of 2018 quickly evaporated in February and March as markets were hammered on a number of fronts, not least of which were headlines around trade wars. From our vantage point, the potential economic impact of trade wars looks relatively small, but we think the bigger risk is to investor confidence, which feeds directly into earnings multiples. High turnover in the Trump White House and an unpredictable US president have added to the uncertainty. Market participants are clearly on edge. As a result, we are somewhat more cautious than we were at the end of last quarter, but our general view of the market and positive outlook for our portfolio have not changed.

Portfolio positioning remains focused on our themes and geared toward what we consider to be dominant, high-quality companies that are exposed to positive secular trends. We believe our bottom-up process will serve our investors well, yielding fundamentally sound companies with sustainable growth characteristics that are capable of standing up to varied market environments.

Business Update

In February, the team added Ian Chua as an analyst primarily focusing on disruptive business models in the Asia Pacific region. Prior to joining Artisan Partners in February 2018, Mr. Chua was a portfolio manager covering the China and Hong Kong markets for Lion Global Investors. Prior to that, he was a co-portfolio manager for a global disruptive innovation fund at Lion. Earlier in his career, Mr. Chua was a research analyst at Citigroup Research where he maintained coverage for Singapore banks, real estate developers and REITs. Ian is fluent in Mandarin.

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 Mar 2018. 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 31 Mar 2018: Deutsche Boerse AG 4.7%; PTC Inc 1.6%; Kose Corp 2.7%; Albemarle Corp 0.7%; Linde AG 3.2%; Housing Development Finance Corp Ltd 1.7%; Petroleo Brasileiro SA 1.5%; Nevro Corp 1.1%; World Wrestling Entertainment Inc 1.0%; Applied Materials Inc 0.9%; ASM International NV 1.9%. 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.

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