Artisan Global Opportunities Fund

QUARTERLY
Commentary

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

As of 31 March 2018

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[SM] investments are small positions in the early part of their profit cycle that may warrant more sizeable allocations as their profit cycle accelerates. Crop[SM] investments are positions that are being increased to a full weight because they are moving through the strongest part of their profit cycles. Harvest[SM] investments are positions that are being reduced as they near our estimates of full valuation or their profit cycles begin to decelerate.

Broad Knowledge

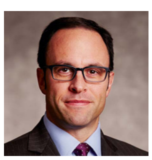
We overlay the security selection and capital allocation elements of our investment process with a desire to invest opportunistically across the entire global economy. We seek broad knowledge of the global economy in order to find growth wherever it occurs.

Team Overview

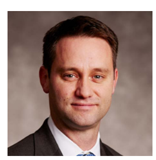
We believe deep industry expertise, broad investment knowledge, a highly collaborative decision-making process and individual accountability are a powerful combination. Since the inception of the team, we have been committed to building a team of growth investors that retains these attributes and is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

			Average Annual Total Returns				
As of 31 March 2018	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTRX	**3.19**	**3.19**	**22.64**	**13.24**	**12.94**	—	**11.92**
Advisor Class: APDRX	**3.22**	**3.22**	**22.83**	**13.38**	**13.02**	—	**11.97**
Institutional Class: APHRX	**3.27**	**3.27**	**22.95**	**13.52**	**13.21**	—	**12.10**
MSCI All Country World Index	-0.96	-0.96	14.85	8.12	9.20	—	7.31

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (22 September 2008); Advisor (1 April 2015); Institutional (26 July 2011). For the period prior to inception, each of Advisor Class and Institutional Class's performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Advisor or Institutional Class and each share's respective returns during that period would be different if such expenses were reflected.

Expense Ratios	ARTRX	APDRX	APHRX
Annual Report 30 Sep 2017	1.15	1.03	0.93
Prospectus 30 Sep 2017[1]	1.15	1.03	0.93

[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.

Investing Environment

Volatility picked up noticeably in Q1, spiking first in late January and early February as investors fretted signs inflation may be rising, which prompted speculation global central banks would be forced to tighten monetary policy more than anticipated. A second round followed in late March—tied to a combination of increasing concerns about ratcheting protectionist talk and heightened regulatory scrutiny of some of the world's biggest technology companies—and was sufficient to drag most global markets into modestly negative territory for the quarter. We will offer further thoughts on volatility later in this communication.

Newly installed Fed chairman Jerome Powell raised rates 25bps (to a target range of 1.50%-1.75%) as anticipated and signaled further hikes as the year progresses predicated on economic strength. The Bank of England left its benchmark rate unchanged at 0.50% but similarly indicated it would likely raise it as soon as Q2. Of the major developed world central banks, the ECB and BOJ have thus far been the slowest to pivot toward an even modestly tighter stance—though the ECB is finally showing some inclination to tighten, hinting it may soon begin paring monthly asset purchases.

Despite a spate of varying geopolitical concerns, emerging markets led global markets in Q1, followed by the US and foreign developed markets. Within emerging markets, Brazil and Russia were among the standouts. Brazil's economy is generally improving and some of its political headwinds seem to be abating. In Russia, President Putin's reelection seemed to provide a sentiment boost, outweighing concerns about increasing sanctions from the developed world.

With respect to style, growth stocks handily outperformed value in Q1, continuing their recent performance pattern. Small-cap stocks outperformed their larger counterparts by a fairly sizeable margin. Despite a late-quarter selloff on growing concerns about the potential for tighter regulations, technology stocks remained in the black, as did discretionary stocks—the only two positive sectors in Q1. The worst performing areas globally and in the US were staples, telecom, materials and energy stocks—the latter despite higher global oil prices.

Performance Discussion

Our portfolio handily outperformed the MSCI AC World in Q1. As has been the case over the last year, relative strength has been broad-based, with notable contributions from our consumer staples and health care holdings. Relative strength has also been balanced regionally, with our holdings across the Pacific Basin, Americas and Europe additive. We've also been encouraged by our Crop℠ holdings' performances. Consistent with recent periods, earnings reports across most businesses in the portfolio were strong, driven by the combination of past investments to fuel profitable growth, a health economy and the recently enacted US corporate tax cut.

As we've noted before, a broadening growth environment can be one in which our process delivers fewer advantages than in other phases of the market cycle, as it typically translates into generally rising prices with relatively little distinction for higher quality franchises. Yet, despite economic growth that appears to be broadening, we view the current market environment as productive for bottom-up investors, in the sense that there aren't just one or two big trends or areas of the market driving positive returns. Rather, achieving success in the current environment seems to be a matter of finding smaller pockets of strength and identifying high-quality franchises therein. For example, identifying the consumer stocks that are likely to distinguish themselves—in our case, adidas, Fevertree, Shiseido and Booking Holdings—in an environment when traditional retail companies are struggling. Similarly, within technology, it hasn't only been big, software companies that have performed well. Rather, strength has been concentrated among stock-specific drivers that have allowed quality franchises to distinguish themselves. For example, holdings such as Tencent, Nintendo, Salesforce.com and ASML—each with a differentiated driver (or drivers) capable of producing a compelling profit cycle.

Among our top individual contributors in Q1 were Nintendo, IHS Markit and Fevertree. Nintendo is capitalizing on the smash success of its Switch platform to generate attractive sales growth. Importantly, the Switch's success increases the audience for Nintendo's high-quality IP. Further, to the extent that growth in the Switch console's installed base continues tracking at or above historical console cycles' growth rates, third-party developers will increasingly support the platform, creating a virtuous cycle and reinforcing the platform's success. Importantly for future growth potential, we believe Nintendo is contemplating entry into the Chinese market via a partnership with a large domestic partner—which would open the world's largest population to Nintendo's IP, broadening the growth runway.

IHS Markit is capitalizing on well-balanced growth across its businesses, tied partly to a cyclical recovery in the energy market, which has mitigated what had been a fairly meaningful headwind. Its auto business is also successfully cross-selling new products to more auto dealers. Volatility has positively contributed to trade-processing volumes and, in turn, revenues. Its financials segment is otherwise growing, too, thanks to strength in its indices, valuation and bond-pricing businesses. We have been impressed by the management team's disciplined approach to generating sustainable organic growth, and we anticipate modest but reliable ongoing margin expansion looking forward.

We believe Fevertree, a UK-based manufacturer of carbonated mixers, is in the early innings of a compelling profit cycle, following the trend toward premium spirits with a similar premiumization of mixers. As the company points out, if three-quarters of your gin and tonic is tonic, it's worth using high-quality tonic. Fevertree is branching out beyond tonic—which it produces in a wide array of varieties—to other mixers, including ginger beer, club soda and cola. We appreciate the company's thoughtful approach to launching new products—teaming up with premium spirits companies to leverage their existing distribution arrangements. With solid market share already in the UK, Fevertree is in the early days of broadening its global reach, with plans to meaningfully expand in the US in 2018. Importantly from a margin standpoint, Fevertree plans to sell its mixers directly, rather than utilizing third-party distributors. With penetration rates in the US and the rest of the world still low, we believe there is ample runway ahead of the company.

Among our bottom contributors in Q1 were Facebook, Bid Corp and Techtronic. We have held Facebook since its IPO in 2012 tied to the thesis that it would successfully monetize one of the world's largest user bases and capitalize on the migration of advertising dollars to the Internet and mobile platforms to drive revenue growth. As that thesis has developed, we have been diligent about monitoring the position's size, trimming as its valuation expanded. To that end, we began gradually paring our exposure in Q2 of 2016, as we anticipated its extraordinarily high growth rate was likelier to decelerate than continue accelerating. In late 2017, we trimmed it further on our growing concerns about increasing regulatory headwinds in Europe. The revelations in Q1 about data privacy issues only led us to reduce the position further. While we maintain a modest position due to the company's attractive valuation and continued appeal among global advertisers, we are monitoring the situation closely.

Bid Corp is a leader in food-service delivery outside the US with large market share in Australia and South Africa. The company has recently faced currency-related headwinds as the South African rand has rallied. It also faces some macroeconomic worries—including ongoing uncertainty surrounding the UK's impending Brexit and growing concerns about global food inflation, which have weighed on near-term sentiment. However, the company is in the process of divesting its less-productive logistics business in the UK—a longer-term positive—and is driving attractive levels of organic growth. While we anticipate the company could face ongoing volatility given the global nature of its business, we have conviction in the franchise's quality and are remaining patient.

Techtronic is the global leader in power tools with well-established and fast-growing brands, including Milwaukee, Ryobi and AEG. We purchased it in Q4 2017 on the thesis that it would capitalize on first-mover advantages in the ongoing evolution toward cordless, lithium ion battery-operated power tools to drive a compelling profit cycle. However, thanks primarily to a highly competitive industry, Techtronic's promotional activity over the holiday season was higher than anticipated, as was its spending on developing new products in the back half of 2017—factors which pressured margins and weighed on shares in Q1. However, given the importance of securing customers within the company's lithium ion battery ecosystem, we find the near-term increase in spending understandable and maintain our conviction in the company's ability to expand its product offerings and capitalize on the ongoing secular transition from corded to cordless power tools.

Portfolio Activity

We capitalized on Q1's heightened volatility to add to several holdings, including Vivendi and Temenos. Vivendi is one of Europe's largest media companies. It owns Universal Music Group, which is one of the "big three" music labels globally. The music business has been under meaningful pressure thanks to the digitization of much of the business—particularly since the advent of Apple's products (followed by others). As a result, Vivendi's music business has been shrinking for several years. With the advent of Spotify and other music services, which are showing early signs of successfully capturing listener subscriptions, we believe Vivendi's music business is poised to turn around. It also owns Canal Plus, a subscription-TV business primarily in France and the rest of Europe. As has been the case in the US, the European pay-TV business has been shrinking for several years thanks to cord-cutting and -shaving trends. Under its new management team, Vivendi has a new-found discipline and is successfully cutting costs with an eye toward improving profitability in the near future. Given the magnitude of Vivendi's businesses, we believe it is on the cusp of a compelling profit cycle tied to secular trends that are driving shifts in content consumption. We accordingly continued building our Garden℠ position at attractive prices in Q1.

Temenos develops core banking software systems. Since initiating our campaign in 2017, we have gained conviction that the most important spending initiative financials are currently undertaking is replacing legacy software systems and launching high-quality mobile apps that will attract the next generation of customers. With interest rates poised to rise, regulatory clouds lifting, balance sheets largely repaired and nascent signs of growth, banks again have room to spend on such capital expenditures—and Temenos is winning the majority of these clients as its software system is the best on the market. Shares were pressured in Q1 as investors questioned the company's decision to buy Fidessa—a trade analytics and operations company—given it is in an adjacent vertical to Temenos's core business. We take something of the opposite view, though, and see the wisdom in capitalizing on a one-time opportunity to accumulate all the technological aspects of what banks do. We believe the acquisition will be accretive and that Temenos is making progress toward being the primary go-to for banks and financials overhauling their software systems. We capitalized on Q1's share-price weakness to add to our position at an attractive valuation.

We concluded our campaign in Stanley Electric in Q1. We first initiated a position in the company as it was one of a few leading global providers of LED auto headlamps. Given the growing trend toward electronic vehicles, LED lights will become increasingly critical given their lower power consumption. Since starting our investing campaign, global penetration of LED headlamps has increased meaningfully, as have Stanley's margins. While there is likely further room for LED headlamps to continue taking share, Stanley's shares have reached our estimate of private market value, and the profit cycle is largely mature. We consequently concluded our successful campaign.

We trimmed several holdings in Q1 as well, largely for two reasons. As the bull market has matured, valuations have understandably risen. We have maintained our discipline in this area, paring positions as their valuations have approached our estimate of private market value. Holdings that fall into this category include Keyence, Shiseido and Tencent—all of whose profit cycles we believe remain in motion but whose valuations have risen.

In contrast, we have pared our exposure to some of our larger technology holdings tied to growing concerns about the potential for regulatory headwinds. In addition to the aforementioned Facebook, this category also includes Alphabet.

Portfolio Statistics

As of March 31, 2018, the portfolio had a 3-5 year forecasted weighted average earnings growth rate of 22% and our holdings were selling at a weighted harmonic average P/E (excluding negative earnings) of 23X FY1earnings and 19X FY2 earnings. The portfolio held 46 companies with 36% of portfolio capital committed to the top 10 holdings and 58% of capital committed to the top 20 positions. The portfolio's weighted average market capitalization was $92.9 billion.

Perspective

The last couple years' relatively lower-volatility market provided positive absolute returns for many indices as well as our portfolios. We are cognizant that, as we pointed out earlier, an environment marked by broad-based economic improvement and rising stock prices can make it difficult for us to distinguish ourselves relative to the market. Our process is aimed at finding quality businesses in the early stages of profit-growth cycles based on internal and/or external catalysts—which often are not predicated on broad economic growth. When a rising tide is indiscriminately lifting all boats, our stock selection process may deliver fewer advantages than in other phases of the market cycle. Furthermore, for the last several years, the lack of volatility—the first quarter of 2018 represented the first negative quarter in the last 10 for the MSCI AC World Index—provided us with relatively fewer compelling chances to upgrade the portfolio, either by introducing new Garden℠ investments or by opportunistically adding capital to existing holdings. That said, the global economy is hardly ever homogenous—rarely is it the case that growth and volatility are evenly distributed across the investing universe. Which means there are usually sectors or geographies experiencing some volatility or uncertainty that introduces interesting investing opportunities. For example, it's noteworthy that over the last several quarters, many of the portfolio's top-performing stocks have been outside the US in such areas as Japan, Australia and some in Europe.

Furthermore, a rising-tide, low-volatility backdrop certainly doesn't limit the productivity of our research process. As a result, we entered 2018 with a relatively full bench of investment candidates ripe for a compelling entry point. The first quarter of 2018 provided the type of volatility that typically allows us to productively seed the Garden℠ with high-quality franchises we had been following for some time. While we added relatively few new holdings in Q1, we anticipate being more active on that front in coming quarters. However, we did increase our exposure to a number of franchises in which we have high conviction but whose price activity had, for some time, provided relatively few opportunities to accumulate larger positions—including Vivendi, Temenos, Broadcom, Anthem, Daifuku and Sands China, among others.

Such an environment is particularly productive for us, allowing us to be more opportunistic than a less volatile one. We view volatility as a healthy, normal feature of well-functioning markets, allowing high-quality franchises to differentiate themselves from competitors and simultaneously providing an opportunity for our approach to distinguish itself. Should it persist into future quarters, we anticipate being similarly proactive and opportunistic where appropriate.

However, we simultaneously remain cautious. We recognize that, nearly a decade into the bull market, some individual valuations are undoubtedly stretched, and some areas of the market and trends are showing signs of greater maturity. In addition, while the current US administration's laissez-faire approach toward financial industry regulations and corporate taxes helped catalyze stocks in 2017, more recent developments have been a reminder that government activism can cut both ways. Regulatory pressures in the US and EU appear to be mounting for some of the world's technology giants (and noted stock-market bellwethers) such as Facebook and Amazon, and protectionist rhetoric in North America and China has risen sharply. Taken together, we wouldn't be surprised if volatility remains elevated, even against a generally positive economic backdrop. As such, we remain committed to our disciplined and rigorous approach to stock selection and capital allocation, which have served us well since the team's founding.

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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 Artisan Global Opportunities Fund's total net assets as of 31 Mar 2018: IHS Markit Ltd 6.2%, Shiseido Co Ltd 3.0%, ASML Holding NV 2.7%, Nintendo Co Ltd 2.5%, Alphabet Inc 2.4%, Tencent Holdings Ltd 2.2%, Techtronic Industries Co Ltd 2.1%, Fevertree Drinks PLC 2.1%, Vivendi SA 2.0%, Temenos Group AG 1.9%, Sands China Ltd 1.8%, Bid Corp Ltd 1.7%, Anthem Inc 1.7%, Broadcom Ltd 1.7%, adidas AG 1.6%, Keyence Corp 1.6%, Daifuku Co Ltd 1.5%, Salesforce.com Inc 1.5%, Facebook Inc 1.4%, Booking Holdings Inc 1.4%. 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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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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