Artisan Global Equity Fund

QUARTERLY
Commentary

Investor Class: ARTHX | Institutional Class: APHHX

As of 30 June 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

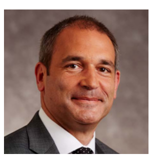
We use multiple valuation metrics to establish a target price range. We assess the relationship between our estimate of a company's sustainable growth prospects and its current valuation.

Team Overview

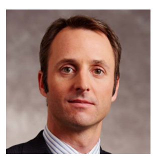
Our team approach combines the benefits of strong leadership with the creative ideas of a deep and highly experienced team of research analysts. We believe this approach allows us to leverage a broad set of perspectives into dynamic portfolios.

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 30 June 2018	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTHX	**1.83**	**5.50**	**20.30**	**8.21**	**10.07**	—	**12.24**
Institutional Class: APHHX	**1.92**	**5.62**	**20.58**	**8.46**	**10.22**	—	**12.33**
MSCI All Country World Index	0.53	-0.43	10.73	8.19	9.41	—	8.47

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
Semi-Annual Report 31 Mar 2018[1]	1.36	1.11
Prospectus 30 Sep 2017[2]	1.40	1.16

[1]Unaudited, annualized for the six-month period. [2]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

After Q1's spike in volatility, equity markets were more placid in Q2. Global equities were solidly higher in local terms in Q2, but finished only slightly positive in USD terms due to the US dollar's strong rebound. The strengthening US dollar also weighed on emerging markets currencies, which contributed to EM equities trailing developed markets in Q2 after outperforming earlier in the year. Within developed markets, the US was a standout as tax cuts boosted profit-growth momentum.

Central bank policies figured prominently in the US dollar's strength as global monetary policy increasingly diverges. The Fed continued its gradual rate-hiking approach—raising its benchmark interest rate by 25 basis points and signaling two additional increases by year-end. In contrast, the ECB pushed out its previous quantitative easing end date to December. It also indicated it expects to hold interest rates at present levels through the summer of 2019. In Japan, with recent inflation somewhat weaker than expected and economic growth turning negative in Q1, the BOJ maintained its ultra-loose monetary policy—keeping its short-term interest rate-target negative and seeking to hold 10-year government bond yields around 0%.

Geopolitical uncertainty remained another major theme during the quarter. The rising threat of a trade war between the US and China was an unsettling factor for markets. The overall economic impact of announced tariffs appears minimal, but the uncertainty of escalation poses a significant risk to business confidence and capital spending plans. Moreover, the imposition of tariffs comes at a time when China is already experiencing slower growth as the government aims to rein in credit after years of debt-fueled growth. Indeed, Chinese retail sales, residential property prices and fixed asset investment have each decelerated over the past year.

In Europe, populist movements are again on the rise. Following its inconclusive election, Italy's months-long political crisis came to a head when an unlikely coalition selected a euro-sceptic as its economic minister. Government bond yields spiked, and Italian financials sold off on the risk of a repeat vote—seen as a potential referendum on Italy's membership in the euro zone—but were calmed when an election was averted with the formation of a coalition government.

By sector, energy led the way on rising oil prices. The financials sector was the weakest on the flattening in the US yield curve and the push-out of expected rate hikes in Europe and Japan. Overall, corporate earnings remain healthy; however, macro news has been more mixed in 2018, and the global economy appears decidedly less synchronized as growth is moderating in Europe, China and Japan.

Performance Discussion

Our portfolio outperformed the MSCI AC World Index in Q2, and it remains comfortably ahead YTD. Relative results were driven by positive stock selection among our technology, consumer staples and materials holdings. The largest source of relative weakness was the energy sector. Our below-benchmark weighting hurt us, and our sole holding—Petrobras, a Brazilian oil and gas company—was a significant underperformer. Our above-benchmark financials exposure—diversified across bank, insurance and exchange holdings—was an additional headwind given the sector's underperformance.

Our top contributors included Wirecard, a payment processor; Linde, an industrial gases provider; Facebook, a leading social media platform company; and Lamb Weston, a frozen potato products supplier. Wirecard, our largest position and one of our strongest performers in 2017, is delivering robust organic growth driven by transaction volumes, as momentum in e-commerce growth shows no signs of slowing. The new business pipeline is also quite strong. The company recently inked agreements with French bank Crédit Agricole to provide e-commerce and acquiring services in France and other European countries, and with Mizuho Bank to provide acquiring and issuing services to the bank's corporate clients in Asia.

With respect to Linde, the main focus remains its merger with Praxair, which appears on track for completion in the second half of 2018. The proposed merger would provide over $1bn in cost synergies. However, if the merger falls through, we see limited downside as Linde looks significantly undervalued on a standalone basis.

Shares of Facebook bounced back from their March selloff, which was related to controversy over third parties' access to Facebook users' personal data. The stock's move seemed overblown. Our assessment was fundamental risk was likely limited, notwithstanding potential new regulation. There are relatively few outlets for digital advertising spend like Facebook, and the shift of users to digital services (and, correspondingly, advertising dollars) and away from traditional advertising venues is inexorable, in our view. Furthermore, any potential regulation is liable to further entrench existing winners. Facebook has over two billion active users on its Facebook platform and over two billion additional users of its social networking subsidiaries Instagram and WhatsApp. Even with potential increased costs associated with additional security and privacy features, we believe margins will remain attractive.

Lamb Weston, which was spun-off from ConAgra Foods in 2016, is a market leader in frozen potato/french fry production and supply to restaurants and food service distributors. Lamb Weston has a significant cost advantage versus peers due to operating in the US Pacific Northwest where potato yields and quality are superior. Although not commonly viewed as high-growth, demand for frozen potato products has been strong due in part to fast-food restaurant growth in Asia. Additionally, tight global manufacturing capacity has allowed Lamb Weston to increase prices. The combination of increased volumes and pricing drove double-digit top-line growth in the company's recent quarter—a growth rate that is atypical in the consumer food sector. Also, Lamb Weston is taking share in a market that has high barriers to entry due to high upfront capital requirements.

On the downside, Petrobras became embroiled in Brazil's supply crisis, which was brought on by a trucker strike protesting soaring diesel prices. With airports closing and food and fuel shortages threatening to bring the economy to a standstill, Petrobras cut fuel prices, raising fears among investors of government interference in the company's management. Days later, the company's CEO, Pedro Parente, resigned. Parente had led the company's turnaround since mid-2016, shifting its strategy toward free-market policies and away from government interests. The equally respected CFO was elevated to CEO, soothing some investors' concerns. Although the new pricing mechanism's overall financial impact (including tax breaks and government reimbursements) should be nominal, in our view, headline risk will persist as the company's pricing policy is now a political issue heading into October's general election. Still, we believe company fundamentals remain intact, and shares look cheap versus our earnings estimates.

Other meaningful detractors were Enel Americas (ENIA) and ASM International. Enel Americas is a South American electric utility with operations in four countries: Argentina, Brazil, Colombia and Peru. The stock was pressured by weakness in Latin American currencies and a pricey bidding war won by ENIA for Brazilian power distributor AES Eletropaulo. Although the expensive acquisition will hamper margins, the turnaround of its Brazilian Celg power-distribution business remains on track, and the revised regulatory framework in Argentina should drive attractive growth rates.

ASM is a semiconductor equipment manufacturer. ASM's gross margin fell due to product mix, introduction of new products and start-up costs for new facilities. These appear to be transitory factors that do not impact our investment case. We continue to like the company's market-leading position in single-wafer atomic layer deposition (ALD), a technology experiencing secular adoption in semiconductor manufacturing as ALD tools are required for increasingly complex chip designs—smaller, more difficult node architectures.

Positioning

The biggest shift in sector positioning this quarter was an increase in our technology weighting. It had fallen in Q1 2018 as we chose to take profits in several holdings after the sector's tremendous run in 2017, which drove relative valuations above their long-run averages. In Q2, we identified several new technology stocks with appealing growth potential selling at reasonable valuations, including software-focused companies Atlassian and Q2 Holdings. Also contributing to our increased technology sector weighting were incremental purchases of existing holdings: PayPal, a digital payments company, Alphabet (Google's parent company) and Facebook.

Atlassian is a provider of collaboration and productivity software tools—a large, structurally-growing addressable market that is expanding from the core software developer market to a much larger "knowledge worker" market in the fields of finance, legal and marketing, among others. The company's disruptive low-touch sales model and best-in-class unit economics are key differentiators.

Q2 Holdings is a provider of cloud-based digital banking software to regional banks and credit unions, enabling them to serve their customers with technology offerings that are competitive with those of the largest banks. The company possesses compelling sustainable growth characteristics—benefiting from the secular trend in fintech and high level of recurring revenue, in addition to a currently favorable digital spending environment for banks.

Outside the technology sector, our biggest purchase was Elekta. Elekta is a provider of clinical solutions for the treatment of cancers and brain disorders. We estimate, Unity, the company's new MR-LINAC platform, which allows real-time visualization of soft-tissue cancer for radiation therapy, will account for 7% of the global LINAC installed base by 2023. We also believe the multi-year growth opportunity is not well understood by the consensus, which is overly focused on near-term company guidance.

Adhering to our valuation discipline, we exited our positions in Kose, a Japanese cosmetics company, and World Wrestling Entertainment (WWE), a media entertainment company. Kose's strong sales growth over the past year was driven by demand from Chinese tourists and the success of its US Tarte brand. WWE—a Q1 2018 purchase—signed record multi-year distribution deals for its key programs RAW and SmackDown that were 3.6X the value of previous agreements. We also sold our positions in Celgene, a biotechnology company, and DaVita, a dialysis service provider, in favor of better opportunities.

Outlook

Corporate earnings and fundamentals, generally, remain healthy. In the US, where tax reform augmented existing profit-growth momentum, corporate profits are at all-time highs and companies are generating high levels of cash which they are deploying in shareholder-friendly ways. Yet, with tax reform in the rearview mirror, growth rates are inclined to come down in our estimation as comparisons become more difficult in upcoming quarters. Besides peaking earnings growth, other key risks we see to the market environment include tightening monetary policy, increasing trade tensions, currency volatility and signs of moderating growth in parts of the world, such as Europe, Japan and China. Consequently, our outlook is less sanguine than at the outset of 2018.

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

Andrew Ziccardi, an analyst on the Artisan Partners Global Equity Team, is no longer employed by Artisan Partners effective June 1, 2018. Andrew resigned due to family reasons. We wish him well in his future endeavors and thank him for his contributions. Andrew covered consumer and real estate companies. Coverage of existing holdings has been assumed by other team members.

Additionally, Dan Reagan, a research associate on the team since 2015 covering health care companies, was promoted to an analyst position in recognition of his contributions to the team.

The Global Equity team combines deep and experienced research coverage with seasoned leadership and long-term stability of decision making. The portfolio management team, which includes Mark Yockey, Charles Hamker and Andrew Euretig, averages more than 26 years of investment experience. As founder of the Global Equity team, Mr. Yockey has adhered to the same philosophy and process since 1995.

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 Jun 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 30 Jun 2018: Wirecard AG 5.4%; Linde AG 4.0%; Facebook Inc 3.7%; Lamb Weston Holdings Inc 2.5%; Petroleo Brasileiro SA 2.1%; Enel Americas SA 1.7%; ASM International NV 1.0%; Atlassian Corp PLC 2.1%; Q2 Holdings Inc 1.1%; PayPal Holdings Inc 1.9%; Alphabet Inc 3.7%; Elekta AB 2.7%. 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. 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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