



Artisan Global Discovery Fund

QUARTERLY
Commentary

Investor Class: APFDX

As of 30 September 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. GardenSM investments are small positions in the early part of their profit cycle that may warrant more sizeable allocations as their profit cycle accelerates. CropSM investments are positions that are being increased to a full weight because they are moving through the strongest part of their profit cycles. HarvestSM 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



Jason L. White, CFA
Portfolio Manager (Lead)



James D. Hamel, CFA
Portfolio Manager



Matthew H. Kamm, CFA
Portfolio Manager



Craig A. Cepukenas, CFA
Portfolio Manager

Investment Results (%)

As of 30 September 2018	Average Annual Total Returns						
	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception ¹
Investor Class: APFDX	5.53	16.00	20.90	—	—	—	22.07
MSCI All Country World Index	4.28	3.83	9.77	—	—	—	12.23

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. ¹Fund inception: 21 August 2017.

Expense Ratios	Gross	Net ¹
Semi-Annual Report 31 Mar 2018 ²	1.99%	1.50%
Prospectus 30 Sep 2017 ^{3,4}	2.08%	1.50%

¹Reflects a contractual expense limitation agreement in effect through 31 Jan 2019. ²Unaudited, annualized for the six-month period. ³Includes estimated expenses for the current fiscal year. ⁴See 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 performance. IPO investments may contribute significantly to a small portfolio's return, an effect that will generally decrease as assets grow. IPO investments may be unavailable in the future.



Investing Environment

The themes that have dominated the global economic and market backdrop YTD have remained relatively consistent—Q3 proved no exception. Trade remains top of mind globally, with much focus on the US and its major trade partners, including China, Europe and its NAFTA neighbors. Developed markets defied the uncertainty, though, rising in Q3, led by the US. The UK was notably in the red as Brexit negotiations have proven challenging, rattling nerves about the likelihood the country successfully maintains trade agreements with its Continental brethren. In contrast, emerging markets were in the red in Q3 and trail YTD as well.

Among emerging markets, China was particularly weighed down by ongoing trade concerns. Meanwhile, Turkey, Argentina and other countries whose currencies are particularly exposed to volatility were pressured in Q3, prompting some concern their woes might become a broader contagion. However, to date it seems as though most of the vulnerable countries are taking largely appropriate steps to mitigate what volatility they can. Conversely, Brazil's market bounced in Q3, though it is still negative YTD as the economy remains sluggish and a hotly contested election looms in October.

Against this backdrop, the US Fed raised its benchmark rate 25bps to a range of 2.00%-2.25%—in line with expectations—continuing the divergence among major global central banks. The Bank of England, which faces heightened domestic uncertainty surrounding the country's impending exit from the EU, as well as the ECB, where economies remain relatively less economically robust, have thus far signaled they will remain as accommodative as they believe necessary to avoid unduly pressuring their markets or economies. Meanwhile, the Bank of Japan has shown no indication it will alter its exceedingly accommodative stance anytime soon.

As uncertainties mounted in the quarter, more defensive sectors led—including health care, industrials and telecom. Conversely, utilities and materials were the bottom-performing sectors in US and global markets. From a style and size standpoint, growth led value, as it has YTD, and larger growth stocks outperformed their smaller counterparts—also a YTD trend.

Performance Discussion

Our portfolio outperformed the MSCI AC World Index in Q3 and remains ahead year to date. We continue to be pleased with the performance of the portfolio's CropSM, which has to date defied growing global uncertainty over rising trade tensions and other macroeconomic considerations. As has been the case YTD, strength remains fairly broad-based at the sector level, led in Q3 by our industrials and technology holdings. Conversely, our discretionary holdings were the primary source of relative weakness as some of our holdings came under trade-related pressure.

Among our top individual contributors in Q3 were Teledyne Technologies, Global Payments and Veeva Systems. Teledyne Technologies—our largest holding—is a supplier of ultra-sensitive components and sensors to various end markets. It is reaping the

rewards of its efforts to reposition its business in higher-growth and higher-margin areas such as instrumentation, digital imaging and defense electronics in the form of solid growth and higher margins. The resulting earnings growth is taking the share price up with it, as we would expect. We've been pleased to see our thesis continue to play out in line with our expectations.

Similarly, Global Payments is capitalizing on the result of its multi-year efforts to expand beyond its initial offerings to more valuable and stickier software tools that provide its customers with end-to-end payments solutions. In addition, Global Payments has successfully entered a growing number of countries—which is translating into faster, more sustainable revenue growth and attractive levels of margin expansion. We find Global Payments to be a good example of the kind of attractive franchises we're finding that are exposed to what we believe is still a meaningful, ongoing trend—in Global Payments' case, the global, secular trend toward increasingly digitized payments.

Veeva Systems is a leading provider of cloud-based SaaS solutions for the pharmaceutical and life sciences industries. The company's Vault applications continue to be rapidly adopted by life sciences customers looking to enhance their clinical, regulatory, manufacturing and commercial operations by introducing modern cloud-based software tools—uptake which is translating into healthy subscription revenue growth. Importantly, Veeva is adding new products—as well as new markets, including other regulated industries where document control and quality assurance are critical—which should broaden its growth runway in the period ahead.

Our bottom individual contributors included Delphi Technologies, JD.com and ASML Holdings. Delphi Technologies, which represents the former Delphi Automotive's powertrain systems segment, was caught up alongside many auto-related companies in ongoing trade concerns. Further weighing on shares was China's recent economic slowdown—an important market for Delphi's products. We believe the long-term story surrounding the accelerating uptake in electric vehicles (EVs) is intact. However, after Q3 concluded, the company announced negative quarterly results as well as that its CEO is leaving the company to pursue other opportunities. Given this heightened uncertainty surrounding the outlook, we have begun harvesting our position to upgrade our capital into higher-conviction names.

We initiated our campaign in JD.com, one of China's largest e-tailers, in Q4 2017 as we anticipated that it would benefit from the secular trend toward e-commerce—namely via its strengths in consumer electronics, home appliances and fast-moving consumer goods (low-priced, non-durable packaged goods sold quickly). However, we underappreciated the ferocity with which JD.com's main competitor, Alibaba, would seek to undermine JD.com as a competitive threat. Specifically, Alibaba has increased its focus on the aforementioned goods typically in JD.com's wheelhouse, while simultaneously attempting to undercut JD.com's pricing. We don't anticipate these competitive pressures will abate in the near future. Compounding

these challenges were allegations surrounding the company's CEO. Given these headwinds, we exited our position in favor of better opportunities elsewhere.

Shares of ASML Holding, which develops machines used for the production of integrated circuits and chips, were pressured in Q3 tied to investor concerns about potentially slowing semiconductor activity, combined with uncertainty surrounding the global trade outlook. We capitalized on weakness to add to our position, given ASML's strong position in its industry and the progress it has made commercializing new technology. We anticipate its new technology will be a powerful driver, despite concerns about where the industry is with respect to the current semiconductor cycle.

Portfolio Activity

As has been the case YTD, Q3's volatility allowed us to remain active in the portfolio. As such, we added to Techtronic Industries, a global leader in power tools with well-established and fast-growing brands, including Milwaukee, Ryobi and AEG. Shares had been facing YTD headwinds related to the combination of heightened protectionist rhetoric, which many fear could weigh on sales, as well as the company's ongoing investments in product development. Investors also signaled concern that a rate-hike cycle in the US could lead to a US housing-construction slowdown. While these concerns are not unfounded, we believe Techtronic's profit cycle remains intact and that the company is well-positioned to benefit from its ongoing innovation in multiple areas. It continues to capitalize on the secular trend toward cordless power tools—a trend we believe remains in its relatively early innings—expanding into larger lawn and garden tools like lawnmowers, leaf blowers, chainsaws and others. In addition, the company's Milwaukee brand is aggressively innovating, broadening Techtronic's runway with expanded product offerings in the existing power tool category, as well as lighting, plumbing, tool storage and others. Given these drivers, we capitalized on the weakness and added to our position in Q3.

Conversely, we exited our position in Dassault Systemes, a leading provider of software that enables design—from early three-dimensional digital conceptual design drawings to full digital mock-ups. We had held Dassault as we anticipated a new product cycle would allow the company to drive sales in new verticals, as well as cross-sell existing clients on its new offering. Since then, this thesis has largely matured, and we consequently concluded our campaign as the valuation reached our estimate of private market value.

As we have consistently discussed, we have been very conscious of valuations as the bull market has continued. Our disciplined approach has led us to pare exposure to holdings for which we believe the profit cycle remains in motion, but whose valuations have approached our estimates of private market value. In Q3, this was the case for Cintas, Fevertree and Shiseido, which we trimmed.

Portfolio Statistics

As of September 30, the portfolio had a median market cap of \$8.9 billion and a 3-5 year forecasted weighted average earnings growth

rate of 22%. Our holdings were selling at a weighted harmonic average P/E (excluding negative earnings) of 26X FY1 earnings and 22X FY2 earnings. As of quarter end, we held 55 positions. Our top 20 holdings accounted for roughly 58% of portfolio assets as of quarter end. Our top 30 holdings represented about 73% of portfolio assets.

Perspective

As we approach the bull market's upcoming 10-year mark, we are witnessing increasing signs of a dual-speed global market. Non-US markets are reflecting the early negative impact of largely US-driven trade pressures—which weigh not only on markets and economies, but on consumer and investor confidence as well. Conversely, as the US economic data have overall and on average remained positive, investor and consumer expectations accordingly remain relatively healthy for now. This divergence naturally leads to questions about whether, when and how global markets realign—with myriad possible outcomes.

While we profess no unique ability to handicap these outcomes, we are watching closely for signs conditions are shifting meaningfully in one direction or another. Ongoing uncertainty aside, we remain pleased with the performance of our CropSM holdings—particularly those which have to date been less impacted by trade woes and for now seem relatively insulated.

Further, we believe several meaningful secular trends remain nicely in motion—and are not particularly dependent on rapid global growth or trade conditions. For example, one trend we've highlighted recently is the ongoing shift toward digital payments, which are seeing rapid uptake globally. This is particularly the case in emerging economies, which in many cases have been able to “skip a step” technologically and financially speaking. We have several high-quality franchises well-positioned relative to this trend—including the aforementioned Global Payments, but also Pagueseguro Digital and others.

Then, too, we also find internal change catalysts to be important drivers, particularly against slowing or mixed macroeconomic backdrops. These companies are often capitalizing on internal changes such as a newly installed management team, a new product cycle, the integration of an acquisition, or others, to drive revenue or profit growth (or, ideally, both) even against a more challenging backdrop. Examples of some of these holdings include FLIR Systems, Takeaway.com and Cintas.

In short, we believe that despite rising uncertainty, there remain interesting investing opportunities globally—with many trading at valuations that still look reasonable to us given the opportunity ahead of them. Regardless of the direction markets take in the coming quarters, we will adhere to our disciplined approach, which over the course of our team's history, has proved sufficiently resilient to withstand a variety of investing environments.

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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 30 Sep 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 Discovery Fund's total net assets as of 30 Sep 2018: Teledyne Technologies Inc 5.5%, Global Payments Inc 4.9%, Techtronic Industries Co Ltd 3.5%, Veeva Systems Inc 2.5%, ASML Holding NV 2.3%, FLIR Systems Inc 1.8%, Cintas Corp 1.3%, Fevertree Drinks PLC 1.3%, Shiseido Co Ltd 1.2%, Delphi Technologies PLC 1.0%, Takeaway.com NV 0.9%, Pagseguro Digital Ltd 0.9%. 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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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: GardenSM, CropSM and HarvestSM. GardenSM 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. CropSM investments are holdings where we have gained conviction in the company's profit cycle, so positions are larger. HarvestSM investments are holdings that have exceeded our estimate of intrinsic value or holdings where there is a deceleration in the company's profit cycle. HarvestSM investments are generally being reduced or sold from the portfolios.

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