



Artisan Global Opportunities Fund

QUARTERLY
Commentary

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

As of 31 March 2019

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



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 31 March 2019 | Average Annual Total Returns | | | | | | |
|------------------------------|------------------------------|-------|------|-------|-------|-------|-----------|
| | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Inception |
| Investor Class: ARTRX | 16.45 | 16.45 | 2.61 | 13.44 | 9.94 | 16.31 | 11.00 |
| Advisor Class: APDRX | 16.47 | 16.47 | 2.76 | 13.59 | 10.05 | 16.37 | 11.06 |
| Institutional Class: APHRX | 16.55 | 16.55 | 2.87 | 13.72 | 10.20 | 16.51 | 11.18 |
| MSCI All Country World Index | 12.18 | 12.18 | 2.60 | 10.67 | 6.45 | 11.98 | 6.85 |

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 2018 | 1.15 | 1.00 | 0.91 |
| Prospectus 30 Sep 2018 ¹ | 1.15 | 1.01 | 0.91 |

¹See 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

Markets bounced back sharply from Q4's weakness to start 2019 and are effectively flat over the last six months. US markets led the way, followed closely by foreign developed and emerging markets. Though many of the concerns which weighed on sentiment in 2018 remain unresolved—including notably Brexit and global trade concerns, particularly between the US and China—investors shrugged off ongoing uncertainty as corporate earnings remain solid overall.

On the monetary policy front, the Fed and ECB sharply reversed course in Q1, returning to easier policy stances. The Fed left interest rates unchanged, as broadly expected, and signaled it may not raise rates at all in 2019—a less anticipated development. Meanwhile, the ECB announced it would reverse course and provide additional monetary stimulus in the form of resurrecting inexpensive, long-term loans for banks. The BoE and the BoJ, meanwhile, left rates on hold—the former given ongoing Brexit uncertainty. The Bank of Japan is maintaining a negative short-term interest rate in the face of ongoing macroeconomic weakness and few signs of domestic inflation. These combined signals from the world's major central banks that the global economy continues to need support helped push rates further down. The real estate sector was not surprisingly one of the leading sectors both in the US and globally, while financials (though positive on an absolute basis) trailed in the face of lower-for-longer rates.

At the sector level, in addition to real estate, technology stocks led—powered by solid earnings reports and despite growing global concerns about areas such as privacy and the potential need for increased regulatory oversight. Energy stocks also rose nicely in Q1 on the back of higher crude prices. Conversely, health care and financials stocks were the primary laggards, though both sectors were positive on an absolute basis. From a style standpoint, the market continues to be led by growth stocks across the cap spectrum.

Performance Discussion

As markets bounced back from Q4's selloff, our portfolio outperformed the MSCI AC World Index in Q1. Strength has been broad-based at the sector level as fears have subsided and investors have returned to stocks with the strongest fundamentals. At the sector level, our technology, financials, consumer discretionary and health care holdings were particularly strong. Conversely, our lack of exposure to the real estate sector modestly detracted in a quarter in which the sector's returns were particularly strong as investors anticipate interest rates will remain muted. Returns among our top-10 holdings were solid, and the majority of the CropSM is behaving as we would generally anticipate.

From an individual holdings perspective, Worldpay, Techtronic and Fevertree were among our top Q1 contributors. We have held Worldpay, a leading credit-card merchant acquirer with strong presence in global e-commerce as well as small and medium business payments, for its attractive exposure to digital payments and have anticipated its global footprint would allow it to grow market share. Shares were pressured in Q4 by concerns about the economic outlook

in the UK, which represents roughly 20% of Worldpay's business. However, earnings reported in March revealed the company managed effectively through this macro pressure while continuing to deliver strong e-commerce growth. Shares also received a boost from FIS's announced acquisition of Worldpay. Though we see this as a positive validation of our thesis, we are evaluating the investment case from here. Given it's a stock and cash transaction, investors in Worldpay will become wholly investors in FIS. While there may be a valid thesis supporting a potential FIS profit cycle, it will require additional research.

Techtronic's shares were pressured in Q4 by global trade concerns but rebounded in Q1 with increasing visibility into a potential resolution. Importantly, Techtronic chose not to aggressively take up its pricing related to tariff pressures—a decision which has helped drive volume but has also held back margin expansion, though it does remain positive. However, the company is focused on reinvesting its margin expansion into R&D and sales to solidify its market-share opportunity and drive competitiveness. Given the opportunity ahead and Techtronic's ongoing solid execution, we find this high-quality franchise's valuation compelling.

In our view, shares of Fevertree were unduly punished in Q4 by the combination of concerns about Brexit, slowing UK growth and uncertainty about the company's progress toward ramping its US business. However, those concerns were largely unfounded, and the results for the back half of 2018 proved quite robust, with the US and Europe on the cusp of acceleration and with aspirations of penetrating these markets in a similar fashion to the UK over the past five years. We are further encouraged to see Fevertree's progress toward premiumization in the brown spirits market—which represents a substantial portion of the US market—in addition to the gin and tonic market. We continue to have confidence in the investment case and have been pleased with the company's progress.

Among our bottom contributors in Q1 were Booking Holdings and Activision Blizzard. We believe Booking Holdings, an online travel company, has been well-positioned to capitalize on the global migration of travel bookings online. Shares have been pressured by several factors—including slowing European tourist travel amid Brexit-related concerns and stiff competition in alternative accommodations from competitors such as Airbnb and VRBO. The alternative accommodations business has proven particularly challenging as competitors seek to distinguish themselves via paid advertising, search-engine optimization and other means. While the brand has ample room to grow in the US and Asia as well as alternative accommodations, our thesis has largely matured. We thus harvested our position in favor of earlier-stage profit cycles.

Since initiating our current campaign in Q3 2018, Activision Blizzard (ATVI) has encountered headwinds as the company undertakes a reorganization and rebuilding period—which will require higher investments than anticipated. Most of these challenges have revolved

around the company's Blizzard division and have been complicated by the recent exit of the long-time CFO. Nevertheless, we believe ATVI has largely reset the bar and has a handful of pending new initiatives which should broaden the growth runway. Among them are new offerings in the freemium play category, the introduction of its hugely popular *Call of Duty* franchise in China, a reset in its e-sports league and the ongoing transition from console-oriented play to streaming. While we believe some of these initiatives will take several years to fully develop, given ATVI's high-quality content, we believe the profit-cycle potential remains meaningful. With the valuation compelling, we are remaining patient while we monitor the company's progress toward these new strategic objectives.

Portfolio Activity

As we've discussed in recent communications, we take a positive view of heightened market volatility as it allows us to capitalize on opportunities to invest in high-quality franchises at compelling valuations. Our ongoing research efforts continued to bear fruit in Q1, and we initiated a new campaign in Alexion Pharmaceuticals while increasing our exposure to Vestas Wind Systems and Advanced Micro Devices.

Alexion Pharmaceuticals is a new management story. The company has faced two primary issues in recent years: First, the risk that its core franchise Soliris® (for several rare diseases) will be impaired by generic competition in the early 2020s; and second, the prior management team impaired a significant amount of capital on its acquisition of Synageva. We believe the outlook has since brightened materially. An improved version of Soliris® (Ultomiris®) was approved in December in the US—ahead of schedule. We anticipate a significant majority of Soliris® patients globally will switch to the more convenient Ultomiris® well ahead of the eventual entry of generic Soliris® competition. Further, the new management team has focused on smaller, lower-risk, more diversified acquisitions and partnerships to help restock the company's long-term R&D pipeline. Meanwhile, it has been disciplined on costs, and the company is generating significant cash flow that gives management the continued ability to invest in future growth drivers.

We initiated our campaign in Vestas Wind Systems as 2018 concluded on the thesis that we are in the early stages of an inflection point in the wind- and solar-power industries. Some background is helpful: In the wake of the 2011 Fukushima earthquake and accompanying nuclear concerns, successive countries passed mandates to eliminate their own nuclear-power reliance. In Germany, this had the unintended consequence of forcing it to rely on the dirtiest-burning coal, lignite. As a result, Germany (and others, particularly in Europe) have focused increasingly on shifting from coal to a cleaner energy source—namely, wind and solar. As these demand-side considerations were playing out, the supply side was also evolving. During 2017, alternatives prices underwent a sharp, one-time reset, while global energy prices began climbing—compounded in Europe by carbon taxes. These pricing dynamics helped drive wind-energy producers to develop more efficient turbines. The interplay of these

dynamics, then, has produced an inflection point, with companies now generating wind power at scale. We believe we are in the very early innings with alternative energy sources and expect the industry to ramp very quickly in the coming years. We believe Vestas is particularly well-positioned given it is the low-cost producer. Amid 2017's pricing correction, while competitors were taken down to their cash margins, Vestas was able to maintain a positive margin. Given our conviction in the strength of this trend and the incredibly long runway ahead, we increased Vestas to a small CropSM in Q1.

Advanced Micro Devices (AMD) is a leading provider of microprocessors for PCs and servers, graphics processors and processors for several game consoles, including PlayStation 4 and Xbox One. Under its new management team, the company has recently divested all of its foundries—in turn allowing it to dramatically reduce capex in favor of increasing R&D on chip design. Further, it has partnered with Taiwan Semiconductor (TSMC)—an ideal partner given TSMC's scale which it can leverage on AMD's behalf. This combination of developments has put AMD in a leading position (ahead of Intel) from a cost perspective—arguably for the first time ever. From a design standpoint, AMD is making specialized, simplified chips that are purpose-built for specific applications which require fewer features. Many cloud-based server providers can design these chips with AMD for roughly half the amount of standard chips. AMD's market share among servers is growing rapidly but is still quite small—introducing a broad growth runway. As we have gained conviction in the profit-cycle opportunity, we have accordingly increased our position.

As the market rose in Q1, valuations naturally rose with it. In accordance with our disciplined approach, we consequently pared our exposure to holdings whose valuations neared our estimates of private market value—including Visa, Veeva Systems, Atlassian, Worldpay and ASML Holding.

We also trimmed our exposure to Vivendi, one of Europe's largest media companies and owner of Universal Music Group (UMG), one of the "big three" music labels globally. The music business has been under meaningful pressure in recent years thanks to the digitization of much of the business—particularly since the advent of Apple's products, followed by others. However, as Spotify and others have gained traction, UMG's business has similarly begun to turn around, with streaming services and the subscription plans behind them now overwhelming the decline in paid music. We believe this secular trend toward streaming music still has meaningful legs—including in large markets like China. However, investors have also begun to recognize the opportunity in Vivendi's valuation. Further, the company is in the process of carving out a 50% stake in UMG for strategic investors—a move perhaps aimed at making the business's value more transparent. As these developments have played out, the price has risen accordingly, so we have begun to slowly harvest our position as the true valuation has begun to be recognized.

Portfolio Statistics

As of March 31, 2019, the portfolio had a 3-5 year forecasted weighted average earnings growth rate of 18%, and our holdings were selling at a weighted harmonic average P/E (excluding negative earnings) of 23X FY1 earnings and 20X FY2 earnings. The portfolio held 45 companies with 36% 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 \$122.7 billion.

Perspective

We have emphasized over the past couple years the degree to which markets can be highly volatile—a fact easily lost sight of by many investors amid an ongoing, long bull market. Markets provided a sharp reminder in 2018—especially in Q4—as macroeconomic uncertainty picked up. We have also noted that during the early stages of a sharp correction, our stocks can go down every bit as much (if not more than) the market, as investors seek to de-risk portfolios by selling higher-multiple growth stocks.

But ultimately, we gravitate toward businesses that are less dependent on the overall strength of the underlying global economy and are more driven by factors such as innovation, demographic changes and internal change catalysts. Our assessment during the Q4 selloff that those drivers remained intact for the businesses we hold in the portfolio gave us the confidence to take advantage of the attractive valuations we were seeing. Those decisions largely paid off in Q1 as investor confidence returned to markets.

Against the backdrop of a Q4's correction and the market's subsequent Q1 bounce-back, we kept our heads down, researching new secular trends and investment ideas which are yielding a solid pipeline of high-quality franchises that we believe are on the cusp of compelling, long-term potential profit cycles. For example, we did extensive work during the quarter building conviction in a number of new alternative energy-related profit cycles.

As mentioned during our discussion of Vestas Wind Systems, we believe alternative energy-related companies are at an important inflection point. Not only is global demand undoubtedly rising, but supply is becoming increasingly economical, requiring few if any subsidies for producers. In addition to Vestas Wind Systems, we hold positions in Umicore and Cree. Umicore is a global materials technology company on the leading edge of secular trends toward reduced gasoline and diesel engine emissions as well as the emerging electric vehicle (EV) battery market. Over the next several years and beyond, we anticipate EVs to take increasing share and that a growing number of auto producers will enter the EV market. Umicore is the top global producer of cathode material that goes into lithium ion automotive batteries. While the batteries themselves lack much intellectual property, the materials suppliers into the battery producers do have proprietary IP—and Umicore is a leader among those producers.

Cree is another holding which we believe is well-positioned relative to this trend. As we have discussed over the course of our campaign, we find Cree's silicon carbide (SiC) business particularly compelling given SiC's high electronic connectivity properties and its very high melting point, which means it can be used in particularly harsh environments. We believe SiC has an important role to play in EVs and energy storage. Given Cree's dominant position in the SiC business, the market is coming to the company, which is in turn reinvesting in the business to perpetuate its advantage and capitalize on the growth opportunity ahead.

These holdings exemplify the essence of our disciplined approach to identifying profit cycles: Regardless of the market environment, we conduct in-depth research across markets, eschewing growth at any price in favor of high-quality, durable franchises which we believe are trading at attractive valuations relative to the opportunity we believe is ahead of them.

That said, though we are enthusiastic about the output of our research efforts, we simultaneously recognize that valuations have quickly reverted to higher levels, and many of the macro concerns that plagued markets in 2018 have not been completely dispelled. As such, we certainly wouldn't be surprised to see ongoing market volatility in the coming quarters. Regardless, we will stay focused on looking for compelling new profit cycles, and we will remain disciplined about what we pay for them, as we have over the course of our history.

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 2019. 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 2019: Visa Inc 4.3%, Techtronic Industries Co Ltd 3.9%, Worldpay Inc 3.3%, Fevertree Drinks PLC 2.2%, Alexion Pharmaceuticals Inc 2.0%, Vestas Wind Systems A/S 1.6%, Vivendi SA 1.6%, Atlassian Corp PLC 1.5%, Cree Inc 1.5%, Activision Blizzard Inc 1.4%, Advanced Micro Devices Inc 1.3%, Umicore SA 1.2%, ASML Holding NV 1.1%, Veeva Systems Inc 1.1%. 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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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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