Artisan Global Value Fund

Investment Process

We seek to invest in high-quality, undervalued companies with strong balance sheets and shareholder-oriented management teams.

Undervaluation
Determining the intrinsic value of a business is the heart of our research process. Intrinsic value represents the amount that a buyer would pay to own a company’s future cash flows. We seek to invest at a significant discount to our estimate of the intrinsic value of a business.

Business Quality
We seek to invest in companies with histories of generating strong free cash flow, improving returns on capital and strong competitive positions in their industries.

Financial Strength
We believe that investing in companies with strong balance sheets helps to reduce the potential for capital risk and provides company management the ability to build value when attractive opportunities are available.

Shareholder-Oriented Management
Our research process attempts to identify management teams with a history of building value for shareholders.

Team Overview

Our team has worked together for many years and has implemented a consistent and disciplined investment process. Our team is organized by geographic regions, but within those regions we are generalists who look across all industries. We believe this model enables our analysts to become broad thinkers and gain critical insight across all economic sectors.

Portfolio Management

Daniel J. O’Keefe
Portfolio Manager (Lead)

Justin V. Bandy, CFA
Co-Portfolio Manager

Michael J. McKinnon, CFA
Co-Portfolio Manager

Investment Results (%)

<table>
<thead>
<tr>
<th></th>
<th>As of 30 September 2019</th>
<th>QTD</th>
<th>YTD</th>
<th>1 Yr</th>
<th>3 Yr</th>
<th>5 Yr</th>
<th>10 Yr</th>
<th>Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor Class: ARTGX</td>
<td>-0.64</td>
<td>14.82</td>
<td>-0.50</td>
<td>7.52</td>
<td>5.88</td>
<td>10.04</td>
<td>7.17</td>
<td></td>
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<tr>
<td>Advisor Class: APDGX</td>
<td>-0.64</td>
<td>14.93</td>
<td>-0.40</td>
<td>7.66</td>
<td>6.00</td>
<td>10.10</td>
<td>7.22</td>
<td></td>
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<tr>
<td>Institutional Class: APHGX</td>
<td>-0.64</td>
<td>14.96</td>
<td>-0.30</td>
<td>7.76</td>
<td>6.11</td>
<td>10.21</td>
<td>7.32</td>
<td></td>
</tr>
<tr>
<td>MSCI All Country World Index</td>
<td>-0.03</td>
<td>16.20</td>
<td>1.38</td>
<td>9.71</td>
<td>6.65</td>
<td>8.35</td>
<td>4.10</td>
<td></td>
</tr>
</tbody>
</table>

Average Annual Total Returns

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (10 December 2007); Advisor (1 April 2015); Institutional (17 July 2012). 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

<table>
<thead>
<tr>
<th></th>
<th>ARTGX</th>
<th>APDGX</th>
<th>APHGX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semi-Annual Report 31 Mar 2019(^1,^2)</td>
<td>1.28</td>
<td>1.13</td>
<td>1.01</td>
</tr>
<tr>
<td>Prospectus 30 Sep 2018(^1)</td>
<td>1.28</td>
<td>1.13</td>
<td>1.04</td>
</tr>
</tbody>
</table>

\(^1\)Excludes Acquired Fund Fees & Expenses as described in the prospectus. \(^2\)Unaudited, annualized for the six-month period. \(^3\)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.
Market Overview

Be wary then; best safety lies in fear.
-William Shakespeare

Investors stampeded to safety this quarter as economic growth slowed, inflation fell and central bankers cut interest rates yet again. Yields fell, driving up bond prices around the world. Global stock markets were for the most part flat to up a percent or two in local currency but flat to down a percent or two in USD, as most foreign currencies weakened vs. the greenback. But beneath those results lie divergent trends which we have written about before. Value underperformed growth, and what most people call low volatility literally wiped out everything else.

Utilities, real estate and consumer staples—what are now considered virtual bond proxies because of their dividends and supposedly bullet-proof business models—were the best performing sectors worldwide by a longshot. They rose anywhere between 3% and 5% for the quarter. The MSCI World Minimum Volatility Index—chock full of these “safe” stocks—rose 3% compared to the MSCI EAFE Index, which fell 1%. This continues a trend of widening outperformance that accelerated in 2018.

Exhibit 1: MSCI World Minimum Volatility Index, MSCI EAFE Index and S&P 500® Index Total Returns, 29 Jun 2018 to 30 Sep 2019

But how safe is safe? It’s the question investors need to ask because the safety trade is looking awfully crowded. Long-term US Treasurys have been on a nearly 40-year bull market run, outperforming global equities by nearly 40%. And bond-like stocks have become the default choice because they seem to only go up and never go down. They are now the most expensive relative to the market in 40 years. Real estate trades at 19.2X earnings, utilities at 18.5X and staples at 22.8X. Value stocks, on the other hand, sell at one of the widest discounts to more popular shares in decades. And value is, of course, our stock-in-trade.

Our portfolio is increasingly filled with the unpopular and the unloved. We own 8 banks accounting for approximately 17% of the portfolio: BNY Mellon, Citigroup, UBS, Lloyds, Wells Fargo, RBS, ING and Bankia. They are among the most hated and therefore cheapest stocks in the world today due to fears over interest rates and recession. We own 9% in the UK, which is out of favor due to the never-ending Brexit disaster that has the entire country and its government in a state of paralysis. We have added to FedEx (profiled later) as its share price has plummeted due to the slowdown in global trade. The valuations of our IT holdings are weighed down by the fear of business model-destroying regulation. Fear is what allows us to buy these shares at either double digit owners’ yields or double-digit growth at single-digit growth multiples.

That’s why we agree with Shakespeare. We are currently long fear.

Portfolio Discussion

Our best performing stocks this quarter were NXP Semiconductors, Arch Capital and Alphabet.

NXP’s share price rose 12% this quarter. The company reported solid Q2 results which exceeded investors’ expectations and management guidance. As we have written before, NXP is the leading semiconductor supplier to the automotive industry. This is an industry that should grow nicely over time as cars become increasingly electronic and need more semiconductors. Of course, the industry is going through a cyclical downturn as auto production has fallen. Despite the headwinds, NXP was able to expand both its gross margins and operating margins in the most recent quarter. This reassured investors that NXP will likely weather the current downturn and come out of it even stronger.

Arch Capital also reported solid results. As we have written before, Arch is now primarily a mortgage insurer after the 2016 acquisition of United Guaranty from AIG for $3.4bn. That acquisition has been a home run. Mortgage insurance now represents about 90% of Arch’s earnings, and Arch’s market value is now almost $17bn. Rarely do acquisitions create that much value. Recent results show the mortgage insurance business continues to generate good economics, and importantly, Arch’s legacy businesses of property & casualty insurance and reinsurance are starting to show improving results after years of weak results. Management is finding more opportunities to deploy capital in these areas, which may translate into earnings growth. Investors bid up the shares 13% this quarter.

Investors greeted Alphabet’s Q2 results with relief. Recall that Alphabet’s Q1 earnings were received with disappointment because the company “only” grew 17%. Recall also that we increased our position in Q1 on that disappointment. Second quarter results came in with revenue growing 19% on a reported basis and 22% on a currency-neutral basis. We continue to believe Alphabet represents
very good value for a few reasons. The valuation is modest relative to the company’s market position and revenue and earnings growth. We also believe there is tremendous value in two businesses which currently contribute very little to earnings—YouTube and Maps. Shares rose 13% during the quarter.

Our worst performers this quarter were Richemont, FedEx and Dentsply Sirona.

Richemont’s share price is suffering from the political unrest in Hong Kong and the trade war-induced slowdown in China. Hong Kong is one of the largest luxury markets in the world and also one of the largest luxury watch markets. Greater China (including Hong Kong) accounts for about 25% of Richemont’s revenue. While we expect to see this slowdown reflected in Richemont’s current-year results, we don’t believe a short-term hiccup detracts from the long-term value of Richemont’s stable of irreplaceable and iconic brands.

FedEx is taking hits from all sides. Recall that FedEx is essentially two businesses: a time-definite express business operating across global trade routes and a ground business operating in the US and serving mostly the package market.

Express is suffering from two headwinds. First, the global trade war is adversely impacting economic growth. The manufacturing PMI is now signaling contraction in the US and euro zone. Chinese industrial production hit a 10-year low in July. This is a difficult macro backdrop for what is mostly a B2B logistics operation. The second issue impacting express is the delayed integration of TNT Express, the European logistics business FedEx acquired in 2016. Both of these issues have been headwinds for express revenues and profitability.

The issues in ground are different. The business is growing nicely, and there is a nice secular tailwind from e-commerce, with US package volumes expected to roughly double over the next seven years. In order to position the business to take advantage of this growth, management has made several decisions that are impacting near-term profitability—including making investments in automation, expanding to seven days/week delivery and building out new local delivery services. Management also decided to walk away from a very large customer (Amazon). In the near term, these decisions hurt profits. Over time, they should increase the long-term value of the business.

We believe the issues holding back the express business are temporary. Manufacturing activity is cyclical and will eventually rebound. In the meantime, FedEx is taking appropriate actions to reduce costs. The TNT Express integration should be completed over the next one to two years. This will fill a major hole in FedEx’s network and have a significant impact on profitability. The ground business is in the process of positioning itself to take advantage of the secular growth in package deliveries. Altogether, this should lead to strong earnings growth for FedEx over the next several years. This combination of an oligopoly business with earnings growth at a single-digit PE multiple provides for a very attractive investment opportunity. We added meaningfully to our position during the quarter.

Dentsply Sirona continues to show good progress in its turnaround. Reported revenue in the most recent quarter was down 3% but up slightly adjusted for currency headwinds, while margins improved from 17% last year to 20%. We believe the stock merely retraced some of its large gains of the past few quarters. We continue to believe there is room for meaningful improvement at Dentsply over the next few years.

We added no new positions during the quarter.
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 risks. 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. Value securities may underperform other asset types during a period.

MSCI EAFE Index measures the performance of developed markets, excluding the US and Canada. MSCI All Country World Index measures the performance of developed and emerging markets. MSCI World Minimum Volatility Index aims to reflect the performance characteristics of a minimum variance strategy applied to the MSCI large and mid cap equity universe across 23 Developed Markets countries. The index is calculated by optimizing the MSCI World Index, its parent index, for the lowest absolute risk (within a given set of constraints). S&P 500® Index measures the performance of 500 US companies focused on the large-cap sector of the market. The Index (es) are unmanaged; include not reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

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This summary represents the views of the portfolio managers as of 30 Sep 2019. These views may change, and the Fund disclaims any obligation to advise of such changes. For the purpose of determining the Fund’s holdings, securities of the same issue are aggregated to determine the weight in the Fund. These holdings comprise the following percentages of the Fund’s total net assets (including all classes of shares) as of 30 Sep 2019: KOP Semiconductors NV 3.8%, The Bank of New York Mellon Corp 3.5%, Citigroup Inc 3.4%, UBS Group AG 3.1%, DENTSPLY SIRONA Inc 3.0%, Arch Capital Group Ltd 3.0%, Cie Financiere Richemont SA 2.9%, FedEx Corp 2.8%, Lloyds Banking Group PLC 2.6%, Alphabet Inc 3.6%, Wells Fargo & Co 1.6%, ING Groep NV 1.5%, Royal Bank of Scotland Group PLC 1.4%, Bankia SA 0.4%. 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.

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Price-to-Earnings (P/E) is a valuation ratio of a company’s current share price compared to its per-share earnings.

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