Artisan Global Equity Fund

QUARTERLY
Commentary

Investor Class: ARTHX | Institutional Class: APHHX

As of 30 September 2019

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 (%)

As of 30 September 2019	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
			Average Annual Total Returns				
Investor Class: ARTHX	**-0.48**	**22.04**	**6.90**	**13.81**	**9.67**	**—**	**11.84**
Institutional Class: APHHX	**-0.43**	**22.18**	**7.10**	**14.09**	**9.88**	**—**	**11.96**
MSCI All Country World Index	-0.03	16.20	1.38	9.71	6.65	—	7.94

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 2019[1]	1.37	1.15
Prospectus 30 Sep 2018[2]	1.36	1.10

[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.

Investing Environment

Following a strong first half of the year, global equities were flat in Q3 as softening global growth and the US-China trade conflict returned to the fore of investor concerns. Also weighing on market sentiment was an uncertain geopolitical landscape due to Brexit, Hong Kong protests and ongoing conflict in the Middle East. While the US and Japan advanced, Europe and emerging markets finished lower. Reflecting macro uncertainties, returns were weak among cyclicals: energy, materials and financials. Defensives and interest rate proxies generally performed best, with consumer staples, real estate and utilities among the leading performers.

Slowing growth and muted inflation helped sustain government bond market rallies as investors priced additional central bank stimulus. At the end of Q3, the 10-year US Treasury yielded 1.66%—down an additional 34bps from the end of Q2 and 140bps from a year ago, while the German 10-year bund yield, which was already negative when Q3 began, declined a further 25bps to -0.57%. The shape of the respective yield curves—the difference between long and short rates—has also been in focus given the historical record of flat or inverted yield curves presaging economic weakness.

Global economic slowing was evident in uniformly weak manufacturing activity reports around the world. The slowdown has been exacerbated by US-China trade tensions. Economies that are more dependent on trade, like Germany, have been the most affected. Three of Europe's largest economies—Germany, the UK and Italy—look to be in or close to recession. The US, where trade is a smaller share of GDP, has held up better due to solid consumer spending underpinned by a healthy job market. Japan, the world's third-largest economy, has shown surprising resilience but remains growth challenged like other developed economies. China's reported growth rate remains around its 6.00% target, but independent assessments estimate it's slightly less than that and trending down.

Citing a weaker global growth outlook, central banks stepped up in Q3 with further monetary accommodation. The Fed cut its benchmark rate twice in three months during Q3 and communicated its readiness to act based on incoming economic data. The ECB similarly cut its deposit rate by 10bps to -0.50% and announced the restart of its asset purchase program to commence in November—less than a year after it previously ended.

Performance Discussion

Our portfolio modestly trailed the MSCI AC World Index in Q3 yet remains solidly ahead YTD. Currency effects were a headwind during the quarter, largely due to our above-benchmark exposure to the euro. In terms of individual holdings, ViewRay, AIA Group, Airbus and Petrobras were among our biggest detractors. ViewRay is a developer of radiation therapy technology for the treatment of cancer. Shares tumbled on weaker-than-expected orders for the company's MRIdian MR-LINAC system and reduced top-line guidance driven by slower systems installations. The weakness was attributed to the lumpy nature of capital sales, customer-related delays and a new sales team. We continue to believe MRIdian's best-in-class technology provides a real clinical benefit in the safety and efficacy of radiation treatment but are disappointed with these execution challenges. We remain investors.

Shares of AIA, a Pan-Asian insurance group, have been hurt by the ongoing unrest in Hong Kong that has led to a sharp decline in the number of mainland Chinese visitors. In the first half of 2019, Hong Kong represented 40% of the value of AIA's new business. The Hong Kong situation should remain a drag on business while tensions persist, but we believe AIA's long-term outlook is attractive and growth on the Chinese mainland should help compensate for these challenges.

France-headquartered Airbus, an aerospace manufacturer, and its rival, US-based Boeing, are at the heart of a 15-year trade dispute between the US and EU over illegal subsidies for aircraft manufacturers. In September, the WTO ruled in the US's favor, setting the stage for the US to impose a potential $7.5bn in tariffs on EU exports to the US, including aircraft produced by Airbus. The WTO is expected to rule next year on whether the European Commission can apply retaliatory tariffs due to state aid provided to Boeing. Given the potential harm to the economies of not only Europe, but also the US—40% of aircraft procurement at Airbus is purchased from its US supply chain—tariffs are in no one's interest.

Shares of Petrobras, a Brazilian oil and gas company, were down only a couple percent in local currency terms, but weakness in the Brazilian real versus the US dollar and its large position size in our portfolio resulted in its place among our weakest Q3 contributors. The company reported softer-than-expected Q2 production due to operational setbacks. However, in early September, the company indicated production growth rebounded in August to 17% over its Q2 monthly average. We don't see any change in the company's fundamental outlook. The company's strategic plans to reduce costs, dispose of non-core assets, reduce debt and increase return of capital to shareholders still appear on track.

On the positive side, our financial exchange holdings were strong contributors, led by London Stock Exchange Group (LSE) and Deutsche Boerse. We tend to think of the financial exchanges as "growth utilities." That is, the exchanges operate in a highly consolidated and regulated industry that has defensive characteristics—similar to utilities—but also benefit from important secular growth drivers, including the post-financial crisis regulatory push for more transparent on-exchange trading, in addition to climbing demand for non-trading services such as market data.

LSE, one of the largest market infrastructure groups operating globally, agreed to acquire Refinitiv, Thomson Reuters' former financial and risk business. We believe the combination should strengthen LSE's existing leadership position in market data services—a secular growth business with an attractive subscription-based revenue model—and diversify its geographic footprint. The

stock got an additional pop during the quarter from a bid by Hong Kong Exchanges & Clearing (HKEX). We viewed a HKEX-LSE combination as unlikely, due in part to regulatory hurdles. In October, HKEX withdrew its unsuccessful offer, rather than pursue a hostile bid. Seeing most of the upside reflected in LSE's stock price, we trimmed our position in Q3 and then fully exited our remaining position in October.

Our top performer in Q3 was ACADIA Pharmaceuticals. ACADIA is a biopharmaceutical company and maker of Nuplazid® (pimavanserin), the only approved treatment for Parkinson's disease psychosis. The company's late stage trial for pimavanserin in dementia-related psychosis—for which there are currently no approved products—achieved its primary endpoint with respect to time of relapse. The positive trial outcome moves up the timeline for regulatory approval and reinforces our investment thesis centered on the potential for label expansion as ACADIA is engaged in multiple late-stage programs to broaden pimavanserin's clinical use. We continue to believe this option value is not appropriately reflected in ACADIA's stock price.

Alphabet, the parent company of Google, was another strong individual contributor. Shares rebounded on a reacceleration in revenue growth to 21%, after slowing in the prior quarter below its typical 20%-plus rate. The latest datapoint helps dispel the notion the company's core search business is reaching maturity. In addition to persistent strong cash flow generation from its search business, YouTube continues to capture a large percentage of incremental digital ad dollars, and the company's cloud business remains an important growth driver for the overall company. Alphabet's investments in Waymo, a self-driving technology development company, and Verily, a life sciences technology business, are additional call options.

Positioning

The technology sector remains our largest sector exposure at about 27% of total portfolio equities; however, our sector weighting declined during the quarter as we sold several software holdings as shares approached our target valuations. Sales included Adobe, ServiceNow, Trade Desk and Varonis Systems. The majority of our existing technology exposure consists of electronic payments-related companies, such as Wirecard, Mastercard, Fidelity National Information Services, PayPal Holdings and Wex.

Among our biggest new purchases in Q3 were Amarin, Dollar Tree and Progressive.

- Amarin is a pharmaceuticals company focused on developing therapeutics to improve cardiovascular health. We believe FDA-approved Vascepa®, a type of omega-3 fatty acid that has been proven to reduce triglycerides, has blockbuster potential due to the large market of statin-treated patients with elevated triglycerides, possible label expansion and the drug's relatively low price compared to newer cardiovascular drugs.
- Dollar Tree is a US discount retailer that we believe is well positioned over the long term to capture US consumption growth enabled by rising wages. We are also attracted to the company's strong earnings visibility, solid cash generation and ability to perform in varied macro environments.
- Progressive is the third-largest auto insurer in the US and a leading seller of motorcycle and commercial auto insurance. The company's history of writing non-standard auto insurance (e.g., motorcycle, drivers with DUIs) helped it develop best-in-class data collection, data segmentation and analytics in order to match pricing with risk. We believe the company can leverage that expertise to drive double-digit premium growth and grow its US market share (currently 10%).

Outlook

The backdrop for equities is challenging. Although overall corporate fundamentals remain healthy, slowing global growth, reduced earnings growth expectations and continued uncertainty from the US-China trade conflict remain headwinds. In this type of environment, we are especially focused on companies with durable business models, strong cash generation and idiosyncratic growth drivers that are independent of the broader economy. Recent new purchases—Amarin, Dollar Tree and Progressive—reflect this emphasis on defensive growth characteristics.

Our experience investing over several market cycles has taught us the importance of identifying companies with exposure to secular growth themes and sustainable growth characteristics. As part of our search for sustainable growth, we pursue companies possessing particular attributes, including industry leadership, offering of an essential product or service, provision of a differentiated solution or ownership of unique assets. We believe high-quality companies with one or more of these attributes can enjoy sustainable competitive advantages, positioning them well to generate long-term earnings growth. Our approach to generating attractive long-term returns is also supported by our valuation discipline, which we believe is especially important at this point in the cycle. We believe our bottom-up process will serve our investors well, yielding fundamentally sound companies with sustainable growth characteristics, trading at reasonable valuations, that are capable of standing up to varied market environments.

Business Update

Michael Steib, an analyst on the Artisan Partners Global Equity Team, is no longer employed by Artisan Partners effective September 12, 2019. We wish him well in his future endeavors and thank him for his contributions. Michael focused on consumer stocks. Coverage of Michael's stocks has been assumed by other team members.

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. MSCI EAFE Index measures the performance of developed markets, excluding the US and Canada. 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 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 Fund's total net assets as of 30 Sep 2019: ViewRay Inc 0.8%; AIA Group Ltd 1.7%; Airbus SE 2.4%; Petroleo Brasileiro SA 3.3%; London Stock Exchange Group PLC 0.2%; Deutsche Boerse AG 4.7%; ACADIA Pharmaceuticals Inc 1.9%; Alphabet Inc 3.0%; Wirecard AG 4.0%; Mastercard Inc 2.6%; Fidelity National Information Services Inc 3.9%; PayPal Holdings Inc 1.7%; WEX Inc 2.3%; Amarin Corp PLC 0.8%; Dollar Tree Inc 1.7%, The Progressive Corp 1.3%. 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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