Artisan Global Opportunities Fund

QUARTERLY
Commentary

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

As of 30 September 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. Garden℠ investments are small positions in the early part of their profit cycle that may warrant more sizeable allocations as their profit cycle accelerates. Crop℠ investments are positions that are being increased to a full weight because they are moving through the strongest part of their profit cycles. Harvest℠ 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 30 September 2019	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
			Average Annual Total Returns				
Investor Class: ARTRX	**0.41**	**24.01**	**4.85**	**11.67**	**10.58**	**13.33**	**11.11**
Advisor Class: APDRX	**0.48**	**24.13**	**5.03**	**11.82**	**10.71**	**13.39**	**11.17**
Institutional Class: APHRX	**0.48**	**24.24**	**5.11**	**11.93**	**10.84**	**13.53**	**11.29**
MSCI All Country World Index	-0.03	16.20	1.38	9.71	6.65	8.35	6.87

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
Semi-Annual Report 31 Mar 2019[1]	1.16	1.02	0.91
Prospectus 30 Sep 2018[2]	1.15	1.01	0.91

[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

Global equity markets proved resilient through a choppy Q3, with most markets turning in flat performances despite trade tensions, spiking oil prices, ongoing concerns about slowing global growth and Brexit uncertainty. US equity markets led, followed by non-US developed and emerging markets.

Many economies globally are starting to show some fallout from tariffs, and the US-China trade war remains front and center. Both parties announced another round of tariffs during the quarter, with the US expected to levy tariffs on consumer goods for the first time. Trade talks are expected to resume in October in Washington, D.C., though the consensus is that a comprehensive deal is unlikely.

On the monetary policy front, many central banks globally shifted toward accommodative stances against the backdrop of low inflation, escalating trade conflicts and other geopolitical uncertainties. Domestically, the Federal Reserve reversed course for the first time in 11 years, cutting rates by 25bps twice in the quarter and bringing the federal funds rate to 1.75%-2.00%.

More defensive sectors led, including utilities, real estate and consumer staples. Conversely, health care, materials and energy lagged—the latter despite a brief spike in oil prices following an Iranian attack on Saudi oil fields. The health care sector has been pressured amid intensifying US political rhetoric ahead of the presidential primary, which has increased uncertainty about the future of the insurance industry and pharmaceutical pricing. From a size perspective, large-cap indices outperformed mid and small caps, and growth lagged value in the small- and mid-cap indices. However, growth remains ahead of value in large-, mid- and small-cap indices YTD.

Performance Discussion

Against a backdrop of ample market volatility and geopolitical uncertainty, our portfolio outperformed the MSCI All Country World Index in Q3 and remains ahead YTD. Given a strong first half for the portfolio, more modest absolute and relative performances in Q3 were not a shock to us. Our financials and consumer discretionary holdings drove relative outperformance during the quarter due largely to solid stock selection, while relative weakness among our information technology holdings was the primary detractor.

At the individual holdings level, London Stock Exchange, Treasury Wine Estates and Activision Blizzard were among our top Q3 contributors. London Stock Exchange is capitalizing on the stable, predictable revenue stream from its high-margin information clearing services business while improving profitability under its recently installed CEO. Shares also benefited from the announced acquisition of Refinitiv in early August. We believe the deal can drive meaningful margin expansion through revenue and cost synergies as users continue demanding increasingly large amounts of data and as London Stock Exchange restructures Refinitiv's debt. However, any large acquisition comes with execution risk, and we are evaluating the combination's risk/reward.

Treasury Wine Estates (TWE), a global wine company, has executed well, driving the majority of its business toward higher margin luxury and masstige wines—premium brands at the $20-plus price point. Its Chinese market-share gains are accelerating given solid demand there for masstige wines. Leading the way is TWE's Australian wine, Penfolds—one of the most sought-after wine brands with strong pricing power. Given China's long runway and US margin-expansion opportunities, we remain confident in the profit cycle ahead.

Since initiating our campaign in video game developer Activision Blizzard (ATVI) in Q3 2018, the company has faced headwinds from a reorganization. We viewed these challenges as largely transitory and maintained conviction in our thesis, which has begun showing signs of progress. The company's efforts over the past few quarters have strengthened and extended its core titles—*Call of Duty*, *World of Warcraft* and *Candy Crush*—while furthering newer initiatives in eSports, mobile gaming and business model innovation around freemium gameplay and streaming platforms. While these newer initiatives are expected to be rolled out next year and beyond, the company also has several other profit-cycle drivers in place which should bear fruit near term: the recent debut of *Call of Duty* mobile, the upcoming console/PC launch of *Call of Duty: Modern Warfare* and the ongoing shift to digital distribution, which should drive higher margins and sustained player engagement. Given this favorable backdrop, we believe the profit-cycle potential remains meaningful.

Among our bottom Q3 contributors were Alexion Pharamceuticals, Techtronic and HDFC Bank. Shares of Alexion were pressured by negative news on the intellectual property front for its legacy Soliris® product, increasing the likelihood that biosimiliar versions will reach the US and Europe in a few years. This news was disappointing but contemplated in our scenario forecast. More important, we believe the company is pressing well in converting its Soliris® franchise to its next-gen, patent-protected Ultomiris® product. As doctors and patients continue to move to Ultomiris® in the quarters and years ahead, we expect Soliris® to be a smaller part of revenue (and therefore a smaller business risk) when generics come to market. At the current stock price, we believe Alexion's future cash flows remain meaningfully undervalued, but it may require patience as we wait for future catalysts to convince the market there is an interesting profit cycle beyond Soliris®.

Shares of Techtronic consolidated solid YTD gains during Q3 as US-China trade tensions escalated. However, we believe the company is taking appropriate steps to mitigate tariffs' potential impact—reducing its manufacturing footprint in China by opening new plants in Vietnam and Mexico. We remain excited about the profit-cycle potential as the company rolls out product innovations, particularly with the Milwaukee brand's cordless products which we expect to be a key growth driver over the next several years.

HDFC Bank is a leading provider of banking and financial services in India. Despite no changes to the company's solid underwriting standards and healthy customer credit profile, Q3 results were weak as India's slowing economy is impacting the personal auto loan market—one of HDFC's largest businesses. Furthermore, the Reserve Bank of India recently cut interest rates, pressuring bank fundamentals more broadly. We pared our exposure during the quarter and continue monitoring consumer credit and lending demand in India.

Portfolio Activity

We initiated two new Garden℠ positions during Q3 in the renewable energy sector, NextEra Energy and Iberdrola. We believe this is a natural next step to our broader energy sector thesis—we are in the early stages of a transition to a less carbon-intensive world. We not only expect an increased social and regulatory impetus to push utilities to retire carbon-emitting generation sources over the next decade, but also expect wind and solar power to continue becoming more economically viable, less reliant on subsidies and cheaper than "dirty" energy alternatives (nuclear, coal and natural gas).

NextEra is an electric power and energy infrastructure company operating across two segments: Florida Power and Light, and NextEra Energy Resources. While Florida's swift population growth should drive solid revenue growth for the Florida Power and Light business, our thesis is centered around the company's NextEra Energy Resources segment. As regulated US utilities transition their power generation toward renewables over the next decade, we believe NextEra will be a partner of choice given the company's competitive advantage as the third-largest investor in US infrastructure, access to permitting and land for wind and solar power, a solid execution track record and access to cheap capital.

Iberdrola is the world's second-largest developer and operator of renewable power generation with a portfolio of assets primarily across Europe but also in the US, Brazil and Mexico. We believe the company is well-positioned to excel amid the acceleration of global renewable power generation installations and continued network upgrades/investments to modernize a grid suitable for de-carbonization—particularly in Europe where carbon-emissions standards are expected to be reduced at an accelerating rate over the next decade.

Budweiser APAC is the largest manufacturer and distributer of beer by value in Asia Pacific. While we do not generally participate in IPOs, we acquired a sizable number of shares at a reasonable valuation in the company's Asian market IPO in late September. Given Budweiser APAC's portfolio of strong brands including Budweiser, Corona, Stella Artois, Harbin and Cass, we believe it is well-positioned to capture share in Asia/China's large premiumizing beer market. Notably, China is one of the world's largest beer markets, accounting for 25% of global beer volume. Furthermore, demographic tailwinds such as income growth, a younger population and urbanization are expected to drive beer to a higher market share. We find the company's predictable business model particularly attractive and believe this high-quality franchise has the potential to be a compounder over a number of years.

We concluded our campaigns in Cree, Pioneer Natural Resources and ASML during Q3. Shares of Cree, a producer of semiconductors used in electronic vehicles (EVs), have been pressured against a backdrop of unresolved US-China trade tensions and a difficult EV market in China as subsidies have been rolled back. While we still have confidence in the longer-term ability of the company to sell silicon carbide to the auto industry, we exited our position during the quarter in favor of companies in our pipeline with more visible near-term profit cycle drivers.

Our thesis for Pioneer Natural Resources (PXD) was predicated on the company's top acreage in the US's Permian Basin, which offers the attractive combination of low-cost yet high-quality with rich shale deposits. We had anticipated Pioneer would grow production—even in the face of moderating or falling oil prices—as it shifted shale-crude production from an exploration and exploitation process to a manufacturing process. While some of that happened, as is the case with most E&Ps, PXD lacked capital discipline, investing to chase growth in production and volumes. Compounding this headwind, we believe we're likely moving toward a less carbon-intensive world—whether via shale-based crude or alternatives—and would prefer to shift our focus to growth platforms capable of driving long-term profit cycles.

ASML Holdings is a developer of machines used to produce integrated circuits and chips. The company has experienced robust sales growth from strong demand for extreme ultraviolet lithography machines for high-volume chip manufacturing since we initiated our investment campaign in Q3 2016. However, concerns about potentially slowing semiconductor activity, uncertainty surrounding the global trade outlook and plateauing fundamentals prompted us to conclude our successful campaign during the quarter.

During Q3, we added to our positions in Illumina, Arista Networks, Koninklijke DSM and Microsoft. Illumina is a leading provider of next-generation sequencing instruments for genetic testing. As costs have fallen, genome sequencing is becoming more mainstream. Governments and health systems globally are launching initiatives to sequence large populations with the goal of associating mutations seen in genomes with diseases seen in patients (i.e., translational work). However, genetic sequencing and population mapping is very difficult and recent delays have weighed on shares. We believe this secular trend is in its very early innings, and Illumina is a high-quality franchise with a dominant market position which we believe will allow the company to be a market leader in genetic sequencing longer term. With our thesis still intact, we added to our position.

Arista Networks is the market leader in data center and cloud networking equipment. Its growth has slowed this year as large customers have digested significant network equipment spending

from last year. However, Arista continues gaining share based on its superior network operating system, and we believe, based on trends in data growth globally, it's only a matter of time until the next investment-spending wave by large cloud customers. Meanwhile, the company is making impressive strides in gaining share in the corporate-campus networking market, which we think can contribute meaningfully to revenue growth over the next few years. The YTD slowdown has created an opportunistic valuation point to accumulate shares, in our view.

DSM is an innovative global manufacturer of ingredients used in the animal feed, food and personal care industries, as well as specialty plastics and resin solutions for the automotive, solar, electrical, food and consumer goods industries. Shares have been volatile over recent years as it has been a major supplier of Vitamin E—a supplement that has become somewhat commoditized. However, we feel this has masked the company's innovation, particularly in its nutrition segment where DSM has a sizable pipeline of sustainable and healthy food products. These products include sugar replacements and more sustainably produced animal feed—including a salmon-feed additive that increases Omega 3s and reduces time to grow, a bovine feed additive that reduces methane gas emissions and a sugar replacement that is sustainably manufactured and lower in caloric intake. These products tend to have attractive margins, and DSM is already seeing promising signs of uptake for some of its early products. We believe the market hasn't given the company enough credit for this pipeline as well as the innovation and consistency of its offerings, and we added to our position during the quarter.

Microsoft reported solid results for Azure and Office 365 during Q3, and we expect the strength in both to continue. In our view, Microsoft's Azure is better positioned to capitalize on growing demand for cloud services relative to its closest competitors, Amazon Web Services and Google Cloud, given it is purpose-built for multiple infrastructures and already has an enterprise-scale sales force. Further, Microsoft's Office 365 has only converted approximately a third of its current Office users to the subscription-based 365—providing a meaningful runway as the company looks to get more customers on a more cost-effective platform that is also a predictable source of recurring revenue. Given the solid results, outlook and attractive valuation, we added to this high-conviction holding.

As we have consistently discussed, we have been conscious of valuations as the bull market continues. Our disciplined approach has led us to pare our exposure to holdings for which we believe profit cycles remain in motion, but valuations have approached our estimates of private market value. In Q3, this was the case for Visa and Temenos.

We also trimmed our exposure to Progressive in favor of earlier profit cycles elsewhere. While the company continues delivering excellent results, taking share in the sizeable personal auto and homeowners insurance markets, the industry's margin cycle is moderating, which should lead to slower profit growth than the company has experienced in recent years.

Portfolio Statistics

As of September 30, 2019, the portfolio had a 3-5 year forecasted weighted average earnings growth rate of 14%, and our holdings were selling at a weighted harmonic average P/E (excluding negative earnings) of 24X FY1 earnings and 21X FY2 earnings. The portfolio held 46 companies with 37% 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 $137 billion.

Perspective

For nearly a decade, we have enjoyed economic expansion and strong stock market returns coming out of the worst economic crisis since the Great Depression. Interest rates have remained below pre-crisis levels throughout this cycle, creating a favorable environment for equities—growth stocks in particular. More recently, rates have marched back toward historic lows and monetary policy makers have become more accommodative, which gives equity markets some level of confidence. The big debate is whether historically low interest rates are foretelling global recession, or whether they potentially prolong what has been something of a Goldilocks period for the stocks of well-positioned growth franchises. On one hand, if one really believes the risk-free rate is likely to remain historically low for the next several years, then equities are not overvalued—particularly relative to alternatives. On the other hand, if the risk-free rate is predicting a bear market (and there are undoubtedly some economic indicators which could point in that direction), then the end of the bull market may be near in conjunction with a recession.

Expectations for return potential are more muted today relative to the beginning of the year and most indicators—mounting pressures from the ongoing trade war, Hong Kong protests, Brexit disruption, US election uncertainty—point to a tougher road ahead. Scrutiny of business models and valuation assumptions are increasing as evidenced by recent failed or poor-performing initial public offerings (IPOs)—most notably Uber, Lyft, WeWork and Peloton. While late-cycle, failed IPOs tend to predicate a bear market, an argument could be made these companies stayed private too long and were asking for far too generous valuations. In fact, one could argue that public investors' poor reception to these cash-burning, asset-intensive business models suggests the "technology-stock mania" sometimes alluded to in the media is perhaps overstated.

While we would argue the bull market is likely nearer its end than its beginning, we also don't think this period is completely analogous to the end of previous bull markets when stocks were universally quite expensive. On the contrary, we continue to find high-quality growth franchises whose shares have risen because of the relative certainty of their future profits growth (IHS Markit, Lonza, Temenos and others). Further, it's worth noting our process is deliberately designed to avoid

companies like the aforementioned failed IPOs, which generally aren't earning profits, don't have an identifiable plan for growing profits and are overvalued.

In sum, we find ourselves neither bullish nor bearish at this juncture—but nor does our process require us to make a laser-accurate macro forecast in order to deliver long-term results. Further, it is possible to see both eventualities simultaneously without reacting to one extreme or the other. Against this backdrop, we maintain our conviction that many of the profit cycles in our portfolio offer further opportunity for long-term compounding of value—following trends that are more secular (proliferating use of software, renewable energy, health care innovation) than cyclical in nature. Strong franchises with visible profit cycle drivers and healthy balance sheets should continue to be preferred in this economic environment (over any reasonable period of time), and therefore we saw this volatility as a chance to add to holdings as the risk-reward became more attractive.

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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 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 30 Sep 2019: IHS Markit Ltd 6.1%, Techtronic Industries Co Ltd 3.7%, Microsoft Corp 3.7%, Lonza Group AG 3.1%, London Stock Exchange Group PLC 2.8%, Alphabet Inc 2.5%, Activision Blizzard Inc 2.1%, Arista Networks Inc 2.0%, Alexion Pharmaceuticals Inc 1.8%, Visa Inc 1.7%, Amazon.com Inc 1.5%, The Progressive Corp 1.5%, Treasury Wine Estates Ltd 1.4%, Koninklijke DSM NV 1.4%, Temenos AG 1.2%, Illumina Inc 1.1%, HDFC Bank Ltd 1.1%, Iberdrola SA 0.8%, NextEra Energy Inc 0.7%, Budweiser Brewing Co APAC Ltd 0.5%. 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: Garden℠, Crop℠ and Harvest℠. Garden℠ 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. Crop℠ investments are holdings where we have gained conviction in the company's profit cycle, so positions are larger. Harvest℠ investments are holdings that have exceeded our estimate of intrinsic value or holdings where there is a deceleration in the company's profit cycle. Harvest℠ investments are generally being reduced or sold from the portfolios.

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A R T I S A N  P A R T N E R S

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