



Artisan Global Equity Fund

QUARTERLY
Commentary

Investor Class: ARTHX | Advisor Class: APDHX | Institutional Class: APHXX

As of 30 September 2021

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 2021 | Average Annual Total Returns | | | | | | |
|-----------------------------------|------------------------------|-------|-------|-------|-------|-------|-----------|
| | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Inception |
| Investor Class: ARTHX | -2.32 | 5.02 | 19.70 | 15.97 | 16.55 | 15.56 | 13.35 |
| Advisor Class: APDHX | -2.32 | 4.98 | 19.64 | 15.97 | 16.55 | 15.56 | 13.35 |
| Institutional Class: APHXX | -2.29 | 5.15 | 19.91 | 16.20 | 16.82 | 15.72 | 13.49 |
| MSCI All Country World Index | -1.05 | 11.12 | 27.44 | 12.58 | 13.20 | 11.90 | 9.73 |

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (29 March 2010); Advisor (5 August 2020); Institutional (15 October 2015). 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 (% Gross/Net) | ARTHX | APDHX | APHXX |
|---|--------|--------------------------|--------|
| Semi-Annual Report 31 Mar 2021 ¹ | 1.26/— | 1.69/1.25 ^{2,3} | 1.07/— |
| Prospectus 30 Sep 2020 ^{3,4} | 1.27/— | 1.21/— | 1.05/— |

¹Unaudited, annualized for the six-month period. ²Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2022. ³See prospectus for further details. ⁴Reflects a reduction in management fees, effective as of 15 Nov 2019.

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 strong gains over the past year, global equities finished slightly lower in Q3. Strong corporate profitability, a historic fiscal response and ultra-easy monetary policies have cushioned risk assets from ongoing concerns about the impacts from COVID-19 variants. Also top of mind has been inflation that is heating up around the world. In the US, the Federal Reserve's preferred measure of inflation, the core PCE, which strips out volatile food and energy components, reached 3.6% YoY—the most since 1991. In Germany, inflation jumped to more than 4% YoY—its highest level since the early 1990s. In the UK, inflation rose to 3.2% YoY in August—1.2 percentage points above the July figure—resulting in the biggest month-over-month rise since 1997. Supply chain issues and rising input costs have become increasingly cited by companies as headwinds that could persist into next year, dampening revenue growth and margin expectations.

Persistent supply chain issues, rising commodity prices and above-target inflation readings have central banks starting the process of gradually tapering their bond-buying programs. The European Central Bank announced in September it would slow its asset purchases in Q4, and the Federal Reserve appears on track to do the same in November. Similarly, investors expect the Bank of England to increase rates in December for the first time since the pandemic began.

As has been true throughout the pandemic, COVID-19 trends remained an important driver of sector and style performance patterns. In July and August when the delta variant swept through the US, secular growth stocks outperformed. Once the delta variant wave crested in September, the baton was passed back to value stocks. Interest rates and energy prices also factored into this reversal. The US 10-year Treasury yield jumped 20bps in the final week of September, while natural gas and oil prices have skyrocketed—contributing to strength in the financials and energy sectors. For the quarter, growth stocks modestly outperformed, though value remains ahead over the YTD and 1YR periods.

Chinese stocks were a key laggard in Q3. China's broadening regulatory crackdown and efforts to tighten its leveraged property market to reduce financial risks have raised concerns about a disorderly outcome. To wit, one of the country's largest property developers, China Evergrande Group, is at risk of defaulting on debt payments, which could have cascading effects on China's economy and beyond, if it were to transpire. Given the potential fallout, the government may be forced to step in. Chinese equities returned about -18% in Q3. Weakness in China contributed to emerging markets (EM) stocks trailing developed markets; however, several other major EM countries were weak as well, including Brazil and South Korea. Indian equities were a bright spot as delta variant cases there steeply declined. In developed markets, Japan led the US and Europe in Q3. In the MSCI AC World Index, the best performing sectors were energy and financials, supported by rising energy prices and interest rates. Conversely, consumer discretionary and materials stocks were weakest due in part to higher raw materials costs.

Performance Discussion

The portfolio trailed the MSCI AC World Index in Q3. Underperformance was driven by a few of our health care holdings, namely New Horizon Health, a Chinese cancer screening technology company, and biotechnology companies Halozyme Therapeutics and ACADIA Pharmaceuticals. New Horizon Health's colorectal cancer screening product ColoClear—the company's key growth product that launched in November 2020—is driving strong sales and volume growth, but the stock price has fallen amid broader weakness in the China health care sector. ColoClear is China's only approved colorectal cancer early-screening product. The company also has in its pipeline gastric and cervical cancer screening products.

Halozyme's recent share price weakness looks to be profit taking after the stock more than tripled from its March 2020 lows, driven by the successful launch of Darzalex Faspro™, a treatment for multiple myeloma utilizing Halozyme's ENHANZE® technology. ENHANZE® aids delivery of biologics subcutaneously, as opposed to intravenously. The benefit is improved absorption and reduced drug administration time. Launched in May 2020, Darzalex Faspro™ already accounts for 60% of total DARZALEX® sales, and our expectation is this number will ultimately reach 85%. Looking ahead, the company's robust pipeline of 16 collaboration products leveraging its ENHANZE® platform offers several potential shots on goal that could drive royalty revenues meaningfully higher over the next five years.

ACADIA's shares have remained weak after the company received an FDA deficiency letter regarding its label expansion application of Nuplazid® for dementia-related psychosis (DRP). The stock is priced as though there is complete certainty its DRP application will not be approved. However, our research and discussions with management suggest that the DRP application could still be approved by 2024 since the FDA indicated that the drug did show some efficacy. Additionally, we believe the value of Nuplazid® for Parkinson's disease psychosis is worth more than the current share price, implying a free call option on the potential approval of Nuplazid® for DRP.

One of our other detractors was Chindata Group, a leading Chinese hyperscale data center solutions company. The stock has been held back by broad concerns around increased regulation of the Internet in China. The company derives a large percentage of its revenue from ByteDance, the owner of video-sharing service TikTok and its Chinese equivalent Douyin. Recent regulations cap usage for children to 40 minutes per day, and there's some concern that restrictions could be expanded to older users. While the current regulatory environment is challenging, we remain very positive on the longer term growth of the data center industry, and the stock now trades at an undemanding valuation compared to its non-China peers.

Our top contributors included The Beauty Health Company, NIBE Industrier, China Longyuan Power and Ascendis Pharma. Beauty Health (SKIN) was formed in May 2021 as a combination of Vesper Healthcare Acquisition Corp, a SPAC, and The HydraFacial® Company. SKIN, as its ticker would suggest, sells hydradermabrasion systems

and aesthetic products. The company's non-invasive, medical-quality facial systems are resonating with consumers and estheticians, driving strong instrument sales and an installed base of about 18,000 systems. The company's installed base is a flywheel business model that leads to recurring sales and is a leading indicator of consumables growth. With shares hitting our price target, we sold our position late in the quarter.

NIBE Industrier is a Sweden-based global heating technology company focused on the design and manufacturing of heat pumps—an essential product in the sustainability and energy efficiency trends. A heat pump uses static/ambient energy to convert one unit of energy input from outdoors into four units of energy output (heat) indoors. Heat pumps are well-penetrated in a country like Norway, where cheap electricity is driven by vast wind power; however, other parts of Europe and the US are in the early innings of heat pump adoption as governments push this greenhouse gas-friendly heat source via regulations and subsidies. Recent demand for heat pumps has been strong and broad-based across regions, underpinned by renovation activity.

In contrast to our other Chinese holdings, China Longyuan Power, a renewable energy operator, was a positive performer. Unlike the large technology companies that have been in President Xi's crosshairs, China Longyuan's wind power business is being aided by government mandates for utilities to increase renewable power usage as the country looks to reduce coal consumption and achieve its long-term carbon emissions targets. The company's new management team is bullish on renewable power as the construction cost of wind is now 20%-30% cheaper than coal-fired plants and expects more favorable government policies. The company is in the process of divesting its remaining coal-fired capacity.

With respect to biotechnology company Ascendis Pharma, shares gapped up in August on the announced FDA approval of TransCon™ GH (growth hormone), branded Skytrofa®. Prior delays in the drug's approval, as well as in its trial for TransCon™ PTH for the treatment of hypoparathyroidism, led to volatility in the share price earlier in the year. We viewed these delays as a matter of timing and unlikely to impact the probabilities for approvals. Ascendis will price Skytrofa® at a premium to current GH drugs given its superior efficacy. The approval also validates the company's TransCon™ technology, increasing our confidence in the company's pipeline.

Positioning

Of our Q3 new purchases, we'll highlight GXO Logistics, Azbil and Nordic Entertainment. These companies are benefiting from secular growth in logistics complexity, building automation and streaming video, respectively. GXO Logistics is a contract logistics provider that was recently spun off from XPO Logistics. GXO benefits from the secular trends in e-commerce, automation and outsourcing that are driving increasing supply chain complexity. Decentralized product delivery (i.e., your doorstep versus the shopping mall), on-demand fulfillment, product returns and product exchanges all increase

logistical complexity. Someone must manage those processes, and GXO is well positioned in this growing market.

Azbil is a Japanese manufacturer of automation equipment used in industrial and commercial buildings. The company is well positioned to benefit from the office building revitalization trend in Japan due to its dominant position with an 80% market share as a supplier of automated control systems for HVAC. A holding in our building automation theme, Azbil benefits from the trend toward office-building modernization associated with green buildings, energy efficiency and increasing software intensity and connectivity. There is also an opportunity for margin improvement due to cost-cutting initiatives, as well as operating leverage.

One of the major secular trends in media entertainment is streaming video, with Netflix, Amazon and Disney among the leaders. However, a smaller counterpart in this space is Nordic Entertainment, a Swedish TV broadcaster that spun out of the Modern Times Group in 2018 and has over the years built out its streaming service called Viaplay. Today, Viaplay is one of the leading platforms in the Nordics (along with Netflix) with 3 million subscribers. The greater aspiration in the medium term is to become the European champion, and there's a window of opportunity to seize that position through a strategy underpinned by scripted originals and key sports content such as the EPL, Bundesliga and F1. We believe the company can grow its subscriber base by 3X-4X by 2025 and that investors will increasingly adopt subscriber or sales valuation frameworks similar to those of Netflix and Disney, which could support meaningful stock appreciation.

In addition to exiting Beauty Health, we also sold CRH, a global building materials producer, Samsung Electronics, a diversified technology company, and Walt Disney, an entertainment and media company, in favor of better opportunities. We also continued to reduce our exposure to China in response to growing concerns over the speed of tighter regulations and the uncertain impact they may have on our investments. We had already exited Chinese technology and Internet holdings Alibaba and Tencent in the first half of the year. This quarter, we also sold appliances companies Midea Group and Gree Electric Appliances, biopharmaceutical company Shanghai Junshi Biosciences, and AIA, a pan-Asian insurance company that is classified and listed in Hong Kong. At the end of Q3, our direct exposure to China was less than 3%. We will continue to monitor the situation in China and will look for better opportunities to reinvest once the investment climate has improved.

Outlook

Our objective is to identify sustainable growth wherever it exists. 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. We also believe these qualities provide companies with pricing power, which can help protect profit margins in inflationary periods. We won't hazard a guess about the course of inflation and the persistence of pandemic-driven supply chain issues, but we feel confident if we follow our process by investing in sustainable growth companies, our portfolio should be well positioned to add value over a full market cycle.

ARTISAN CANVAS

Timely insights and updates from our investment teams and firm leadership

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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.

Current and future portfolio holdings are subject to risk. 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 2021. 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 2021: New Horizon Health Ltd 0.6%; Halozyme Therapeutics Inc 3.4%; ACADIA Pharmaceuticals Inc 0.8%; Chindata Group Holdings Ltd 0.5%; Nibe Industrier AB 1.7%; China Longyan Power Group Corp Ltd 1.4%; Ascendis Pharma A/S 1.5%; GXO Logistics Inc 2.4%; Azbil Corp 1.4%; Nordic Entertainment Group AB 1.0%; Amazon.com Inc 2.7%. 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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The Core Personal Consumption Expenditure Price Index is a measure of prices paid for domestic purchases of goods and services, excluding food and energy.

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