



Artisan Global Equity Fund

QUARTERLY
Commentary

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

As of 30 June 2024

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 June 2024	Average Annual Total Returns						
	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTHX	-0.44	12.17	20.47	-0.88	7.68	8.40	10.62
Advisor Class: APDHX	-0.39	12.22	20.63	-0.83	7.71	8.41	10.63
Institutional Class: APHXX	-0.34	12.34	20.84	-0.63	7.93	8.63	10.78
MSCI All Country World Index	2.87	11.30	19.38	5.43	10.76	8.43	9.07

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 2024 ¹	1.33/—	2.03/1.25 ^{2,3}	1.07/—
Prospectus 30 Sep 2023 ³	1.30/—	1.79/1.25 ²	1.05/—

¹Unaudited, annualized for the six-month period. ²Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2025. ³See 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

With inflation slowing in many countries, equity markets saw modest returns in Q2. Stocks in emerging markets and North America performed particularly well. Growth outperformed value stocks in most regions. The market yield on the 10-Year US Treasury ended the quarter flat.

US equity indices climbed higher. The core personal consumption expenditures price index, which excludes volatile food and energy costs, fell to 2.6% year-over-year in May, moving closer toward the Fed's target rate of 2%. Concurrently, the economy grew modestly while the unemployment rate ticked up, a sign that two years of restrictive policy measures could finally be taking a hold. Exuberance over artificial intelligence (AI) continued to be a catalyst for technology and media stocks.

The ECB cut its policy rate by 25bps. The market and economy in Europe showed little growth. European parliamentary elections created a risk-off environment favoring value stocks. In the euro area, the core inflation rate ticked up slightly to 2.9% year-over-year in May from April's 2.7%, a two-year low.

Japanese stocks picked up in the final weeks of the quarter. The core consumer price index rose 2.5% year-over-year in May, after a dip in April. Private consumption remained weak, however, likely due to the increase in prices. Nevertheless, as wages increase, and consumers adjust to higher prices, moderate inflation could benefit an economy that has struggled with economic stagnation for the past several decades. A falling yen helped exports surge 13.5% year-over-year in May, up from an 8.3% rise in April.

Portfolio Activity

The portfolio came up short against its benchmark, the MSCI AC World Index, this quarter. The effects of our sector weightings held back relative results. However, year to date the portfolio has outperformed.

A below-benchmark weighting in information technology reduced relative returns this quarter. Our technology and AI-related holdings are mostly classified as communication and consumer stocks, and they continued to add value in the quarter. The team takes a selective, price-sensitive approach to investing in technology companies we believe are transforming industries. This approach, at times, may lead to an underweight in this sector.

While our banks and insurance brokerage holdings performed well, other holdings in the financials sector dragged returns lower on a relative basis. In particular, shares of BFF Bank, an Italian finance and factoring company, declined sharply after the Bank of Italy (BOI) mandated BFF to temporarily halt its dividends, bonuses and international expansion. BFF's management is negotiating with BOI to address concerns about the risk level it assigns to past-due loans. We believe this issue will be resolved and won't significantly impact BFF's stock price over the long run. BFF Bank specializes in acquiring low-

risk public sector debt. Its current collection rates are higher than its accounting methodology reflects. The bank has a strong balance sheet and high coverage ratios and has consistently generated profits and high capital returns by targeting underserved markets using low-cost deposits. In a falling rate environment, deposit rates are expected to adjust quicker than its core loans and receivables rates, potentially increasing its net interest margin.

Also, our largest financials holding, UBS, was marginally weaker in the quarter after it sought clarification from the Swiss Financial Market Supervisory Authority (FINMA) about additional capital it must maintain following its acquisition of Credit Suisse. The merger was approved last year in an emergency takeover orchestrated by the Swiss government during the banking crisis. Earlier this year, FINMA declared an increase in capital requirements for all systematically important banks, including UBS, now a firm with \$5 trillion in post-merger assets. While its shares have returned more than 51% over the last year, UBS' stock price has been under pressure this year due to the proposed changes. We value UBS' leading positions in asset and wealth management, businesses historically characterized by high, stable returns.

Consumer discretionary holdings also led to weak performance this quarter. Shares of online travel agency Tui traded lower on softer-than-expected summer bookings, although quarterly revenues exceeded guidance, and the company's outlook remains positive. Tui also successfully transferred its listing from the London Stock Exchange to the Frankfurt Stock Exchange, positioning it for potential inclusion in the German mid-cap index MDAX and boosting its share price. Tui offers customized travel through a vertically integrated service model, catering to travelers seeking choice, value and exclusive experiences. With robust demand for leisure travel, Tui's unique business strategy and an attractive valuation, we see significant upside potential for this stock.

In addition, Indonesia-based retailer and franchise owner Mitra Adiperkasa sold off on weaker-than-expected same-store sales growth, particularly in food and beverage, where a consumer boycott led to an operating loss. While we appreciate its exposure to rising long-term consumption, we exited the position.

Lastly, CoStar Group, a leader in real estate data and analytics, underperformed this quarter, weighing on the portfolio's real estate sector return. It fell sharply due to lower earnings and continued weakness in commercial real estate, despite strong momentum in the residential market. CoStar has one of the largest and most comprehensive real estate databases in the industry supporting services and online platforms like Apartments.com, Homes.com and LoopNet. Homes.com, now the second-largest residential portal after Zillow, has exceeded all traffic and monetization targets and is an important long-term driver for CoStar, in our view. To enhance the user experience, CoStar recently purchased Matterport, a leading spatial data platform that offers immersive 3D property tours. With

these strengths, we expect CoStar to outpace others in the residential market while weathering the current headwinds in the commercial property market.

On the positive side, our holdings in health care boosted relative performance as they have all year. San Diego-based Halozyme Therapeutics surged after it announced a patent extension for DARZALEX® SC, a bone marrow cancer and blood disorder treatment. This development allows the biotech company to maintain its royalty rate through early 2029 in 37 European countries. Halozyme earns royalties on a number of other treatments as well, including its ENHANZE® drug delivery platform. It recently raised its 2028 royalty guidance based on these positive results. We value the company's strong cash flows, which it has used to support share buybacks.

Adding to the strength in health care, genetic testing company Natera rose 18% this quarter on the continued demand for Signatera™, a blood test that detects post-treatment residual cancer. Key drivers for the run-up included a 52% year-over-year increase in revenues and an 18% expansion in gross margins. Management expects the average sales price for Signatera to rise as Medicare extends coverage for the test in certain situations. We believe Signatera represents a \$15 billion market opportunity.

Also, Novo Nordisk, a major holding in the portfolio, saw its share price rise this quarter after it published phase 3 clinical trial data for Ozempic®, its type 2 diabetes drug. The study showed Ozempic reduced chronic kidney disease (CKD) and cardiovascular events with fewer adverse reactions compared to a placebo. We believe these results will lead to US Food and Drug Administration (FDA) approval for Ozempic's use in diabetic patients with CKD and/or heart disease, solidifying Novo Nordisk's leading position in both the obesity and type 2 diabetes markets.

In industrials, stock selection drove our relative outperformance in the sector. GE Aerospace, formerly General Electric, saw its share price reach its highest level since 2008. Since spinning off its sustainable energy and health care units in 2021, GE Aerospace has outperformed the broader market and the other former GE units given strong demand for its jet engines and aftermarket services (repair, maintenance and parts). The company expects to increase deliveries of its popular LEAP airline engines by 20%–25% this year to meet rising air travel demand. Despite industry-wide labor shortages, we are confident in GE Aerospace's pricing power as it works through its order backlog. Further, the company is investing more than \$650 million in its manufacturing facilities and supply chain this year to help increase production.

In addition, shares of South Korean defense manufacturer LIG Nex1 and other Korean defense stocks surged on the growing cooperation between Seoul's Ministry of Defense and the Polish government. Poland, the largest buyer of South Korean military equipment, more than doubled its defense budget to \$31 billion in 2023, following the invasion of Ukraine. In the last two years, LIG Nex1 has secured

contracts with the US, Romania, Saudi Arabia and the UAE. The company expects to maintain an order backlog of three to four times annual sales for the next five years as countries boost defense spending amid rising geopolitical tensions. We believe LIG Nex1's cutting-edge technology and strong product portfolio will enable it to outpace many of its peers.

Positioning Activity

This quarter, we reduced our exposure to slowing consumer spending among lower income shoppers within our demographics/consumer trends theme. We sold our position in McDonald's after higher pricing led to consecutive declines in quarterly revenue and net income. As previously mentioned, we sold our position in retailer Mitra Adiperkasa given the boycott and sagging sales. Lastly, after achieving solid gains, we sold Netflix as it approached our target price. In 2023, the streaming video giant began to curtail users' ability to share passwords. After an initial backlash, it added millions of new subscribers. This effort came on the heels of offering an ad-supported tier in 2022 for those who wanted a lower monthly subscription fee. We think Netflix could reach an earnings growth plateau in the second half of the year as the revenue lift from its password-sharing crackdown begins to wane.

We also sold two technology holdings with weakening fundamentals. Integrated circuit designer Marvell Technology has been a strong player in data centers, but other parts of its business have struggled, leading to falling revenues and gross profits. We also exited Salesforce on weak bookings and revenue growth, particularly in cloud subscriptions.

On the other hand, we added to the stronger performing stocks in our demographics/health care theme. We increased our position in UCB as it continued to find success in its rollout of Bimzelx®, a plaque psoriasis treatment. We believe it could achieve peak sales of \$5 billion. UCB's other drugs, including Evenity® for postmenopausal osteoporosis and Fintepla® for childhood epilepsy, are also gaining global approval, supporting the stock's upside potential. We also increased our stake in Otsuka Holdings after the FDA approved its application for Alzheimer's disease medication REXULTI®, the first treatment in the US for patients with agitation, a neuropsychiatric symptom experienced by about half of all Alzheimer's patients with dementia. Like many of our health care holdings, Otsuka has a strong product pipeline that we think will help it grow revenues faster than consensus estimates, particularly outside of its home market of Japan. We are optimistic about the innovations our health care holdings are developing.

Within our broad infrastructure theme, we increased holdings benefiting from strong tailwinds. In transportation, we increased a few of our aerospace positions. For instance, we added to our holdings in Melrose Industries given surging demand and strong pricing in the lucrative aftermarket business (e.g., maintenance, parts and service). Melrose designs and manufactures components and systems for

original equipment manufacturers, such as Boeing and Airbus, in both the commercial and defense aviation industries.

We initiated a position in aerospace manufacturer RTX Corporation, a diversified company that includes airplane engine manufacturer Pratt & Whitney, military technology developer Raytheon and avionics systems provider Collins Aerospace. Revenues are evenly split among the civil, government and military segments, with 40% of Collins' revenues coming from high-margin, recurring aftermarket servicing. RTX benefits from long-standing relationships within each segment, particularly within US defense circles, which provide a barrier to entry.

We also scaled up our positions in defense manufacturers LIG Nex1 and Hanwha Aerospace, another South Korean company. During the quarter, Poland agreed to accelerate negotiations with LIG Nex1, sending its shares higher. Hanwha has new deals in process in a number of geographies, including Poland, Romania, the EU, Australia and other Association of Southeast Asian Nations countries. We anticipate Hanwha's product mix will shift to higher margin exports, increasing from 50% of today's order book to 70% by 2025. With ongoing geopolitical conflicts, we believe these companies will continue to grow their order backlogs.

Lastly, we exited positions with lower growth profiles. In construction, we sold construction and farm equipment maker CNH Industrial on its weak outlook for agriculture, particularly in South America. We also shed our position in heating, cooling and plumbing solutions provider Ferguson. While the company's long-term competitive advantages are promising, it missed its guidance in revenues, and its margin growth slowed. Overall, given shifting market dynamics, we are finding other strong opportunities in this theme.

In our financial services theme, we added positions in non-traditional banking services amid falling interest rates in Europe and the US, while increasing holdings in banks benefiting from rising Japanese rates. In addition, we added AJ Gallagher back to the portfolio. As one of the four leading insurance brokerage firms in a global oligopoly, it has significant pricing power. The company continues to grow its market share through strategic acquisitions in the valuable middle market.

We also increased our positions in UniCredit and Mediobanca, Italian banks that generate a large portion of their revenues from wealth management, asset management, private banking, consumer credit, insurance and specialty finance. These businesses are typically more resilient in falling rate environments as they do not rely on interest rate spreads as much as do traditional deposit-and-loan banks. In Japan, we added Sumitomo Mitsui Financial to the portfolio. It is the second-largest bank in Japan and one that we think is well positioned to increase net interest margin given the BOJ's recent policy shift. In addition, we believe the company will improve its capital allocation by reducing its cross-holdings and increasing share buybacks.

Outlook

Slowing inflation, a reasonably healthy labor market, loosening monetary policy and an ongoing economic expansion might be the right ingredients to extend this late-cycle market. Even so, we remain mindful of the geopolitical and economic risks and their potential effects on our holdings. When the environment does change, we'll remain committed to our thematic approach, such as those that are part of the travel boom, growing global defense spending, the latest health care innovations or emerging AI productivity tools. That's because our investment approach centers on identifying secular trends and capitalizing on the high-quality companies with reasonable valuations and sustainable growth characteristics that emerge from them. Consequently, we remain optimistic about our ability to create long-term value for our investors that helps them meet their financial goals, even during times of change.

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. The value of portfolio securities selected by the investment team may rise or fall in response to company, market, economic, political, regulatory or other news, at times greater than the market or benchmark index. A portfolio's environmental, social and governance ("ESG") considerations may limit the investment opportunities available and, as a result, the portfolio may forgo certain investment opportunities and underperform portfolios that do not consider ESG factors. Growth securities may underperform other asset types during a given period. 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 and less developed markets, including frontier 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.

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 Jun 2024. 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 Jun 2024: BFF Bank SpA 4.2%, UBS Group AG 4.7%, TUI AG 3.4%, CoStar Group Inc 1.3%, Halozyme Therapeutics Inc 4.1%, Natera Inc 3.8%, Novo Nordisk A/S 5.5%, General Electric Co 3.7%, LIG Nex1 Co Ltd 2.1%, UCB SA 1.5%, Otsuka Holdings Co Ltd 1.5%, Melrose Industries PLC 1.4%, RTX Corp 1.2%, Hanwha Aerospace Co Ltd 1.1%, Arthur J Gallagher & Co 1.3%, UniCredit SpA 0.9%, Mediobanca Banca di Credito Finanziario SpA 1.1%, Sumitomo Mitsui Financial Group Inc 1.4%. As of 3 Mar 2022, Russian holdings were valued at zero. 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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Liquidity Coverage Ratio refers to the proportion of high-quality liquid assets held by financial institutions relative to their near-term total projected net cash flow (commonly a 30-day period). **Net interest margin** measures the difference between interest income earned and paid out by financial institutions. **Core Consumer Price Index** is a measure of consumer spending in Japan that excludes fresh food but includes fuel costs. **Personal Consumption Expenditures Price Index (PCE)** is a measurement of consumer spending in the prices of goods and services purchased in the United States.

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