



Artisan International Small-Mid Fund

MONTHLY
Commentary

Investor Class: ARTJX | Advisor Class: APDJX

As of 31 March 2024

Commentary

Global equities rose in March as investor confidence grew that an economic soft landing is attainable. All sectors in the MSCI ACWI ex USA SMID Index advanced, with energy and materials leading the gain. Our portfolio was in line with the index in March and outperformed in Q1. Stock selection in health care was the largest contributor to relative return for the quarter.

NICE and Avidity Biosciences were the largest contributors in Q1. Shares of NICE, a global leader in enterprise software for contact centers, rose after the company reported strong revenue growth and reiterated 2024 guidance of nearly 20% in organic growth for cloud. Management noted artificial intelligence is becoming a meaningful driver in cloud contact center adoption. We remain confident in NICE's multiyear opportunity with enhanced products and its ability to widen its market share lead—particularly at the high end of the customer base. Management continues to run the business profitably, with 20% margins, over a billion dollars of cash on the balance sheet and a focus on R&D to sustain its competitive positioning.

Avidity Biosciences is a biotech company that has developed a proprietary antibody oligonucleotide conjugates (AOC) platform, combining the strength of monoclonal antibodies and siRNAs. Its lead drug candidates are targeting rare muscular atrophy diseases such as myotonic dystrophy type 1 (DM1), Duchenne muscular dystrophy and facioscapulohumeral muscular dystrophy. Shares gained after Avidity announced positive efficacy and safety data from its phase 2 DM1 study, providing strong validation to the AOC platform. Our diligence suggested that the earlier patient response that led to a partial FDA clinical hold was likely an isolated event, and we have confidence in the long-term potential of this breakthrough platform.

Aixtron and Wolfspeed were the largest detractors in Q1. Aixtron engineers and manufactures metal organic chemical vapor deposition equipment. It has evolved from a single-product company focused on LED lights to a broad industrial powerhouse with expertise in compound semiconductors and next-generation photonics that have a diverse range of applications. Aixtron's Q4 results included slightly lower-than-expected revenue guidance for 2024. However, we believe long-term company fundamentals remain strong. Demand for silicon carbide and gallium nitride (GaN) products is robust, and Aixtron's new GaN platform, which is designed to improve customers' chip production yields and uniformity, should have strong adoption.

Wolfspeed is a leader in material science, manufacturing silicon carbide wafers and devices for next-generation power semiconductors used to improve the range and efficiency of electric vehicles and to drive industrial applications. Shares fell due to weakness in near-term EV sales growth and industrial demand. Wolfspeed's capacity is sold out through 2026, and demand for power devices continues to accelerate. Wolfspeed is also moving up the value chain, demonstrating its ability to evolve into a system design house with robust design wins. We have confidence in the management team's ability to successfully navigate its opportunity set.

Portfolio Details

	ARTJX	APDJX
Net Asset Value (NAV)	\$17.97	\$18.08
Inception	21 Dec 2001	4 Dec 2018
Expense Ratios		
Annual Report 30 Sep 2023	1.30%	1.14%
Prospectus 30 Sep 2023 ¹	1.31%	1.15%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Nice Ltd (Israel)	5.0
ConvaTec Group PLC (United Kingdom)	3.5
JET2 PLC (United Kingdom)	2.2
Alcon Inc (Switzerland)	2.1
Ambu A/S (Denmark)	1.9
Swedish Orphan Biovitrum AB (Sweden)	1.8
Metso Oyj (Finland)	1.7
CyberArk Software Ltd (Israel)	1.7
Howden Joinery Group PLC (United Kingdom)	1.7
Rotork PLC (United Kingdom)	1.6
TOTAL	23.1%

Source: Artisan Partners/MSCI.

Sector Diversification (% of portfolio securities)

	Fund	ACxUS SMD ¹
Communication Services	0.2	4.5
Consumer Discretionary	4.7	11.2
Consumer Staples	7.5	6.0
Energy	2.0	4.0
Financials	6.1	14.0
Health Care	23.3	6.4
Industrials	28.5	20.7
Information Technology	25.0	11.2
Materials	1.5	11.0
Real Estate	0.9	7.2
Utilities	0.4	3.9
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 2.7% of the total portfolio. ¹MSCI All Country World ex USA SMID Index.

Investment Results (%)

As of 31 March 2024	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTJX	2.63	3.75	3.75	7.03	-2.63	7.45	4.28	10.16
Advisor Class: APDJX	2.73	3.85	3.85	7.24	-2.45	7.63	4.37	10.21
MSCI All Country World ex USA SMID Index	2.64	2.44	2.44	12.31	0.31	5.51	4.35	8.04
MSCI All Country World ex USA Small Cap Index	2.86	2.11	2.11	12.80	0.38	6.24	4.74	8.80

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (21 December 2001); Advisor (4 December 2018). For the period prior to inception, Advisor Class performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Advisor Class and the share class's returns during that period would be different if such expenses were reflected.

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.

Region/Country Allocation (% of portfolio securities)

REGION	Fund	ACxUS SMD ¹
EUROPE	46.5	33.4
United Kingdom	19.1	8.5
Denmark	6.0	1.1
Switzerland	4.9	3.4
Germany	4.4	3.8
Sweden	3.9	3.2
Finland	2.6	1.0
France	1.7	3.4
Netherlands	1.0	2.1
Italy	1.0	2.3
Norway	0.8	1.2
Belgium	0.6	0.9
Spain	0.5	1.0
AMERICAS	23.6	6.8
United States	18.2	—
Canada	5.4	6.8
PACIFIC BASIN	14.8	29.6
Japan	14.8	20.1
MIDDLE EAST	9.3	2.0
Israel	9.3	2.0
EMERGING MARKETS	5.8	28.2
India	2.1	5.4
Brazil	1.7	1.6
Mexico	0.7	0.7
China	0.7	3.7
Iceland	0.5	—
Korea	0.1	3.5
TOTAL	100.0%	100.0%

Source: Artisan Partners/MSCI. ¹MSCI All Country World ex USA SMID Index. Countries held in the index, but not held in the portfolio, are not listed.

Team Leadership



Portfolio Manager

Rezo Kanovich

Years of Investment Experience

25

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. 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. Growth securities may underperform other asset types during a given period.

MSCI All Country World ex USA SMID Index measures the performance of small- and mid-cap companies in developed and emerging markets excluding the US. MSCI All Country World ex USA Small Cap Index measures the performance of small-cap companies in developed markets and emerging markets excluding the US. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The discussion of portfolio holdings does not constitute a recommendation of any individual security. These holdings comprise the following percentages of the Fund's total net assets as of 31 Mar 2024: AIXTRON SE 1.0%, Avidity Biosciences Inc 0.8%; Wolfspeed Inc 1.2%. Securities named in the Commentary, but not listed as a Top Ten Holding or not listed here are not held in the Fund as of the date of this report. The portfolio managers' views and portfolio holdings are subject to change and the Fund disclaims any obligation to advise investors of such changes.

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