



Artisan International Fund

MONTHLY
Commentary

Investor Class: ARTIX | Advisor Class: APDIX As of 30 November 2016

Commentary

Non-US stocks remain positive in local terms QTD though a strengthening US dollar materially pared USD-based returns. US presidential election results appeared to catch investors by surprise, and markets swiftly repriced increased US growth and inflation expectations. That combined with a likely December Fed rate hike aided a US dollar rally. The prospects for stronger growth helped more cyclical categories outperform. Energy stocks also benefited from OPEC's late-November agreement to curtail production, which drove oil prices sharply higher. Financials stocks performed well, aided by a backup in long-term interest rates.

Our portfolio trailed the MSCI EAFE Index during the QTD period. The sharp rise in global interest rates has created a headwind for our relative performance. Specifically, we've been hurt by below-benchmark exposure to banks—a primary beneficiary of higher long-term rates—and above-benchmark weightings in more defensive and higher-yielding sectors (e.g. consumer staples and telecom).

On an individual holdings basis, our largest detractors included several of our consumer nondurable holdings, including Nestle, Unilever and Japan Tobacco, as investors sought more cyclical investments. Looking forward, we continue to believe these companies are positioned to benefit from their unique brand strength and pricing power. However, we pared Nestle and Unilever in concert with our views of where we believe we are in the cycle.

Alibaba, China's largest e-commerce company, was also a bottom contributor. However, we believe weakness was tied more to general sentiment on emerging markets and Chinese stocks than any new fundamental development. The company, in its latest fiscal quarter, achieved strong core China commerce growth year over year, improved margins and continued progress building its cloud business. We remain attracted to the secular growth prospects in online and mobile commerce—particularly given China's still-low penetration rate versus major developed markets.

Allianz, an insurance company, and Ryanair, a low-cost airline, were top contributors. Both stocks worked their way back from declines following Brexit. We remain attracted to Allianz's diversified business model, strong balance sheet and seasoned management team. Though Brexit is expected to have a negative impact on UK demand, we believe Ryanair remains well positioned to continue taking market share given its best-in-class cost base and growth strategy to expand into primary airports.

Thus far in the quarter, we've purchased ING and UBS. In recent years, we have avoided banks due to headwinds from negative interest rate policies, a lack of loan growth and onerous capital requirements. However, these are high quality franchises that are well capitalized—and selling at attractive valuations, in our view. Further, they are beneficiaries of widening spreads that accompany higher interest rates.

Portfolio Details

	ARTIX	APDIX
Net Asset Value (NAV)	\$25.62	\$25.56
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2016	1.19%	1.01%
Prospectus 30 Sep 2015	1.17%	1.02% ¹

¹Includes estimated expenses for the current fiscal year.

Top 10 Holdings (% of total portfolio)

Linde AG (Germany)	4.3
Japan Tobacco Inc (Japan)	4.2
Deutsche Boerse AG (Germany)	4.0
Medtronic PLC (United States)	3.9
Liberty Global PLC (United States)	3.7
Allianz SE (Germany)	3.7
Nestle SA (Switzerland)	3.6
Canadian Pacific Railway Ltd (Canada)	3.6
Alibaba Group Holding Ltd (China)	3.4
AIA Group Ltd (Hong Kong)	3.4
TOTAL	38.0%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	EAFE ¹
Consumer Discretionary	9.0	12.6
Consumer Staples	18.2	11.3
Energy	0.0	5.2
Financials	24.5	21.0
Health Care	8.3	10.6
Industrials	13.6	14.2
Information Technology	8.5	5.5
Materials	8.0	7.9
Real Estate	1.5	3.9
Telecommunication Services	8.5	4.5
Utilities	0.0	3.4
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash represented 2.4% of the total portfolio. ¹MSCI EAFE Index.

Investment Results (%)

As of 30 November 2016	Average Annual Total Returns							
	MTD ¹	QTD ¹	YTD ¹	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	-3.90	-8.41	-9.63	-11.51	-4.23	5.78	2.02	8.31
Advisor Class: APDIX	-3.93	-8.41	-9.53	-11.39	-4.14	5.84	2.05	8.32
MSCI EAFE Index ²	-1.99	-4.00	-2.34	-3.66	-2.22	5.62	0.72	4.11
MSCI All Country World ex USA Index ^{2,3}	-2.31	-3.72	1.89	-0.03	-2.31	4.24	1.02	4.58
As of 30 September 2016								
Investor Class: ARTIX	1.11	3.74	-1.32	5.39	0.30	10.07	3.58	8.84
Advisor Class: APDIX	1.11	3.78	-1.22	5.58	0.40	10.13	3.61	8.85
MSCI EAFE Index ²	1.23	6.43	1.73	6.52	0.48	7.39	1.82	4.34
MSCI All Country World ex USA Index ^{2,3}	1.23	6.91	5.82	9.26	0.18	6.04	2.16	4.81

Source: Artisan Partners/MSCI. ¹Returns for periods less than one year are not annualized. ²Inception 31 Dec 1995. ³Performance represents the MSCI ACWI ex USA (Gross) Index from inception to 31 Dec 2000 and the MSCI ACWI ex USA (Net) Index from 1 Jan 2001 forward. Advisor Class performance is that of the Investor Class from 28 December 1995 through the inception of the Advisor Class on 1 April 2015, and actual Advisor Class performance thereafter. Performance has not been adjusted to reflect the expenses of the Advisor Class for the period prior to the Class's inception, and Advisor Class performance results would differ 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. Performance may reflect agreements to limit a Fund's expenses, which would reduce performance if not in effect.

Region/Country Allocation (% of total portfolio equities)

REGION	Fund	EAFE ¹
EUROPE	52.2	62.1
Germany	20.6	9.0
Switzerland	7.5	8.7
United Kingdom	6.2	18.2
Netherlands	4.9	3.3
France	4.2	9.9
Ireland	2.3	0.5
Italy	2.0	1.9
Spain	1.9	3.0
Sweden	1.2	2.8
Belgium	1.0	1.2
Denmark	0.5	1.6
AMERICAS	21.2	—
United States	16.8	—
Canada	4.4	—
PACIFIC BASIN	17.8	37.2
Japan	12.7	24.7
Hong Kong	3.5	3.6
Australia	1.5	7.5
EMERGING MARKETS	8.8	—
China	6.0	—
Taiwan	2.2	—
Russia	0.3	—
Indonesia	0.2	—
Thailand	0.1	—
Korea	<0.1	—
MIDDLE EAST	—	0.7
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (MSCI). ¹MSCI EAFE Index. Countries held in the index, but not held in the portfolio, are not listed.

Team Leadership (Pictured left to right)



Portfolio Manager	Years of Investment Experience
Mark L. Yockey, CFA	36
Associate Portfolio Managers	
Charles-Henri Hamker	26
Andrew J. Euretig	13

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 EAFE Index measures the performance of developed markets, excluding the US and Canada. MSCI All Country World ex USA Index measures the performance of developed 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 30 Nov 2016: ING Groep NV 2.6%; Ryanair Holdings PLC P-Cert 2.2%; UBS Group AG 1.4%; Unilever PLC 1.0%. 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.

All information in this report includes all classes of shares, except performance and expense ratio information and as otherwise indicated, and is as of the date shown in the upper right hand corner unless otherwise indicated. Totals may not sum due to rounding.

The Global Industry Classification Standard (GICS[®]) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's Financial Services, LLC (S&P). Neither MSCI, S&P, their affiliates, nor any of their third party providers ("GICS Parties") makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including warranties of accuracy, completeness, merchantability and fitness for a particular purpose. The GICS Parties shall not have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of such damages.

MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI.

Country exposure percentages reflect country designations as classified by MSCI as of the date shown. Securities not classified by MSCI reflect country designations as of the date the report was generated. Sector exposure percentages reflect sector designations as currently classified by GICS.

Artisan Partners Funds offered through Artisan Partners Distributors LLC (APDLLC), member FINRA. APDLLC is a wholly owned broker/dealer subsidiary of Artisan Partners Holdings LP. Artisan Partners Limited Partnership, an investment advisory firm and adviser to Artisan Partners Funds, is wholly owned by Artisan Partners Holdings LP.

© 2016 Artisan Partners. All rights reserved.

12/5/2016 A16725L_vR