



Artisan International Fund

MONTHLY
Commentary

Investor Class: ARTIX | Advisor Class: APDIX As of 30 April 2017

Commentary

In April, global equities responded favorably to the French first-run presidential election outcome and solid corporate earnings growth. By sector, returns were led by industrials, consumer discretionary and financials stocks as investors seemed to favor companies most likely to benefit from a pickup in economic growth and interest rates. The energy sector—a top returner in 2016—lagged, as did the telecom and utilities sectors, owing to the reflation theme. Growth stocks outpaced their value peers, a continuation from Q1. Additionally, the euro's appreciation versus the US dollar remained a tailwind for USD-based investors.

The growth-stock performance advantage continued to work to our benefit in April as our portfolio outperformed its benchmark. Most of our holdings had positive returns this month. Among our top contributors were long-time holdings Linde, an industrial gases supplier, and Ryanair, a low-cost airline.

Shares of Linde recovered their declines from early 2017, when there were concerns about Linde's ongoing merger negotiations with Praxair, a US-based competitor. Though the company did not provide a formal update on the Praxair merger, it is seeing improvement in organic growth driven by all regions outside the Americas. With its low fares and low cost base, Ryanair is taking market share and growing substantially faster than overall European air traffic while generating strong free cash flow.

Our detractors included Tenaris, a smaller position in the portfolio, and Zodiac Aerospace, a manufacturer of aircraft equipment and systems. Tenaris, a provider of steel pipe products mainly for the oil and gas industry, was weak along with much of the energy sector. The company is experiencing strong year-over-year growth driven by demand in North America, but the stock, like many of its peers, is consolidating its strong gains from the past year. Shares of Zodiac Aerospace were pressured by worries that the proposed deal with would-be acquirer Safran, a French aerospace company, may fall through after Zodiac's recent profit warning. With both companies' managements reiterating their commitment to a deal, we believe a combination is still the most likely outcome.

We initiated a position in Eiffage, a French construction and public works company. Eiffage is one of only a handful of fully-integrated construction companies with the expertise to design and execute turnkey comprehensive projects within a specified budget. The construction business is levered to an improving outlook for the French construction market, while its high-margin, recurring revenue toll-roads business yields a stable source of cash flow. On the sale side, we exited our position in Chinese telecom leader China Mobile in favor of other opportunities.

Portfolio Details

	ARTIX	APDIX
Net Asset Value (NAV)	\$28.96	\$28.92
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2016	1.19%	1.01%
Prospectus 30 Sep 2016 ¹	1.19%	1.01%

¹See prospectus for more information.

Top 10 Holdings (% of total portfolio)

Deutsche Boerse AG (Germany)	4.3
Linde AG (Germany)	4.3
Liberty Global PLC (United States)	3.8
Allianz SE (Germany)	3.6
Canadian Pacific Railway Ltd (Canada)	3.5
Nestle SA (Switzerland)	3.4
ING Groep NV (Netherlands)	3.4
Alibaba Group Holding Ltd (China)	3.2
Medtronic PLC (United States)	3.2
Japan Tobacco Inc (Japan)	3.0
TOTAL	35.7%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	EAFE ¹
Consumer Discretionary	8.0	12.4
Consumer Staples	16.2	11.3
Energy	1.0	4.8
Financials	27.4	21.4
Health Care	7.5	10.7
Industrials	16.0	14.5
Information Technology	12.0	5.7
Materials	6.9	7.8
Real Estate	1.3	3.7
Telecommunication Services	3.6	4.2
Utilities	0.0	3.3
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash represented 4.5% of the total portfolio. ¹MSCI EAFE Index.

Investment Results (%)

As of 30 April 2017	Average Annual Total Returns							
	MTD ¹	QTD ¹	YTD ¹	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	3.76	3.76	13.08	5.16	-0.39	5.78	2.18	8.76
Advisor Class: APDIX	3.77	3.77	13.10	5.34	-0.27	5.86	2.22	8.78
MSCI EAFE Index ²	2.54	2.54	9.97	11.29	0.86	6.78	0.87	4.65
MSCI All Country World ex USA Index ^{2,3}	2.14	2.14	10.17	12.59	0.83	5.13	1.12	5.09

As of 31 March 2017

Investor Class: ARTIX	3.60	8.98	8.98	2.15	-1.53	4.96	2.05	8.61
Advisor Class: APDIX	3.61	8.99	8.99	2.32	-1.40	5.04	2.09	8.63
MSCI EAFE Index ²	2.75	7.25	7.25	11.67	0.50	5.83	1.05	4.55
MSCI All Country World ex USA Index ^{2,3}	2.54	7.86	7.86	13.13	0.56	4.36	1.35	5.00

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.

Region/Country Allocation (% of total portfolio equities)

REGION	Fund	EAFE ¹
EUROPE	56.3	63.9
Germany	22.4	9.5
Netherlands	6.8	3.5
Switzerland	6.0	8.8
France	5.5	10.5
Italy	5.4	2.2
United Kingdom	3.9	17.8
Ireland	2.8	0.5
Spain	1.8	3.4
Sweden	0.7	2.9
Belgium	0.5	1.2
Denmark	0.5	1.7
AMERICAS	19.7	—
United States	15.9	—
Canada	3.8	—
PACIFIC BASIN	14.0	35.5
Japan	10.0	23.1
Hong Kong	2.8	3.5
Australia	1.3	7.4
EMERGING MARKETS	10.0	—
China	3.8	—
Taiwan	2.1	—
Korea	2.1	—
Russia	0.6	—
Indonesia	0.4	—
Brazil	0.4	—
Mexico	0.4	—
Thailand	0.2	—
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	27
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 Apr 2017: Eiffage SA 0.5%; Ryanair Holdings PLC P-Cert 2.7%; Tenaris SA 0.6%; Zodiac Aerospace 1.5%. 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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Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures.

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