



# Artisan International Value Fund

MONTHLY  
Commentary

Investor Class: ARTKX | Advisor Class: APDKX

As of 28 February 2017

## Commentary

The MSCI EAFE Index increased 2.1% in local currency and 1.4% in USD during February. The G7 markets led the advance, increasing 3.1% in local currency and 2.9% in USD. European markets also performed well, gaining 2.8% in local currency and 1.2% in USD, while Pacific markets increased 1.1% in local currency and 1.8% in USD. During the month, the euro and pound sterling fell 1.9% and 1.4% against the USD, respectively, while the yen gained 0.5%.

The top contributors to performance were Arch Capital Group, ISS and Compass Group. During February, Bermuda-based insurance company Arch reported full-year financial results and closed its acquisition of United Guaranty Corp, a leading mortgage insurer, from AIG. Arch benefits from rising interest rates, and management expects strong premium growth and synergies from the acquisition. Further, Arch's legacy mortgage business performed strongly in the quarter. ISS, a leading global facility services provider, reported good results during the month that showed organic growth and margin expansion despite currency headwinds. ISS' management also commented that it is seeing its strongest growth in some time in the economies in which ISS operates—which bodes well for future prospects. Compass, the world's leading contract-catering business, reversed its weak share-price performance from January after reporting good results. The company expects organic growth to pick up throughout the year and highlighted improving underlying margins.

The bottom three contributors were ING, ABB and UBS. ING's share price was weak despite positive news—the Netherlands-based banking and insurance conglomerate reported good quarterly results that demonstrated strong revenue growth and a meaningful decline in operating costs driven by lower regulatory expenses. ABB, a global engineering company, saw its share price consolidate after the prior few months' solid gains. The company reported quarterly results during February, showing revenues growing at the strongest pace of the year. ABB's management is also guiding to strong cost controls. UBS reported results showing outflows in its wealth management business and margins that failed to improve. We believe these setbacks are related to regulatory changes and are temporary in nature, and we expect trends to improve going forward.

## Portfolio Details

	ARTKX	APDKX
Net Asset Value (NAV)	\$33.73	\$33.73
Inception	23 Sep 2002	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2016 <sup>1</sup>	1.18%	1.02%
Prospectus 30 Sep 2016 <sup>2</sup>	1.23%	1.07%

<sup>1</sup>Excluding Acquired Fund Fees & Expenses as described in the prospectus. <sup>2</sup>See prospectus for more information.

## Top 10 Holdings (% of total portfolio)

Samsung Electronics Co Ltd (Korea)	5.4
Arch Capital Group Ltd (United States)	4.6
UBS Group AG (Switzerland)	4.5
Compass Group PLC (United Kingdom)	4.3
Baidu Inc (China)	4.0
ABB Ltd (Switzerland)	4.0
ING Groep NV (Netherlands)	3.8
Royal Bank of Scotland Group PLC (United Kingdom)	3.3
Medtronic PLC (United States)	3.0
TE Connectivity Ltd (United States)	3.0
<b>TOTAL</b>	<b>39.9%</b>

Source: Artisan Partners/FactSet (MSCI).

## Sector Diversification (% of total portfolio equities)

	Fund	EAFE <sup>1</sup>
Consumer Discretionary	12.6	12.3
Consumer Staples	9.6	11.3
Energy	2.7	5.0
Financials	27.8	21.1
Health Care	6.2	10.8
Industrials	18.5	14.2
Information Technology	19.3	5.6
Materials	0.0	8.1
Real Estate	0.0	3.8
Telecommunication Services	3.3	4.5
Utilities	0.0	3.3
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/FactSet (GLCS)/MSCI. Cash represented 13.4% of the total portfolio. <sup>1</sup>MSCI EAFE Index.

## Investment Results (%)

As of 28 February 2017	Average Annual Total Returns							
	MTD <sup>1</sup>	QTD <sup>1</sup>	YTD <sup>1</sup>	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTKX	0.69	4.04	4.04	16.68	1.83	9.40	5.86	12.83
Advisor Class: APDKX	0.72	4.07	4.07	16.90	1.95	9.48	5.90	12.86
MSCI EAFE Index	1.43	4.37	4.37	15.75	-0.62	5.16	1.03	7.58
MSCI EAFE Value Index	0.68	3.16	3.16	20.27	-1.73	4.75	-0.05	7.59

As of 31 December 2016

Investor Class: ARTKX	1.98	-0.29	5.50	5.50	1.00	10.55	5.39	12.67
Advisor Class: APDKX	2.01	-0.22	5.67	5.67	1.11	10.62	5.42	12.70
MSCI EAFE Index	3.42	-0.71	1.00	1.00	-1.60	6.53	0.75	7.35
MSCI EAFE Value Index	4.58	4.17	5.02	5.02	-2.14	6.28	-0.22	7.45

Source: Artisan Partners/MSCI. <sup>1</sup>Returns for periods less than one year are not annualized. Advisor Class performance is that of the Investor Class from 23 September 2002 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 <sup>1</sup>
<b>EUROPE</b>	<b>60.7</b>	<b>62.5</b>
United Kingdom	23.4	18.0
Switzerland	20.4	8.8
Denmark	5.3	1.7
Netherlands	5.0	3.4
Belgium	2.7	1.2
France	2.5	9.8
Norway	1.4	0.7
<b>AMERICAS</b>	<b>17.4</b>	<b>—</b>
United States	15.5	—
Canada	1.9	—
<b>EMERGING MARKETS</b>	<b>16.6</b>	<b>—</b>
Korea	6.9	—
China	4.6	—
Brazil	3.3	—
India	1.8	—
<b>PACIFIC BASIN</b>	<b>5.3</b>	<b>36.8</b>
Japan	5.3	24.3
<b>MIDDLE EAST</b>	<b>—</b>	<b>0.7</b>
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/FactSet (MSCI). <sup>1</sup>MSCI EAFE Index. Countries held in the index, but not held in the portfolio, are not listed. Stocks classified as U.S. are incorporated outside of the U.S.

## Team Leadership (Pictured left to right)



### Portfolio Managers

### Years of Investment Experience

N. David Samra (Lead)	24
Daniel J. O'Keefe	24

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. Value 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 EAFE Value Index measures the performance of developed markets companies, excluding the US and Canada, that exhibit value style characteristics according to MSCI. 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 28 Feb 2017: ISS A/S 2.6%. 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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