



Artisan International Small Cap Fund

MONTHLY
Commentary

Investor Class: ARTJX

As of 30 September 2017

Commentary

September failed to live up to its reputation as one of the more precarious months for equities as volatility remained stolid and the broad indices added to their Q3 and YTD gains. Economic indicators globally continue to point to solid growth, supporting earnings growth and market sentiment. Besides the now regular headlines surrounding North Korea, key macro news of the month concerned the German election and the Federal Reserve's widely anticipated decision to begin reducing the size of its balance sheet. The German election resulted in a fourth term for Angela Merkel, but left her in a weaker position as she seeks to form a coalition government. The Q3 return (in USD terms) for non-US small-cap equities was augmented by currency translation effects as the euro strengthened versus the US dollar. Returns were led by the technology, industrial, energy and materials sectors. The more defensive health care and consumer staples sectors trailed.

Our portfolio performed in line with the MSCI EAFE Small Cap Index in Q3. Wirecard and Advanced Accelerator Applications (AAAP) were among our top contributors. Wirecard, a global payments processing company, is benefiting from structural growth in online payments evidenced by strong gains in transactions volume.

AAAP, a Q1 2017 purchase, is a Swiss radiopharmaceutical company that produces radioactive drugs used to diagnose and treat cancer, among other diseases. Lutathera, the company's new drug for treating neuroendocrine tumors (NETs), received final EU approval in September and is now expected to receive FDA approval by January 2018. Our thesis has been based on our expectation that Lutathera's impressive clinical results indicated a high probability of regulatory approval. In addition, we believed the market was underappreciating the opportunity for the drug to treat all types of NETs, beyond the specific type studied in trials.

Among our biggest detractors were AA and Parques Reunidos. AA is the UK's leading roadside assistance service. Investors were caught by surprise when AA announced the removal of Chairman Bob McKenzie due to a personal issue, which was not related to the business. The company also reduced its outlook for full-year earnings as the first six months of the year were negatively impacted by volatility in work-load patterns with June and July seeing significant spikes in demand. We believe the stock price weakness was overdone. The company has a stable and cash flow-positive business model—roughly three quarters of its earnings derive from roadside assistance contracts, which historically generated 50% margins and renewal rates of roughly 80%.

Parques Reunidos is an operator of leisure parks with properties in 14 countries in the Americas, Europe and Asia. Revenues in the first three weeks of July—a period that accounts for a disproportionate share of annual revenue—were disappointing, and August weather conditions in some locations suggested additional weakness in the business's all-important summer season. We trimmed our position in favor of better opportunities.

Portfolio Details

Net Asset Value (NAV)	\$24.69
ARTJX Inception	21 December 2001
Expense Ratios	
Semi-Annual Report 31 Mar 2017 ¹	1.55%
Prospectus 30 Sep 2016 ²	1.52%

¹Unaudited, annualized for the six month period. ²See prospectus for more information.

Top 10 Holdings (% of total portfolio)

Wirecard AG (Germany)	6.3
InterXion Holding NV (Netherlands)	6.2
Comet Holding AG (Switzerland)	5.8
Euronext NV (France)	4.3
Advanced Accelerator Applications SA (France)	3.9
Cellnex Telecom SA (Spain)	3.6
NEX Group PLC (United Kingdom)	3.5
Dometic Group AB (Sweden)	3.1
HomeServe PLC (United Kingdom)	2.7
Tele Columbus AG (Germany)	2.6
TOTAL	42.0%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	EAFE SC ¹
Consumer Discretionary	19.5	15.9
Consumer Staples	3.9	6.5
Energy	0.0	2.5
Financials	14.6	11.5
Health Care	15.5	6.7
Industrials	13.4	22.4
Information Technology	22.2	11.4
Materials	4.4	9.3
Real Estate	1.4	10.3
Telecommunication Services	3.8	1.3
Utilities	1.3	2.1
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash represented 6.6% of the total portfolio. ¹MSCI EAFE Small Cap Index.

Investment Results (%)

As of 30 September 2017	Average Annual Total Returns							
	MTD ¹	QTD ¹	YTD ¹	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTJX	3.31	7.91	24.70	13.09	5.75	8.36	3.41	11.90
MSCI EAFE Small Cap Index	2.85	7.46	25.42	21.84	11.13	12.85	4.63	10.77
MSCI EAFE Index	2.49	5.40	19.96	19.10	5.04	8.38	1.34	6.40

Source: Artisan Partners/MSCI. ¹Returns for periods less than one year are not annualized.

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 SC ¹
EUROPE	85.4	58.0
Germany	17.7	6.9
United Kingdom	12.6	18.4
France	10.6	4.6
Italy	7.5	4.2
Switzerland	6.9	4.8
Netherlands	6.6	2.3
Sweden	6.6	5.3
Spain	5.6	2.3
Denmark	4.3	1.8
Ireland	3.3	1.0
Portugal	2.3	0.4
Finland	0.8	1.5
Austria	0.5	1.0
EMERGING MARKETS	7.7	—
Mexico	2.5	—
Taiwan	2.4	—
Iceland	1.3	—
Poland	1.2	—
China	0.3	—
PACIFIC BASIN	4.2	40.4
Japan	2.5	29.6
Hong Kong	1.3	2.2
Australia	0.5	6.0
AMERICAS	2.6	—
United States	1.6	—
Canada	1.0	—
MIDDLE EAST	—	1.5
TOTAL	100.0%	100.0%

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

Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
Mark L. Yockey, CFA	37
Charles-Henri Hamker	27

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 Small Cap Index measures the performance of small-cap companies in developed markets, excluding the US and Canada. MSCI EAFE Index measures the performance of developed markets, excluding the US and Canada. 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 Sep 2017: AA PLC 1.1%; Parques Reunidos Servicios Centrales SAU 0.4%. 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.

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

This material is provided for informational purposes without regard to your particular investment needs. This material shall not be construed as investment or tax advice on which you may rely for your investment decisions. Investors should consult their financial and tax adviser before making investments in order to determine the appropriateness of any investment product discussed herein.

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.

© 2017 Artisan Partners. All rights reserved.