



# Artisan International Fund

MONTHLY  
Commentary

Investor Class: ARTIX | Advisor Class: APDIX As of 30 April 2018

## Commentary

Non-US equities rose in April, outperforming the US and emerging markets. Q1 earnings have been strong, especially in the US where tax cuts and US dollar weakness have aided growth. All sectors advanced, but energy was by far the strongest, rising more than 10% in USD terms. Technology, health care and consumer staples stocks lagged with modest gains. The US dollar staged a comeback this month following its weakness over the past year.

Our portfolio trailed the MSCI EAFE Index in April, though still leads YTD. Our below-benchmark energy exposure worked against us, and our sole energy holding—Brazilian oil and gas company Petrobras—trailed the broader sector this month after its sharp gains in Q1.

Our biggest individual detractors this month were Ryanair and Nintendo. Shares of low-cost airline Ryanair were pressured by expectations that rising aviation fuel prices will put a brake on earnings growth. Although increasing fuel costs are a near-term headwind, the current demand environment for air travel in Europe remains quite healthy.

Video game company Nintendo, one of our top performers in Q1, was down slightly. The company's recent results offered few surprises as the Switch platform continued to drive solid business results. We believe Nintendo has a long runway for growth as it's still early in the Switch cycle, and the company's large library of intellectual property can be tapped for developing its new titles pipeline.

Our top contributors were Wirecard and Linde. Wirecard, a payments processor, continues to deliver robust organic growth, driven by transactions volumes as momentum in e-commerce growth shows no signs of slowing. The company recently inked agreements with French bank Crédit Agricole to provide e-commerce and acquiring services in France and other European countries and with Mizuho Bank to provide acquiring and issuing services to the bank's corporate clients in Asia.

With respect to Linde—an industrial gas provider—the main focus remains its merger with Praxair, which appears on track for completion in the second half of 2018. The proposed merger would provide over \$1 billion in cost synergies. However, if the merger falls through, we see limited downside as Linde looks significantly undervalued on a standalone basis.

## Portfolio Details

	ARTIX	APDIX
Net Asset Value (NAV)	\$33.85	\$33.80
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2017	1.18%	1.04%
Prospectus 30 Sep 2017 <sup>1</sup>	1.18%	1.04%

<sup>1</sup>See prospectus for further details.

## Top 10 Holdings (% of total portfolio)

Deutsche Boerse AG (Germany)	5.6
Linde AG (Germany)	4.9
Wirecard AG (Germany)	4.3
Allianz SE (Germany)	3.8
ING Groep NV (Netherlands)	3.3
Airbus SE (France)	3.1
Deutsche Post AG (Germany)	2.9
Nestle SA (Switzerland)	2.9
AIA Group Ltd (Hong Kong)	2.8
Petroleo Brasileiro SA (Brazil)	2.7
<b>TOTAL</b>	<b>36.5%</b>

Source: Artisan Partners/FactSet (MSCI).

## Sector Diversification (% of total portfolio equities)

	Fund	EAFE <sup>1</sup>
Consumer Discretionary	3.5	12.6
Consumer Staples	10.5	10.8
Energy	2.8	5.7
Financials	35.5	21.0
Health Care	5.3	10.0
Industrials	19.5	14.5
Information Technology	11.5	6.5
Materials	10.2	8.0
Real Estate	0.0	3.5
Telecommunication Services	1.2	3.9
Utilities	0.0	3.3
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 2.4% of the total portfolio. <sup>1</sup>MSCI EAFE Index.

## Investment Results (%)

As of 30 April 2018	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	1.26	1.26	1.56	17.67	3.08	5.56	3.43	9.15
Advisor Class: APDIX	1.29	1.29	1.65	17.84	3.26	5.67	3.48	9.17
MSCI EAFE Index	2.28	2.28	0.72	14.51	4.94	5.90	2.43	5.08
MSCI All Country World ex USA Index <sup>1</sup>	1.60	1.60	0.40	15.91	5.01	5.46	2.26	5.55

As of 31 March 2018

Investor Class: ARTIX	-1.21	0.30	0.30	20.58	3.07	5.94	3.84	9.12
Advisor Class: APDIX	-1.18	0.36	0.36	20.73	3.24	6.05	3.89	9.15
MSCI EAFE Index	-1.80	-1.53	-1.53	14.80	5.55	6.50	2.74	4.99
MSCI All Country World ex USA Index <sup>1</sup>	-1.76	-1.18	-1.18	16.53	6.18	5.89	2.70	5.49

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. <sup>1</sup>Performance 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. Class inception: Investor (28 December 1995); Advisor (1 April 2015). 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 total portfolio equities)

REGION	Fund	EAFE <sup>1</sup>
<b>EUROPE</b>	<b>69.1</b>	<b>63.5</b>
Germany	27.5	9.7
United Kingdom	11.6	17.7
France	8.2	11.2
Netherlands	7.9	3.6
Italy	6.0	2.6
Switzerland	4.6	7.5
Ireland	2.4	0.5
Denmark	0.8	1.7
Spain	<0.1	3.2
<b>AMERICAS</b>	<b>10.7</b>	<b>—</b>
United States	8.5	—
Canada	2.2	—
<b>EMERGING MARKETS</b>	<b>10.4</b>	<b>—</b>
China	3.5	—
Brazil	3.3	—
India	1.8	—
Russia	1.1	—
Indonesia	0.6	—
<b>PACIFIC BASIN</b>	<b>9.9</b>	<b>36.1</b>
Japan	6.8	24.3
Hong Kong	3.1	3.6
<b>MIDDLE EAST</b>	<b>—</b>	<b>0.4</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.

## Team Leadership (Pictured left to right)



Portfolio Manager	Years of Investment Experience
Mark L. Yockey, CFA	37
<b>Associate Portfolio Managers</b>	
Charles-Henri Hamker	28
Andrew J. Euretig	14

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 2018: Ryanair Holdings PLC P-Cert 2.3%; Nintendo Co Ltd 1.8%. 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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