



Artisan International Fund

MONTHLY
Commentary

Investor Class: ARTIX | Advisor Class: APDIX As of 28 February 2018

Commentary

A lengthy period of historically low volatility came to an abrupt end in late January with a sharp pullback in global equities. The selloff was triggered by a pick-up in wage gains in the US, which added to existing concerns about rising Treasury yields, potential global inflationary pressures and the direction of monetary policy under new Fed leadership. Despite the broad-based weakness in February, QTD returns for most broad equity indices remain positive. By geography, QTD returns were led by emerging markets with Europe lagging. By sector, cyclicals (e.g., financials, consumer discretionary and technology) outperformed, while defensives and yield-sensitive groups (e.g., utilities, consumer staples, telecom and real estate), in addition to energy, trailed.

Our portfolio trailed the MSCI EAFE Index in February but remains ahead QTD. Deutsche Boerse and Nintendo were among our top QTD contributors. Deutsche Boerse is the largest exchanges operator in Europe and owner of Eurex, Europe's largest derivatives trading and clearing platform. The company began the year with a new CEO who is well-regarded by investors for his close relationships with German regulators and politicians from his tenure at UniCredit's German unit. In addition to strong structural growth drivers—such as the regulatory push to on-exchange trading—cyclical headwinds are turning to tailwinds with the reemergence of market volatility as bond yields normalize and central bank tapering comes into focus.

Japanese video game giant Nintendo sold over 7 million Switch units in its recent quarter, significantly above expectations. Launched in March 2017, Switch has had the fastest start ever for a Nintendo hardware system. Switch is also driving strong sales of the company's higher margin software.

On the down side, shares of Chinese Internet company NetEase declined following solid, late-2017 gains. The company's recent video game releases have seen early success—regularly topping the charts for most downloads and demonstrating NetEase's strong development capabilities. With solid franchises and a strong pipeline, we continue to believe the company is well-positioned to benefit from the secular trend in mobile gaming.

Portfolio Details

	ARTIX	APDIX
Net Asset Value (NAV)	\$33.84	\$33.77
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2017	1.18%	1.04%
Prospectus 30 Sep 2017 ¹	1.18%	1.04%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Deutsche Boerse AG (Germany)	5.6
Linde AG (Germany)	4.8
Wirecard AG (Germany)	3.8
Allianz SE (Germany)	3.7
ING Groep NV (Netherlands)	3.4
Deutsche Post AG (Germany)	3.1
Nestle SA (Switzerland)	3.0
Airbus SE (France)	2.8
Ryanair Holdings PLC (Ireland)	2.7
AIA Group Ltd (Hong Kong)	2.7
TOTAL	35.6%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	EAFE ¹
Consumer Discretionary	4.2	12.6
Consumer Staples	11.4	10.7
Energy	1.5	5.2
Financials	33.7	21.7
Health Care	5.1	10.0
Industrials	19.1	14.7
Information Technology	13.3	6.6
Materials	10.6	8.2
Real Estate	0.0	3.4
Telecommunication Services	1.0	3.8
Utilities	0.0	3.1
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 2.0% of the total portfolio. ¹MSCI EAFE Index.

Investment Results (%)

As of 28 February 2018	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	-5.40	1.53	1.53	26.46	3.28	6.52	3.91	9.22
Advisor Class: APDIX	-5.38	1.56	1.56	26.58	3.44	6.62	3.96	9.24
MSCI EAFE Index	-4.51	0.28	0.28	20.13	5.65	7.06	2.82	5.10
MSCI All Country World ex USA Index ¹	-4.72	0.59	0.59	21.63	6.24	6.31	2.65	5.60

As of 31 December 2017

Investor Class: ARTIX	0.33	3.95	31.02	31.02	4.40	7.12	2.56	9.22
Advisor Class: APDIX	0.33	3.96	31.12	31.12	4.56	7.22	2.61	9.24
MSCI EAFE Index	1.61	4.23	25.03	25.03	7.80	7.90	1.94	5.12
MSCI All Country World ex USA Index ¹	2.24	5.00	27.19	27.19	7.83	6.80	1.84	5.62

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. ¹Performance 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 ¹
EUROPE	66.1	62.8
Germany	26.6	9.7
United Kingdom	10.5	17.0
Netherlands	8.1	3.6
France	7.0	10.8
Italy	5.6	2.5
Switzerland	4.5	7.8
Ireland	2.8	0.5
Spain	0.6	3.2
Denmark	0.3	1.8
PACIFIC BASIN	11.7	36.7
Japan	8.8	24.8
Hong Kong	2.9	3.6
AMERICAS	11.5	—
United States	9.1	—
Canada	2.4	—
EMERGING MARKETS	10.7	—
China	4.1	—
Brazil	2.1	—
Korea	1.3	—
Russia	1.2	—
India	1.1	—
Indonesia	0.7	—
MIDDLE EAST	—	0.5
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	37
Associate Portfolio Managers	
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 28 Feb 2018: NetEase Inc 1.2%; Nintendo Co Ltd 2.2%. 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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