



Artisan International Fund

MONTHLY
Commentary

Investor Class: ARTIX | Advisor Class: APDIX As of 31 December 2019

Commentary

Positive sentiment around US-China trade, Brexit and a potential bottoming in global growth powered non-US equity indices higher in Q4. All regions and sectors participated in the strength. By sector, returns were led by technology and health care. Interest-rate sensitive and defensive groups—utilities, real estate and consumer staples—albeit positive returners, were laggards.

Our portfolio trailed the MSCI EAFE Index in Q4 but finished solidly ahead for the year. Wirecard, a global payments company, was our biggest Q4 detractor. Shares sold off as the *Financial Times* resumed its negative coverage of the company, questioning its accounting practices. The company responded with a statement rejecting each of the FT's new claims and subsequently commissioned KPMG to conduct a new independent audit to fully clarify the allegations in the FT's article. This new audit follows the external audit by the Singaporean law firm Rajah & Tann and a clean audit opinion received from Wirecard's accountant Ernst & Young. We continue to have high conviction in the management team and the business's long-term growth trajectory. As always, we are in dialogue with the company and its management. Our investment case in Wirecard remains focused on sustainable growth in electronic payments processing due to the secular tailwinds of e-commerce and the convergence of mobile, online and offline payments—augmented by market-share gains, new value-added services and global footprint expansion. Shares are attractively valued in our view, selling at a PEG ratio of 0.6X our estimates of 2020 earnings per share and at a P/E multiple of 20X our estimates of 2020 earnings per share.

Several of our top Q4 contributors were among our weakest Q3 performers, including Airbus and Ryanair Holdings. Shares of Airbus, a French aircraft manufacturer, ascended after the US trade representative announced a tariff ruling on EU exports to the US that was more benign than expected. A 10% tariff on aircraft is at the low end of expectations and excludes aerospace components and aircraft manufactured at Airbus' Alabama facility. We remain attracted to the company's cash flow potential as it continues to ramp production of the A320 and A350 aircraft.

Shares of Ryanair, a low-cost airline, rallied due to a reduced hard-Brexit risk and management's guidance that slow industry capacity growth would contribute to increasing fares and better top-line growth. We continue to like Ryanair's leading market position, low cost base and history of returning capital to shareholders.

Portfolio Details

	ARTIX	APDIX
Net Asset Value (NAV)	\$33.26	\$33.16
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2019	1.19%	1.04%
Prospectus 30 Sep 2018 ¹	1.18%	1.04%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Linde PLC (United Kingdom)	6.4
Deutsche Boerse AG (Germany)	6.1
Petroleo Brasileiro SA (Brazil)	4.2
Air Liquide SA (France)	4.0
Airbus SE (France)	3.8
Alia Group Ltd (Hong Kong)	3.7
Nestle SA (Switzerland)	3.7
Aon PLC (United States)	3.2
Deutsche Post AG (Germany)	2.9
Allianz SE (Germany)	2.7
TOTAL	40.6%

Source: Artisan Partners/MSCI.

Sector Diversification (% of total portfolio equities)

	Fund	EAFE ¹
Communication Services	2.3	5.2
Consumer Discretionary	5.0	11.6
Consumer Staples	5.1	11.3
Energy	4.3	4.9
Financials	34.0	18.6
Health Care	12.5	12.2
Industrials	15.9	15.0
Information Technology	6.1	7.0
Materials	14.7	7.1
Real Estate	0.0	3.5
Utilities	0.0	3.7
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 3.3% of the total portfolio. ¹MSCI EAFE Index.

Investment Results (%)

As of 31 December 2019	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	2.75	7.82	29.20	29.20	14.69	5.56	7.18	9.06
Advisor Class: APDIX	2.76	7.88	29.36	29.36	14.85	5.72	7.26	9.09
MSCI EAFE Index	3.25	8.17	22.01	22.01	9.56	5.67	5.50	4.91
MSCI All Country World ex USA Index ¹	4.33	8.92	21.51	21.51	9.87	5.51	4.97	5.32

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	67.2	63.1
Germany	16.3	8.7
France	15.2	11.4
United Kingdom	11.7	16.5
Switzerland	7.8	9.3
Netherlands	4.4	4.0
Italy	4.2	2.3
Ireland	4.0	0.6
Denmark	3.0	1.8
Sweden	0.6	2.7
AMERICAS	15.3	—
United States	13.9	—
Canada	1.4	—
PACIFIC BASIN	9.1	36.4
Hong Kong	4.6	3.5
Japan	4.5	24.5
EMERGING MARKETS	7.6	—
Brazil	4.3	—
India	2.1	—
China	1.1	—
MIDDLE EAST	0.8	0.6
Israel	0.8	0.6
TOTAL	100.0%	100.0%

Source: Artisan Partners/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	39
Associate Portfolio Managers	
Charles-Henri Hamker	30
Andrew J. Euretig	16

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 31 Dec 2019: Ryanair Holdings PLC 2.6%; Wirecard AG 2.1%. 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.

The PEG Ratio (an indicator of a stock's potential value) measures the ratio of the P/E of a company to the growth rate. Price-to-Earnings (P/E) is a valuation ratio of a company's current share price compared to its per-share earnings. Earnings per Share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock.

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.

© 2020 Artisan Partners. All rights reserved.