



Artisan International Small-Mid Fund

MONTHLY
Commentary

Investor Class: ARTJX | Advisor Class: APDJX

As of 28 February 2019

Commentary

Stocks have snapped back strongly QTD, with all regions and sectors participating in the upswing. Solid corporate earnings, which have been generally better than expected, a dovish pivot by the Fed and anticipation of a US-China trade deal have been among the key storylines impacting global equity markets.

Our portfolio has outpaced the MSCI AC World Ex USA Small Mid Index for the QTD period. The vast majority of portfolio holdings have produced robust gains. Among our top QTD contributors are ACADIA Pharmaceuticals and DSM. Shares of ACADIA rebounded from their steep Q4 2018 declines amid the broader market selloff. Our investment case in ACADIA is focused on the re-launch of its lead drug Nuplazid® (pimavanserin) for treating hallucinations and delusions associated with Parkinson's disease psychosis.

DSM is a Dutch multinational life sciences and materials company. The company's nutrition segment (about two thirds of total sales) is continuing to drive solid growth, margins and cash flow. DSM has transformed itself over the past decade through acquisitions to become a leading global player in animal and human health markets as a provider of key food and feed additives, including vitamins, food ingredients and enzymes. The secular trend toward higher consumption of nutritional products remains an important tailwind for this business.

Our weakest QTD performers are AC Immune and Metro Bank—both of which are smaller positions in the portfolio. AC Immune is a Swiss clinical-stage biopharmaceutical company that develops treatments for neurodegenerative diseases. Shares dropped on news it was halting late-stage clinical trials of its Crenezumab drug, a monoclonal antibody, for the treatment of Alzheimer's disease.

Metro Bank, a UK provider of retail and commercial banking services, issued a profit warning for Q4 due to margin pressure—particularly in mortgages—and higher costs associated with the rollout of new branches. In addition, the company reported a weaker capital position driven by reclassifications of certain property-related loans into higher risk categories.

Portfolio Details

	ARTJX	APDJX
Net Asset Value (NAV)	\$12.83	\$12.83
Inception	21 Dec 2001	4 Dec 2018
Expense Ratios		
Annual Report 30 Sep 2018	1.55% ¹	—
Prospectus 30 Sep 2018 ¹	1.36% ²	1.27% ³

¹See prospectus for further details. ²Restated to reflect a reduction in management fees, effective 1 Dec 2018. ³Includes estimated expenses for the current fiscal year.

Top 10 Holdings (% of total portfolio)

Nice Ltd (Israel)	2.7
Tecan Group AG (Switzerland)	2.3
SG Holdings Co Ltd (Japan)	2.2
Cree Inc (United States)	1.8
Obic Co Ltd (Japan)	1.7
Koninklijke DSM NV (Netherlands)	1.6
Azbil Corp (Japan)	1.6
MellanoX Technologies Ltd (United States)	1.6
Davide Campari-Milano SpA (Italy)	1.6
Britvic PLC (United Kingdom)	1.5
TOTAL	18.5%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund
Communication Services	3.2
Consumer Discretionary	10.3
Consumer Staples	8.2
Energy	0.0
Financials	3.5
Health Care	25.5
Industrials	18.4
Information Technology	27.4
Materials	2.8
Real Estate	0.6
Utilities	0.0
TOTAL	100.0%

Source: Artisan Partners/FactSet (GICS). Cash and cash equivalents represented 3.5% of the total portfolio.

Investment Results (%)

As of 28 February 2019	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTJX	4.14	13.64	13.64	-5.30	7.08	0.21	12.83	10.94
Advisor Class: APDJX	4.14	13.74	13.74	-5.30	7.08	0.21	12.83	10.94
MSCI All Country World ex USA SMID Index	1.96	9.96	9.96	-9.29	9.82	3.17	11.72	8.81
MSCI All Country World ex USA Small Cap Index	2.10	10.09	10.09	-10.65	9.96	3.26	12.71	9.59
As of 31 December 2018								
Investor Class: ARTJX	-6.00	-18.19	-16.84	-16.84	-1.14	-1.14	9.68	10.21
Advisor Class: APDJX	-6.08	-18.26	-16.92	-16.92	-1.17	-1.16	9.67	10.21
MSCI All Country World ex USA SMID Index	-4.96	-13.97	-17.06	-17.06	3.84	1.75	8.84	8.29
MSCI All Country World ex USA Small Cap Index	-5.44	-14.43	-18.20	-18.20	3.82	1.96	10.02	9.07

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (21 December 2001); Advisor (4 December 2018). 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
EUROPE	54.6
United Kingdom	18.7
Germany	7.7
Switzerland	7.6
Sweden	5.1
Denmark	4.9
Netherlands	3.5
Italy	2.0
Finland	2.0
Spain	1.7
Belgium	1.0
Ireland	0.3
France	0.1
PACIFIC BASIN	21.4
Japan	20.3
Australia	1.1
AMERICAS	16.4
United States	12.1
Canada	4.3
MIDDLE EAST	4.1
Israel	4.1
EMERGING MARKETS	3.5
Brazil	2.6
India	0.8
TOTAL	100.0%

Source: Artisan Partners/FactSet (MSCI).

Team Leadership



Portfolio Manager

Rezo Kanovich

Years of Investment Experience

20

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 All Country World ex USA SMID Index measures the performance of small- and mid-cap companies in developed and emerging markets excluding the US. MSCI All Country World ex USA Small Cap Index measures the performance of small-cap companies in developed markets 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 2019: AC Immune SA 0.1%; ACADIA Pharmaceuticals Inc 1.1%; Metro Bank PLC 0.2%. 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.

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.

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