



Artisan International Fund

MONTHLY
Commentary

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

Commentary

The four-month rally in global equities, which had retraced most or all (depending on the index) of their Q4 2018 declines, ended abruptly in May with all major regions and sectors finishing lower for the month. The weakness was sparked by setbacks in US-China trade talks and the growing specter of a protracted conflict between the world's two largest economies. This, coupled with concerns about slowing global growth, was reflected in collapsing US government-bond and German bund yields.

Our portfolio outpaced the MSCI EAFE Index in May, adding to its lead for the QTD and YTD periods. QTD outperformance has been driven by positive stock selection, with strong contributions from our financials, technology and materials holdings. In the financials sector, we had strong contributions from financial exchanges holdings Deutsche Boerse, London Stock Exchange and Intercontinental Exchange. Financial exchanges are beneficiaries of the post-financial crisis regulatory push for more transparent on-exchange trading. In addition, as "mini-monopolies" approved by regulators, they boast the types of highly visible long-term growth profiles that we seek.

Wirecard—our biggest detractor in Q1—has been our top contributor QTD. Wirecard released full-year results showing continued strong free cash flow and organic growth, driven by transactions volume, and it received a clean audit opinion from its accountant. In addition, Wirecard announced that SoftBank, a Japanese holding company, had signed terms to take a 5.6% stake in Wirecard through a €900 million convertible bond, providing a welcome vote of confidence amid ongoing allegations by the *Financial Times*. Besides the financing, Wirecard and SoftBank entered into a strategic partnership that will promote Wirecard's growth in Japan and South Korea.

Our biggest QTD detractors were Petrobras, a Brazilian oil and gas producer, and Ryanair Holdings, a low-fare airline. Shares of Petrobras were down on lower oil prices and production; however, free cash flow was still strong. The production shortfall was driven by maintenance stoppages and assets sales as the company continues to strategically divest non-core, lower return businesses. Ryanair is contending with a potential lower fare environment due to market capacity growth and a worsening travel demand backdrop in Europe. 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)	\$30.42	\$30.35
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Semi-Annual Report 31 Mar 2019 ¹	1.19%	1.05%
Prospectus 30 Sep 2018 ²	1.18%	1.04%

¹Unaudited, annualized for the six-month period. ²See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Linde PLC (United Kingdom)	6.4
Deutsche Boerse AG (Germany)	6.0
Wirecard AG (Germany)	5.2
Petroleo Brasileiro SA (Brazil)	4.0
Nestle SA (Switzerland)	4.0
Alia Group Ltd (Hong Kong)	3.8
Airbus SE (France)	3.8
Aon PLC (United States)	3.2
Medtronic PLC (United States)	2.9
Deutsche Post AG (Germany)	2.9
TOTAL	42.2%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	EAFE ¹
Communication Services	2.0	5.6
Consumer Discretionary	4.3	10.9
Consumer Staples	6.0	12.0
Energy	4.3	5.6
Financials	32.8	19.0
Health Care	9.4	11.0
Industrials	17.5	14.7
Information Technology	8.5	6.6
Materials	14.6	7.2
Real Estate	0.0	3.7
Utilities	0.5	3.7
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 6.9% of the total portfolio. ¹MSCI EAFE Index.

Investment Results (%)

As of 31 May 2019	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	-2.87	1.60	12.09	0.60	6.72	2.21	7.98	8.63
Advisor Class: APDIX	-2.85	1.64	12.12	0.74	6.87	2.35	8.05	8.66
MSCI EAFE Index	-4.80	-2.13	7.64	-5.75	5.82	1.27	6.23	4.47
MSCI All Country World ex USA Index ¹	-5.37	-2.87	7.15	-6.26	6.72	1.31	5.80	4.89

As of 31 March 2019

Investor Class: ARTIX	1.01	10.32	10.32	-1.96	6.49	2.45	10.24	8.62
Advisor Class: APDIX	0.98	10.31	10.31	-1.83	6.64	2.58	10.31	8.65
MSCI EAFE Index	0.63	9.98	9.98	-3.71	7.27	2.33	8.96	4.60
MSCI All Country World ex USA Index ¹	0.60	10.31	10.31	-4.22	8.09	2.57	8.85	5.06

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	66.5	62.6
Germany	20.8	8.7
France	13.0	11.1
United Kingdom	12.9	16.9
Switzerland	6.9	9.2
Netherlands	5.7	3.6
Italy	2.5	2.2
Denmark	2.0	1.7
Ireland	1.9	0.5
Finland	0.5	1.0
Sweden	0.2	2.6
AMERICAS	15.1	—
United States	13.6	—
Canada	1.5	—
EMERGING MARKETS	9.2	—
Brazil	4.7	—
India	2.3	—
China	0.9	—
Russia	0.8	—
Indonesia	0.4	—
PACIFIC BASIN	9.0	36.8
Hong Kong	4.9	3.9
Japan	4.1	24.1
MIDDLE EAST	0.3	0.6
Israel	0.3	0.6
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	38
Associate Portfolio Managers	
Charles-Henri Hamker	29
Andrew J. Euretig	15

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 May 2019: Intercontinental Exchange Inc 1.1%; London Stock Exchange Group PLC 1.8%; Ryanair Holdings PLC 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.

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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Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures.

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