



Artisan International Small-Mid Fund

MONTHLY
Commentary

Investor Class: ARTJX | Advisor Class: APDJX

As of 31 October 2019

Commentary

Non-US equities rallied in October, lifted by positive trade and Brexit-related news. Additionally, USD-based returns were favorably impacted by foreign exchange as most major currencies appreciated versus the US dollar. This contributed to non-US equities outperforming US equities, a reverse from most of the past two years. All sectors aside from energy were higher on the month. Overall Q3 corporate earnings have been better than expected, but year-over-year growth has been negative.

Our portfolio outperformed the MSCI ACWI ex USA SMID Index in October and expanded its strong YTD absolute and relative performance results. Many individual holdings from a variety of industries contributed strongly during the month. Among them were Japanese food retailer Kobe Bussan, cloud software companies NICE and AVEVA Group, biopharmaceutical company ACADIA Pharmaceuticals and HVAC manufacturer Belimo Holding.

Kobe Bussan, a stock we've owned since December 2018, is a discount retailer in Japan with an interesting high return-on-capital business model that is comparable to Aldi. The company generates high returns by focusing on private label products across a limited market basket, which allows the company to offer customers higher quality items at lower prices. This is a new concept in Japan. Historically, Japan has been a very premium-oriented market, particularly as it relates to food quality and experiences. Yet there is a massive bifurcation in income levels, with a sizable population of older people on fixed incomes. Additionally, higher consumption taxes are pressuring household budgets—reinforcing the appeal of discount prices. The company has been successfully growing its market share, driven by its dominant price competitiveness and franchise store growth nationally.

Our biggest decliner during the month was Cellavision, a leading developer of digital cell morphology solutions for medical microscopy in hematology. The stock pulled back due to softer-than-expected earnings growth as R&D investments picked up. Our investment case is based on digital solutions continuing to take share from manual analysis. Cellavision's product is now the standard in the US and Canada, and we believe Cellavision machines should become the global standard over the next decade.

Portfolio Details

	ARTJX	APDJX
Net Asset Value (NAV)	\$14.24	\$14.25
Inception	21 Dec 2001	4 Dec 2018
Expense Ratios		
Semi-Annual Report 31 Mar 2019	1.43% ¹	1.26% ²
Prospectus 30 Sep 2018 ³	1.36% ⁴	1.27% ⁵

¹Unaudited, annualized for the six-month period. ²Unaudited, for the period from commencement of operations 4 Dec 2018 through 31 Mar 2019. ³See prospectus for further details. ⁴Restated to reflect a reduction in management fees, effective 1 Dec 2018. ⁵Includes estimated expenses for the current fiscal year.

Top 10 Holdings (% of total portfolio)

Nice Ltd (Israel)	3.0
Tecan Group AG (Switzerland)	2.0
SG Holdings Co Ltd (Japan)	1.9
Obic Co Ltd (Japan)	1.9
Cree Inc (United States)	1.7
Azbil Corp (Japan)	1.7
Almirall SA (Spain)	1.6
Koninklijke DSM NV (Netherlands)	1.4
Belimo Holding AG (Switzerland)	1.4
SolarEdge Technologies Inc (United States)	1.4
TOTAL	17.9%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	ACxUS SMD ¹
Communication Services	2.8	4.8
Consumer Discretionary	9.6	12.3
Consumer Staples	9.2	6.7
Energy	0.0	2.9
Financials	3.7	11.5
Health Care	25.9	7.2
Industrials	18.1	20.0
Information Technology	27.2	9.4
Materials	2.5	11.0
Real Estate	1.1	10.0
Utilities	0.0	4.3
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 2.3% of the total portfolio. ¹MSCI All Country World ex USA SMID Index.

Investment Results (%)

As of 31 October 2019	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTJX	4.63	4.63	26.13	15.27	10.40	5.71	7.91	11.15
Advisor Class: APDJX	4.63	4.63	26.33	15.35	10.43	5.72	7.92	11.15
MSCI All Country World ex USA SMID Index	4.07	4.07	15.48	9.84	7.36	5.10	6.29	8.76
MSCI All Country World ex USA Small Cap Index	4.05	4.05	14.74	8.77	6.98	5.31	6.67	9.47

As of 30 September 2019

Investor Class: ARTJX	0.96	-2.09	20.55	-1.38	6.63	4.86	7.28	10.92
Advisor Class: APDJX	0.96	-2.08	20.74	-1.31	6.66	4.87	7.29	10.93
MSCI All Country World ex USA SMID Index	2.31	-1.47	10.96	-4.54	5.03	3.90	5.69	8.56
MSCI All Country World ex USA Small Cap Index	2.43	-1.19	10.28	-5.63	4.64	3.98	6.13	9.27

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	ACxUS SMD ¹
EUROPE	50.2	42.7
United Kingdom	17.0	12.6
Germany	6.9	4.5
Switzerland	6.8	4.7
Denmark	6.1	1.7
Sweden	3.6	3.3
Netherlands	2.5	1.7
Spain	2.1	1.6
Finland	1.8	1.1
Italy	1.4	2.3
Belgium	1.2	1.2
France	0.6	5.2
Ireland	0.2	0.8
PACIFIC BASIN	23.8	30.3
Japan	22.7	20.7
Australia	1.1	5.3
AMERICAS	16.4	6.5
United States	11.6	—
Canada	4.8	6.5
MIDDLE EAST	6.0	1.1
Israel	6.0	1.1
EMERGING MARKETS	3.6	19.5
Brazil	3.6	2.4
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (MSCI). ¹MSCI All Country World ex USA SMID Index. Countries held in the index, but not held in the portfolio, are not listed.

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 31 Oct 2019: ACADIA Pharmaceuticals Inc 1.4%; AVEVA Group PLC 1.4%; Cellavision AB 0.5%; Kobe Bussan Co Ltd 1.3%. 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.

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.

© 2019 Artisan Partners. All rights reserved.

11/6/2019 A19826L_vR

