



Artisan International Fund

MONTHLY
Commentary

Investor Class: ARTIX | Advisor Class: APDIX As of 30 September 2019

Commentary

Following a strong first half of the year, non-US equities weakened in Q3 as softening global growth and the US-China trade conflict returned to the fore of investor concerns. While the US and Japan advanced, Europe and emerging markets finished lower. Reflecting macro uncertainties, returns were weakest among cyclicals: energy, materials and financials. Defensives and interest rate proxies generally performed best, with utilities, consumer staples and health care stocks among the leading performers.

Our portfolio finished with a small gain in Q3 and remains solidly ahead of the MSCI EAFE Index YTD. In Q3, our portfolio benefited from positive stock selection with outperformance driven by our financials, health care and materials holdings. London Stock Exchange Group (LSE) and Deutsche Boerse—two of our financial exchanges theme holdings—were strong contributors. LSE, one of the largest market infrastructure groups operating globally, agreed to acquire Refinitiv, Thomson Reuters' former financial and risk business. The combination should strengthen LSE's existing leadership position in market data services—a secular growth business with an attractive subscription-based revenue model—and diversify its geographic footprint.

Our health care holdings were a source of strong absolute and relative performance led by Medtronic, a medical devices company; Nippon Shinyaku, a Japanese pharmaceuticals and health-foods products company; and Genmab, a Danish biopharma company. With below-average exposure to macro and trade-related issues, the stocks have benefited from company-specific growth drivers. In the case of Medtronic, shares have risen on better-than-expected organic growth across all four business segments. On a regional basis, emerging markets were a standout with double-digit sales growth.

Pan-Asian insurance group AIA Group and aerospace manufacturer Airbus were among our biggest Q3 decliners. Despite recent weakness, both stocks remain among our top YTD contributors. Shares of AIA have been hurt by the ongoing unrest in Hong Kong that has led to a sharp decline in mainland Chinese visitors. In the first half of 2019, Hong Kong represented 40% of the value of AIA's new business. Though we believe the Hong Kong situation is temporary and AIA's long-term outlook is attractive, we expect it to remain a drag on business while tensions persist.

France-headquartered Airbus and its rival, US-based Boeing, are at the heart of a 15-year trade dispute between the US and EU over illegal subsidies for aircraft manufacturers. In September, the WTO ruled in the US's favor, setting the stage for the US to impose a potential \$7.5bn in tariffs on EU exports to the US, including aircraft produced by Airbus. The WTO is expected to rule next year on whether the European Commission can apply retaliatory tariffs due to state aid provided to Boeing. Given the potential harm to the economies of not only Europe, but also the US—40% of aircraft procurement at Airbus is purchased from its US supply chain—tariffs are in no one's interest. We remain investors.

Investment Results (%)

As of 30 September 2019	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	1.12	0.40	19.82	6.29	8.61	4.08	6.77	8.81
Advisor Class: APDIX	1.12	0.46	19.91	6.46	8.76	4.23	6.84	8.84
MSCI EAFE Index	2.87	-1.07	12.80	-1.34	6.48	3.27	4.90	4.61
MSCI All Country World ex USA Index ¹	2.57	-1.80	11.56	-1.23	6.33	2.90	4.45	5.00

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.

Portfolio Details

	ARTIX	APDIX
Net Asset Value (NAV)	\$32.52	\$32.46
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)

Deutsche Boerse AG (Germany)	6.5
Linde PLC (United Kingdom)	6.5
Wirecard AG (Germany)	5.1
Nestle SA (Switzerland)	4.1
Petroleo Brasileiro SA (Brazil)	4.1
Air Liquide SA (France)	3.8
Airbus SE (France)	3.6
AIA Group Ltd (Hong Kong)	3.6
Aon PLC (United States)	3.2
Deutsche Post AG (Germany)	2.8
TOTAL	43.3%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	EAFE ¹
Communication Services	2.3	5.4
Consumer Discretionary	4.3	11.5
Consumer Staples	6.3	12.0
Energy	4.3	5.1
Financials	31.2	18.6
Health Care	12.0	11.6
Industrials	16.2	14.7
Information Technology	8.2	6.7
Materials	15.3	7.0
Real Estate	0.0	3.6
Utilities	0.0	3.8
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 3.2% of the total portfolio. ¹MSCI EAFE Index.

Region/Country Allocation (% of total portfolio equities)

REGION	Fund	EAFE ¹
EUROPE	67.9	62.8
Germany	19.6	8.5
France	14.4	11.4
United Kingdom	11.1	16.4
Switzerland	8.2	9.4
Netherlands	4.7	4.0
Italy	3.4	2.3
Denmark	3.1	1.8
Ireland	2.8	0.5
Sweden	0.6	2.6
AMERICAS	14.9	—
United States	13.5	—
Canada	1.4	—
PACIFIC BASIN	8.8	36.6
Japan	4.5	24.6
Hong Kong	4.3	3.5
EMERGING MARKETS	7.7	—
Brazil	5.0	—
India	1.9	—
Russia	0.5	—
China	0.3	—
MIDDLE EAST	0.6	0.6
Israel	0.6	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	39
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 30 Sep 2019: Genmab A/S 2.1%; London Stock Exchange Group PLC 0.2%; Medtronic PLC 2.7%; Nippon Shinyaku Co Ltd 1.9%. 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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10/3/2019 A19797L_vR