



Artisan International Fund

MONTHLY
Commentary

Investor Class: ARTIX | Advisor Class: APDIX As of 30 April 2020

Commentary

Following one of the worst quarters in stock market history, non-US equities snapped back strongly in April aided by massive government stimulus initiatives globally and optimism of slowing COVID-19 infections.

Our portfolio slightly outperformed the MSCI EAFE Index in April. Top individual contributors included Amazon.com and Genmab. As discussed in our recent quarterly commentary, Amazon.com's e-commerce and web services businesses are favorably positioned in this environment as social distancing behaviors reinforce existing secular trends toward e-commerce and cloud software.

Genmab is a Denmark-based biotechnology company specializing in the development of antibody therapeutics for the treatment of cancer. In April, Genmab's partner Johnson & Johnson reported much stronger than expected sales of Darzalex®—the first monoclonal antibody to receive FDA approval to treat multiple myeloma—developed by Genmab. Separately, on May 1, Genmab announced that the subcutaneous formulation of Darzalex® was approved by the FDA. This formulation utilizes ENHANZE® technology, which aids delivery of biologics subcutaneously, as opposed to intravenously. The benefit is improved absorption and reduced drug administration time.

Our biggest detractor in April was Wirecard. Shares of Wirecard, a global payments company, fell after accounting firm KPMG delivered the report of the special audit commissioned in October 2019 by Wirecard to investigate allegations about its accounting raised by the *Financial Times*. Though KPMG found no incriminating evidence and no significant findings requiring restatements, the investigations into third party acquiring were inconclusive and raised concerns over a lack of cooperation from Wirecard, while failing to provide an independent opinion clearly refuting the allegations. In addition, Wirecard postponed its FY19 results as its accountant Ernst & Young must review the KPMG report and overcome COVID-19 related restrictions. The lack of a clear outcome on the investigation leaves an overhang on the stock while the uncertainty remains. We have been gradually reducing our position over the past six months given ongoing controversy. 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 0.5X and at a P/E multiple of 16X our estimates of 2020 earnings per share.

Investment Results (%)

As of 30 April 2020	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	6.64	6.64	-16.03	-5.99	3.86	0.85	5.82	8.15
Advisor Class: APDIX	6.66	6.66	-15.98	-5.82	4.01	1.01	5.91	8.18
MSCI EAFE Index	6.46	6.46	-17.84	-11.34	-0.58	-0.17	3.55	3.99
MSCI All Country World ex USA Index ¹	7.58	7.58	-17.55	-11.51	-0.25	-0.17	2.89	4.41

As of 31 March 2020	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	-14.02	-21.26	-21.26	-7.78	2.92	-0.20	4.92	7.89
Advisor Class: APDIX	-13.99	-21.23	-21.23	-7.62	3.07	-0.04	5.00	7.93
MSCI EAFE Index	-13.35	-22.83	-22.83	-14.38	-1.82	-0.62	2.72	3.74
MSCI All Country World ex USA Index ¹	-14.48	-23.36	-23.36	-15.57	-1.96	-0.64	2.05	4.12

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)	\$27.93	\$27.86
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2019	1.19%	1.04%
Prospectus 30 Sep 2019 ¹	1.19%	1.04%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Deutsche Boerse AG (Germany)	6.4
Linde PLC (United Kingdom)	5.9
Air Liquide SA (France)	4.1
Nestle SA (Switzerland)	4.1
AIA Group Ltd (Hong Kong)	3.6
Aon PLC (United States)	3.4
Amazon.com Inc (United States)	3.0
Genmab A/S (Denmark)	2.8
Medtronic PLC (United States)	2.5
Allianz SE (Germany)	2.4
TOTAL	38.2%

Source: Artisan Partners/MSCI.

Sector Diversification (% of total portfolio equities)

	Fund	EAFE ¹
Communication Services	5.9	5.5
Consumer Discretionary	7.8	11.3
Consumer Staples	8.7	12.4
Energy	1.3	3.7
Financials	29.0	16.2
Health Care	14.9	14.7
Industrials	10.6	14.2
Information Technology	5.7	7.8
Materials	14.7	6.8
Real Estate	0.0	3.3
Utilities	1.5	4.0
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 6.0% of the total portfolio. ¹MSCI EAFE Index.

Region/Country Allocation (% of total portfolio equities)

REGION	Fund	EAFE ¹
EUROPE	63.4	61.6
Germany	16.9	8.5
Switzerland	12.4	10.5
France	10.8	10.6
United Kingdom	10.2	15.0
Denmark	4.3	2.2
Netherlands	2.7	4.2
Ireland	2.6	0.6
Italy	1.8	2.1
Portugal	0.9	0.2
Sweden	0.4	2.8
Spain	0.2	2.5
AMERICAS	17.0	—
United States	15.4	—
Canada	1.5	—
EMERGING MARKETS	9.2	—
China	6.3	—
India	1.7	—
Brazil	1.3	—
PACIFIC BASIN	9.0	37.7
Japan	4.5	26.0
Hong Kong	4.5	3.8
MIDDLE EAST	1.5	0.6
Israel	1.5	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.

Current and future portfolio holdings are subject to risk. 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 Apr 2020: Wirecard AG 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.

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Price-to-Earnings (P/E) Ratio measures how expensive a stock is. Earnings figures used for FY1 and FY2 are estimates for the current and next unreported fiscal years. 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.

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