



# Artisan International Small-Mid Fund

MONTHLY  
Commentary

Investor Class: ARTJX | Advisor Class: APDJX As of 30 April 2020

## Commentary

Following one of the worst quarters in stock market history, equities roared back in April aided by massive government stimulus initiatives globally and optimism of slowing COVID-19 infections. Non-US small- and mid-cap stocks gained more than 10% in April, led by energy and materials stocks. Despite our minimal exposure to those sectors, our portfolio outpaced the MSCI ACWI ex USA SMID Index, adding to its YTD performance advantage. Relative results benefited from positive stock selection.

Top individual contributors in April included boohoo Group and Kornit Digital. Boohoo is a UK-based online fashion retailer. After halving in price from February to March, the stock recouped all those losses in April, doubling in price from its March-lows. The company's business model has shown resilience as online sales are seeing accelerating market share gains amid the dislocation. Despite working from home initiatives in place, the company's skillful use of social media to drive customer traffic has continued. We have been long-term owners of this business due to management's strong execution and its growth potential as the company seeks to broaden its e-commerce platform to multiple brands and geographies beyond the United Kingdom.

Kornit Digital is a leader in commercial printing solutions (i.e., equipment, software and ink) for the garment, apparel and textile industries. The company's technology allowing manufacturers to directly print pigment on garments is revolutionizing the textile industry by enabling the apparel industry's structural shift to automation, fast fashion and increased customization. Though a short-term shock to sales is inevitable, it's important to understand the value of this business derives from its premier customer relationships and the long tail of high-margin proprietary ink consumables consequent to printer installations. We do not see the health crisis negatively impacting the industry's structural shifts. In fact, the need for better inventory management and to bring production closer to the customer, may only be reinforced.

Given the environment in April, our portfolio did not contain many negative performers, and even the worst contributors each detracted less than 10 basis points from overall performance. That being said, ViewRay led the way on the down side. ViewRay's MRIdian MR-LINAC system is a leading platform for real-time visualization of soft-tissue cancer improving the safety and efficacy of radiation therapy. COVID-19 has delayed planned system installations for this year and is impacting new orders due to limited sales rep access. Despite the near-term disruption, we believe the multi-year growth opportunity based on MR-LINAC becoming the standard LINAC should not be impacted. Postponing cancer radiotherapy is not a realistic outcome, and ViewRay is adequately financed in our opinion. As with all our portfolio companies, monitoring liquidity, cash burn and overall financial strength has become a requisite exercise.

## Portfolio Details

	ARTJX	APDJX
Net Asset Value (NAV)	\$13.43	\$13.44
Inception	21 Dec 2001	4 Dec 2018
Expense Ratios		
Annual Report 30 Sep 2019	1.43%	1.25% <sup>1</sup>
Prospectus 30 Sep 2019 <sup>2,3</sup>	1.40%	1.26%

<sup>1</sup>For the period from commencement of operations 5 Dec 2018 through 30 Sep 2019. <sup>2</sup>Reflects a reduction in management fees, effective 1 Dec 2018. <sup>3</sup>See prospectus for further details.

## Top 10 Holdings (% of total portfolio)

Nice Ltd (Israel)	3.0
MorphoSys AG (Germany)	2.2
Tecan Group AG (Switzerland)	2.1
Azbil Corp (Japan)	2.0
SG Holdings Co Ltd (Japan)	2.0
Cree Inc (United States)	1.7
Obic Co Ltd (Japan)	1.6
ConvaTec Group PLC (United Kingdom)	1.6
Metso Oyj (Finland)	1.6
Baloise Holding AG (Switzerland)	1.5
<b>TOTAL</b>	<b>18.9%</b>

Source: Artisan Partners/MSCI.

## Sector Diversification (% of total portfolio equities)

	Fund	ACxUS SMD <sup>1</sup>
Communication Services	2.3	4.9
Consumer Discretionary	7.4	11.3
Consumer Staples	6.8	7.3
Energy	0.0	2.3
Financials	3.7	10.3
Health Care	31.0	8.9
Industrials	17.9	19.4
Information Technology	27.3	11.0
Materials	2.4	10.9
Real Estate	1.1	9.1
Utilities	0.0	4.5
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 6.4% of the total portfolio. <sup>1</sup>MSCI All Country World ex USA SMID Index.

## 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: ARTJX	11.27	11.27	-12.57	-1.61	5.81	1.94	6.69	10.49
Advisor Class: APDJX	11.26	11.26	-12.56	-1.44	5.87	1.98	6.71	10.50
MSCI All Country World ex USA SMID Index	11.06	11.06	-19.99	-13.25	-1.78	0.07	3.54	7.54
MSCI All Country World ex USA Small Cap Index	12.15	12.15	-20.38	-13.51	-2.15	0.32	3.76	8.23

As of 31 March 2020

Investor Class: ARTJX	-13.66	-21.42	-21.42	-7.01	3.88	1.85	5.70	9.90
Advisor Class: APDJX	-13.65	-21.41	-21.41	-6.85	3.95	1.89	5.72	9.91
MSCI All Country World ex USA SMID Index	-18.35	-27.96	-27.96	-20.05	-4.24	-0.96	2.58	6.96
MSCI All Country World ex USA Small Cap Index	-19.30	-29.01	-29.01	-21.18	-4.89	-0.81	2.79	7.60

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 <sup>1</sup>
<b>EUROPE</b>	<b>50.8</b>	<b>42.2</b>
United Kingdom	15.5	11.2
Switzerland	8.8	5.0
Germany	7.1	4.6
Denmark	6.6	2.1
Sweden	2.8	3.6
Finland	2.7	1.1
Netherlands	2.5	1.7
France	1.6	5.1
Spain	1.3	1.5
Italy	1.0	2.2
Belgium	0.8	1.4
Ireland	0.2	0.8
<b>PACIFIC BASIN</b>	<b>19.2</b>	<b>30.2</b>
Japan	19.2	20.8
<b>AMERICAS</b>	<b>18.9</b>	<b>6.2</b>
United States	14.8	—
Canada	4.1	6.2
<b>MIDDLE EAST</b>	<b>8.1</b>	<b>1.2</b>
Israel	8.1	1.2
<b>EMERGING MARKETS</b>	<b>3.0</b>	<b>20.1</b>
Brazil	2.7	1.7
China	0.3	3.4
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/MSCI. <sup>1</sup>MSCI 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

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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 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 30 Apr 2020: boohoo Group PLC 1.0%; Komit Digital Ltd 1.2%; ViewRay Inc 0.5%. 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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