



Artisan International Fund

MONTHLY
Commentary

Investor Class: ARTIX | Advisor Class: APDIX As of 31 December 2020

Commentary

Equity markets experienced a historic rally in Q4, fueled by positive news on COVID-19 vaccines and further aided by the removal of policy uncertainty related to the US election. The MSCI EAFE Index's 16.1% gain was its best quarterly return since 2010. The shift in sentiment led to a pro-cyclical rotation, with the energy and financials sectors—the worst YTD performers through September—leading the way in Q4. Regionally, all major markets participated in the gains.

Our portfolio was unable to keep pace with the MSCI EAFE Index in Q4, with nearly all the quarterly performance shortfall occurring in November when stocks surged on the vaccine news. Our aversion to cheap cyclicals with subpar long-term growth drivers and our bias toward sustainable growth businesses with competitive advantages were largely responsible for our underperformance. In particular, our portfolio suffered from a lack of exposure to banks—one of the period's strongest performers—and underperformance by our e-commerce, financial exchange and insurance brokerage holdings.

On an individual basis, our weakest Q4 contributors to return were Alibaba, a Chinese e-commerce and cloud computing company, and Deutsche Boerse, a European financial exchanges operator. Shares of Alibaba and other leading Chinese companies came under pressure due to news of potential for increased antitrust regulation in China. We believe the market has likely overreacted since the Chinese government does not want to hamper the large e-commerce platforms that are key growth drivers for the economy. Though the uncertain regulatory environment has driven short-term volatility in Chinese Internet stocks, we have confidence that Alibaba, one of China's best-managed companies, will find ways to adapt and continue to grow.

Deutsche Boerse's third-quarter revenues declined due to lower market volatility and low interest rates hurting net interest income for its Clearstream custody and settlement services division. Despite the cyclical headwinds, we like the company's entrenched market position, attractive business model and the secular tailwinds from regulations pushing the shift to on-exchange trading and the ever-increasing sophistication of financial investors driving demand for data, indices and analytic tools. The latter trend is contributing to the growth of the company's new Qontigo indices and analytics division born from the merger of STOXX and Axioma.

Our top Q4 contributor was Ryanair Holdings, a low-cost European airline. The positive vaccine-related news caused Ryanair and other travel and leisure stocks to rally sharply as markets looked ahead to travel demand recovering in 2021. We continue to like Ryanair's leading market position, low-cost base and history of returning capital to shareholders.

Investment Results (%)

As of 31 December 2020	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	4.40	8.87	7.56	7.56	7.39	7.95	7.35	9.00
Advisor Class: APDIX	4.45	8.90	7.72	7.72	7.57	8.11	7.45	9.04
MSCI EAFE Index	4.65	16.05	7.82	7.82	4.28	7.45	5.51	5.02
MSCI All Country World ex USA Index ¹	5.41	17.01	10.65	10.65	4.88	8.93	4.92	5.53

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)	\$34.61	\$34.50
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2020	1.19%	1.04%
Prospectus 30 Sep 2019 ¹	1.19%	1.04%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Linde PLC (United Kingdom)	4.6
Deutsche Boerse AG (Germany)	4.6
AIA Group Ltd (Hong Kong)	3.9
Nestle SA (Switzerland)	3.7
Nice Ltd (Israel)	3.6
Air Liquide SA (France)	3.6
Roche Holding AG (Switzerland)	3.6
Aon PLC (United States)	3.1
Alibaba Group Holding Ltd (China)	2.9
Genmab A/S (Denmark)	2.9
TOTAL	36.5%

Source: Artisan Partners/MSCI.

Sector Diversification (% of total portfolio equities)

	Fund	EAFE ¹
Communication Services	7.4	5.2
Consumer Discretionary	11.8	12.5
Consumer Staples	5.0	10.9
Energy	1.2	3.1
Financials	15.5	16.3
Health Care	15.2	12.9
Industrials	12.6	15.2
Information Technology	15.4	8.9
Materials	14.6	7.9
Real Estate	0.0	3.1
Utilities	1.2	3.9
TOTAL	100.0%	100.0%

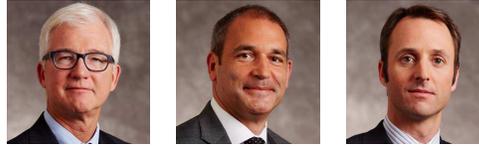
Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 2.2% of the total portfolio. ¹MSCI EAFE Index.

Region/Country Allocation (% of total portfolio equities)

REGION	Fund	EAFE ¹
EUROPE	58.7	62.4
Germany	13.2	9.4
Switzerland	11.7	9.6
United Kingdom	7.7	14.0
France	6.2	11.1
Denmark	5.3	2.5
Ireland	4.2	0.7
Netherlands	4.0	3.9
Belgium	2.6	1.0
Sweden	2.5	3.4
Portugal	1.2	0.2
Norway	0.1	0.6
EMERGING MARKETS	15.3	—
China	8.9	—
Korea	2.3	—
Taiwan	2.0	—
India	1.2	—
Russia	0.7	—
Brazil	0.3	—
AMERICAS	14.8	—
United States	13.2	—
Canada	1.6	—
PACIFIC BASIN	7.5	37.0
Hong Kong	4.0	3.3
Japan	3.5	25.3
MIDDLE EAST	3.7	0.6
Israel	3.7	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	40
Associate Portfolio Managers	
Charles-Henri Hamker	31
Andrew J. Euretig	17

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 31 Dec 2020: Ryanair Holdings PLC 2.8%. 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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