



Artisan International Small-Mid Fund

MONTHLY
Commentary

Investor Class: ARTJX | Advisor Class: APDJX

As of 31 July 2020

Commentary

Equity markets were mixed in July. Emerging markets equities outperformed developed markets, and the US, helped by big tech, outperformed Europe and Japan. The appreciation of all G10 currencies versus the US dollar provided a strong tailwind for USD-based returns.

Our portfolio outpaced the MSCI ACWI ex USA SMID Index in July, adding to its YTD lead. Top individual contributors were top-five holdings Tecan Group and Cree. Tecan Group is a Swiss leader in the design and manufacturing of life-sciences tools and diagnostics instruments. Tecan's core specialty is designing robotic liquid handling—automated systems that are highly complicated and require exquisite precision—with important applications in molecular diagnostics and gene sequencing. Robotic fluid handling is a growing market driven by the increasing automation needs of pharma and biotech companies. Additionally, the company is exploring adjacencies to fluid handling by branching out to software and analytics and is leveraging its leadership to cross-sell consumables, resulting in a high share of stable recurring revenue. Tecan provides laboratory equipment and other products for the diagnostics market, serving as a partner to larger diagnostics companies. Demand for these diagnostic instruments has received a near-term boost related to COVID-19, which is offsetting potential COVID-19-related pressures in other parts of the business.

Cree, a holding in our next-generation auto theme, produces next-generation power semiconductors used in electric car batteries. The company's competitive position is strong. Cree is one of only a few companies with the intellectual property and process know-how to manufacture the silicon carbide wafers from which the next generation of power semiconductors used in electric vehicles is produced. Electrification of the automobile is not a distant event, and it's not just Tesla. The incumbent auto industry is planning a massive electrification of car models over the next five years.

Among our biggest detractors were boohoo Group and ACADIA Pharmaceuticals. Boohoo is a UK-based online fashion retailer. Shares fell on allegations that conditions at a non-Boohoo factory, albeit one producing primarily for Boohoo, were putting workers at risk of contracting COVID-19. The company immediately disassociated with any suppliers that breached its supplier code of conduct and began an investigation into supply chain working conditions. The company plans to release the findings of its investigation in September along with H1 results. 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.

ACADIA is a biopharmaceutical company and maker of Nuplazid® (pimavanserin), the only approved treatment for Parkinson's disease psychosis. Its trial for Nuplazid® for depression missed its primary endpoint. At this time, ACADIA does not plan to conduct another trial in this indication. Despite this outcome, we believe Nuplazid's label expansion to dementia psychosis—a large market opportunity that currently does not have any other approved drugs—remains likely.

Portfolio Details

	ARTJX	APDJX
Net Asset Value (NAV)	\$16.13	\$16.14
Inception	21 Dec 2001	4 Dec 2018
Expense Ratios		
Semi-Annual Report 31 Mar 2020 ¹	1.34%	1.20%
Prospectus 30 Sep 2019 ^{2,3}	1.40%	1.26%

¹Unaudited, annualized for the six-month period. ²Reflects a reduction in management fees, effective 1 Dec 2018. ³See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Nice Ltd (Israel)	2.9
MorphoSys AG (Germany)	2.3
Cree Inc (United States)	2.1
Tecan Group AG (Switzerland)	2.0
Metso Outotec Oyj (Finland)	1.9
Azbil Corp (Japan)	1.9
SG Holdings Co Ltd (Japan)	1.9
ConvaTec Group PLC (United Kingdom)	1.7
AIXTRON SE (Germany)	1.7
Kornit Digital Ltd (Israel)	1.6
TOTAL	20.0%

Source: Artisan Partners/MSCI.

Sector Diversification (% of total portfolio equities)

	Fund	ACxUS SMD ¹
Communication Services	2.2	4.9
Consumer Discretionary	7.3	11.6
Consumer Staples	5.9	6.5
Energy	0.0	2.3
Financials	3.1	10.8
Health Care	28.8	8.4
Industrials	21.5	18.9
Information Technology	27.8	11.7
Materials	2.3	11.6
Real Estate	1.1	8.8
Utilities	0.0	4.4
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 4.2% of the total portfolio. ¹MSCI All Country World ex USA SMID Index.

Investment Results (%)

As of 31 July 2020	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTJX	5.36	5.36	5.01	17.32	9.04	7.22	8.91	11.43
Advisor Class: APDJX	5.28	5.28	5.01	17.42	9.10	7.26	8.93	11.44
MSCI All Country World ex USA SMID Index	4.48	4.48	-8.78	0.02	0.33	3.49	5.30	8.20
MSCI All Country World ex USA Small Cap Index	5.00	5.00	-8.44	1.12	0.30	3.91	5.73	8.93

As of 30 June 2020

Investor Class: ARTJX	3.38	26.84	-0.33	10.31	9.23	5.41	9.36	11.17
Advisor Class: APDJX	3.44	26.90	-0.26	10.48	9.31	5.46	9.39	11.19
MSCI All Country World ex USA SMID Index	3.26	21.19	-12.69	-5.13	0.03	2.41	5.72	7.98
MSCI All Country World ex USA Small Cap Index	3.26	22.83	-12.80	-4.34	-0.17	2.50	6.05	8.69

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	53.3	40.7
United Kingdom	17.5	11.1
Switzerland	8.1	3.6
Germany	8.0	4.9
Denmark	6.7	2.1
Finland	3.1	1.1
Sweden	2.9	4.4
Netherlands	2.3	1.5
France	2.2	5.1
Italy	1.0	2.3
Spain	0.9	1.0
Belgium	0.7	1.2
Ireland	0.1	0.4
AMERICAS	19.0	6.1
United States	14.9	—
Canada	4.1	6.1
PACIFIC BASIN	15.9	29.6
Japan	15.9	19.9
MIDDLE EAST	7.7	1.4
Israel	7.7	1.4
EMERGING MARKETS	4.1	22.1
Brazil	2.5	1.9
India	1.2	1.9
China	0.4	4.0
TOTAL	100.0%	100.0%

Source: Artisan Partners/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

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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 31 Jul 2020: ACADIA Pharmaceuticals Inc 0.7%; boohoo Group PLC 1.0%. 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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