



Artisan International Fund

MONTHLY
Commentary

Investor Class: ARTIX

Advisor Class: APDIX

As of 31 March 2020

Commentary

Non-US equities experienced a historic selloff in Q1 driven by the COVID-19 pandemic. All sectors and regions finished lower. The energy sector was the worst performer as the price of oil came under pressure from the dual shocks of COVID-19 and the Saudi Arabia-Russia price war. We believe we were well-positioned heading into this unforeseen crisis based on our higher quality bias. With growing evidence that a deep global recession is unavoidable, we continue investing in well-managed companies that provide essential goods and services or possess a unique asset, with solid balance sheets and cash flow characteristics—attributes we believe should make them more resilient in an economic downturn.

Our portfolio held up slightly better than the MSCI EAFE Index in Q1 due to positive stock selection. In particular, relative results benefited from our industrial gases companies in the materials sector, exchanges and insurance holdings in the financials sector and e-commerce-oriented businesses in the consumer discretionary sector. Amazon.com and Lonza Group were our top individual contributors in Q1. Amazon.com's e-commerce and web services businesses are distinctly well-positioned in this environment as social distancing behaviors reinforce existing secular trends toward online consumption and cloud software.

Switzerland-based Lonza Group is a global supplier of biotechnology and specialty ingredients for the life sciences, pharmaceuticals and food-processing industries. Top-line growth in the company's pharma/biotech division is being driven by strong demand for outsourced drug manufacturing. To date, drug demand from pharma and biotech does not appear to be impacted by the pandemic.

Among our biggest detractors in Q1 were Airbus and Petrobras. Shares of Airbus, an aerospace manufacturer, experienced sharp declines along with other air travel-related companies. We expect significant production cuts, but we have reasons to believe Airbus is better positioned than Boeing to take share in this duopolistic market due to Airbus's higher quality backlog, greater exposure to the narrow-body market and stronger balance sheet. In all but the most draconian scenarios of the virus, we believe the company will eventually return to delivering these in-demand narrow-body planes. There does need to be some backstopping of more airlines around the world to make sure Airbus has clients post the crisis, but the general direction for that occurring seems positive.

Petrobras is a Brazilian oil and gas company and our only energy sector holding. Amid a difficult environment, the company has announced a series of moves to reduce costs and shore up liquidity. It drew \$8.7bn on its credit line and is now sitting at \$14bn in cash. Petrobras sees some projects in the pre-salt play with break-evens in the low \$20s/bbl but has stopped production on some shallow water fields. We believe the company's high level of liquidity, reductions to operating and capital expenditures, and shutdowns of uneconomic fields should help the company to weather this challenging environment.

Investment Results (%)

	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
As of 31 March 2020								
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)	\$26.19	\$26.12
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)

Linde PLC (United Kingdom)	6.5
Deutsche Boerse AG (Germany)	6.2
Air Liquide SA (France)	4.7
Nestle SA (Switzerland)	4.4
AIA Group Ltd (Hong Kong)	3.8
Aon PLC (United States)	3.5
Amazon.com Inc (United States)	2.9
Wirecard AG (Germany)	2.9
Medtronic PLC (United States)	2.6
Nippon Shinyaku Co Ltd (Japan)	2.5
TOTAL	40.0%

Source: Artisan Partners/MSCI.

Sector Diversification (% of total portfolio equities)

	Fund	EAFE ¹
Communication Services	3.8	5.5
Consumer Discretionary	7.2	11.1
Consumer Staples	8.0	12.6
Energy	1.5	4.0
Financials	30.1	16.4
Health Care	14.5	14.3
Industrials	12.3	14.2
Information Technology	5.8	7.6
Materials	15.8	6.7
Real Estate	0.0	3.3
Utilities	1.0	4.2
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 3.9% of the total portfolio. ¹MSCI EAFE Index.

Region/Country Allocation (% of total portfolio equities)

REGION	Fund	EAFE ¹
EUROPE	65.0	62.0
Germany	17.5	8.3
Switzerland	12.4	10.7
France	11.8	10.8
United Kingdom	10.8	15.1
Denmark	3.8	2.2
Italy	3.1	2.2
Netherlands	2.6	4.2
Ireland	2.2	0.6
Portugal	0.8	0.2
AMERICAS	16.8	—
United States	15.4	—
Canada	1.4	—
PACIFIC BASIN	10.1	37.4
Japan	5.6	26.3
Hong Kong	4.5	3.7
EMERGING MARKETS	6.9	—
China	3.7	—
India	1.7	—
Brazil	1.5	—
MIDDLE EAST	1.2	0.6
Israel	1.2	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

Mark L. Yockey, CFA

Years of Investment Experience

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.

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 Mar 2020: Airbus SE 2.2%; Lonza Group AG 2.1%; Petroleo Brasileiro SA 1.4%. 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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