



Artisan International Small-Mid Fund

MONTHLY
Commentary

Investor Class: ARTJX | Advisor Class: APDJX

As of 30 November 2020

Commentary

Global equities rallied in November alongside news of vaccine progress and the US presidential election's conclusion. The MSCI ACWI ex USA SMID Index rose nearly 14% in November and is up 11% QTD. Economically sensitive sectors—energy, financials and industrials—produced the strongest gains.

The portfolio has risen but trails the MSCI ACWI ex USA SMID Index QTD. As long-term investors, we focus on companies with sustainable growth and profitability structures and areas of the investment universe where creativity and ingenuity drive economic value. The cyclical energy, materials and financials sectors—all small portfolio weightings—were among the largest relative detractors. The portfolio's industrials, information technology and communication services holdings outperformed.

The biggest QTD detractors are MorphoSys and boohoo Group. MorphoSys is a German biotechnology company focused on the development of antibodies for a wide range of diseases, including cancer, rheumatoid arthritis and multiple sclerosis. Shares have been volatile tied to concerns about launching the company's recently FDA-approved drug Monjuvi™ (tafasitamab)—an engineered antibody used to treat relapse and refractory large B-cell lymphoma—during a pandemic. Our investment case remains focused on the large opportunity for Monjuvi™, its potential for additional indications and the optionality of Morphosys' robust pipeline and diverse royalty deals.

Boohoo is a UK-based online fashion retailer. Results in the fiscal year's first half have been strong, but shares have been volatile amid negative publicity around working conditions at one of its UK supplier's factories. We take this issue seriously, are monitoring it closely and discuss it in our regular dialogues with management. We have been long-term shareholders due to management's strong execution and the company's growth potential as it seeks to broaden its e-commerce platform to multiple brands and geographies beyond the UK.

Our top QTD contributors are Cree and CAE. Cree, a holding in our next-generation auto theme, is one of only a few companies with the IP and process know-how to manufacture the silicon carbide wafers from which the next generation of power semiconductors used in electric vehicles (EVs) is produced. Cree continues narrowing its focus to EV applications as evidenced by the recent sale of its LED products business unit.

CAE, a provider of flight-simulation systems for training civilian and military pilots, exceeded Q2 earnings expectations. Our recent success with this investment is a testament to the application in the crisis's early days of our patient and long-term approach. We believe CAE's business is highly durable despite the lower volume of passenger air traffic. The company has built a global network of training centers and a related, regulated pilot certification process and is well-positioned in an industry of significant barriers and only two global players.

Portfolio Details

	ARTJX	APDJX
Net Asset Value (NAV)	\$18.94	\$18.95
Inception	21 Dec 2001	4 Dec 2018
Expense Ratios		
Annual Report 30 Sep 2020	1.33%	1.18%
Prospectus 30 Sep 2019 ^{1,2}	1.40%	1.26%

¹Reflects a reduction in management fees, effective 1 Dec 2018. ²See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Nice Ltd (Israel)	2.7
Metso Outotec Oyj (Finland)	2.4
Kornit Digital Ltd (Israel)	2.1
MorphoSys AG (Germany)	2.1
Cree Inc (United States)	2.1
SG Holdings Co Ltd (Japan)	2.0
Azbil Corp (Japan)	2.0
AIXTRON SE (Germany)	1.7
Rotork PLC (United Kingdom)	1.5
Alcon Inc (Switzerland)	1.4
TOTAL	20.2%

Source: Artisan Partners/MSCI.

Sector Diversification (% of total portfolio equities)

	Fund	ACxUS SMD ¹
Communication Services	2.1	4.9
Consumer Discretionary	8.6	12.2
Consumer Staples	5.6	6.0
Energy	0.0	2.3
Financials	2.8	10.8
Health Care	27.7	7.8
Industrials	24.0	20.3
Information Technology	26.4	11.5
Materials	2.0	11.5
Real Estate	1.0	8.6
Utilities	0.0	4.1
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 5.6% of the total portfolio. ¹MSCI All Country World ex USA SMID Index.

Investment Results (%)

As of 30 November 2020	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTJX	13.06	9.93	24.03	28.72	13.10	10.23	9.51	12.20
Advisor Class: APDJX	13.03	9.97	24.14	28.83	13.19	10.28	9.54	12.22
MSCI All Country World ex USA SMID Index	13.94	10.80	5.38	9.97	3.28	7.46	5.88	8.87
MSCI All Country World ex USA Small Cap Index	13.84	10.81	6.78	12.04	3.29	7.92	6.24	9.66
As of 30 September 2020								
Investor Class: ARTJX	1.11	13.19	12.83	27.52	10.99	9.65	8.62	11.75
Advisor Class: APDJX	1.11	13.18	12.88	27.70	11.06	9.69	8.65	11.76
MSCI All Country World ex USA SMID Index	-1.64	8.93	-4.89	4.88	0.79	6.40	4.85	8.36
MSCI All Country World ex USA Small Cap Index	-1.26	10.50	-3.64	6.97	0.93	6.80	5.31	9.15

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	52.8	41.1
United Kingdom	18.2	11.3
Germany	7.4	4.9
Switzerland	6.7	3.5
Denmark	6.1	2.2
Finland	4.1	1.1
Sweden	3.9	4.6
Netherlands	2.1	1.6
France	2.0	4.9
Spain	0.9	1.0
Italy	0.8	2.3
Belgium	0.6	1.2
AMERICAS	18.0	5.9
United States	14.3	—
Canada	3.7	5.9
PACIFIC BASIN	16.9	30.4
Japan	16.9	20.6
MIDDLE EAST	8.1	1.4
Israel	8.1	1.4
EMERGING MARKETS	4.3	21.2
Brazil	2.0	1.7
India	1.8	2.0
China	0.5	3.5
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 30 Nov 2020: boohoo Group PLC 1.1%; CAE Inc 1.2%. 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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