



Artisan International Small-Mid Fund

MONTHLY
Commentary

Investor Class: ARTJX | Advisor Class: APDJX

As of 31 October 2020

Commentary

Fears of rising COVID-19 cases in the US and Europe, the inability of the US government to reach an agreement on a second fiscal relief package and trepidation over the potential for a contested US presidential election weighed on equities globally.

Our portfolio performed roughly in line with the MSCI ACWI ex USA SMID Index in October, maintaining its sizable YTD outperformance. Top contributors to returns were HENNGE and Azbil. HENNGE is a Japanese provider of single sign-on solutions for enterprises enabling users to seamlessly and securely access multiple cloud services and applications with a single ID and password. The trend toward working from home should only accelerate as a result in the current environment, and HENNGE is especially well-positioned to benefit as its technology directly facilitates the adoption of remote worker access solutions.

Azbil, a Japanese manufacturer of automated control systems for HVAC equipment, lies in our smart building theme and exemplifies our desire to build a portfolio "on the right side of history." Azbil benefits from the trend toward office-building modernization associated with green buildings, energy efficiency and increasing software intensity and connectivity. Buildings consume approximately 40% of the world's energy, presenting a large opportunity to renovate and thereby decarbonize the existing stock of energy-inefficient buildings. We believe Azbil is well-positioned to benefit from this secular tailwind due to its dominant market position in Japan.

Our biggest detractors were 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 on concern of launching their recently FDA-approved drug Monjuvi™ (tafasitamab), an engineered antibody used to treat relapse and refractory large B-cell lymphoma during a global pandemic. Our investment case remains focused on the large opportunity for Monjuvi™, its potential for additional indications, and additional optionality of Morphosys' robust pipeline and diverse royalty deals.

Boohoo is a UK-based online fashion retailer. First half of the fiscal year results have been strong, but shares have been volatile due to negative publicity regarding working conditions at a factory of one of its UK suppliers. An independent review of boohoo's operations found no evidence of criminal wrongdoing, but the resulting report outlined a number of improvements needed in the areas of corporate governance and supply chain compliance. We take these issues seriously, are staying close to the situation, and this matter will remain a topic of focus in our regular discussions with management. 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.

Investment Results (%)

As of 31 October 2020	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTJX	-2.77	-2.77	9.70	18.51	9.19	7.69	7.95	11.53
Advisor Class: APDJX	-2.71	-2.71	9.82	18.75	9.29	7.75	7.98	11.55
MSCI All Country World ex USA SMID Index	-2.76	-2.76	-7.52	-2.00	-0.74	4.47	4.19	8.16
MSCI All Country World ex USA Small Cap Index	-2.66	-2.66	-6.20	0.07	-0.58	5.01	4.61	8.95

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.

Portfolio Details

	ARTJX	APDJX
Net Asset Value (NAV)	\$16.85	\$16.88
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
Metso Outotec Oyj (Finland)	2.2
Azbil Corp (Japan)	2.1
MorphoSys AG (Germany)	2.1
Kornit Digital Ltd (Israel)	1.9
SG Holdings Co Ltd (Japan)	1.9
Cree Inc (United States)	1.8
Rotork PLC (United Kingdom)	1.6
AIXTRON SE (Germany)	1.5
Alcon Inc (Switzerland)	1.4
TOTAL	19.5%

Source: Artisan Partners/MSCI.

Sector Diversification (% of total portfolio equities)

	Fund	ACxUS SMD ¹
Communication Services	2.1	5.1
Consumer Discretionary	8.4	12.1
Consumer Staples	6.0	6.3
Energy	0.0	2.1
Financials	2.8	10.4
Health Care	27.6	8.1
Industrials	23.4	19.8
Information Technology	26.4	11.6
Materials	2.2	11.7
Real Estate	1.2	8.6
Utilities	0.0	4.2
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 5.9% of the total portfolio. ¹MSCI All Country World ex USA SMID Index.

Average Annual Total Returns

Region/Country Allocation (% of total portfolio equities)

REGION	Fund	ACxUS SMD ¹
EUROPE	52.9	39.9
United Kingdom	17.5	11.1
Germany	7.5	4.8
Switzerland	7.0	3.6
Denmark	6.4	2.2
Sweden	4.0	4.5
Finland	3.9	1.1
Netherlands	2.3	1.5
France	1.9	4.5
Italy	0.9	2.2
Spain	0.8	1.0
Belgium	0.6	1.2
AMERICAS	17.8	6.0
United States	14.1	—
Canada	3.7	6.0
PACIFIC BASIN	16.9	31.3
Japan	16.9	21.4
MIDDLE EAST	8.0	1.4
Israel	8.0	1.4
EMERGING MARKETS	4.4	21.3
Brazil	2.1	1.6
India	1.8	2.0
China	0.6	3.7
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 Oct 2020: boohoo Group PLC 1.0%; Hennige KK 0.9%. 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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