



Artisan International Fund

MONTHLY
Commentary

Investor Class: ARTIX | Advisor Class: APDIX As of 30 September 2020

Commentary

Non-US equities pared their gains in September but finished solidly in positive territory for Q3. Returns were led by the more economically sensitive industrials, materials and consumer discretionary sectors, reflecting optimism regarding recovering economic indicators and progress on a coronavirus vaccine. Regionally, both developed and emerging markets turned in high single-digit returns in Q3. In the developed world, the US outperformed Japan and Europe. Emerging markets were paced by double-digit gains in China and India.

Currency movements were favorable for USD-based returns in Q3. The appreciation of all other G10 currencies versus the US dollar owed to markets pricing a protracted period of low or negative US real interest rates amid record US budget deficits and a shift in Federal Reserve policy toward acceptance of higher inflation. The euro was also lifted by the European Union's agreement in July to a 750 billion euro joint stimulus plan representing a historic step toward greater fiscal integration among the 27-nation bloc as it seeks to bolster its economy and avoid another debt crisis.

Our portfolio outperformed the MSCI EAFE Index in Q3, adding to its YTD lead. Relative performance results benefited from positive stock selection, with strong contributions from our industrial gases, e-commerce and beverage holdings. Specifically, top contributors were Alibaba, Amazon.com, Linde, Air Liquide, and Wuliangye Yibin. In recent quarterly letters, we've discussed the common dynamics supporting these high-quality companies, including secular tailwinds that have accelerated due to the pandemic and sustainable growth characteristics we seek in our portfolio companies: dominant industry positions, strong pricing power and a history of steady growth across the cycle.

Our biggest detractors were biopharma companies Amarin and Idorsia. Amarin shares fell sharply in early September when the US Court of Appeals upheld a lower court's March 2020 ruling in favor of generic competition for its heart disease drug Vascepa®—invalidating the company's US patent. After the March ruling, we maintained a small position in the stock based on our view that the majority of the stock's value derived from its opportunity in Europe where it has 10 years of exclusivity.

Idorsia is a Swiss biotechnology company that was spun off from Actelion in 2017. The company has a broad clinical development pipeline, with several Phase III proprietary programs in the areas of insomnia, resistant hypertension management and Fabry disease, among others. Shares fell on mixed results for its second Phase III study for lead pipeline asset daridorexant for the treatment of insomnia, as statistical significance was not found at the lower dose. However, we still see a high probability of the combined Phase III dataset supporting approval for the higher dose.

Investment Results (%)

As of 30 September 2020	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	-3.47	7.46	-1.20	6.52	5.75	7.54	7.10	8.72
Advisor Class: APDIX	-3.42	7.51	-1.09	6.71	5.91	7.71	7.19	8.76
MSCI EAFE Index	-2.60	4.80	-7.09	0.49	0.62	5.26	4.62	4.44
MSCI All Country World ex USA Index ¹	-2.46	6.25	-5.44	3.00	1.16	6.23	4.00	4.92

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)	\$32.86	\$32.80
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Semi-Annual Report 31 Mar 2020 ¹	1.20%	1.04%
Prospectus 30 Sep 2019 ²	1.19%	1.04%

¹Unaudited, annualized for the six-month period. ²See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Linde PLC (United Kingdom)	5.9
Deutsche Boerse AG (Germany)	5.6
Air Liquide SA (France)	4.5
Alibaba Group Holding Ltd (China)	4.1
Nestle SA (Switzerland)	4.0
Roche Holding AG (Switzerland)	3.9
Aon PLC (United States)	3.5
AIA Group Ltd (Hong Kong)	3.4
Genmab A/S (Denmark)	2.9
Deutsche Telekom AG (Germany)	2.8
TOTAL	40.7%

Source: Artisan Partners/MSCI.

Sector Diversification (% of total portfolio equities)

	Fund	EAFE ¹
Communication Services	7.2	5.5
Consumer Discretionary	8.8	11.9
Consumer Staples	7.7	11.9
Energy	1.2	2.8
Financials	19.2	15.1
Health Care	19.6	14.4
Industrials	9.0	15.2
Information Technology	10.0	8.6
Materials	15.1	7.6
Real Estate	0.0	3.1
Utilities	2.2	4.0
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 2.6% of the total portfolio. ¹MSCI EAFE Index.

Region/Country Allocation (% of total portfolio equities)

REGION	Fund	EAFE ¹
EUROPE	58.7	62.4
Germany	12.9	9.6
Switzerland	11.9	10.4
United Kingdom	9.6	13.3
France	8.2	10.7
Denmark	5.8	2.5
Netherlands	3.7	4.4
Ireland	2.1	0.7
Belgium	2.0	1.0
Sweden	1.6	3.3
Portugal	0.9	0.2
Norway	0.1	0.6
AMERICAS	18.4	—
United States	16.1	—
Canada	2.4	—
EMERGING MARKETS	12.8	—
China	10.0	—
Taiwan	1.6	—
India	1.2	—
Poland	0.1	—
PACIFIC BASIN	7.4	37.1
Japan	3.9	25.8
Hong Kong	3.5	3.3
MIDDLE EAST	2.6	0.6
Israel	2.6	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	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.

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 30 Sep 2020: Amarin Corp PLC 0.1%; Amazon.com Inc 2.4%; Idorsia Ltd 0.7%; Wuliangye Yibin Co Ltd 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.

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