



# Artisan International Small-Mid Fund

MONTHLY  
Commentary

Investor Class: ARTJX | Advisor Class: APDJX

As of 31 August 2021

## Commentary

Global equities have continued their YTD rise. Investors continued to weigh concerns for supply chain constraints and the delta variant spread against a backdrop of evolving monetary policy. Within the MSCI ACWI ex USA SMID Index, the information technology, financials and industrials sectors have driven positive returns QTD, while energy and consumer discretionary have been the only sectors to produce negative returns.

Our portfolio has outpaced the index QTD, with information technology holdings driving absolute and relative returns. Only the consumer discretionary sector detracted from absolute returns, though our health care holdings were relative laggards. On an individual holdings basis, NICE and Intersect ENT were the top contributors. NICE, a global provider of customer interaction software and financial fraud and compliance platforms, continues to benefit from the ongoing transition to cloud computing and increased adoption of its analytics and AI solutions. Sentiment analysis and real-time predicative insights help associates better serve the customers and provide valuable information to companies. We are enthusiastic about NICE's next wave of innovation that includes acceleration in robotic process automation tools and further developments in Actimize, its fraud protection platform.

Intersect ENT, which focuses on treatments for chronic sinusitis, continued to benefit from the gradual return of elective surgeries and in-person doctor visits. Intersect is meaningfully expanding its product range from its core bioabsorbable, drug-eluting sinus implants to include stents, balloon sinus dilation tools and surgical navigation systems. We believe it has significant growth potential in a large, underserved and fragmented market and can achieve benefits of scale with operational improvements. We trimmed our position due to valuation.

The largest individual detractors QTD were MorphoSys and ASOS. MorphoSys' share price has suffered due to soft sales for Monjuvi®—a first of its kind treatment for relapse and refractory large B-cell lymphoma—and the news of a recent acquisition funded through monetizing part of the company's royalty portfolio. We are patient investors who maintain a long-term view. We see promise in MorphoSys' portfolio and view its valuation as extremely attractive. However, we're monitoring the situation and will have follow-on discussions with management once the deal closes and full disclosure is available.

ASOS is a UK-based online fast fashion retailer that appeals to a younger demographic. Shares have been under pressure amid the tough, current market dynamics, with elevated freight costs, longer lead times in Europe due to Brexit and supply chain limitations globally. However, we continue to hold our position, as we see promise in the US market and like ASOS's opportunities with newly acquired brands and ongoing capacity expansion.

## Portfolio Details

	ARTJX	APDJX
Net Asset Value (NAV)	\$22.12	\$22.16
Inception	21 Dec 2001	4 Dec 2018
Expense Ratios		
Semi-Annual Report 31 Mar 2021 <sup>1</sup>	1.31%	1.14%
Prospectus 30 Sep 2020 <sup>2</sup>	1.34%	1.19%

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

## Top 10 Holdings (% of total portfolio)

Nice Ltd (Israel)	3.6
Kornit Digital Ltd (Israel)	2.6
SG Holdings Co Ltd (Japan)	2.2
Alcon Inc (Switzerland)	1.8
Metso Outotec Oyj (Finland)	1.7
Azbil Corp (Japan)	1.7
ConvaTec Group PLC (United Kingdom)	1.6
Electrocomponents PLC (United Kingdom)	1.5
Toshiba Corp (Japan)	1.4
Radware Ltd (Israel)	1.4
<b>TOTAL</b>	<b>19.5%</b>

Source: Artisan Partners/MSCI.

## Sector Diversification (% of portfolio securities)

	Fund	ACXUS SMD <sup>1</sup>
Communication Services	0.7	4.8
Consumer Discretionary	7.5	11.9
Consumer Staples	7.0	6.1
Energy	0.9	2.5
Financials	2.3	11.4
Health Care	25.2	7.3
Industrials	27.1	20.2
Information Technology	26.2	11.2
Materials	1.8	11.7
Real Estate	1.3	8.8
Utilities	0.0	4.1
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 4.0% of the total portfolio. <sup>1</sup>MSCI All Country World ex USA SMID Index.

## Investment Results (%)

As of 31 August 2021	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTJX	2.79	2.93	8.91	29.81	16.72	15.16	11.06	12.59
Advisor Class: APDJX	2.78	2.97	9.06	30.02	16.87	15.24	11.10	12.61
MSCI All Country World ex USA SMID Index	2.24	2.48	13.27	31.21	9.85	10.57	7.63	9.55
MSCI All Country World ex USA Small Cap Index	2.31	3.13	15.75	35.51	11.02	11.50	8.32	10.46

As of 30 June 2021

Investor Class: ARTJX	1.94	7.34	5.81	41.19	16.93	15.19	9.78	12.54
Advisor Class: APDJX	1.94	7.39	5.91	41.34	17.06	15.27	9.82	12.56
MSCI All Country World ex USA SMID Index	-0.63	6.05	10.52	41.80	8.97	11.21	6.38	9.50
MSCI All Country World ex USA Small Cap Index	-0.62	6.35	12.24	47.04	9.78	11.97	7.02	10.38

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 portfolio securities)

REGION	Fund	ACxUS SMD <sup>1</sup>
<b>EUROPE</b>	<b>47.5</b>	<b>40.8</b>
United Kingdom	18.5	11.6
Switzerland	7.5	3.6
Denmark	5.3	1.7
Germany	4.6	4.7
Finland	2.7	1.2
Sweden	2.5	4.5
Netherlands	2.4	1.7
France	2.1	4.7
Spain	0.9	1.0
Italy	0.8	2.3
Belgium	0.5	1.2
<b>AMERICAS</b>	<b>19.1</b>	<b>6.3</b>
United States	14.6	—
Canada	4.5	6.3
<b>PACIFIC BASIN</b>	<b>17.8</b>	<b>27.7</b>
Japan	17.7	18.4
Australia	0.1	6.0
<b>MIDDLE EAST</b>	<b>10.1</b>	<b>1.6</b>
Israel	10.1	1.6
<b>EMERGING MARKETS</b>	<b>5.4</b>	<b>23.7</b>
India	2.1	3.5
Brazil	2.0	1.6
China	0.8	3.3
Iceland	0.6	—
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/MSCI. <sup>1</sup>MSCI 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 Aug 2021: ASOS PLC 0.9%; Intersect ENT Inc 0.7%; MorphoSys AG 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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