



Artisan International Fund

MONTHLY
Commentary

Investor Class: ARTIX | Advisor Class: APDIX As of 31 December 2021

Commentary

Non-US stocks rebounded decisively in December after markets were spooked in late November by the emergence of COVID variant omicron, which while highly contagious has thus far not proven as virulent as previous strains. Risk assets also overcame concerns about high and persistent inflation. The month's gains drove a positive Q4 return for the MSCI EAFE Index. Regionally, developed markets, driven by the US, outperformed emerging markets. The US also led other major markets for the full year. Europe's Q4 gain was roughly 5%, while Japan was down 4%, due in part to weakness in the yen. Returns by sector also displayed a wide dispersion, with mid-to-high single-digit gains in the utilities, materials and consumer staples sectors and negative returns in the communication services, energy and real estate sectors.

The portfolio slightly outperformed the MSCI EAFE Index in Q4, driven by positive stock selection and favorable currency impacts related to its US dollar exposure and lighter weighting in Japanese yen-denominated securities. Top individual contributors included industrial gases supplier Linde, IT services providers Capgemini and Accenture, life sciences and materials company DSM and biotechnology company Argenx.

IT consulting firms Capgemini and Accenture are leading providers of the "picks and shovels" of corporate IT investment, with long-term growth tailwinds in the areas of digital, cloud and security, which constitute a majority of their revenues. Sustained digital trends are driving robust operating results with broad-based demand across geographies and industry verticals. In addition to favorable growth trends, we remain attracted to their global reach, managements' strong records of executing and consistent free cash flow generation.

On the down side, our industrials holdings were a source of weakness as our airlines and aerospace investments came under pressure from omicron news and ongoing disruptions to air travel. Individual detractors were European airlines groups International Consolidated Airlines Group (IAG) and Ryanair Holdings, as well as aerospace companies Airbus and MTU Aero Engines. These stocks have generally traded on sentiment around the pandemic, so it's no surprise to see these stocks sell off on the omicron news. While our investment case in IAG, which we purchased in February 2021, is centered around a return to normal travel patterns, we've been investors in Ryanair for many years due to its leading market position, low-cost base and history of returning capital to shareholders. In the global aircraft duopoly, we believe Airbus is well positioned to take share from Boeing given the Boeing 777's history of mechanical issues and due to Airbus's higher quality backlog, greater exposure to the narrow-body market and stronger balance sheet. And we believe MTU's maintenance and original equipment manufacturing businesses should see growth as travel continues to recover.

Investment Results (%)

As of 31 December 2021	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	5.61	2.92	9.02	9.02	14.85	12.09	9.10	9.00
Advisor Class: APDIX	5.60	2.95	9.16	9.16	15.01	12.24	9.21	9.04
MSCI EAFE Index	5.12	2.69	11.26	11.26	13.54	9.55	8.03	5.25
MSCI All Country World ex USA Index ¹	4.13	1.82	7.82	7.82	13.18	9.61	7.28	5.61

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)	\$30.48	\$30.35
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2021	1.18%	1.04%
Prospectus 30 Sep 2020 ¹	1.19%	1.05%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Linde PLC (United Kingdom)	4.4
Capgemini SE (France)	4.0
Koninklijke DSM NV (Netherlands)	3.9
Nice Ltd (Israel)	3.5
BNP Paribas SA (France)	3.4
Alphabet Inc (United States)	3.4
Deutsche Boerse AG (Germany)	3.2
Deutsche Post AG (Germany)	3.2
Amazon.com Inc (United States)	3.2
Air Liquide SA (France)	2.9
TOTAL	35.1%

Source: Artisan Partners/MSCI.

Sector Diversification (% of portfolio securities)

	Fund	EAFE ¹
Communication Services	6.2	4.5
Consumer Discretionary	8.9	12.5
Consumer Staples	4.4	10.3
Energy	1.2	3.4
Financials	18.6	16.9
Health Care	16.1	12.8
Industrials	19.2	16.2
Information Technology	12.6	9.7
Materials	12.8	7.6
Real Estate	0.0	2.8
Utilities	0.0	3.4
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 0.4% of the total portfolio. ¹MSCI EAFE Index.

Region/Country Allocation (% of portfolio securities)

REGION	Fund	EAFE ¹
EUROPE	72.6	65.7
Germany	19.8	8.9
France	12.0	11.7
United Kingdom	12.0	14.6
Switzerland	8.4	10.5
Netherlands	6.9	4.9
Belgium	4.7	0.9
Ireland	4.2	0.7
Denmark	1.8	2.7
Italy	1.5	2.5
Spain	1.1	2.2
AMERICAS	14.0	—
United States	10.0	—
Canada	4.0	—
EMERGING MARKETS	5.6	—
Russia	2.8	—
Taiwan	1.5	—
India	1.2	—
PACIFIC BASIN	4.4	33.6
Japan	4.4	22.5
MIDDLE EAST	3.6	0.7
Israel	3.6	0.7
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	41
Associate Portfolio Managers	
Charles-Henri Hamker	32
Andrew J. Euretig	18

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 31 Dec 2021: Accenture PLC 1.2%; Airbus SE 1.5%; Argenx SE 2.3%; International Consolidated Airlines Group SA 1.2%; Koninklijke DSM NV 3.9%; MTU Aero Engines AG 0.9%; Ryanair Holdings PLC 2.4%. 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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Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures.

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