



# Artisan International Fund

MONTHLY  
Commentary

Investor Class: ARTIX | Advisor Class: APDIX As of 30 June 2021

## Commentary

Non-US equities extended their YTD gains in Q2, supported by strong earnings results and economic releases. COVID-19 trends—vaccination rates, new variants and related lockdowns—remained in focus, as were inflation and interest rates amid continued accommodative monetary policies. However, in contrast to Q1's cyclical-led rally, Q2 returns favored technology, health care and consumer staples stocks. Utilities and communication services stocks lagged. Regionally, developed markets edged emerging markets, driven by strength in the US and Europe in contrast to muted gains in China.

The portfolio outperformed the MSCI EAFE Index in Q2, aided by positive stock selection in the health care and communication services sectors. Several of our biggest Q1 detractors rebounded strongly in Q2, including health care holdings Genmab, Roche and Lonza Group, as well as cloud-software company NICE. Genmab is a biotechnology company specializing in the development of antibody therapeutics for the treatment of cancer. Genmab's partner Johnson & Johnson reported strong sales of Darzalex®—a monoclonal antibody used to treat multiple myeloma. Growth was attributable to strong share gains in all regions and solid uptake of the subcutaneous formulation launched in 2020.

NICE, a leader in customer interaction software, is benefiting from the ongoing transition to cloud computing and increased adoption of its analytics and AI solutions. Call centers around the world have become the new front door as brick and mortar businesses have shifted to e-commerce business models, and the pandemic has only accelerated this shift. NICE is also growing adjacent businesses in compliance and robotic process automation, which are becoming more visible. We remain enthusiastic as NICE expands its analytic offerings.

Among our biggest laggards were Volkswagen, a German auto company, which was our top Q1 contributor, and Sony, a Japanese technology and media conglomerate. Volkswagen has had a strong start to the year, growing its margins in its Volkswagen, Porsche and Audi brands, but shares have been consolidating previous gains. Our investment case remains focused on the company's opportunity to accelerate its electric vehicle offerings, and though current industrywide semiconductor shortages will likely constrain near-term top-line growth, we do not believe this is a structural headwind.

Historically known for consumer hardware—TVs, PCs, cameras and audio equipment—Sony has undergone a dramatic transformation into a growth entertainment company focused on games, music, entertainment studios and image sensors. All four businesses are favorably levered to secular trends in media, such as streaming, direct-to-consumer subscriptions, digitization and mobile. Though recent results have been strong, including 20%+ growth in its gaming software and music streaming segments, the company, which has a history of conservatism, issued weaker-than-expected earnings guidance. Management is factoring in a headwind from the unwind of COVID-related gaming revenues, but we believe that several growth drivers will mitigate this potential impact, from higher prices on next-generation gaming titles to recently signed film licensing deals with Netflix and Disney.

## Portfolio Details

	ARTIX	APDIX
Net Asset Value (NAV)	\$36.77	\$36.67
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Semi-Annual Report 31 Mar 2021 <sup>1</sup>	1.18%	1.04%
Prospectus 30 Sep 2020 <sup>2</sup>	1.19%	1.05%

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

## Top 10 Holdings (% of total portfolio)

Linde PLC (United Kingdom)	3.7
AIA Group Ltd (Hong Kong)	3.7
Roche Holding AG (Switzerland)	3.4
Deutsche Boerse AG (Germany)	3.4
Nice Ltd (Israel)	3.2
Alphabet Inc (United States)	3.0
Koninklijke DSM NV (Netherlands)	3.0
BNP Paribas SA (France)	2.9
Deutsche Telekom AG (Germany)	2.8
Amazon.com Inc (United States)	2.8
<b>TOTAL</b>	<b>32.0%</b>

Source: Artisan Partners/MSCI.

## Sector Diversification (% of portfolio securities)

	Fund	EAFE <sup>1</sup>
Communication Services	5.9	4.9
Consumer Discretionary	10.4	13.0
Consumer Staples	2.0	10.5
Energy	1.2	3.2
Financials	21.3	17.0
Health Care	14.9	12.4
Industrials	17.1	15.5
Information Technology	12.0	9.1
Materials	14.1	7.9
Real Estate	0.0	3.0
Utilities	1.1	3.4
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 2.1% of the total portfolio. <sup>1</sup>MSCI EAFE Index.

## Investment Results (%)

As of 30 June 2021	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	-1.10	5.93	6.24	24.28	10.44	10.37	7.34	9.07
Advisor Class: APDIX	-1.11	5.98	6.29	24.44	10.60	10.52	7.44	9.11
MSCI EAFE Index	-1.13	5.17	8.83	32.35	8.27	10.28	5.89	5.27
MSCI All Country World ex USA Index <sup>1</sup>	-0.65	5.48	9.16	35.72	9.38	11.08	5.45	5.78

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. <sup>1</sup>Performance 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.

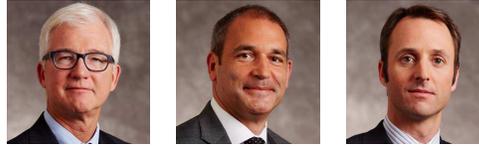
Past performance does not guarantee and is not a reliable indicator of future results. Investment returns and principal values will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. Call 800.344.1770 for current to most recent month-end performance.

## Region/Country Allocation (% of portfolio securities)

REGION	Fund	EAFE <sup>1</sup>
<b>EUROPE</b>	<b>68.0</b>	<b>64.5</b>
Germany	19.5	9.4
Switzerland	10.4	9.8
United Kingdom	8.6	14.4
France	6.9	11.5
Denmark	5.2	2.6
Netherlands	5.0	4.3
Ireland	4.7	0.7
Belgium	3.6	0.9
Italy	1.3	2.5
Portugal	1.1	0.2
Sweden	1.1	3.8
Spain	0.7	2.5
<b>AMERICAS</b>	<b>11.2</b>	<b>—</b>
United States	8.9	—
Canada	2.3	—
<b>EMERGING MARKETS</b>	<b>9.9</b>	<b>—</b>
China	2.4	—
Korea	2.1	—
Taiwan	1.9	—
Russia	1.6	—
India	1.2	—
Brazil	0.6	—
<b>PACIFIC BASIN</b>	<b>7.6</b>	<b>34.9</b>
Hong Kong	4.6	3.3
Japan	3.0	23.2
<b>MIDDLE EAST</b>	<b>3.2</b>	<b>0.6</b>
Israel	3.2	0.6
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/MSCI. <sup>1</sup>MSCI 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
<b>Associate Portfolio Managers</b>	
Charles-Henri Hamker	31
Andrew J. Euretig	17

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 Jun 2021: Genmab A/S 2.6%; Lonza Group AG 1.1%; Sony Group Corp 1.6%; Volkswagen AG 2.1%. 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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