



Artisan International Small-Mid Fund

MONTHLY
Commentary

Investor Class: ARTJX | Advisor Class: APDJX

As of 30 June 2021

Commentary

Global equities continued their YTD rise in Q2, with all sectors participating in the market's upward trajectory. Forward momentum was punctuated by brief periods of volatility as staggered reopenings and concerns about rising inflation in parts of Europe and the US impacted investor sentiment. Strength was broad based among small- and mid-cap stocks with notable returns from the health care, energy and industrials sectors.

Our portfolio outperformed the MSCI ACWI ex USA SMID Index in Q2. Our health care, industrials and materials holdings were the largest contributors to relative returns, and technology positions added strongly to absolute returns. Kornit Digital and Carenet produced the most significant gains. Kornit's revolutionary technology allows for direct printing on garments and is enabling the apparel industry's structural shift to automation, fast fashion and increased customization. This business's value is derived from its premier customer relationships and the long tail of high-margin proprietary ink consumables consequent to printer installations. To that end, the company is developing a relationship with online marketplace retailer Alibaba Group which should expand Kornit's ability to reach China's vast marketplace. The need for better inventory management and desire to bring production closer to the customer have been further reinforced by the COVID-19 pandemic.

Medical support service provider Carenet is a recent addition to the portfolio. The company offers a digital pharmaceutical sales platform and medical content services, including highly curated digital education content for physicians. Health care is undergoing a digital revolution. The limited permissibility of in-person medical sales across health care segments has spurred demand for alternative communication channels during the pandemic. Carenet is benefiting from the industry's growing trend toward digitization as pharmaceutical groups are increasingly shifting spending budgets to leverage online platforms.

Trainline and Ambu were the largest detractors. Trainline is a UK-based online booking provider for rail travel. Revenues over the past year have been hampered by reduced travel during the pandemic. The UK government's proposed plan to consolidate the country's rail industry has also placed pressure on the stock. Despite recent headwinds, company management is preparing for the gradual return to travel by concentrating on customer-focused innovation. This includes a shift to digital sales and offering flexi-tickets for hybrid commuters. The rail industry is growing, and we believe Trainline is primed to capture market share and should emerge from this period stronger.

Ambu is a medical devices company that pioneered the use of single-use, disposable endoscopes. The company benefited from an increased focus on health safety early in the pandemic and experienced a surge in demand for its single-use devices due to the reduced infection risk. Recently, sentiment has waned on Ambu's decision to delay production of a new duodenoscope until the end of this year. Sales in anesthesia, patient monitoring and diagnosis have also lagged expectations. We see these as short-term headwinds and believe the adoption of single-use devices and increased application for scopes due to technological advances represent an attractive long-term opportunity.

Portfolio Details

	ARTJX	APDJX
Net Asset Value (NAV)	\$21.49	\$21.52
Inception	21 Dec 2001	4 Dec 2018
Expense Ratios		
Semi-Annual Report 31 Mar 2021 ¹	1.31%	1.14%
Prospectus 30 Sep 2020 ²	1.34%	1.19%
¹ Unaudited, annualized for the six-month period. ² See prospectus for further details.		
Top 10 Holdings (% of total portfolio)		
Nice Ltd (Israel)		3.3
Kornit Digital Ltd (Israel)		2.6
SG Holdings Co Ltd (Japan)		2.2
Metso Outotec Oyj (Finland)		1.9
ConvaTec Group PLC (United Kingdom)		1.8
Alcon Inc (Switzerland)		1.7
Azbil Corp (Japan)		1.6
AIXTRON SE (Germany)		1.6
Rotork PLC (United Kingdom)		1.6
CAE Inc (Canada)		1.5
TOTAL		19.9%

Source: Artisan Partners/MSCI.

Sector Diversification (% of portfolio securities)

	Fund	ACxUS SMD ¹
Communication Services	0.7	4.8
Consumer Discretionary	8.4	12.5
Consumer Staples	6.9	5.9
Energy	0.7	2.7
Financials	2.4	11.4
Health Care	26.6	7.3
Industrials	26.7	20.0
Information Technology	24.5	11.0
Materials	1.7	11.6
Real Estate	1.3	8.6
Utilities	0.0	4.1
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 1.3% of the total portfolio. ¹MSCI All Country World ex USA SMID 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: 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 ¹
EUROPE	49.1	39.8
United Kingdom	19.5	11.3
Switzerland	7.2	3.5
Germany	5.4	4.6
Denmark	5.2	1.7
Finland	3.0	1.2
Sweden	2.8	4.3
Netherlands	2.1	1.6
France	1.8	4.7
Spain	0.9	1.1
Italy	0.8	2.2
Belgium	0.4	1.1
AMERICAS	18.9	6.4
United States	14.4	—
Canada	4.4	6.4
PACIFIC BASIN	17.2	27.9
Japan	17.1	18.5
Australia	0.1	6.0
MIDDLE EAST	9.3	1.5
Israel	9.3	1.5
EMERGING MARKETS	5.5	24.4
Brazil	2.1	1.8
India	2.0	3.3
China	0.9	3.6
Iceland	0.6	—
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

22

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 30 Jun 2021: Ambu A/S 0.9%; Carenet Inc 1.0%; Trainline PLC 0.6%. 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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