



Artisan International Fund

MONTHLY
Commentary

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

Commentary

In Q1, solid corporate earnings, signs of economic reopening and abundant fiscal stimulus fueled strong gains among cyclical stocks, with returns in the MSCI EAFE Index led by energy and financials—two of 2020's weakest performing sectors. Conversely, defensives—the consumer staples, utilities and health care sectors—suffered declines. The outperformance of cyclicals resulted in value outperforming growth in Q1 by the most since 2016. Regionally, developed markets edged emerging markets, with the US outpacing Europe and Japan. The improved outlook for global growth pressured bond yields higher, though rates remain historically low.

Given this sharp rotation from growth to value, the portfolio underperformed the MSCI EAFE Index in Q1. Over the course of our team's 25+ years of investing, we've experienced these types of rotations several times—most recently in 2016 and before that were the periods coming out of the global financial crisis and the early 2000s recession. In Q1, our below-benchmark weightings in banks and energy were a headwind. Additionally, high-quality stable growth and free cash flow generative companies like core holdings Nestle, the world's largest food and beverage company, AIA, a pan-Asian insurance company, and Roche, a pharmaceuticals and diagnostics company, were out of favor.

Nice, a leader in cloud-based customer interaction software, and Genmab, a biotechnology company, were our biggest Q1 detractors. Both stocks experienced pullbacks within broader uptrends, and each were among our top contributors in 2020. Nice continues to benefit 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.

Genmab specializes in the development of antibody therapeutics for the treatment of cancer. The company issued weaker-than-expected guidance for 2021 due to lower-than-expected royalty revenue for Darzalex®—a monoclonal antibody used to treat multiple myeloma. The company cited FX headwinds and its pending royalty arbitration case with Johnson & Johnson. Though the ongoing arbitration case creates an overhang on shares, Darzalex® is rapidly becoming part of the standard-of-care treatment for multiple myeloma, and the company's robust cancer pipeline creates additional upside potential.

Volkswagen and Deutsche Telekom (DTE) were among our top Q1 contributors. We purchased Volkswagen, a German auto company, in January. While Tesla has garnered most of the buzz related to the secular shift to electric vehicles, our expectation is Volkswagen will be an even larger producer of battery electric vehicles. It's already larger in Europe. DTE is Europe's largest integrated telecom company and owns approximately 45% of T-Mobile US (TMUS) following T-Mobile's merger with Sprint. Though still priced at a discount to its European telco peers, DTE's stock is beginning to re-rate as investors recognize the derivative value of its TMUS subsidiary.

Investment Results (%)

As of 31 March 2021	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	1.37	0.29	0.29	36.99	7.39	8.81	7.01	8.92
Advisor Class: APDIX	1.35	0.29	0.29	37.15	7.54	8.97	7.11	8.96
MSCI EAFE Index	2.30	3.48	3.48	44.57	6.02	8.85	5.52	5.11
MSCI All Country World ex USA Index ¹	1.26	3.49	3.49	49.41	6.51	9.76	4.93	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)	\$34.71	\$34.60
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2020	1.19%	1.04%
Prospectus 30 Sep 2020 ¹	1.19%	1.05%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

AIA Group Ltd (Hong Kong)	3.9
Linde PLC (United Kingdom)	3.9
Deutsche Boerse AG (Germany)	3.8
Roche Holding AG (Switzerland)	3.3
Ryanair Holdings PLC (Ireland)	2.9
Nice Ltd (Israel)	2.9
Deutsche Telekom AG (Germany)	2.9
Air Liquide SA (France)	2.8
BNP Paribas SA (France)	2.7
Koninklijke DSM NV (Netherlands)	2.7
TOTAL	31.7%

Source: Artisan Partners/MSCI.

Sector Diversification (% of total portfolio equities)

	Fund	EAFE ¹
Communication Services	7.1	5.2
Consumer Discretionary	12.3	12.8
Consumer Staples	2.0	10.3
Energy	1.2	3.3
Financials	21.3	17.3
Health Care	13.4	11.9
Industrials	16.1	15.5
Information Technology	11.1	9.0
Materials	14.2	8.0
Real Estate	0.0	3.1
Utilities	1.1	3.7
TOTAL	100.0%	100.0%

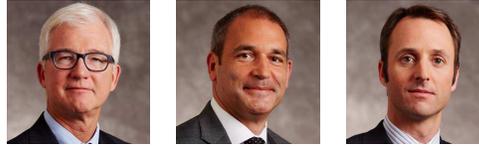
Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 1.2% of the total portfolio. ¹MSCI EAFE Index.

Region/Country Allocation (% of total portfolio equities)

REGION	Fund	EAFE ¹
EUROPE	65.8	62.8
Germany	20.6	9.5
Switzerland	10.2	9.2
United Kingdom	8.4	14.3
France	6.7	11.1
Ireland	4.7	0.7
Denmark	4.5	2.4
Netherlands	4.1	4.2
Belgium	2.9	0.9
Sweden	1.5	3.6
Portugal	1.1	0.2
Italy	1.0	2.5
Norway	0.2	0.6
EMERGING MARKETS	12.6	—
China	4.8	—
Korea	2.3	—
Taiwan	2.0	—
Russia	1.5	—
India	1.2	—
Brazil	0.7	—
AMERICAS	10.5	—
United States	8.4	—
Canada	2.1	—
PACIFIC BASIN	8.2	36.6
Hong Kong	5.1	3.4
Japan	3.1	24.8
MIDDLE EAST	2.9	0.6
Israel	2.9	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	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 31 Mar 2021: Genmab A/S 2.2%; Nestle SA 1.9%; Volkswagen AG 2.5%. 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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Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures.

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