



# Artisan International Small-Mid Fund

MONTHLY  
Commentary

Investor Class: ARTJX | Advisor Class: APDJX

As of 31 October 2021

## Commentary

Global equities finished the month of October in positive territory, with widespread, positive corporate earnings results bolstering investor confidence. Fears of accelerating inflation and pandemic-related impacts also waned during the month. Financials, energy and information technology were the top gainers among small- and mid-cap stocks, while communication services and health care sectors suffered modest declines.

Our portfolio performed in line with the MSCI ACWI ex USA SMID Index QTD. Stock selection in the information technology and industrials sectors were the main contributors to relative performance, while consumer discretionary holdings and our overweight position in health care weighed on relative returns.

Top individual contributors included Wolfspeed (formerly known as Cree) and Kornit Digital. Wolfspeed, a holding in our next-generation auto theme, is one of the only companies with the IP and process know-how to manufacture the silicon carbide wafers from which the next generation of power semiconductors used in electric vehicles is produced. Investors are increasingly recognizing Wolfspeed's critical role as the electrification of autos accelerates. In our view, we are still in the early innings of this implementation, and we continue to have confidence in Wolfspeed's talented management team to navigate the evolving opportunity set.

Kornit continues to excel in its role as an enabler of the apparel industry's structural shift to automation and instant fashion. Unsold inventory (30% of all garments produced) wastes 21 million tons of textile and 28 trillion liters of water per year (72 years of the US's total water consumption), and Kornit's technology meaningfully decreases the environmental impact. It is obvious to us that Kornit is on the right side of history. Kornit's premier customer relationships and the long tail of high-margin proprietary ink consumables and services support sustainable cash flows.

SG Holdings and boohoo Group were the largest detractors. SG Holdings is a Japanese provider of logistics services. SG's share price fell during the month on concern of reduced margin from higher freight cost, despite beating earning estimates and raising long-term guidance. Our interest is focused on SG's long-term opportunities to further increase profitability with technological advancements in robotics and software that enable warehouse automation. Additionally, the company's strong market position and critical services should allow it to exercise pricing power in a rising demand environment, with e-commerce growth continuing unabatedly.

UK-based online fashion retailer boohoo Group has benefited from increased online spending during the pandemic. Its shares have recently retreated mainly due to ongoing supply chain issues and higher freight costs. Investor concerns of growing competition from China and tough year-over-year comparisons also weighed on its stock price. In the medium term, boohoo is building local fulfillment centers, which will structurally lower distribution costs over time. Our focus remains on the long-term success of boohoo, which, in our view, rests on its differentiated fashion proposition and the efficiency of its platforms.

## Portfolio Details

	ARTJX	APDJX
Net Asset Value (NAV)	\$21.52	\$21.56
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)	3.1
Metso Outotec Oyj (Finland)	2.0
Alcon Inc (Switzerland)	1.9
Wolfspeed Inc (United States)	1.9
SG Holdings Co Ltd (Japan)	1.9
Azbil Corp (Japan)	1.7
JET2 PLC (United Kingdom)	1.7
ConvaTec Group PLC (United Kingdom)	1.6
Electrocomponents PLC (United Kingdom)	1.6
<b>TOTAL</b>	<b>20.9%</b>

Source: Artisan Partners/MSCI.

## Sector Diversification (% of portfolio securities)

	Fund	ACxUS SMD <sup>1</sup>
Communication Services	0.6	4.8
Consumer Discretionary	6.3	11.5
Consumer Staples	6.6	6.1
Energy	1.2	2.9
Financials	2.4	11.7
Health Care	23.3	7.0
Industrials	29.0	20.3
Information Technology	27.0	11.3
Materials	2.0	11.6
Real Estate	1.5	8.6
Utilities	0.0	4.2
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 5.1% of the total portfolio. <sup>1</sup>MSCI All Country World ex USA SMID Index.

## Investment Results (%)

As of 31 October 2021	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTJX	1.56	1.56	5.96	28.46	20.62	15.42	11.43	12.33
Advisor Class: APDJX	1.55	1.55	6.10	28.60	20.77	15.51	11.47	12.35
MSCI All Country World ex USA SMID Index	1.51	1.51	11.14	34.61	13.16	10.30	7.93	9.36
MSCI All Country World ex USA Small Cap Index	1.56	1.56	13.99	38.83	14.75	11.21	8.72	10.29

As of 30 September 2021

Investor Class: ARTJX	-4.20	-1.40	4.33	22.99	15.65	13.72	12.28	12.29
Advisor Class: APDJX	-4.20	-1.35	4.48	23.20	15.80	13.80	12.33	12.32
MSCI All Country World ex USA SMID Index	-3.34	-0.94	9.48	28.94	8.88	9.40	8.69	9.32
MSCI All Country World ex USA Small Cap Index	-3.04	0.00	12.23	33.06	10.33	10.28	9.44	10.25

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>47.1</b>	<b>40.3</b>
United Kingdom	18.0	11.3
Switzerland	7.6	3.7
Denmark	4.9	1.7
Germany	4.0	4.4
Finland	3.0	1.1
Sweden	2.7	4.5
Netherlands	2.6	1.7
France	2.3	4.8
Italy	0.8	2.3
Spain	0.8	1.1
Belgium	0.4	1.1
<b>AMERICAS</b>	<b>19.3</b>	<b>6.7</b>
United States	14.3	—
Canada	5.0	6.7
<b>PACIFIC BASIN</b>	<b>17.1</b>	<b>27.9</b>
Japan	17.0	18.3
Australia	0.1	6.3
<b>MIDDLE EAST</b>	<b>11.3</b>	<b>1.8</b>
Israel	11.3	1.8
<b>EMERGING MARKETS</b>	<b>5.1</b>	<b>23.4</b>
India	2.1	3.7
Brazil	1.6	1.3
China	0.9	3.1
Iceland	0.5	—
<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 Oct 2021: boohoo Group PLC 0.8%. 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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