



# Artisan International Fund

## MONTHLY Commentary

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

### Commentary

Previously sanguine equity markets pulled back in September, resulting in the MSCI EAFE Index finishing Q3 slightly down. Supply chain issues and rising input costs have become increasingly cited by companies as headwinds that could persist into next year, dampening revenue growth and margin expectations. Separately, China's broadening regulatory crackdown and efforts to tighten its levered property market to reduce financial risks have raised concerns about a disorderly outcome. Weakness in China contributed to emerging markets stocks trailing developed markets in Q3. In developed markets, Japan led the US and Europe. The best performing sectors were energy and technology, supported by rising prices in energy and semiconductor markets. Conversely, materials stocks were weakest due to higher raw materials costs.

The portfolio slightly outperformed the MSCI EAFE Index in Q3. Our biggest gainers included NICE, a cloud software company, Ascendis Pharma, a biotechnology company, and Alphabet, the parent company of Google. 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 analytics offerings.

Shares of Ascendis Pharma gapped up in August on the announced FDA approval of TransCon™ GH, branded Skytrofa®. Prior delays in the drug's approval, as well as in its trial for TransCon™ PTH for the treatment of hypoparathyroidism, led to volatility in the share price earlier in the year. We viewed these delays as a matter of timing and not impacting the probabilities for approvals. Ascendis will price Skytrofa® at a premium to current GH drugs given its superior efficacy. The approval also validates the company's TransCon™ technology, increasing our confidence in the company's pipeline.

Our biggest Q3 detractors were Canadian Pacific Railway and Deutsche Post. A holding in our infrastructure theme, Canadian Pacific operates in the North America rail oligopoly—an industry with huge barriers to entry and durable competitive advantages, which we believe should benefit from increased infrastructure spending in the US and Canada. Shares of Canadian Pacific have been consolidating since May after more than doubling in price from their March 2020 lows. The stock has also traded choppy on merger-related news as the company and its rival Canadian National Railway are competing to acquire Kansas City Southern.

Deutsche Post offers domestic mail delivery, international parcel services and freight delivery, as well as logistics services. In spite of recent weakness, the stock is still up substantially over the past year as results have benefited from surging e-commerce volumes and the company's continued ability to enact price increases. Demand for shipping and logistics services has never been greater, and it doesn't appear that it will go back to where it was before COVID-19.

### Investment Results (%)

As of 30 September 2021	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	-4.43	-0.30	5.92	15.32	9.30	9.49	9.78	8.97
Advisor Class: APDIX	-4.42	-0.25	6.03	15.47	9.47	9.65	9.89	9.01
MSCI EAFE Index	-2.90	-0.45	8.35	25.73	7.62	8.81	8.10	5.20
MSCI All Country World ex USA Index <sup>1</sup>	-3.20	-2.99	5.90	23.92	8.03	8.94	7.48	5.60

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.

### Portfolio Details

	ARTIX	APDIX
Net Asset Value (NAV)	\$36.66	\$36.58
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)	3.9
Nice Ltd (Israel)	3.9
Koninklijke DSM NV (Netherlands)	3.6
Deutsche Boerse AG (Germany)	3.3
Alphabet Inc (United States)	3.3
Deutsche Telekom AG (Germany)	3.1
Deutsche Post AG (Germany)	3.1
BNP Paribas SA (France)	3.1
Capgemini SE (France)	2.7
Amazon.com Inc (United States)	2.7
<b>TOTAL</b>	<b>32.7%</b>

Source: Artisan Partners/MSCI.

### Sector Diversification (% of portfolio securities)

	Fund	EAFE <sup>1</sup>
Communication Services	6.7	4.8
Consumer Discretionary	10.2	12.7
Consumer Staples	3.6	10.2
Energy	1.4	3.5
Financials	19.4	17.2
Health Care	15.6	12.6
Industrials	18.7	15.8
Information Technology	11.5	9.6
Materials	12.7	7.3
Real Estate	0.0	2.9
Utilities	0.3	3.3
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 3.8% of the total portfolio. <sup>1</sup>MSCI EAFE Index.

### Average Annual Total Returns

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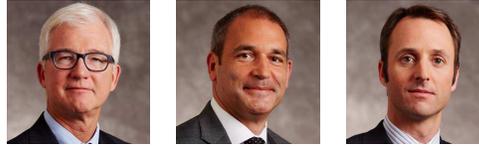
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## Region/Country Allocation (% of portfolio securities)

REGION	Fund	EAFE <sup>1</sup>
<b>EUROPE</b>	<b>72.5</b>	<b>63.9</b>
Germany	22.1	9.1
United Kingdom	10.4	14.4
France	8.6	11.2
Switzerland	8.6	9.5
Netherlands	7.2	4.8
Denmark	4.8	2.6
Ireland	3.9	0.7
Belgium	3.9	0.9
Italy	1.5	2.5
Spain	1.1	2.4
Portugal	0.3	0.2
<b>AMERICAS</b>	<b>13.3</b>	<b>—</b>
United States	10.4	—
Canada	2.9	—
<b>EMERGING MARKETS</b>	<b>5.6</b>	<b>—</b>
Russia	2.6	—
India	1.4	—
Taiwan	1.1	—
Brazil	0.5	—
<b>PACIFIC BASIN</b>	<b>4.6</b>	<b>35.5</b>
Japan	3.8	24.2
Hong Kong	0.8	3.0
<b>MIDDLE EAST</b>	<b>4.0</b>	<b>0.6</b>
Israel	4.0	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	41
<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 Sep 2021: Ascendis Pharma A/S 1.8%; Canadian Pacific Railway Ltd 1.8%. 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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