



# Artisan International Small-Mid Fund

MONTHLY  
Commentary

Investor Class: ARTJX | Advisor Class: APDJX

As of 31 December 2022

## Commentary

Global equities rebounded in Q4, although they still ended the year significantly lower. Major central banks continued to aggressively raise interest rates and signaled plans to keep rates high in 2023 to fight persistent inflation. The MSCI ACWI ex USA SMID Index gained in Q4, led by financials.

Our portfolio gained over 12% in Q4 but modestly lagged the MSCI ACWI ex USA SMID Index, primarily resulting from our technology overweight and an underweight to financials. Stock selection was additive in the quarter but was offset by our sector allocation and currency headwinds. Wolfsped and Glaukos were the largest detractors in Q4. Shares of Wolfsped fell in Q4 after management issued softer-than-expected near-term revenue guidance. The company manufactures silicon carbide (SiC) wafers and devices for the next generation of power semiconductors used to improve the range and efficiency of electric vehicles (EVs) and to drive industrial applications. Supply chain issues and higher capital expenditures related to the expansion of a second North Carolina material facility helped drive shares lower. We expect these issues to be temporary and remain confident in its long-term earnings power as demand for power devices—particularly for EV production—continues to accelerate.

Glaukos focuses on novel therapies for the treatment of glaucoma, corneal disorders and retinal diseases. It has evolved from a single-product company to a comprehensive ophthalmology company. Glaukos has been very successful commercializing its iStent inject® device used to treat glaucoma patients in combination with cataract surgery. The long-term opportunities for Glaukos stem from a number of nascent commercial launches and a pipeline of R&D projects, including Avedro, a leading treatment for keratoconus (cone-shaped cornea that causes distorted vision), and iDose®, an implant for extended release of glaucoma medication over 6-12 months that has the potential to revolutionize the market. The stock pulled back mainly after currency headwinds weighed on Q3 2022 results. Our long-term thesis based on the value of Glaukos' commercial platform in the pipeline remains intact.

Metso Outotec was the largest contributor in Q4 and remains one of our top-weighted positions. Metso manufactures industrial machinery and mining equipment and provides processing technologies to automate mining for customers worldwide. Recent results showed strong order growth and healthy margin expansion. Company management has executed on multiple aspects of the ongoing business transformation, positioning itself as a high value-added IoT (Internet of things)- and electrification-driven company. This transformation produces higher margins in addition to the benefits to worker safety and environmental footprint. We think the demand environment will be robust as electrification across industries continues to drive the needs for copper, uranium and other metals.

## Portfolio Details

	ARTJX	APDJX
Net Asset Value (NAV)	\$15.60	\$15.66
Inception	21 Dec 2001	4 Dec 2018
Expense Ratios		
Annual Report 30 Sep 2022	1.28%	1.14%
Prospectus 30 Sep 2021 <sup>1</sup>	1.31%	1.15%

<sup>1</sup>See prospectus for further details.

## Top 10 Holdings (% of total portfolio)

Nice Ltd (Israel)	4.0
ConvaTec Group PLC (United Kingdom)	2.5
Metso Outotec Oyj (Finland)	2.3
Alcon Inc (Switzerland)	1.9
RS GROUP PLC (United Kingdom)	1.8
Swedish Orphan Biovitrum AB (Sweden)	1.8
AIXTRON SE (Germany)	1.7
Fabrinet (United States)	1.6
CyberArk Software Ltd (Israel)	1.6
Toshiba Corp (Japan)	1.6
<b>TOTAL</b>	<b>20.7%</b>

Source: Artisan Partners/MSCI.

## Sector Diversification (% of portfolio securities)

	Fund	ACxUS SMD <sup>1</sup>
Communication Services	0.9	4.5
Consumer Discretionary	3.0	11.3
Consumer Staples	6.5	6.2
Energy	2.3	4.1
Financials	3.1	12.8
Health Care	24.9	6.4
Industrials	29.2	20.1
Information Technology	26.7	10.1
Materials	2.4	12.0
Real Estate	1.0	8.2
Utilities	0.0	4.3
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 4.5% of the total portfolio. <sup>1</sup>MSCI All Country World ex USA SMID Index.

## Investment Results (%)

As of 31 December 2022	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTJX	-2.26	12.23	-23.79	-23.79	1.66	3.55	5.73	10.06
Advisor Class: APDJX	-2.25	12.37	-23.67	-23.67	1.81	3.67	5.79	10.09
MSCI All Country World ex USA SMID Index	-0.11	13.85	-19.49	-19.49	-0.22	0.16	4.56	7.66
MSCI All Country World ex USA Small Cap Index	0.17	13.31	-19.97	-19.97	1.07	0.67	5.24	8.48

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>48.8</b>	<b>34.8</b>
United Kingdom	15.2	9.0
Denmark	6.8	1.3
Switzerland	6.7	3.2
Germany	5.5	3.7
Sweden	3.5	3.4
France	3.1	4.3
Finland	2.6	1.1
Netherlands	2.3	1.7
Italy	1.5	2.3
Norway	0.7	1.3
Belgium	0.5	1.0
Spain	0.3	1.2
<b>AMERICAS</b>	<b>22.4</b>	<b>7.1</b>
United States	16.8	—
Canada	5.6	7.1
<b>PACIFIC BASIN</b>	<b>13.7</b>	<b>30.2</b>
Japan	13.5	19.8
Australia	0.2	6.7
<b>MIDDLE EAST</b>	<b>9.6</b>	<b>1.8</b>
Israel	9.6	1.8
<b>EMERGING MARKETS</b>	<b>5.4</b>	<b>26.1</b>
India	2.4	4.5
Brazil	1.6	1.4
China	0.9	4.1
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. The value of portfolio securities selected by the investment team may rise or fall in response to company, market, economic, political, regulatory or other news, at times greater than the market or benchmark index. A portfolio's environmental, social and governance ("ESG") considerations may limit the investment opportunities available and, as a result, the portfolio may forgo certain investment opportunities and underperform portfolios that do not consider ESG factors. 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 and less developed markets, including frontier 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 Dec 2022: Glaukos Corp 1.2%; Wolfspeed Inc 1.4%. 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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