



Artisan International Small-Mid Fund

MONTHLY
Commentary

Investor Class: ARTJX | Advisor Class: APDJX As of 31 July 2022

Commentary

Global equities rose in July amid improved investor sentiment. Supply chain bottlenecks eased across the euro zone, and the US Federal Reserve instituted a 75bps rate hike which helped bolster sentiment and lessen inflationary concerns. Within the MSCI ACWI ex USA SMID Index, industrials performed best, and all sectors produced positive returns.

QTD, our portfolio has outperformed the MSCI ACWI ex USA SMID Index. Stock selection in tech and health care drove relative outperformance. QTD, Wolfspeed and NICE were the largest contributors. Wolfspeed manufactures silicon carbide wafers for the next generation of power semiconductors, which improve the range and efficiency of electric vehicles (EVs). Demand for power devices—particularly for EV production—is accelerating and still in the early stages. To secure its position as an industry leader, Wolfspeed has opened a new device manufacturing facility in NY—the largest SiC facility in the world—and is opening one in Europe. We have confidence in the ability of Wolfspeed’s management to successfully navigate the evolving opportunity set.

NICE, a global provider of customer interaction software and financial fraud and compliance platforms, continues to benefit from the ongoing transition to cloud computing and increased adoption of its analytics and AI solutions. NICE reflects the continuing evolution of software in the portfolio, with AI becoming more prominent and a real tool that increasingly creates value for enterprises.

Kornit Digital and Legend Biotech were the biggest detractors QTD. New printer installations showed signs of slowing, signaling customer caution about the macroeconomic climate. Kornit’s stock is pricing in not just a deep consumer recession but a fundamentally broken business. The business, however, has transformed meaningfully since 2019. Its installed base of throughput printers has doubled, ink consumables revenue is up 70% and customer relationships have expanded. In tandem, Kornit’s revenue and earnings have doubled, and its cash position has more than quintupled to \$734 million on a \$1.4 billion enterprise value. It has kept its commitment to R&D, resulting in another meaningful product launch in 2023—one that will increase automation in printer operation and throughput. Kornit also has no debt and the ability to self-fund growth.

Legend’s Carvykti (cilta-cel), approved in the US and EU, is a best-in-class B-cell maturation antigen-directed therapy in relapsed/refractory multiple myeloma. We believe it also has the potential for use in earlier treatment settings. In July, shares fell after Legend announced a capital increase at a reasonably high discount (\$43/share). We’re optimistic, however, about Carvykti’s long-term sales potential and encouraged by its Johnson & Johnson partnership focused on expanding manufacturing capacity to support a sales target of more than \$5 billion. Legend has a robust pipeline of innovative cell therapies, including its newly approved drug application to treat gastrointestinal cancers. It has strengthened its US leadership with the new CFO, global head of R&D and general counsel roles.

Portfolio Details

| | ARTJX | APDJX |
|---|-------------|------------|
| Net Asset Value (NAV) | \$16.02 | \$16.07 |
| Inception | 21 Dec 2001 | 4 Dec 2018 |
| Expense Ratios | | |
| Semi-Annual Report 31 Mar 2022 ¹ | 1.29% | 1.13% |
| Prospectus 30 Sep 2021 ² | 1.31% | 1.15% |

¹Unaudited, annualized for the six-month period. ²See prospectus for further details.

Top 10 Holdings (% of total portfolio)

| | |
|-------------------------------------|--------------|
| Nice Ltd (Israel) | 4.1 |
| ConvaTec Group PLC (United Kingdom) | 2.2 |
| Alcon Inc (Switzerland) | 2.2 |
| RS GROUP PLC (United Kingdom) | 2.0 |
| CAE Inc (Canada) | 2.0 |
| SG Holdings Co Ltd (Japan) | 1.8 |
| Toshiba Corp (Japan) | 1.8 |
| Wolfspeed Inc (United States) | 1.8 |
| Metso Outotec Oyj (Finland) | 1.8 |
| Azbil Corp (Japan) | 1.6 |
| TOTAL | 21.2% |

Source: Artisan Partners/MSCI.

Sector Diversification (% of portfolio securities)

| | Fund | ACxUS SMD ¹ |
|------------------------|---------------|------------------------|
| Communication Services | 1.4 | 4.7 |
| Consumer Discretionary | 4.7 | 10.9 |
| Consumer Staples | 6.3 | 6.3 |
| Energy | 1.5 | 4.0 |
| Financials | 2.5 | 11.9 |
| Health Care | 25.9 | 7.0 |
| Industrials | 27.6 | 20.3 |
| Information Technology | 26.3 | 10.2 |
| Materials | 2.3 | 11.5 |
| Real Estate | 1.6 | 8.8 |
| Utilities | 0.0 | 4.5 |
| TOTAL | 100.0% | 100.0% |

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 6.4% of the total portfolio. ¹MSCI All Country World ex USA SMID Index.

Investment Results (%)

| As of 31 July 2022 | Average Annual Total Returns | | | | | | | |
|---|------------------------------|------|--------|--------|------|------|-------|-----------|
| | MTD | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Inception |
| Investor Class: ARTJX | 8.32 | 8.32 | -21.74 | -23.43 | 6.43 | 5.91 | 7.90 | 10.41 |
| Advisor Class: APDJX | 8.29 | 8.29 | -21.69 | -23.34 | 6.58 | 6.01 | 7.95 | 10.44 |
| MSCI All Country World ex USA SMID Index | 5.13 | 5.13 | -18.16 | -18.63 | 3.45 | 2.26 | 6.01 | 7.90 |
| MSCI All Country World ex USA Small Cap Index | 5.78 | 5.78 | -18.47 | -18.62 | 5.12 | 2.99 | 6.76 | 8.76 |

As of 30 June 2022

| | | | | | | | | |
|---|--------|--------|--------|--------|------|------|------|-------|
| Investor Class: ARTJX | -8.42 | -17.19 | -27.75 | -29.21 | 3.31 | 5.43 | 7.13 | 10.03 |
| Advisor Class: APDJX | -8.40 | -17.14 | -27.68 | -29.08 | 3.46 | 5.54 | 7.18 | 10.06 |
| MSCI All Country World ex USA SMID Index | -10.30 | -16.63 | -22.16 | -22.41 | 1.44 | 1.95 | 5.57 | 7.67 |
| MSCI All Country World ex USA Small Cap Index | -11.04 | -17.55 | -22.92 | -22.45 | 2.94 | 2.55 | 6.22 | 8.50 |

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 | 46.6 | 36.1 |
| United Kingdom | 15.1 | 9.9 |
| Switzerland | 6.8 | 3.3 |
| Denmark | 5.8 | 1.6 |
| Germany | 4.5 | 3.4 |
| Sweden | 3.7 | 3.9 |
| France | 3.6 | 4.3 |
| Netherlands | 2.6 | 1.6 |
| Finland | 2.1 | 1.1 |
| Italy | 1.5 | 2.3 |
| Spain | 0.4 | 1.1 |
| Belgium | 0.4 | 1.2 |
| AMERICAS | 23.1 | 7.4 |
| United States | 16.8 | — |
| Canada | 6.3 | 7.4 |
| PACIFIC BASIN | 15.1 | 29.7 |
| Japan | 14.9 | 19.3 |
| Australia | 0.2 | 6.7 |
| MIDDLE EAST | 9.6 | 1.9 |
| Israel | 9.6 | 1.9 |
| EMERGING MARKETS | 5.6 | 24.9 |
| India | 2.3 | 4.4 |
| Brazil | 1.7 | 1.5 |
| China | 1.3 | 3.8 |
| Iceland | 0.4 | — |
| 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

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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. 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 Jul 2022: Komit Digital Ltd 1.3%; Legend Biotech Corp 0.9%. 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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Country exposure percentages reflect country designations as classified by MSCI as of the date shown. Securities not classified by MSCI reflect country designations as of the date the report was generated. Sector exposure percentages reflect sector designations as currently classified by GICS.

Enterprise Value (EV) is a measure of a company's value.

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