



Artisan International Fund

MONTHLY
Commentary

Investor Class: ARTIX | Advisor Class: APDIX As of 31 March 2022

Commentary

The start of a central bank tightening cycle amid multi-decade-high inflation and the advent of the Russia-Ukraine war—Europe’s worst conflict since World War II—caused global equities to decline in Q1. As Russia is one of the largest energy producers and Ukraine is a major source of global food supply, the war has only intensified existing inflationary impulses brought on by pandemic-related supply disruptions and pro-growth government policies.

Fears of higher interest rates and reduced liquidity due to tighter monetary policies resulted in steep declines among higher-multiple growth stocks—most evident in the extreme divergence in returns by style. The MSCI EAFE Growth Index fell nearly 12% compared to a small gain for the MSCI EAFE Value Index. Regionally, returns were negative across nearly all major markets; large commodities-producing countries like Canada, Australia and Norway were exceptions. All sectors aside from energy and materials finished down. The technology, consumer discretionary and industrials sectors were weakest.

Our portfolio underperformed the MSCI EAFE Index due to these market drivers that we’ve discussed. First, our bias toward growth businesses was a headwind given the large performance swing in favor of value stocks. Second, the invasion of Ukraine and the resultant sanctions on Russia caused the stock prices of our two Russian holdings—Russia’s largest bank Sberbank and metals and mining company Norilsk Nickel—to collapse. With trading in the ADRs of both Russian companies suspended, we chose to price both positions to zero, although we firmly believe both companies have value. Losses from these two positions alone accounted for about -350bps of our portfolio’s Q1 return.

On the positive side, our top individual contributor was Canadian Pacific Railway (CP), a company we’ve known for a long time as investors. A holding in our infrastructure theme, Canadian Pacific is a dominant trans-Canadian railroad that benefits from increased infrastructure spending in North America. A key component of our investment thesis for CP is the company’s ownership of a unique and hard-to-duplicate asset, namely its physical railroad network. We believe companies which possess unique assets are often able to leverage a dominant market position, high barriers to entry and pricing power, all of which lay a solid foundation for sustainable growth and are especially desirable in an inflationary environment like we’re in today. Additionally, the recent rise in commodity prices may drive stronger railroad volumes of key commodities, including grain, fertilizers and crude oil.

Over the past few months, we’ve made notable investments in the energy sector, including initiating a position in Shell. The Russia-Ukraine war has highlighted Europe’s energy dependence as it transitions to a cleaner energy future. The world needs “clean producers”—energy majors like Shell extracting, refining and retailing hydrocarbons. The bold plans announced by Germany are hugely supportive to Shell’s future as the largest listed liquid natural gas player in the world. The strong oil price backdrop adds to the compelling value creation story.

Portfolio Details

	ARTIX	APDIX
Net Asset Value (NAV)	\$26.56	\$26.45
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2021	1.18%	1.04%
Prospectus 30 Sep 2021 ¹	1.19%	1.04%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Linde PLC (United Kingdom)	4.5
Deutsche Boerse AG (Germany)	4.1
Shell PLC (United Kingdom)	4.0
Canadian Pacific Railway Ltd (Canada)	4.0
Alphabet Inc (United States)	3.9
Capgemini SE (France)	3.9
BNP Paribas SA (France)	3.8
Amazon.com Inc (United States)	3.7
Koninklijke DSM NV (Netherlands)	3.4
Air Liquide SA (France)	3.3
TOTAL	38.5%

Source: Artisan Partners/MSCI.

Sector Diversification (% of portfolio securities)

	Fund	EAFE ¹
Communication Services	6.7	4.8
Consumer Discretionary	8.3	11.5
Consumer Staples	4.1	10.2
Energy	8.6	4.1
Financials	21.3	17.7
Health Care	12.1	13.0
Industrials	17.3	15.4
Information Technology	9.1	8.6
Materials	12.5	8.2
Real Estate	0.0	2.9
Utilities	0.0	3.4
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 2.0% of the total portfolio. ¹MSCI EAFE Index.

Investment Results (%)

As of 31 March 2022	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	-0.15	-12.86	-12.86	-5.27	6.17	7.18	6.07	8.34
Advisor Class: APDIX	-0.19	-12.85	-12.85	-5.14	6.32	7.33	6.18	8.38
MSCI EAFE Index	0.64	-5.91	-5.91	1.16	7.78	6.72	6.27	4.96
MSCI All Country World ex USA Index ¹	0.16	-5.44	-5.44	-1.48	7.51	6.76	5.55	5.34

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.

Region/Country Allocation (% of portfolio securities)

REGION	Fund	EAFE ¹
EUROPE	70.6	64.3
Germany	18.1	8.2
United Kingdom	13.8	15.3
France	13.1	11.4
Switzerland	6.9	10.4
Netherlands	5.7	4.4
Belgium	5.7	0.9
Ireland	2.5	0.6
Italy	1.9	2.4
Denmark	1.8	2.7
Spain	1.1	2.3
AMERICAS	20.3	—
United States	13.6	—
Canada	6.7	—
EMERGING MARKETS	4.7	—
Taiwan	2.0	—
India	1.6	—
Brazil	1.1	—
Russia	0.0	—
PACIFIC BASIN	2.4	35.0
Japan	2.4	22.3
MIDDLE EAST	1.9	0.7
Israel	1.9	0.7
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	41
Associate Portfolio Managers	
Charles-Henri Hamker	32
Andrew J. Euretig	18

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 EAFE Index measures the performance of developed markets, excluding the US and Canada. MSCI EAFE Growth Index measures the performance of developed markets companies, excluding the US and Canada, that exhibit growth style characteristics according to MSCI. MSCI EAFE Value Index measures the performance of developed markets companies, excluding the US and Canada, that exhibit value style characteristics according to MSCI. 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 2022: MMC Norilsk Nickel PJSC 0.0%; Sberbank of Russia PJSC 0.0%. As of 3 Mar 2022, Russian holdings are valued at zero. 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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