



# Artisan International Fund

MONTHLY  
Commentary

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

## Commentary

Equities mostly traded flat across the globe during the month as inflation pressures continued to weigh on businesses. Real GDP growth expectations in the EU, for example, were almost halved from earlier in the year given the sharp slowdown in growth. Surging inflation, particularly in energy and food, was the main driver of economic weakness in the euro area and in many other countries. Sweeping COVID-related lockdowns in China further compressed supplies at a time when markets needed goods to meet burgeoning demand. By the end of May, however, major Chinese cities began to loosen controls due to lower case counts, a positive step toward an eventual reopening there.

In US dollar terms, the MSCI EAFE Value Index beat the MSCI EAFE Growth Index, a split that widened during the month and quarter, an indication that investors still favored lower P/E stocks over more highly valued shares with longer durations. The portfolio beat the benchmark MSCI EAFE Index and finished solidly in positive territory, a promising development given the headwinds that both have faced over the last six months. Across the developed markets, stock performance in the EU stood out as particularly strong in May, a reversal from earlier this year given the geopolitical challenges there. Within the benchmark, energy outshined other sectors—its gain far above the next highest sector.

A strong US dollar made the difference between outperformance and underperformance quarter to date. In fact, the dollar had the highest differential with the benchmark across all currencies. The portfolio's higher dollar exposure relates to its holdings in non-US stocks that trade on US exchanges as well as a small number of US holdings. The stronger dollar is largely attributable to global uncertainty and a "risk-off" environment. In addition, the portfolio's bank holdings led to positive relative returns over the past two months. France's BNP Paribas is one such bank that performed well. Like many of our European financials, we are attracted to the improved interest rate environment, better net interest margins and solid reserves. The stock peaked at the end of the period on news that European regulators changed the capital requirement calculations for pan-European banks which may lead to better conditions for cross-border business deals among them. BNP Paribas was added to the portfolio at the beginning of 2021.

Stock selection in pharmaceuticals detracted from relative performance the most quarter to date. Belgium-based UCB contributed to this weakness. The company develops therapeutics for neurology and immunology diseases and operates globally. The stock fell on the FDA's decision not to pre-approve a promising inflammation-blocker that treats people with moderate to severe psoriasis. The company said it will continue to work through the regulatory issues. We think UCB has a number of differentiated products in development that could drive growth over the long term.

## Investment Results (%)

As of 31 May 2022	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
<b>Investor Class: ARTIX</b>	<b>2.15</b>	<b>-5.35</b>	<b>-17.52</b>	<b>-16.30</b>	<b>3.69</b>	<b>4.32</b>	<b>6.51</b>	<b>8.06</b>
<b>Advisor Class: APDIX</b>	<b>2.16</b>	<b>-5.29</b>	<b>-17.46</b>	<b>-16.17</b>	<b>3.84</b>	<b>4.47</b>	<b>6.63</b>	<b>8.10</b>
MSCI EAFE Index	0.75	-5.77	-11.34	-10.38	6.43	4.17	7.15	4.69
MSCI All Country World ex USA Index <sup>1</sup>	0.72	-5.61	-10.74	-12.41	6.49	4.42	6.39	5.07

  

As of 31 March 2022	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
<b>Investor Class: ARTIX</b>	<b>-0.15</b>	<b>-12.86</b>	<b>-12.86</b>	<b>-5.27</b>	<b>6.17</b>	<b>7.18</b>	<b>6.07</b>	<b>8.34</b>
<b>Advisor Class: APDIX</b>	<b>-0.19</b>	<b>-12.85</b>	<b>-12.85</b>	<b>-5.14</b>	<b>6.32</b>	<b>7.33</b>	<b>6.18</b>	<b>8.38</b>
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 <sup>1</sup>	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. <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)	\$25.14	\$25.05
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Semi-Annual Report 31 Mar 2022 <sup>1</sup>	1.20%	1.05%
Prospectus 30 Sep 2021 <sup>2</sup>	1.19%	1.04%

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

## Top 10 Holdings (% of total portfolio)

Shell PLC (United Kingdom)	4.9
Linde PLC (United Kingdom)	4.7
BNP Paribas SA (France)	4.4
Deutsche Boerse AG (Germany)	4.0
Schlumberger NV (United States)	3.8
Canadian Pacific Railway Ltd (Canada)	3.6
Deutsche Telekom AG (Germany)	3.6
Barclays PLC (United Kingdom)	3.6
Air Liquide SA (France)	3.5
Capgemini SE (France)	3.5
<b>TOTAL</b>	<b>39.5%</b>

Source: Artisan Partners/MSCI.

## Sector Diversification (% of portfolio securities)

	Fund	EAFE <sup>1</sup>
Communication Services	7.2	5.0
Consumer Discretionary	6.1	11.2
Consumer Staples	5.9	10.4
Energy	10.9	4.8
Financials	23.1	17.6
Health Care	11.1	13.3
Industrials	16.3	15.0
Information Technology	6.3	8.1
Materials	13.1	8.2
Real Estate	0.0	2.9
Utilities	0.0	3.5
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 4.7% of the total portfolio. <sup>1</sup>MSCI EAFE Index.

## Average Annual Total Returns

As of 31 May 2022	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
<b>Investor Class: ARTIX</b>	<b>2.15</b>	<b>-5.35</b>	<b>-17.52</b>	<b>-16.30</b>	<b>3.69</b>	<b>4.32</b>	<b>6.51</b>	<b>8.06</b>
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## Region/Country Allocation (% of portfolio securities)

REGION	Fund	EAFE <sup>1</sup>
<b>EUROPE</b>	<b>74.2</b>	<b>64.5</b>
Germany	17.7	8.2
United Kingdom	17.4	15.9
France	13.9	11.4
Switzerland	7.0	10.2
Netherlands	5.9	4.2
Belgium	5.1	0.9
Ireland	2.8	0.6
Italy	2.0	2.4
Denmark	1.4	2.7
Spain	1.2	2.5
<b>AMERICAS</b>	<b>19.3</b>	<b>—</b>
United States	13.3	—
Canada	6.1	—
<b>EMERGING MARKETS</b>	<b>3.9</b>	<b>—</b>
India	1.8	—
Brazil	1.3	—
Taiwan	0.8	—
Russia	0.0	—
<b>PACIFIC BASIN</b>	<b>1.6</b>	<b>34.8</b>
Japan	1.6	22.1
<b>MIDDLE EAST</b>	<b>0.9</b>	<b>0.7</b>
Israel	0.9	0.7
<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	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 May 2022: UCB SA 2.0%. 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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Price-to-Earnings (P/E) is a valuation ratio of a company's current share price compared to its per-share earnings. Net interest margin measures the difference between interest income earned and paid out by financial institutions.

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