



Artisan International Fund

MONTHLY
Commentary

Investor Class: ARTIX | Advisor Class: APDIX As of 28 February 2023

Commentary

After beginning the year on a strong run, global stocks were mixed this month. In a “good-news-is-bad-news” scenario, employment and retail sales reports showed stronger-than-expected results, unsettling markets and causing equities to slide, especially in the US, as investors feared larger near-term rate hikes. Stocks in Europe, however, fared better as investors there continued to find value. China’s manufacturing sector rebounded sharply with factory output growing for the first time in six months and company sentiment improving to a 23-month high.

In February, the portfolio underperformed its primary benchmark, the MSCI EAFE Index, but beat its secondary benchmark, the MSCI All Country World ex USA Index. Our holdings in consumer discretionary reduced relative performance the most as Alibaba weighed on returns, giving back much of last month’s large price surge. The Chinese e-commerce and cloud leader sold off during the month along with several of its peers. Even though its share of gross merchandize volume fell during the pandemic, Alibaba has maintained a superior take rate, or amount it charges merchants for using its platform to complete sales, a benefit of its strong brand. It has also generated a healthy and stable operating margin over time. The growth of its lucrative third-party marketplaces Taobao and Tmall has been instrumental in this performance, while its re-imagined grocery chain Freshippo and Alibaba Cloud represent future growth for the company. Alibaba’s businesses benefit from the secular growth in demand from an expanding middle class in China and more broadly across Asia.

In a reversal from last month, our holdings in materials added to relative returns the most. Linde, a structurally advantaged global industrial gas company, performed particularly well. It operates as part of an oligopoly selling essential products to customers utilizing long-term contracts that create high switching costs. This business model gives the company pricing power. Linde’s share price rose after it agreed to supply nitrogen and low-carbon hydrogen to OCI’s new blue ammonia plant in Texas. OCI, based in the Netherlands, is one of the largest fertilizer manufacturers in the world. Blue ammonia, which emits no carbon during combustion, has the potential to be a clean fuel of the future, particularly within the maritime and power generation sectors. It is produced by combining nitrogen and hydrogen and then recapturing the CO₂ that is normally released from the hydrogen during the process. Linde’s \$1.8 billion investment in supplying OCI is the industrial gas giant’s largest clean hydrogen project to date with the goal of trapping some 1.7 million metric tons of carbon dioxide a year in the process of producing the innovative fuel. We believe Linde’s focus on near-term profits, apparent in its results last quarter, and its longer term initiatives developing clean hydrogen provide it with a long runway for growth.

Investment Results (%)

As of 28 February 2023	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	-3.23	5.23	5.23	-3.02	2.72	2.40	4.44	7.93
Advisor Class: APDIX	-3.17	5.30	5.30	-2.89	2.87	2.55	4.57	7.98
MSCI EAFE Index	-2.09	5.84	5.84	-3.14	6.84	2.64	4.83	4.64
MSCI All Country World ex USA Index ¹	-3.51	4.32	4.32	-7.19	5.27	1.62	3.94	4.86

As of 31 December 2022

Investor Class: ARTIX	-2.69	17.13	-19.57	-19.57	-1.93	1.67	4.36	7.78
Advisor Class: APDIX	-2.70	17.17	-19.47	-19.47	-1.80	1.81	4.48	7.82
MSCI EAFE Index	0.08	17.34	-14.45	-14.45	0.87	1.54	4.67	4.45
MSCI All Country World ex USA Index ¹	-0.75	14.28	-16.00	-16.00	0.07	0.88	3.80	4.72

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.

Portfolio Details

	ARTIX	APDIX
Net Asset Value (NAV)	\$25.16	\$25.05
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2022	1.19%	1.05%
Prospectus 30 Sep 2022 ¹	1.20%	1.05%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Linde PLC (United Kingdom)	4.7
Deutsche Telekom AG (Germany)	4.3
Deutsche Boerse AG (Germany)	4.2
BNP Paribas SA (France)	4.1
Schlumberger Ltd (United States)	3.7
Air Liquide SA (France)	3.6
Alibaba Group Holding Ltd (China)	3.4
Canadian Pacific Railway Ltd (Canada)	2.9
Aon PLC (United States)	2.9
Ryanair Holdings PLC (Ireland)	2.7
TOTAL	36.5%

Source: Artisan Partners/MSCI.

Sector Diversification (% of portfolio securities)

	Fund	EAFE ¹
Communication Services	5.4	4.5
Consumer Discretionary	15.5	11.7
Consumer Staples	9.6	10.1
Energy	6.8	4.9
Financials	25.2	19.2
Health Care	16.0	12.7
Industrials	10.6	15.3
Information Technology	2.4	8.1
Materials	8.5	7.7
Real Estate	0.0	2.5
Utilities	0.0	3.3
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 1.9% of the total portfolio. ¹MSCI EAFE Index.

Region/Country Allocation (% of portfolio securities)

REGION	Fund	EAFE ¹
EUROPE	72.1	65.9
United Kingdom	16.2	15.3
France	14.5	12.4
Germany	12.0	8.5
Switzerland	9.6	9.8
Denmark	5.6	2.9
Belgium	4.4	1.0
Ireland	3.8	0.8
Netherlands	3.1	4.5
Italy	1.7	2.5
Spain	1.1	2.6
AMERICAS	12.4	—
United States	9.0	—
Canada	3.4	—
EMERGING MARKETS	10.1	—
China	9.0	—
India	0.7	—
Taiwan	0.4	—
Russia	0.0	—
PACIFIC BASIN	5.4	33.4
Singapore	2.4	1.5
Hong Kong	1.6	2.8
Japan	1.4	21.2
MIDDLE EAST	—	0.7
Israel	<0.1	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	42
Associate Portfolio Managers	
Charles-Henri Hamker	33
Andrew J. Euretig	19
Michael Luciano	22

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 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. 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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