



Artisan International Small-Mid Fund

MONTHLY
Commentary

Investor Class: ARTJX | Advisor Class: APDJX

As of 28 February 2023

Commentary

Global equities fell in February, paring some of January's gains. The MSCI ACWI ex USA SMID Index dropped this month, with negative returns across all sectors.

Our portfolio held up reasonably well in February's selloff and is in line with the MSCI ACWI ex USA SMID Index QTD. Industrials have been a source of relative strength QTD but were offset by our exposure within information technology.

Model N and Toshiba were the largest detractors. Model N shares fell on profit taking. As Model N moved from on-premise to cloud and AI, it has become entrenched as the standard SaaS provider for revenue accounting for big pharma and high-tech industries. Its AI-enabled tools have proven effective at crafting optimal discount structures, resulting in high customer savings. The transition has enhanced its future competitive position, with accelerating recurring revenues, data analytics and higher margin products. Earnings continue to grow, and we think the stock is modestly valued.

Toshiba is a globally diversified industrial technology company with earnings underpinned by stable industrial and infrastructure businesses in the domestic market and a growing, profitable semiconductor business. Thanks to its long-standing commitment to R&D, Toshiba has accumulated a significant, but largely uncommercialized, portfolio of intellectual property, including quantum cryptography, batteries and renewable power generation. There is significant opportunity for Toshiba to improve operating margin, which it has done with early success, but overhangs of a potential buyout that underappreciates its technology and turnaround value and disappointing Q3 earnings predominantly due to one-time, non-operating factors sent shares lower.

Jet2 and Gerresheimer were the largest contributors. A vertically integrated online travel agency and airplane fleet owner, Jet2 is now the UK's largest tour operator. Jet2 has used balance sheet strength to renew its fleet, strengthen relationships with its hotel partners and meaningfully add to its portfolio of airport landing slots, significantly enhancing its value proposition. Many have overlooked the highest value of Jet2's operation—the integrated travel agency that makes most of its earnings from relationships with hotels. During challenging times like now, stronger and more fiscally conservative companies like Jet2 can play offense and overtake weaker competition.

Gerresheimer is a leading manufacturer of specialty products made of glass and plastic for the pharmaceutical industry. We are attracted to its strong market positioning in a high-barrier industry with high switching costs. Recent FY22 financial results showed Gerresheimer's ability to continue delivering profitable growth. It minimized the energy disruption risks from the Russia-Ukraine war by making manufacturing plants interchangeable between natural gas and oil, and our investment thesis remains intact.

Portfolio Details

	ARTJX	APDJX
Net Asset Value (NAV)	\$16.32	\$16.38
Inception	21 Dec 2001	4 Dec 2018
Expense Ratios		
Annual Report 30 Sep 2022	1.28%	1.14%
Prospectus 30 Sep 2022 ¹	1.29%	1.14%

¹See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Nice Ltd (Israel)	4.2
Metso Outotec Oyj (Finland)	2.3
ConvaTec Group PLC (United Kingdom)	2.2
JET2 PLC (United Kingdom)	2.0
Swedish Orphan Biovitrum AB (Sweden)	1.8
Alcon Inc (Switzerland)	1.8
CAE Inc (Canada)	1.7
AIXTRON SE (Germany)	1.7
CyberArk Software Ltd (Israel)	1.7
WNS Holdings Ltd (India)	1.5
TOTAL	21.0%

Source: Artisan Partners/MSCI.

Sector Diversification (% of portfolio securities)

	Fund	ACxUS SMD ¹
Communication Services	0.5	4.6
Consumer Discretionary	3.1	11.4
Consumer Staples	6.4	6.0
Energy	2.3	3.9
Financials	3.6	13.0
Health Care	24.7	6.2
Industrials	29.1	20.6
Information Technology	26.9	10.4
Materials	2.2	12.0
Real Estate	1.0	7.9
Utilities	0.0	4.1
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 4.2% of the total portfolio. ¹MSCI All Country World ex USA SMID Index.

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: ARTJX	-2.22	4.62	4.62	-8.42	6.49	4.53	5.65	10.21
Advisor Class: APDJX	-2.21	4.60	4.60	-8.32	6.64	4.65	5.71	10.24
MSCI All Country World ex USA SMID Index	-2.48	4.85	4.85	-9.00	5.69	1.01	4.65	7.84
MSCI All Country World ex USA Small Cap Index	-2.55	4.46	4.46	-9.67	7.03	1.39	5.20	8.64
As of 31 December 2022								
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 ¹
EUROPE	48.8	36.3
United Kingdom	15.3	9.3
Denmark	6.7	1.3
Switzerland	6.4	3.3
Germany	5.9	3.9
Sweden	4.0	3.6
France	2.8	4.6
Finland	2.6	1.1
Netherlands	2.3	1.8
Italy	1.6	2.4
Norway	0.7	1.2
Belgium	0.5	1.0
AMERICAS	22.9	7.1
United States	16.8	—
Canada	6.1	7.1
PACIFIC BASIN	13.2	29.4
Japan	13.2	19.1
MIDDLE EAST	9.5	1.6
Israel	9.5	1.6
EMERGING MARKETS	5.6	25.5
India	2.7	4.2
Brazil	1.4	1.3
China	0.9	3.9
Iceland	0.5	—
Mexico	0.1	0.7
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. 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 28 Feb 2023: Gerresheimer AG 1.5%; Model N Inc 1.2%; Toshiba Corp 1.3%. 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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