Artisan International Fund

QUARTERLY
Commentary

Investor Class: ARTIX | Advisor Class: APDIX | Institutional Class: APHIX

As of 31 December 2019

Investment Process

We seek to invest in companies, within our preferred themes, with sustainable growth characteristics at attractive valuations that do not fully reflect their long-term potential.

Themes

We identify long-term secular growth trends with the objective of investing in companies that have meaningful exposure to these trends. Our fundamental analysis focuses on those industry leaders with attractive growth and valuation characteristics that will be long-term beneficiaries of any structural change and/or trend.

Sustainable Growth

We apply a fundamental approach to identifying the long-term, sustainable growth characteristics of potential investments. We seek high-quality companies that typically have a sustainable competitive advantage, a superior business model and a high-quality management team.

Valuation

We use multiple valuation metrics to establish a target price range. We assess the relationship between our estimate of a company's sustainable growth prospects and its current valuation.

Team Overview

Our team approach combines the benefits of strong leadership with the creative ideas of a deep and highly experienced team of research analysts. We believe this approach allows us to leverage a broad set of perspectives into dynamic portfolios.

Portfolio Management

Mark L. Yockey, CFA
Portfolio Manager

Charles-Henri Hamker
Associate Portfolio Manager

Andrew J. Euretig
Associate Portfolio Manager

Investment Results (%)

As of 31 December 2019	QTD	YTD	Average Annual Total Returns 1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	**7.82**	**29.20**	**29.20**	**14.69**	**5.56**	**7.18**	**9.06**
Advisor Class: APDIX	**7.88**	**29.36**	**29.36**	**14.85**	**5.72**	**7.26**	**9.09**
Institutional Class: APHIX	**7.90**	**29.46**	**29.46**	**14.94**	**5.80**	**7.43**	**9.28**
MSCI EAFE Index	8.17	22.01	22.01	9.56	5.67	5.50	4.91
MSCI All Country World ex USA Index[1]	8.92	21.51	21.51	9.87	5.51	4.97	5.32

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (28 December 1995); Advisor (1 April 2015); Institutional (1 July 1997). For the period prior to inception, each of Advisor Class and Institutional Class's performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Advisor or Institutional Class and each share's respective returns during that period would be different if such expenses were reflected. [1]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.

Expense Ratios	ARTIX	APDIX	APHIX
Annual Report 30 Sep 2019	1.19	1.04	0.96
Prospectus 30 Sep 2018[1]	1.18	1.04	0.96

[1]See prospectus for further details.

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.

Investing Environment

Positive sentiment around US-China trade, Brexit and a potential reacceleration in global growth powered non-US equity indices higher in Q4. A weak US dollar versus most major currencies (including the euro and British pound) was a tailwind for USD-based returns—contributing roughly 300bps of the MSCI EAFE Index's 8% Q4 return. All regions and sectors participated. Dispersion of returns by region was nominal, with European, US and Japanese indices all returning between 7% and 9%. Emerging markets led developed markets, rising almost 12%, aided by 14%+ gains in China and Brazil. By sector, returns were led by technology and health care. Interest rate-sensitive and defensive groups—utilities, real estate and consumer staples—were laggards, despite positive absolute returns. Stylistically, growth stocks slightly outperformed value during the quarter.

Q4 capped off one of global equities' strongest years in recent history. The MSCI All Country World Index's return was its strongest in 10 years. For non-US developed markets, specifically—the MSCI EAFE Index's 22% gain was good enough for third-best over the past 10 years—eclipsed by only 2013 and 2017. All regions and sectors participated in the upswing. Developed markets outperformed emerging markets, as was also true in 2018. Likewise, the US continued to outpace Europe and Japan, while growth remained favored versus value. Technology, health care and industrials were the leading sectors. Aside from energy, all sectors had double-digit returns.

Although 2019's outsized returns stand in sharp contrast to 2018's declines, the economic backdrop hadn't substantially changed from the prior year. Economic growth rates around the world remained sluggish, inflation quiescent and interest rates near historic lows. Primarily, markets climbed the proverbial "wall of worry" in 2019, as economic and business fundamentals were better than expected and fears about slowing growth or worsening trade tensions were largely unrealized. Also noteworthy was a dovish pivot by the Federal Reserve, which eased three times in 2019 after hiking its benchmark rate four times in 2017 and three times in 2018.

Performance Discussion

Our portfolio slightly trailed the MSCI EAFE Index in Q4 but finished solidly ahead for the year. Currency effects were negative in Q4 given our USD-based investments and lighter exposure to the British pound. Conversely, sector positioning was beneficial due to our below-benchmark weighting in consumer staples and lack of real estate and utilities holdings.

Underperformance was attributable to global payments company Wirecard, our biggest Q4 detractor and one of our top holdings at the start of Q4. Shares sold off as the *Financial Times* resumed its negative coverage of the company, questioning its accounting practices. The company responded with a statement rejecting each of the FT's new claims and subsequently commissioned KPMG to conduct a new independent audit to fully clarify the allegations in the FT's article. This new audit follows the external audit by the Singaporean law firm Rajah & Tann and a clean audit opinion received from Wirecard's accountant Ernst & Young. We continue to have high conviction in the management team and the business's long-term growth trajectory but decided it was prudent to reduce the position given ongoing scrutiny. As always, we are in dialogue with the company and its management. Our investment case in Wirecard remains focused on sustainable growth in electronic payments processing due to the secular tailwinds of e-commerce and the convergence of mobile, online and offline payments—augmented by market-share gains, new value-added services and global footprint expansion. Shares are attractively valued in our view, selling at a PEG ratio of 0.6X our estimates of 2020 earnings per share and at a P/E multiple of 20X our estimates of 2020 earnings per share. In January 2020, as we write this letter, Wirecard announced that former Deutsche Boerse chief financial officer Thomas Eichelmann has been named the new chairman. Mr. Eichelmann has been a strong proponent of an independent review into the company's accounting. Aside from Wirecard, we had no other meaningful decliners during the quarter. Our next biggest detractors were all small positions with declines of 4% or less.

Several of our top Q4 contributors were among our weakest Q3 performers, including Airbus, Ryanair Holdings and Petrobras. In early October, shares of Airbus, a French aircraft manufacturer, ascended after the US trade representative announced a tariff ruling on EU exports to the US that was more benign than expected. A 10% tariff on aircraft is at the low end of expectations and excludes aerospace components and aircraft manufactured at Airbus' Alabama facility. Additionally, in December, the company's order book was bolstered by the announced increase in A350 orders by Air France-KLM Group. And then in January after the quarter closed, Airbus reported strong year-end deliveries, helping the company to meet its full-year guidance. We remain attracted to the company's cash flow potential as it continues to ramp production of the A320 and A350 aircraft.

Shares of Ryanair, a low-cost airline, rallied due to a reduced hard-Brexit risk and management's guidance that slow industry capacity growth would contribute to increasing fares and better top-line growth. We continue to like Ryanair's leading market position, low cost base and history of returning capital to shareholders.

With respect to Petrobras, a Brazilian oil and gas company, strong production growth, lifted by its pre-salt fields of Lula and Buzios, helped it overcome lower Brent oil prices and drive revenues higher. The company's strategic plans to reduce costs, dispose of non-core assets, reduce debt and increase return of capital to shareholders appear on track.

Full-year relative performance benefited from positive stock selection across most of the portfolio, but especially among our financials, industrials and materials holdings. In financials, big winners included financial exchanges operators Deutsche Boerse and London Stock Exchange Group; European banks BNP Paribas and Intesa Sanpaolo;

and insurance companies Aon, AIA and Allianz. In the industrials sector, Airbus, Ryanair and Deutsche Post, a German-based international mail, parcel and delivery services provider, were standouts. In the materials sector, our industrial gases holdings Linde and Air Liquide drove outperformance. The one sector where we underperformed was technology. Although Wirecard was by and large the reason for that, semiconductor holdings Infineon Technologies and Rohm were additional detractors.

Positioning

Reflecting our confidence in overall portfolio positioning, we made relatively few new purchases in Q4. Our biggest additions were Alibaba, GlaxoSmithKline (GSK) and UniCredit. We've held all three companies in the past and know them well.

Alibaba is China's largest e-commerce company. Like Amazon, which we also hold, Alibaba is experiencing strong organic growth in its core e-commerce business, driven by user growth and improving user engagement. Alibaba's core e-commerce business generates strong free cash flow that funds growth initiatives. Though still a small component of overall revenue (<10%), the company's cloud business is growing rapidly and, as the leader in China, is well-positioned to become more profitable as it scales up and improves its ARPU by offering more value-added services.

GSK is a health care conglomerate operating in three business lines: pharmaceuticals, vaccines and consumer products. After years of poor capital allocation in the pharma division, we believe the company's late-stage pharma pipeline is becoming more visible under new leadership. Additionally, the company's plans to spin off its higher-margin consumer division should help close the current market valuation discount for the remaining pharmaceuticals/vaccines business.

UniCredit is a leading Italian commercial bank. We believe UniCredit can increase its return of capital (dividend + share repurchases) to 50% by 2023, with total return of capital from 2020 to 2023 equating to more than 25% of market capitalization, based on continued de-risking of its balance sheet, its low payout ratio that should allow for regulatory sign-off on buybacks, and a cheap valuation (0.5X tangible book value).

We exited our positions in Experian, a consumer credit reporting company, and the aforementioned London Stock Exchange Group as shares approached our target valuations. We also sold Beiersdorf, a personal-care products maker; Canadian National Railway, a North American railway; and Novartis, a Swiss pharmaceuticals and consumer health care products company, in favor of better opportunities.

Outlook

Cautious optimism is an appropriate way to characterize our current perspective on equity markets. Overall corporate fundamentals remain healthy; however, valuations are richer today than they were a year ago as equity returns have been driven primarily by multiple expansion rather than earnings growth. Increasingly, we find ourselves choosing between secular growth stocks that are priced relatively richly, and stable growers with strong cash flow characteristics that are selling at more reasonable valuations. Among our Q4 new purchases, Alibaba is an example of the former, whereas GSK and UniCredit are examples of the latter.

Our experience investing over several market cycles has taught us the importance of identifying companies with exposure to secular growth themes and sustainable growth characteristics. As part of our search for sustainable growth, we pursue companies possessing particular attributes, including industry leadership, offering of an essential product or service, provision of a differentiated solution or ownership of unique assets. We believe high-quality companies with one or more of these attributes can enjoy sustainable competitive advantages, positioning them well to generate long-term earnings growth. Our approach to generating attractive long-term returns is also supported by our valuation discipline, which we believe is especially important at this point in the cycle. We believe our bottom-up process will serve our investors well, yielding fundamentally sound companies with sustainable growth characteristics, trading at reasonable valuations, that are capable of standing up to varied market environments.

Our investment philosophy and process takes us around the globe in search of investment opportunities which may be domiciled in or outside of the US. Using the same investment process as Artisan International Fund, our team also manages the Artisan Global Equity Fund. Since its inception in 2010, returns for the Global Equity Fund have been driven by stock selection based on our best ideas identified around the globe. For those interested in exploring our global fund, please visit www.artisanpartners.com.

Sustainable Investing Update

In 2019, our team added a data-driven, ESG-risk review process to provide an objective and independent evaluation of ESG considerations. We also developed a formal Sustainable Investing Policy Statement, reproduced below. In addition, our team will publish a 2019 review of its activities related to sustainability.

Sustainable Investing Policy Statement

Overview

We have been applying our investment philosophy and process for nearly 25 years. Over that time, we have acquired enormous experience in assessing the sustainability of businesses and the quality and integrity of management teams. By focusing on sustainable growth, high-quality management teams and corporate governance, we have naturally incorporated numerous ESG considerations into our philosophy and process. In addition, in 2018, our firm signed the United Nations-supported Principles for Responsible Investment, and more recently in 2019, our team

added a data-driven ESG risk review process to provide an objective and independent evaluation of ESG considerations.

Sustainable Growth

Sustainable growth has always been a pillar of our investment philosophy and leads us to companies that are investing for the long-term. Compared to companies focused on maximizing near-term metrics, we believe companies having sustainable growth characteristics are more likely to align their products, services and corporate practices with broader, positive ESG considerations, such as environmental awareness, stronger employee relations and better corporate governance.

In addition, as part of our search for sustainable growth, we identify broad investment themes that in many cases recognize issues of social importance, such as:

- Health care for aging populations
- Nutrition and wellness
- Expanded access to technology and financial services

Corporate Engagement

Our investment philosophy and process also emphasizes high-quality management teams, which helps us to screen out companies engaged in short-sighted, elevated risk, or exploitive corporate practices.

Our team members spend significant time meeting and interacting with company management. During meetings and company site visits and through other correspondence, we seek to validate the consistency of business practices with management's disclosures and stated policies and engage on ESG issues, particularly corporate governance issues.

After making initial investments, we continue to closely monitor the corporate governance of our portfolio companies, and we exercise our influence and voting rights to encourage best practices in corporate governance, executive compensation and fair treatment of minority shareholders.

ESG Risk Review

Beginning in 2019 we implemented a review of material ESG factors that adds greater objectivity and independence to our consideration of ESG risks. As part of this process, we use Refinitiv's quantitative ESG scoring to evaluate our portfolio companies on over 400 ESG metrics. When these scores indicate elevated risk, our team's Chief Operating Officer escalates the issue and works with the appropriate research analyst to revisit our investment thesis and reassess our estimate of the company's fundamental value.

For more information: Visit www.artisanpartners.com | Call 800.344.1770

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.

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 All Country World ex USA Index measures the performance of developed and emerging markets, excluding the US. MSCI All Country World Index measures the performance of developed and emerging markets. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

This summary represents the views of the portfolio managers as of 31 Dec 2019. Those views may change, and the Fund disclaims any obligation to advise investors of such changes. For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The holdings mentioned above comprised the following percentages of the Fund's total net assets as of 31 Dec 2019: Artisan International Fund—Wirecard AG 2.1%; Airbus SE 3.8%; Ryanair Holdings PLC 2.6%; Petroleo Brasileiro SA 4.2%; Deutsche Boerse AG 6.1%; BNP Paribas SA 1.9%; Intesa Sanpaolo SpA 1.7%; Aon PLC 3.2%; AIA Group Ltd 3.7%; Allianz SE 2.7%; Deutsche Post AG 2.9%; Linde PLC 6.4%; Air Liquide SA 4.0%; Alibaba Group Holding Ltd 1.1%; GlaxoSmithKline PLC 1.3%; UniCredit SpA 0.7%; Amazon.com Inc 2.2%. Artisan Global Equity Fund—Wirecard AG 1.2%; Airbus SE 1.8%; Petroleo Brasileiro SA 2.4%; Deutsche Boerse AG 4.3%; Intesa Sanpaolo SpA 0.9%; AIA Group Ltd 1.7%; Allianz SE 1.1%; Linde PLC 4.0%; Air Liquide SA 2.1%; Alibaba Group Holding Ltd 1.0%; GlaxoSmithKline PLC 1.3%; UniCredit SpA 0.7%; Amazon.com Inc 3.1%. Securities named in the commentary, but not listed here are not held in the Fund as of the date of this report. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. All information in this report, unless otherwise indicated, includes all classes of shares (except performance and expense ratio information) and is as of the date shown in the upper right hand corner. This material does not constitute investment advice.

The Global Industry Classification Standard (GICS®) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's Financial Services, LLC (S&P). Neither MSCI, S&P, their affiliates, nor any of their third party providers ("GICS Parties") makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including warranties of accuracy, completeness, merchantability and fitness for a particular purpose. The GICS Parties shall not have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of such damages.

MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI.

Attribution is used to evaluate the investment management decisions which affected the portfolio's performance when compared to a benchmark index. Attribution is not exact, but should be considered an approximation of the relative contribution of each of the factors considered.

This material is provided for informational purposes without regard to your particular investment needs. This material shall not be construed as investment or tax advice on which you may rely for your investment decisions. Investors should consult their financial and tax adviser before making investments in order to determine the appropriateness of any investment product discussed herein.

Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures. **Earnings per Share (EPS)** is the portion of a company's profit allocated to each outstanding share of common stock. The **PEG Ratio** (an indicator of a stock's potential value) measures the ratio of the P/E of a company to the growth rate. **Price-to-Earnings (P/E) Ratio** measures how expensive a stock is. Earnings figures used for FY1 and FY2 are estimates for the current and next unreported fiscal years. **Tangible Book Value** is a measure of a company's shareholder equity after removing any intangible assets.

Artisan Partners Funds offered through Artisan Partners Distributors LLC (APDLLC), member FINRA. APDLLC is a wholly owned broker/dealer subsidiary of Artisan Partners Holdings LP. Artisan Partners Limited Partnership, an investment advisory firm and adviser to Artisan Partners Funds, is wholly owned by Artisan Partners Holdings LP.

A R T I S A N  P A R T N E R S

1/15/2020 A19869L_vR