Artisan International Explorer Fund

QUARTERLY
Commentary

Advisor Class: ARDBX | Institutional Class: ARHBX

As of 30 June 2022

Investment Process

We seek to invest in high-quality, undervalued businesses that offer the potential for superior risk/reward outcomes. The investment universe is generally non-US equities with market caps below $5 billion.

Undervaluation

Determining the intrinsic value of a business is the heart of our research process. Intrinsic value represents the amount that a buyer would pay to own a company's future cash flows. We seek to invest at a significant discount to our estimate of the intrinsic value of a business.

Business Quality

We seek to invest in companies with histories of generating strong free cash flow, improving returns on capital and strong competitive positions in their industries.

Financial Strength

We believe that investing in companies with strong balance sheets helps to reduce the potential for capital risk and provides company management the ability to build value when attractive opportunities are available.

Shareholder-Oriented Management

Our research process attempts to identify management teams with a history of building value for shareholders.

Portfolio Management

Beini Zhou, CFA
Co-Portfolio Manager

Anand Vasagiri
Co-Portfolio Manager

N. David Samra
Managing Director

Investment Results (%)

As of 30 June 2022	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
			Average Annual Total Returns				
Advisor Class: ARDBX	**-1.50**	—	—	—	—	—	**-1.50**
Institutional Class: ARHBX	**-1.50**	—	—	—	—	—	**-1.50**
MSCI All Country World ex USA Small Cap Index	-6.54	—	—	—	—	—	-6.54

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Advisor (16 May 2022); Institutional (16 May 2022). QTD figure represents performance from inception of the portfolio to the quarter end.

Expense Ratios (% Gross/Net)	ARDBX	ARHBX
Semi-Annual Report 31 Mar 2022	—/—	—/—
Prospectus 9 May 2022[1,2,3]	1.65/1.42	1.54/1.37

[1]Includes estimated expenses for the current fiscal year. [2]Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2024. [3]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. The Fund's returns may vary greatly over shorter periods due to the limited operating period since inception. Call 800.344.1770 for current to most recent month-end performance.

Idea Sourcing

One of the most frequent questions we receive is, well, how can the two of us cover the entire non-US small-cap space, which includes a few tens of thousands of companies. Let us explore this question.

It is important to note we do not need to have an opinion on every business in our investible universe. Our focus is on ensuring we form an opinion on a very small collection of the businesses in our universe. Most importantly, we have strong conviction in the even smaller collection of businesses held in our portfolio, to which we concentrate capital by design.

Idea generation comes from a variety of sources: research trips, Bloomberg screens, interactions with management and industry contacts and a watchlist built up over the years. None of which is proprietary—running Bloomberg screens, for example, is a common tool in our business. Some of our favorite screens, run biweekly or monthly, include buybacks, spin-offs, as well as recent management changes. More than the type of screens run, we believe our unique value lies in how we filter through hundreds of query results—we call it our frog-kissing process. Over the years, we've honed our process, so we are able to pass on most ideas from the screens very quickly. We do not get everything right and have mistaken a prince as a frog and passed on it, but we want to make sure we're much more right than wrong over time and keep improving our odds.

To summarize our idea generation process, we'd simply call it "knowing your markets." We have been investing in global markets for many years through all the sourcing channels previously mentioned. Knowledge is cumulative in this business. And what we learned 15 years ago is still applicable today. We have accumulated a large database of businesses and management contacts over the years—this helps us identify a good business model from a bad one, and differentiate a quality management team from a mediocre one. Along the way, we have collected many cautionary tales, involving people as well as business models. Knowing where bodies are buried, so to speak, is critical as we believe investing in non-US small caps is like walking into a landmine, so avoiding blow-ups is more important than hitting home runs.

There is no better way to know your markets than traveling to those countries, meeting with management face-to-face and kicking the tires on the ground. We spend considerable time performing in-person due diligence. In fact, we traveled to Europe in the back half of the quarter and met with more than 30 companies spanning three countries and several industries. On trips like this, we meet with businesses whose valuations have fallen but also some that are seemingly expensive. The latter is a crucial part of our process. We identify high-quality businesses in our universe and aim to connect with as many as possible—even if current valuations are unattractive. We know expensive businesses are unlikely to be immediately actionable, but we want to get to know them as well as management, develop relationships, determine the company's value and add those to our watchlist that are potentially actionable at a lower future price. The result? A large bench of high-quality businesses under our purview that we then actively monitor so that we are well-positioned for an opportunity if the company's share price falls into our actionable range.

We opportunistically seek value, so while our portfolio might appear to be comprised of ad-hoc holdings, our idea generation process is anything but—every step along the way is well choreographed. For example, trip meetings are only the tip of the iceberg. We spend an enormous amount of time preparing for management meetings before each trip as well as crystalizing our thoughts in post-meeting notes which are shared with colleagues. After a recent meeting in Oslo, Norway, the CEO stood up and could not help but remark: "This is our first meeting and you introduced yourself as a generalist, but you already knew more about us than most visiting industry specialists, and I very much appreciate that." It just so happens this name is now on our watchlist.

Last but not least, what tends to be lost in a discussion on idea sourcing is that, while it is fun to work on fresh ideas, and new idea generation is no doubt important, let's not forget the other important variable—position sizing. Once a good idea has been sourced and added to the portfolio, it makes a big difference whether it is 1% or 5% of the portfolio. Generating good ideas is not enough. Each idea must count.

Top Contributors and Detractors

Among our top contributors since inception through 30 June 2022 were Euromoney Institutional Investor (contributed 143bps) and Mitra Adiperkasa (contributed 36bps).

Euromoney is a UK-based B2B business information service provider. It sells various kinds of data-based solutions to corporate customers across many sectors. The business consists of many assets, but we regard its Fastmarkets business as Euromoney's crown jewel. Fastmarkets is a global price reporting agency (PRA) that publishes and sells pricing data, primarily through subscription, on all kinds of commodities such as iron ore, oil and gas, agriculture, forestry and metals. Its products and solutions are deeply embedded in its corporate customers' daily workflows, which makes a well-established PRA a very sticky and resilient business. As certain commodities become more widely used, PRAs develop new products that can be traded and settled on major exchanges. For example, a year ago, with dawning of the electric vehicle era, Fastmarkets partnered with the CME Group, one of the world's largest exchanges, to launch a cash-settled lithium futures contract that will be settled against its pricing mechanism.

Besides Fastmarkets, Euromoney has an asset management division that owns the well-known Institutional Investor (II) brand and runs related II-branded events. Within that division, Euromoney also owns

Ned Davis and BCA, which are primarily macro research it sells through subscription to asset managers and allocators.

Towards the end of the quarter, Euromoney received a preliminary takeover bid from a consortium of two local private equity businesses. Its share price surged. The bidders, undergoing a "put up or shut up" period per UK takeover rule, are expected to put forward a formal offer soon. There is, however, a possibility other bidders might surface. Even though we are delighted this bid has validated our thesis, we regard the latest offer price as materially undervaluing this franchise.

Mitra Adiperkasa (MAPI) is an omni-channel retailer and local operator in Indonesia for over 150 well-known international brands in food and beverage (e.g., Starbucks), fashion (e.g., Zara), and health and beauty categories, to name a few. When an international brand enters an emerging market like Indonesia, it's not uncommon to see the foreign brand owner partnering with a local operator that has larger local channel resources and intimate knowledge of the country. MAPI has proven to be a trusted local partner for many international consumer brands over the years. Its share price took a major dive as it had to shut down stores when COVID first hit as well as late last year when the omicron variant surfaced. As the country emerges from COVID, MAPI has resumed normal store operations, and its share price has recovered.

Despegar.com and Glenveagh Properties were among the biggest detractors since inception through 30 June 2022: Despegar.com (detracted 39bps) and Glenveagh (detracted 25bps).

Despegar is the largest online travel agency in Latin America. Post-omicron optimism reflected in a rising share price in the prior quarter quickly evaporated in Q2. We can only attribute Despegar's recent share price weakness to potentially some distressed sellers driven by recent market volatility. Fundamentally, as far as we can tell, its operational as well as financial metrics have all been moving in the right direction. With Despegar's cost actions in recent years as well as some astute acquisitions it did close to the trough of the COVID travel downturn, we fully expect the business to emerge from COVID as a much stronger competitor. Importantly, Despegar started to generate positive cash flow recently and continues to have a very liquid balance sheet.

Glenveagh is one of the largest home builders in Ireland. Before you potentially dismiss it as another cheap homebuilder trading at a single digit price-to-earnings, you should consider that the housing supply/demand imbalance in Ireland is one of the most extreme we have seen in developed parts of the world. After going through a period of excesses in housing in the mid-2000s and the industry's subsequent implosion during the financial crisis, Ireland's pendulum swung completely to the other direction in the past decade, which has led to extreme tightness in housing and rental supply in the country. Yet on the demand side, unbeknownst to many, Ireland has been one of the fastest growing developed countries through COVID and in recent years with a positive population trend, thanks to its favorable corporate tax regime. Many multi-national companies have a growing young employee base in the country, which bodes well for the local housing market.

At the industry level, the Irish homebuilding industry remains highly fragmented with Glenveagh, despite being one of the largest names in a relatively small country, occupying only single-digit market share. So it's competing with many mom-and-pop businesses that simply don't have the scale benefit Glenveagh enjoys in sourcing, manufacturing, staffing and in particular, dealing with local regulators and utilities for permits. Its core business is selling suburban starter homes for around $300k, which should be a relatively resilient spot in a potential housing downturn with rising interest rates. Glenveagh completed around 1,000 units last year and is aiming for 3,000 by 2025, which we believe is a realistic target.

We are not aware of any fundamental news in the quarter that we regard negatively. Glenveagh has been selling non-core assets on its balance sheet, which we view as a positive move, but some market participants, including some sell-side analysts, interpret that to mean lower growth over the next several years due to elimination of earnings contribution from those assets it sold. Let us just say this argument is beyond our fathom. Management has been using the sales proceeds as well as cash on Glenveagh's liquid balance sheet to aggressively buy back its shares. We expect Glenveagh to buy back close to one third of its total shares outstanding over a span of two years by the end of 2022. We love it, to say the least. Because we always aim for long-term value creation, we actually prefer Glenveagh's share price to remain depressed in the short term while the business continues to buy back its shares.

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.

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. Such risks include new and rapidly changing political and economic structures, which may cause instability; underdeveloped securities markets; and higher likelihood of high levels of inflation, deflation or currency devaluations. 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. Value securities may underperform other asset types during a given period.

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.

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This summary represents the views of the portfolio managers as of 30 Jun 2022. 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. These holdings comprise the following percentages of the Fund's total net assets (including all classes of shares) as of 30 Jun 2022: Euromoney Institutional Investor PLC 6.2%, Mitra Adiperkasa Tbk PT 4.0%, Despegar.com Corp 4.6%, Glenveagh Properties PLC 5.2%. 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.

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.

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Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures. **Return on Capital (ROC)** is a measure of how effectively a company uses the money (borrowed or owned) invested in its operations. **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.

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