Artisan International Value Strategy

QUARTERLY
Commentary

As of 30 June 2020

Investment Process

We seek to invest in high-quality, undervalued companies with strong balance sheets and shareholder-oriented management teams.

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.

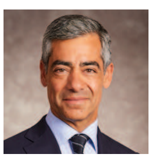
Shareholder-Oriented Management

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

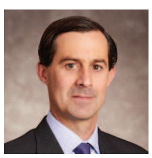
Team Overview

Our team has worked together for many years and has implemented a consistent and disciplined investment process. Our team is organized by geographic regions, but within those regions we are generalists who look across all industries. We believe this model enables our analysts to become broad thinkers and gain critical insight across all economic sectors.

Portfolio Management



N. David Samra
Portfolio Manager (Lead)



Ian P. McGonigle, CFA
Co-Portfolio Manager

Joseph Vari
Co-Portfolio Manager

Investment Results (% USD)

			Average Annual Total Returns				
As of 30 June 2020	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception[1]
Composite — Gross	**16.72**	**-14.73**	**-6.91**	**0.04**	**3.00**	**9.12**	**10.57**
Composite — Net	**16.47**	**-15.14**	**-7.78**	**-0.89**	**2.05**	**8.12**	**9.54**
MSCI EAFE Index	14.88	-11.34	-5.13	0.81	2.05	5.72	5.37
MSCI All Country World ex USA Index	16.12	-11.00	-4.80	1.13	2.26	4.97	5.91

Annual Returns (% USD) 12 months ended 30 June

	2016	2017	2018	2019	2020
Composite — Gross	**-5.86**	**23.04**	**3.95**	**3.46**	**-6.91**

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. [1]Composite inception: 1 July 2002.

Past performance does not guarantee and is not a reliable indicator of future results. Current performance may be lower or higher than the performance shown. Composite performance has been presented in both gross and net of investment management fees.

Investment Risks: Investments will rise and fall with market fluctuations and investor capital is at risk. Investors investing in strategies denominated in non-local currency should be aware of the risk of currency exchange fluctuations that may cause a loss of principal. These risks, among others, are further described near the back of this document, which should be read in conjunction with this material.

Market Discussion

Stocks and bonds recovered sharply in Q2, rebounding from a dreadful Q1 in which no one quite knew what to make of the oncoming pandemic. Global markets rose more than 19%, although they're still down 6% YTD (all returns in USD unless stated otherwise). US corporate bonds were up over 9% for the quarter and are up nearly 5% YTD. At the same time, gold continued rallying, rising almost 10% in Q2 and up more than 17% YTD, underscoring ongoing concerns about currency debasement.

Markets in parts of Europe, where the selloff was particularly harsh early in the pandemic, bounced back significantly—including Italy, Spain and Germany, the latter leading the Q2 rebound and rising 26%; yet European markets broadly are still down for the year. Japan was up 12% for the quarter. Developed market returns in dollars were better than in local currencies mainly due to a rally in the euro versus the US dollar.

Emerging markets also rallied about 18% during the quarter. Notably, the Chinese stock market is booming this year on the back of an economic recovery and due to the government's goading equity purchases. As of this writing, the Shanghai composite is up 7% YTD. Also notable is the relatively muted local return of just 10% in Russia during the quarter, though in dollars that return translates to over 18%. The ruble and the Russian economy are linked to oil prices. The ruble collapsed by over 20% in Q1, although it bounced about 10% in Q2 on the back of oil's rally.

While the world continues grappling with the pandemic, several factors have created a favorable backdrop for stocks. A bond rally combined with an OK stock market (big gains if you are a tech investor, slight losses if you are not), rising gold prices and record art auctions have helped salve the economic wounds inflicted by the pandemic. For homeowners and homebuyers, historically low interest rates have helped support prices and affordability. For consumers, a year-over-year decline in just about every commodity price—including energy, industrial metals, and agricultural grains and meats—affords better purchasing power.

Such conditions would normally set the economy up for growth. The virus, however, has hurt consumer confidence and corporate earnings, which in turn is keeping unemployment high and stalling economic growth. As discussed in our Q1 letter, economic salvation relies on scientists' and pharmaceutical companies' developing effective treatments and a vaccine. That will be the ultimate gift, reinvigorating economic conditions and company earnings on top of the already bullish backdrop. Several vaccine candidates are scheduled to enter phase III clinical trials by the end of July, so we're making progress—though considerable uncertainty remains with any drug development process. If you would like more detail on phase III clinical trials, you can Google it and enjoy an afternoon learning about drug development.

Portfolio Discussion

Almost all securities in the portfolio appreciated during the quarter with only one company, Compass Group, reporting a meaningful decline (down 12%).

Compass Group is a corporate caterer. It is a good one—the world's largest. The company is run from the UK but generates most of its earnings in the US. We have a smaller holding in another global corporate caterer in France called Sodexo. These are inherently great businesses—they generate high returns, grow over time due to increased outsourcing and generate cash. They are also, under normal conditions, only partially cyclical. Absent a pandemic, educational institutions, sports arenas, health care facilities and businesses would feed their students, sports fans, patients and employees regularly. The virus upended all this, and the stock has created a significant drag on the portfolio so far in 2020. During the quarter, Compass Group's management made the unfortunate decision to fund the company's operating needs during the downturn by raising equity. Though we disagreed with the decision, most other shareholders did not express concern—despite dilution close to 12%. We did subscribe, as the shares were offered at a meaningful discount, but the consequent dilution (increase in shares outstanding, hence lower long-term value per share) caused the share price to decline during the quarter.

On the other hand, Naver was the portfolio's best performing stock during the quarter, up over 60%. You guessed it: It is a technology company. Naver is Korea's leading technology company with a dominant share of search advertising and a strong and growing market position in e-commerce. The company is growing and has investments and operations in promising areas such as electronic payment systems, online video and Japanese Internet services. We purchased shares in Naver about two years ago when the stock was depressed due to headlines dominated by losses generated in its Japanese operations and regulatory threats to the company's dominant position. We believed the share price failed to reflect the company's strong position in growing areas of the market and the solid underlying returns from the group's core business. Now the market is focused on the latter and has all but forgotten the former, both of which remain issues.

ABB's share price had the second-largest positive impact on the portfolio in Q2. ABB is a Swiss/Swedish industrial conglomerate that we purchased in 2014. Over most of our holding period, we have worked with the board, management and other shareholders to help the company focus on its most valuable operations and reduce complexity. As part of this process, new leadership joined the company earlier this year. We are encouraged by the strategy laid out by the new CEO, Björn Rosengren. Mr. Rosengren came from Sandvik, a Swedish industrial company that successfully implemented a similar strategy, creating significant shareholder value. The stock market started realizing the potential for improving earnings and returns at ABB, pushing the share price up 25% in Q2.

Shares of Schlumberger, the world's largest oil services company, increased 34% in Q2. Oil and gas drilling activity depends on the price of oil; hence, the share prices of oil services companies tend to move in sympathy with the oil price. With no meaningful fundamental information reported during the quarter, the rise in the oil price likely drove the share-price increase.

There were no new meaningful purchases or complete sales of companies during the quarter.

Frauds and Manias

Large public company financial frauds often occur when the guard is down, and the guard has indeed been down. In recent months, alleged fraudulent behavior perpetrated outside the US has come to light. While the names may be less familiar to Americans, they're worth noting. One is Luckin Coffee—essentially a Chinese Starbucks knock-off— which is accused of fabricating financial information. The other is Germany-based Wirecard, a well-known shady operator of credit-card processing that nevertheless became a popular growth stock. Wirecard is accused of fabricating not just financials, but also bank accounts and subsidiaries—schemes reminiscent of Enron in the US almost 20 years ago. High valuations kept us away from these equities, though you did not need to look far, especially in Wirecard's case, to see significant issues. But these were growth stocks, and growth stocks are all the rage—so investors, regulators and auditors let their guards down. That's what happens in periods of mania, which is what the current love affair with growth tech stocks is starting to look like.

The Artisan Partners International Value Team operates under some strict guidelines. We are diligent about understanding the businesses we invest in and the people who run them. The companies we buy must have strong balance sheets and prices that enable us to calculate an economic return from *profits*. We spend much of our time chasing down potential risks because if we can avoid them, the price we pay for a business will be enough to provide an adequate return.

Long hours spent reading annual reports, talking to customers, interviewing executives, cajoling board members and quietly studying and reading about businesses does not rank as a fun time for most people—but we enjoy it. As we conduct research, we are brutally honest with ourselves and those with whom we interact, no matter how uncomfortable those discussions may be. We need to be this way because we are responsible for growing our clients' wealth. Our process is measured, laborious and purposeful—the exact opposite of the momentum method of chasing stocks because they are going up.

Momentum-based investing is a valid strategy. In fact, studies show it works over time. But at the end of long bull markets and during periods of excess liquidity, momentum investing changes from a strategy and begins to reflect speculation. And for some, it is much more fun. Forget the tedious hard work or selectivity based on valuations—none of that is necessary. Just look at price trends and jump on the bandwagon.

Investing has become popular again, just as it did when the Internet brokerage firms first emerged in the go-go 90s and "day-trading" tech stocks came into vogue. Currently, Robin Hood has come to characterize the frenzied crowd of speculating retail investors. What the legendary outlaw has in common with investing is a mystery to us, but that's the name of a hot Silicon Valley startup (Robinhood) that's been funding its operating losses by raising venture capital money to lure speculators with the motto, "Investing for Everyone."

It is not only happening in the US: In a recent article entitled, "Rookie investors in Russia fuel share trading boom," the *Financial Times* reports retail investor brokerage accounts are up 40% in 2020. In China, stocks rallied in early July after a government-owned media outlet encouraged people to purchase equities. At the same time, the Chinese government has lowered margin requirements (i.e., eased investors' ability to borrow money to buy stocks). The Shanghai Composite Index is up over 7% so far in 2020 amid a global recession. And our analysts focused on China consistently and justifiably grouse about ridiculously high valuations (these analysts would be thrown out of any growth stock investment organization).

And it is not only retail investors getting in on the action. The Japanese Central Bank boosted its *annual* equities purchases to $111 billion, and trading patterns indicate the bank buys on days when the index is down. Is it reasonable for a government to overtly and explicitly manage share prices? Does that not betray an utter lack of understanding of what shares legally are and what their prices should reflect over a long period of time?

Of course, asset support comes in many forms. The ECB and the Fed support the stock market indirectly by purchasing lower-risk assets, which encourages investors to sell those assets and move on to higher-yield/higher-risk investments, such as equities. Is it reasonable to manipulate or price-fix stocks and bonds?

And it is working. That is, all of this market support is encouraging risk-taking.

The world is in recession. Broadly speaking, there is little growth in corporate profits. Fixed income investments yield almost nothing. The safe trade has become investing in what is going up—growth stocks. But are they safe? Is Tesla really worth almost twice the value of Ford, General Motors and BMW combined, when it is forecast to generate less than 15% of their combined revenue? A recently listed hydrogen truck company achieved a market value of over $30 billion while it has yet to report any revenue, and its losses are significant. Speculators are pouring billions into companies that deliver food! Modern-day taxi companies such as Uber trade at multibillion-dollar valuations yet are forecast to lose money over the next couple of years. Are these the businesses of a new Gilded Age or simply growth-stock treadmills? Make that growth-stock Pelotons?

It's not hard to see what has happened. A cursory look at the data shows that growth-stock investing has outperformed value investing over the past decade—the first such 10-year win in the last 100 years. You can easily examine the returns of three or four mutual funds managed by growth stock managers and those of three or four value managers. The differences are obvious: Those of us careful about the price we pay have lagged, while momentum investors and growth investors with a vision of the future and less concern about valuation have generated much better returns. Manias can go on for a long time. The stock market is liquid, and it is driven by fear and greed. And it has been much more fun (and, recently, more profitable) to buy stocks that are going up simply because—they're going up.

We appreciate your support.

For more information: Visit www.artisanpartners.com

Investment Risks: 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. Value securities may underperform other asset types during a given period. These risks, among others, are further described in Artisan Partners Form ADV, which is available upon request.

Unless otherwise indicated, the Artisan Strategy characteristics relate to that of an investment composite or a representative account managed within a composite. It is intended to provide a general illustration of the investment strategy and considerations used by Artisan Partners in managing that strategy. Individual accounts may differ, at times significantly, from the reference data shown due to varying account restrictions, fees and expenses, and since-inception time periods, among others. Where applicable, this information is supplemental to, and not to be construed with, a current or prospective client's investment account information.

Securities referenced may not be representative of all portfolio holdings. Securities of the same issuer are aggregated to determine a holding's portfolio weight. Portfolio statistics calculations exclude outlier data and may substitute information from a related security if unavailable for a particular security. This material is as of the date indicated and is subject to change without notice. Totals may not sum due to rounding.

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.

Contribution to Return includes the securities with the highest positive and negative contribution to the portfolio's return and is calculated by multiplying a security's portfolio weight by its in-portfolio return for the period. Purchases/sales are accounted for by using end of the day prices, which may or may not reflect the actual purchase/sale price realized by the portfolio. Contribution to return is not exact, but should be considered an approximation.

Net-of-fees composite returns were calculated using the highest model investment advisory fees applicable to portfolios within the composite. Fees may be higher for certain pooled vehicles and the composite may include accounts with performance-based fees. All performance results are net of commissions and transaction costs, and have been presented gross and net of investment advisory fees. Dividend income is recorded net of foreign withholding taxes on ex-dividend date or as soon after the ex-dividend date as the information becomes available to Artisan Partners. Interest income is recorded on the accrual basis. Performance results for the Index include reinvested dividends and are presented net of foreign withholding taxes but, unlike the portfolio's returns, do not reflect the payment of sales commissions or other expenses incurred in the purchase or sale of the securities included in the indices.

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 Shanghai Stock Exchange Composite Index is a capitalization-weighted index tracking the daily performance of all A-shares and B-shares listed on the Shanghai Stock Exchange. 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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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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A R T I S A N P A R T N E R S

Artisan International Value Strategy

Quarterly Contribution to Return (% USD)

As of 30 June 2020

Top Contributors	Average Weight	Contribution to Return	Ending Weight
NAVER Corp	4.25	2.12	4.68
ABB Ltd	5.12	1.30	5.57
Schlumberger Ltd	2.69	1.11	2.41
Fresenius Medical Care AG & Co KGaA	3.82	1.08	3.84
UBS Group AG	4.03	1.05	4.13
DSV PANALPINA A/S	2.91	0.89	2.55
NXP Semiconductors NV	2.36	0.88	2.14
Samsung Electronics Co Ltd	6.85	0.87	6.64
ING Groep NV	2.47	0.75	2.65
Imperial Oil Ltd	1.72	0.70	1.71
CRH PLC	2.41	0.62	2.46
LafargeHolcim Ltd	2.49	0.62	2.50
HCL Technologies Ltd	2.32	0.57	2.35
Baidu Inc	2.98	0.55	3.13
Cie Financiere Richemont SA	3.24	0.44	3.30
RELX PLC	3.83	0.42	3.60
Bharti Infratel Ltd	1.10	0.41	1.15
Ryanair Holdings PLC	1.32	0.33	1.29
Willis Towers Watson PLC	1.69	0.31	1.63
Vivendi SA	1.53	0.31	1.60
Alibaba Group Holding Ltd	2.49	0.28	2.47
Trip.com Group Ltd	2.23	0.27	2.24

Bottom Contributors	Average Weight	Contribution to Return	Ending Weight
Compass Group PLC	4.78	-0.52	4.33
Telefonica Brasil SA	2.09	-0.14	1.91
Bankia SA	0.83	-0.09	0.80
Lloyds Banking Group PLC	1.70	-0.08	1.58
Rolls-Royce Holdings PLC	0.03	-0.04	0.00
Seven & i Holdings Co Ltd	1.24	-0.02	1.12
Sodexo SA	1.69	-0.00	1.51
Cash Holdings	3.19	0.01	5.60
Arch Capital Group Ltd	4.12	0.04	3.95
Tesco PLC	1.97	0.04	1.75
Royal Bank of Scotland Group PLC	0.64	0.04	0.63
Danone SA	1.00	0.06	0.93
John Wood Group PLC	0.16	0.07	0.06
Tenaris SA	1.21	0.09	1.08
Suncor Energy Inc	1.41	0.13	1.31
Sony Corp	1.26	0.18	0.98
CNH Industrial NV	0.78	0.18	0.71
Groupe Bruxelles Lambert SA	2.31	0.18	2.96
IMI PLC	0.77	0.20	0.64
Novartis AG	3.61	0.20	3.40
Pargesa Holding SA	0.66	0.26	0.00
Hella GmbH & Co KGaA	0.69	0.26	0.72

Source: Artisan Partners/FactSet. **Performance is historical and is not a reliable indicator of future results.** As of 30 Jun 2020. These investments made the greatest contribution to, or detracted most from, performance during the period based on a representative account within the strategy Composite. Upon request, Artisan will provide: (i) the calculation methodology and/or (ii) a list showing the contribution of each holding to overall performance during the measurement period. Securities of the same issuer are aggregated to determine the weight in the portfolio. % Contribution to Return is calculated by FactSet by multiplying a security's weight in the portfolio by its in portfolio return for the period referenced and does not take into account expenses of the portfolio. Purchases/sales are accounted for by using end of the day prices, which may or may not reflect the actual purchase/sale price realized by the portfolio.